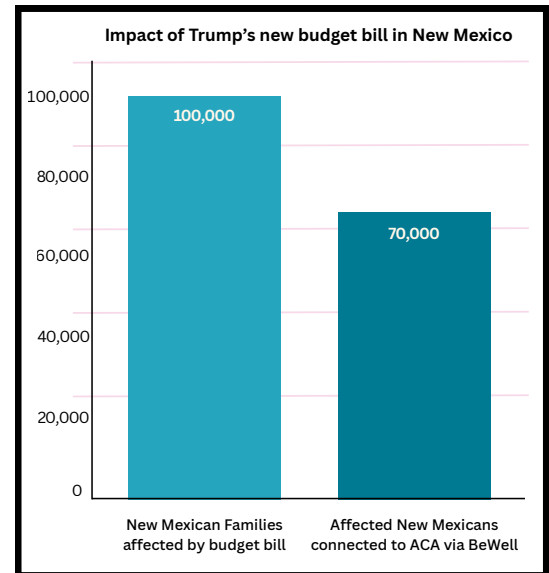


Summary of Federal Changes to Healthcare and Food Programs

In 2025, Congress passed and President Trump signed into law a federal budget reconciliation bill that makes **significant changes to Medicaid, the Affordable Care Act, and the Supplemental Nutrition Assistance Program (SNAP)**. Around the same time, the Centers for Medicare & Medicaid Services (CMS) issued a final rule **changing how Health Insurance Marketplaces, including BeWell New Mexico, operate.**

Together, these federal changes will affect healthcare coverage and food assistance for thousands of New Mexicans. They also have broader implications for families, communities, the state economy, and state and local budgets. **Below is a summary of the major federal changes and what they mean for New Mexicans.**



Starting August 25, 2025

- ▶ **Individuals with Deferred Action for Childhood Arrival “DACA” status will be excluded from coverage on the exchange (BeWell) because they will no longer be considered “lawfully present.”**
 - **Impact** - DACA recipients who purchase health insurance through BeWell will lose their coverage. All DACA recipients will be permanently locked out of this coverage option. All New Mexicans enrolling in healthcare coverage on BeWell will be subjected to additional administrative requirements.
- ▶ **All New Mexicans enrolling in healthcare coverage on BeWell will be subjected to additional administrative requirements.**
 - **Impact** - Some New Mexicans enrolling or reenrolling in coverage on BeWell will lose coverage because they are unable to meet new paperwork requirements.
- ▶ **Medicare eligibility for many lawfully present immigrants who have worked in the United States for at least ten years will end.** Medicare benefits will be limited to U.S. citizens or nationals, lawful permanent residents (green card holders), Cuban-Haitian entrants, or COFA migrants.
 - **Impact** - Lawfully present immigrants who are elderly or have severe disabilities will lose Medicare.

¹ “COFA migrants” refers to citizens of the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau, who are residing in the United States under the terms of the Compact of Free Association (COFA) agreements.

Summary of Federal Changes to Healthcare and Food Programs

Starting October 1, 2025

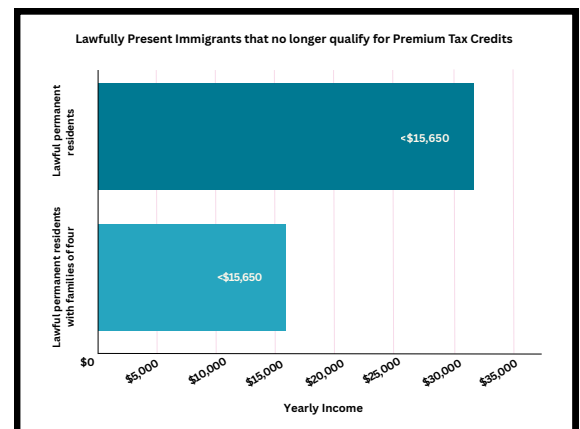
- ▶ Work reporting requirements for SNAP (Supplemental Nutrition Assistance Program) will be expanded to include adults with children 14 and older, older adults 55-64, veterans, people experiencing homelessness, and young people who recently aged out of foster care.
 - **Impact** - People who cannot meet reporting requirements will lose access to food assistance.
- ▶ Many lawfully present immigrants will no longer qualify for SNAP, including people granted refugee, asylum, and certain other immigration statuses.
 - **Impact** - Up to 2,000 New Mexicans may lose SNAP food assistance.
- ▶ The SNAP benefit calculation will be changed, ending a standard utility allowance for many families.
 - **Impact** - Food benefits for many New Mexicans receiving SNAP will be reduced

Starting December 31, 2025

- ▶ Unless Congress acts, the federal enhanced premium tax credits that were enacted in 2021 to make exchange coverage affordable will expire at the end of 2025.
 - **Impact** - Premiums will increase significantly for BeWell enrollees, though, the state can use the Healthcare Affordability Fund to subsidize the difference for enrollees to prevent a jump in premiums.

Starting January 1, 2026

- ▶ Lawfully present immigrants with incomes below 100% of the federal poverty level will no longer qualify for premium tax credits to make coverage on BeWell affordable.
 - **Impact** - Lawful permanent residents (green card holders) and other lawfully present immigrants with very low incomes will not be able to access affordable healthcare coverage.



Starting October 2026

- ▶ **Medicaid eligibility for most non-citizens will be terminated:** People who are undocumented are already ineligible for Medicaid, but now many lawfully present immigrants will also become ineligible, with **eligibility limited to lawful permanent residents (green card holders), Cuban-Haitian entrants, and COFA migrants.**
 - **Impact** - 9,680 New Mexicans who are refugees, asylees, abused spouses and children, and victims of trafficking will lose their Medicaid and access to healthcare coverage.

