



HEALTH CARE  
AUTHORITY



WATER AND NATURAL RESOURCES COMMITTEE  
FEDERAL BUDGET RECONCILIATION BILL IMPLICATIONS TO THE HCA  
AUGUST 18, 2025

HCA DEPUTY CABINET SECRETARY NIKI KOZLOWSKI  
*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



**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.



**BUILD** the best team in state government by supporting employees' continuous growth and wellness.



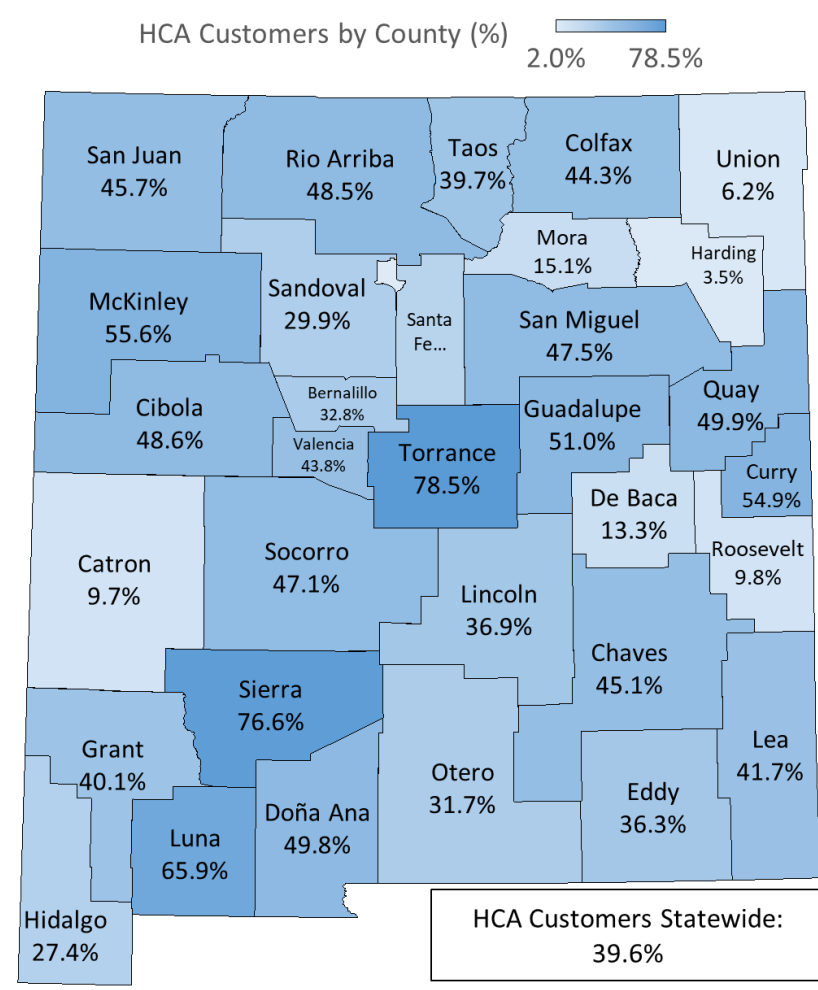
**ACHIEVE** health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



