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HEALTH CARE FOR ALL SUMMER COMMUNITY FORUMS

This summer, the Health Care for All Campaign will be holding Community Forums with local organizations across the state to present the Mathematica Study and our analysis of that study. We also hope to present the Health Care for All Campaign's "Voices of the Uninsured Report" at these forums. Dates and locations are being confirmed. If you are interested in helping with forums or want a forum in your community, please contact Katy Yanda at katy@healthactionnm.org or 505-867-1095.

HEALTH ACTION NEW MEXICO HAS MOVED TO BERNALILLO!

As we have grown in the past year, so has our need for space. As of June 1, 2007 HANM rented space with the New Mexico Conference of Churches at 336 North Camino Del Pueblo (just north of Bernalillo High School). The old adobe home has been converted into office space which houses the NM Conference of Churches, the Human Needs Coordinating Council and HANM. So, come visit us and we can show off our new pleasant surroundings. Take the train and walk to our office or we will come pick you up.

THANK YOU SENIOR CITIZEN LAW OFFICE FOR THE SPACE AND HOSPITALITY FOR ALL THOSE YEARS!

NEW address:

336 North Camino Del Pueblo

Mailing address (no change):

PO Box 40119

Albuquerque, NM 87196

NEW phone and fax number: 505-867-1095

Health Coverage for New Mexicans Committee Meetings in June

Thursday, June 21st / 9:00am–5:00pm

Room 322 State Capitol Building, Santa Fe

Topic: Presentation of final report from Mathematica Policy Research Inc. on the cost comparison study of several health care system reform models it conducted for the HCNMC

Friday, June 22nd / 8:00am–4:30pm

Room 322 State Capitol Building, Santa Fe

Topic: Committee deliberations regarding next steps/recommendations

Additionally, the **Legislative Health and Human Services Committee** will meet on

Monday, June 25th / 10:00am

State Capitol Building, Santa Fe

to hear a presentation from Mathematica Policy Research Inc.

All are important meetings, so try to attend if you can. We will post results on our web site www.healthactionnm.org as information becomes available.

HEALTH ACTION NEW MEXICO NEW BOARD MEMBERS AND OFFICERS

As of June 1, 2007, the new officers for HANM are:

Steve Moffat, President

Lydia Pendley, Secretary

Nancy Oriola, Treasurer

At large members:

Pat Bartels, **Beverly Bien**, **Dan Burke**, Ellen Costilla,

Cathy Hope, **Richard Mason**, Hanh Nguyen, **Giovanna**

Rossi, Patrick Tyrrell (past President), Mandy Pino, Ex-Officio

Welcome New Board Members! (shown in bold)

SCHIP REAUTHORIZATION: WHAT'S AT STAKE FOR NEW MEXICO?

Excerpts from Families USA report, May 2007

Jennifer Sullivan, Health Policy Analyst

In this report, Families USA estimates how much new funding New Mexico could receive for New Mexikids (New Mexico's SCHIP/Medicaid program for children) if SCHIP is reauthorized with the full \$50 billion in new federal funds. We also examine the effect this new money will have on New Mexico's economy, measured in increased business activity, jobs, and wages. We found that, for a whole host of economic reasons, fully funding SCHIP in accordance with the budget resolution will be good for New Mexico.

WHO'S COVERED IN NEW MEXICO?

New Mexico covers children with family incomes up to 235 percent of poverty (\$40,350 for a family of three in 2007), as well as some adults and parents, using federal SCHIP funds. In 2006, the SCHIP portion of New Mexikids covered 25,155 children. Still, 87,452 children remain uninsured. SCHIP reauthorization offers an opportunity to get more of these children covered. Source: Number of children in SCHIP from CMS data for federal fiscal year 2006. Number of uninsured children from a three-year merge of 2003-2005 data for children aged 0-18 from the U.S. Census Bureau's Current Population Survey.

