



# FISCAL YEAR 2021 BUDGET REQUEST FACTSHEETS

## Section 3

### **FISCAL YEAR 2021 BUDGET REQUEST FACTSHEETS**

Highlight 11 significant HSD budget requests in a clear and concise format by summarizing the request, proposed funding, and benefits to New Mexico.

# Medicaid Program Budget

## What is the Medicaid program budget?

The FY 2021 Medicaid program budget is projected to be \$6.5 billion, with a projected enrollment of 850,000 New Mexico residents. Most of the total cost is paid by the federal government. Medicaid provides health coverage to eligible low-income adults, children, people who are pregnant, elderly individuals, and people with disabilities. Because New Mexico is a lower income state, its federal match rate is the third highest in the country.

**FY 2021 Incremental Budget Request: \$1,082,500.0 (\$1.1 billion)** \$1,082,500.0 (\$1.1 billion) general fund (GF), which represents an increase of \$62.8 over FY 2020. The Medical Assistance Division has completed a subsequent projection for FY 2021. The revised FY 2021 request is now \$1,100,900.0 (\$1.1 Billion) or \$81.8 over FY 2020 appropriation levels, for an increase of \$18.4 over the September request. Most of the change is due to the inclusion of the Health Insurance Providers Fee.

## Financial Benefits to New Mexico

For every \$22 general fund spent on Medicaid, the federal government provides \$78. For every \$1 New Mexico puts into the Medicaid program, the federal government provides \$3.54.

## Benefits to New Mexicans

The Medicaid program infuses more than \$6.5 billion annually into the state economy and has been the main source of economic growth since the expansion of Medicaid to low-income adults in 2014. Medicaid expansion has added \$6 billion in new federal funding and more than 10,000 jobs. Before Medicaid expansion, New Mexico had one of the highest uninsured rates at more than 20%. In 2018, the uninsured rate was 9.5%. The Medicaid program also represents a substantial portion of income for health care providers across New Mexico, especially in rural and frontier areas.

FY 2020 Projections					
Date	Item	Total	Federal	Other	General Fund
9-1-19	FY20 Budget	\$6,119.5	\$4,799.1	\$294.0	\$1,026.4
10-24-19	FY20 Budget	\$6,188.6	\$4,876.8	\$292.7	\$1,019.1
	Change	\$69.1	\$77.8	\$(1.3)	\$(7.3)
FY 2021 Projections					
Date	Item	Total	Federal	Other	General Fund
9-1-19	FY 21 Request	\$6,582.7	\$5,143.5	\$356.6	1,082.5
10-24-19	FY21 Request	\$6,697.6	\$5,251.5	\$345.2	\$1,100.9
	Change	\$115.0	\$107.9	\$(11.3)	\$18.4
FY21 to FY20 Comparison					
Date	Item	Total	Federal	Other	General Fund
9-1-19	FY21 vs. FY20	\$463.2	\$344.5	\$62.6	\$56.1
10-24-19	FY21 vs. FY20	\$509.0	\$374.7	\$52.5	\$81.8
Appropriation Comparison					
Date		FY 2020 General Fund		\$1,019.7	
9-1-19		Difference		\$62.8	
10-24-19		Difference		\$81.2	

## Frequently Asked Questions

### Q. How many New Mexicans are enrolled in the Medicaid program?

A. Enrollment is nearly 840,000. 264,000 (31%) are covered in the Affordable Care Act expansion. 365,000 (43% are children) and 475,000 (57%) are adults.

### Q. How many people are enrolled in Medicaid Managed Care?

A. 684,000 (more than 80%) are enrolled in Medicaid Managed Care.

### Q. What is the average cost of a Medicaid recipient?

A. The average cost of a Medicaid managed care recipient is about \$521 per-member per-month (pmpm) (\$106 pmpm general fund).

# Medicaid Program Budget

## FY 2021 Budget Request Updated with September 2019 Data Projection

FY 2021 vs. FY 2020 Budget Projection Component and FFP Changes (in 000s)					
Description	Total	General Fund <sup>1</sup>			FFP
	Computable	Growth	FFP Δ	Total	Blend
<i>Expenditure Change</i>					
Health Insurance Providers Fee (9/2019) <sup>5</sup>	\$100,000	\$0	\$0	\$20,287	79.71%
Other changes to FY20 & FY21 since budget request <sup>5</sup>	(\$54,225)	\$22,103	(\$6,523)	(\$4,706)	
Centennial Care 2.0 Initiative	\$0	\$0	\$0	\$0	
Coverage Initiatives	\$500	\$500	\$0	\$500	0.00%
Hospital & Provider Rate Increases	\$79,851	\$16,518	\$331	\$16,850	78.90%
SB246 Health Care Quality Surcharge <sup>2</sup>	\$59,309	\$15,381	\$0	\$15,381	74.07%
Centennial Care - Managed Care Enrollment	\$39,905	\$6,308	\$4,471	\$10,779	72.99%
Centennial Care - Managed Care Rates	\$122,877	\$19,423	\$13,767	\$33,190	72.99%
Medicare Part A, B, and D	\$12,597	\$5,872	(\$667)	\$5,205	58.68%
Fee-for-service lines, HIT, UR, Contracts	\$11,980	\$1,621	\$788	\$2,409	79.89%
DD & MF Traditional, Mi Via and Supports Waivers (DOH)	\$136,234	\$37,770	(\$3,303)	\$34,467	74.70%
<b>Total Changes in Expenditures</b>	<b>\$509,029</b>	<b>\$125,497</b>	<b>\$8,865</b>	<b>\$134,362</b>	<b>73.60%</b>
<i>Revenue Change <sup>4</sup></i>					
DD & MF Traditional, Mi Via and Supports Waivers (DOH) <sup>3</sup>				\$34,467	
Early Childhood Education Childcare Dept. for FIT				\$3,990	
Health Care and Disability Health Care Facility Funds <sup>2</sup>				\$16,581	
MSBS CPE				\$5,521	
I.H.S referrals 100% FFP				\$2,099	
FY20 State Revenue Surplus / (Shortfall)				(\$6,725)	
Other changes to FY20 & FY21 since budget request <sup>5</sup>				(\$2,781)	
<b>Total Changes in Revenues</b>				<b>\$53,151</b>	
<b>Total Changes from FY20 projection (GF Expenditures - Revenues)</b>				<b>\$81,211</b>	
<b>Total Changes from FY20 projection from Budget Request</b>				<b>\$62,848</b>	
<b>Difference From Budget Request</b>				<b>\$18,362</b>	

### Notes:

1. Negative general fund is a decrease in need while positive general fund is an increase in need.
2. The general fund need for SB 246 Health Care Quality Surcharge is provided by the Health Care and Disability Health Care Facility Funds.
3. The general fund need for this program is provided by Department of Health (DOH).
4. Only revenues that have changed are included.
5. Changes in FY 2020 and FY 2021 budget projections since the budget request are included in these three lines. No other comparison lines have been updated. HIPF has also been added back to FY 2020 budget.

Source: New Mexico Medical Assistance Division  
Updated: Dec. 2019



# Medicaid Provider Rates

## Why are Medicaid Provider Rates important?

New Mexico Medicaid covers more than 840,000 New Mexicans – or about 40% of the state’s total population. New Mexico has the second highest Medicaid penetration rate in the country.

- New Mexico’s health care providers see a larger ratio of Medicaid patients compared to other states. Payment for services to Medicaid patients represents a substantial portion of their overall income.
- Low Medicaid reimbursement diminishes the willingness of providers to treat Medicaid patients and drives providers away from New Mexico.
- Raising Medicaid reimbursement opens up provider networks, attracts providers from other states, and reduces cost pressures on other payors.

## Incremental Budget Request:

HSD requests \$11.0 for provider rate increases in its FY 2021 budget, to be leveraged for a total of \$55.0.

## General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$68.6	\$11.0	\$0
Federal Fund	\$261.0	\$44.0	\$0

## How do Medicaid Provider Rate Increases work?

It is a multi-step process for evaluating and determining the need for rate increases. National and other rate-setting standards are considered such as:

- Medicare rates, Consumer Price Index (CPI), Resource-Based Relative Value Scale (RBRVS), Market basket analysis, and rates in neighboring states like Colorado, Arizona, Texas and Oklahoma.

- It involves an analysis of New Mexico Medicaid rate history and current status of rates relative to the standards above.
- Goal of moving to 90% of Medicare as benchmark.
- Provider cost considerations (i.e., provider-specific taxes, rate of inflation). Outliers in rate-setting may be considered to address high-priority policy issues (i.e., incentivizing Long-Acting Reversible Contraception (LARC)).

## Financial Benefits to New Mexico

For every dollar spent on Medicaid provider rate increases, New Mexico receives \$3.54 from the federal government.

## Benefits to New Mexicans

- More behavioral health providers.
- More primary care providers.
- More providers in rural and frontier parts of the state.
- Faster appointments for Medicaid beneficiaries.
- Improved access to care for Medicaid beneficiaries.
- Reductions in cost to other payors and New Mexicans.
- High return on investment for every dollar spent.
- Improved economy through reinvestment in health care systems, delivery and infrastructure.
- Higher incomes for New Mexico’s health care providers.
- Improved retention of New Mexico’s health care providers.

## Frequently Asked Questions

**Q. Are the Medicaid managed care organizations (MCOs) required to pay the same rate as the Medicaid fee schedule?**

A. No. Medicaid MCOs have flexibility to go higher or lower than the Medicaid fee schedule with their contracted payments to providers. The department may require the MCOs to align with or exceed the Medicaid fee schedule to address certain access issues. The MCOs have more flexibility than the department in rate-setting to distinguish between rural/urban providers.

# Medicaid Provider Rates

## Frequently Asked Questions

**Q. How does the department ensure that the MCOs actually pay providers for rate increases as intended?**

A. With every rate increase, HSD issues a Letter of Direction to the MCOs that specifies the amount, scope and type of the increase, with detailed instructions about how the increase should be implemented. The MCOs must report back to the department biweekly on implementation progress, including updates on provider contracting issues and execution in their IT systems. HSD also requires the MCOs to comply with financial reporting requirements so that the department can monitor that dollars are passed to providers as directed.