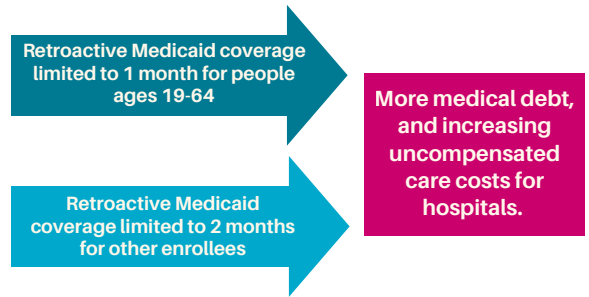
Summary of Federal Changes to Healthcare and Food Programs

Starting October 2026 (continued)

- ▶ **The federal waiver exempting most New Mexico counties with high unemployment from harsh work reporting requirements for childless adults age 18-50 will end.**
 - Impact - Tens of thousands of New Mexicans will lose food assistance if they cannot find work or have difficulty reporting their status.
- ▶ **The federal funding match for SNAP administration will be reduced from 50% to 25%.**
 - Impact - New Mexico will have to pay significantly more to administer SNAP food benefits.

Starting January 2027

- ▶ **More frequent Medicaid renewals:** People ages 19-64 enrolled in Medicaid will need to renew their coverage every **6 months instead of once a year.**
 - Impact - This creates more bureaucratic hoops for people who are eligible, but may not have the time, internet, transportation, or wherewithal to go through the process. More frequent redeterminations also increase the workload and staffing needs for HCA.
- ▶ **New work reporting requirements:** Medicaid enrollees ages 19-64 will be required to report that they are working or volunteering at least **80 hours per month.** Most of the people being targeted by this requirement are already working – they're working low-wage jobs, seasonal gigs, part-time work.
 - Impact - This creates more paperwork and confusion, which will result in over 88,000 New Mexicans losing their health insurance. HCA will need IT systems and increased staffing to track the employment status of enrollees and applicants.
- ▶ **Loss of BeWell financial assistance for some people who lose Medicaid:** People who lose Medicaid because they do not meet the new work reporting requirements will also lose access to federal financial assistance through BeWell.
 - Impact - Low-income people who do not meet administrative requirements will have no option to access affordable healthcare coverage.
- ▶ **Less retroactive Medicaid coverage:** Medicaid coverage for past medical bills will be limited to 1 month for people ages 19-64 and 2 months for other enrollees.



Retroactive Medicaid coverage limited to 1 month for people ages 19-64

Retroactive Medicaid coverage limited to 2 months for other enrollees

More medical debt, and increasing uncompensated care costs for hospitals.

 - Impact - 5,600 New Mexicans could lose at least one month of coverage, leading to more medical debt, and increasing uncompensated care costs for hospitals.
- ▶ **Loss of BeWell financial assistance for many lawfully present immigrants:** Many lawfully present immigrants with incomes between 100-400% of the federal poverty level will lose eligibility for premium tax credits on BeWell. Refugees, asylees, abused spouses and children, victims of trafficking and others will no longer qualify for these credits.
 - Impact - Many non-citizens will be locked out of affordable healthcare coverage.

Summary of Federal Changes to Healthcare and Food Programs

Starting January 2027 (continued)

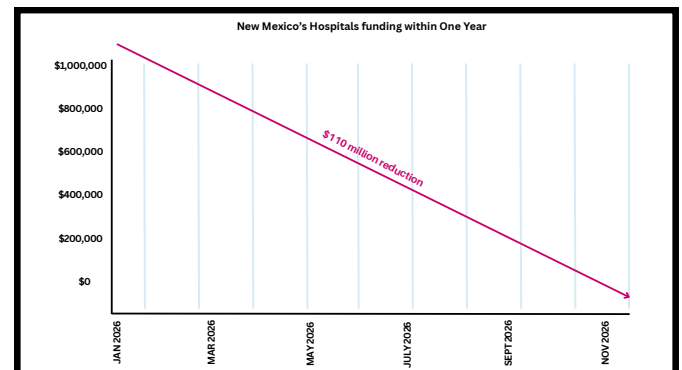
- ▶ Medicare benefits for current lawfully present enrollees who are not lawful permanent residents (green card holders), Cuban-Haitian entrants, or COFA migrants will be terminated.
 - Impact - Medicare enrollees who are lawfully present immigrants and are elderly or have severe disabilities will lose access to their healthcare coverage.

Starting October 1, 2027

- ▶ A major revenue source the state uses to finance Medicaid (provider taxes) will be decreased, reducing the funds and reimbursements hospitals receive.
 - Impact - Funding cuts will make it harder to keep hospitals open, especially in rural communities.
- ▶ States must begin sharing the cost of SNAP benefits based on their payment error rate.
 - Impact - The state will have to use general fund dollars to pay up to 15% of SNAP benefits that go to New Mexico families. Depending on the error rate, New Mexico may be able to postpone this provision.

Starting January 1, 2028

- ▶ The payment rate for inpatient hospital and nursing facility services will be capped.
 - Impact - In this first year of reductions alone, New Mexico's hospitals will see about a \$110 million reduction in funding.
- ▶ BeWell enrollees will be subjected to increased paperwork requirements and the annual automatic renewal option will be ended.
 - Impact - Eligible people will fall off coverage due to red tape.



Starting October 1, 2028

- ▶ Cost sharing of up to \$35 per service will be imposed on Medicaid enrollees ages 19-64 with incomes 100-138% FPL. (Primary care, mental health, and substance use disorder services are exempted from cost sharing.)
 - Impact - This creates a financial barrier to healthcare for people with low incomes (an individual making about \$16,000-21,000). The cost per service will deter many people from accessing the healthcare they need.