

**HEALTH CARE
in NEW MEXICO**

ACCESS, FINANCING, DELIVERY AND OUTCOMES

**NEW MEXICO HEALTH POLICY COMMISSION
1999 Edition**

***Quick
Facts***

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STATE PROFILE

	New Mexico	United States
1997 Population ¹	1,827,000	269,094,000
Area (square miles) ²	121,598	3,717,796
Persons per square mile (1997) ³	14.3 (rank 43rd)	75.7
Total Personal State Income (in thousands of dollars, 1997) ³	\$33,296,611 (rank 37th)	\$6,770,709,000
Personal Income per Capita (1997) ³	\$19,249 (rank 48th)	\$25,298
Average Annual Pay (1996) ⁴	\$23,716 (rank 40th)	\$28,945
Poverty Rate: ⁴		
All Persons (1995)	25.3% (rank 1st)	13.8%
Children (1995)	34.9% (rank 2nd)	19.0%
Labor Force Employment (in thousands, 1997) ³	769.2	129,558
Unemployment Rate (1997) ³	6.2%	4.9%

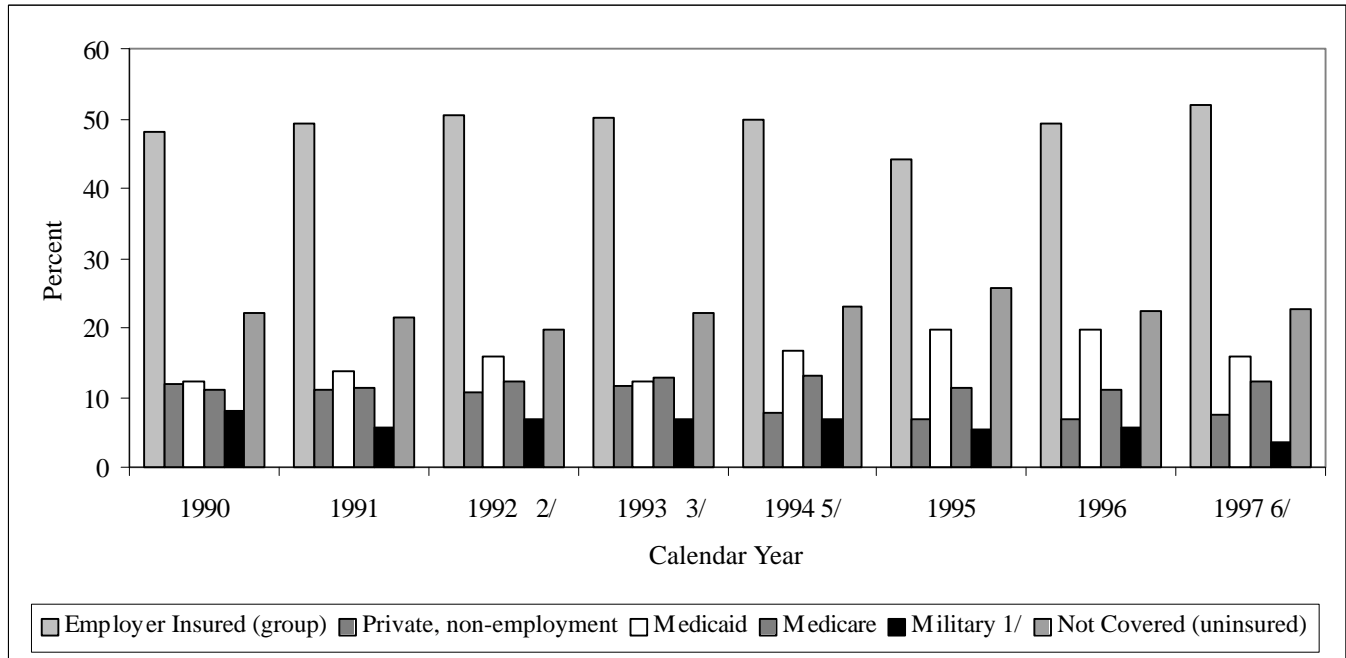
- New Mexico is one of the nation's poorest states and ranked 48th in amount of personal income per capita for 1997 and first and second, respectively, in percentage of adults and children (1995 data) below the federal poverty level.
- The unemployment rate for 1997 was 6.2%, higher than the national figure of 4.9% for that period. As of October 1998, the New Mexico unemployment rate (6.5%) was the third highest in the nation. ⁵
- The major sources of job growth for 1997 were the wholesale and retail trade sectors and the services sectors, which together accounted for about two-thirds of all new jobs. ⁵
- The largest percentages of nonagricultural New Mexican workers (726,200 as of September 1998) were employed in the services sector (202,400 or 28%); federal, state, and local government (178,500 or 25%); and the retail trade sector (145,100 or 20%). ⁵

- The 1997 Census Bureau's Current Population Survey (CPS)* estimate of New Mexico's uninsured was 22.6% (413,000 New Mexicans), up slightly from 1996. This compares with a 1997 uninsured rate for the United States of 16.1%.
- The percentage of all New Mexico workers and family members with employment based coverage was 51.8%, while private, non-employment based coverage was 7.5%. Combined private sector health insurance coverage increased 3.2 percentage points from a 1996 figure of 56.1%.
- The percentage of New Mexicans receiving Medicaid and Medicare in 1997 was 15.8% and 12.2% respectively. Medicaid coverage decreased 3.9 percentage points from a 1996 figure of 19.7%. Medicare coverage increased slightly from a 1996 figure of 11.1%.
- Non-elderly adults ages 19-64 had a 1997 uninsured rate of 28% (about 295,000 New Mexicans), which compares with a national rate of 19.6%.
- New Mexico children under 18 had an uninsured rate of 20.1% (about 118,000 New Mexicans), up from a 1996 rate of 17.5%. The national percentage of uninsured children is 15%.
- Approximately 55.6% of non-elderly New Mexico adults had employment based health insurance, while 7% had private, non-employment based coverage. Those covered by Medicaid and Medicare were about 8% and 3% of all non-elderly adults, respectively. Medicaid coverage of non-elderly adults decreased 3.3 percentage points from 1996.
- Medicaid coverage for New Mexico children was 29.9%, down from a 1996 rate of 33.4%. Approximately 1.6% of children received Medicare.
- Prior to 1998 those Native Americans with no coverage other than through the Indian Health Service (IHS) were considered insured by the CPS. However, those with coverage through the IHS alone are now considered uninsured. In the 1993 Robert Wood Johnson Foundation Family Survey, about 17.1% of uninsured New Mexicans (or 4.2% of all New Mexicans) reported the IHS as their source of health care coverage.

* Note: The small CPS sample size for New Mexico may result in artificially large fluctuations in the percentages.

HEALTH INSURANCE COVERAGE IN NEW MEXICO: 1990 to 1997 ¹

(Unless otherwise noted, all numbers are percentages of the total New Mexico population)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
Not Covered (uninsured %)	22.2	21.5	19.8	22.0	23.1	25.6	22.3	22.6
(Standard error of the estimate) %	1.5	1.5	1.4	1.4	1.4	1.4	1.5	0.9
Not Covered (# of uninsured)	339,000	335,000	320,000	357,000	389,000	463,000	412,000	413,000
(Standard error of the estimate)	N/A	N/A	N/A	N/A	28,000	30,000	32,000	19,000
Total Covered %	77.8	78.5	80.2	78.0	76.9	74.4	77.7	77.4

% Employer Insured (group)	48.2	49.4	50.3	50.2	49.9	44.3	49.3	51.8
% Private, non-employment	11.8	11.0	10.8	11.6	7.8	7.0	6.8	7.5
% Medicaid	12.1	13.7	15.9	12.2	16.7	19.6	19.7	15.8
% Medicare	11.0	11.4	12.3	12.8	13.1	11.3	11.1	12.2
% Military 1/	8.2	5.8	6.8	6.8	6.8	5.3	5.7	3.5

Population Estimates 4/	1,524,000	1,556,000	1,612,000	1,625,000	1,687,000	1,807,000	1,847,000	1,827,000
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Source: Table HI-4, Income Statistics Branch/HHES Div., US Bureau of the Census

1/ Military health care also includes VA and Champlus

2/ Implementation of 1990 census population controls.

3/ Data collection method changed from paper and pencil to computer-assisted interviewing.

4/ Numbers are based on the Current Population Survey of approximately 867 New Mexico households. These estimates are dependent on weighting and the lower population estimate for 1997 is due to an adjustment to that weighting system that resulted

in artificially high estimates in 1996. The state population is not decreasing.

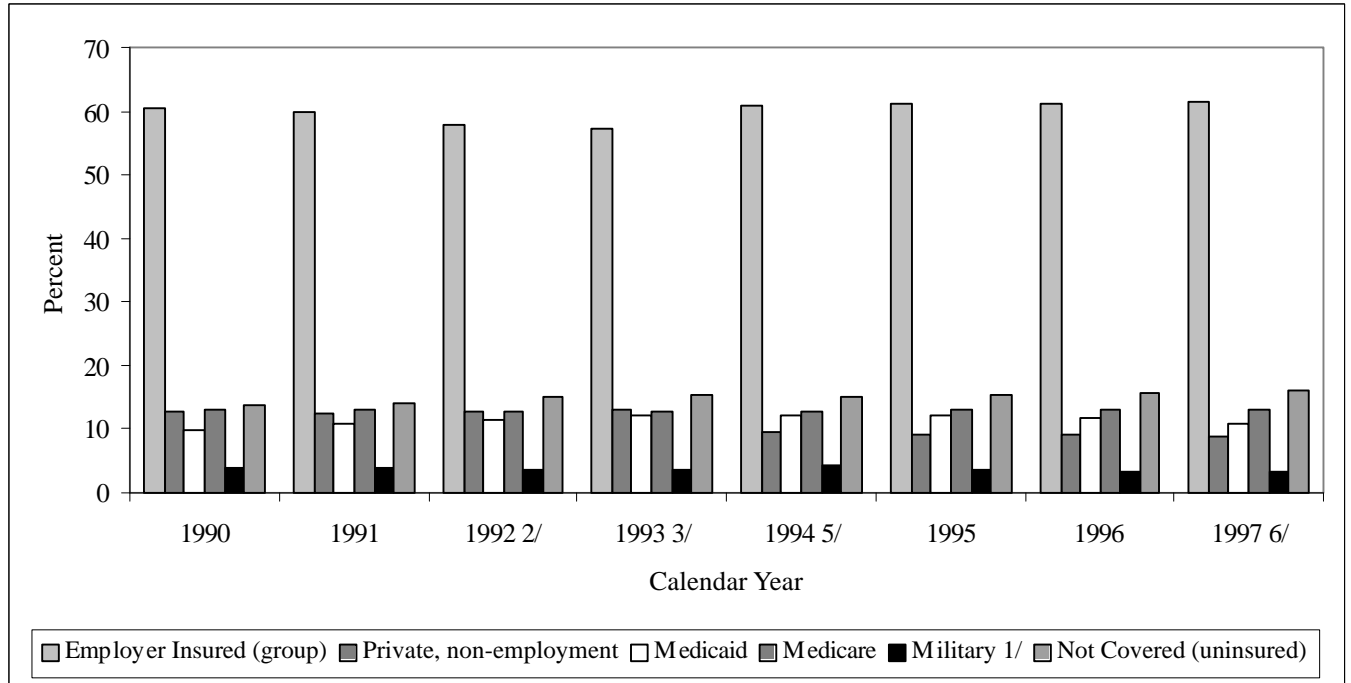
5/ Health insurance questions were redesigned, decreases in estimates of group coverage and military care coverage may be partially due to questionnaire changes. Overall estimates were not affected. (Note: Total covered is not the sum of Employer Insured, Medicaid, Medicare, and Military due to Statistical variability and overlapping coverage.)

6/ Beginning with the MAR 1998 CPS, people with no coverage other than access to Indian Health Service are no longer considered covered by health insurance; instead, they are considered to be uninsured. The effect of this change on the overall estimates of health insurance coverage is negligible; however, the decrease in the number of people covered by Medicaid may be partially due to this change.

7/ Data not available for 1990 through 1993.

