

Five Reasons Why New Mexico Should Fully Fund Medicaid



Medicaid is an economic engine that helps pay for itself. Federal funds for Medicaid inject \$4 billion per year into New Mexico's economy. These funds multiply into billions of dollars in economic activity and create new jobs in the private sector, generating revenue for the state. The Medicaid expansion is paying for itself – the State currently pays nothing for this coverage and by the year 2020 will only pay \$1 out of every \$10. A large portion of those costs will then be *canceled out* by premium taxes on insurance companies. For example, in fiscal year 2014, New Mexico gained \$115 million in revenues through our state insurance taxes, according to the Department of Finance and Administration. That number is expected to reach \$247 million in fiscal year 2020. This revenue does not account for the additional revenue from income taxes and other gross receipts taxes as Medicaid funds generate new jobs, income and spending.



Healthcare is one of the only growing job sectors in New Mexico. While employment has been lagging in our state across most sectors, the health care sector is growing due to Medicaid expansion. According to the Legislative Council Service, health care jobs have accounted for 56% of the new jobs over the last year. According to the Department of Workforce Solutions, health care and social assistance occupations are expected to lead New Mexico in job growth through 2022.



Medicaid helps our state build a stronger healthcare infrastructure. Historically, hospitals and healthcare providers have spent hundreds of millions of dollars each year on uncompensated care costs. With the significant decrease in our uninsured rate, largely from Medicaid expansion, New Mexico's hospitals have already seen a 30% drop in uncompensated care from 2014. This means our health system is receiving more revenue to build infrastructure, expand the workforce, and attract health care providers to deliver the medical care that all New Mexicans need.



Medicaid provides health care coverage to 1/3 of New Mexicans for a fraction of costs. Medicaid provides coverage for our children, disabled, elderly, and now due to expansion, working adults. During the next fiscal year, the Human Services Department says it will spend \$976.9 million dollars to cover a projected 920,000 New Mexicans. That means New Mexico will be providing health care to over 1/3 of its population for just under \$1100 per beneficiary.



Medicaid provides economic relief to families. Medicaid coverage means our families can not only stay healthy but also avoid financial disaster due to medical debt. In the past, thousands of low-income families were sent to collections for bills they could not pay. Medicaid allows these families to avoid debt while having more disposable income to build assets and rise up out of poverty.