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# FEDERAL IMPACTS ON HEALTH CARE IN NEW MEXICO

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# DISCLAIMER

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# AGENDA

Brief Overview of NM Medicaid

Unique Features of the NM Healthcare Landscape

Federal Budget Reconciliation Bill provisions

Rural Health Funding

Vaccine changes

Opportunities for Advocacy

Discussion

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# OVERVIEW OF MEDICAID IN NM

NM Medicaid has 878,000 members (42% of the population – highest in the U.S.)

Includes 293,625 children (Oct 2025)

Pays for >60% of births in NM and 67% of nursing home residents

Total Medicaid spending in NM is 8.1 Billion (83% federal/17% state for FY24)

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# 1115 WAIVER

- Managed Care
  - Programs for children
  - Medicaid Services for Justice-Involved Populations
  - Traditional Healing Benefits
  - Home-Delivered Meals Pilot Program
  - Closed-Loop Referral System
  - Graduate Medical Education (GME) funding
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# NM PREPARATION FOR FEDERAL CHANGES

- NMMIP - established by the Legislature in 1987
  - State-funded Health Insurance Exchange Website
  - Medicaid Trust Fund – established by the 2025 Legislature
  - Legislature funded healthcare cost analyses – final report June 2026
  - Medicaid Forward
  - Healthcare Affordability Fund
  - Rural Health Grants
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# NM MEDICAID FORWARD PLAN

Legislative action occurred in 2023 and 2025

SPA needed to open Medicaid to residents over 133% FPL and establish premiums and cost sharing.

The combined premiums and out-of-pocket spending would not exceed 5% of a family's income.

Like the existing Medicaid program in New Mexico, federal dollars would largely fund the program.

Projections show that the uninsured population will decrease in New Mexico by 48%.

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# HEALTHCARE AFFORDABILITY FUND

- Established by the legislature in 2021; acts as a state-level subsidy for plans on the Exchange.
  - Health Care Affordability Fund will provide \$17.3 million to reduce premiums and cost-sharing through June 30 2026 for New Mexicans enrolled in BeWell.
  - Several states have been able to backfill a **portion** of the federal tax credits; NM is lowering premiums for anyone on the Exchange.
  - Includes the DACA 2026 Program to help those with DACA status who recently lost eligibility for Medicaid and the Healthcare Marketplace.
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# FEDERAL RECONCILIATION BILL

- Imposes new eligibility and access restrictions for the ACA's Medicaid expansion population 19-64 (e.g., work requirements, copayments, more frequent redeterminations).
- Constrains the ways states can finance their share of Medicaid program costs and influence provider access through payment policy.
- Restricts noncitizen coverage in Medicaid.

# H. R. 1 FEDERAL BUDGET BILL



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# MEDICAID WORK REQUIREMENTS

- Medicaid enrollees 19-64 will be required to show 80 hours per month of: work, community service, part-time education, or a combination of these activities. Limited exemptions (pregnancy, some caregivers)
  - Most of these healthy adults are already working but often work low-wage jobs, seasonal or part-time work
- Terminations. If a person is denied or disenrolled due to work requirements, they need to file a new application to re-apply AND they will be ineligible for federal subsidies on the Exchange.



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# REDETERMINATION CHANGES

- Required every six months for expansion pop.
- Starts Dec 31, 2026
- Unlike work requirements there is no option to delay
- Exemptions: The law exempts Territories and American Indian/Alaska Natives (AI/AN) from this provision.

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# NON-CITIZEN COVERAGE CHANGES



- Reduces FMAP for Emergency Medicaid Services
- Effective Oct 1, 2026
- Ends Medicaid funding for Refugees, Asylees, and other non-citizens with certain exceptions

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## PLACES LIMITS ON PROVIDER TAXES

- Prohibits any new Medicaid provider tax or increases to existing rates for taxes enacted prior to July 4, 2025 (for both local- and state-imposed taxes.)
- Changes the limit on how much provider tax revenue a state can use to draw down federal Medicaid funds.
- Threshold for non-expansion states remains 6% but gradually decreases to 3.5% for expansion states.
- **All states except Alaska currently use provider taxes to help finance their share of Medicaid expenditures.**

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## ACA CHANGES

- Harder to enroll or re-enroll in subsidized coverage.
  - Individuals with DACA status are excluded (no longer considered “lawfully present.”)
  - Lawful permanent residents (green card holders) and other lawfully present immigrants no longer qualify for premium tax credits to make coverage on the exchange affordable.
  - The current administration has cut ACA Navigator funding by 90% (\$100M to 10M)
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# HR1 IMPACTS

The CBO estimates that the law will cause coverage loss for 10 million people (Medicaid and Marketplace), bringing the total uninsured to about 15 million (pre-ACA levels).