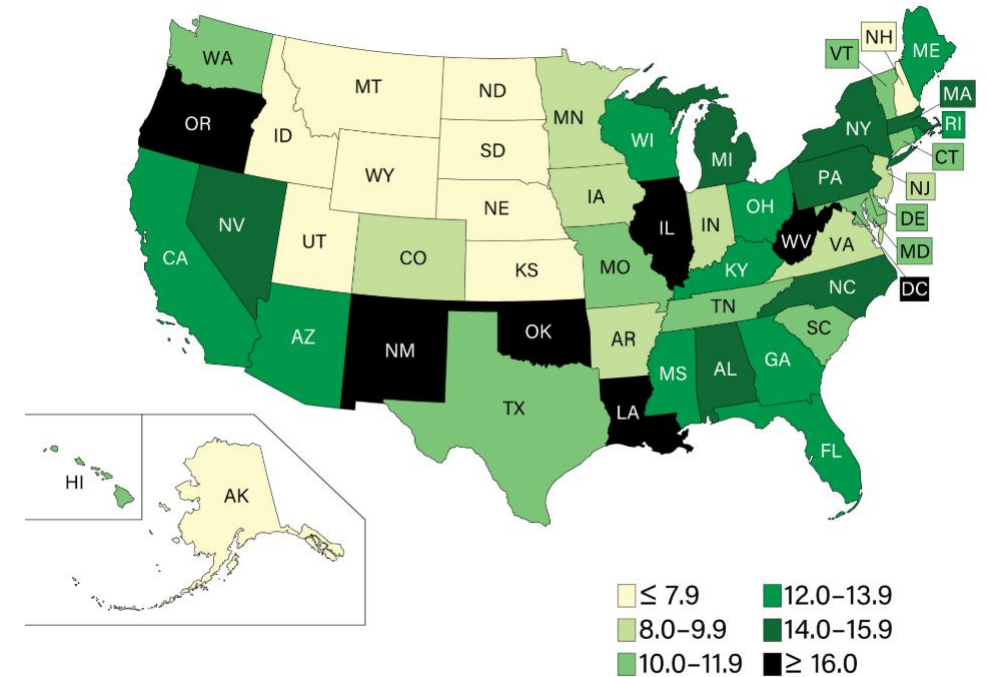
**IMPLEMENT** innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

# THE HCA SERVES 848,966 NEW MEXICANS

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



## 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.>

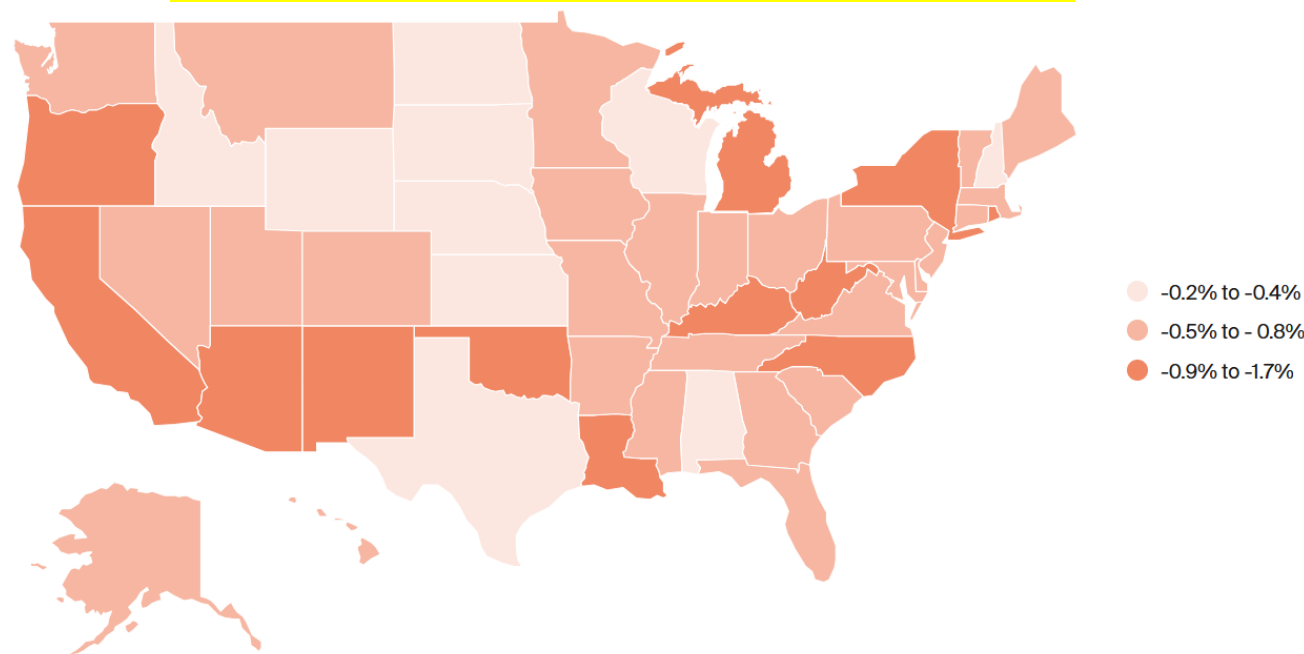


# CHANGES CONGRESS ENACTED ACROSS HCA'S PROGRAMS WILL AFFECT EVERY NEW MEXICAN<sup>4</sup>

- 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 17<sup>th</sup> 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



