

Five Reasons Why New Mexico Should Say “Yes” to the Medicaid Opportunity

Starting in 2014, New Mexico can make Medicaid available to most low-income adults who earn less than 138% of the poverty level (under \$15,400/year for single adults, or \$26,300 for families of three).



We can provide comprehensive healthcare coverage for over 170,000 uninsured New Mexicans – including parents and the working poor.

New Mexico has an unprecedented opportunity to ensure that nearly every person in our state gets healthcare coverage. Without Medicaid, low-income families will be left behind – most of them will not qualify for federal financial help to purchase private insurance under the Affordable Care Act.



This will save hundreds of millions of dollars in the next 7 years, and will recover all costs after that. The federal government will pay all of the costs for the first 3 years, and then continues to pay at least 90% of costs after that. In the next 7 years (2014-2020), New Mexico only pays 4% of costs on average, but all of this is returned to the state through an existing 4% tax that managed care companies pay on insurance premiums. The state will also see increased revenues as federal funds flow through the economy, resulting in gross receipts taxes and income taxes from new job creation. We will also save money by transferring adults into Medicaid out of the SCI program and the state’s high risk pool, resulting in little to no net costs beyond 2020.



Federal funds will boost New Mexico’s economy, create new jobs, and help local businesses. Medicaid will bring \$4.9 billion to \$6.4 billion in federal funds to New Mexico over 2014-2020, boosting our economy, helping businesses and creating 6,000 to 8,000 new jobs in our state. Employers will benefit from more spending in local businesses, health coverage for workers, and a more productive workforce.



New Mexico can build a stronger healthcare infrastructure with added Medicaid revenues. Hospitals and healthcare providers spend hundreds of millions of dollars each year on uncompensated care costs. When more people are insured, our health system will receive more of the revenues that are necessary to build infrastructure, expand the workforce, and attract healthcare providers to deliver the medical care that all New Mexicans need.



If we don’t, New Mexicans will just be sending our federal tax dollars to other states to pay for their healthcare. New Mexicans won’t get the benefit of our federal taxes if we refuse to expand Medicaid. Instead, our tax dollars will be sent to other states like California and New York.