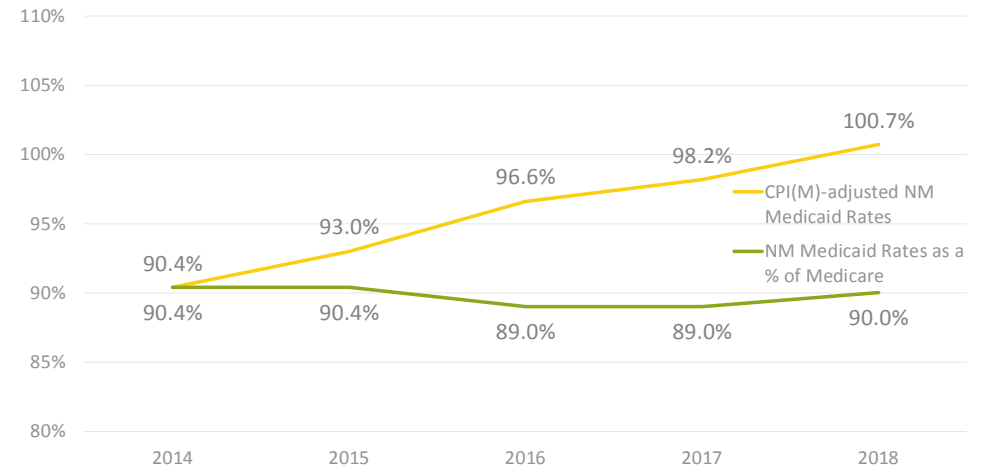
**Q. What is the return on investment?**

A. For every dollar spent on Medicaid provider rate increases, New Mexico receives \$3.54 from the federal government.

## FY 2020 Provider Rate Increases

Description	General Fund Cost	Total Investment
<b>Effective 7/1/19</b>		
Increases for primary care providers, hospitals, dentists, Personal Care Service (PCS) providers, community pharmacies, and other long-term services and supports. Reimbursement for new services.	\$47.4 million	\$228.7 million
<b>Effective 10/1/19</b>		
Rate increases for BH providers, FQHCs, and not-for-profit community hospitals. Reimbursement for new services.	\$16.2 million	\$78.5 million
<b>Effective 1/1/20</b>		
Additional increases and new services planned for January 1, 2020	\$5 million	\$22.4 million
<b>Total FY 2020 investment in provider network</b>	<b>\$68.6 million GF</b>	<b>\$329.6 million</b>

## Maintaining Provider Network: Historic NM Medicaid Provider Rates vs. CPI (Medical) Inflated Rates



- A 1 percentage point increase in NM Medicaid provider payment rates requires \$10 million in general fund dollars.
- It would cost \$110 million in General Fund dollars to move from our current payment rate of 89% of Medicare to 100% of Medicare.

Sources: <https://www.kff.org/medicaid/state-indicator/medicaid-to-medicare-fee-index/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>, <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>

# Medicaid Provider Rates

## New Mexico Hospital Rate Adjustment by County

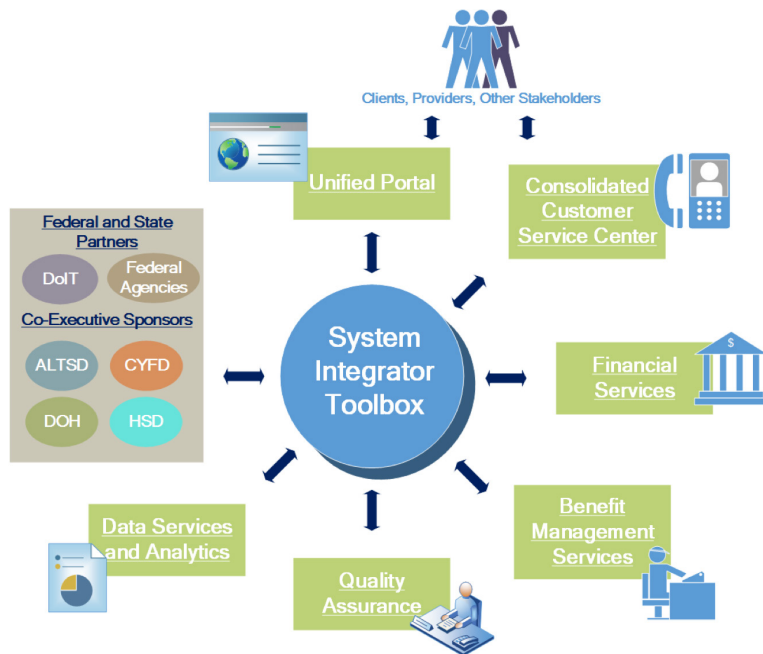
Hospital Name	City	County	July 1, 2019 Hospital Fee Increase		For-Profit Hospitals - Directed Payment		Not-for-Profit Hospitals - Directed Payment		Native American Hospitals - Directed Payment		Safety Net Care Pool Hospitals Fee Increase		All Increases	
			Dollar Impact	Percent Impact	Dollar Impact	Percent Impact	Dollar Impact	Percent Impact	Dollar Impact	Percent Impact	Dollar Impact	Percent Impact	Dollar Impact	Percent Impact
ADVANCED CARE HOSPITAL OF SOUTHERN N	Las Cruces	Dona Ana	\$ 300,080	12.0%	\$ 56,013	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 356,093	14.2%
ALBUQUERQUE - AMG SPECIALTY HOSPITAL	Albuquerque	Bernalillo	\$ 311,709	12.0%	\$ 58,186	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 369,895	14.2%
ALBUQUERQUE VAMC	Albuquerque	Bernalillo	\$ 5	18.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 5	18.0%
ALTA VISTA REGIONAL HOSPITAL	Las Vegas	San Miguel	\$ 1,440,453	21.8%	\$ 160,928	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 969,728	14.7%	\$ 2,571,108	38.9%
ARTESIA GENERAL HOSPITAL	Artesia	Eddy	\$ 1,038,578	21.2%	\$ -	0.0%	\$ 225,263	4.6%	\$ -	0.0%	\$ 708,513	14.5%	\$ 1,972,354	40.3%
CARLSBAD MEDICAL CENTER	Carlsbad	Eddy	\$ 2,548,143	19.5%	\$ 312,722	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 1,982,284	15.1%	\$ 4,843,149	37.0%
CENTRAL DESERT BEHAVIORAL HC	Albuquerque	Bernalillo	\$ 72,426	12.6%	\$ 12,973	2.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 85,399	14.8%
CIBOLA GENERAL HOSPITAL	Grants	Cibola	\$ 1,278,481	21.9%	\$ 142,068	2.4%	\$ -	0.0%	\$ 244,265	4.2%	\$ 1,686,700	29.0%	\$ 3,351,514	57.5%
DR. DAN C. TRIGG	Tucumcari	Quay	\$ 588,404	23.9%	\$ -	0.0%	\$ 116,078	4.7%	\$ -	0.0%	\$ 573,974	23.3%	\$ 1,278,456	51.8%
EASTERN NEW MEXICO MEDICAL CENTER	Roswell	Chaves	\$ 6,667,362	17.4%	\$ 901,126	2.3%	\$ -	0.0%	\$ -	0.0%	\$ 1,378,723	3.6%	\$ 8,947,212	23.3%
ESPANOLA HOSPITAL	Espanola	Rio Arriba	\$ 3,272,198	18.4%	\$ -	0.0%	\$ 801,247	4.5%	\$ -	0.0%	\$ 2,788,708	15.7%	\$ 6,862,152	38.5%
GERALD CHAMPION REGIONAL MEDICAL CTR	Alamogordo	Otero	\$ 3,763,613	20.3%	\$ -	0.0%	\$ 843,420	4.5%	\$ -	0.0%	\$ 2,564,340	13.8%	\$ 7,171,373	38.6%
GILA REGIONAL MEDICAL CENTER	Silver City	Grant	\$ 1,974,230	21.1%	\$ 226,704	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 1,263,800	13.5%	\$ 3,464,733	37.0%
GUADALUPE COUNTY HOSPITAL	Santa Rosa	Guadalupe	\$ 226,322	23.2%	\$ 24,035	2.5%	\$ -	0.0%	\$ -	0.0%	\$ 236,898	24.3%	\$ 487,254	50.0%
HAVEN BEHAVIORAL SEN CARE OF ALBUQU	Albuquerque	Bernalillo	\$ 574,501	12.2%	\$ 105,951	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 680,452	14.4%
HEALTHSOUTH REHABILITATION HOSPITAL	Albuquerque	Bernalillo	\$ 298,186	12.4%	\$ 53,934	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 352,121	14.7%
HOLY CROSS HOSPITAL	Taos	Toas	\$ 2,661,409	22.5%	\$ -	0.0%	\$ 551,219	4.7%	\$ -	0.0%	\$ 3,150,593	26.6%	\$ 6,363,221	53.7%
KINDRED HOSPITAL ALBUQUERQUE	Albuquerque	Bernalillo	\$ 1,267,709	12.0%	\$ 236,632	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,504,341	14.2%
LEA REGIONAL HOSPITAL	Hobbs	Lea	\$ 2,623,060	18.8%	\$ 331,898	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 1,985,547	14.2%	\$ 4,940,505	35.4%
LINCOLN COUNTY MEDICAL CENTER	Ruidoso	Lincoln	\$ 1,810,227	19.4%	\$ -	0.0%	\$ 423,022	4.5%	\$ 727,563	7.8%	\$ 3,419,806	36.7%	\$ 6,380,619	68.4%
LOS ALAMOS MEDICAL CENTER	Los Alamos	Los Alamos	\$ 457,994	20.9%	\$ 52,932	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 325,222	14.9%	\$ 836,148	38.2%
LOVELACE MEDICAL CENTER- DOWNTOWN	Albuquerque	Bernalillo	\$ 6,341,542	13.9%	\$ 1,037,880	2.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 7,379,422	16.2%
LOVELACE REGIONAL HOSPITAL-ROSWELL	Roswell	Chaves	\$ 2,414,051	19.4%	\$ 296,536	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 4,095,256	33.0%	\$ 6,805,843	54.8%
LOVELACE REHABILITATION HOSPITAL	Albuquerque	Bernalillo	\$ 839,951	13.0%	\$ 146,071	2.3%	\$ -	0.0%	\$ 800,712	12.4%	\$ -	0.0%	\$ 1,786,733	27.6%
LOVELACE WESTSIDE HOSPITAL	Albuquerque	Bernalillo	\$ 2,077,450	15.5%	\$ 309,813	2.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 2,387,263	17.8%
LOVELACE WOMEN'S HOSPITAL	Albuquerque	Bernalillo	\$ 8,432,192	13.5%	\$ 1,418,186	2.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 9,850,378	15.8%
MEMORIAL MEDICAL CENTER	Las Cruces	Dona Ana	\$ 13,676,016	17.4%	\$ 1,848,146	2.3%	\$ -	0.0%	\$ -	0.0%	\$ 2,827,663	3.6%	\$ 18,351,826	23.3%
MESILLA VALLEY HOSPITAL	Las Cruces	Dona Ana	\$ 1,146,422	12.7%	\$ 203,823	2.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,350,245	14.9%
MIMBRES MEMORIAL HOSPITAL	Deming	Luna	\$ 2,097,286	22.4%	\$ 229,294	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 2,465,657	26.3%	\$ 4,792,237	51.2%
MINER OF COLFAX MEDICAL CENTER	Raton	Colfax	\$ 739,723	21.6%	\$ 83,341	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 964,775	28.1%	\$ 1,787,839	52.2%
MOUNTAIN VIEW REG MED CTR	Las Cruces	Dona Ana	\$ 10,662,700	18.0%	\$ 1,397,315	2.4%	\$ -	0.0%	\$ -	0.0%	\$ 2,137,891	3.6%	\$ 14,197,906	24.0%
NEW MEXICO BEHAVIORAL HLTH INSTITUT	Las Vegas	San Miguel	\$ 192,619	12.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 192,619	12.0%
NEW MEXICO REHABILITATION CENTER	Roswell	Chaves	\$ 88,763	12.0%	\$ 16,569	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 105,332	14.2%
NOR-LEA HOSPITAL	Lovington	Lea	\$ 2,498,653	24.6%	\$ 253,399	2.5%	\$ -	0.0%	\$ -	0.0%	\$ 2,170,455	21.3%	\$ 4,922,507	48.4%
PLAINS REGIONAL MEDICAL CTR - CLOVIS	Clovis	Curry	\$ 5,255,143	19.1%	\$ -	0.0%	\$ 1,244,160	4.5%	\$ -	0.0%	\$ 4,260,002	15.5%	\$ 10,759,306	39.1%
PRESBYTERIAN HOSPITAL	Albuquerque	Bernalillo	\$ 26,842,893	14.1%	\$ -	0.0%	\$ 8,249,019	4.3%	\$ -	0.0%	\$ -	0.0%	\$ 35,091,912	18.4%
REHABILITATION HOSPITAL OF SOUTHERN	Las Cruces	Dona Ana	\$ 231,630	12.5%	\$ 41,709	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 273,339	14.7%
REHOBOTH MCKINLEY CHRISTIAN HOSPITAL	Gallup	McKinley	\$ 1,736,895	19.6%	\$ -	0.0%	\$ 403,233	4.5%	\$ 673,684	7.6%	\$ 1,461,390	16.5%	\$ 4,275,203	48.2%
ROOSEVELT GENERAL HOSPITAL	Portales	Roosevelt	\$ 942,224	23.5%	\$ 99,108	2.5%	\$ -	0.0%	\$ -	0.0%	\$ 950,750	23.7%	\$ 1,992,082	49.6%
SAN JUAN REGIONAL MEDICAL CENTER	Farmington	San Juan	\$ 7,039,453	19.7%	\$ -	0.0%	\$ 1,625,718	4.5%	\$ 2,651,772	7.4%	\$ 1,411,786	3.9%	\$ 12,728,729	35.6%
SAN JUAN REGIONAL REHAB HOSPITAL	Farmington	San Juan	\$ 27,712	12.0%	\$ -	0.0%	\$ 9,828	4.3%	\$ 34,901	15.1%	\$ -	0.0%	\$ 72,442	31.4%
SANTA FE MEDICAL CENTER	Santa Fe	Santa Fe	\$ 226,834	20.3%	\$ -	0.0%	\$ 51,066	4.6%	\$ -	0.0%	\$ 170,354	15.3%	\$ 448,254	40.1%
SIERRA VISTA HOSPITAL	Truth or Consequences	Sierra	\$ 1,185,227	24.1%	\$ 121,925	2.5%	\$ -	0.0%	\$ -	0.0%	\$ 1,093,817	22.3%	\$ 2,400,970	48.9%
SOCORRO GENERAL HOSPITAL	Socorro	Socorro	\$ 1,228,986	21.6%	\$ -	0.0%	\$ 262,621	4.6%	\$ -	0.0%	\$ 1,621,703	28.5%	\$ 3,113,310	54.8%
ST. VINCENT HOSPITAL	Santa Fe	Santa Fe	\$ 9,594,879	17.9%	\$ -	0.0%	\$ 2,403,374	4.5%	\$ -	0.0%	\$ 1,930,515	3.6%	\$ 13,928,768	26.0%
THE PEAK HOSPITAL	Santa Teresa	Dona Ana	\$ 928,028	12.3%	\$ 168,913	2.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,096,941	14.6%
UNION COUNTY GEN. HOSPITAL	Clayton	Union	\$ 271,977	24.1%	\$ 27,991	2.5%	\$ -	0.0%	\$ -	0.0%	\$ 251,483	22.3%	\$ 551,451	48.9%
UNIVERSITY OF NEW MEXICO HOSPITAL	Albuquerque	Bernalillo	\$ 19,737,004	7.1%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 19,737,004	7.1%
UNM SANDOVAL REGIONAL MEDICAL CENTER	Rio Rancho	Sandoval	\$ 2,362,634	15.7%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 2,362,634	15.7%
<b>ALL IN-STATE HOSPITALS</b>			<b>\$ 161,993,978</b>	<b>14.4%</b>	<b>\$ 10,376,120</b>	<b>0.9%</b>	<b>\$ 17,209,268</b>	<b>1.5%</b>	<b>\$ 5,132,898</b>	<b>0.5%</b>	<b>\$ 50,848,337</b>	<b>4.5%</b>	<b>\$ 245,560,601</b>	<b>21.8%</b>

