



HEALTH CARE  
AUTHORITY



*DESPITE BENEFITS, POVERTY PERSISTS*

LFC PROGRESS REPORT

DEPUTY SECRETARY ALEX CASTILLO SMITH

*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.*

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## VISION

*Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.*

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## GOALS



**IMPROVE** 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.



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



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



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

# HCA PROGRAMS ARE *PART* OF THE SOLUTION TO ADDRESS INTERGENERATIONAL POVERTY

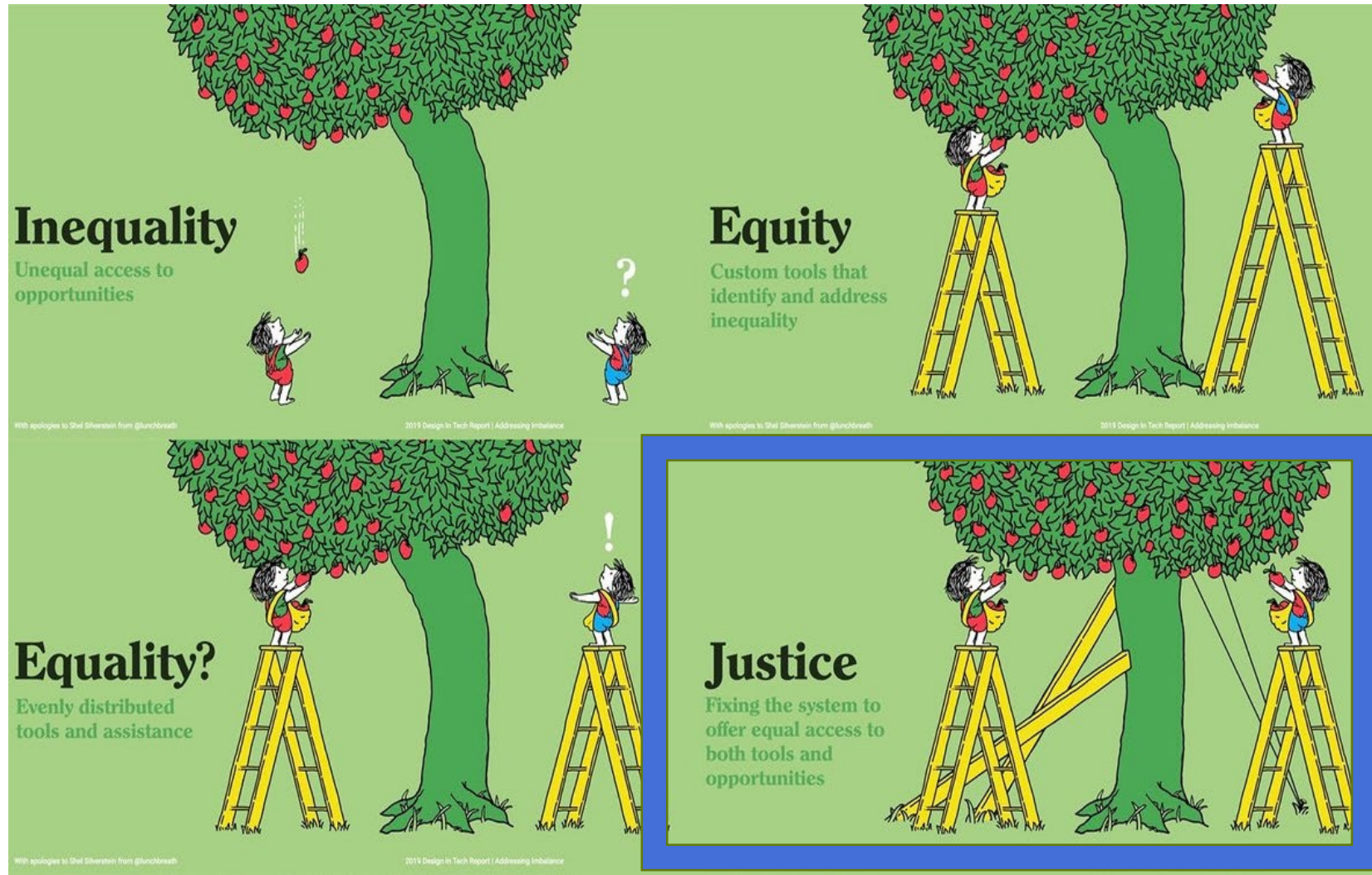
- 2023 National Academies of Science, Engineering & Medicine defines intergenerational poverty as a situation in which children who grow up in families with incomes below the poverty line remain poor as adults.
- Key drivers of intergenerational poverty make it more difficult for some people to provide for their families.
  - These drivers reinforce disparities in access to health care, to transportation, education, childcare, high-quality jobs, and affordable housing near work, as well as in interactions with the justice system.
- Behaviors and choices also have causal effects on intergenerational mobility.
  - Many factors influence behaviors and choices, including the experiences of historical violence, oppression, and marginalization.
    - These factors are crucial in shaping the relevant determinants of poverty over generations.

