



HEALTH CARE
AUTHORITY



LAND GRANT COMMITTEE: RURAL HEALTH DISPARITIES & RECENT FEDERAL CHANGES

DEPUTY SECRETARY ALEX CASTILLO SMITH

INVESTING FOR TOMORROW, DELIVERING TODAY.



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MISSION

We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.

VISION

Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.

GOALS



IMPROVE Leverage purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



SUPPORT Build the best team in state government by supporting employees' continuous growth and wellness.



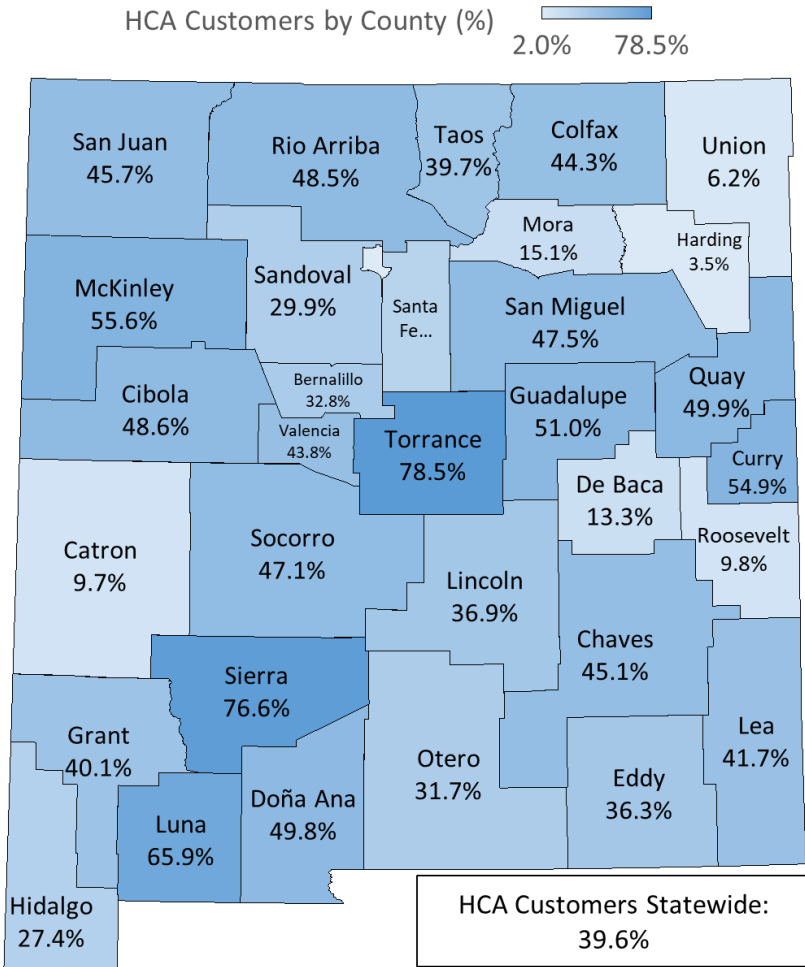
ADDRESS Achieve health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



