



Office of the Governor

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**Gov. establishes Health Care Affordability Fund,
eliminate copays for behavioral health services**

*Fund reduces the cost of health insurance,
medical expenses for working families*

SANTA FE – Gov. Michelle Lujan Grisham on Thursday signed into law Senate Bill 317, establishing the Health Care Affordability Fund, which is dedicated to reducing the cost of health insurance and medical expenses for working families. The bill also prohibits copays and other cost sharing for people with insurance who seek behavioral health services.

“The pandemic has highlighted the devastating economic impact of out-of-pocket medical bills that can lead to medical debt, bankruptcy and poor credit for the uninsured. This legislation is an important first step in helping 23,000 uninsured New Mexicans gain access to affordable health insurance,” said Gov. Lujan Grisham. “We can make a real, meaningful difference by reducing the costs for those with insurance who seek help by eliminating the copays for behavioral health services – and I’m so proud and grateful to sign this priority measure.”

Senate Bill 317, sponsored by Sen. Martin Hickey and Sen. Jeff Steinborn, adds new sections to the Health Care Purchasing Act and to the Insurance Code to prohibit the imposition of cost-sharing by health insurers on behavioral health services covered by an individual or group health insurance policy, health care plan, or certificate of health insurance.

Rep. Deborah Armstrong amended Senate Bill 317 to include the Health Care Affordability Fund. The Health Care Affordability Fund will be financed by replacing a recently phased-out federal fee on insurance companies with a state version by updating New Mexico’s existing surtax on insurance companies from 1 percent to 3.75 percent.

The fund will generate about \$165 million in new revenue annually. These are fees that insurance companies paid the federal government for many years.

Collecting this revenue at the state level gives New Mexico the opportunity to invest in healthcare affordability initiatives, such as reducing premiums and out-of-pocket costs for lower- and middle-income New Mexicans who purchase coverage on New Mexico's Health Insurance Exchange, small businesses who are struggling with health care costs, and uninsured New Mexicans who don't qualify for federal assistance on the Exchange.

According to findings from the Urban Institute, up to 23,000 uninsured New Mexicans could gain affordable health coverage if New Mexico invests in reducing premiums and out-of-pocket costs in the Health Insurance Exchange. Those same investments in reducing premiums and out-of-pocket costs could also help improve affordability for an additional 71,000 additional New Mexicans already purchasing health coverage in the individual market. Small businesses and their workers will benefit from the Exchange program and the small business premium reduction program. Increased uptake of health insurance is associated with better access to care, a healthier and more economically secure workforce, and improved health outcomes.

"With this bill's signage into law, more than 23,000 uninsured New Mexicans will now gain access to the affordable health care that we all deserve, and thousands of those already insured will see their premiums and deductibles go down," Rep. Debbie Armstrong. "By closing the coverage gap of those who don't qualify for Medicaid but can't afford private insurance, tens of thousands of New Mexicans will no longer have to choose between seeing a doctor and putting food on the table. Not only is providing quality health care to all New Mexicans the right thing to do, but it decreases costs for everyone, improves public health, and strengthens all of our communities."

"Mental health issues and substance use disorders plague our state," said Sen. Martin Hickey. "With this law in place, financial barriers will no longer get in the way of treatment, giving more people access to the care they need. This is a big deal for patients, and will ultimately lower the costs of healthcare and incentivize the expansion of services as patients seek out and remain in therapy without those financial barriers in place."

"With the passage of this law I'm excited to see New Mexicans get increased access to affordable health care," said Sen. Jeff Steinborn. "Given the challenges that we have faced during this pandemic it's never been more important to focus on our mental and physical health. This new law will remove expensive cost barriers to New Mexicans obtaining professional mental health care and medications that improve their life."

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