



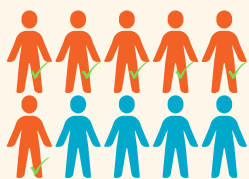
‘Medicaid Forward’ shows promising future in New Mexico, according to 2023 study

Imagine a healthy, thriving New Mexico where we can all get the care we need, when we need it.

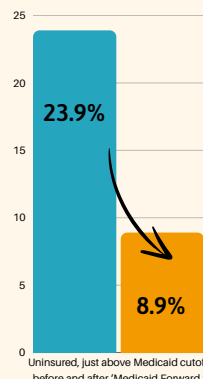
We all need to access healthcare throughout our lives, but more than 242,000 New Mexicans remain uninsured and nearly six in ten (56%) have sacrificed medical services or medicine because of cost.

The legislature answered the call in 2023 and took action to explore ‘Medicaid Forward’ as a solution to get more of our families the comprehensive coverage they need and deserve. A recent report released in late 2023 by the New Mexico Office of the Superintendent of Insurance (OSI) says New Mexico’s uninsured rate, overall spending on healthcare, and hospitals uncompensated care costs could all drop significantly if Medicaid Forward is implemented. Coverage would increase substantially for New Mexicans at all income levels and among all racial and ethnic groups.

Medicaid Forward would improve healthcare coverage, according to the study:



6 in 10 uninsured New Mexicans would gain access to coverage.



The uninsured rate for New Mexicans with the highest rate of uninsurance (those with incomes just above the Medicaid cut-off) could drop from **23.9% to 8.9%.**

Almost every region in our state would see their uninsured rates cut in half—with **five regions** seeing their uninsured rates drop by more than **60%.**



- North Central NM: **63.9%**
- Valencia, Bernalillo East Mountains & Isleta Pueblo: **62.1%**
- Albuquerque: **61.9%**
- Far Southeast NM: **61.5%**
- Doña Ana County: **67.6%**

The study also found significantly lower costs for families and employers:

Out-of-pocket costs (copays & premiums) would always be less than **5%** of the family’s total income.

Household spending on healthcare could drop by **37.9%** saving New Mexicans \$1.2 billion overall.

Employer healthcare costs could go down by **\$229m** saving small businesses \$75m and large employers \$154m.

Wages statewide could go up by a total of **\$874m** when hardworking New Mexicans need it most.



Medicaid Forward leverages resources to simplify NM’s healthcare system.

70%
of the costs for Medicaid Forward would be covered by the federal government.

The Medicaid expansion and increased eligibility would be funded by the federal government paying over 70%. The state share would also be offset by several state savings and new revenues, such as:

- Redirecting funds from the Healthcare Affordability Fund (\$145M)
- Repurposed assessments such as the SBM and high-risk pool (\$153M)
- Employer contributions from large employers (\$247M - \$422M)
- Reduced health spending for state employees enroll (\$335M - \$379M)
- Collecting more in premium tax and surcharge revenue as more enroll (\$141M - \$198M)
- State revenue would exceed new spending by \$3M to \$51M - even after raising provider reimbursement rates - resulting in overall savings for the state.

Healthcare providers would benefit and access to care would be secure.

During the 2023 and 2024 legislative sessions, New Mexico substantially increased provider reimbursement rates under Medicaid—in some cases much more than Medicare pays providers. With additional federal funding through Medicaid Forward, New Mexico could continue to increase Medicaid’s provider reimbursement rates, which would help retain and recruit more providers to work in our state.

With more New Mexicans covered, hospitals and providers would incur significantly less in uncompensated care, which would drop by over \$40 million.

With Medicaid Forward, our state’s hospitals uncompensated care costs could decrease by over **\$40m.**

We all want our families and friends to live their healthiest lives. Medicaid Forward would strengthen our economy, healthcare system, and our communities!

Next Steps: HSD is engaging in further study

The non-partisan research firm Urban Institute conducted the study for OSI in the Fall of 2023. The Human Services Department is now conducting an additional comprehensive study of the plan and will present a proposed program design by October 2024, after which time the Legislature will determine how to move forward with appropriation and implementation.

Scan here to read the full report!