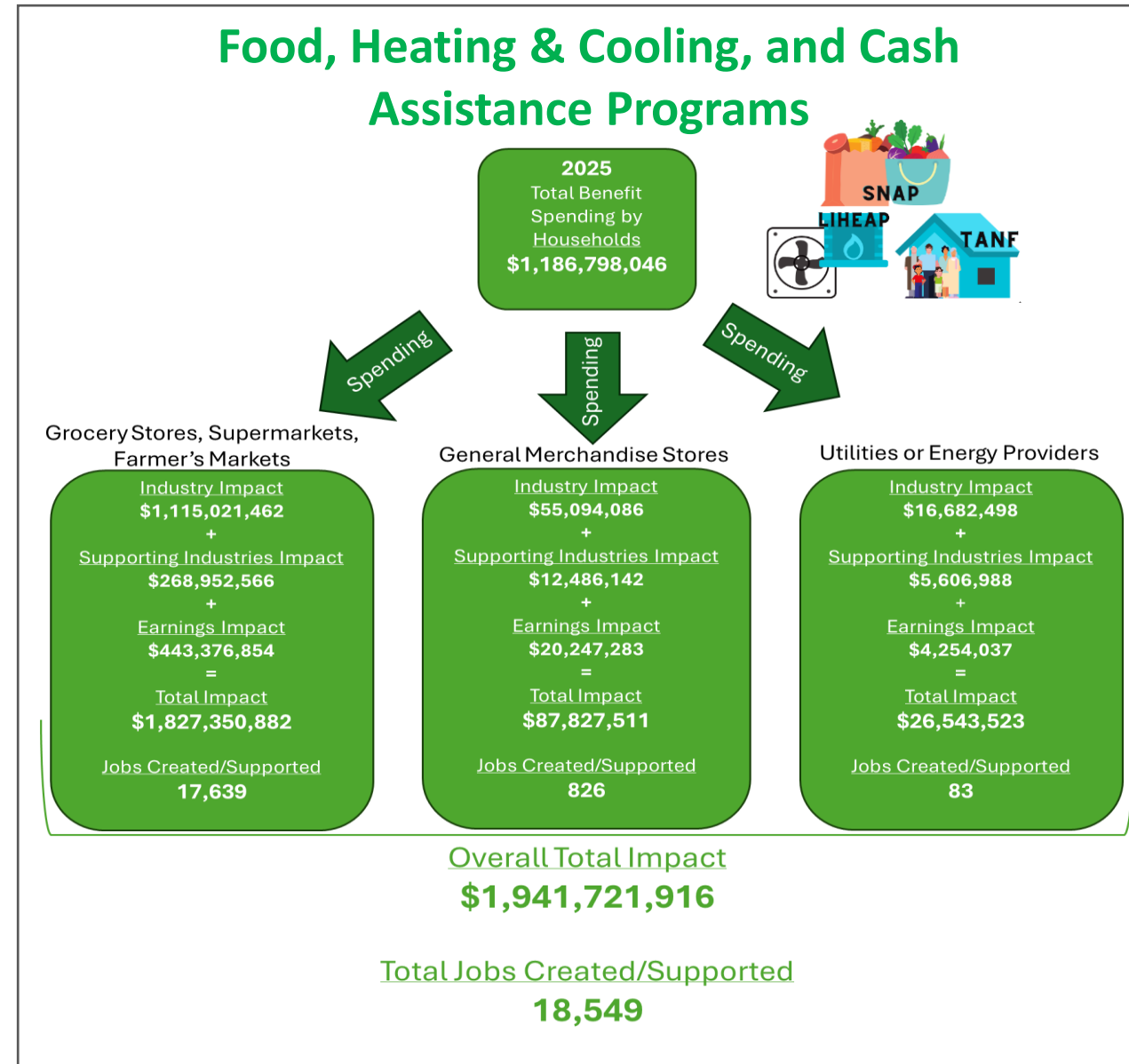
Data: George Washington University analyses using IMPLAN, 2025.