PROVIDE Implement innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

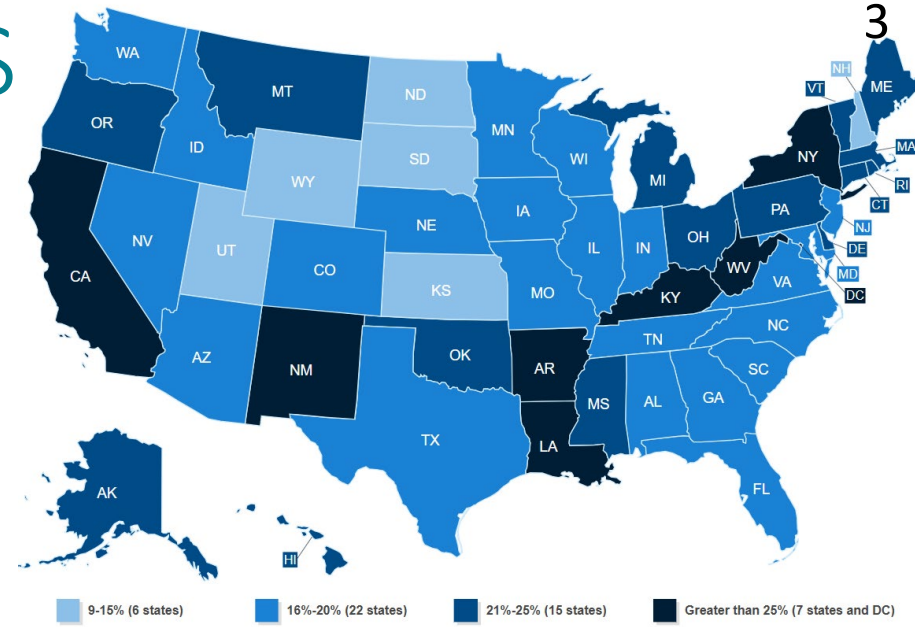
HCA SERVES 843,661 NEW MEXICANS

HCA Customers by County as Percent of County Residents, August 2025



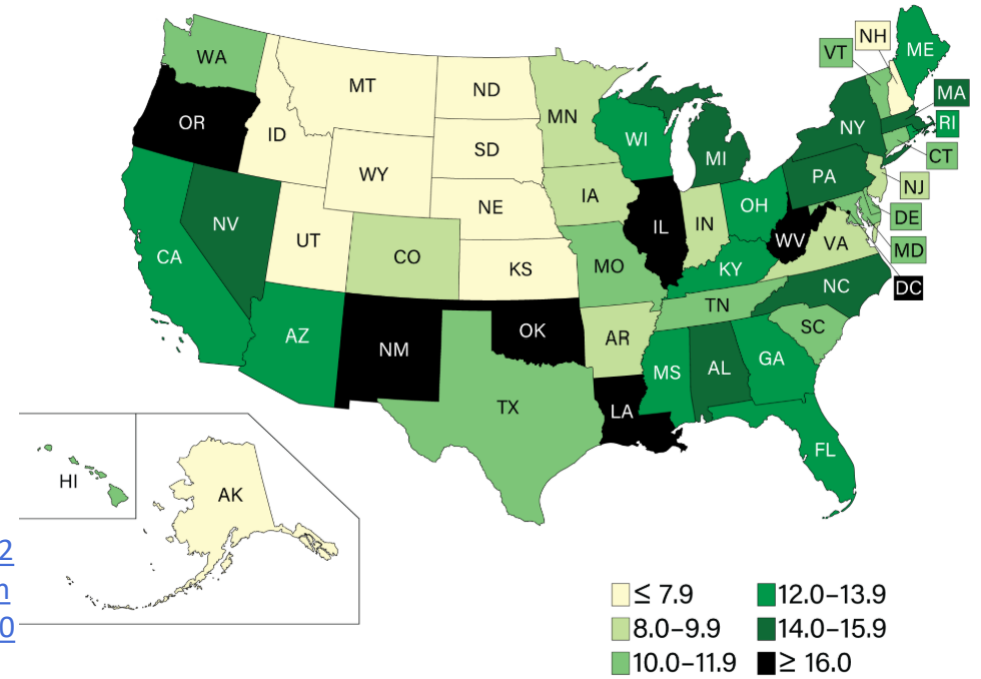
Medicaid Enrollment by Percent of Population (2023) – NM 39%

Source: Kaiser Family Foundation - <https://www.kff.org/interactive/medicaid-state-fact-sheets/>



SNAP Enrollment by Percent of Population (2023) – NM 23%

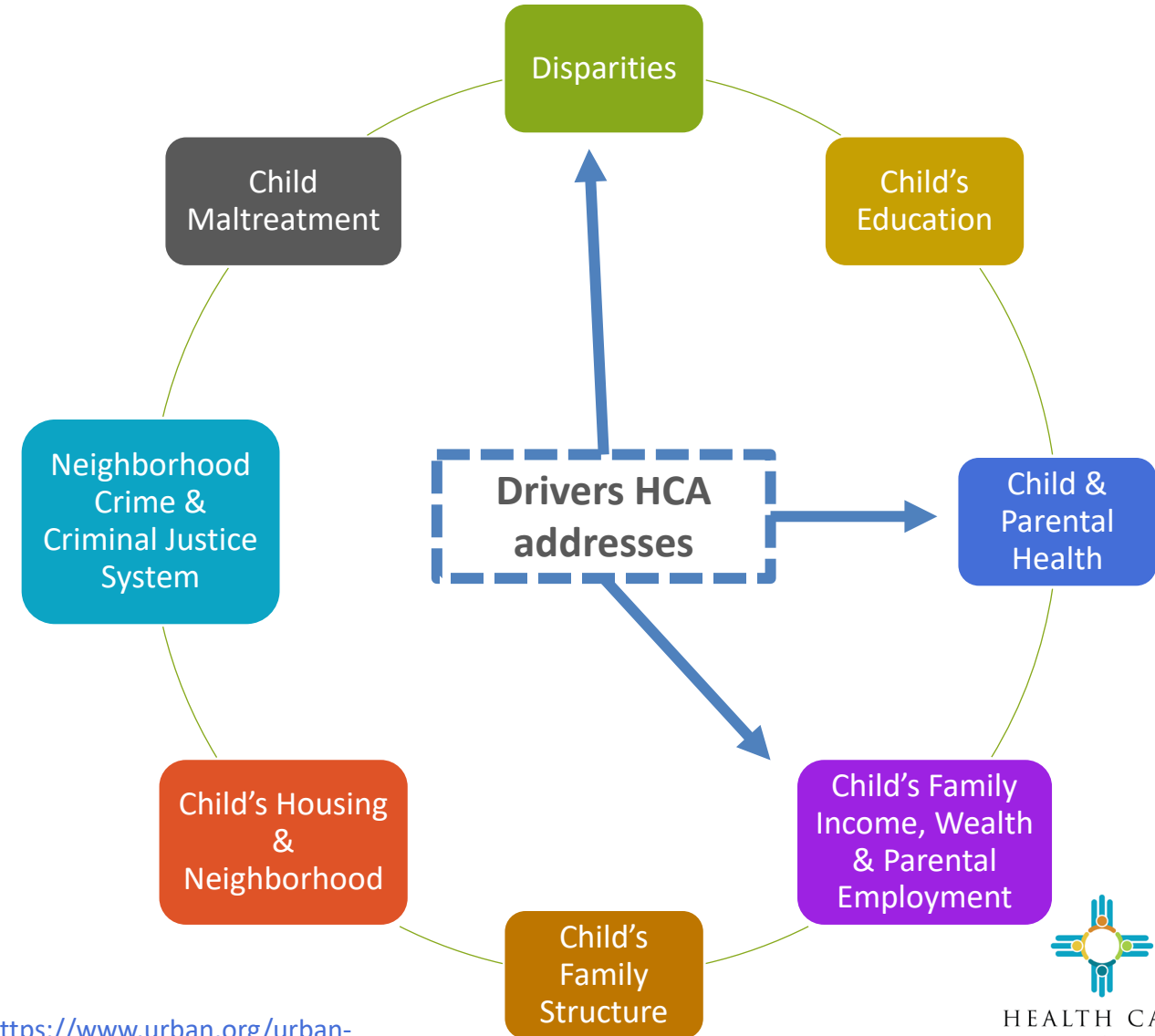
Source: USDA Economic Research Service <https://www.ers.usda.gov/data-products/chart-gallery/chart-detail?chartId=55416#:~:text=In%20fiscal%20year%202023%2C%20the,between%208%20and%2016%20percent.>