Notes:  
 1. Medicaid expenditures are taken from the MCO encounter data and are incurred from January 1, 2018 through December 31, 2018 with paid runout through June 30, 2019.  
 2. Data excludes fee for service claims, members not eligible on date of service, duplicate claims, and zero paid claims.

# MMISR

## What is MMISR?

Medicaid Management Information System Replacement (MMISR) is a multi-year project to implement a new modular management information system for Medicaid that serves multiple health and human services agencies.



Serving over 1 million  
New Mexicans



Serving over 76,000  
Providers

## Total Request: \$2,363.4, \$590.7 GF

\$221,000.0 project with 9:1 Medicaid match (\$4,100.0 GF/\$36,100.0 federal funds). In FY 20 all MMISR positions are term and funded with special appropriations. Funding for these positions was not part of the base request in FY 20. The MMISR term positions are requested at 75 percent federal funding, but will likely qualify for 90 percent federal funding for design, development, installation and enhancement of the MMISR.

## Permanent state employees vs. contractors

**Contractors**  
\$11.236 Million  
\$2.8M in General Fund



**State Employees**  
\$2.363 Million  
\$591K in General Fund

## Why does the Medicaid MMISR need permanent staff?

The MMISR positions are classified as term which has made it impossible to successfully recruit and retain qualified individuals for these positions. Utilizing contractors in lieu of permanent state employees cost five times more.

## Permanent state employees will improve HSD's ability to:

- Measure behavioral health and primary care provider network and service capacity.
- Expand and track value-based purchasing in the Medicaid program.
- Measure provider and MCO quality and service delivery.
- Create effective provider payment structures.
- Measure service delivery and healthcare outcomes.
- Help members to participate in their care.
- Use analytics to drive better program management, public reporting, and accountability to HSD stakeholders.

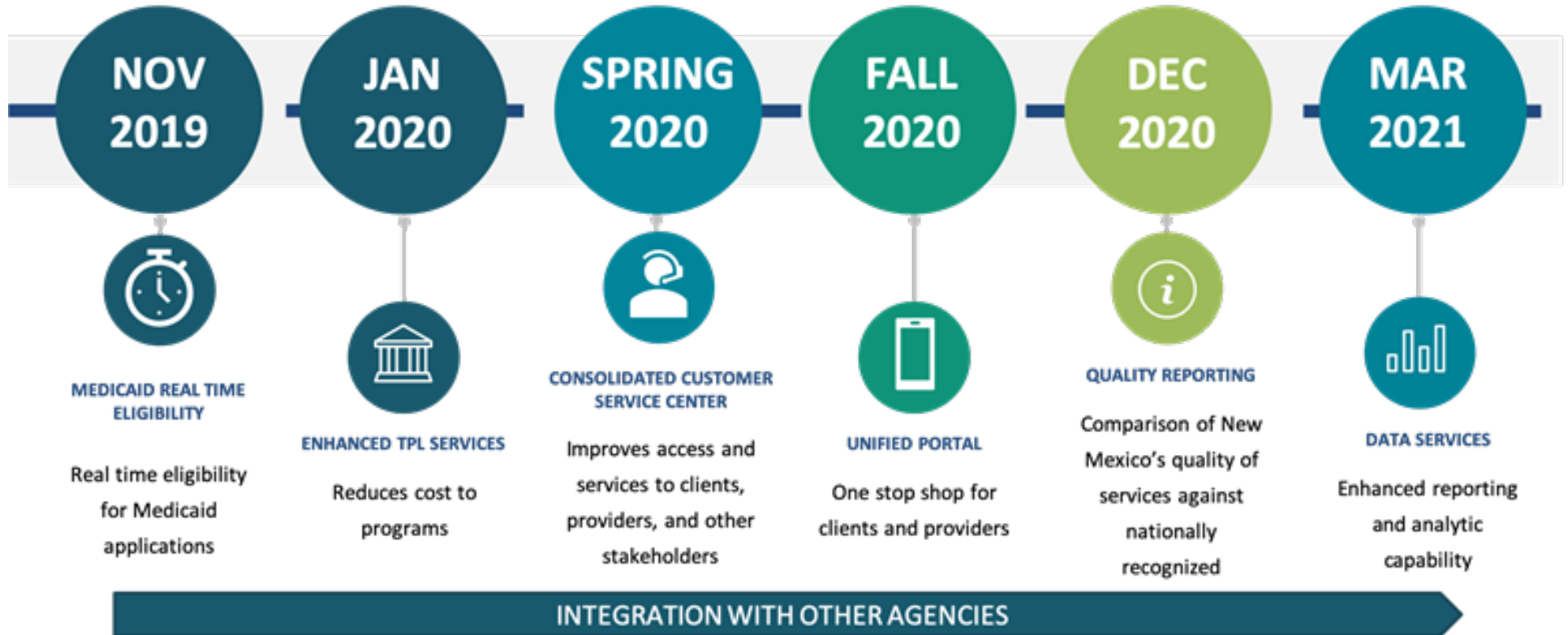
## Financial Benefits to New Mexicans

For every general fund dollar spent adding these staff, HSD receives \$3 to \$9 in federal match.



