

# THE MEDICAID OPPORTUNITY IN NEW MEXICO

NM CENTER ON LAW AND POVERTY

ISSUE BRIEF

OCTOBER 2012

## New Mexico is facing one of the most critical choices in the history of our state.

We have an unprecedented opportunity to reduce **poverty** and **save lives** by providing healthcare coverage to over 170,000 uninsured New Mexicans. Starting in 2014, New Mexico can make Medicaid available to low-income adults. The “Medicaid Opportunity” will improve health, reduce health disparities, create jobs, and strengthen our healthcare system and economy. **It will save hundreds of millions of dollars for the state** in the first seven years (2014-2020), and the state will continue to fully recover its costs after 2020. A recent poll by the state’s largest newspaper found that the majority of New Mexican voters support making Medicaid available to 170,000 more people. This brief explores the benefits of the Medicaid Opportunity, and why refusing it would be a costly mistake for New Mexico.

## Who Would Become Eligible for Medicaid?

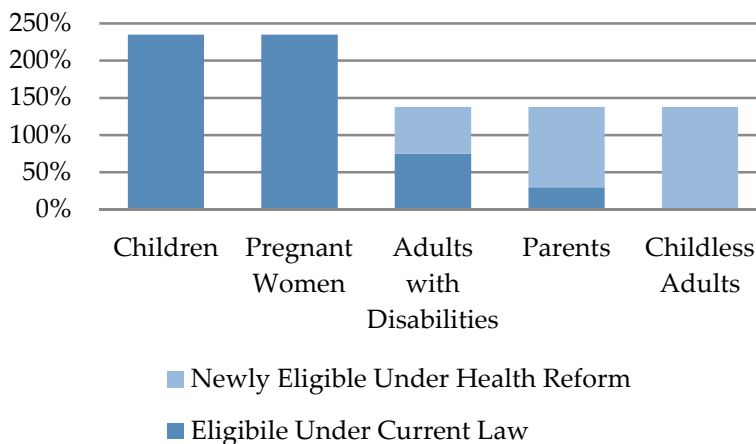
Many people think Medicaid already provides healthcare coverage to low-income people. But in fact, in New Mexico, most low-income adults do not qualify. Only children, pregnant women, people with disabilities, seniors, extremely low-income parents, women with breast or cervical cancer, or people in need of family planning services can get Medicaid.<sup>1</sup> This leaves out most adults without children, including those living in poverty. It also leaves out low-income parents: a single mother with one child making \$5,000 a year likely has too much income to qualify for Medicaid.

The healthcare reform law gives New Mexico the opportunity to change that by making nearly all adults (ages 19-64) with incomes below 138% of the poverty line – about \$15,000 for a single adult or \$32,000 for a family of 4 – eligible for Medicaid.<sup>2</sup> With the Medicaid Opportunity, over 170,000 uninsured New Mexico adults could gain access to health coverage, including parents, low wage workers, the homeless, veterans, and the recently jobless. While the U.S. Supreme Court upheld most of the healthcare law, it left a critical decision in the hands of state lawmakers – whether to say yes to the Medicaid Opportunity.

## New Mexico Has More to Gain than Most Other States

Nearly one in three adults ages 19 to 64 in New Mexico is uninsured, leaving us with the second highest rate of uninsured people in the nation.<sup>3</sup> This has taken a heavy toll on our families.

### MEDICAID ELIGIBILITY AS A PERCENT OF POVERTY



People who are uninsured die younger, miss more work, and are burdened with medical debts they can't pay. Health disparities persist because poor people and people of color are more likely to be uninsured.<sup>4</sup>

The lack of coverage impacts every New Mexican. Not only does it exacerbate poverty in our state, it is costly for everyone. Insured New Mexicans pay higher premiums because there are so many uninsured people driving up uncompensated care costs. Emergency rooms are overcrowded because people cannot access preventative or primary care. County charity care programs – funded by local taxpayers – cannot keep up with the need.