HEALTH INSURANCE COVERAGE NATIONALLY: 1990 to 1997 ¹

(Unless otherwise noted, all numbers are percentages of the total United States population)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
Not Covered (uninsured %)	13.9	14.1	15.0	15.3	15.2	15.4	15.6	16.1
(Standard error of the estimate) %	N/A	N/A	N/A	N/A	N/A	N/A	0.2	0.1
Not Covered (# of uninsured)	34,719,000	35,445,000	38,641,000	39,713,000	39,718,000	40,582,000	41,716,000	43,448,000
(Standard error of the estimate)	N/A	N/A	N/A	N/A	N/A	N/A	473,000	276,000
Total Covered %	86.1	85.9	85.0	84.7	84.8	84.6	84.4	83.9

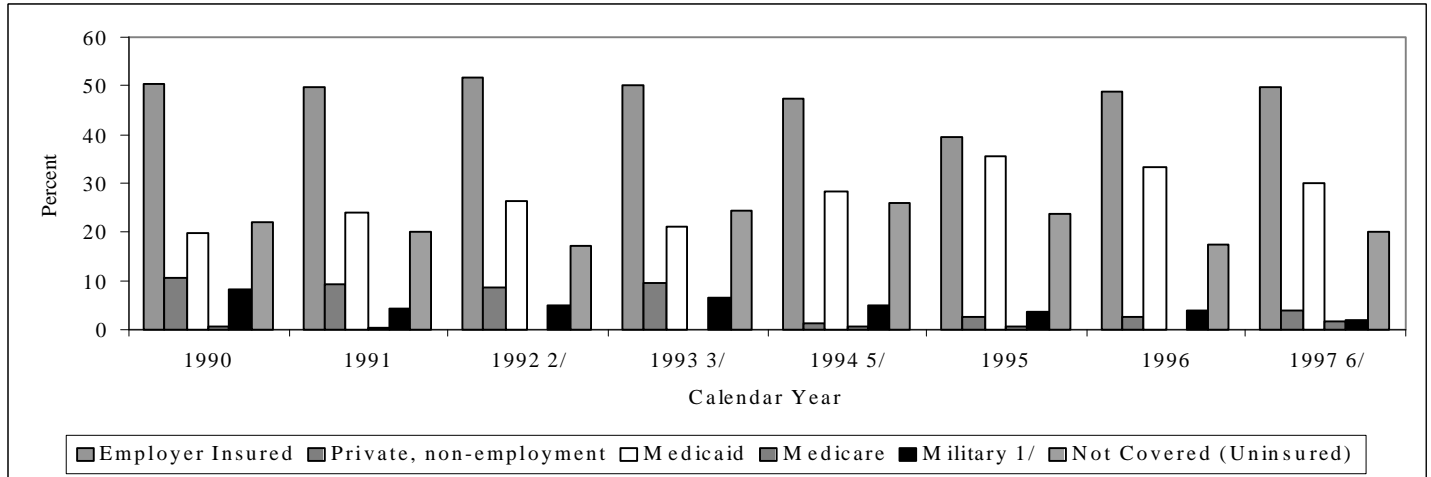
% Employer Insured (group)	60.4	59.7	57.9	57.1	60.9	61.1	61.2	61.4
% Private, non-employment	12.8	12.4	12.8	13.1	9.4	9.2	9.0	8.7
% Medicaid	9.7	10.7	11.5	12.2	12.1	12.1	11.8	10.8
% Medicare	13.0	13.1	12.9	12.7	12.9	13.1	13.2	13.2
% Military 1/	4.0	3.9	3.7	3.7	4.3	3.5	3.3	3.2

Population Estimates	248,886,000	251,447,000	256,830,000	259,753,000	262,105,000	264,314,000	266,792,000	269,094,000
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(Note: Numbered notes on pages 4,5, and 6 are the same as in the table on page 3.)

HEALTH INSURANCE COVERAGE IN NEW MEXICO FOR CHILDREN (under 18): 1990 to 1997 ¹

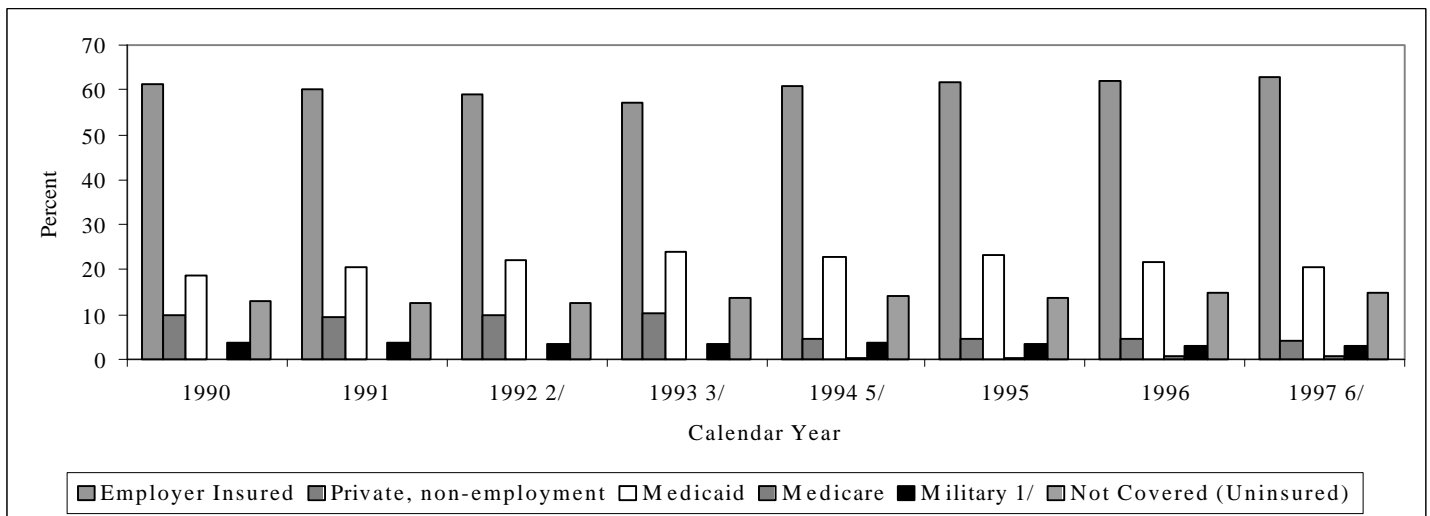
(Unless otherwise noted, all numbers are percentages of all New Mexico children under 18)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
% Employer Insured	50.5	49.8	51.9	50.0	47.4	39.4	48.9	49.9
% Private, non-employment	10.6	9.3	8.7	9.4	1.2	2.6	2.5	4.0
% Medicaid	19.7	24.1	26.4	21.0	28.3	35.7	33.4	29.9
% Medicare	0.5	0.2	-	-	0.8	0.5	0.1	1.6
% Military 1/	8.3	4.4	5.0	6.5	4.9	3.5	4.1	1.9
% Not Covered (Uninsured)	22.0	20.0	17.3	24.4	26.1	23.6	17.5	20.1

HEALTH INSURANCE COVERAGE NATIONALLY FOR CHILDREN (under 18): 1990 to 1997 ¹

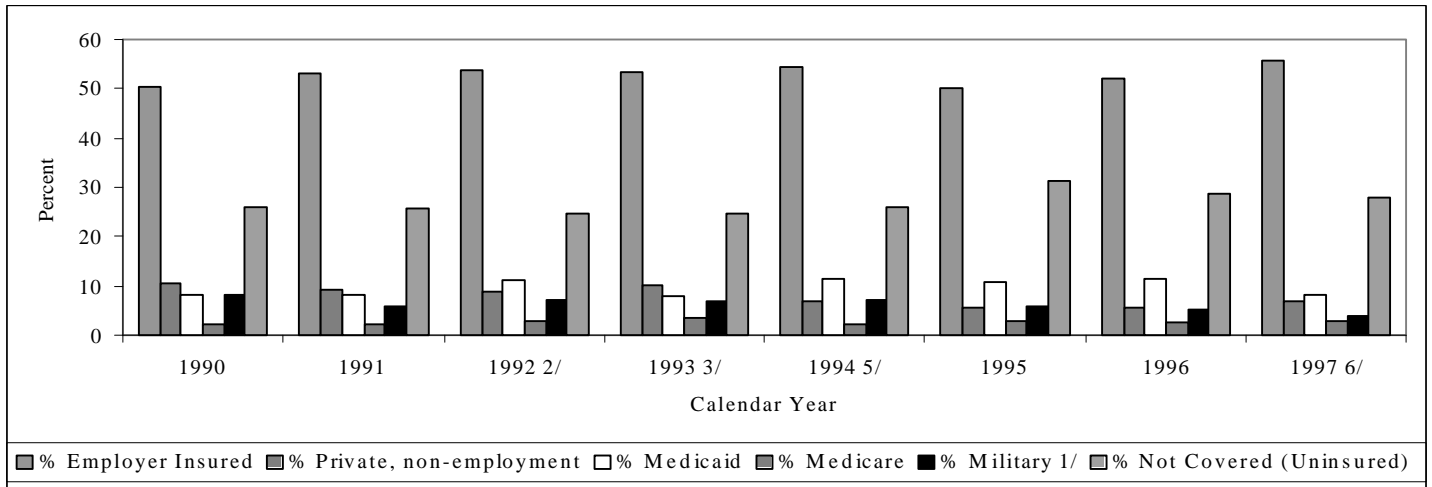
(Unless otherwise noted, all numbers are percentages of all United States children under 18)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
% Employer Insured	61.2	60.0	58.8	57.0	60.9	61.6	61.9	62.6
% Private, non-employment	9.9	9.7	9.9	10.4	4.7	4.5	4.4	4.3
% Medicaid	18.5	20.4	22.0	23.9	22.9	23.2	21.8	20.5
% Medicare	0.1	0.1	0.1	0.1	0.3	0.5	0.7	0.6
% Military 1/	3.7	3.7	3.5	3.3	3.8	3.3	3.2	3.0
% Not Covered (Uninsured)	13.0	12.7	12.7	13.7	14.2	13.8	14.8	15.0

HEALTH INSURANCE COVERAGE IN NEW MEXICO FOR ADULTS (19 - 64): 1990 TO 1997 ¹

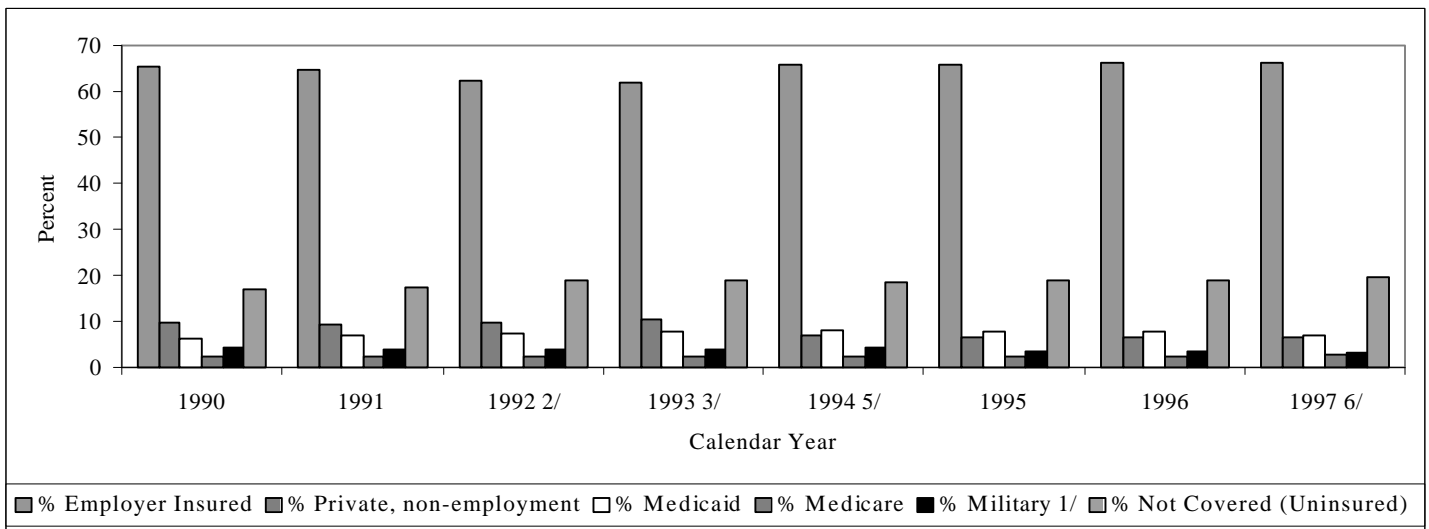
(Unless otherwise noted, all numbers are percentages of all New Mexico adults ages 19-64)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
% Employer Insured	50.6	53.1	53.6	53.4	54.3	50.0	52.2	55.6
% Private, non-employment	10.4	9.3	8.8	10.2	6.8	5.6	5.7	7.0
% Medicaid	8.3	8.3	11.2	7.9	11.5	10.9	11.7	8.4
% Medicare	2.4	2.3	3.0	3.6	2.2	3.0	2.6	2.9
% Military 1/	8.3	6.0	7.2	6.9	7.4	5.9	5.4	4.0
% Not Covered (Uninsured)	26.0	25.6	24.6	24.7	26.1	31.2	28.8	28.0

HEALTH INSURANCE COVERAGE NATIONALLY FOR ADULTS (19 - 64): 1990 to 1997 ¹

(Unless otherwise noted, all numbers are percentages of all United States adults ages 19-64)



Calendar Year	1990	1991	1992 2/	1993 3/	1994 5/	1995	1996	1997 6/
% Employer Insured	65.3	64.8	62.4	61.9	65.9	65.9	66.1	66.1
% Private, non-employment	9.7	9.2	9.6	10.3	7.0	6.6	6.6	6.4
% Medicaid	6.2	6.8	7.3	7.8	7.9	7.8	7.8	6.9
% Medicare	2.2	2.2	2.4	2.3	2.2	2.3	2.5	2.6
% Military 1/	4.1	4.0	3.8	3.8	4.3	3.6	3.3	3.2
% Not Covered (Uninsured)	16.9	17.3	18.8	18.7	18.4	18.9	18.8	19.6

PROFILE OF THE UNINSURED IN NEW MEXICO

◆ Income (1994-1995)*: ⁶

- Nearly half (46.3%) of all adult (family members 18 years and over with the exception of full-time students between ages 18 and 21) New Mexicans in families with incomes below 200% of the Federal Poverty Level (FPL) were uninsured, while 13.7% of all adult New Mexicans in families with incomes at or above 200% of the FPL were uninsured.
- More than a third (37.3%) of non-elderly (all family members under 65 years old) New Mexicans in families with incomes below 200% of the FPL were uninsured, while 12.8% of non-elderly New Mexicans with incomes at or above 200% of the FPL were uninsured.
- More than one quarter (26.7%) of New Mexico children in families with incomes below 200% of the FPL were uninsured, while 10.6% of New Mexico children in families with incomes at or above 200% of the FPL were uninsured.

◆ Employment Status (1994-1995): ⁶

- In New Mexico, as nationally, most uninsured adults are employed.
- Of all non-elderly uninsured adults, 85.5% were in households with an employed adult. 14.2% were in a family where both adults worked full-time, 56.2% were in a family where one adult worked full-time, and 15.1% in a family where one adult worked part-time only.