HCA PROGRAMS ARE PART OF THE SOLUTION TO REDUCE INTERGENERATIONAL POVERTY & DISPARITIES

Key Drivers of Long-Term, Intergenerational Poverty

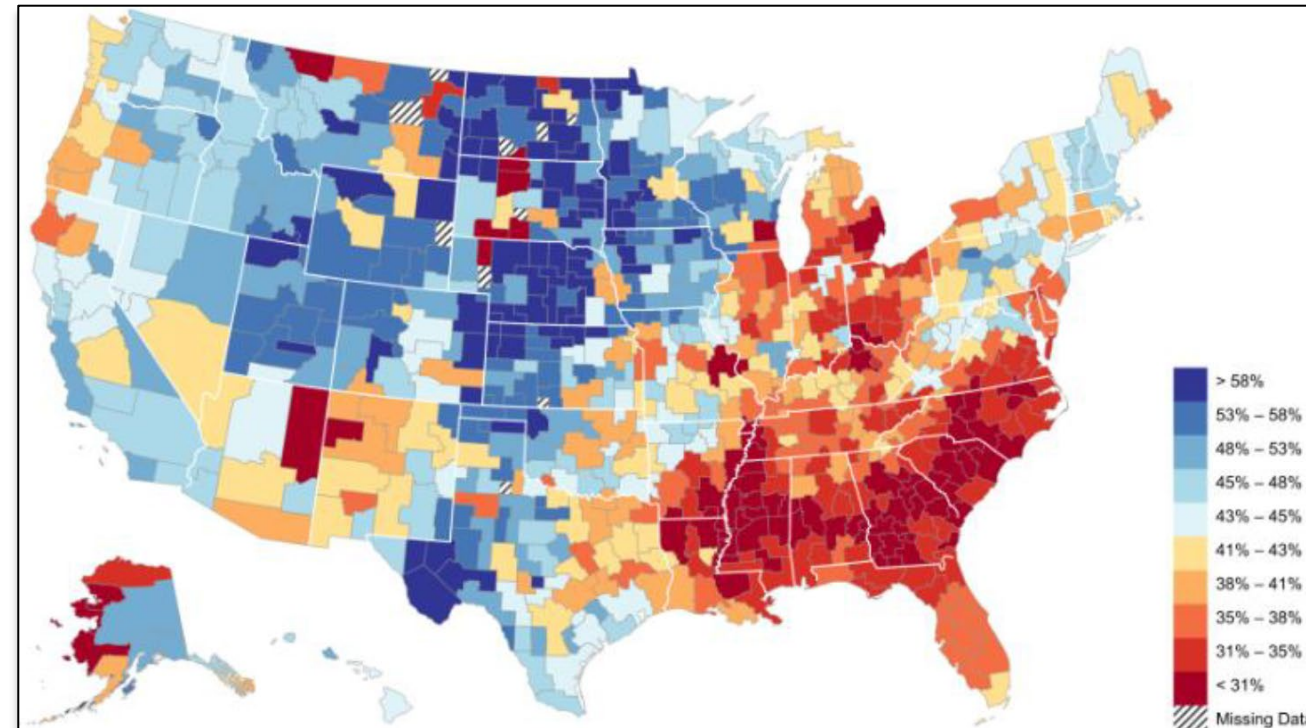
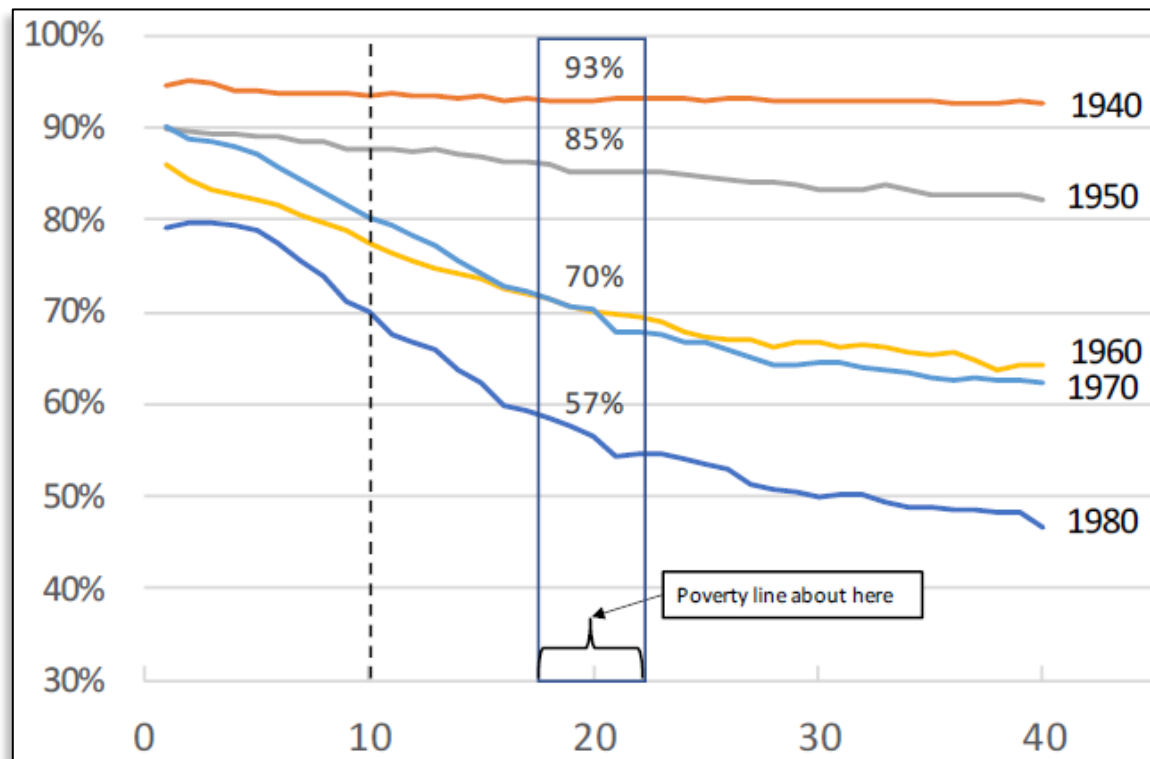
- 2023 National Academies of Science, Engineering & Medicine defines intergenerational poverty as a situation in which children who grow up in families with incomes below the poverty line remain poor as adults.
- Key drivers of intergenerational poverty make it more difficult for some people to provide for their families.
 - These drivers reinforce disparities in access to health care, to transportation, education, childcare, high-quality jobs, and affordable housing near work, as well as in interactions with the justice system.
- Behaviors and choices also have causal effects on intergenerational mobility.
 - Many factors influence behaviors and choices, including the experiences of historical violence, oppression, and marginalization.
 - These factors are crucial in shaping the relevant determinants of poverty over generations.



