

Majority of N.M. Better Off Under ObamaCare

Controversy continues to swirl around “ObamaCare” – as the Affordable Care Act passed in 2010 is called. As the November 2012 election approaches – with Democrats committed to preserving health reform and Republicans calling for repeal – public opinion polls show that Americans remain divided about the law overall. Yet, ironically, almost all particular parts of health reform are popular with large majorities of people. Americans especially applaud steps to prevent insurance company abuses and expand affordable health coverage to most families and businesses.

New Mexico has a lot of people who live in poverty and an unusually high number of people who lack health insurance. That means New Mexico will gain more than most states from the full implementation of reform. But there will also be special challenges in diverse communities and rural areas.

On the upside, the nonprofit group Families USA estimates that by 2019 more than three-quarters of a million New Mexico households will be better off by an average of \$1,756 a year because of the key reforms:

- ◆ Insurance policyholders benefit from rules that require free preventive-care checkups, allow young adults to stay on parental health plans and prevent insurance companies from dumping people who are sick.
- ◆ 80 percent of insurance premiums must now be spent on actual health care, not CEO salaries or bureaucracy. Refunds started going out to businesses and some individual policyholders this past summer.
- ◆ About 300,000 New Mexico senior citizens are already benefitting from more generous prescription drug coverage and free health checkups for all seniors. By 2020, the “donut hole” in Medicare drug coverage will be entirely closed.
- ◆ More than 325,000 uninsured New Mexico families with low or modest incomes will get new coverage through Medicaid or by using tax credits to purchase private health plans of their choice.
- ◆ So far, dozens of community health centers in New Mexico have received grants totaling more than \$40 million to improve their facilities and ability to serve patients in underserved or remote areas.
- ◆ New Mexico has received \$35 million in federal grants so far to plan for new “health insurance exchanges” to let businesses and people easily comparison-shop for health coverage.

Including other benefits, New Mexico has already received more than \$120 million as a result of ObamaCare. But New Mexico also faces important challenges. The state health exchange must be designed by early 2013, or the federal government will step in – and New Mexico’s state government is moving slowly. Reformers hope that nonprofit cooperatives can play a strong role. When new health coverage is available, word must get out to the approximately one in every five New Mexicans who is

now uninsured.

A lot of the controversy about the “individual mandate” is misplaced. Once reform goes fully into effect, about two Americans out of every 100 may still not buy health insurance through work, Medicaid or Medicare, or by using new tax credits. This tiny sliver will be subject to a small tax fine, so uninsured people cannot just go to the emergency room and shift the cost onto the rest of us. Opponents of reform are trying to make voters believe that most people will be subject to higher taxes for ObamaCare. That is simply not true. The vast majority of New Mexicans will save money or gain benefits – and families earning less than \$50,000 a year will gain the most, to the tune of \$2,000 to \$3,000 a year.

Political battles will go on for a while, but ObamaCare is likely to survive and people will rely on the benefits of reform. U.S. health care will be better for everyone – and we will look back and wonder what all the fuss was about.

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