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>

# SNAP CHANGES IN RECONCILIATION BILL

1. **New requirement to share a portion of the cost of SNAP** benefits based on the SNAP Payment Error Rate (PER) (currently financed with 100% federal funds).
  - **Delayed Implementation:** If PER for FFY 2025 or FFY 2026 is 20% or above, the state will have a "delayed implementation" until FFY 2029.
2. **Reduced federal funding** to administer SNAP, changing from 50/50 state vs federal funding to 75% state and 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** due to reduced allowable deductions.
6. **Narrowing SNAP eligibility** for non-citizens.



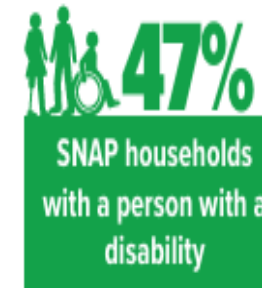
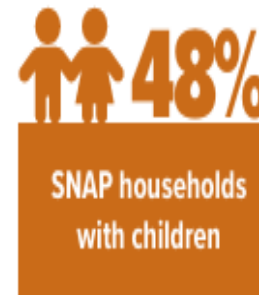
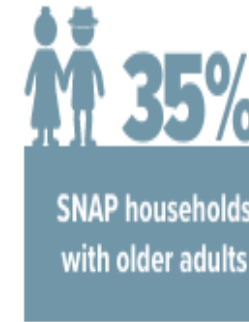
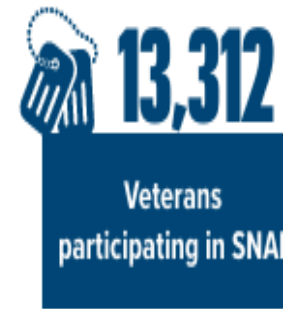
# IMPACTS OF THE FEDERAL SNAP CHANGES

- 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.
- Loss of approximately **\$5.5 million in federal funds** due to the termination of SNAP – Ed funding.
- 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 due to resetting the formula for benefit amounts.
- 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 due to work requirements.
- Approximately **20,077 New Mexicans will see a reduction in SNAP** benefits due changes in deduction allowances.

## SNAP'S IMPACT IN NEW MEXICO



Source: [https://frac.org/wp-content/uploads/SNAP\\_FactSheets\\_022525\\_NM32.pdf](https://frac.org/wp-content/uploads/SNAP_FactSheets_022525_NM32.pdf)