# MMISR

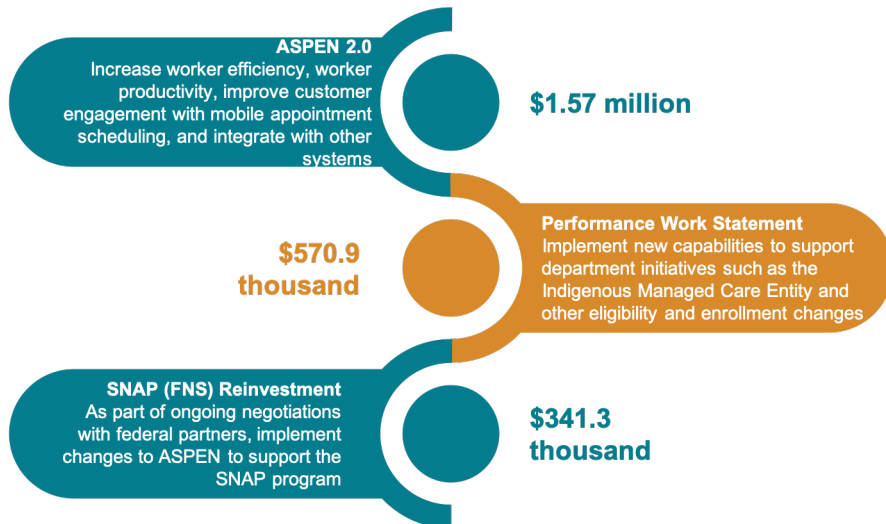
## HHS 2020 MMISR KEY MILESTONES



# Automated System Program and Eligibility Network (ASPEN)

## What is the FY 2021 funding request for the ASPEN integrated eligibility system?

HSD is requesting an additional \$2.49 million in general fund in FY 2021 for the ASPEN system to facilitate enhancements to the state’s integrated eligibility software that will impact both state employees and benefit recipients.



## Incremental budget request:

FY21 ASPEN General Fund Request	FY 2021 Request Amount
ASPEN 2.0	\$1,572,480
Performance Work Statement	\$570,900
Food and Nutrition Services Reinvestment	\$341,300
Base Contract	\$3,888,400
<b>FY 21 Total</b>	<b>\$6,373,200</b>

## General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$3,888,400	\$6,373,200	\$2,484,800
Federal Fund	\$8,002,800	\$12,741,700	\$4,738,900

In previous fiscal years, the department has supplemented ASPEN funding to meet changing program needs. For FY21, the department is rightsizing its general fund request to improve operations and benefit more New Mexicans than ever before.

## Financial Benefits to New Mexico

There is a 67% federal match for all general fund expenditures designated for the ASPEN integrated eligibility software based on a federally approved cost allocation methodology.

## Benefits to New Mexicans

As part of our agreement with our federal partners at the Food and Nutrition Services (FNS), HSD is reinvesting in the eligibility system that provides SNAP benefits. This reinvestment is being made in lieu of having to pay back significantly more dollars to FNS and will not only allow the state to avoid the expenditure associated with the debt but will also provide enhanced benefit delivery services for applicants/recipients.

## How does the FY 2021 funding request for ASPEN work?

The ASPEN system provides for eligibility and enrollment of more than 825,000 New Mexicans in Medicaid, 450,000 in SNAP, and 29,600 with cash assistance. On average, it cost \$1.80 per person per month to support the ASPEN system. The federal government pays \$1.20 of that \$1.80.



# Automated System Program and Eligibility Network (ASPEN)

## aspen by the Numbers Automated System Program and Eligibility Network



New Mexicans served by HSD programs

Increase in caseload  
and individuals served  
since 2013

40% 

1,500+

staff use ASPEN each day



34

HSD Field  
Office  
Locations

### Benefits Issued Annually

\$736M

\$57M

\$12M



SNAP



Cash Assistance



LIHEAP

825k

Enrolled in  
Medicaid

566K

Applications Processed Annually

4.7M

Changes in Circumstance Processed  
Annually

398K

Renewals Processed Annually

# Child Support Modernization

## What is Child Support Modernization?

Child Support modernization is necessary to implement new federal regulations directing the Child Support Enforcement Division (CSED) program redesign, which began in 2013. The work focuses on several areas:

1. Business process assessment and redesign.
2. Statute and regulation assessment and revision.
3. Staff development assessment and redesign.
4. Computer system (CSES) mainframe replacement.

## FY 2021 Incremental Budget Request: \$530.9

Major Initiatives = \$446.5 General Fund	FY21 Request
Decision Support Tool: Move staff to data driven process	\$136.00
STEPup Program: Partnership with Dept. of Workforce Solutions to employ unemployed child support payors	\$228.50
Child Support Rebranding Campaign: Marketing strategy to communicate new approach	\$82.0

## General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$7,927.1	\$8,458.0	\$530.9
Federal Fund	\$20,927.6	\$21,901.4	\$973.8

## Benefits to New Mexicans

Child support is an important source of income for many families. CSED collected \$137.5M in Child Support in FY 2019. The living wage for a family with one parent and two children is approximately \$4,676 per month. Public assistance recipients in New Mexico average a monthly income of \$822.48. TANF, SNAP, LIHEAP, and Medicaid are crucial in assisting parents with survival, but as their earning capacity increases benefits drop off.

## Financial Benefits to New Mexico

Modernization efforts in the Rio Rancho pilot office increased child support collections by 5.2%, since the pilot began in Summer 2019. If all 14 Child Support Offices realize the same 5.2% collections improvement, the \$530.9 in GF investment will result in an additional \$7,470 in child support collections.

Phase	Description	FY
Phase 1	Rio Rancho Pilot launch new reporting/case assessment tools	2019
Phase 2	STEPup Kickoff; Change Management; ABQ & Farmington Pilot	2020
Phase 3	State-wide process and STEPup implementation with Rebranding	2021
Phase 4	Lean Six-Sigma model and system replacement kick-off	2022

## Frequently Asked Questions

**Q. Will shifting the focus from legal enforcement to employment let non-paying child support payors off the hook?**

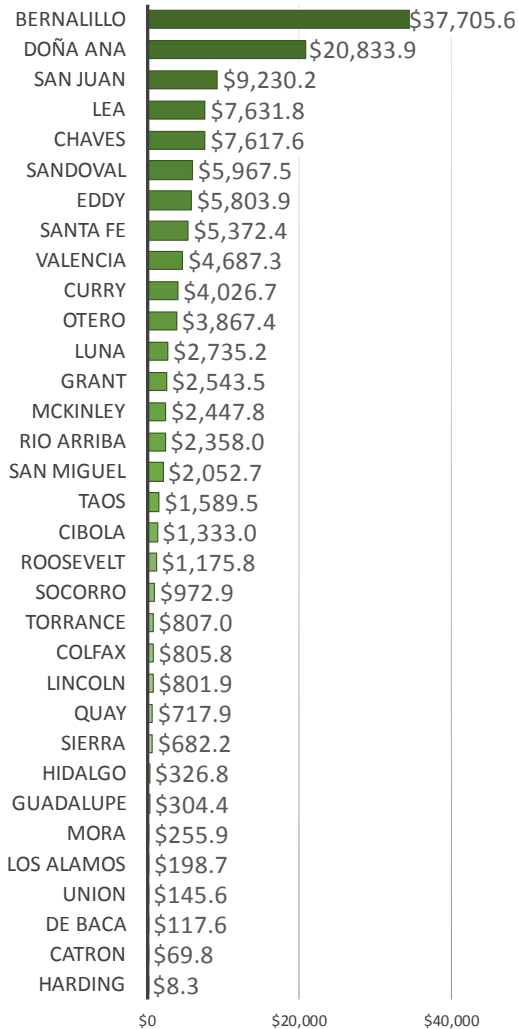
A. No. The work requirements in child support orders require compliance. If non-compliance occurs, further legal enforcement will be initiated, as it has in the past.

