



**Michelle Lujan Grisham, Governor**  
**David R. Scrase, M.D., Secretary**

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**February 13, 2019**  
**For Immediate Release**

## **Gov. Lujan Grisham’s Administration Plans to Reverse Medicaid Policies that Create Barriers to Accessing Coverage**

### **Co-Payments, Premiums and Limitations of Retroactive Eligibility will not be Pursued**

Santa Fe, N.M. – Gov. Michelle Lujan Grisham directed the Human Services Department to seek federal approval to reverse several policy decisions previously made on the Medicaid program that would have impacted nearly 700,000 New Mexicans.

A letter to the Federal Centers for Medicare and Medicaid Services (CMS) has been sent by HSD requesting approval to reverse the policy decisions submitted as part of New Mexico’s Centennial Care 2.0 demonstration waiver last year, which have been implemented or are scheduled to be implemented this year.

- Eight-dollar co-payments for Centennial Care members for non-emergency use of the hospital emergency department and non-preferred prescription drugs, impacting approximately 645,000 Medicaid members – scheduled for implementation March 1, 2019.
- Ten-dollar premiums for members of the Medicaid Adult Expansion Group, impacting approximately 50,000 Medicaid members – scheduled for implementation July 1, 2019.
- Limitations on retroactive eligibility – first phase implemented January 1, 2019.

“These policy changes would limit access to emergency services, prescription services, and disrupt continuity of coverage for hundreds of thousands New Mexicans who rely on Medicaid for their health care needs,” said Gov. Lujan Grisham. “I have no intention of implementing policies that put financial strain on low-income New Mexicans as well as administrative hardship on our health care provider network.”

“New Mexico sees value in reducing unnecessary use of the health care system and we will work with our hospital partners to examine alternative options for reducing unnecessary emergency department use. However, we do not believe that co-payments are an effective strategy in driving changes in provider or member behavior,” said David R. Scrase, HSD Secretary. “In addition, New Mexico’s rate of preferred/generic drug utilization already exceeds 85 percent, indicating that the Centennial Care program already is very effective in managing the Medicaid pharmacy benefit.”

Gov. Lujan Grisham expressed serious concerns about the \$10 monthly premiums for members in the Medicaid Adult Expansion category who have income above 100 percent of the Federal Poverty Level. “For an individual who is making just over \$1,000 month, adding a \$10 premium for health coverage will likely result in no coverage, eventually creating pent-up demand for services over the long term,” said Governor Lujan Grisham.

Instead of implementing premiums, HSD is interested in pursuing other policy strategies that will help keep eligible individuals enrolled to avoid lapses in coverage and needed medical care.



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Retroactive eligibility for a three-month period has been a mainstay in the Medicaid program, which helps income qualified people get coverage after they have applied, usually due to a medical emergency. Limitations on retroactive eligibility have already begun to be phased in, with a maximum one-month retroactive eligibility period for affected individuals. Phase two would completely eliminate retroactive eligibility by January 2020.

“This is a policy that puts financial strain on low-income New Mexicans and on an already fragile health care workforce through additional costs, uncompensated care, and unmet medical needs,” said Nicole Comeaux, HSD Medical Assistance Division Director. “We want to find the best and fastest way to reverse this decision and have no intention of eliminating retroactive coverage for Medicaid clients.”

“HSD will work with the federal CMS to quickly reach a solution to best reverse these policy changes, and review others that will be in the best interest of New Mexicans,” Secretary Scrase said.

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