INCREASED INEQUALITY—PARTICULARLY STAGNANT WAGES FOR LOWER-INCOME WORKERS OVER THE PAST 40 YEARS—SIGNIFICANT FACTOR IN PERSISTENCE OF INTERGENERATIONAL POVERTY

Among children born in 1940 to families at poverty line, almost all (93%) had higher incomes in adulthood than their parents. By 1980, only 57% of children earned more than their parents by adulthood.

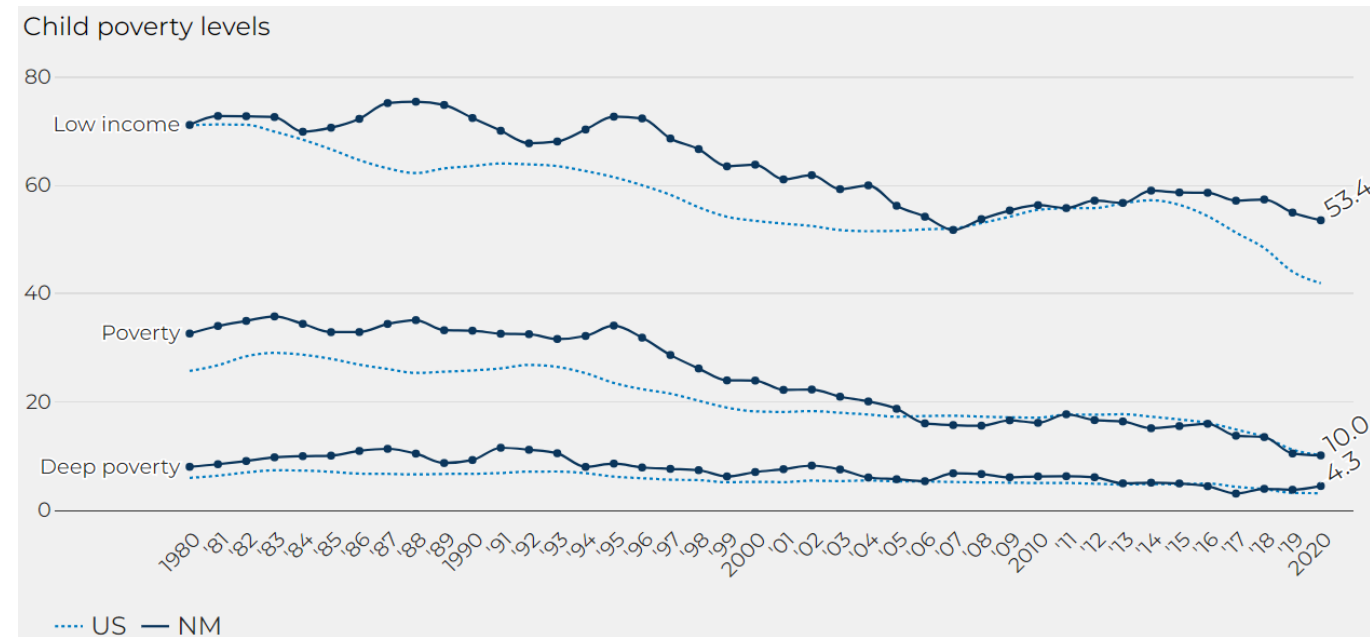
Geographic distribution of children with parents in the bottom income quintile who reach the top 3 income quintiles. (Darker the shade of blue, higher likelihood children reach top 3 income quintiles.)



DESPITE INEQUALITY, CHILD POVERTY DECLINES

- U.S. child poverty fell by 59% from 1993 to 2019- in every state, **including NM (from 31.5% in 1993 to 10% in 2020)**.
- Many factors contribute to decrease, including lower unemployment, increased labor force participation, and growth of minimum wages.
- Expansion of safety net programs significant.**
 - In 1993, safety net programs cut child poverty by 9%.
 - By 2019, poverty level reduced by 44%, removing 6.5 M children from poverty.**
- More recent investments in NM's safety net have reduced child poverty from worst in nation (27.4%) to 17th in nation (8.9%); federal changes likely to reverse this positive trend.**

U.S. & N.M. Trends in Child Poverty Rates Measured by Supplemental Poverty Measure, by level (%)