## Key Drivers of Long-Term, Intergenerational Poverty



# HCA AIMS TO ADDRESS STRUCTURAL DETERMINANTS OF HEALTH & WELL-BEING SO NEW MEXICANS CAN THRIVE

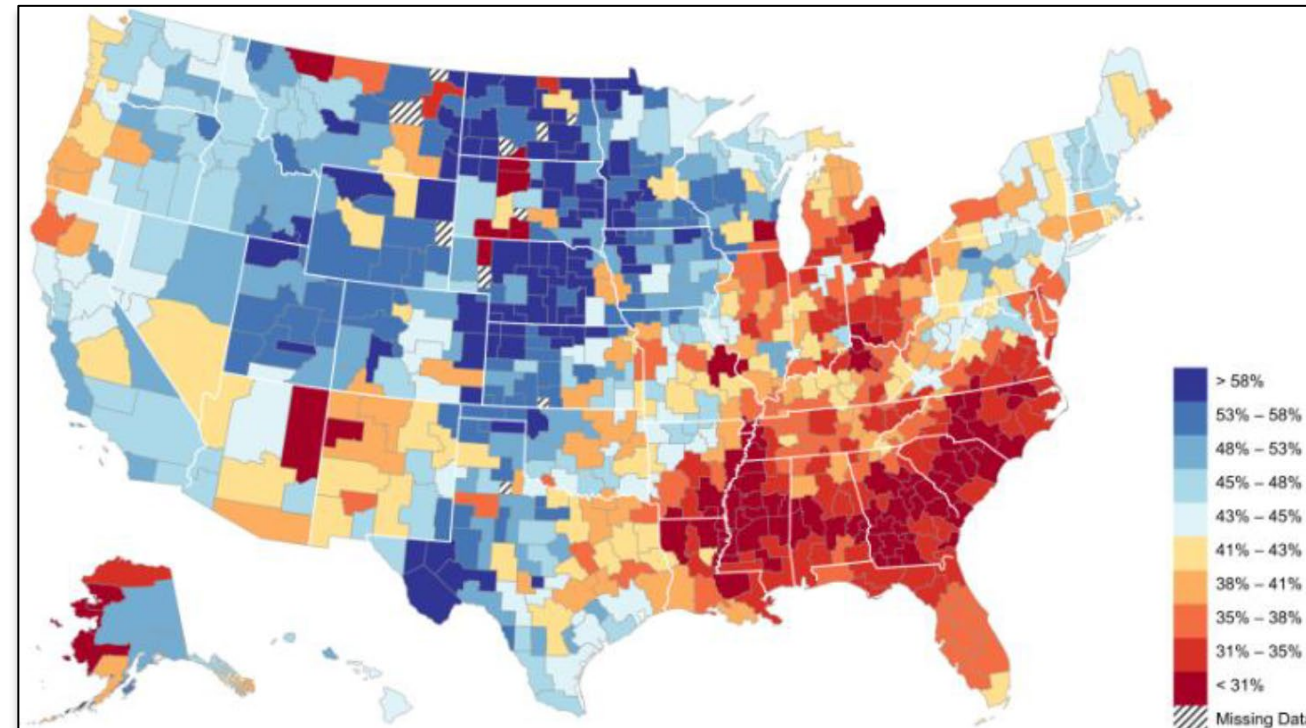
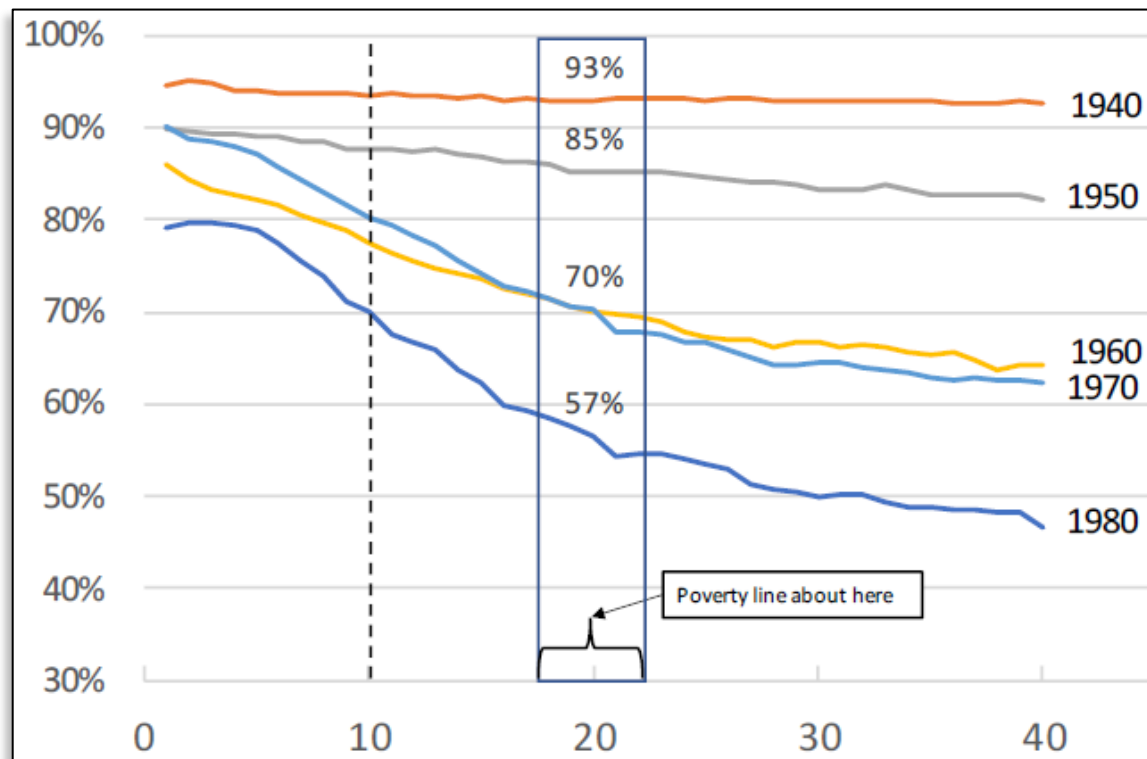
- **Social Determinants:** circumstances in which people are born, grow, live, learn, work, and age.
  - Shaped by structures beyond individual control.
- **Structural Determinants:** root causes that shape quality of Social Determinants we experience.
  - Includes government, economic, geographic and social constructs that affect wealth, living and working conditions, education and health.
  - Shifts perspective from focus on individuals to conditions we live within and how they're created and maintained.



# INCREASED INEQUALITY—PARTICULARLY STAGNANT WAGES FOR LOWER-INCOME WORKERS OVER THE PAST 40 YEARS—SIGNIFICANT FACTOR IN PERSISTENCE OF INTERGENERATIONAL POVERTY

Among children born in 1940 to families at poverty line, almost all (93%) had higher incomes in adulthood than their parents. By 1980, only 57% of children earned more than their parents by adulthood.