Rural hospitals and Federally Qualified Health Centers rely heavily on Medicaid revenue; the NM Hospital Association estimates 6-8 hospitals could close within 24 months.

Loss of hospitals and healthcare providers lessens access to care for everyone.

Co-pay policy has been shown to deter people from seeking necessary care, increase costs to the healthcare system, and cost more to implement than it brings in revenue.

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# GOVERNMENT SHUTDOWN (FALL 2025)



After 43 days, the longest government shutdown in history ended with a Continuing Resolution to fund the Government at current levels through January 30.



Left unresolved the ACA enhanced premium subsidies set to expire Dec 31, 2025.



CR passed after Senate Majority Leader John Thune agreed to vote on separate legislation to extend the subsidies by mid-December.



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# AFTER THE SHUTDOWN

- Congress adjourned on Dec. 18 with no solution on expiring health care subsidies
- Two proposals in the Senate; neither one passed.
- In the House, four Republicans teamed up with Democrats on a “discharge petition” to force a vote on a three-year extension of Affordable Care Act funds.
- That vote occurred Thursday Jan. 8 with 17 R votes but must still pass in the Senate.

**Enhanced  
subsidies were  
enacted in 2021  
under the Biden  
Administration**

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# NM HAS TWO SUPPORT FUNDS FOR RURAL HEALTHCARE

- Rural Health Care  
Delivery Fund (State)
- Rural Health Care  
Transformation Fund  
(Federal)



# RURAL HEALTH CARE DELIVERY FUND

Established by the  
Legislature in 2023

\$50 million cash  
infusion appropriated  
during a special  
session in October  
2025

\$20 million in grants  
awarded in Dec. 2025  
to 32 rural health  
organizations

Can be used for new  
or expanded services

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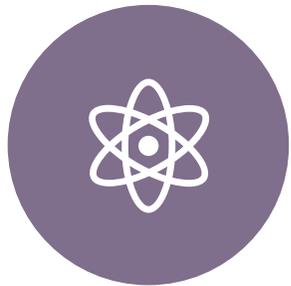
# RURAL HEALTH CARE TRANSFORMATION FUND



HR1 established a \$50 billion fund for rural healthcare.



States applied in early Dec. and awards were made Dec 29



NM will receive \$211M/year 2026-2030



No more than 10% of a state's allotment can be used on administrative expenses.

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# HHS CHANGES TO VACCINE RECOMMENDATIONS

## Children

- Created 3 vaccine categories
- All children - 11 diseases (as opposed to 18 in 2024).
- Moving from recommended to shared decision making creates confusion and doubt.
- No new evidence or safety concerns were presented.

## Adults

- RSV -adults 75 and over and high risk 50-74
- COVID – shared clinical decision making
- Flu – rec. for all; no multi-dose vials.
- MMR – 68 or younger
- Coverage **unchanged** (vaccines recommended must be covered at no-cost).

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# NM RETAINS FULL CHILDHOOD VACCINE RECOMMENDATIONS



- Department of Health issues PR stating vaccine recommendations unchanged.
- All childhood vaccinations continue to be covered under the Vaccines for Children Program, Medicaid, and private insurance. There is no anticipated change to vaccine availability in New Mexico.