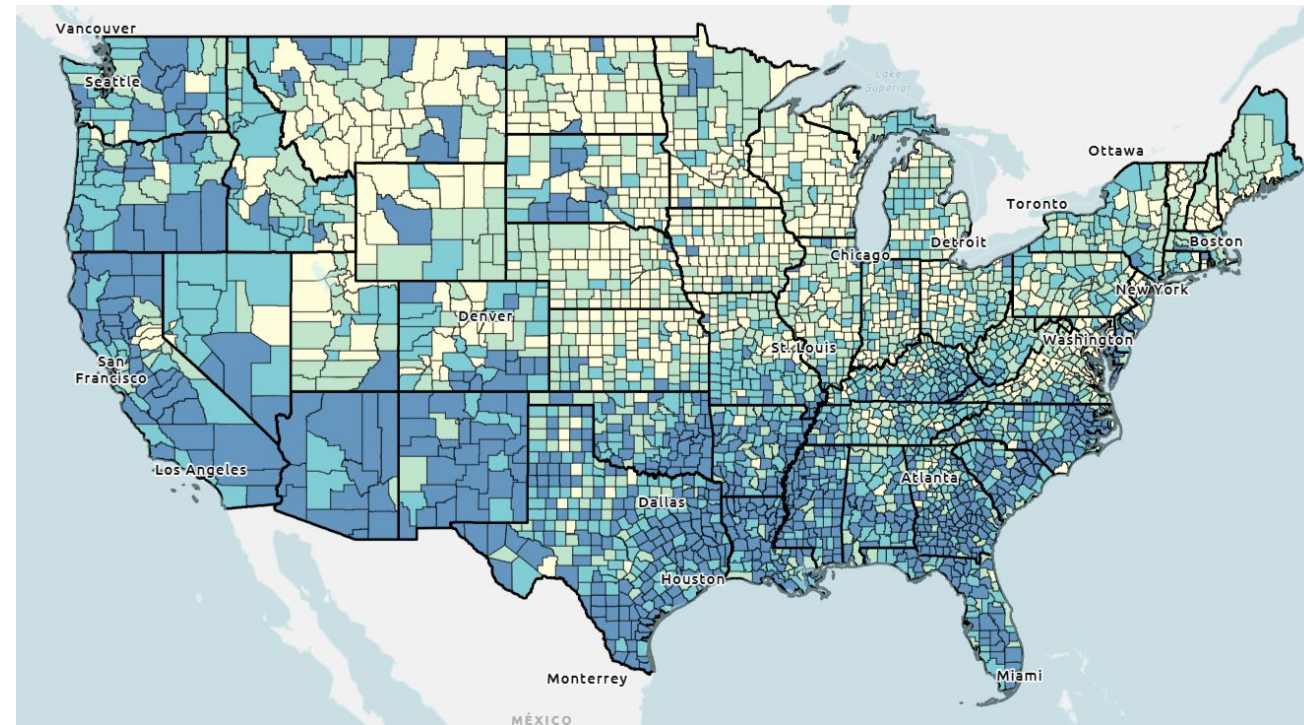
Source: <https://www.childtrends.org/publications/state-level-data-for-understanding-child-poverty>



NM IS ONE OF THE MOST SOCIALLY VULNERABLE STATES

- Social Vulnerability Index (SVI) is a CDC metric that uses 16 variables—grouped into 4 themes (socioeconomic status, household composition and disability, minority status and language, and housing type and transportation)—to rank vulnerability.
- Over 60% of NM Counties fall into highest SVI quartile, with Bernalillo (1.00), McKinley (0.94), and Doña Ana (0.93) among the top 5 most vulnerable counties nationwide.
- Rural counties—particularly in NW and SW NM—consistently exhibit higher SVI due to entrenched poverty, limited transportation and healthcare infrastructure, translating into poorer health outcomes compared to urban areas.
- **Higher values indicate greater vulnerability in a community to stressors such as a disaster or public health event.**

Social Vulnerability Index, by County, 2022



Source: <https://www.atsdr.cdc.gov/place-health/php/svi/svi-interactive-map.html>



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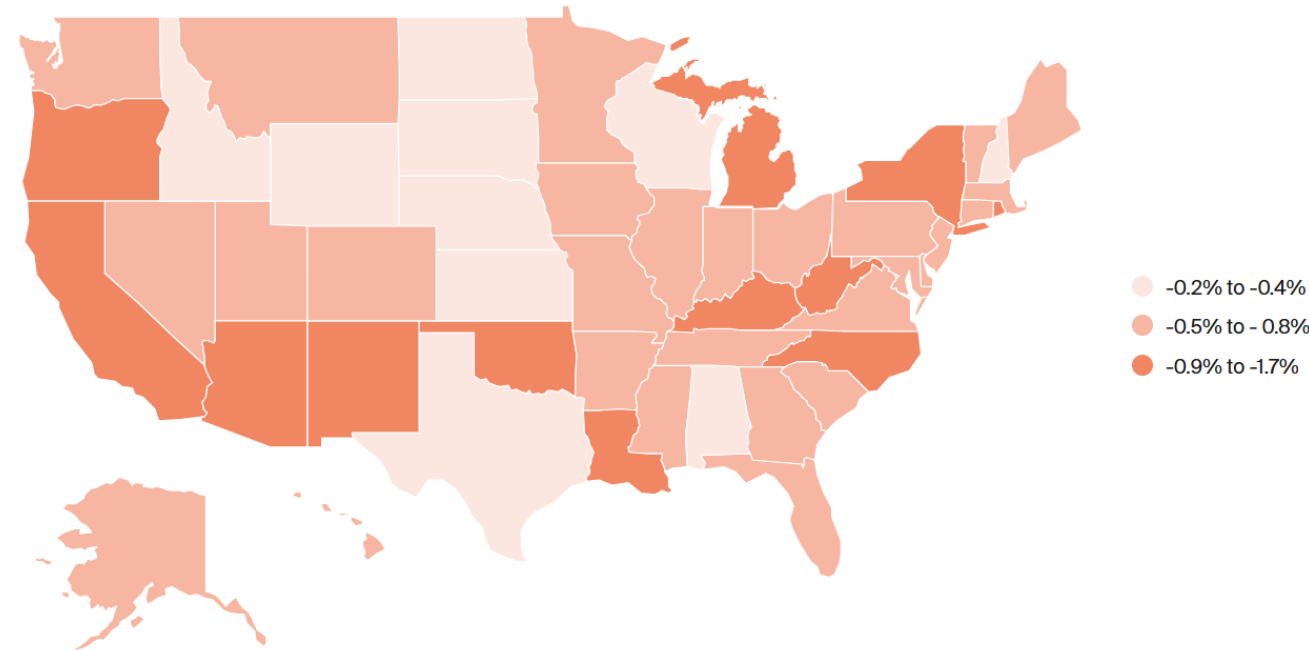
Investing for tomorrow, delivering today.

