



October 31, 2008

Dear Policyholder:

This is an important announcement that concerns:

- **Your rates January 1, 2009 – June 30, 2009**
- **IMPORTANT! Low Income Premium Program Revision**
- **Deductible Changes for January 1, 2009**
- **Medicare Carve-Out Plan**
- **Automatic Withdrawal Date Change**

The Pool is a nonprofit program established by the New Mexico Legislature in 1987. The purpose of the Pool is to offer health care coverage to individuals who are unable to purchase comprehensive coverage in the private market and are ineligible for assistance through public or government sources. Most individuals covered by the Pool have a "high-risk" condition.

Rates

The New Mexico Medical Insurance Pool (Pool) is pleased to announce that the current premium **rates will remain in effect through June 30, 2009**. The Pool has not had a rate adjustment since January 2006. Note: You will have a slight increase in premium the month after your birth month, since the Pool bases rates on attained age.

Pool Policyholder Losses

Since the premiums collected do not cover the cost of insuring Pool policyholders, losses are incurred. Losses are recouped through assessments to insurance carriers, along with state and federal funding. Losses for the past few years have been:

2003 - \$5,465,000
2004 - \$5,740,705
2005 - \$10,593,543
2006 - \$20,854,720
2007 – \$30,768,870

IMPORTANT!

Low Income Premium Program Revision

The Pool has a Low Income Premium Program (LIPP) which provides discounts to your monthly premium, if you qualify, based on household income. **If you are currently enrolled in the LIPP, you do not need to reapply at this time.**

Effective January 1, 2009, the Pool will eliminate the two-tiered 75/50 percent premium reduction and implement a three-tiered 75/50/25 percent premium reduction, based on household size and annual household income. See the chart on the back of this page.

Existing policyholders active as of December 31, 2008, and receiving a 50% premium reduction, will split into two groups, receiving either a 50% or 25% reduction in premium. To minimize the financial impact, those that will be moving into the 25% category, will have their premium reduction decreased in 5% increments, until the 25% premium reduction amount is met.

Reductions in premium will be as follows:

January 1, 2009 – June 30, 2009	45% Premium Reduction
July 1, 2009 – December 31, 2009	40% Premium Reduction
January 1, 2010 – June 30, 2010	35% Premium Reduction
July 1, 2010 – December 31, 2010	30% Premium Reduction
January 1, 2011 – June 30, 2011	25% Premium Reduction

Policyholders new to the LIPP, with an effective date of January 1, 2009 or after, and qualifying based on annual income in the last column, will receive a 25% premium reduction.

Household Size	75% Premium Reduction Income Limit	50% Premium Reduction Income Limit	25% New / 45% Existing Premium Reduction Income Limit
1	\$20,696	\$31,096	\$41,496
2	\$27,860	\$41,860	\$55,860
3	\$35,024	\$52,624	\$70,224
4	\$42,188	\$63,388	\$84,588
5	\$49,352	\$74,152	\$98,952
6	\$56,516	\$84,916	\$113,316
7	\$63,680	\$95,680	\$127,680
8	\$70,844	\$106,444	\$142,044

If you do not currently participate in the LIPP, please reference the above chart. If you think that you may qualify, call Customer Service at 1-800-432-0750 for a LIPP application, or print one from the Pool website, at www.nmmip.org. **A complete signed copy of your 2007 Federal Form 1040 must be attached.** If you are *not* required to file income tax, the Affidavit Section must be completed, signed, and notarized. If you qualify, the effective date of any reduction will be the first of the month following receipt of the application.

NOTE: If your premium is being paid by a third party who is *not* a family member, you are *not* eligible to participate in the LIPP.

Deductible Changes for January 1, 2009

Policyholders are allowed to change from a **higher deductible plan to a lower deductible plan one time per year, for a January 1 effective date.** You can change from a lower to a higher deductible any time, but you can only change from a high deductible to a lower deductible during this open enrollment period.

If you wish to change to a lower deductible plan, you must request this change, in writing, no later than November 28, 2008. Mail or fax requests to:

New Mexico Medical Insurance Pool
P.O. Box 27630
Albuquerque, NM 87125-7630
FAX (505) 816-5671

Medicare Carve-Out Plan

The Pool offers a Medicare Carve-Out Plan, for individuals with disabilities, under age 65, on Medicare Parts A&B. If you are currently on the Regular Plan, and you are under age 65 and are on Medicare A&B due to a disability, you may submit a new Application for Coverage, along with a copy of your Medicare card. Call Customer Service at 1-800-432-0750 for an application or print one from the Pool website, at www.nmmip.org.

Automatic Withdrawal Date Change

In the past, policyholders on automatic withdrawal have had premium automatically withdrawn from their checking accounts on the 4th of the month. Effective in November, premium will be withdrawn from your account on the 7th of the month.

If you are not currently on automatic pay, and would like to sign up, the form can be accessed from the Pool website, at www.nmmip.org. Be sure to include a voided check with the completed form and mail to the address indicated on the form.

The Pool Board of Directors is pleased to have the opportunity to serve you.

Sincerely,



Patty Jennings
Executive Director
New Mexico Medical Insurance Pool (Pool)