KEY FINDINGS

In New Mexico, there are 87,452 uninsured children, and approximately two-thirds of them are currently eligible for New Mexikids. The SCHIP reauthorization process presents an opportunity to substantially increase the federal funding that goes to New Mexico. With \$50 billion in additional federal funding for SCHIP and Medicaid, SCHIP reauthorization could bring New Mexico approximately \$622.4 million in new federal funding for children's health coverage over the next five years. This would result in the state getting three times the amount it would have otherwise gotten for SCHIP. In addition to increasing the number of children in New Mexico who would gain coverage, this new federal funding will have measurable, positive effects on New

Mexico's economy. Over the next five years, \$622.4 million in new federal funding will create: \$246.9 million in increased business activity, \$93.3 million in increased wages, and 3,148 additional jobs for New Mexico.

DISCUSSION

New Mexico received \$52 million in federal support for the SCHIP portion of New Mexikids in 2007. Based on data from the Centers for Medicare and Medicaid Services (CMS) and the current SCHIP distribution formula, Families USA estimated how much federal funding New Mexico will receive if SCHIP is reauthorized with \$50 billion in new federal funding over the next five years. New Mexico could receive approximately \$622.4 million in added federal support for New Mexikids during the next five years (or \$124.5 million in added federal support per year, on average). This would result in the state getting three times the amount it would have gotten if SCHIP were funded at the 2007 level.

PROGRAMS THAT KEEP ON GIVING

State funds that are spent on Medicaid and SCHIP are matched by the federal government at a rate that varies by state. The federal government gives New Mexico \$4.09 for each dollar the state spends on the SCHIP portion of New Mexikids and \$2.56 for each state dollar it spends on the Medicaid portion of New Mexikids. Because SCHIP is a block grant, each state receives a certain amount of federal funding to pay for the program each year, but it is up to the state to spend the money to draw down those federal dollars. Because of their financing structures, SCHIP and Medicaid introduce new money into the state's economy, which has a positive and measurable impact on state business activity, available jobs, and overall state income. SCHIP and Medicaid payments to hospitals and other health-related businesses have a direct impact on the state's economy. These dollars then trigger successive rounds of earnings and purchases as they continue to circulate through the state's economy. For example, health care employees spend part of their salaries on new cars, which adds to the income of employees of auto dealerships, enabling them to buy washing machines, which enables appliance store employees to spend additional money on gro-

eries, and so on. This ripple effect of spending is called the “economic multiplier effect.” This is why New Mexico will reap so many economic benefits from additional SCHIP and Medicaid spending, above and beyond expanded coverage for children. If SCHIP is reauthorized with the full \$50 billion in additional five-year funding promised in the budget resolution, the \$622.4 million in additional federal dollars injected in New Mexico’s economy will generate: \$246.9 million in new business activity (output of goods and services), \$93.3 million in new wages, and 3,148 new jobs.

A KEY ISSUE THAT IS LIKELY TO BE DEBATED

Some in Congress and the Administration would like to roll back SCHIP, limiting it to children whose family incomes are below twice the poverty level. The cost of living varies considerably across the country, and state officials often find it helpful to have the ability to set eligibility for SCHIP at the level that makes sense for their state. In New Mexico, limiting eligibility to children whose family incomes are below twice the poverty level would jeopardize the coverage of 17,968 children and 2,756 parents. The outcome of the debate in Congress could have a profound impact on New Mexico’s ability to retain coverage for children and parents, who would be at risk of joining the ranks of the uninsured. In addition, offering SCHIP coverage to parents has proven to be a particularly effective strategy because it results in coverage for entire families who are otherwise hard to reach, and whose children might otherwise remain uninsured.

CONCLUSION

New Mexico will have a much greater ability to provide health coverage to its uninsured children if Congress provides \$50 billion in additional funding for SCHIP and Medicaid over the next five years, as made possible by the recently passed budget resolution. State leaders have demonstrated a strong desire to expand coverage to more uninsured children, but without federal support, they cannot even continue to cover the children who are already enrolled in SCHIP, much less cover more uninsured children. The SCHIP reauthorization process is an opportunity to invest new federal funding in programs that have proven to be successful at providing affordable health care to otherwise uninsured children. This additional federal funding will also create several added bonuses for the state’s economy. Thus, New Mexico has a huge stake in securing the \$50 billion in new federal funds that Congress has set aside.