**Q. Will Child Support Modernization reduce the amount of child support that I am currently receiving?**

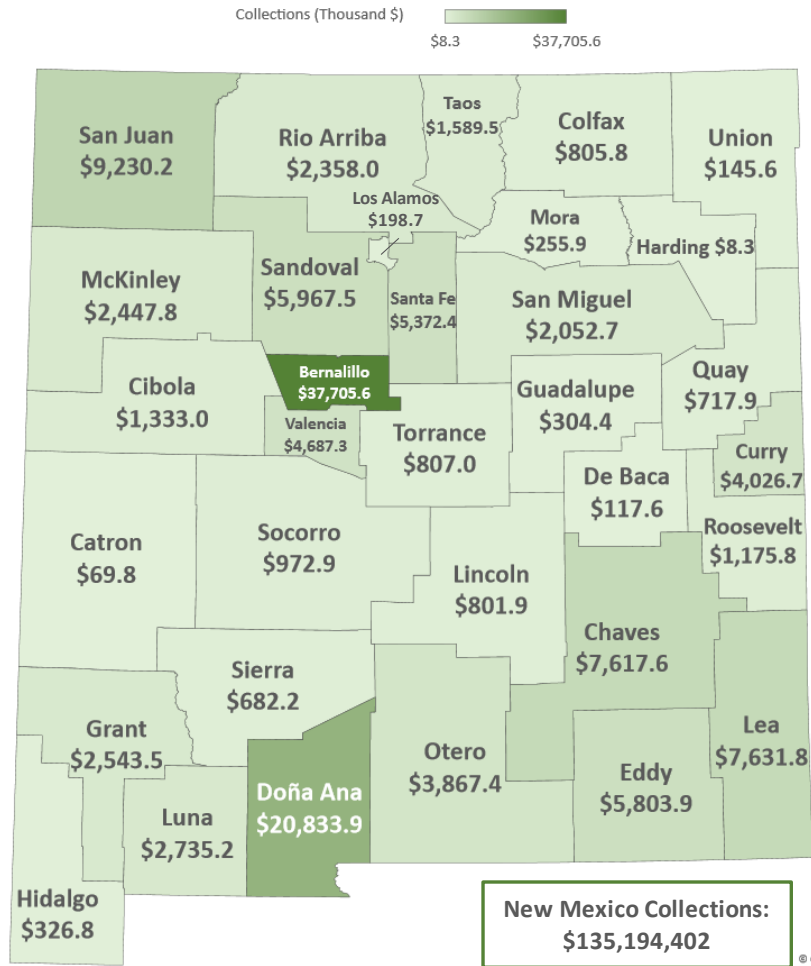
A. Possibly, but each family's situation is different. Under new federal regulations, CSED must use the actual income of both parties based on reliable evidence. In calculating the monthly support amount, child support staff will no longer be able to impute income, and this could reduce the monthly court ordered support amount.



# Child Support Modernization

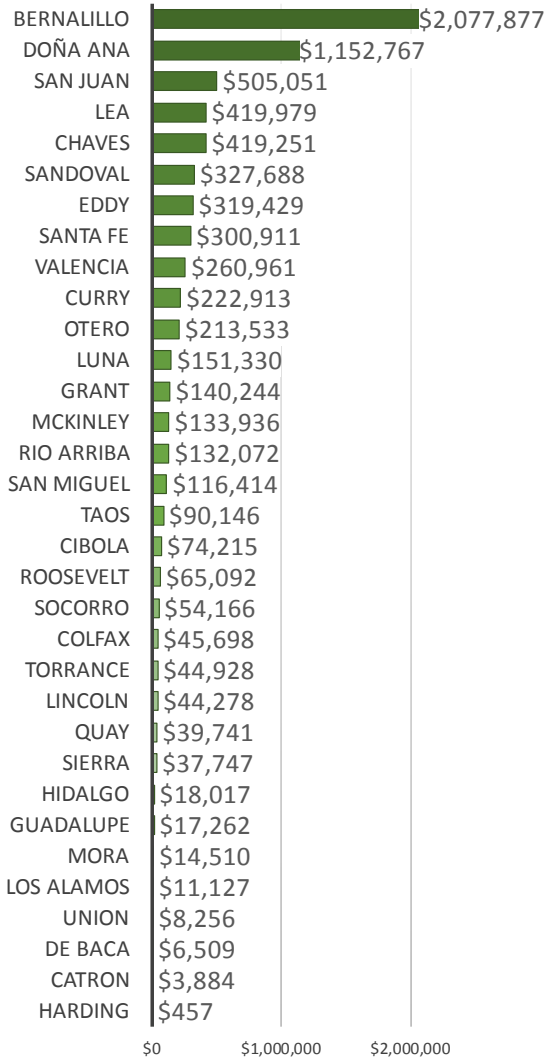


Child Support Collections by County as of October 2019

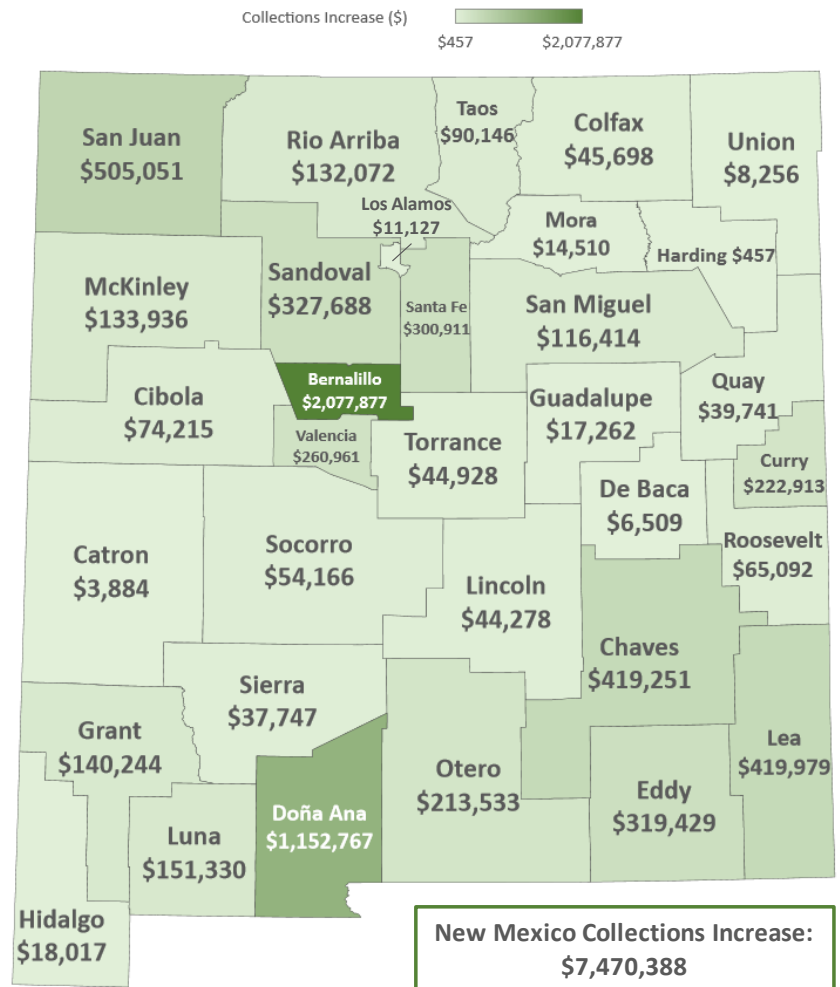


Source: New Mexico Human Services Department, Child Support Enforcement Division, Case Management System. Collections data as of October 2019.

# Child Support Modernization



Projected Child Support Collections Increase by County as of October 2019



Source: New Mexico Human Services Department, Child Support Enforcement Division, Case Management System and CSED estimated projections. Collections data as of October 2019.

# Intervention Demonstration Project

## What is the Intervention Demonstration Project (IDP)?

IDP increases access to behavioral health services for individuals while incarcerated, that improve re-entry support, and expand connections to housing supports.

## Incremental Budget Request: \$4 million General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$2.5 million (non-recurring)	\$4 million	\$1.5 million

## How does the Intervention Demonstration Project work?

Using epidemiological data and other source data including alcohol use mortality rates, drug overdose deaths, suicide rates, incarcerations and housing options, Behavioral Health Support Division selected five counties: Grant, San Juan, San Miguel, Sierra and Valencia to pilot grant funded services for incarcerated individuals.

There are two validated models for the justice involved, the Sequential Intercept Model (SIM) and the Stepping Up Initiative. The IDP requires:

- Behavioral health services be provided within a local county jail/detention center.
- Concurrently, targeted interventions and transitional services are offered and provided to these same individuals upon reentry to the community including addressing:
  - Housing needs for those who might otherwise be homeless.
  - Barriers to education, employment, transportation options and other characteristics related to connectivity to services at the time of release.
  - Supports for a path to recovery.

## Benefits to New Mexicans

- IDP can support communities in increasing public safety by reducing recidivism and putting more people on a path to recovery.
- Research shows individuals with behavioral health needs enter the criminal justice system at a greater frequency, and for longer periods of time, than people in the same community without behavioral health disorders.
- The five counties participating in this project have reported that 40-50% of their inmate/detainee population has behavioral health needs or diagnoses and require behavioral health treatment.

## Frequently Asked Questions

### Q. What evidence based practices are being applied?

A. Cognitive Based Therapy (CBT) has been proven to be most effective in addressing behaviors that may help to reduce re-incarceration and recidivism. Other therapies include: Moral Reconciliation Therapy (MRT), Community Reinforcement and Family Training (CRAFT), Motivational Interviewing.

### Q. What are some of the barriers being faced?

A. Finding appropriate behavioral health providers, diagnostic approaches, suitable housing options and transportation services, as well as maintaining security within the facility while providing direct intervention services.

### Q. How many individuals are being served? ?

A. Currently, average participation among the five counties is 23 individuals and is anticipated to grow.

### Q. What specific substances are being addressed?

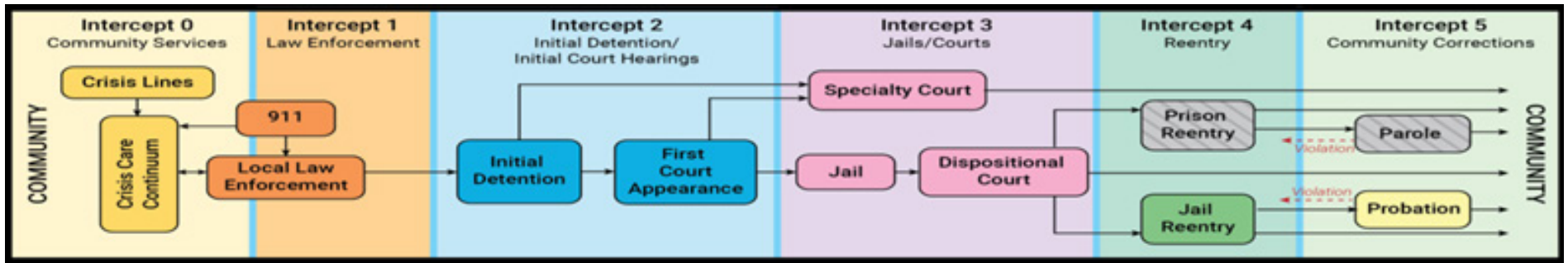
A. Opioid use is the primary substance being addressed. However, CBT has also been known to be effective with alcohol and methamphetamine use, particularly MRT.