◆ Age (1994-1995): ⁶

- New Mexico children ages 18 and under had an uninsured rate of 20.8%.**
- New Mexicans ages 19-34 had the highest uninsured rate at 38.7%, while the older, non-elderly population (ages 55-64) had the lowest rate of 16.1%.
- New Mexicans 35 to 54 years old had an uninsured rate of 23.3%.

◆ Household Status (1994-1995): ⁶

- 44.5% of the uninsured under 65 were in two parent families with children.
- 12.5% of the uninsured under 65 were in single parent families.
- 11.5% of the uninsured under 65 were married without children, while 31.5% were single.

◆ Geographic Place of Residence in New Mexico (1993): ⁷

- 30% of persons in the Las Cruces Metropolitan Statistical Area (MSA) were uninsured.
- 19% of persons in the Santa Fe MSA were uninsured.
- 17% of persons in the Albuquerque MSA were uninsured.
- 27% of persons in the rural areas of southern New Mexico were uninsured.
- 15% of persons in the rural areas of northern New Mexico were uninsured (the lower rate observed in rural northern New Mexico is most likely attributable to the larger portion of the population [30%] reporting coverage by the Indian Health Service and considered here as “insured”).

*The family is defined here as a health insurance unit, which includes all members of a nuclear family that can be covered under one health policy. Children are defined as all family members under 18 years old and those between the ages of 18 and 21 who are full time students.

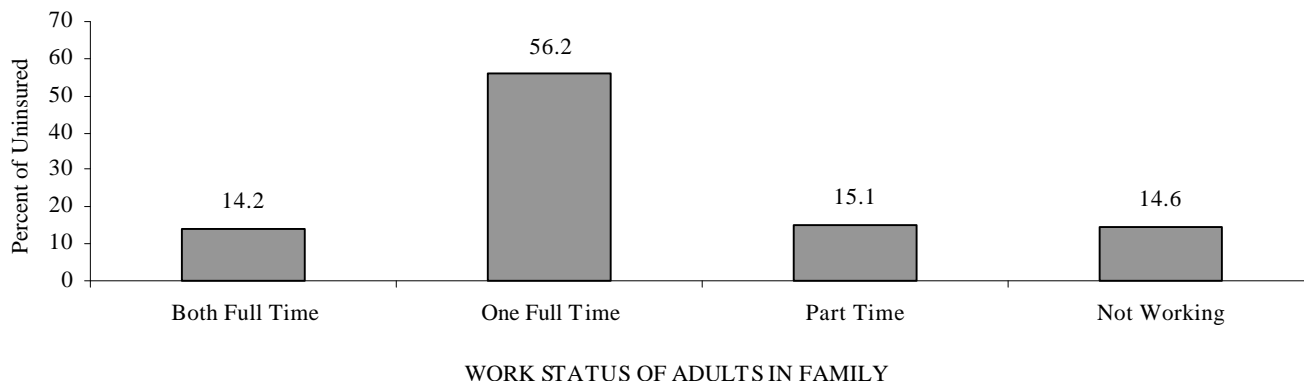
**Note: The Census Bureau’s Current Population Survey (CPS) estimates a 1997 uninsured rate of 20.1% for New Mexico children under 18 years old.

INSURANCE COVERAGE THROUGH EMPLOYMENT ⁶

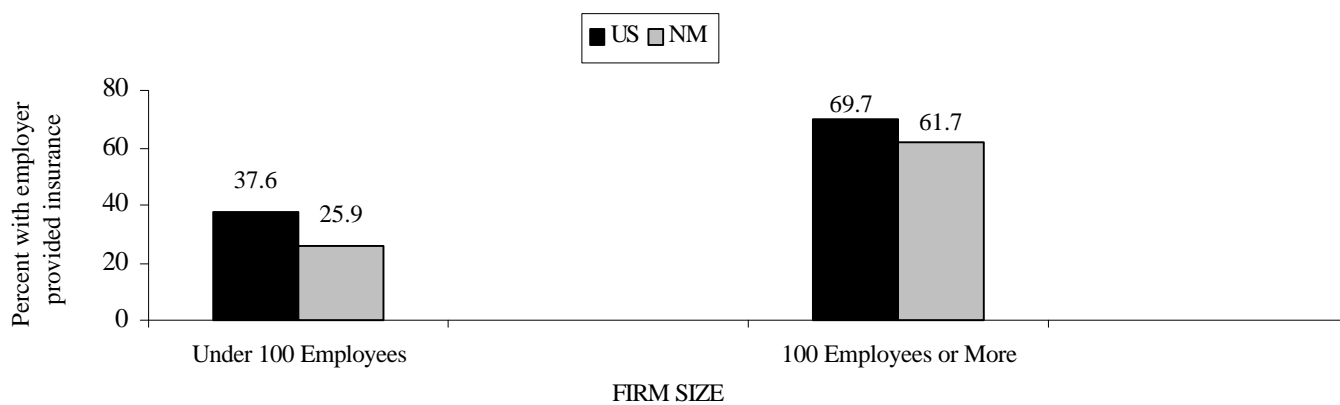
- ◆ In New Mexico, as nationally, the likelihood of workers being offered employment based health insurance coverage increases with firm size.
 - 25.9% of New Mexicans employed in firms with less than 100 workers had health insurance coverage through their employer while 36.8% were uninsured (37.4% had coverage through another source).
 - 61.7% of New Mexicans employed in firms with 100 or more workers had health insurance through their employer while 17.6% were uninsured (20.6% had coverage through another source).

- ◆ There are significant differences between industries when it comes to offering health insurance to employees.
 - 54.3% of New Mexicans employed in the manufacturing sector had health insurance coverage through their employer while 23.1% were uninsured (22.6% had coverage through a source other than employment).
 - 44.3% of New Mexicans employed in the services sector had health insurance coverage through their employer while 24.3% were uninsured (31.4% had coverage through a source other than employment).
 - 28.5% of New Mexicans employed in the wholesale and retail trade sectors had health insurance coverage through their employer while 30.1% were uninsured (41.4% had coverage through a source other than employment).

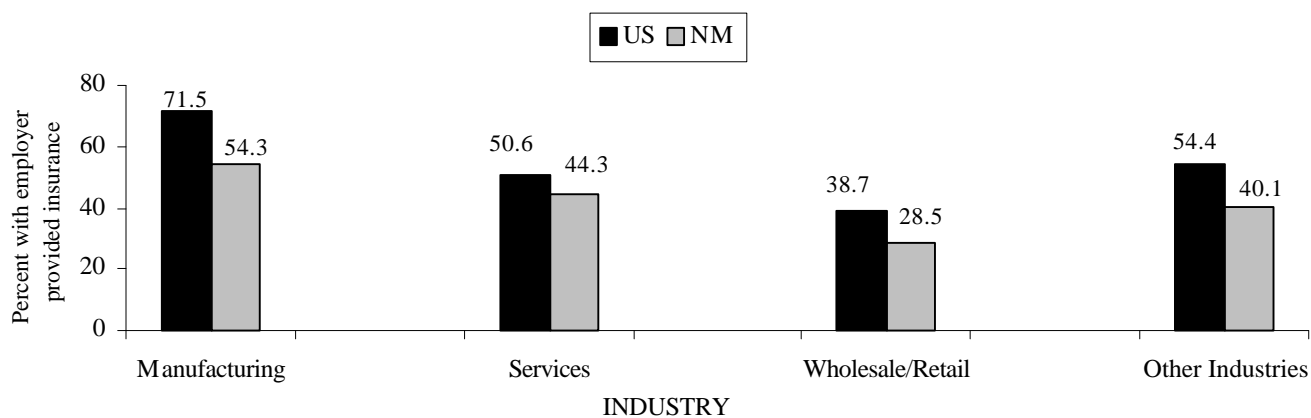
NEW MEXICO EMPLOYMENT STATUS OF UNINSURED NON-ELDERLY ADULTS ⁶



HEALTH INSURANCE COVERAGE BY FIRM SIZE: 1994 - 1995 ⁶



HEALTH INSURANCE COVERAGE BY INDUSTRY: 1994 - 1995 ⁶



Note: The category "other industries" includes agriculture, forestry, fisheries, mining, construction, transportation, communication, other public utilities, finance, insurance, and real estate. Public workers are not included.

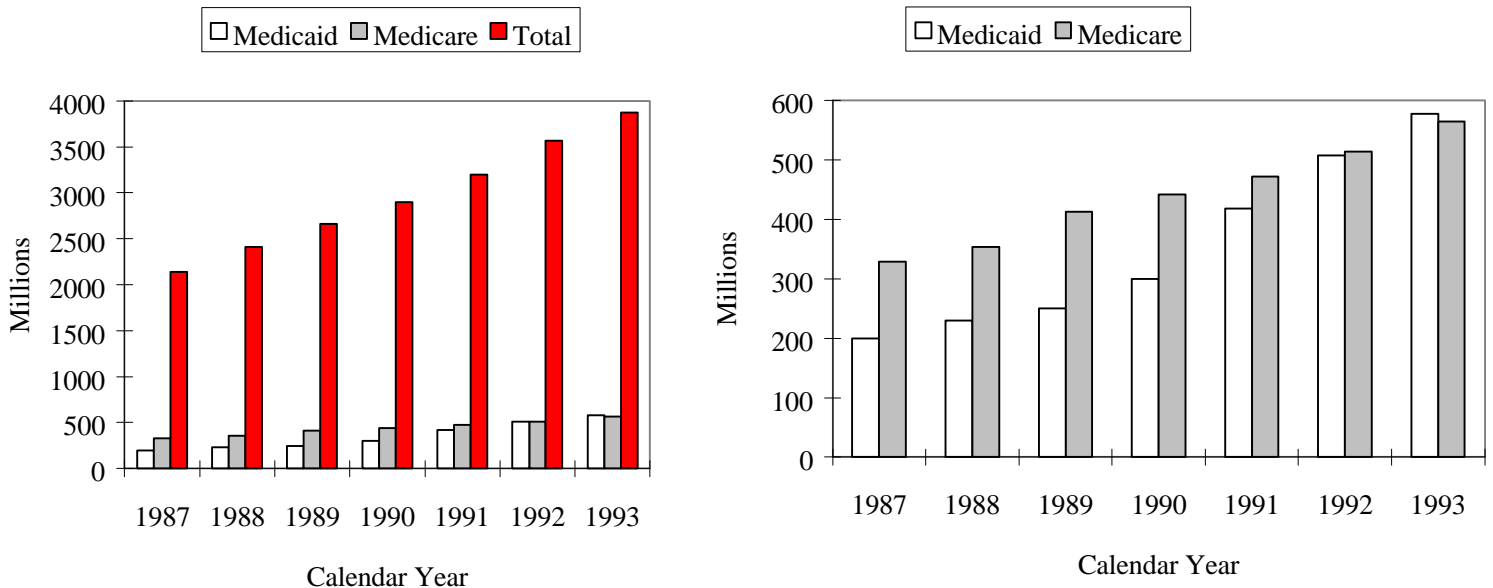
NEW MEXICO HEALTH CARE EXPENDITURE: HISTORICAL PERSPECTIVE

NEW MEXICO HEALTH CARE EXPENDITURES: 1987 to 1993

Since 1987, per capita expenditures for health care have increased from \$1,486 per person to \$2,386 per person in 1993, the most recent year for which data on state level health care expenditures are available from the Health Care Finance Authority (HCFA). Over the last five years (1988 to 1993) per capita expenditures have increased 47.9%. From 1990 to 1993, New Mexico health care expenditures increased 11.3% annually, while nationally the annual increase averaged 9.3%. Medicaid has contributed an increasingly larger proportion of health care dollars in New Mexico. This is in part attributable to expanded eligibility. HCFA is currently working on an update of this information through 1996 and expects to have the information available by the summer of 1999.

HISTORIC SOURCES OF HEALTH CARE EXPENDITURES IN NEW MEXICO: 1987 to 1993 ⁸

(Amounts in millions of dollars)



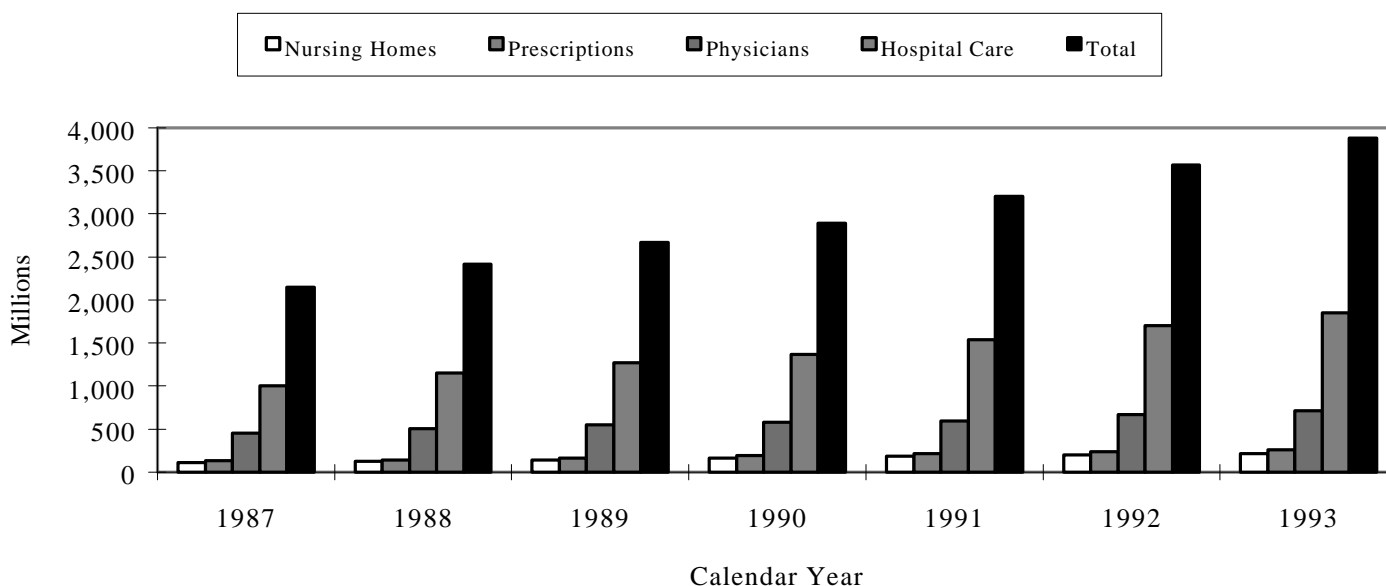
Calendar Year	1987	1988	1989	1990	1991	1992	1993
Total	\$2,144	\$2,414	\$2,665	\$2,895	\$3,202	\$3,567	\$3,878
Medicare	\$329	\$353	\$413	\$442	\$472	\$514	\$565
Medicaid	\$200	\$230	\$250	\$300	\$418	\$507	\$577

Per Capita	\$1,486	\$1,614	\$1,752	\$1,900	\$2,058	\$2,213	\$2,386
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NEW MEXICO HEALTH CARE EXPENDITURES BY SERVICE: 1987 to 1993 ⁸

Based on available HCFA estimates, hospitals account for the largest portion of personal health care expenditures, followed by physician services. However, the fastest rate of increase has been in prescription medications, which increased 80% from 1988 to 1993. Physician services had the slowest rate of growth, 41.5%, during the same five year period.