Medicaid provides stable healthcare coverage that would benefit all New Mexicans. If we refuse the Medicaid Opportunity, other states will move ahead, but New Mexico – including our most vulnerable low-income residents – will be left behind.

### Medicaid Opportunity Will Cost the State a Maximum of \$41.6 Million in First 7 Years

In the early days after the Supreme Court's decision, lawmakers in New Mexico were primarily concerned about the costs of the Medicaid Opportunity. State officials had reported that the cost would be \$500 million

over seven years.<sup>5</sup> Since then, the state's Legislative Finance Committee and independent experts have found that the state will actually save money by expanding Medicaid.<sup>6</sup>

Analysts at the University of New Mexico's Bureau of Business and Economic Research have projected state expenditures for the Medicaid Opportunity of \$222 to \$281 million, and net expenses will be even lower after accounting for savings from eliminating the State Coverage Insurance (SCI) program.<sup>7</sup>

SCI<sup>8</sup> currently covers over 35,000 adults who would be eligible for the new Medicaid coverage. Transferring these adults from SCI to Medicaid would save the state an estimated \$239 million through 2020. As a result, the true expenses for the Medicaid Opportunity range from a **savings of \$17.1 million to expenses of up to \$41.6 million** over seven years.<sup>9</sup>

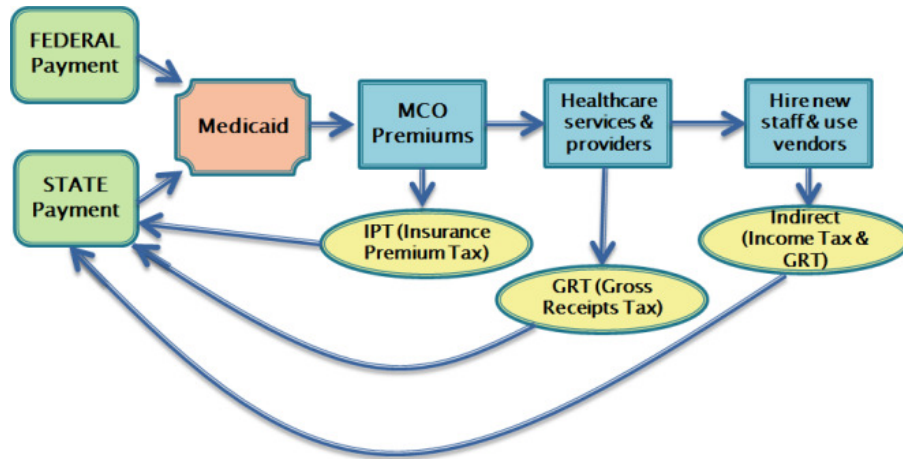
### Additional Revenues Result in Major Savings for New Mexico

New Mexico will also **make money** in the first seven years. This is because the federal government pays the bulk of the costs for the Medicaid Opportunity. The state will see an influx of new revenues and other savings that will more than offset the state's share of costs.

The federal government will pay 100% of the costs in the first three years, 95% in 2017, 94% in 2018, 93% in 2019, and 90% in 2020 and beyond. New Mexico's average share of costs for the Medicaid Opportunity would be just 4% over the years 2014 to 2020.<sup>10</sup>

Fiscal Year	Federal Match %	State Share Plus Administrative Costs (in millions)	SCI Savings (in millions)	Net State Expense (in millions)
2015	100%	\$3.0	\$42.3	(\$39.3)
2020	91.5%	High: \$102.3 Low: \$80.7	\$28	High: \$74.3 Low: \$52.7
All Years 2014-2020	96.1%	High: \$280.9 Low: \$222.2	\$239.3	High: \$41.6 Low: (\$17.1)

*Data provided by UNM Bureau of Business & Economic Research.*



revenue and even more GRT revenue as paychecks are spent in local businesses. Finally, New Mexico will save even more by phasing out the state’s high risk pool, moving those patients onto Medicaid and the Exchange.<sup>12</sup>

The University of New Mexico Bureau of Business and Economic Research

But the state will not end up paying that 4%. This is because of the state’s Insurance Premium Tax (IPT). Medicaid will provide coverage for the newly eligible adults by enrolling them into managed care organizations (MCOs) and paying for premiums that cover the entire cost of care. These premiums are then subject to the state’s IPT, which is set at 4%. Thus, the state would pay 4% of costs for Medicaid coverage, but immediately get that 4% back from IPT revenues, leaving the state with no net costs for the years 2014-2020.