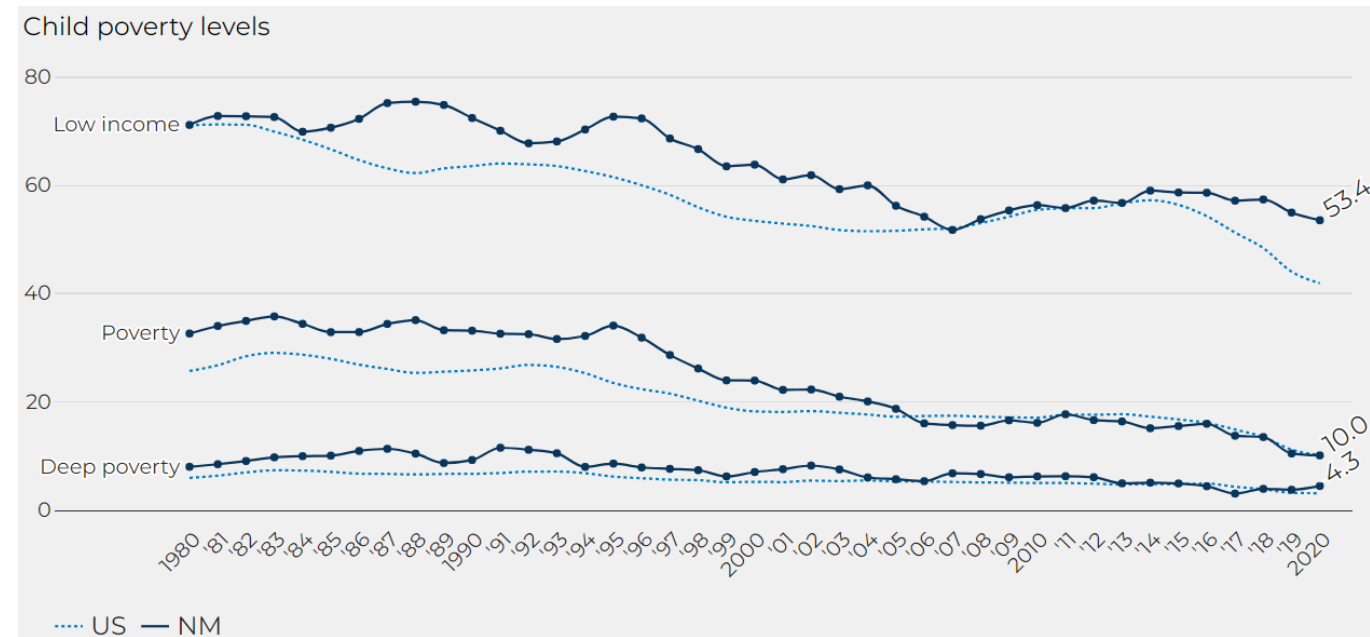
Geographic distribution of children with parents in the bottom income quintile who reach the top 3 income quintiles.  
(Darker the shade of blue, higher likelihood children reach top 3 income quintiles.)



# DESPITE INEQUALITY, CHILD POVERTY DECLINES

- U.S. child poverty fell by 59% from 1993 to 2019- in every state, including NM (from 31.5% in 1993 to 10% in 2020).
- Many factors contribute to decrease, including lower unemployment, increased labor force participation, and growth of minimum wages.
- Expansion of safety net programs significant.**
  - In 1993, safety net programs cut child poverty by 9%.
  - By 2019, poverty level reduced by 44%, removing 6.5 M children from poverty.