NEW MEXICO HEALTH CARE EXPENDITURES BY SERVICE : 1987 to 1993
(Amounts in millions of dollars)

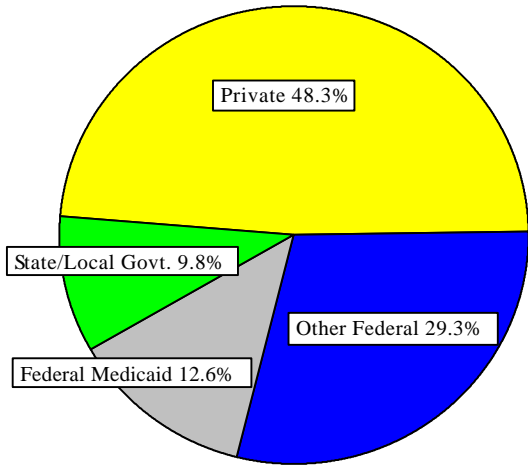


NEW MEXICO PERSONAL HEALTH CARE EXPENDITURES: A SNAPSHOT

SOURCES OF PERSONAL HEALTH CARE FUNDS: SFY 1994

Based on Health Policy Commission (HPC) analysis ⁹, the private sector accounted for the largest portion (48.3%) of the approximately \$3.5 billion spent on *personal* health care in SFY 1994. The federal government and state and local governments accounted for 41.9% and 9.8% respectively. However, because 12.6% of the expenditures are federal contributions to the Medicaid program, the state actually controls about 22.4% of the funds. (Note: Personal health care expenditures do not include non-individual medical care expenditures such as public health education, nutrition, and food and water safety.)

SOURCES OF PERSONAL HEALTH CARE EXPENDITURES ⁹
SFY 1994 (Amounts in millions of dollars)

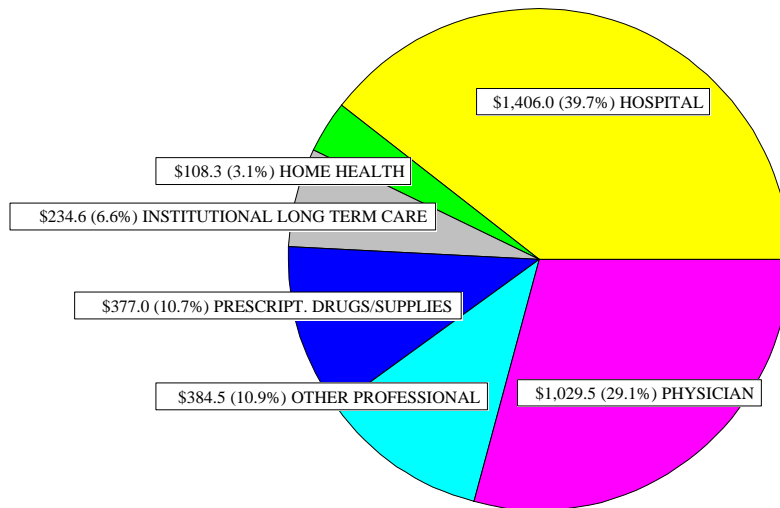


<u>Source</u>	<u>\$ Millions</u>	<u>Percent</u>
Private	\$1,710	48.3%
State/Local Gov't	\$346	9.8%
Federal - Medicaid	\$446	12.6%
Federal - Other	\$1,038	29.3%

NEW MEXICO PERSONAL HEALTH CARE EXPENDITURES BY SERVICE: SFY 1994 ⁹

In SFY 1994 hospital costs accounted for the largest portion of personal health care expenditures, 39.7%, followed by physician services (29.1%), other (than physicians) professional services (10.9%), prescription drugs and supplies (10.7%), institutional long term care (6.6%) and home health care services (3.1%). (Note: The HPC methodology is different from that of the HCFA analysis. HCFA and the HPC both use hospitals, physician services, and prescriptions as service categories. The HPC, however, does not use nursing homes as a service category, but includes other professional services, home health care and institutional long term care).

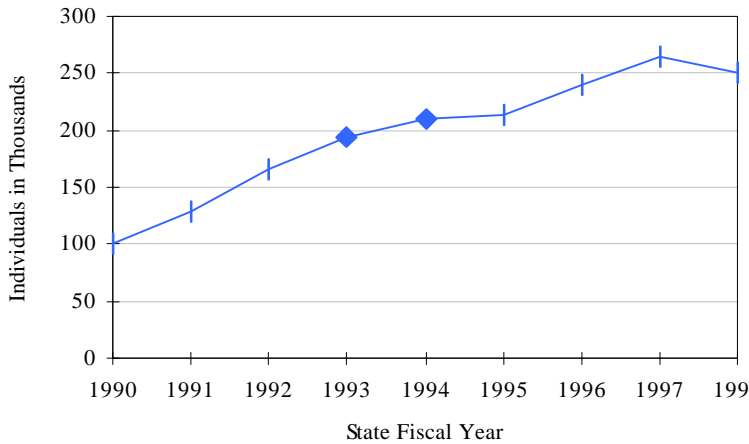
NEW MEXICO PERSONAL HEALTH CARE EXPENDITURES BY SERVICE
SFY 1994 (Amounts in millions of dollars)



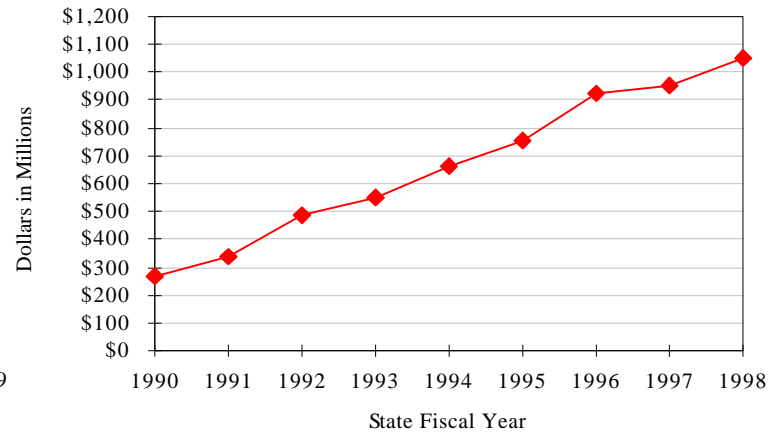
TOTAL: \$3,539.9

NEW MEXICO MEDICAID EXPENDITURES: HISTORICAL PERSPECTIVE ¹⁰

AVERAGE MONTHLY ENROLLEES



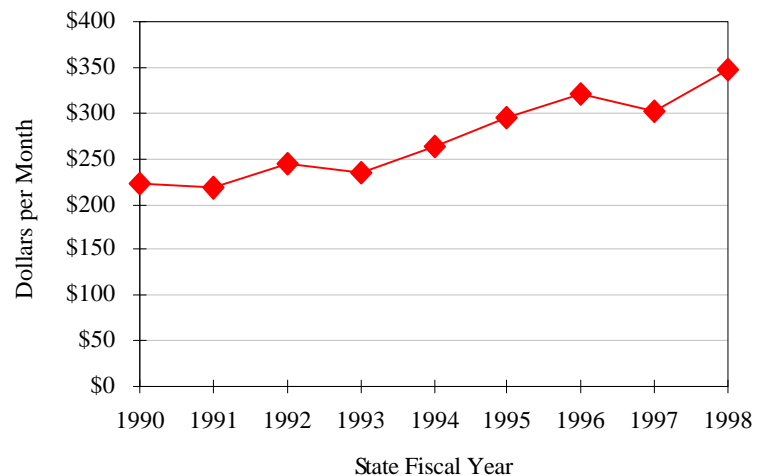
ANNUAL EXPENDITURES



- Medicaid is a major contributor to health care coverage in New Mexico. During 1997 about 15.8% of New Mexicans received Medicaid coverage.
- For state fiscal year 1998 the number of monthly enrollees averaged 250,914, a decrease of 13,272 (5%) from a 1997 figure of 264,186 enrollees.
- Total Medicaid expenditures for fiscal year 1998 were \$1,049,198,574, an increase of \$94,510,851 (10%) from a 1997 figure of \$954,687,723.
- Monthly expenditures per enrollee for state fiscal year 1998 were \$348, an increase of \$47 (15.6%) from a 1997 figure of \$301.

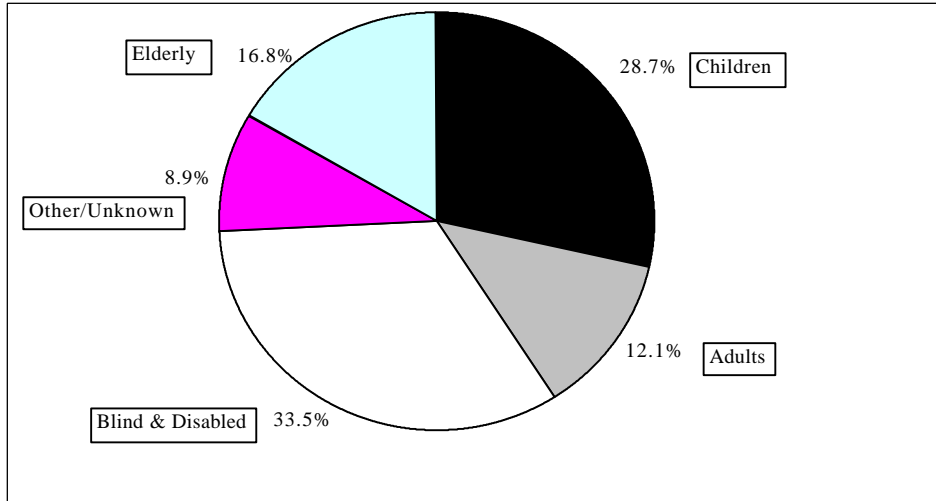
Per Enrollee

EXPENDITURES PER MONTH

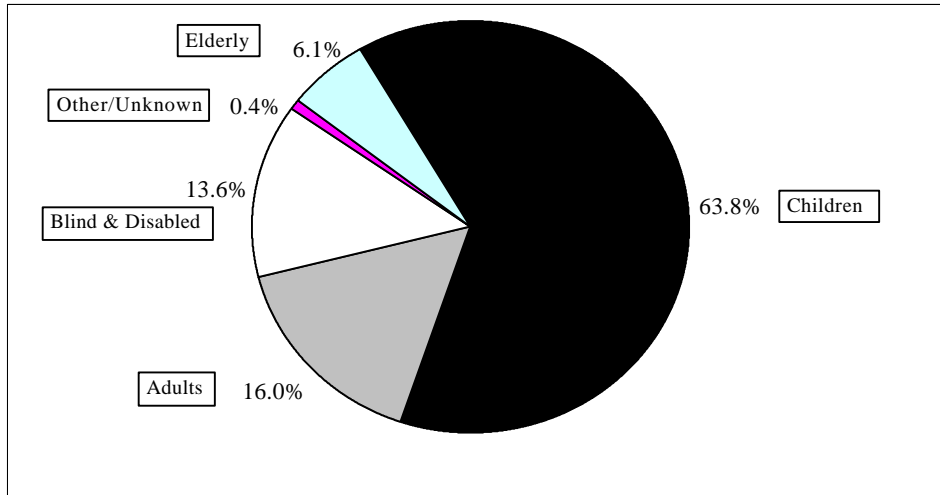


- Annual Medicaid expenditures have more than quadrupled in the nineties. This change is due to an increase in those qualifying for Medicaid (from an expansion of eligibility for pregnant women and children under 18, and a more than 25% increase in the state's population) and an increase in cost per enrollee.
- From state fiscal years 1990 to 1998 average monthly cost per Medicaid enrollee increased 56% (from \$223 to \$348). During the same period, average monthly numbers of enrollees increased 147% (from 101,385 to 250,914).

