



The expansion of Medicaid under the Patient Protection and Affordable Care Act (ACA) makes lower income adults eligible for Medicaid health care coverage and provides new federal funding to states.

- A single adult with annual income of about \$16,105 is eligible (138% of the Federal Poverty Level, (FPL)). Adults in a family of three with annual incomes of about \$27,310 are eligible.
- The ACA includes new federal funding for this population – 100% in calendar years 2014-2016, reducing to 90% by 2020.

Enrollment Estimates: As of December 1, 2014, just over 181,000 individuals were enrolled in the new adult (a.k.a., expansion or newly eligible) Medicaid group. Future projections include prospective growth in the Medicaid base population, the woodwork populations of children (under age 19), Parents & Caretakers, and Seniors (ages 65 and over), and the Newly Eligible expansion population (ages 19 to 64 up to 138% FPL), as follows:

Table 1. Medicaid Enrollment under ACA

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Medicaid Base Population	527,137	557,485	566,105	569,967	573,887	577,866	581,906
Woodwork Population*	31,622	37,693	44,685	49,154	53,563	56,257	57,950
Expansion Population**	156,247	205,128	224,127	233,328	237,880	240,084	241,190
Total Medicaid Enrollment	715,006	800,306	834,917	852,449	865,330	874,207	881,046
Net change due to ACA	187,869	242,821	268,812	282,482	291,443	296,341	299,140

* Woodwork enrollment includes Children, Parents & Caretakers, and Seniors who were eligible for Medicaid prior to January 1, 2014 and enrolled primarily due to the mandate.

**Expansion enrollment includes eligible persons formerly covered by the State Coverage Insurance Program, family planning, the New Mexico High Risk Insurance Pools (Federal and State), and previously uninsured adult populations up to 138% FPL.

Note: Actual enrollment will vary from these projections, depending on future poverty and uninsured rates.

Budget and Revenue Impacts: In State Fiscal Years 2014-2016, the net change in general fund costs reflect enrollment of the woodwork populations given that 100% of costs for the expansion population are covered by federal funds. In subsequent years, the net change in general fund costs reflect additional enrollment of woodwork populations and expenditures on the expansion population, which become subject to diminishing federal participation percentages of 95% in CY 2017, 94% in CY 2018, 93% in CY 2018 and 90% in CY 2020.

Table 2. Medicaid General Fund (GF) Costs under ACA Expansion (\$ in millions)

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	TOTAL



Medicaid Base Population	\$868.4	\$844.7	\$855.9	\$868.9	\$913.5	\$921.5	\$929.6	\$6,202.5
Woodwork Population	\$22.9	\$50.2	\$56.0	\$62.3	\$68.1	\$73.4	\$78.6	\$411.5
Expansion Population	\$0.0	\$0.0	\$0.0	\$40.9	\$94.6	\$115.7	\$155.6	\$406.8
Total GF Cost	\$891.3	\$894.9	\$911.9	\$972.1	\$1,076.2	\$1,110.6	\$1,163.8	\$7,020.8
Net change due to ACA	\$22.9	\$50.2	\$56.0	\$103.2	\$162.6	\$189.1	\$234.2	\$818.2

Caveats:

- The projected General fund costs depend on enrollment and cost projections of the Medicaid base population, the woodwork population, and the expansion population (shown in Table 1).
- The projected General fund costs also depend on extant HSD revenue projections for SFY 14 of \$243.6, SFY 15 of \$239.4, SFY 16 of \$237.4 and assumed constant thereafter for projection purposes.
- The Department of Finance and Administration, along with the consensus revenue estimating group, will consider any revenue impacts in their forecasts.
- The General fund costs assume full participation by the federal government, as outlined in the ACA. Future changes in State and Federal Medicaid policies, programs and administrative measures may impact expenditures and revenues and projected General Fund costs (shown in Table 2).

Alternative Benefit Plan

- Newly eligible adults are covered by an alternative benefit plan (ABP). The ABP is part of Centennial Care and available through the four Centennial Care managed care organizations (MCOs). Native Americans receive their ABP services through Medicaid fee-for-service, unless they opt into Centennial Care.
- Newly eligible adults who are Medically Frail may choose to receive their services through the Medicaid State Plan or through the ABP.
- The ABP includes the 10 categories of “essential health benefits” that are defined in the ACA: ambulatory patient services, emergency services, hospitalization, maternity/newborn care, behavioral health and substance abuse treatment, prescription drugs, rehabilitative and habilitative services, lab and x-ray, preventive services, and pediatric services (for individuals age 19-20). New Mexico’s ABP also includes dental services that align with adult dental services available under regular Medicaid.
- The ABP does not include long-term services and supports, but these services are available to Medically Frail newly-eligible individuals who qualify for them because they meet nursing facility level-of-care criteria.
- The ABP co-pays are the same as most of the Medicaid population for non-emergency use of the emergency room and unnecessary use of brand-name prescription drugs when equivalent drug is available through the preferred drug list (PDL).

Family Planning

12/17/14



**Medicaid Expansion Update
Human Services Department
January 2015**

- The Family Planning program will continue in 2015 for individuals up to 250% FPL who do not qualify for other categories of Medicaid. Since Family Planning is not full coverage, these individuals are encouraged to apply for coverage through the Exchange, as well.
- There are currently about 45,000 individuals enrolled in Medicaid Family Planning.