CHANGES CONGRESS ENACTED ACROSS HCA'S PROGRAMS WILL AFFECT EVERY NEW MEXICAN ⁸

- Medicaid serves as NM's largest health care payor; reductions will impact access and cost across all providers.
 - Costs will be passed through to individuals with private insurance; limits HCA's ability to leverage purchasing power.
 - Potential closure of 6-8 rural hospital in the next 18-24 months mean reduced access to essential services for rural New Mexicans.
 - Uninsured individuals likely to forego preventive care, resulting in higher acuity and higher costs, more crowded ERs
- Nearly \$1.3B in SNAP revenue at stake for 1,700 NM grocery stores, farmers markets, gas stations, and convenience stores.
- NM has the highest rate of child food insecurity in the U.S. (23.3%), which is likely to worsen. Downstream impacts on school attendance and academic performance.
- Investments in NM's safety net have reduced child poverty from worst in nation (27.4%) to 17th in nation (8.9%); federal changes likely to reverse this positive trend.

Estimated Job Losses Caused by Medicaid and SNAP Funding Cuts in House Budget Reconciliation Bill, 2029 (%)

NM ranks highest in U.S. with a 1.7% decrease in jobs



Data: George Washington University analyses using IMPLAN, 2025.

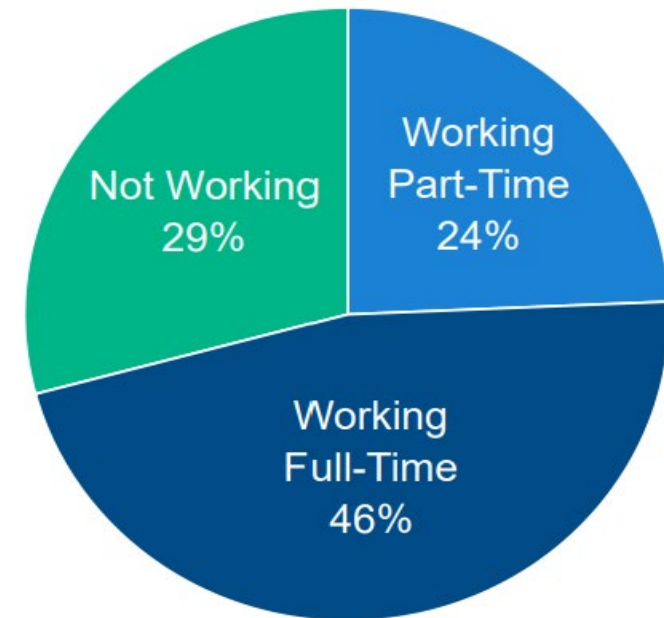
Source: Leighton Ku et al., *How Medicaid and SNAP Cutbacks in the "One Big Beautiful Bill" Would Trigger Big and Bigger Job Losses Across States* (Commonwealth Fund, June 2025). <https://doi.org/10.26099/tryd-ht51>

Source: <https://www.commonwealthfund.org/publications/issue-briefs/2025/jun/how-medicaid-snap-cutbacks-one-big-beautiful-bill-trigger-job-losses-states>

MEDICAID CHANGES IN RECONCILIATION BILL

1. Community/work engagement requirements
2. More frequent eligibility checks and additional documentation required to determine eligibility
3. Eligibility reductions
 - Reduced retroactive Medicaid period
 - Elimination of covered legal immigration statuses (i.e., victims of human trafficking)
4. Reductions in provider payments to 100% of Medicare
 - Phased down provider taxes
 - Phased down payments to hospitals
 - Potential reductions to all provider rates through administrative action (primary care, behavioral health, maternal/child health)
5. Co-payments for certain services and populations

A majority (70%) of Medicaid adults are working in New Mexico



Source: Kaiser Family Foundation Snapshot of Medicaid in New Mexico, May 2025:
<https://files.kff.org/attachment/fact-sheet-medicaid-state-NM>