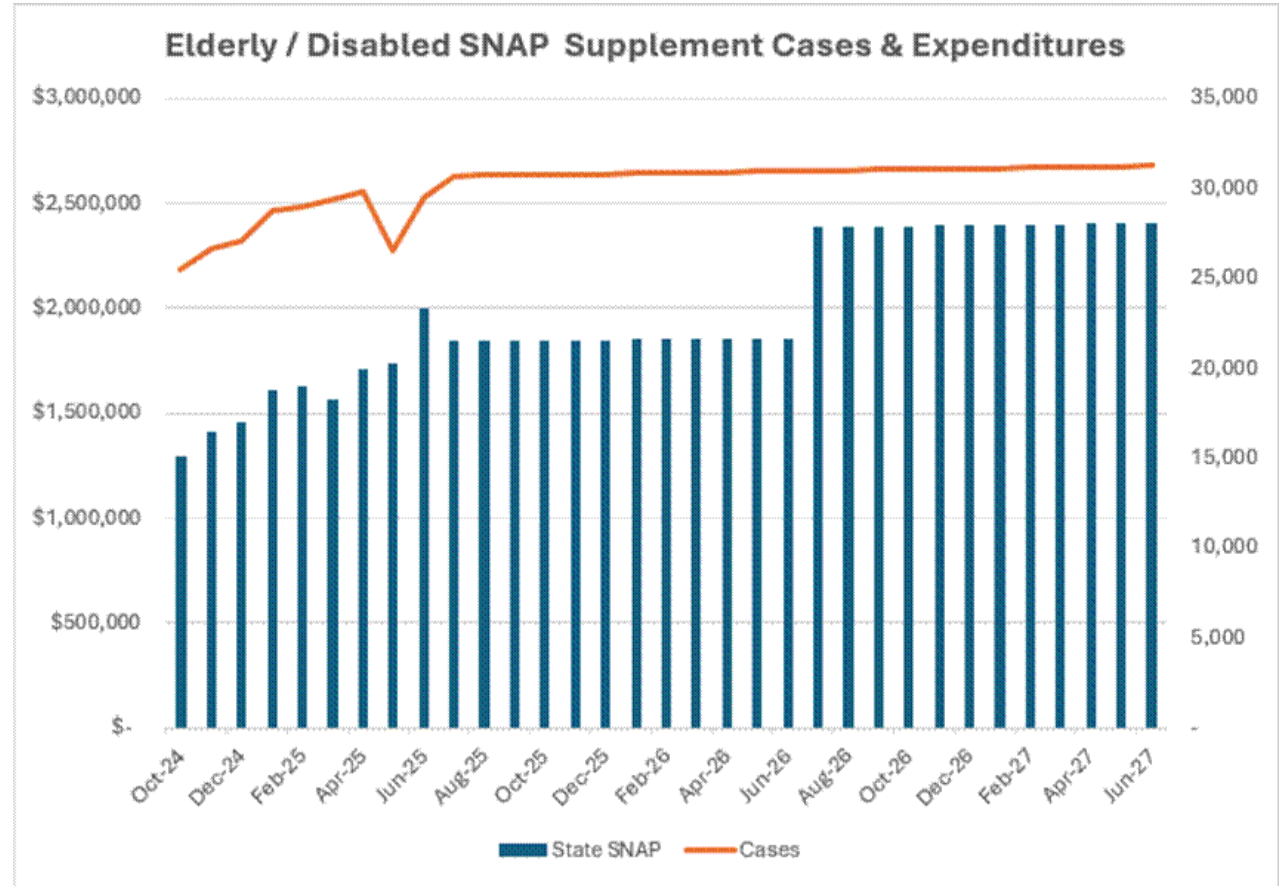
## KEY ECONOMIC FACTS

- 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.