The state would also realize significant gains through other revenues. As federal dollars for Medicaid are spent on healthcare goods and services, they would be subject to the state’s Gross Receipts Tax (GRT). Those dollars would also be used to create between 6,000 and 8,400 new jobs,<sup>11</sup> resulting in additional income tax

recently added up all these revenues and projected **the Medicaid Opportunity would create between \$478 and \$523 million in savings** for New Mexico between 2014 and 2020 – even after subtracting the state’s expenditures.<sup>13</sup>

### A Great Deal Beyond 2020: Why New Mexico Can’t Afford to Wait

Even after 2020, the Medicaid Opportunity remains a great deal for the state. The federal government will pay 90% of the costs of care for the new Medicaid enrollees. And the state’s share is actually far less than the remaining 10% because of the IPT, GRT, and income tax revenues. In the end, even after 2020 – **the state’s expenditures for the Medicaid Opportunity are fully covered by the new revenues.**<sup>14</sup>

#### Years 2014 to 2020:

**IPT (4%)** subtracted from 4% state costs = **\$0 net costs**



Plus **GRT = Savings!**



Plus **Indirect** (Income Tax & more GRT) = **More savings!**

#### Years 2020 and Beyond:

**IPT (4%)** subtracted from 10% state costs = **6% net costs**



Plus **GRT = Very low costs**



Plus **Indirect** (Income Tax & more GRT) = **No cost**

Some states are considering adopting a “wait and see” approach, but New Mexico would lose out by waiting. The federal government pays 100% of the costs in the first three years. These are the years that the state would see the most significant savings through new revenues. In addition, the newly insured may need to see the doctor more because of the “pent-up demand” that results from going without insurance.<sup>15</sup> Taking the Medicaid Opportunity beginning January 1, 2014, would give New Mexico the chance to stabilize the healthcare costs of the new Medicaid enrollees before the state has to pay anything.

### **Medicaid Saves Lives and Reduces Poverty**

Over 135,000 uninsured adults in New Mexico have incomes below 138% of the poverty level.<sup>16</sup> Another 39,000 adults with incomes at this level are currently covered through SCI.<sup>17</sup> Altogether, more than 170,000 uninsured New Mexicans could get coverage through the Medicaid Opportunity. They include over 100,000 people living below the federal poverty line,<sup>18</sup> minimum and low wage workers, the recently unemployed, veterans, and the homeless.

Over 375 New Mexicans die each year because they are uninsured and are forced to go without medical care.<sup>19</sup> And even when the uninsured do access healthcare, they suffer from much more serious conditions and diseases than those who have health insurance because of delayed or inconsistent treatment.<sup>20</sup> This results in very expensive care and overcrowding of hospitals and emergency rooms.

Being uninsured also takes a personal financial toll. Medical debt is now the leading cause of bankruptcy in the country – 62% of all personal bankruptcies in 2007 were due to medical bills.<sup>21</sup> When uninsured people can’t pay their medical bills, they are sent to collections – leading to financial problems that reverberate throughout their lives.

Medicaid saves lives and improves health and well-being. A study published in the *New England Journal of Medicine* found the death rate was 6% lower in states with more generous Medicaid eligibility rules for adults than the death rate in states with stricter rules such as New Mexico.<sup>22</sup> And MIT researchers recently compared adults in Oregon who “won” the state’s lottery system to get Medicaid to people who entered the lottery but “lost” and remained uninsured. The new Medicaid enrollees had improved health status, less anxiety and depression, and fewer financial problems related to medical care.<sup>23</sup>

### **The Medicaid Opportunity Is Vital for New Mexican Families and Children**

The Medicaid Opportunity would give uninsured New Mexicans financial stability and the peace of mind that comes from not worrying about how to pay for visits to the doctor or prescriptions.