IMPACTS OF POTENTIAL FEDERAL MEDICAID CHANGES

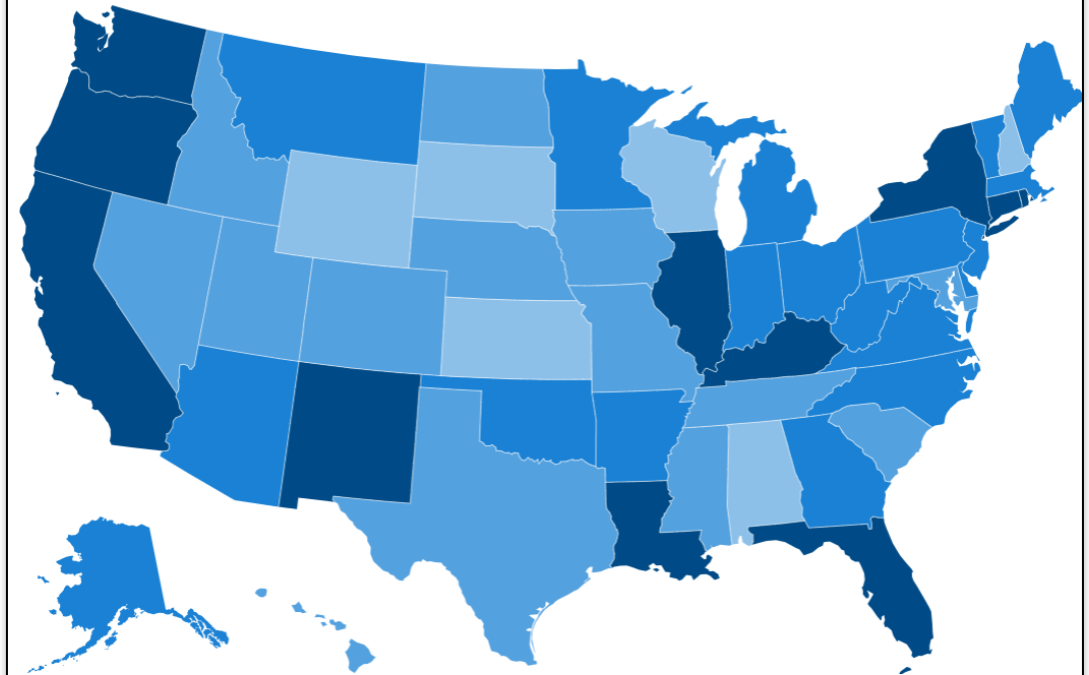
- Federal Medicaid funding to New Mexico totals \$9.56 billion annually.
- Under the Reconciliation bill:
 - More than **\$8.5 billion** in lost federal Medicaid funding to New Mexico from changes to provider payments alone over the period 2028-2037
 - At least **88,530 New Mexicans lose coverage.**
 - An estimated **42,074 New Mexicans have new co-pays.**
 - **254,400 New Mexicans subject to administrative burden/increased paperwork** to stay enrolled, even though they still likely qualify.
 - **50+ safety-net providers including hospitals lose critical funding**
 - **6-8 rural NM hospitals likely to close** over the next 18-24 months.

NM Projected to Experience a 4% Change in Uninsured

An Additional 10.9M People Nationwide Could be Uninsured if the One Big Beautiful Bill Act is Passed

Percentage Point Increase in the Uninsured Population if the One Big Beautiful Bill Act is Finalized Based on National CBO Estimates, by State, 2034

Percentage Point Increase



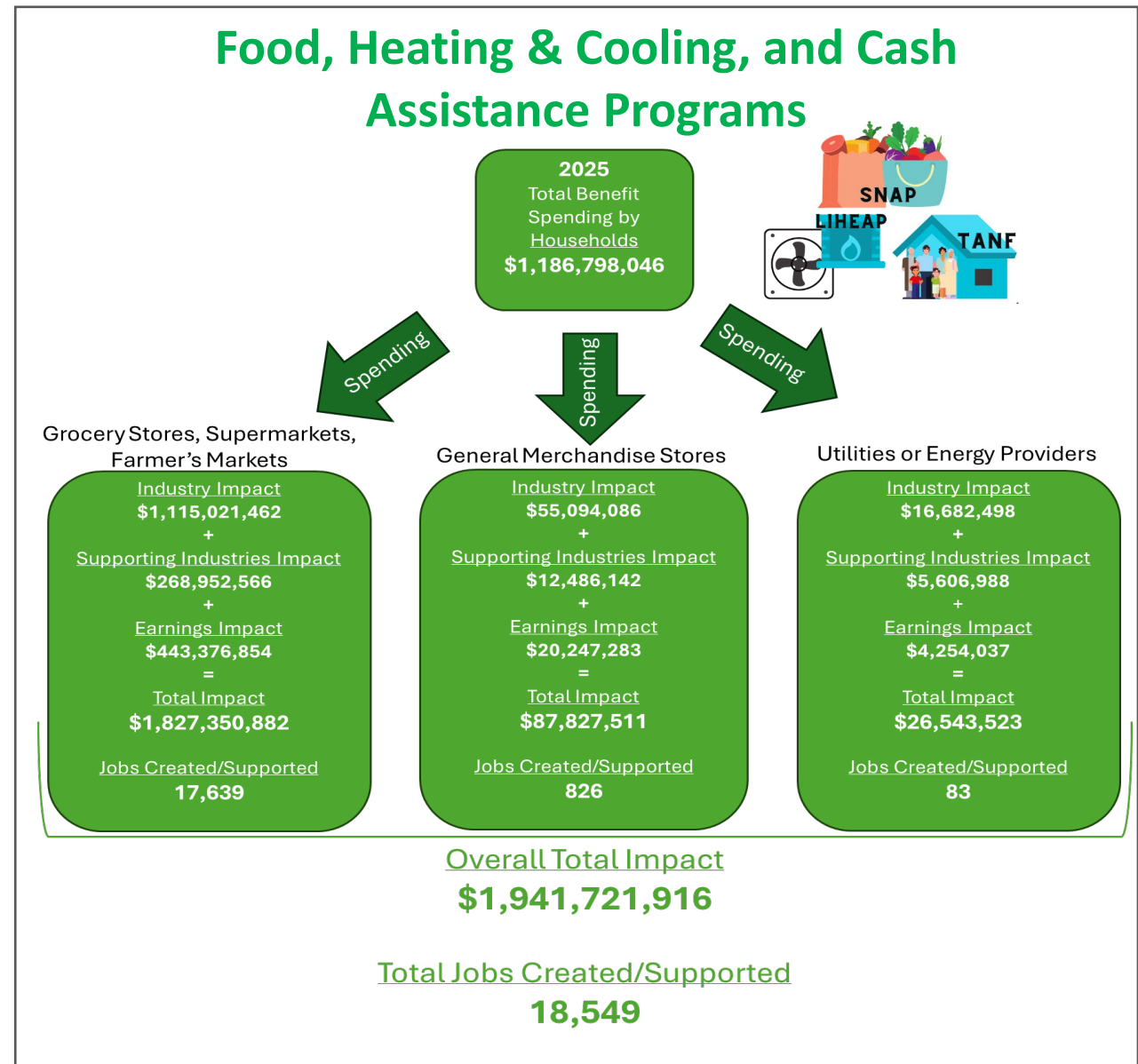
Note: This map takes into account the effects on the uninsured population of passing the One Big Beautiful Bill Act. See methods for details.