### Q. Is Medicated-Assisted Treatments (MAT) being offered?

A. San Miguel implemented a MAT program in 2018 to inmates/detainees identified as having co-occurring disorders. They have used IDP funding to expand their current program to individuals in the general population. MAT is also available as part of the continuum of care available to detainees and as part of the service package in Grant County.

# Intervention Demonstration Project

## Sequential Intercept Model





# Supportive Housing

## What is supportive housing?

Supportive Housing is a comprehensive approach using evidence-based models that surrounds an individual or family with supports so they can attain and retain permanent housing. It contributes to a holistic focus on improved health outcomes and reduced inpatient care utilization. Housing provides the basis for people to focus on other recovery and stabilization tasks.

## Incremental budget request: \$4 million

- Expands linkages rental assistance funding.
- Program would increase from 153 to 328 eligible households served.
- Increases linkages support services.
- Increases funding for Medicaid supportive housing.
- Increases funding for move-in assistance and eviction prevention grants. Increase from 227 to 544 grants.
- Supports approximately 50 certified peer support workers in receiving specialized supportive housing certification.
- Supports increased training and technical assistance to supportive housing providers.

## General Fund and Federal Fund (FY 2020, 2021, difference)

	FY 2020	FY 2021	Difference
General Fund	\$2,815,852	\$6,815,852	\$4 million

## How does Supportive Housing work?

Linkages is a tenant-based permanent supportive housing program that serves homeless adults (and their families) diagnosed with a severe mental illness, are functionally impaired, and have extremely low income. Linkages has two components: rental assistance and support services.

The Move-In Assistance and Eviction Prevention program provides one-time grants to help eligible consumers get and keep their housing.

- Grants are typically used for rent, deposits, and utilities.
- Participants must be receiving behavioral health services to be eligible.

## Benefits to New Mexicans

- Reduced homelessness.
- Better population health outcomes.
- Housing stability – On average, 88% of individuals in the state Linkages program remain housed after one year.
- Federal compliance – with the U.S. Supreme Court's decision in *Olmstead v. L.C.* that individuals with disabilities must be afforded the ability to live in the most integrated setting possible.

## Financial benefits to New Mexico

Cost efficiency – A 2013 UNM study of Albuquerque supportive housing showed cost savings of \$12,831.68 per person through reduced use of shelters, emergency rooms, crisis services, and detention facilities<sup>1</sup>.

## Frequently Asked Questions

### Q. Why does HSD have several different housing programs?

A. Experience and evidence shows that it is important to meet consumers where they are and to provide housing options that meet their specific situations and needs. For that reason, HSD supports a range of supportive housing interventions from short-term to permanent housing.

- Crisis housing.
- Move-in assistance and eviction prevention.
- Oxford houses.
- Almost Home case management.
- Rapid re-housing.
- Linkages permanent supportive housing.
- Local lead agency set-aside housing.
- Training/technical assistance.

<sup>1</sup> Guerin, Paul and Alexandra Tonigan, Report in Brief: City of Albuquerque Heading Home Cost Study, University of New Mexico Institute for Social Research, September 2013.

# Supportive Housing

## Behavioral Health Support Division Program FY 2021 expansion Request

### \$4,000.0 Total Request

Supportive housing combines affordable housing assistance with evidence-based wrap-around services for people and families experiencing homelessness.

FY 2021 funding would increase capacity from 153 to 328 households, including new and existing counties.

FY 2021 funding would increase move-in assistance and eviction prevention grants from 227 to 544.

Hospitalization by Housing Status New Mexico Medicaid MCO Data			
	Hospital days per 1,000	Average cost per hospitalization	Average length of stay
Individuals experiencing homelessness	2042.8	\$13,741.49	6.8
Individuals not experiencing homelessness	485.1	\$9,594.71	5.0
Ratio	4.2	1.4	1.4

*\*Source: NM HSD, MAD, Analysis of MCO data. December 2, 2019*



# Employment Related Services for ABAWD

## Employment and Training Expansion

This FY 2021 request permits New Mexico Works (NMW) to support for Able Bodied Adults without Dependents (ABAWD). New Mexico currently has a statewide waiver for ABAWD work requirements to receive Supplemental Nutrition Assistance Program (SNAP), however the waiver expires Feb. 29, 2020.

The U.S. Food and Nutrition Service enacted a new rule Dec. 4, 2019, ending statewide waivers for ABAWDs. Without the waiver, 35,741 New Mexicans are at risk of losing their SNAP food benefits if they cannot find employment or a voluntary position that meets the new rule's requirement.

The new rule impacts adults ages 18-49, without a dependent, and without a disability to 3 months of food assistance in a 36-month period unless the individual is working or participating in a work program for at least 80 hours per month or volunteering.

Expanding the NMW contract will provide the ABAWD population: job skills, employment services, activities to meet the work requirement, and engagement and outreach to participants and community partners.

**Incremental Budget Request: \$3,703.0**

## General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$0	\$3,703.0	\$3,703.0
Federal Fund	\$0	\$3,703.0	\$3,703.0
Combined	\$0	\$7,460.0	\$7,460.0

Cost to State	Potential Annual Earnings of Participant	Additional State Payroll Tax Receipts	Overall Impact to the Economy	Jobs Created	Net Benefit	Return on Investment
\$3,703.0	\$60,347.5	\$746.4	\$95,561.9	717	\$92,605.3	\$25 for every \$1 in GF

## Financial benefits to New Mexico

HSD can help mitigate the potential food insecurity for 35,741 New Mexicans by helping them meet their work requirement, receive food benefits, gain job skills, and hopefully gainful employment.

The benefits generated by the newly served ABAWD group includes \$60,347.5 in potential annual earnings and \$746.4 in additional state payroll tax receipts. The impact to the overall economy is estimated to be \$95,561.9 with 717 jobs created for a net benefit of \$92,605.3.

## Benefits to New Mexicans

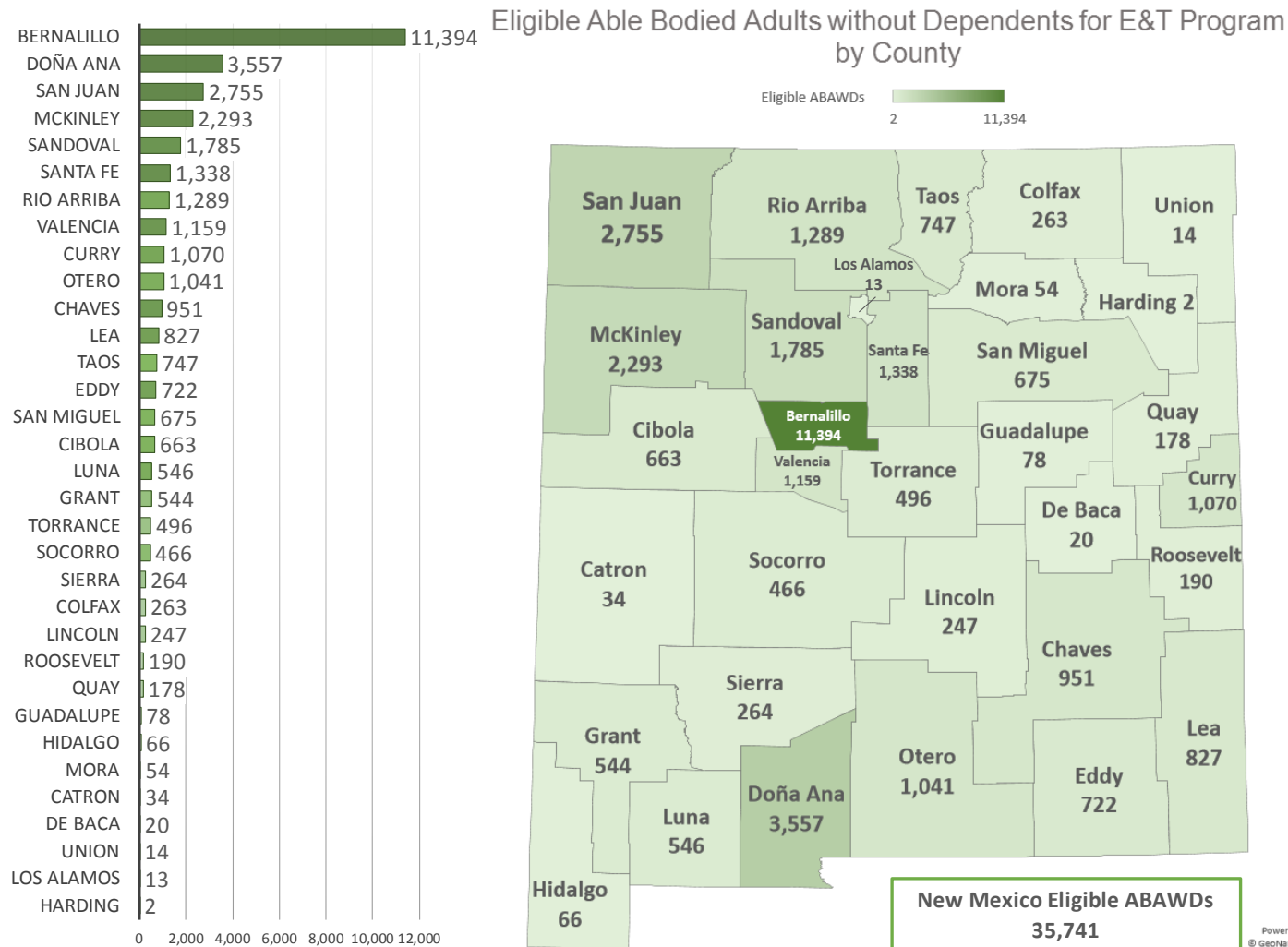
New Mexicans would see a return of \$25 to the state's economy for every \$1 in general funds invested.

## Frequently Asked Questions

### Q. How does Employment and Training expansion work?

A. The existing NMW contract would be expanded to provide services to the SNAP ABAWD population. Currently, the NMW contract supports only Temporary Assistance for Needy Families recipients. Additionally, the employment and training components would be expanded to reimburse employment-related out-of-pocket expenses for participating ABAWD recipients and an additional 500 voluntary SNAP recipients. The contract would be increased to implement the new program case management and data reporting initiatives.

# Employment Related Services for ABAWD



Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible Able Bodied Adults without Dependents (ABAWD) for Employment and Training (E&T) Program as of June 2019.



