



DAILY NEWS

New Mexico, In 'Seismic Shift,' Shifts To State Exchange For 2021 Plan Year

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The board of New Mexico's health insurance exchange, bewellNM, voted unanimously Friday (Sept. 21) to transition from using the federal exchange platform to becoming a fully state-run exchange with a goal of having the new technology up and running for the 2021 plan year. The decision, which exchange director Cheryl Smith Gardner hailed as a “seismic shift,” marks second time in recent months that a state has opted to pull back from the federal technology that many officials say has become far too costly even as they've struggled to get needed consumer data from CMS.

Nevada's board in August formally approved a plan to transition to a fully run state-based marketplace. The board hired Get Insured to design and administer the product and intends to have the platform ready by next fall ahead of the 2020 plan year.

Nevada, New Mexico and three other states -- Oregon, Kentucky and Arkansas -- all have state-based exchanges yet lease the technology from the government.

Joel Ario of Manatt Health recently suggested that those five states would be the most likely to move to a full state-based marketplace in the near future. “New Mexico joins Nevada in giving all states a heads up that they may be able to both save money and enhance state flexibility on policy issues by moving from the federal platform to a state-based marketplace,” Ario said in response to New Mexico's vote.

Gardner called the decision a “seismic” shift for the state.

“We have used the federal technology for a number of years now and when we were paying little to nothing for it, it was a reasonable decision. However, it has now become unreasonable for us to continue using that technology considering the increasing cost and the decrease in services. We just can get a better bang for our buck by doing this ourselves,” she said in a release.

The state initially paid about \$5.4 million to use *healthcare.gov*, which grew more than \$10 million and is expected to increase exponentially in the future. CMS has first charged states only 2 percent of premiums for the platform, but increased it to 3 percent last year.

Gardner said the state is likely to save over \$8 million in 2025 by switching to its own technology.

The business case taking action is overwhelming, Gardner told *Inside Health Policy*. The state is essentially paying millions a year to use a system that doesn't provide needed flexibility. The policy-based case to transition is also strong, she added. Specifically, CMS holds the data the state needs in order to do the most effective marketing and outreach, which the state funds, and it has been difficult to get that information.

Board member Martin Hickey said the data is a key reason to make the move. “We have never gotten anything from the Center for Medicare and Medicaid Services (CMS) of any value, particularly of clinical value on where to put our priorities to understand our members, understand their issues,

prioritize them and set up programs both within the carriers and through the exchange,” he said.

“Today’s vote to move to a state-based exchange is an important move for New Mexico,” added board member David Shaw. “This will enable us to better serve the residents in New Mexico and allow us to collect data that’s necessary to better care for our patients and make sure that we are providing the right services that they need.”

Additionally, New Mexico will elect a new governor in November, and so the exchange would like to be flexible enough to implement any policy decisions that may come from a new administration, Gardner said. -- *Amy Lotven* (alotven@jwpenws.com)

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