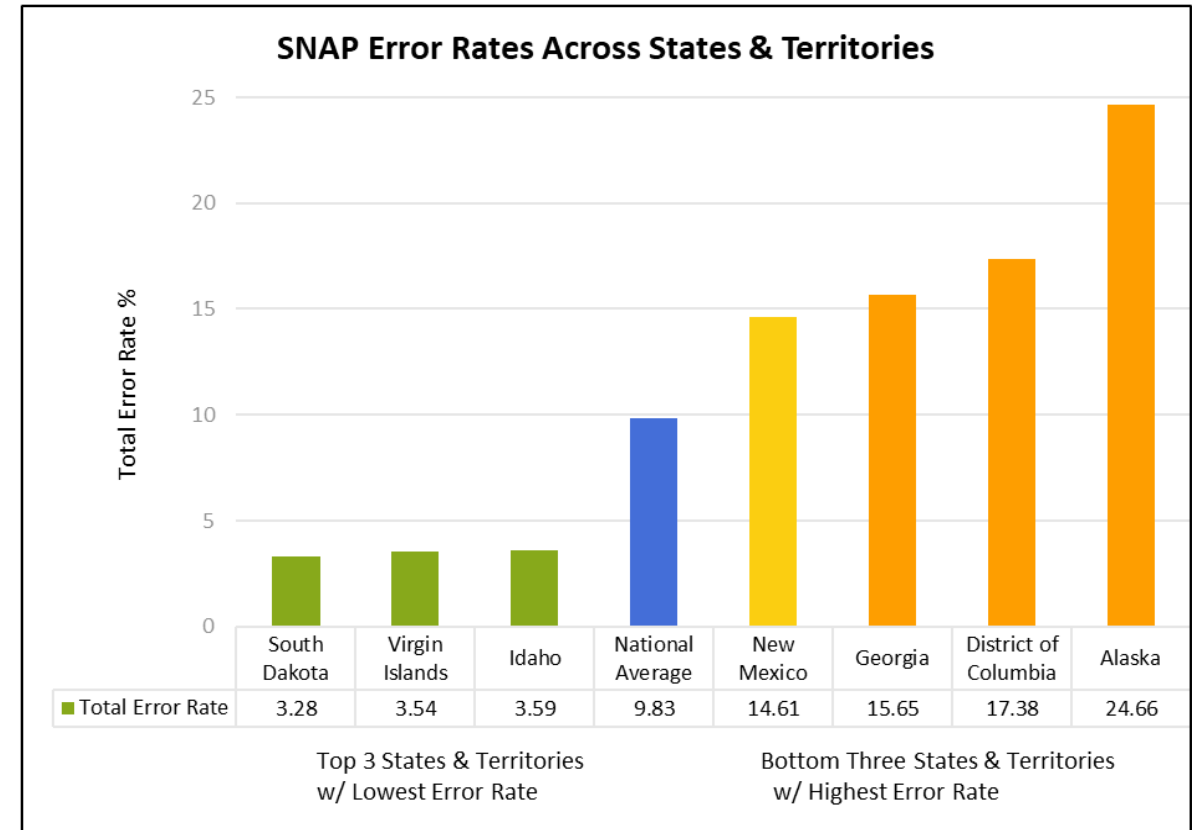
# IMPACTS OF THE FEDERAL SNAP CHANGES ON ELDERLY/DISABLED SNAP CASES

- During the SFY 2025 legislative session, HCA was appropriated funds to Supplement Elderly and/or Disabled SNAP cases to issue no less than **\$100/month**
- October 2024 first supplement issuance, to continue monthly
- Anticipated **caseload growth of 81%** by end of SFY 27
- Current Minimum SNAP Federal Benefit is **\$23/month**
- Due to caseload growth, additional General Funding is needed to maintain a \$100 supplement for this population
- Assumption that the SNAP **Federal Changes could cause a 21% reduction** in SNAP benefits, bringing the Federal minimum to \$18.00/month



# NM'S FY24 PER IS 14.61%

- NM ranks 49th out of 53 states and territories
  - “Client caused” PER = 65.29% (i.e., failure to report a change in circumstances such as income or household size)
  - “Agency caused” PER = 34.71% (i.e., miscalculation of benefit amount or use of outdated information for eligibility)
- Five major contributors influencing the state’s PER:
  1. Waived interviews during the COVID-19 pandemic (restarted October 2024)
  2. Six-month interim reports (IRs) waived during pandemic (restarted July 2023)
  3. Longstanding policy of accepting self-attestation for shelter costs, utilities, and dependent care
  4. Experience level of caseworkers is lower coming out of the Great Resignation
  5. Medicaid/SNAP unwinding pressures on application processing timeliness



Source: USDA Food and Nutrition Service, US Department of Agriculture | SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: PAYMENT ERROR RATES FISCAL YEAR 2024 <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-fy24QC-PER.pdf>