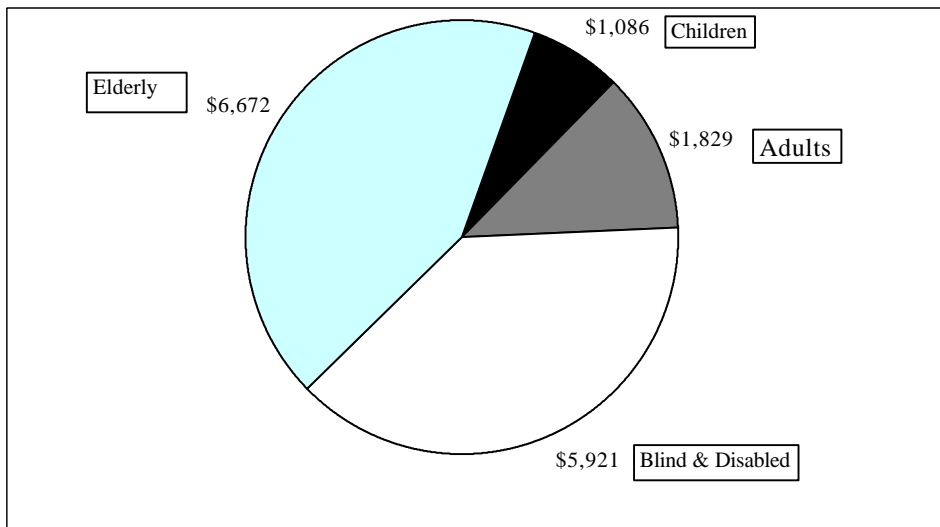
PERCENT DISTRIBUTION OF MEDICAID EXPENDITURES: SFY 1997 ⁸



PERCENT DISTRIBUTION OF MEDICAID ENROLLEES: SFY 1997 ⁸



DISTRIBUTION OF MEDICAID EXPENDITURES PER ENROLLEE: SFY 1997 ⁸



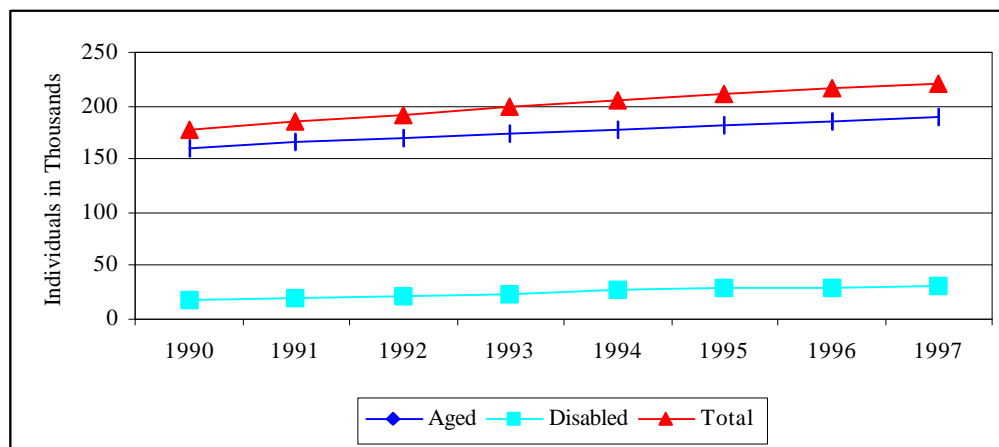
MEDICARE: AN OVERVIEW

- Medicare is the nation's largest health insurance program, covering approximately 39 million individuals, and provides insurance to people who are 65 years old or older, the disabled, and those with permanent kidney failure.
- Medicare has two parts, Hospital Insurance (Part A) and Medical Insurance (Part B). Medicare Part A covers inpatient hospital services, short term care in skilled nursing facilities, hospice care and post-institutional home health care. Part B covers outpatient hospital services, physician services, home health care not covered by Part A, and other medical services such as ambulance services, durable medical equipment and diagnostic tests. Part C (Medicare + Choice), established in the Balanced Budget Act of 1997, enables the provision of these benefits through a variety of managed care plans and other health plan choices.
- The U.S. population is projected to age significantly in the coming decades ¹¹, and the percentage of individuals eligible for Medicare is projected to increase nationally from about 13% currently to 19.9% by 2030.

NEW MEXICO MEDICARE

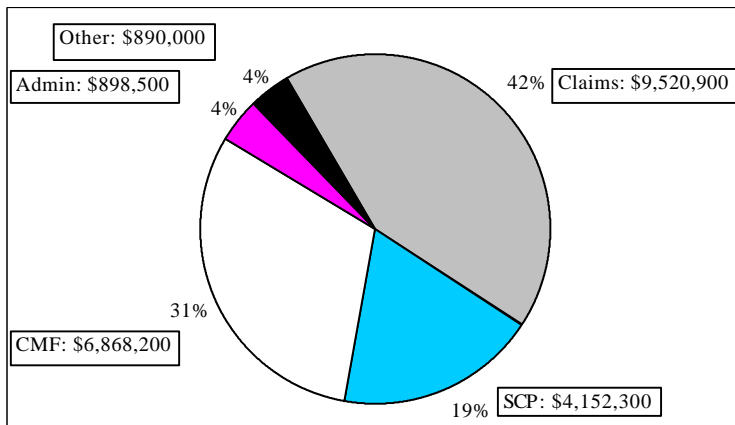
- Total 1997 New Mexico Medicare enrollment was 221,061 (190,151 aged and 30,910 disabled). ⁸
- Total 1997 New Mexico Medicare benefit payments were \$873,159,349. ⁸
- New Mexico Medicare payments per enrollee (FY 1997): **\$3,956** (National ranking=45; National rate per enrollee: \$5,402). ¹²
- Percent of New Mexico physicians participating in Medicare (1996): **80.7%** (National ranking=25). ¹³

NEW MEXICO MEDICARE ENROLLEES: 1990 to 1997



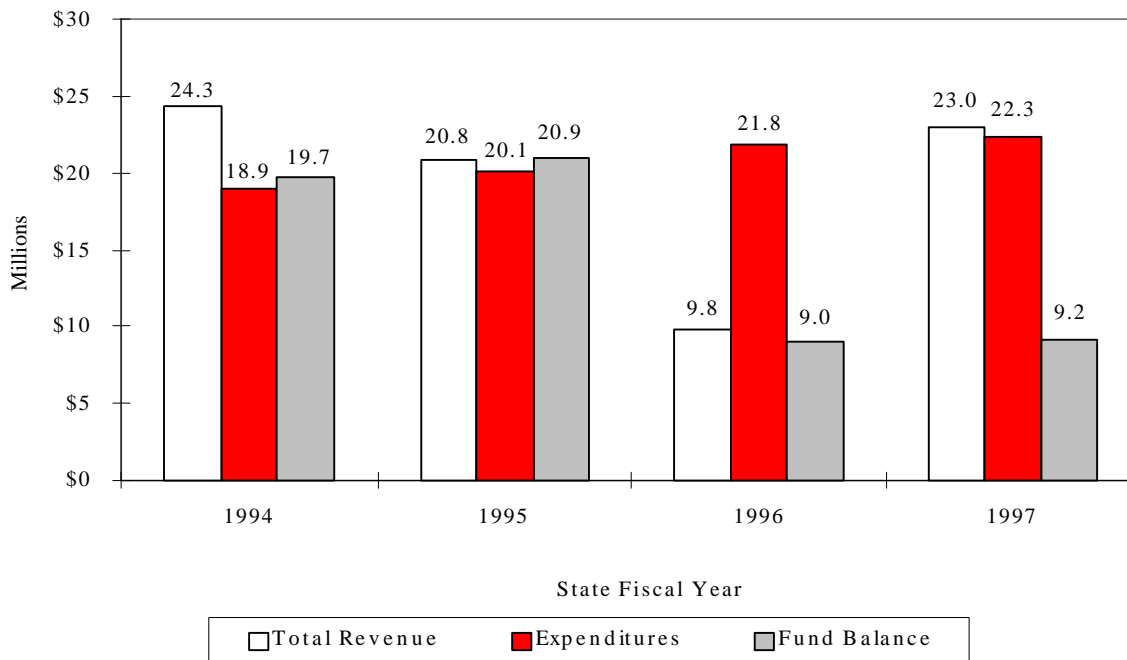
COUNTY INDIGENT FUND

The County Indigent Funds had a total of \$23.0 in SFY 1997 available to spend on indigent care. The counties also use County Indigent Funds to contribute to two funds that provide health care services to indigents other than paying for direct claims through the Indigent Hospital and County Health Care Act. These two funds are the County Supported Medicaid Fund (CMF) and the Sole Community Fund (SCP). The following chart shows how the County Indigent Funds were expended in SFY 1997.



For SFY 1997 approximate expenditures from the county indigent funds were \$22.4 million, with a cash balance of approximately \$9.2 million. Between tFiscal years 1996 and 1997, county gross receipts tax revenue collected by the counties decreased about 6.9% from \$23.3 million to \$21.7 million. The difference between the 23.3 million collected in SFY 1996 and the amount shown on the chart of \$9.8 million is because \$9.8 is all that was deposited in County Indigent Funds. The balance of revenue collected appeared to be used for non-indigent care purposes as allowed by the Indigent Health and Hospital Care Act in that year.

COUNTY INDIGENT FUND STATUS

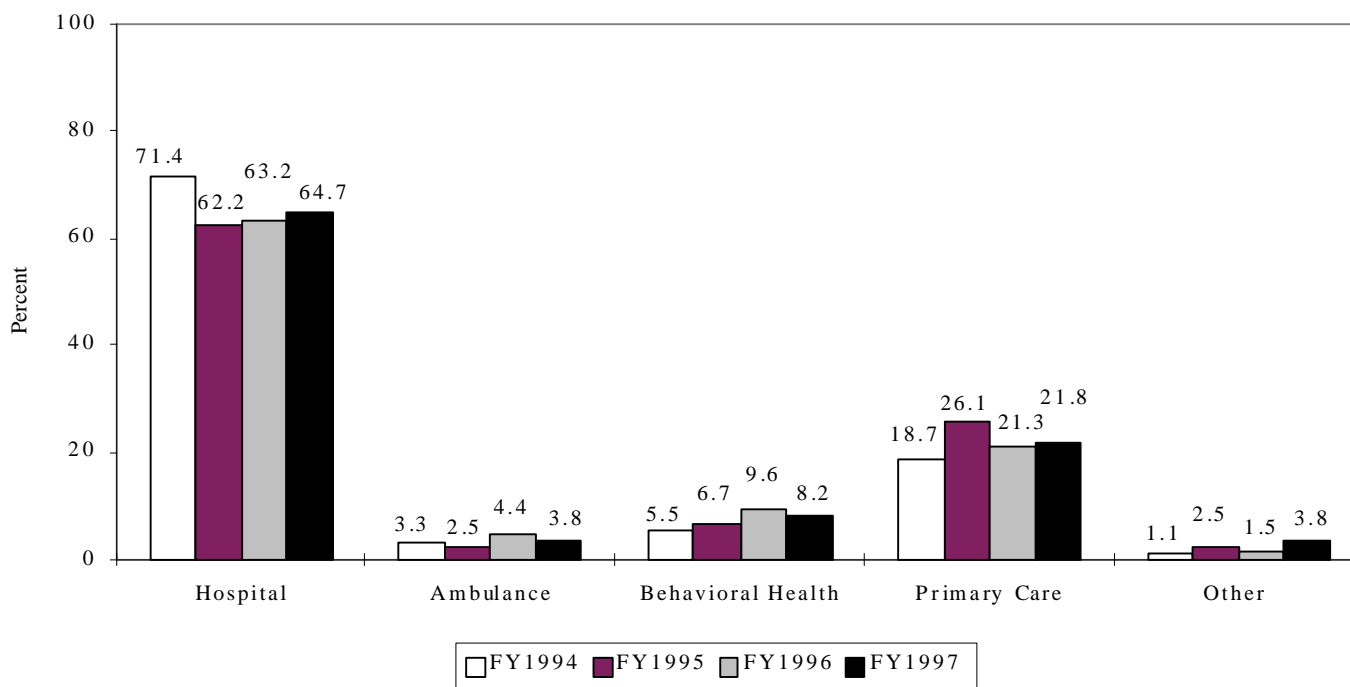


COUNTY INDIGENT FUND EXPENDITURES BY SERVICE

The majority of county indigent fund claims, 64.7%, or \$8.6 million, was paid to hospitals in SFY 1997 but only \$4.3 million was for direct claims. The balance of \$4.3 million was paid through the sole community provider fund. The percentage was up from 63.2% (\$8.6 million) in SFY 1996. Primary care expenditures increased as a percentage of total expenditures, from 21.3% (\$2.9 million) Decreases as a percentage of total expenditures occurred in Behavioral Health and Ambulance Services categories. (Note: These figures exclude any federal matching funds).

COUNTY INDIGENT FUND EXPENDITURES BY SERVICE

Percent of Total Expenditures 1994, 1995, 1996 and 1997



PROVIDER	SFY 1994 (\$ in millions)	SFY 1995 (\$ in millions)	SFY 1996 (\$ in millions)	SFY 1997 (\$ in millions)
Hospital				
Sole Community Provider	\$3.6	\$3.9	\$4.0	\$4.3
Direct Claims	\$2.9	\$3.5	\$4.6	\$4.3
Subtotal, Hospitals	\$6.5	\$7.4	\$8.6	\$8.6
Ambulance	\$0.3	\$0.3	\$0.6	\$0.5
Behavioral Health (Drug, Alcohol, Mental Health)	\$0.5	\$0.8	\$1.3	\$1.1
Primary Care	\$1.7	\$3.1	\$2.9	\$2.9
Other Non-hospital Providers	\$0.1	\$0.3	\$0.2	\$0.2
Other Not Otherwise Identified				\$0.5
Total, All Providers	\$9.1	\$11.9	\$13.6	\$13.8

HEALTH CARE PROFESSIONALS

HEALTH CARE PROFESSIONALS' GROWTH TRENDS ¹⁵

- The number of New Mexico licensed allopathic physicians (MDs) increased 6% between 1994 and 1998; however, the number of licensed MDs residing in New Mexico actually increased 9% during the same period.
- The total number of mid-level health professionals (allopathic and osteopathic physician assistants, nurse practitioners and pharmacist clinicians)**increased 37% from 1994 to 1998.
- The number of licensed registered nurses (RNs) not only increased 17%, but the number employed in New Mexico increased 50% between 1994 and 1998.
- Between 1997 and 1998, the number of licensed dentists residing in New Mexico increased 4% and the number of dental hygienists licensed and residing in New Mexico increased 8%.