U.S. & N.M. Trends in Child Poverty Rates Measured by Supplemental Poverty Measure, by level (%)



Source: <https://www.childtrends.org/publications/state-level-data-for-understanding-child-poverty>



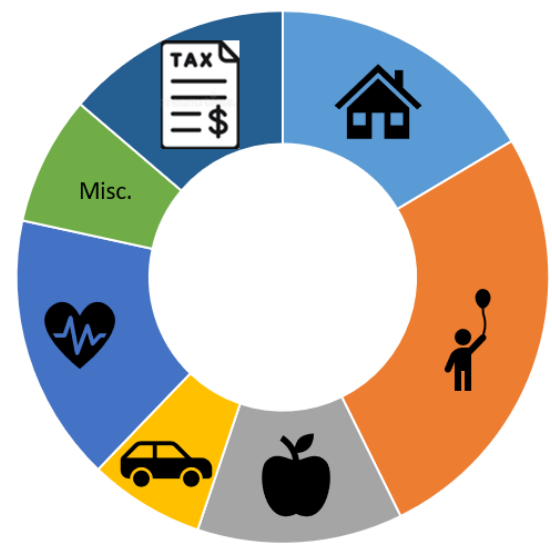
# MEASURE WHAT WE TREASURE: SURVIVING VS. THRIVING

## Scenarios for family of 3 (one adult and two children)

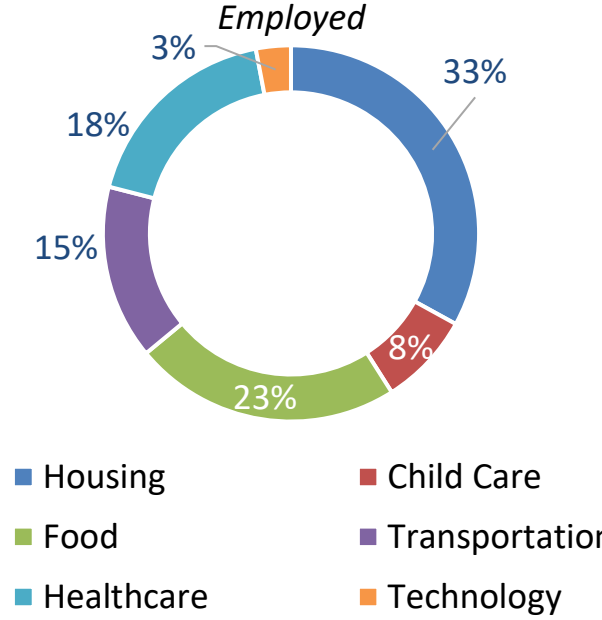
Scenario	Description	Threshold	Notes
Official Poverty Measure (OPM)	Developed in 1960s, measure presumes food costs are 1/3 of the budget and all other costs are 2/3.	\$23,578/yr. \$1,965/mth. \$11.34/hr.	Measure does not consider non-food expenses when determining poverty.
Supplemental Poverty Measure (SPM)	Published in 2011 to replace OPM, includes costs of food, clothing, shelter, and utilities plus "a little more" set at 20% to represent cost of other necessities.	\$25,033/yr.* \$2,086/mth. \$12.04/hr.	Measure does not consider medical care and health insurance when determining if someone is living in poverty.
LFC Scenario	In 2023 scenario, family's living wage defined by MIT; children are 3 and 7; SNAP and TANF limits based on net income; no copay for childcare.	\$24,860/yr. \$2,072/mth. \$11.95/hr.	Under this scenario, LFC predicts this low-income family can meet basic needs using current income supports.
Principal Poverty Measure	Will replace SPM by including costs for medical care and health insurance in both needs and resources.	TBD	Measure in development.

## Additional Cost of Living Measures

**Self-Sufficiency Standard**  
Housing, childcare and healthcare account for 59% of family budget.



**2023 ALICE Essentials Index**  
Asset Limited, Income Constrained, Employed



Sources: [http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/NY2021\\_SSS.pdf](http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/NY2021_SSS.pdf); <http://www.selfsufficiencystandard.org/Texas>; <https://txcip.org/tac/census/morecountyinfo.php?MORE=1011>; [https://www.unitedforalice.org/Attachments/ALICEEssentials/23ALICE\\_Essentials\\_Index\\_National%20Report.pdf](https://www.unitedforalice.org/Attachments/ALICEEssentials/23ALICE_Essentials_Index_National%20Report.pdf)





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# QUESTIONS & COMMENTS

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