The entire family, including children, benefits from better health and financial security. Children are up to three times more likely to see a doctor if their parents see a doctor, and seeing a doctor correlates directly with having coverage.<sup>24</sup> This means that when parents have coverage, their children are much more likely to get essential healthcare services such as immunizations and well child exams.

Parents who have Medicaid can also ensure that their children are growing up in a healthy and financially secure environment. Medicaid beneficiaries are 40 percent less likely to skip paying other bills or borrow money in order to pay medical expenses.<sup>25</sup> They are also significantly less likely to forego medical care due to medical debt or report out-of-pocket medical expenses.<sup>26</sup> With Medicaid, New Mexico families are better able to pay for food, housing, utilities, and other necessities.

## Partial Medicaid Expansion Will Not Meet the Needs of Low-Income New Mexicans

Some states are asking the federal government if they can partially adopt the Medicaid Opportunity – for example, by only covering adults who have incomes up to 100% of the poverty level rather than everyone with incomes up to 138% of the poverty level. This would be a mistake for New Mexico. Individuals with incomes up to 138% of the poverty level have very low incomes and will be left uninsured without Medicaid.

Starting in 2014, many individuals will receive federal financial assistance to help them afford healthcare coverage that can be purchased through newly formed “Health Insurance Exchanges.” However, people living below the federal poverty level are not eligible for federal financial assistance to buy coverage through the Exchange.<sup>27</sup> And people between 100% and 138% of the poverty level cannot afford coverage even with the help of tax credits and subsidies.

A family of four at 115% of the poverty level makes \$26,507 a year, but needs \$42,192 to cover basic expenses in Albuquerque.<sup>28</sup> Even taking into account the \$7,500 of annual public assistance this family could receive,<sup>29</sup> they are \$675 short each month. Without Medicaid, they will not be able to buy health insurance even with financial help. As a result, our state would continue to have a large uninsured population. Tens of thousands of people would be forced to forego preventive care, delay necessary treatment, and accumulate medical debt when they get sick.

## The Medicaid Opportunity Will Build a More Robust Healthcare System

New Mexico continues to struggle with healthcare provider shortages – every county except for one has been federally designated as a “Health Professions Shortage Area” with medically underserved populations.<sup>30</sup> The Medicaid Opportunity will bring much needed revenues into our healthcare system – helping to expand the healthcare workforce.

To solve New Mexico’s provider shortage problem, we have to start by fixing our uninsured problem. Having the second highest rate of uninsured adults in the country makes doing business in New Mexico less attractive for healthcare providers. We will continue to face provider shortages if we leave 170,000 adults without coverage.

Most healthcare providers give some medical care to the uninsured: 68% of physicians nationally provide some uncompensated care, spending an average of 7.2 hours per week delivering it.<sup>31</sup> And when they care for the uninsured, physicians and hospitals lose money: even after accounting for the care the uninsured pay for out of pocket and the care funded by government programs, providers nationally deliver more than \$34 billion in uncompensated care each year.<sup>32</sup>

Right now, New Mexico suffers from a classic supply and demand problem. We have a high demand for free services from uninsured patients and a low number of providers who are willing to provide those services. Our supply of healthcare providers will only increase when demand goes up from people who have coverage that pays for services.