Source: KFF analysis of population data from Weldon Cooper Center for Public Service; estimates of uninsured population growth by policy change from CBO, and KFF estimates of how the uninsured increase would be allocated across states (see Methods for additional sources and details). • [Get the data](#) • [Download PNG](#)



MOST LIKELY SNAP CHANGES IN RECONCILIATION BILL

1. New requirement for states to share a portion of the cost of SNAP benefits (currently financed with 100% federal funds) based on their Payment Error Rates (PERs).
2. Reduced federal funding to administer SNAP, changing from 50:50 state/federal funding ratio to 75% state/25% federal.
3. Resetting the formula for benefit amounts, reducing the maximum a household can qualify for.
4. Additional work requirements for SNAP households and stricter enforcement of existing work requirements.
5. Eligibility reductions through how benefits are calculated.



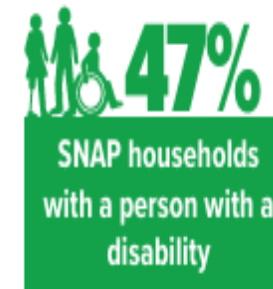
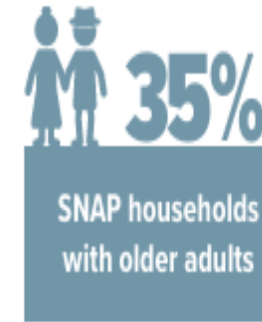
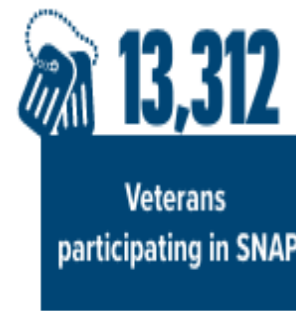
IMPACTS OF POTENTIAL FEDERAL SNAP CHANGES

- There are **457,655 SNAP participants** in New Mexico (21% of the state's population).
- 1,700 SNAP authorized retailers across the state are at risk of losing **\$1.3B** in SNAP revenue.

The Reconciliation Bill:

- Cuts up to **\$203M** in federal funds from New Mexico. The state will be required to pay this amount to run SNAP annually.
- Requires the state to pay 75% of the administrative costs to run SNAP for an additional **\$47M** annually.
- An estimated **457,655** New Mexicans could see their monthly SNAP benefits reduced.
- An estimated **16,220** New Mexicans will lose SNAP benefits due to their immigration status being ineligible to receive SNAP.
- At least **55,750** New Mexicans receiving SNAP will be newly subject to **work requirements**.
- Approximately **20,070** New Mexicans likely to lose SNAP **benefits** altogether.

SNAP'S IMPACT IN NEW MEXICO



KEY ECONOMIC FACTS

- SNAP supports working families.** Between 2019–2023, an average of **79%** of SNAP households in **NEW MEXICO** included someone who was working.
- SNAP stimulates the economy and creates jobs.** Each SNAP dollar has up to a \$1.80 impact during economic downturns, supporting the supply chain from farmer to store.
- SNAP supports local businesses,** including **1,685 retailers in NEW MEXICO**, which redeemed a total of **\$1,280,659,988** in 2023. Retailers include grocery stores and farmers' markets, which contribute to local taxes that fund services like schools and health care.

Source: https://frac.org/wp-content/uploads/SNAP_FactSheets_022525_NM32.pdf



HCA'S HEALTH CARE AFFORDABILITY FUND WILL NEED TO PROVIDE GREATER SUPPORTS TO BEWELL MEMBERS

- *Federal Reconciliation Bill Impact on BeWell Members*
 - Without HCAF programs, actuaries project between **23,400 and 38,200 New Mexicans** would lose Marketplace coverage under the federal reconciliation bill.
 - With HCAF programs and policy adjustments, Marketplace coverage losses could be **limited to between 3,200 and 8,600 New Mexicans.**
 - Elimination of premium tax credits for certain legal residents, including refugees and trafficking victims, would create new coverage gaps.
 - Administrative barriers and shorter enrollment windows will reduce coverage access.
- *Financial Impact on the State*
 - Substantial increase in HCAF appropriations will be needed to maintain current coverage affordability levels; HCA is actively designing FY27 budget request.
 - NM Medicaid could see loss in funding if HCA implements broad eligibility for Coverage Expansion Program.

BeWell Impacts Under the Federal Reconciliation Bill

Without NM's Health Care Affordability Fund programs:

Annual premiums increase



Average \$1,800 premium increase per person

Uninsured rate increases



Up to 38,200 New Mexicans lose coverage

New Mexico's Health Care Affordability Fund can protect coverage gains



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QUESTIONS & COMMENTS

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