

## **Bernalillo County Health Safety Net Campaign - ¡Juntos para la Salud! Frequently Asked Questions (FAQs)**

### **What is the structure of the Bernalillo County Health Safety Net?**

The major safety net provider of health services in our county is UNM Hospital, which provides primary and specialty care, behavioral health, and hospital based services. UNM contracts with the federally qualified health centers in our county, First Choice, First Nations, and Albuquerque Healthcare for the Homeless, to extend their service capacity. The New Mexico Department of Health public health offices and school based health centers also offer some health safety net services.

### **What funding streams support indigent care?**

Multiple public money sources fund indigent care at UNM Hospital. Bernalillo County voters support a tax (the mill levy) that goes to UNM Hospital to provide a health care safety net for indigent county residents. Today, the mill levy amounts to approximately \$90 million/year. UNM Hospital also receives federal and state Medicaid disproportionate share hospital (DSH) payments to help cover the cost of uncompensated care for low-income uninsured patients. UNMH receives approximately 76% of the available DSH funds in New Mexico – over \$22 million/year in FY2012. Our federally qualified health centers receive federal funds, and public health offices and school based health centers receive federal and state funds.

### **What is UNM's current indigent care program? How many county residents does it serve?**

UNM Care is a health care assistance program that currently serves approximately 27,000 very low-income Bernalillo County residents who meet income, residency, and immigration status requirements. The program covers doctor visits, prescriptions, emergency and urgent care, behavioral health care, surgeries and more. UNM Hospital has other limited financial assistance programs, such as for emergency services, and often sets up payment plans for patients.

### **What is UNM's plan for their indigent care funds in 2014?**

UNM estimates that 75% of current UNM Care enrollees will become eligible for Medicaid on January 1, 2014. The remaining 25% will be eligible for the new Exchange/Marketplace where they will receive federal financial help to buy health insurance. The Exchange offers a choice of bronze, silver, gold and platinum plans. Bronze plans have the least expensive monthly premiums but the highest out-of-pocket costs (e.g. copays, deductibles and coinsurance). Silver plans have higher premiums but provide the best federal financial help with out-of-pocket costs. UNM Care will become a *supplemental* assistance plan to reduce these out-of-pocket costs even further, but only for people who have paid for Silver plans.

### **How are decisions being made about the new design for UNM Care and the indigent care program?**

The decision to transform UNM Care to a supplemental assistance plan for insured patients was an internal decision by UNM Hospital administrators. No regular, accessible public planning process exists to design, evaluate and improve our health care safety net so that it serves the needs of Bernalillo County residents.

### **Who is left out of UNM's 2014 plan for indigent care funds?**

We estimate that *tens of thousands* of Bernalillo County residents will suffer in the absence of a health care safety net at UNM Hospital. Residents left out of UNM's 2014 plan include those who cannot afford their employer plan or a Silver level of coverage on the Exchange. Federal financial help to buy insurance will be insufficient for many individuals - particularly people with incomes between 138%-200% of the poverty level

as well as lawfully residing immigrants under 138% of the poverty level (who are restricted from Medicaid but are eligible for the Exchange). In addition, many people will be unaware of their options and will not sign up during the limited enrollment period. Finally, thousands of people are not required to get health insurance under the Affordable Care Act (ACA) including Native Americans, undocumented immigrants, people who have a coverage gap of less than 3 months, people with “hardships” or whose insurance payments take up a very high percentage of their income, and people with certain religious exemptions. *These county residents will incur medical debt from their necessary health care services and are at high risk of being sent to collections.*

### **What is the impact of medical debt and sending indigent patients to collections?**

Having medical debt makes people sicker, according to scientific studies. The use of collections agencies to obtain payment for medical bills leads patients to experience higher levels of stress, anxiety, feelings of hopelessness, reluctance to seek further medical care, and greater difficulty being self-sufficient. Estimates say that over 50% of all personal bankruptcies are the result of medical debt.

### **Which UNM patients are sent to collections?**

UNM Hospital sends between 12%-14% of **all** patient accounts to collections, while it sends 90% of **all uninsured, self-pay** patients to collections. The most vulnerable of UNM Hospital patients are the most greatly impacted by this practice. While such a large percentage of patients are sent to collections, UNM Hospital only obtains payment on 3-5% of collections debt.

### **What do other communities do regarding indigent care?**

UNM Hospital is out of sync with the practices of other health systems nationally and within the state. The Hospital currently has an overly restrictive financial assistance policy that leaves out many indigent residents, such as workers with unaffordable employer plans, lawfully residing immigrant youth, and other immigrants who have visas.

- Many states, counties, and public hospitals continue to provide financial assistance to all income-eligible residents seeking health care, including public hospitals in California, Texas, and New York - states with high immigrant populations.
- UNM Hospital is in the *minority* in New Mexico by using more restrictive eligibility policies than other counties sampled in the state. At least 1/3 of all New Mexico counties provide indigent care based solely on income and residency status. As many as 19 New Mexico counties provide care regardless of immigration status, according to a 2004 report by the New Mexico Health Policy Commission. Those include 4 out of 6 counties immediately surrounding Bernalillo as well as Doña Ana, the county with the second largest population in New Mexico.

Policymakers in other counties and states are still determining how to structure their indigent plans to best meet local health needs after the ACA begins in 2014. National experts recommend that local safety net programs should remain in place for at least one year to allow for more time to understand the real impact of the ACA on coverage levels and health status.