

# Ten Reasons Why Business Should Support The Health Security Act

10. HSA will reduce liability insurance & workers compensation costs.
9. HSA will eliminate the cost and headaches of running a health benefits bureaucracy, annual negotiations with insurance companies, etc.
8. HSA will eliminate complaints by employees over rising premiums and co-pays and conflicts with labor unions over benefit cuts, givebacks, etc.
7. HSA will reduce the incentive to hire part time workers and enable the business to attract better employees.
6. HSA will curb health-related bankruptcies, reduce health spending by low-income workers, and free up money for consumer spending.
5. HSA will reduce the cost of providing health benefits for those now providing coverage.
4. HSA will eliminate retiree benefit costs for those with obligations to provide coverage.
3. HSA will eliminate unfair competition from employers who don't provide insurance.
2. HSA will reduce absenteeism and produce a healthier, more productive work force.

## And the #1 reason for The Health Security Act from a business perspective is...

1. HSA will allow health care costs to be controlled and predictable, eliminating a major source of business uncertainty and a barrier to planning.

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# The New Mexico Health Security Act

- This legislation has evolved over many years – becoming stronger with **input** from organizations and various interests around the state.
- It is a **New Mexico solution to our health care crisis.**

## **The Health Security Act:**

- **Does not require new taxes.**
  - The Health Security Plan is paid for by combining **existing public dollars** spent on health care (Medicaid, Medicare) **with premiums based on income and employer contributions (with caps).**
  - Counties decide how their indigent funds could be used under this system.
- **Maintains the private delivery system.**
- **Creates an independent non-governmental commission** to administer the Health Security Plan. This Commission is **geographically representative** and **publicly accountable.**
- **Sets up our own New Mexico health insurance plan** that is based on the old-fashioned concept of insurance, where approximately **1.6 million** young, old, healthy and the not-so-healthy New Mexicans **share the risk\***.
- **Exclusions:** military personnel, and federal retirees maintain their own plans. Tribes and plans covered under ERISA have the option to join.
- **Requires a go-slow approach** to develop and implement the Health Security Plan.
  - Year 1: **analysis of the cost-with public input.** If the financial costs are too much and not approved by the Legislature, the Health Security Plan **will not go into effect.**
  - Years 2 & 3: If the numbers look good, it is estimated that working out the details of the Health Security Plan **with public input** from around the state will take **two more years** with the ability to extend the time to proceed or to put on the brakes should this phase prove to be not workable.

## **The Plan Guarantees:**

- Health care coverage for all New Mexicans, **regardless of age, income, employment, or health status.**
- Freedom of **choice of doctor** and hospital within the state and across state lines.
- Comprehensive benefits, **no less than those offered to state employees.**
- **Protection for retirees** so they will not lose what they already have.

\* According to numerous state studies, including one completed for New Mexico, pooling state residents will result in a reduction of health expenditures of billions of dollars. This includes the Mathematica Study just released in June of 2007.

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