



# Medicaid

The New Mexico Medicaid program, Centennial Care, covers physical health, behavioral health, long-term care and other services for hundreds of thousands of mostly poor New Mexicans. The more than \$5 billion program, administered by the Medical Assistance Division of the Human Services Department with plan approval by the federal Centers for Medicare and Medicaid Services, 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 2.0, the revamp of the state Medicaid plan expected to be implemented in 2019 pending federal approval, includes care coordination, behavioral health integration, long-term services and supports, and administrative simplification. It also includes patient copays and limits on costs for certain services in the self-directed long-term program to improve the programs financial stability. Many of the changes in 2.0 involve behavioral health care, with the addition of supportive housing services, care in accredited adult residential treatment centers, social detoxification services, and certain in-patient psychiatric services.

The first configuration of Centennial Care, implemented in 2014 primarily in response to the federal Affordable Care Act (ACA), consolidated many of the Medicaid "waiver" programs, so-called because they provide home- and community-based care for certain patients under an agreement with the federal program that waives the requirement for the institutional-based care more typical for these patients. However, the waivers for the developmentally disabled or medically fragile and the self-directed long-term care program called Mi Via are still managed separately.

Centennial Care services 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 care coordinators.

## Eligibility

Eligibility for Medicaid is based on the individual's or family's income compared with the federal poverty level, with the level for a family of four set at about \$25,000 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 would not.

Before the ACA 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 poor adults. New Mexico also provided low-cost insurance for the poor who did not qualify for traditional Medicaid. 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. Total enrollment in the New Mexico Medicaid program, about 820,000 at the end of 2015, is projected to be close to 890,000 by the middle of 2019.

## 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) 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, 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 expansion population cost the state an additional \$37 million in FY17 and is expected to grow to an additional \$150 million by FY20.

### For More Information:

- The website for the New Mexico Medicaid program is [nmmedicaid.portal.conduent.com](http://nmmedicaid.portal.conduent.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 Centennial Care website is [www.hsd.state.nm.us/LookingForAssistance/centennial-care-overview.aspx](http://www.hsd.state.nm.us/LookingForAssistance/centennial-care-overview.aspx).