SELECTED HEALTH CARE PROFESSIONALS IN NEW MEXICO									
HEALTH CARE PROFESSIONALS	CALENDAR YEAR								
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Registered Nurses Licensed	11,212	11,298	11,917	12,246	13,531	13,877	15,134	15,258	15,896
Registered Nurses Employed in NM	7,669	7,990	8,217	8,902	8,961	9,635	10,514	11,666	13,458
Nurse Practitioners Licensed	287	291	299	286	317	310	340	380	458
Nurse Practitioners Licensed & Resident in NM**	258	258	264	262	288	285	N/A	336	397
Physicians (Allopathic) Licensed*	4,592	4,750	5,097	5,037	5,295	5,382	5,516	5,484	5,613
Physicians (Allopathic) Licensed & Resident in NM*	2,775	2,500	2,995	3,100	3,267	3,318	3,324	3,352	3,554
Physicians Assistants (Allopathic) Licensed & Resident in NM**	138	139	154	172	200	212	207	208	224
Physicians (Osteopathic) Licensed	314	325	335	351	358	370	392	376	378
Physicians Assistants (Osteopathic) Licensed & Resident in NM**	0	1	1	2	2	4	2	4	14
Pharmacist Clinician**	0	0	0	0	0	4	6	25	36
Emergency Medical Technicians (Total)	--	--	--	--	--	4,863	4,774	5,581	5,928
Emergency Medical Technicians (Paramedics)	--	--	--	--	--	595	640	689	783
Dentists Licensed*	--	--	--	--	--	924	--	--	964
Dentists Licensed & Resident in NM*	--	--	--	--	--	--	--	704	730
Dental Hygienists	--	--	--	--	--	731	--	--	848
Dental Hygienists Licensed & Resident in NM	--	--	--	--	--	--	--	619	668

*Includes Specialties

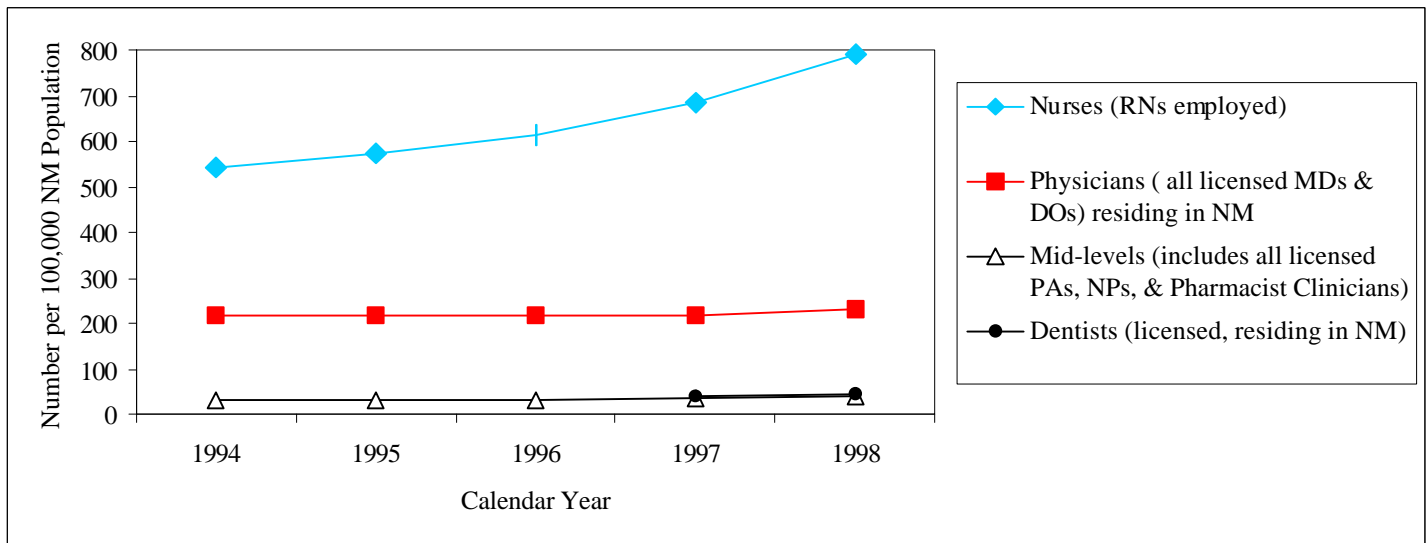
**Mid-level Health Professional

HEALTH CARE PROFESSIONALS TO SERVE NEW MEXICANS ¹⁶

The graph and data show the number of select health professionals in relation to the state's population, an indication of potential health professionals to serve New Mexicans.

- Registered nurses (RNs) in the work force have shown the greatest rate of growth in relation to the population, 46% for the five-year period.
- Relative to the growth in population of the state, the number of allopathic and osteopathic physicians increased 5% between 1994 to 1998.
- Since 1996 the rate of all allopathic physicians (MDs) per 100,000 population has increased 8%; however, the number of osteopathic physicians (DOs) per 100,000 population has remained relatively constant at 22 DOs per 100,000 population.
- Since 1994 the number of licensed mid-level providers (allopathic and osteopathic physician assistants, nurse practitioners, & pharmacist clinicians) has increased approximately 30% per 100,000 population.
- In the past year, the number of dentists licensed and residing in New Mexico relative to the size of the population has increased 5% and the number of hygienists, licensed and residing in the state has increased 8% relative to the state's population.

(Number of Health Professionals per 100,000 Population)



Calendar Year	1994	1995	1996	1997	1998
Nurses (RNs employed in NM)	542	572	614	686	792
Physicians (Allopathic & Osteopathic)*Licensed Residing in NM	220	219	217	219	231
Mid-levels (licensed PAs, NPs, & Pharmacist Clinicians)	30	30	31	34	39
Dentists* Licensed Residing in NM	--	--	--	41	43
Dental Hygienists Licensed Residing in NM	--	--	--	36	39

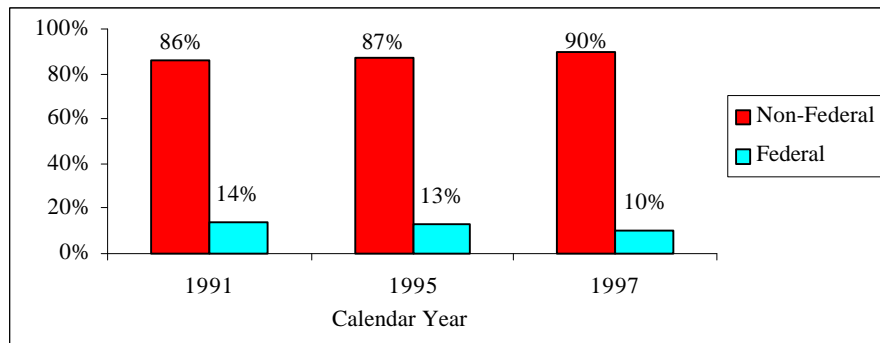
*Includes Specialists

HOSPITAL UTILIZATION ¹⁷

DISCHARGE FREQUENCY & LICENSED BED COUNTS - FEDERAL & NON-FEDERAL FACILITIES: 1991, 1995, & 1997

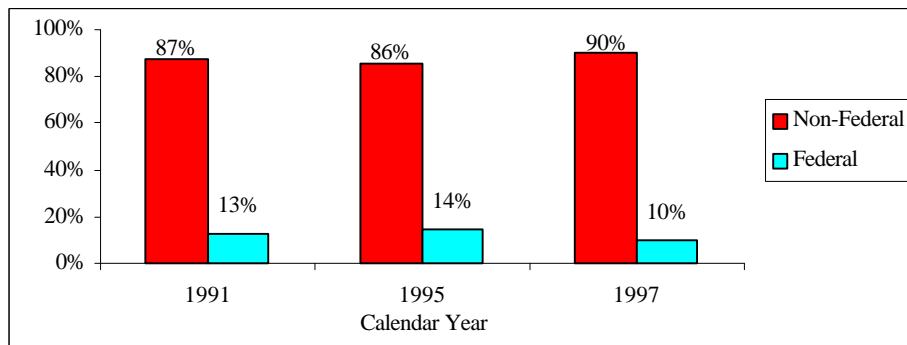
- Over the past 7 years, the total number of general and specialty hospitals in New Mexico has decreased by 3. In 1991 there was a total of 68 hospitals in the state (12 federal and 56 non-federal), in 1995 the total was 67 (12 federal and 55 non-federal), and in 1997 there was a total of 65 (11 federal and 54 non-federal).
- Since 1991 there has been a gradual increase in the percentage of discharges reported to the state by the non-federal facilities and the percentage of beds represented by the reporting hospitals has also increased.

DISCHARGES



HOSPITAL TYPE	1991		1995		1997	
	# of Discharges	% of Total	# of Discharges	% of Total	# of Discharges	% of Total
Non-Federal	185,329	86%	189,159	87%	193,167	90%
Federal	29,012	14%	29,120	13%	22,670	10%
Total	214,341	100%	218,279	100%	215,837	100%

BED COUNTS

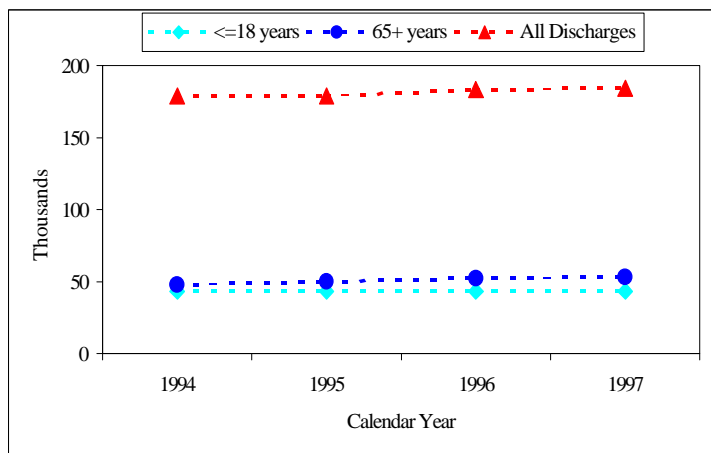


HOSPITAL TYPE	1991		1995		1997	
	# of Beds	% of Total	# of Beds	% of Total	# of Beds	% of Total
Non-Federal	5,552	87%	4,941	86%	5,396	91%
Federal	863	13%	791	14%	550	9%
Total	6,415	100%	5,732	100%	5,946	100%

NON-FEDERAL ACUTE CARE HOSPITAL UTILIZATION

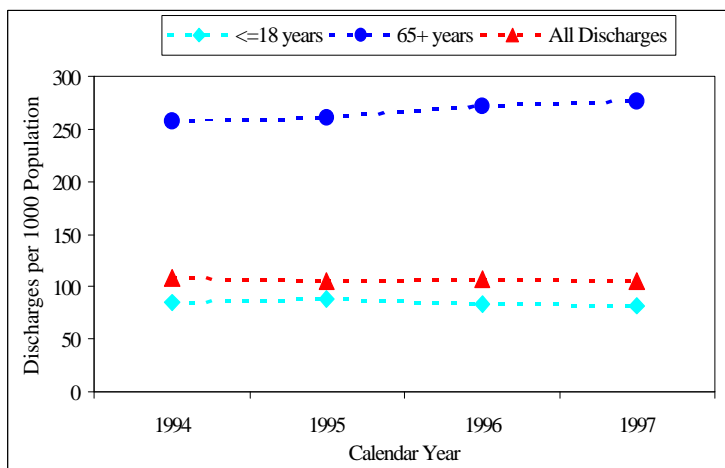
Hospital expenditures account for the largest percentage of health care expenditures in New Mexico. In some regions of the country, largely attributed to managed care, the number of hospital admissions and total hospital days have dropped significantly. Based on non-federal, licensed facilities in New Mexico that account for 90% of all hospitalizations in the State, utilization of New Mexico acute care hospitals has remained relatively constant since 1994, except for a slight decrease in the average length of stay for those over 65 years old from 5.9 days in 1995 to 5.5 days in 1997. No data from specialty hospitals are included in these numbers.