# Cash Assistance Transition Bonus Program (TBP)

## Cash Assistance Transition Bonus Program (TBP)

TBP reinstates a voluntary program discontinued in 2011 that provides an incentive bonus to working families who lose eligibility for Temporary Assistance to Needy Families (TANF) because their earnings are too high. TBP gives these families \$200 per month for up to 18 months to supplement their income and steps-up their benefits to eliminate the cliff effect. The goal of this program is to convert the cliff into a ramp that allows more time to achieve self-sufficiency. HSD estimates that 3% (759) of TANF recipients would participate in TBP annually. Additionally:

- Families must maintain at least 30 hours per-week in paid employment.
- The maximum bonus allotted per family is \$200 regardless of the number of people employed.
- Assuming all TBP participants finish the program, an estimated 50% (380) will become self-sufficient and not return to TANF even if there are months remaining on their lifetime limit.

## Financial benefits to New Mexico

Given modest economic conditions, a \$1,821.6 general fund investment annually for about 379 families would yield the following returns:

### FY 2021 Budget Request: \$1,821.6

\$1,821.6 in general fund for FY 2021. There is no federal match for this program. HSD has not provided this program in the past eight years.

## Spending a Little Gets a Lot: \$11.6 Million Potential Annual Earnings, 146 Jobs Created, \$18 Million Net Benefit, \$10:1 ROI

Cost to State	Savings to State in Reduced Case Management Cost	Potential Annual Earnings of TBP participants	Additional state payroll tax receipts	Overall impact to the economy	Jobs created	Net Benefit	Return on Investment
\$1,821.6	\$543.0	\$11,651.0	\$227.8	\$19,419.4	146	\$18,368.60	\$10 for every \$1 in GF

## Benefits to New Mexico

The TBP incentive has been shown to assist families to become self-sufficient and improves the quality of life for parents and children by increasing family income, resources, and support. There are many hidden costs in self-sufficiency for a family losing TANF. A family may see co-pays for child care and increased costs for subsidized housing. The TBP provides an 18-month ramp for these families rather than the cliff from immediate termination of support. It is estimated that TBP would remove about 280 families from TANF rolls permanently each year.

## Frequently Asked Questions

### Q. What is the cliff effect?

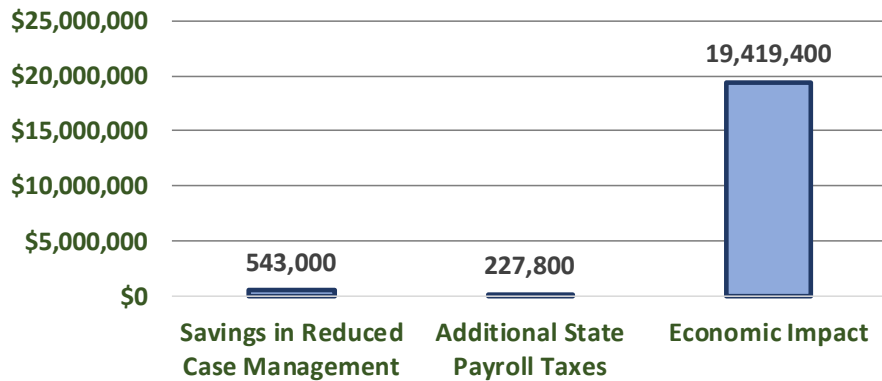
A. Abruptly terminates cash assistance when employment income exceeds eligibility requirements.

### Q. What is the positive impact of this program?

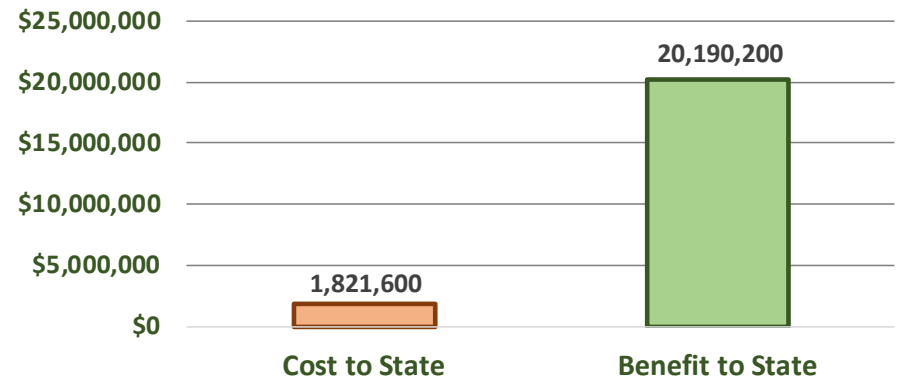
A. This reduces the cliff effect and increases the opportunity to become self-sufficient and maintain self-sufficiency. This payment is provided up to 18 months.

# Cash Assistance Transition Bonus Program (TBP)

**Transition Bonus Program  
Benefit to State**



**Transition Bonus Program  
Cost and Benefit to State**



# Supplemental Nutrition Assistance Program (SNAP) Heat and Eat Option

## SNAP Heat and Eat Option

NM has the highest child food insecurity rate in the nation. SNAP Heat and Eat is a new program request from the Children's Cabinet Hunger Initiative. Enacted in the 2018 US Farm Bill, it allows the state to fund \$21/year/family in energy assistance payments to 39,342 eligible SNAP households in New Mexico; thereby, increasing the allowable income deduction for each household. This income deduction qualifies households for a larger monthly SNAP benefit (estimated average \$480/year), giving each eligible household an average total of \$501 more to spend for the year for food.

## Prevalence of household-level food insecurity and very low food security, average 2016-18

Rank	State	Average # 2016-18	Food Insecurity (low or very low)	Food Insecurity (very low)
1	NM	836,000	16.8	5.8
2	MS	1,180,000	15.9	6.3
3	LA	1,859,000	15.8	6.8
4	WV	758,000	15.7	5.9
5	OK	1,539,000	15.6	6.1

## Financial benefits to New Mexico

Given modest economic conditions, the \$1,485.0 general fund investment for 39,342 (about 18% of all SNAP households) would yield a very high return:

## More for New Mexico: 501 SNAP benefits per eligible household, \$18,840.0 Federal Funds, 6.5 million additional meals, \$21:1 ROI

Cost to general fund	Federal Funds	H&E Eligible Households	H&E Additional Benefits	H&E Additional Meals	Jobs Created	Impact to State Gross Domestic Product	Net Benefit	Return on Investment
\$1,485.0	\$18,840.2	39,342	\$19,710.3	6,867.8	361	\$32,266.0	\$30,781.0	\$21 for every \$1 in general fund FY 2021 \$38 for every \$1 in general fund for subsequent years

## FY 2021 Budget Request: \$2,143.8.

The program did not exist in FY 2020.

- \$1,485.0 general fund – includes \$825.2 SNAP benefits to households and \$658.8 for IT Start-Up
- \$658.8 Federal Funds for IT Start-Up

## Benefits to New Mexicans

SNAP Heat and Eat will give more than \$19,710.0 each year to qualified New Mexicans to buy food, which we expect will reduce food insecurity and take New Mexico off the top of another list where we prefer not to be number one. Additional SNAP funds will give participants the opportunity to choose a healthier diet, purchase a greater variety and amount of food, and reduce hunger. It would also improve quality of life and reduce medical costs for these families who live in our communities.

## Frequently Asked Questions

### Q. What will the recipients do with the \$21?

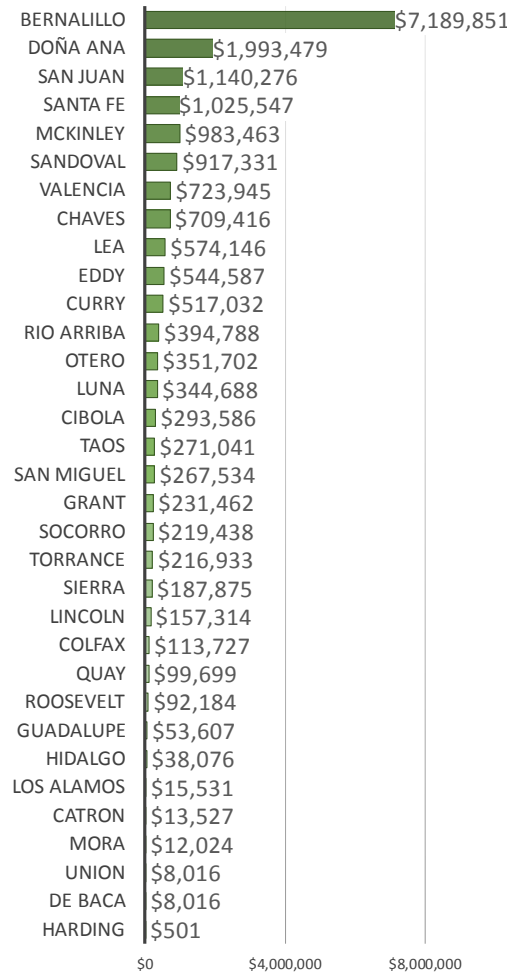
A. The recipient can utilize this as a cash benefit on their EBT card to pay utilities for non-SNAP products or any other items they may need.

