

# New Mexico's Federally Qualified Health Centers (FQHCs) are Facing Grave Threats to Stability

## FQHCs are the Backbone of New Mexico's Primary Care Safety Net

- **194 service sites serve 80 communities – 96% in rural areas.** Many clinics provide **the only access to healthcare** in their service areas. Sliding-scale discounts ensure access for the low-income.
- In 2024, over **328,000 medical, dental &/or behavioral health patients received high quality primary care services, 23% of whom were uninsured. 195,376 of patients served have incomes below 100% of the Federal Poverty Level (59%) -- \$32, 150 for a family of 4.**
- FQHCs provide continuity of care to New Mexico's most **vulnerable rural and urban patients.** In 2024, they provided **over 1 million medical and dental visits and almost 425,000 behavioral health visits.**

## A steep decline in Medicaid enrollment and revenue and significant cost increases threaten FQHCs' stability

Contrary to a widely held belief, HRSA primary care grants **do not** provide most of the FQHCs' funding. BPHC grants cover **only 17%** of operating costs. Clinics rely on **patient revenue for 62% of operating expenses; Medicaid and private insurance accounts for 72%** of total patient revenue.

- Due to post-Covid Federal changes FQHCs have lost 28,000 Medicaid Patients (down 20%) since 2022. At the same time the number of uninsured patients served has increased to 23%.
- In calendar **2024, FQHC medical staffing costs rose significantly, by \$7.6 million,** despite the loss of 36 medical providers and 46 support staff. Competition (higher salaries) from a private sector scrambling to fill vacancies, is making recruitment and retention extraordinarily challenging for FQHCs.
- Going forward and compounding the problem, the NMHCA recently projected that over 98,000 New Mexicans will lose their Medicaid coverage under the provisions of the One Big Beautiful Bill Act (PL 119-21). **FQHC Medicaid patients at risk: 13.65%** (recent KFF projection, reflecting larger than average number of Medicaid patients receiving care in FQHCs); **Projected FQHC uninsured population increase: from 75,001 → 88,402 (to 26.9%)**

## Past and Projected Impact

- **At least 4 FQHC sites have recently been closed.** In 2 years, the number of **medical visits has declined by 75,000 and 17,000 fewer New Mexicans now receive high quality, affordable primary care.**
- FQHCs **lost 18 doctors and 18 Nurse Practitioners/PAs** in calendar year 2024 alone.
- **A 10% decline in Medicaid revenues and a 5% drop in private insurance revenues** will cost FQHCs **\$17-\$20 million annually.** Salaries and Benefits average 70% of total expenses, so non-personnel cuts are difficult. **As many as 60 doctors and advanced medical practice clinicians will be lost.**

**Who will be affected?** Over 1 in 5 of the following vulnerable patients may lose access to healthcare:

• 42,000 diabetics	• 80,000 patients with anxiety or depression
• 77,000 with hypertension or heart disease	• 13,000 patients with asthma
• 78,000 dental patients	• 10,000 substance abuse disorder patients

**New Mexico's entire healthcare system faces tremendous challenges. The most vulnerable need your support to help sustain the essential services of our Primary Care Safety Net.**