TOTAL DISCHARGES



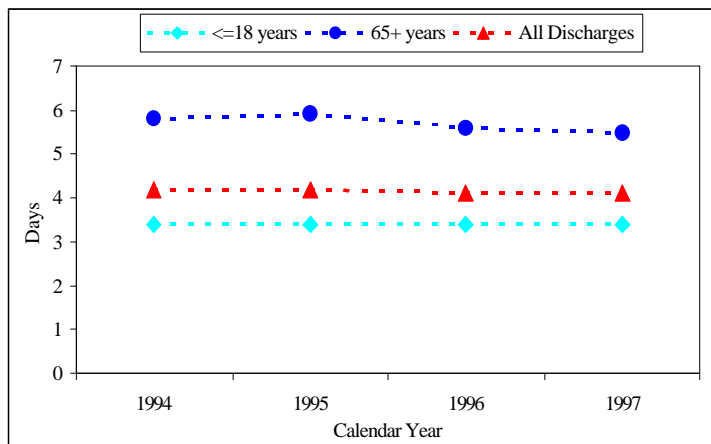
	1994	1995	1996	1997
<=18	43,145	43,182	43,280	43,354
65+	47,794	49,474	52,090	53,423
All Ages	178,737	178,788	183,576	184,013

DISCHARGE RATE (per 1000 population)



	1994	1995	1996	1997
<=18	85	88	84	82
65+	258	260	271	276
All Ages	108	106	107	106

AVERAGE LENGTH OF STAY (in days)



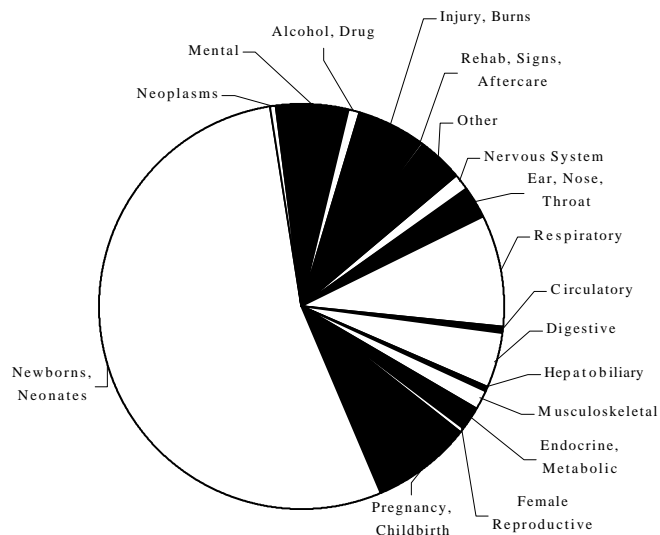
	1994	1995	1996	1997
<=18	3.4	3.4	3.4	3.4
65+	5.8	5.9	5.6	5.5
All Ages	4.2	4.2	4.1	4.1

DISCHARGES AND HOSPITAL DAYS BY MODIFIED MAJOR DIAGNOSTIC CATEGORIES (MMDCs)*

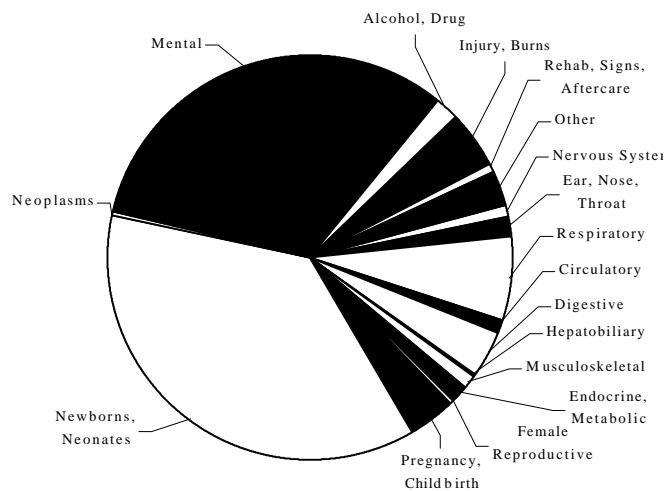
- Ages 18 & Under

The largest number of hospital days and discharges was for newborns and neonates. If newborns and neonates are excluded, the largest number of discharges was for respiratory diseases, but most hospital days were for mental disease.

1997 Discharges - Ages 18 & Under



1997 Hospital Days - Ages 18 & Under



MMDC	Number of Discharges	% Discharges	Number of Hospital Days	% Hospital Days
Nervous System	570	1.3	1,992	1.1
Ears, Nose, Throat	1,224	2.7	2,456	1.3
Respiratory System	3,952	8.8	12,613	6.8
Circulatory System	305	0.7	2,287	1.2
Digestive System	1,979	4.4	6,669	3.6
Hepatobiliary System	146	0.3	603	0.3
Musculoskeletal System	558	1.2	1,932	1.0
Endocrine / Metabolic System	918	2.0	2,864	1.5
Female Reproductive System	109	0.2	259	0.1
Pregnancy / Childbirth	3,664	8.1	7,263	3.9
Newborns / Neonates	24,353	53.9	68,082	36.5
Neoplasms	204	0.5	881	0.5
Mental Diseases	2,687	6.0	59,975	32.1
Alcohol / Drug Abuse	281	0.6	3,955	2.1
Injuries / Burns	2,427	5.4	8,756	4.7
Rehab / Signs / Aftercare	159	0.4	838	0.5
Other**	1,602	3.5	5,267	2.8
TOTAL	45,128	100%	186,692	100%

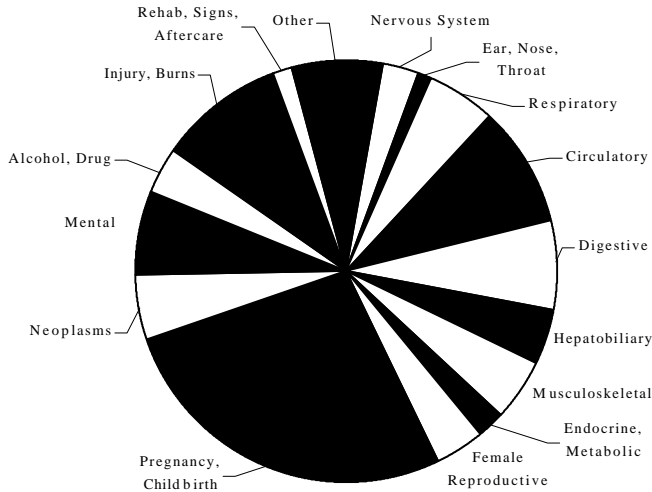
*MMDCs separate injuries and neoplasms into their own unique groupings. The injury category includes all injuries, poisonings and burns.

**The category "Other" includes skin, blood, and male reproductive organ disorders; HIV; diseases of the kidney/urinary tract systems; and infectious/parasitic diseases.

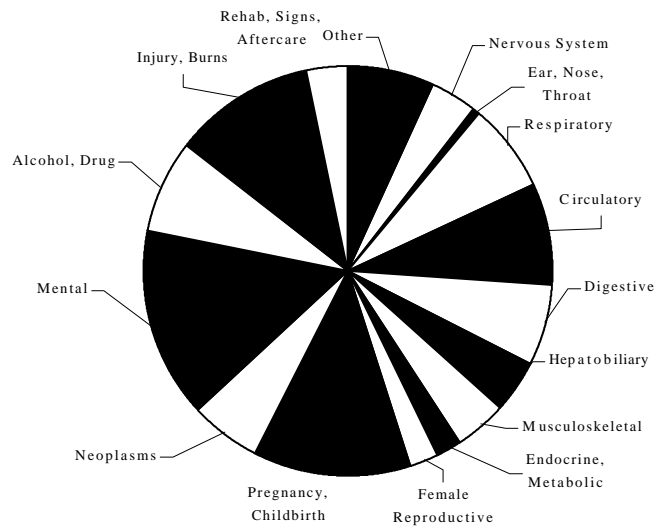
• Ages 19 to 64 Years

The largest number of discharges was for pregnancy/childbirth, followed by injury and diseases of the circulatory system. The greatest number of hospital days in this age group was attributable to mental disease, followed by pregnancy/childbirth, then injury. Mental diseases accounted for only 6.3% of hospital discharges, but for 15.1% of hospital days.

1997 Discharges - Ages 19 to 64



1997 Hospital Days - Ages 19 to 64



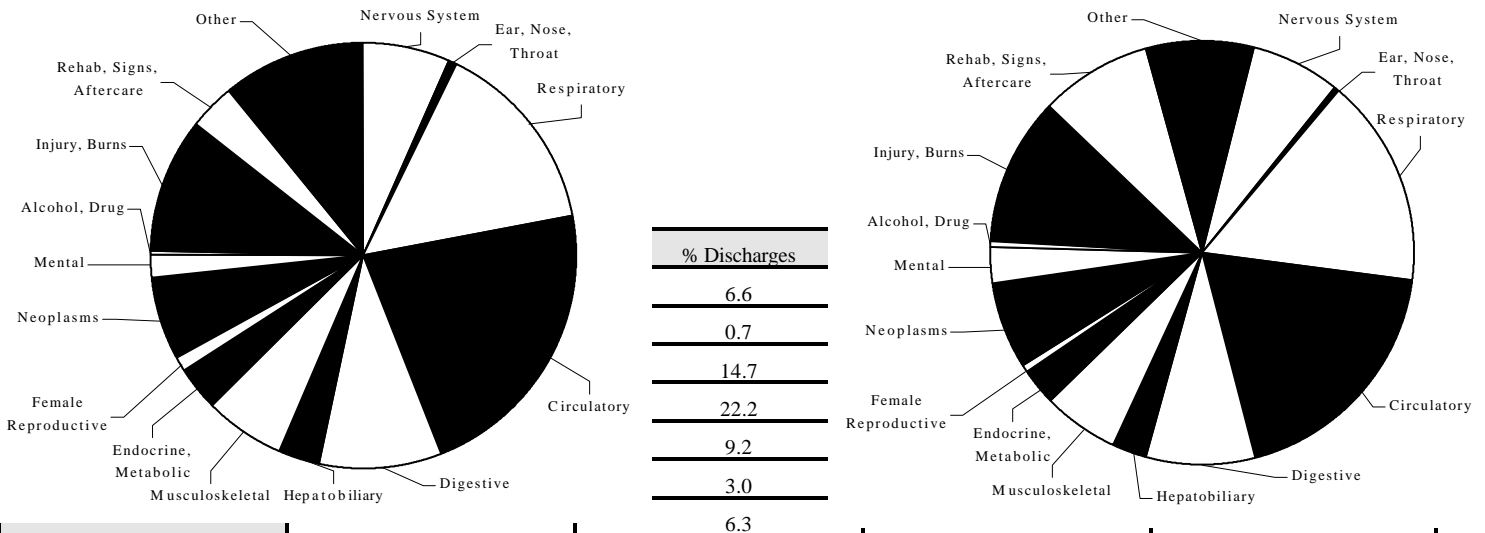
MMDC	Number of Discharges	% Discharges	Number of Hospital Days	% Hospital Days
Nervous System	2,603	2.8	14,545	3.7
Ears, Nose, Throat	867	0.9	1,833	0.5
Respiratory System	4,964	5.4	27,806	7.1
Circulatory System	8,280	9.0	31,831	8.1
Digestive System	6,456	7.1	24,317	6.2
Hepatobiliary System	3,954	4.3	16,565	4.2
Musculoskeletal System	4,334	4.7	16,481	4.2
Endocrine / Metabolic System	1,843	2.0	7,761	2.0
Female Reproductive System	3,462	3.8	8,335	2.1
Pregnancy / Childbirth	24,588	26.8	49,398	12.5
Neoplasms	4,826	5.3	21,859	5.5
Mental Diseases	5,820	6.3	59,507	15.1
Alcohol / Drug Abuse	3,179	3.5	30,144	7.6
Injuries / Burns	9,003	9.8	43,253	11.0
Rehab / Signs / Aftercare	1,358	1.5	13,544	3.4
Other	6,276	6.8	26,958	6.8
TOTAL	91,813	100%	394,137	100%

- Ages 65 Years and Over

In the 65 and over age group, both the greatest number of discharges and the most hospital days were due to diseases of the circulatory system, followed by diseases of the respiratory system.

1997 Discharges - Ages 65 and Over

1997 Hospital Days - Ages 65 and Over



Category	Discharges	% Discharges	Hospital Days	% Hospital Days
Endocrine / Metabolic System	1,786	3.2	8,885	2.7
Female Reproductive System	568	1.0	1,643	0.5
Neoplasms	3,575	6.5	22,190	6.8
Mental Diseases	841	1.5	9,116	2.8
Alcohol / Drug Abuse	172	0.3	1,049	0.3
Injuries / Burns	5,728	10.4	37,241	11.4
Rehab / Signs / Aftercare	2,026	3.7	28,073	8.6
Other	5,915	10.7	27,343	8.4
TOTAL	55,120	100%	326,314	100

HEALTH CARE INDUSTRY

NEW MEXICO EMPLOYEES, PAYROLL AND ESTABLISHMENTS

◆ Total Health Care Industry

- The most current data (1996) available that includes public, hospital based employees shows a total New Mexico health care industry employment of 58,370 individuals with an annual payroll of \$1,572,454,000.
- Hospitals employed the largest group of these workers (27,038), approximately half (46.3%), followed by offices and clinics of medical doctors (9,968) and nursing and personal care facilities (7,292), accounting for 17.1% and 12.5%, respectively, of all health service employees.

HEALTH CARE INDUSTRY ¹⁸							
	1990	1991	1992	1993	1994	1995	1996
# of Employees	39,798	40,640	45,303	53,501	53,490	56,698	58,370
Annual Payroll (\$1,000)	\$875,816	\$942,450	\$1,164,616	\$1,303,786	\$1,369,849	\$1,481,019	\$1,572,454
Total State Payroll (\$1,000)	\$7,639,484	\$8,002,506	\$8,815,488	\$9,672,386	\$10,330,006	\$11,049,803	\$11,647,427
Health Care Industry Payroll as a % of Total State Payroll	11.5%	11.8%	13.2%	13.5%	13.3%	13.4%	13.5%
Total # Establishments	2,484	2,528	2,605	2,669	2,679	2,734	2,778

◆ Private Sector Health Care Industry

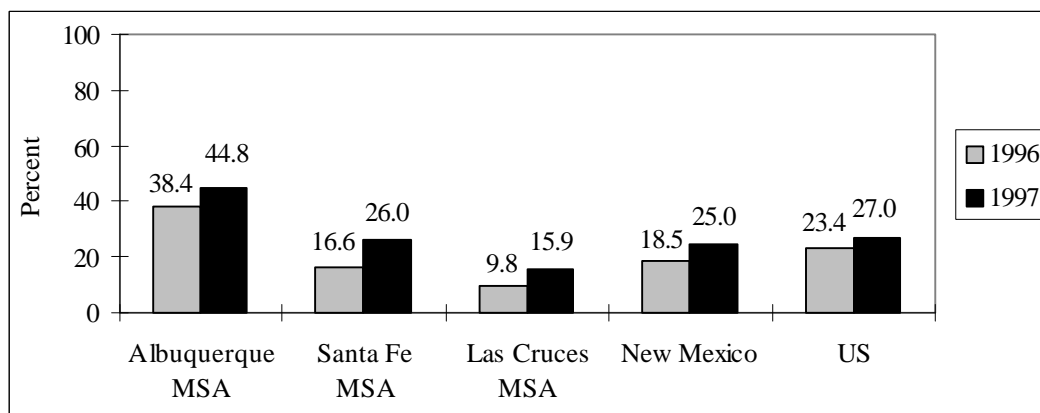
- In 1998 approximately 52,100 individuals, or 7.2% of New Mexico's civilian, nonagricultural labor force, worked in the private health care sector, approximately the same percentage as the previous year.