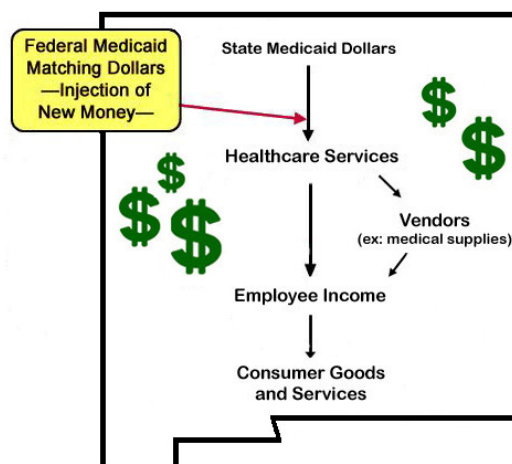
There is concern that if we take the Medicaid Opportunity, people in rural areas will be unable to use Medicaid to get healthcare because providers will not accept new Medicaid patients. That may be a problem in some other states, but providers in New Mexico rely on Medicaid. As of 2011, 86.3% of New Mexico providers were accepting new Medicaid patients.<sup>33</sup> This is a much higher rate than in most other parts of the country, where nearly a third of providers say they will not take new Medicaid patients.<sup>34</sup> Part of this reliance on Medicaid is because New Mexico is a rural state. Nationally, physicians in rural areas receive 20% of their patient revenue from Medicaid,<sup>35</sup> and Medicaid and Medicare account for 60% of rural hospital revenues.<sup>36</sup>

Hospitals in New Mexico are depending on the state taking up the Medicaid Opportunity. Under the healthcare reform law, hospitals are facing reduced Medicare reimbursements and cuts to Disproportionate Share Hospital (DSH) funds.<sup>37</sup> And the state’s “Centennial Care” proposal for Medicaid would change rules about uncompensated care, effectively cutting Sole Community Provider (SCP) funds.<sup>38</sup> As a result, hospitals are counting on new Medicaid revenues. Without the Medicaid Opportunity, they must absorb these cuts and continue to deal with hundreds of millions in uncompensated care costs each year.

The healthcare reform law is a golden opportunity to strengthen our primary care systems and workforce – not just for Medicaid patients, but for everyone. New Mexico is already taking advantage of workforce development grants and other funding opportunities to reform healthcare delivery systems and increase the role of mid-level providers.<sup>39</sup> Plus, the state’s Centennial Care proposal for Medicaid uses new incentives and patient-centered care coordination to lower costs and improve quality. The Medicaid Opportunity would increase the state’s leverage to create these critical changes in our healthcare system.

## An Economic Engine for New Mexico

The Medicaid Opportunity is mostly paid for with federal funds – federal income tax dollars from people across the country, including in New Mexico. If we say yes to this opportunity, **we ensure that New Mexicans’ federal tax dollars stay and are reinvested in New Mexico.** If we refuse the opportunity, we will be sending billions of our federal tax dollars to other states, losing the benefits here in New Mexico.



The Medicaid Opportunity would bring New Mexico \$4.9 to \$6.4 billion in federal funds in 2014-2020.<sup>40</sup> The funds would create **between 6,000 and 8,200 new jobs in New Mexico.**<sup>41</sup> The majority of these new jobs would be high-wage positions in the private healthcare sector, and the remaining jobs would be created by local businesses. These funds would also generate an additional \$4.7 to \$8.4 billion of economic activity in New Mexico by 2020 alone.

Local employers will greatly benefit from the Medicaid Opportunity through increased business and productivity. More jobs and economic activity from federal funding will mean more dollars spent in local businesses. The Medicaid Opportunity would also provide healthcare coverage for many employees of small businesses earning between \$7.50 and \$12 an hour, depending on family size. Because people with insurance miss less work,<sup>42</sup> this will boost employee productivity.

## Federal Funding for Medicaid Has Always Been Stable

Even though the Medicaid Opportunity is such a great deal for New Mexico, some fear the federal government will change the terms, increasing the state's share of costs in the future. However, this is very unlikely to happen.

Compared to many other federal funding initiatives, Medicaid has a long, reliable history. The federal government has consistently funded Medicaid since it began in 1965. In fact, Congress has kept the same formula for calculating federal and state shares in Medicaid for nearly 50 years.<sup>43</sup> The formula requiring the federal government to pay 90% of the costs for newly eligible adults is similarly unlikely to change; it is set in statute and does not require reauthorization from Congress.<sup>44</sup>

The American people recognize the importance of Medicaid. A majority of Americans oppose making any cuts to Medicaid as a way to reduce the federal deficit, and two thirds of Americans support Medicaid when they are told that cuts will leave more people uninsured and without access to healthcare.<sup>45</sup> This strong public support is likely to protect Medicaid funding.