# WHAT IT WILL TAKE TO GET NM'S SNAP PER BELOW 6%

## Current Corrective Actions in Process

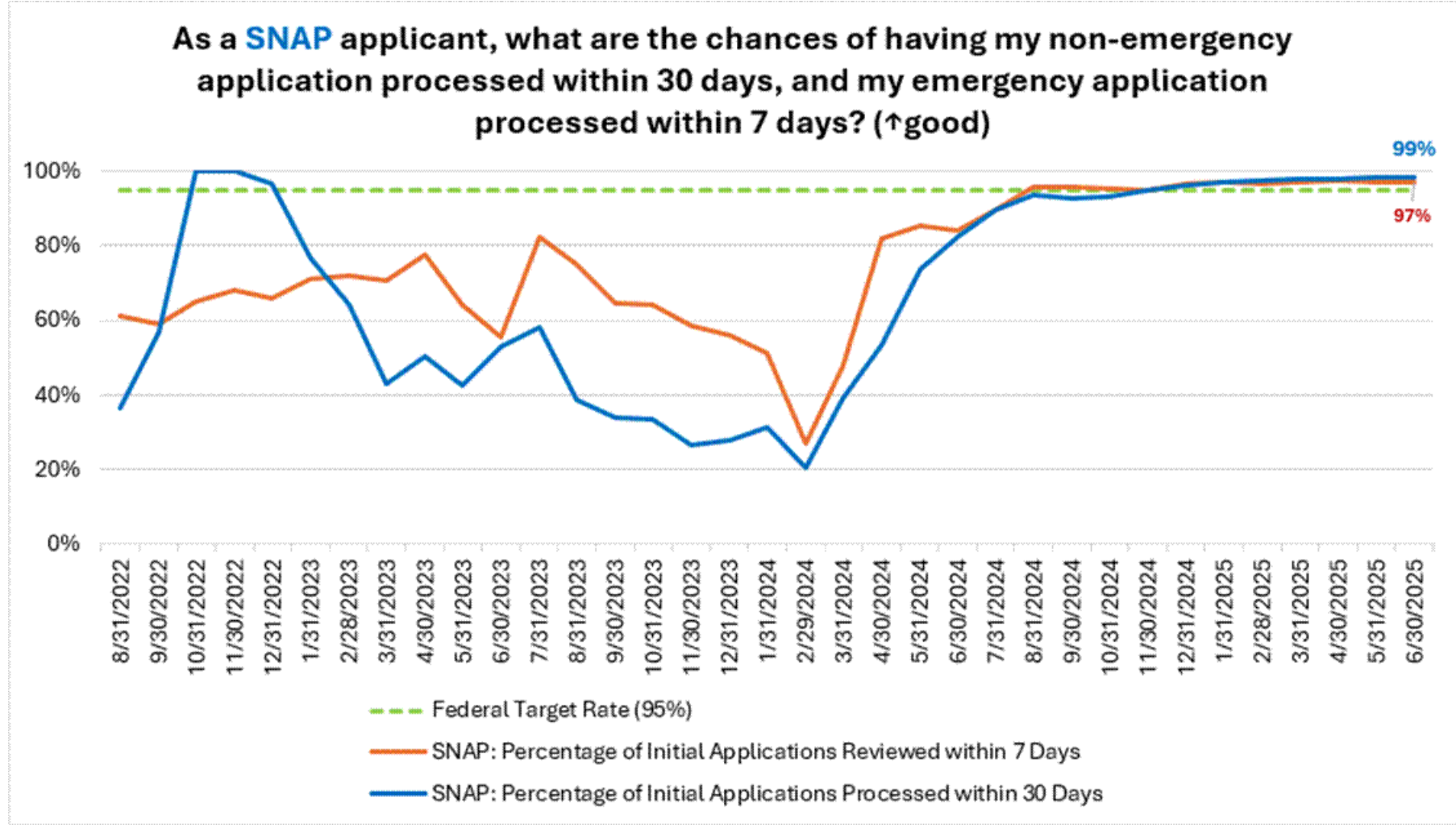
- **Improve Training of Caseworkers**
- **Reduce ISD Vacancy Rate**
- **Impact Analysis of Policy impacts**
  - Self-attestation for shelter costs, utilities and dependent care in favor of requesting documentation
- **Visit Other States**
- **Business Process Redesign**

## Needed Investments in HCA Operations

- **Ensure adequate Income Support Division (ISD) staffing**
- **Implement IT system changes**
  - Improve quality control
  - Create guardrails for workers to ensure accuracy
  - Ensure we receive more detailed information from customers (prompts encourage completeness)
  - Provide Interview Assistant Tool
  - Build Auto-Review Tools and Caseworker Scorecards
  - Redesign customer notifications



# ISD'S PROVEN ABILITY TO MAKE BIG IMPROVEMENTS: TIMELINESS



Source: ASPEN BI Tool





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THANK YOU & QUESTIONS

*INVESTING FOR TOMORROW, DELIVERING TODAY.*