

Medicaid Budget Shortfall

We Are at A Critical Moment... Will New Mexico Cut Healthcare by \$400 Million or Find Solutions?

House Bill 2 drastically underfunded Medicaid, resulting in a \$400 million shortfall of combined federal and state funds for the program. The cuts will:

- **Jeopardize jobs and our economy** – 4,800 healthcare jobs were created in 2014 due to federal funds from Medicaid expansion, making healthcare one of the only growing job sectors in New Mexico’s struggling economy.
- **Hurt the healthcare workforce**, which is already struggling with shortages. Hospitals will also see reduced payment rates that will hinder them from hiring more staff and expanding services.
- **Harm low-income families and shift financial burdens** by requiring them to pay Medicaid fees shown to result in reductions in access to care and increased risk of adverse health outcomes.



We must diversify our revenues and economy, not shift the burden to our families and healthcare workers.

MYTH:

We can easily reduce Medicaid spending.

FACT:

HSD has said that **being forced to make \$400 million in cuts to the programs is an “insurmountable” task.** Many of the required actions in HB2 cannot be implemented in time to affect the budget for FY17. Plus, cutting so much from the program would be fiscally irresponsible, jeopardizing the positive impacts Medicaid has on our state.

MYTH:

Medicaid is breaking the state budget.

FACT:

Medicaid expansion has paid for itself, even when the state assumes its share of the costs. Medicaid injects over \$4.5 billion in federal funds per year into NM’s economy, creating new jobs in the private sector and generating revenue for the state through income tax, gross receipts taxes, and insurance company taxes that have *canceled out* the costs of expansion and resulted in surpluses. NM’s budget is broken because our state lacks jobs and our revenue system needs reform.