Even if the federal government were to change the rules, New Mexico would not be stuck with the bill. The U.S. Department of Health and Human Services has been very clear that states can discontinue coverage at any time.

## Bottom Line: The Medicaid Opportunity is the Right Choice for New Mexico

Medicaid will improve healthcare for 170,000 uninsured New Mexicans, reducing poverty and saving lives. New Mexico will make hundreds of millions of dollars in the first seven years and will fully recover its costs after 2020. By taking the Medicaid Opportunity, we will keep federal tax dollars here in New Mexico, boosting our economy and strengthening the healthcare system for everyone.

**For more information about the Medicaid Opportunity, please contact the New Mexico Center on Law and Poverty at (505) 255-2840 or email: [kelsey@nmpovertylaw.org](mailto:kelsey@nmpovertylaw.org) or [quela@nmpovertylaw.org](mailto:quela@nmpovertylaw.org).**

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## SOURCES

<sup>1</sup> New Mexico also has a State Coverage Insurance (SCI) Medicaid "waiver" program that provides healthcare coverage for parents and childless adults with incomes up to 200% of the poverty level, but the program has been frozen to new applicants since 2009.

<sup>2</sup> Affordable Care Act (ACA) § 2001 creates a new category in Medicaid for adults under 65 years old who have incomes less than 133% of the federal poverty level (FPL). ACA § 2002(a) adds a 5% income adjustment that increases this amount to 138% FPL.

<sup>3</sup> Kaiser Family Foundation, Health Insurance Coverage of Adults 19-64 (2010-2011), describing that 29% of nonelderly adults in New Mexico are uninsured.

<sup>4</sup> Kaiser Family Foundation, Health Insurance Coverage of Adults 19-64 Living in Poverty (2010-2011), describing that 49% of adults living below 100% of the poverty level are uninsured in New Mexico, compared to 29% of adults overall. See also Kaiser Family Foundation, New Mexico: Uninsured Rates for the Nonelderly by Race/Ethnicity (2010-2011), describing that for nonelderly adults, 19% of white New Mexicans are uninsured compared to 25% of Hispanic New Mexicans, and among other racial/ethnic groups (primarily Native Americans), 34% are uninsured.

<sup>5</sup> State of New Mexico Human Services Department, Medical Assistance Division, Medicaid Under Healthcare Reform by State Fiscal Year with Different Take Up Rates, May 2012 Projection (May 2012).

<sup>6</sup> See New Mexico Legislative Finance Committee Hearing Brief, Implementation of Affordable Care Act: Costs and Benefits of Expansion of Medicaid Eligibility (Sept. 27, 2012) [hereinafter LFC Hearing Brief]. Local experts have come to similar conclusions. See Lee Reynis, Ph.D., The Economic and Fiscal Impacts of the Proposed Medicaid Expansion in New Mexico (University of New Mexico Bureau of Business and Economic Research, Oct. 2012) [hereinafter BBER Report]. See also Kelly O'Donnell, Ph.D., The Tax Revenue Benefits of Healthcare Reform in New Mexico (New Mexico Voices for Children, updated Aug. 2012).

<sup>7</sup> BBER Report, *supra* endnote 6. The New Mexico Legislative Finance Committee (LFC) generated similar revenue projections. Even using HSD's overstated cost figures from May 2012, the LFC projected the Medicaid Expansion would save the state up to \$340 million between 2014 and 2020. LFC Hearing Brief, *supra* endnote 6.

<sup>8</sup> It is highly unlikely that the federal government will continue to approve the SCI waiver after 2014, and federal funds for the waiver have been phasing out since 2009, in accordance with provisions of the Children's Health Insurance Program Reauthorization Act (CHIPRA). See CHIPRA provisions at 42 U.S.C. § 1397kk(a)(3)(C).

<sup>9</sup> BBER Report, *supra* endnote 6.