### Q. Why \$21?

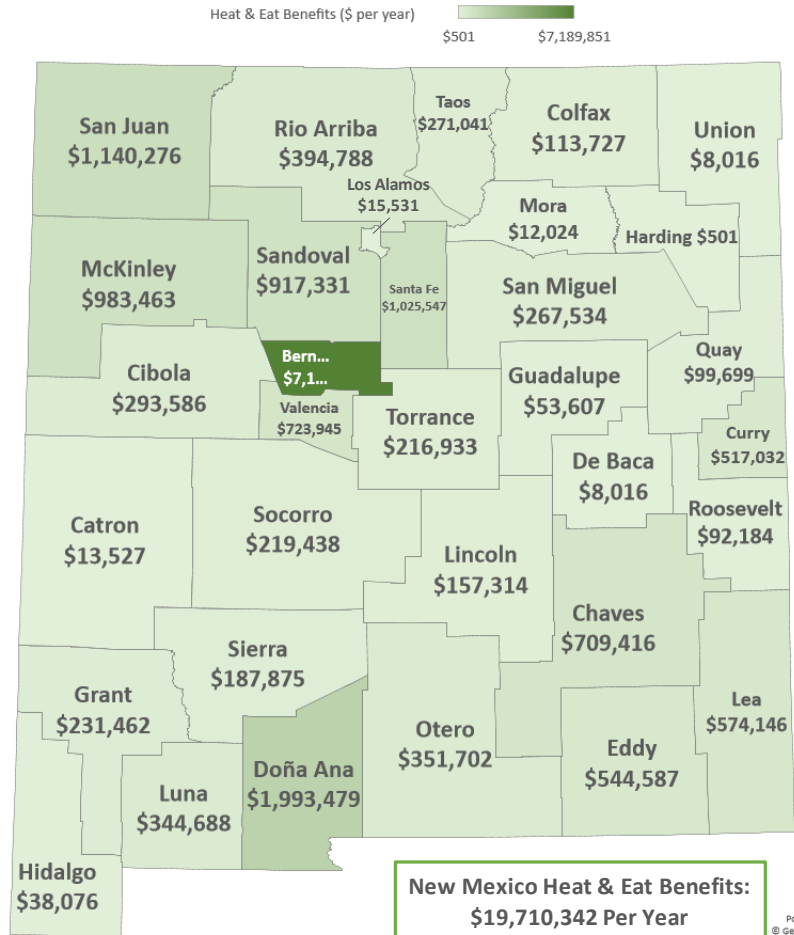
A. The 2018 Farm Bill states that a utility assistance payment of more than \$20 entitles the household to the Heating and Cooling Standard Utility Deduction.

# Supplemental Nutrition Assistance Program (SNAP) Heat and Eat Option

Heat and eat: \$19.7 M = 6.9 M meals per year



Heat & Eat Program Benefits by County

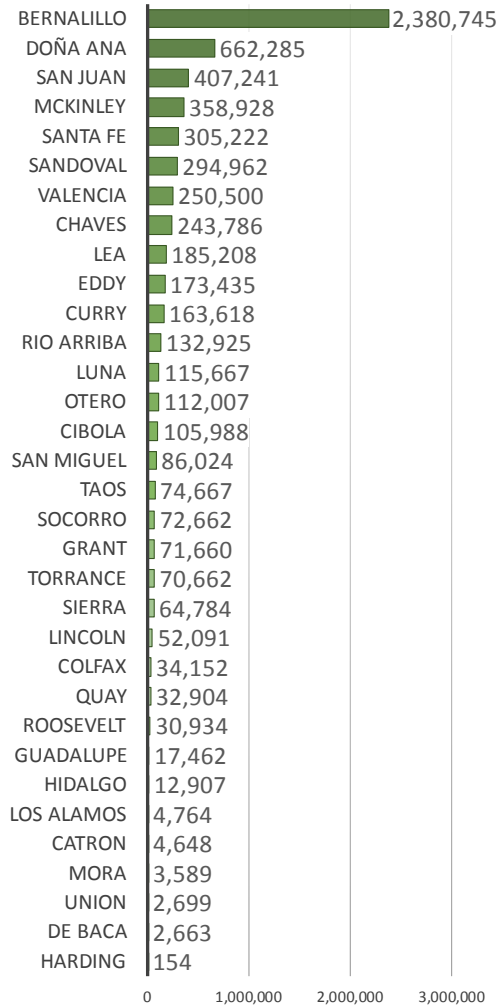


Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible households as of June 2019. The Heat & Eat program provides \$21 per year in energy assistance to eligible households which results in an average of \$40 per month in additional Supplemental Nutrition Assistance Program (SNAP) benefits for the household.

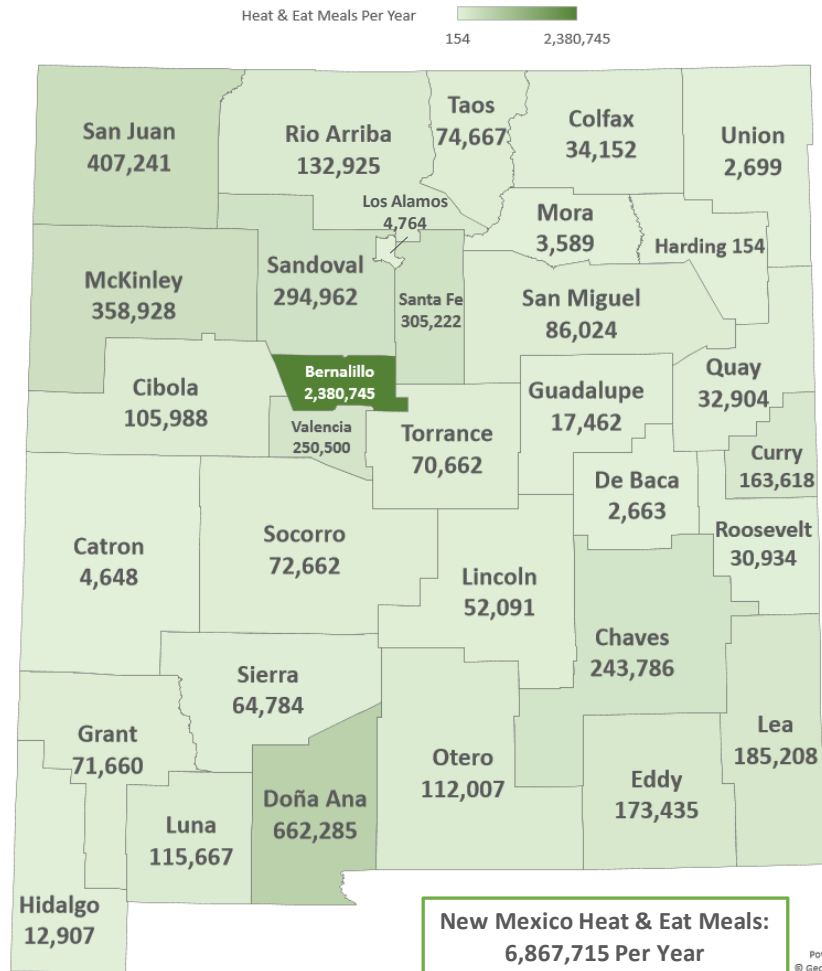


# Supplemental Nutrition Assistance Program (SNAP) Heat and Eat Option

Heat and eat: \$19.7 M = 6.9 M meals per year



Heat & Eat Program Meals by County



Source: New Mexico Human Services Department, Income Support Division estimate of the number of eligible households as of June 2019. The Heat & Eat program provides \$21 per year in energy assistance to eligible households which results in an average of \$40 per month in additional Supplemental Nutrition Assistance Program (SNAP) benefits for the household. The calculation of meals used the 2017 county level meal cost estimates for New Mexico by Gundersen, C., A. Dewey, M. Kato, A. Crumbaugh & M. Strayer. Map the Meal Gap 2019: A Report on County and Congressional District Food Insecurity and County Food Cost in the United States in 2017. Feeding America, 2019. New Mexico value used a state-level cost per meal calculation and therefore does not equal the sum of the county meals. Meals calculation assumes total Heat & Eat benefits used on food.

# Graduate Medical Education Expansion Grant Program

The Graduate Medical Education (GME) Expansion Grant Program was established by House Bill 480. GME is the physician training period after medical school and before independent practice; and, research demonstrates 50-75% of medical residents will stay within 100 miles of their residency program<sup>1</sup>.

With a specific focus on Family Medicine, General Internal Medicine, General Psychiatry, and General Pediatrics, the Program provides funding to establish new GME programs, fund existing GME programs, and, provide one-time planning grants. The law also creates a governing body to oversee the program and make funding recommendations to HSD, and directs HSD to create a five-year strategic plan for statewide GME expansion.

## General Fund and Federal Fund (FY 2020, 2021, Difference)

	FY 2020	FY 2021	Difference
General Fund	\$879.7	\$1,290.1	\$410.4
Federal Fund	\$1,427.8	\$3,560.0	\$2,132.2

## Financial benefits to New Mexico

Investment in the primary care physician workforce yields significant economic returns. For example, each physician supports \$3,166,901 in output, an average of 17.07 jobs, ~\$1.4 million in total wages and benefits, and \$126,000 in state and local tax revenues. The primary care physician workforce propels economic growth in other aspects of the healthcare system as well, generating \$784,752 in direct, billed charges for a hospital and \$241,276 in professional fees for the other specialty consultants<sup>2</sup>. The 126 additional residents proposed in the strategic plan will generate an estimated \$399 million in economic output and ~2,150 jobs.

## Benefits to New Mexicans

Findings from the NM GME Expansion Strategic Plan project significant growth during the next five years as GME primary care programs will grow from 8 to 13 (63% increase). Additionally, the number of primary care residents in

training will grow from 142 to 291 (105% increase) and the number of graduates each year will grow from 48 to 94 (starting in 2025), representing a 96% increase. This expansion will have positive impact on population health, because people who identify a primary care physician as their primary source of care are healthier, regardless of health status or demographics.

## Frequently Asked Questions

### Q Why is GME expansion important for population health?

A. GME programs increase healthcare access. An increase in one primary care physician per 10,000 individuals results in: 1) an 11% decrease in emergency room visits; 2) 6% decrease in hospital inpatient admissions; and, 3) 7% decrease in surgery utilization<sup>3</sup>. An adequate supply of primary care physicians promotes increased rural hospital viability, community-based care (particularly in rural and frontier communities), and access to preventive services (including behavioral health).

### Q: Will residents stay in NM post-residency?

A. In applying for funding, GME programs are required to submit a workplan to HSD that:

1. Incentivizes residents to remain in primary care post-residency;
2. Incentivizes residents to remain in NM post-residency, particularly in rural, frontier, and/or underserved communities; and,
3. Details the GME program's commitment to serve Medicaid beneficiaries.

3 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3820521/>



## Graduate Medical Education Expansion Grant Program

Six year time-line of New or Expanded GME Programs in New Mexico Number of New First-Year Residents/year							
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total new Residents
Family Medicine (3-year program)	7	21	25	18	4	0	75
General Psychiatry (4-year program)	5	5	11	11	6	6	44
General Pediatrics (3-year program)	5	5	5	0	0	0	15
Internal Medicine (3-year program)	5	5	5	0	0	0	15
<b>Total New Physicians trained = 149</b>							

# Graduate Medical Education Expansion Grant Program

