



# Medicaid

The New Mexico Medicaid program covers physical health, behavioral health, long-term care, and other services for hundreds of thousands of low-income New Mexicans. The more than \$10 billion program, administered by the Medical Assistance Division of the Health Care Authority with approval and primary funding from the federal government, typically represents about 15 percent of the state's \$10 billion-plus annual state general fund spending, making the program one of the most significant factors in state budget development.

## Turquoise Care

Almost all Medicaid clients are members of Turquoise Care, the latest iteration of the Medicaid managed care program implemented in 2024, and receive behavioral and physical healthcare through private managed-care organizations (MCOs), insurance companies under contract with the state that, in turn, contract with providers and medical facilities to provide Medicaid-covered care to members. The state pays the MCOs a set monthly fee per member per month—a capitation payment—for services. Other clients, mostly Native Americans, fall under the fee-for-service program, which allows providers to bill the state directly.

Turquoise Care includes physical and behavioral healthcare, care coordination, behavioral health integration, and long-term care services and supports. Over the last decade, the program has greatly expanded access to behavioral health services, such as supportive housing, mobile crisis intervention services, and functional family therapy. Physical health expansions have included continuous eligibility for children, chiropractic services, and parent education and supports for families with newborns through home visits.

The Medicaid program also provides certain services for the developmentally disabled, elderly, and medically fragile under “waiver” programs, so-called because the federal government provides a waiver to allow the state to offer services that would not be on a standard Medicaid plan as long as those services can be shown to be cost neutral.

The waivers mostly allow for home- and community-based services for patients who might otherwise be in an institution. The state recently received a waiver for reentry services for those in the criminal justice system and asked for an additional waiver for certain behavioral healthcare.

## Eligibility

Eligibility for Medicaid is based on the individual's or family's income compared with the federal poverty level, with the poverty level for a family of four set at about \$31,200 a

year. Different types of patients have different eligibility income limits. For example, children in families with incomes up to 240 percent of the poverty level are eligible, while single adults cannot earn over 138 percent of the poverty level.

Before the federal Affordable Care Act became law in 2014, the Medicaid program was designed to primarily serve the elderly needing long-term care, people with disabilities, pregnant women, low-income children and mothers, and very low-income adults. ACA expanded Medicaid to include adults at higher income levels and created federal subsidies for insurance, reducing the need for state-managed subsidized insurance.

Enrollment in Medicaid has increased dramatically since expansion, both in the newly eligible population and in the traditional population. Although the Covid-19 pandemic drove total enrollment up to about 1 million at its peak, enrollment at the end of FY24 had declined to about 900 thousand and is expected to remain relatively stable barring unforeseen changes in the economy or at the federal level.

## Paying for Medicaid

The federal government pays 70 to 90 percent of Medicaid costs in New Mexico depending on the population being served. Each state's federal medical assistance percentage (FMAP) is based on a rolling average of the state's per capita income relative to the national average; New Mexico's relatively low per capita income qualifies it for a relatively high FMAP. However, New Mexico's improving economy relative to the nation has resulted in a small percentage, although large dollar, decrease in federal funding. In FY25, a less-than 1 percent drop in the federal match cost the state \$70 million.

### For More Information:

- Federal poverty guidelines are at [aspe.hhs.gov/poverty](https://aspe.hhs.gov/poverty).
- The Public Assistance Act is Chapter 27, Article 2, of state statutes.
- The Health Care Authority's Turquoise Care website is <https://www.hca.nm.gov/turquoise-care/>
- The department maintains a performance dashboard here: <https://sites.google.com/view/nmhsdscard/home?authuser=0>