<sup>10</sup> 4% is a weighted average determined using federal matching rates from ACA § 2001(a)(3) and applying them to enrollment estimates from the New Mexico Human Services Department May projections, *supra* endnote 5.

<sup>11</sup> BBER report, *supra* endnote 6.

<sup>12</sup> LFC Hearing Brief, *supra* endnote 6.

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<sup>13</sup> BBER report, *supra* endnote 6.

<sup>14</sup> *Id.*

<sup>15</sup> Hoffman et al., Research Brief: Insurance Coverage and Access to Care in Primary Care Shortage Areas at 1 (Kaiser Family Foundation, Feb. 2011), noting that “[m]any of those who gain health insurance coverage will be catching up on long overdue health care and will receive preventive screening for the first time in years – some of which will lead to new diagnoses and a new need for treatment.”

<sup>16</sup> Uninsured data by income level from U.S. Census Bureau (2009) and Kaiser State Health Facts (2009-2010). Through consultation with the Georgetown Center on Children and Families, we have determined that an estimated 18,000 undocumented immigrants and 6,500 lawful permanent residents would be ineligible for Medicaid coverage due to immigration status. This number has been subtracted from the total number of uninsured, leaving 140,000 adults who could become eligible for Medicaid.

<sup>17</sup> NM Medical Assistance Division Data (Jun. 2012). Percentage of SCI enrollees with incomes below 138% FPL without disregards extrapolated from New Mexico Medical Assistance Division Data, provided in May 2010.

<sup>18</sup> Kaiser Family Foundation, Health Insurance Coverage of Adults 19-64 Living in Poverty (under 100% FPL) (2010-2011).

<sup>19</sup> Wilper et al., *Health Insurance and Mortality in U.S. Adults*, 99 AM. J. PUB. HEALTH 2289-95 (2009).

<sup>20</sup> Jack Hadley, *Consequences of the Lack of Health Insurance on Health and Earnings* (Missouri Foundation for Health/Urban Institute, 2006) (survey of studies on the uninsured: sample findings include that 28% of uninsured people postpone seeking care for a serious condition compared to 5% of insured people; 20% of people fail to receive needed care for a serious medical condition compared to 3% of insured people; melanoma patients more than twice as likely to be diagnosed at a late state; uninsured 50% more likely to have abnormal report after colonoscopy or endoscopy).

<sup>21</sup> Himmelstein et al., *Medical Bankruptcy in the United States, 2007: Results of a National Study*, 122 AM. J. MED. 741-46 (Aug. 2009).

<sup>22</sup> Sommers et al., *Mortality and Access to Care among Adults after State Medicaid Expansions*, 367 N. ENGL. J. MED. 1025-34 (Sept. 2012), finding a 6% drop in overall death date in states with expanded Medicaid coverage for adults compared to states that did not expand coverage including New Mexico.

<sup>23</sup> Finkelstein et al., *The Oregon Health Insurance Experiment: Evidence from the First Year*, NBER Working Paper No. 17190 (Jul. 2011), finding that the group with Medicaid had substantively and significantly higher healthcare utilization and better self-reported physical and mental health than the control group [hereinafter Oregon Health Insurance Experiment]. Self-reported health correlates strongly with measurable health outcomes. See, e.g., Idler & Benyamini, *Self-Rated Health and Mortality: a Review of Twenty-Seven Community Studies*, 38 J. HEALTH SOC. BEHAV. 21-37 (Mar. 1997).

<sup>24</sup> Jeanne M. Lambrew, *Health Insurance: A Family Affair*, at 1 (The Commonwealth Fund, May 2001).

<sup>25</sup> Oregon Health Insurance Experiment, *supra* endnote 23, at 25.

<sup>26</sup> *Id.* at 51.

<sup>27</sup> ACA §§ 1401-1402 authorize federal tax credits and subsidies for individuals with incomes from 100% to 400% of the poverty level to purchase coverage through a Health Insurance Exchange. This financial assistance effectively caps the cost of premiums and other cost-sharing such as co-pays and deductibles.

