



New Mexico's Medicaid Forward Proposal, Explained

During the 2023 legislative session, New Mexico began the process of designing their Medicaid Forward program by enacting [HB 400](#). 10% of New Mexicans [report](#) being uninsured, with rates higher for Hispanic (12%) and American Indian/Alaskan Native (16%) people. More than 1 in 2 New Mexicans [report](#) delaying or avoiding medical services in the past two years due to cost, with 39% having faced financial hardship as a result of accessing needed care. By pursuing a novel approach to building a state coverage option for millions of New Mexicans, Medicaid Forward would remove New Mexico's Medicaid income cap to allow people to access affordable care by buying into the Medicaid system. [Over half](#) of New Mexicans hold a positive view of the state's Medicaid program and providing the option for people to buy into this program is supported by [75%](#) of New Mexicans across the political spectrum.

What is Medicaid Forward?

By leveraging [provisions](#) of the Affordable Care Act, New Mexico's Medicaid Forward proposal would require the state to submit a state plan amendment to the Centers for Medicaid & Medicare Services (CMS) requesting to offer Medicaid coverage to residents under 65 years old, are not otherwise eligible for coverage for Medicaid, and have a household income over 138% of the federal poverty level (FPL). The current income cap limits eligibility to individuals with incomes no more than \$20,124 a year, or \$41,400 for a family of four. In offering people the option to purchase Medicaid coverage through the new program, the state would receive their 73% federal medical assistance percentage (FMAP) match rate for this new group of enrollees. Additionally, New Mexico would move those already on their state employee health plan to Medicaid Forward, further offsetting state costs for providing health coverage. Participants buying into the program would pay for the remaining costs not covered by the federal government on an income-based sliding scale.

What does HB 400 do?

HB 400 directs the New Mexico Secretary of Human Services and Department of Insurance to conduct a study on the implementation of Medicaid Forward. The study must include:

- 1) The expected impact of the plan on the state's individual, group, and self-insured markets
- 2) The proposed reimbursement rates for health care providers to maximize access to services
- 3) The anticipated costs to the state for administering the program
- 4) A plan for ensuring financial sustainability for the program, including the steps to apply for federal waivers to maximize funding.

The agency is required to present its findings to the Legislature by October 1, 2024. A \$500,000 appropriation for completion of the study was included in the state's [2023 budget bill](#).

What can other states take away from this proposal?

New Mexico's Medicaid Forward proposal provides an innovative, state-specific approach to expanding access to quality, affordable coverage by leveraging the strength of its Medicaid program. Other states stand to learn from the study commissioned by HB 400, which will provide critical guidance on how best to design a program that is specifically designed to meet a state's unique characteristics while reducing costs and expanding access to care for people of all income levels.