



# Medicaid

**The New Mexico Medicaid program, Centennial Care, covers physical health, behavioral health, long-term care and other services for 760,000 mostly poor New Mexicans. The \$5 billion program, administered by the Medical Assistance Division of the Human Services Department, is primarily funded by the federal government. However, the program typically represents about 15 percent of the state's \$6 billion-plus annual state general fund spending, making the program one of the most significant factors in state budget development.**

## Centennial Care

Centennial Care, the 2014 revamp of the Medicaid program prompted in part by the federal Affordable Care Act, consolidated physical health, behavioral health, long-term care services, and certain other programs to ease administration, eliminate overlap, and streamline delivery of services. Included in the consolidation were many of the “waiver” programs, so-called because they provide home- and community-based care for certain patients under an agreement with the federal Medicaid program that waives the requirement for the institutional-based care more typical for these patients. The consolidation did not include the waivers for the developmentally disabled or medically fragile or the self-directed care program called Mi Via, all still managed separately.

Services under Centennial Care, also a waiver program under federal rules, are provided through managed care organizations (MCOs), insurance companies that contract with providers and medical facilities to provide Medicaid-covered care to members. The state pays the MCOs a set monthly fee per month – a capitation payment – for services and patient care coordinators. By emphasizing coordinated care, the program hopes to save money and improve care in the long run.

## Eligibility

Eligibility for Medicaid is based on the individual's or family's income compared with the federal poverty level. The figure varies based on household size, with the level for a family of four set at about \$24,000 a year. Different types of patients have different eligibility income limits. For example, a child in a family with an income equal to 150 percent of the poverty level might be eligible while a single adult with an income equal to 150 percent of the poverty level would not.

Before ACA, 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 poor adults. New Mexico also provided low cost insurance, through the State Coverage Insurance

Program, for the poor who did not qualify for traditional Medicaid. ACA expanded Medicaid to include these adults at higher income levels and created federal subsidies for insurance, reducing the need for state-managed subsidized insurance. That Medicaid program is now part of the network of insurance available because of ACA.

In the first year of Medicaid expansion, close to 190,000 newly eligible people enrolled. That number is projected to grow to as high as 224,000 by the middle of 2016. Further, perhaps due to increased outreach and media coverage, states have also seen unexpected increases in traditional Medicaid enrollees. Total enrollment in the New Mexico Medicaid program, about 550,000 at the end of 2013, is projected to be near 800,000 by the middle of 2016.

## Paying for Medicaid

The federal government pays approximately 70 percent of traditional Medicaid costs in New Mexico. Each state's federal medical assistance percentage (FMAP) differs and 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.

Despite significant federal contributions, state expenditures on Medicaid continue to grow each year. Further, in fiscal year 2017 the federal government will gradually reduce the amount it pays the state for the newly eligible expansion enrollees – from 100 percent in calendar years 2014-2016 to just 90 percent by calendar year 2020 and beyond. The impact on the state general fund from the expansion population is projected to be an additional \$41 million in fiscal year 2017, growing to an additional \$155 million by fiscal year 2020.

### For More Information:

- The website for the Medicaid program is [nmmedicaid.acs-inc.com](http://nmmedicaid.acs-inc.com).
- Federal poverty guidelines are at [aspe.hhs.gov/poverty](http://aspe.hhs.gov/poverty).
- The Public Assistance Act is Chapter 27, Article 2, of the state statutes.
- The Human Services Department website, with a link to the Centennial Care information, is [hsd.state.nm.us](http://hsd.state.nm.us).