<sup>28</sup> Economic Policy Institute’s Basic Family Budget Calculator, [www.epi.org/resources/budget/](http://www.epi.org/resources/budget/) (two parents with two children

in Albuquerque need \$3,516 per month to pay for housing, food, transportation, taxes, and other necessities excluding healthcare).

<sup>29</sup> Per New Mexico regulations, a family of 4 at 115% FPL is likely to qualify for about \$620 per month in SNAP (food stamps) and \$112 each year in energy assistance.

<sup>30</sup> New Mexico Health Policy Commission, Recommendations to Address NM Health Care Workforce Shortages at 1 (Jan. 2011).

<sup>31</sup> Jack Hadley & John Holahan, *How Much Medical Care Do the Uninsured Use, and Who Pays for It?*, W3 HEALTH AFFAIRS 66, 71 (Feb. 2003), reporting American Medical Society’s Socioeconomic Monitoring System findings.

<sup>32</sup> *Id.* at 69-70, explaining that about 65% of the care the uninsured received is paid for either out-of-pocket by the patient or by federal and state uncompensated care funds.

<sup>33</sup> Sandra L. Decker, *In 2011 Nearly One-Third of Physicians Said They Would Not Accept New Medicaid Patients, but Rising Fees May Help*, 31 HEALTH AFFAIRS 1673-79 (Aug. 2012).

<sup>34</sup> *Id.*

<sup>35</sup> Center for Rural Affairs, *Medicaid and Rural America* (Feb. 2012).

<sup>36</sup> Ziller et al., *Out-of-Pocket Health Spending and the Rural Uninsured*, 25 HEALTH AFFAIRS 1688-99 (2006).

<sup>37</sup> See ACA § 2551(a), reducing DSH allotments beginning in fiscal year 2014; JOHN McDONOUGH, *INSIDE NATIONAL HEALTH REFORM* at 250-69 (University of California Press 2011), explaining various cuts to Medicare reimbursement rates.

<sup>38</sup> New Mexico Human Services Department Section 1115 Waiver Request at 24-25 (Aug. 17, 2012), outlining changes to the Sole Community Provider program in New Mexico.

<sup>39</sup> As of May 3, 2012, state agencies and education institutions in New Mexico had received more than \$1.1 million in federal healthcare workforce development grants under the ACA. New Mexico Human Services Department Office of Health Care Reform, HCR Grant Tracking Spreadsheet. The U.S. Department of Health and Human Services has also announced that twelve health centers across New Mexico will receive an additional \$660,000 in Quality Improvement grants under the ACA. HHS News Release (Sept. 27, 2012), <http://www.hhs.gov/news/press/2012pres/09/20120927b.html>.

<sup>40</sup> BBER Report, *supra* endnote 6.

<sup>41</sup> *Id.*

<sup>42</sup> J.H. Lofland & K.D. Frick, *Effect of Health Insurance on Workplace Absenteeism in the U.S. Workforce*, 48 J. OCCUP. ENVIRON. MED. 13-21 (Jan. 2006). Another report estimates that the combination of less ability to work and lower productivity resulting from poor health reduces earnings for the uninsured by 10-28% (depending on race and gender) over a 10 year period. J. Hadley, *Sicker and Poorer: The Consequences of Being Uninsured*, (Kaiser Commission on Medicaid and the Uninsured, May 2002).

<sup>43</sup> Kathryn Linehan, *The Basics: Medicaid Financing* at 1 (National Health Policy Forum, Feb. 2011).

<sup>44</sup> ACA § 2001(a)(3) sets the federal share of Medicaid costs for the newly eligible adults with incomes below 138% of the federal poverty level at 90% for calendar quarters in 2020 and thereafter.

<sup>45</sup> Kaiser Family Foundation, Kaiser Health Tracking Poll 2011 (May 2011) found that 53% of Americans oppose any reductions to Medicaid spending as a way to reduce the federal deficit. This number increased to 70% when participants were told that the change would result in more uninsured people without healthcare services.