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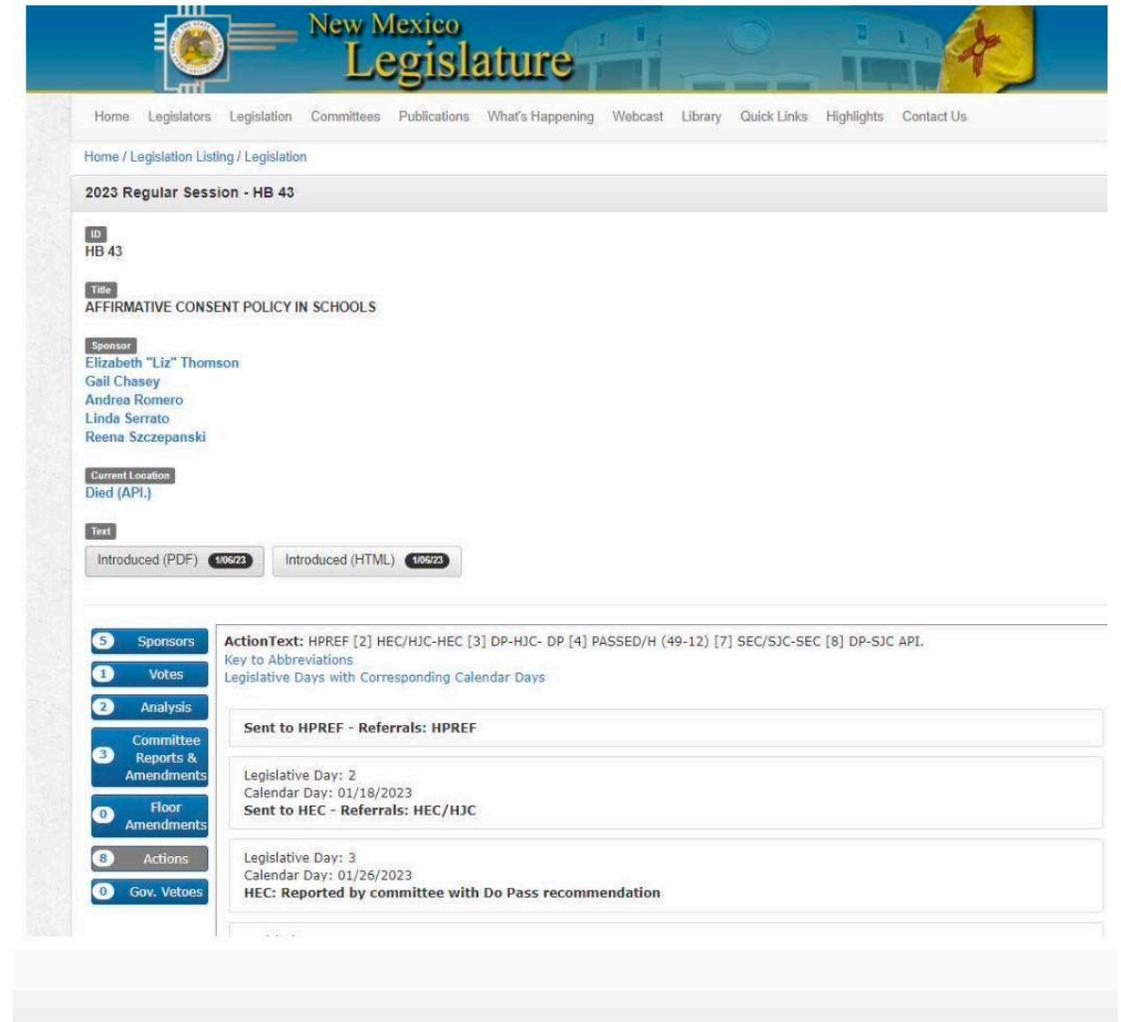
# AREAS FOR ADVOCACY

- Continue/Increase funding for the Healthcare Affordability Fund, Medicaid Trust Fund, and Rural Health Fund
- Legislation needed to enact Medicaid Forward
- Bills this Session:
  - DOH vaccine bill (# tbd)
  - Interstate Compacts (several bills)



# HOW TO LOCATE A BILL

- NMLegis.gov houses all proposed legislation from each session.
- Under the Legislation tab at the top of the webpage, you can search for any bill by number, sponsor, keyword, or subject



The screenshot displays the New Mexico Legislature website. At the top, there is a navigation bar with links for Home, Legislators, Legislation, Committees, Publications, What's Happening, Webcast, Library, Quick Links, Highlights, and Contact Us. Below this, the page title is "2023 Regular Session - HB 43". The main content area shows the bill's ID (HB 43), Title (AFFIRMATIVE CONSENT POLICY IN SCHOOLS), and Sponsors (Elizabeth "Liz" Thomson, Gail Chasey, Andrea Romero, Linda Serrato, and Reena Szczepanski). The Current Location is listed as "Died (API)". There are two buttons for "Introduced (PDF)" and "Introduced (HTML)", both labeled "1/06/23". A sidebar on the left contains a list of tabs: Sponsors (5), Votes (1), Analysis (2), Committee Reports & Amendments (3), Floor Amendments (0), Actions (8), and Gov. Vetoes (0). The main content area includes an "ActionText" section with a key to abbreviations and a "Legislative Days with Corresponding Calendar Days" section. The "Sent to HPREF - Referrals: HPREF" section shows "Legislative Day: 2" and "Calendar Day: 01/18/2023". The "Sent to HEC - Referrals: HEC/HJC" section shows "Legislative Day: 3" and "Calendar Day: 01/26/2023", with a note that the HEC reported by committee with a Do Pass recommendation.

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# LEGISLATIVE TIMELINE

- Jan 2-16 Legislation may be pre-filed
- Jan 20 at noon- Opening Day
- Feb 4 – deadline for introducing new bills
- Feb 19 at noon – Session ends
- May 20 – effective date of legislation that does not have an emergency clause





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Questions?

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