HMO PENETRATION

- Approximately 44.8% of the population of the Albuquerque Metropolitan Statistical Area (MSA) was enrolled in HMOs as of January 1997, an increase of 6.4% from January 1996. Nationally, 27% of the population was enrolled in HMOs as of January 1997 and 28.5% as of January 1998.
- HMO enrollment in the Santa Fe MSA increased 9.4 percentage points from January 1996 to January 1997 and increased 6.1 percentage points in the Las Cruces area during the same time period.
- In New Mexico three of the five managed care organizations* providing financial information to the Health Policy Commission reported negative operating profit margins for 1997. Average operating profit margin was -3.16%.
- Nationally, HMO profitability has declined dramatically. While nearly 90% of HMOs were profitable in 1994, with an average operating profit margin of 2.4%, in the third quarter of 1997 only 49% of plans were profitable. Average operating profit margin for all plans was -1.2%.

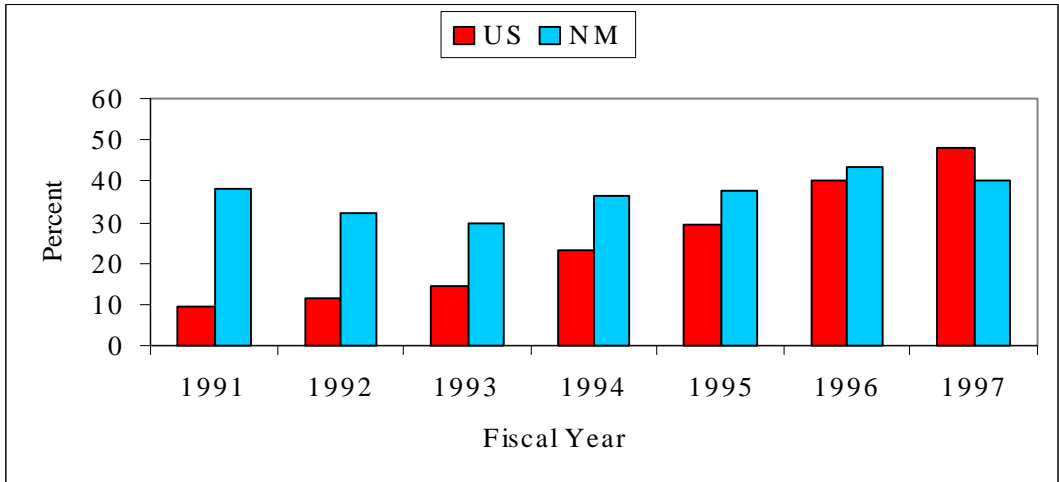
*Note: Those organizations providing data included both commercial HMOs and Point of Service (POS) plans and Medicare HMOs reporting total premium volume in excess of \$5 million in the year prior to the reporting period.

NEW MEXICO HMO ENROLLEES: 1996 & 1997 (As a Percent of Total Population) ¹⁹



MEDICAID AND MEDICARE MANAGED CARE ⁸

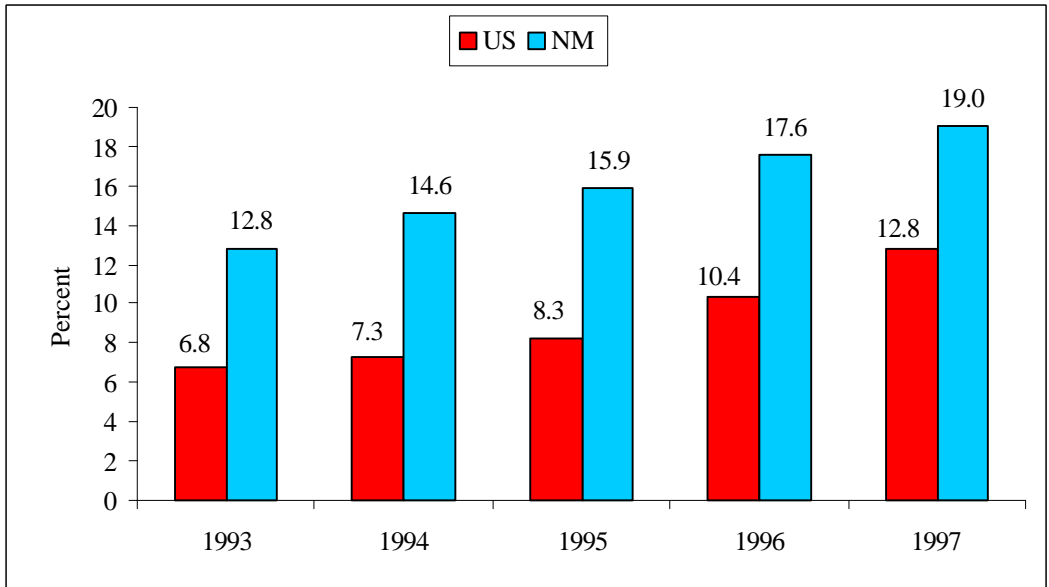
Percent of Medicaid Enrollees in Managed Care



	1991	1992	1993	1994	1995	1996	1997
US	9.5	11.8	14.4	23.2	29.4	40.1	47.8
NM	37.9	32.4	29.6	36.3	37.7	43.5	40.0

Note: New Mexico Medicaid managed care enrollment percentages for fiscal years 1991-1996 exclusively represent primary care case management enrollment through the New Mexico Primary Care Network, which was formed in August of 1991 and continued until it was subsumed by Salud! in 1997. For fiscal year 1997 the New Mexico enrollment percentage represents both HMO (Salud!) and primary care case management enrollment.

Percent of Medicare Enrollees in Managed Care

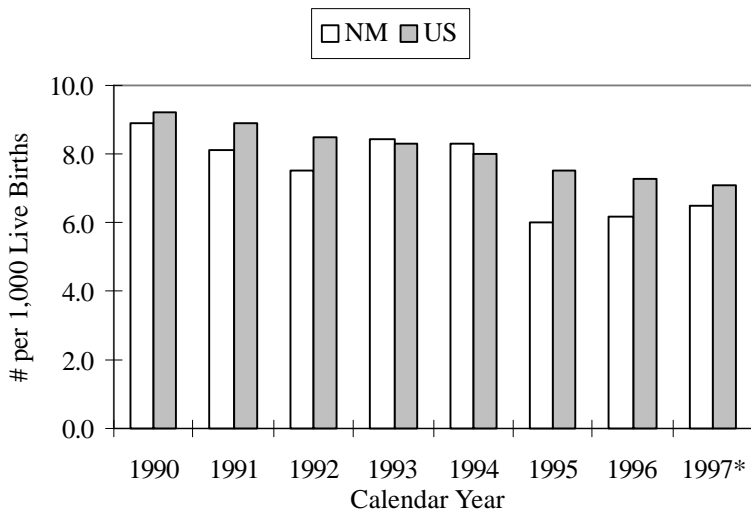


- New Mexico ranked 13th nationally in order of percentage of Medicare enrollees in managed care in 1997.

HEALTH STATUS

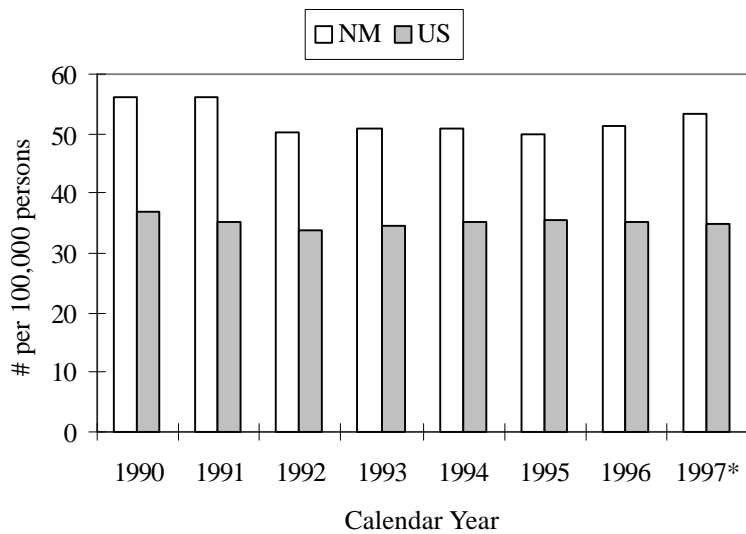
The ultimate outcome of health care and the goal of improving financial and geographic access to health care is to improve the well-being and quality of life of all New Mexicans. Various measures are used to assess health and well-being. Some of the most common measures are infant mortality, number of accidental deaths, and years of potential life lost, which is an aggregate measure of the number of years of potential life lost for persons dying in the 1-64 age group by each death occurring before the average expected lifetime.²⁰

INFANT MORTALITY: 1990 to 1997
(Number per 1,000 live births)



	1990	1991	1992	1993	1994	1995	1996	1997*
NM	8.9	8.1	7.5	8.4	8.3	6.0	6.2	6.5
US	9.2	8.9	8.5	8.3	8.0	7.5	7.3	7.1

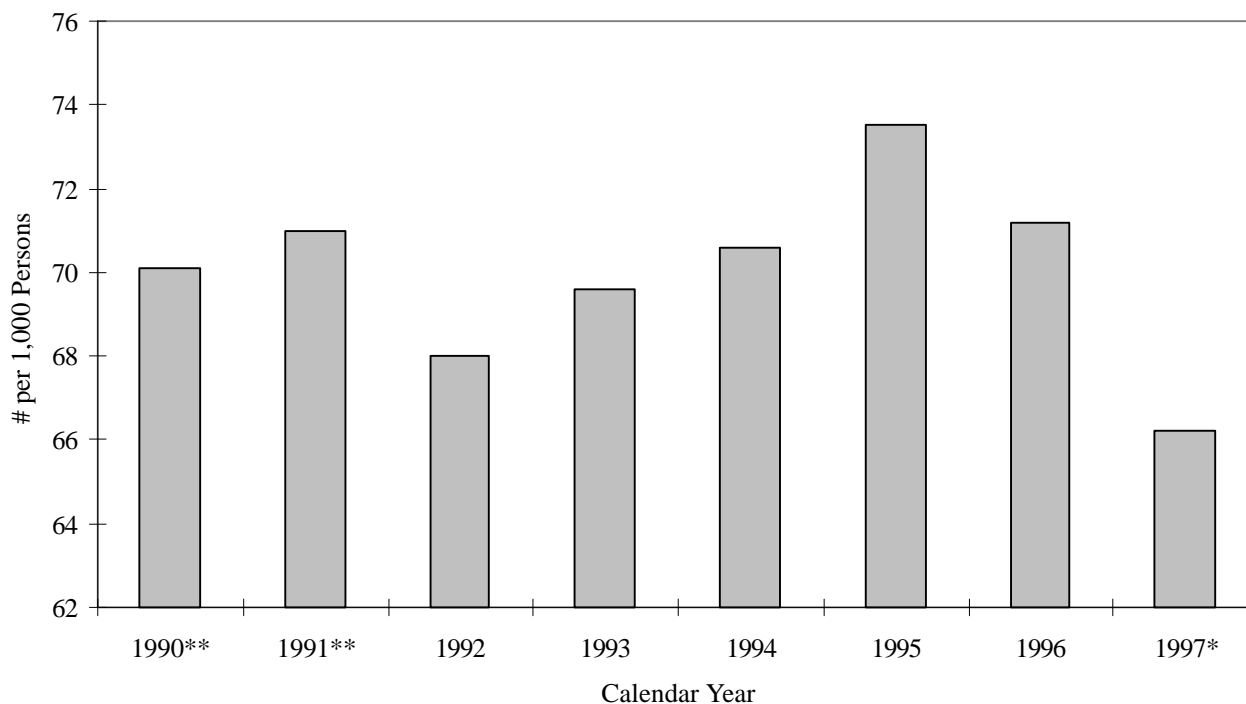
ACCIDENTAL DEATHS: 1990 to 1997
(Number per 100,000 persons)



	1990	1991	1992	1993	1994	1995	1996	1997*
NM	56.2	56.1	50.3	50.9	51.1	49.9	51.4	53.5
US	37.0	35.4	34.0	34.4	35.1	35.5	35.2	35.0

*All 1997 data is preliminary

YEARS OF POTENTIAL LIFE LOST FOR NEW MEXICANS
(Number per 1,000 persons ages 1 to 64 years)



For New Mexicans:	1990**	1991**	1992	1993	1994	1995	1996	1997*
YPL Lost per 1,000 persons (ages 1-64 years)	70.1	71.0	68.0	69.6	70.6	73.5	71.2	66.2

*Preliminary Data

**Figures represent a rolling three year average

An individual's perception of their health and well-being is influenced by many factors in addition to the absence or presence of disease. Analysis of data from the survey of New Mexico households in 1993 conducted under the Robert Wood Johnson Foundation grant indicates that an individual's perception of their health status depends upon several factors. A logistic regression model found having a high school education (or higher) had the strongest correlation to a perceived good health status (positively correlated), followed by age (negatively correlated), and then taxable income (positively correlated).⁷ Education is widely recognized as a determinate of income.

References and Notes

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15. Data on nurses, physicians, physicians assistants, pharmacist clinicians, dentists and dental hygienists provided by corresponding licensing boards. Data on emergency medical technicians provided by the Department of Health, EMS Bureau.
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