



DISABILITY RIGHTS NEW MEXICO

1720 Louisiana Blvd. NE, Suite 204 • Albuquerque, New Mexico 87110

TEL/TTY: (505) 256-3100 • FAX: (505) 256-3184

State-wide Toll Free 1-800-432-4682

WEBSITE: www.drn.org • EMAIL: info@drnm.org

James Jackson, Executive Director

Promoting and Protecting the Rights of Persons with Disabilities

SAVE MEDICAID SERVICES FOR PEOPLE WITH DISABILITIES!

The New Mexico Human Services Department is proposing massive cuts to the Medicaid program that would slash the number of people eligible for regular Medicaid as well as the benefits offered by the program, require premiums and co-pays for those who qualify for a reduced-benefit alternative, and might eliminate entire programs such as the Personal Care Option. You can help stop HSD from devastating the Medicaid program by contacting the governor and your legislators. It's time to make your voice heard!

What is HSD proposing? HSD is planning to “re-design” Medicaid so that it serves the smallest number of individuals allowed by federal law, and provides those persons with the fewest benefits allowed by law. Everyone else who is currently covered by Medicaid would be required to pay premiums to purchase whatever limited benefits might be offered and then to pay co-pays for each service received. Many current standard Medicaid services such as attendant care (Personal Care Option) would either be eliminated, made available only through additional premiums and co-pays, or converted into a waiver program, allowing the state to make it harder to qualify and to limit the number of persons served. Existing community-based waiver programs such as the Developmental Disabilities program are not included in HSD's re-design “at this time”, but the Department of Health has already indicated that it intends to significantly restructure the DD waiver program in the near future. HSD has developed a “concept paper” that generally describes the re-design concept, but HSD has indicated to legislative committees that it is considering or already implementing a wide variety of cost-cutting options beyond those described in the concept paper.

Why is HSD doing this? HSD has indicated that the Medicaid budget for the coming year might fall short by over \$300 million – about 1/3 of what it needs to maintain the current program. Instead of rallying support through the governor and the public for the current Medicaid program and the funding needed to preserve it, the department is planning and apparently promoting a “re-designed” program that would reflect a cut of as much as 1/3 of the current program. HSD is now trying to make this look like a positive step forward by suggesting that some of the cost savings generated by the new approach could be used to help moderate income uninsured individuals buy-in to the program and thus reduce the number of uninsured in New Mexico. It seems far more likely that currently covered individuals and families would not be able to afford premiums and co-pays and would join the ranks of the uninsured.

Why is the Medicaid budget in trouble? State funding to HSD for Medicaid was dramatically reduced this year - by around \$200 million, or 25%. This reduction in state funding was possible because the “stimulus” package (ARRA) provided extra federal money for Medicaid, allowing the legislature to keep the Medicaid program going at its current level at a lower cost to the state. The state funds freed up by this additional federal money were diverted to other programs, such as public education, which otherwise would have faced very substantial budget cuts due to the state's economic crisis.

However, those extra federal funds are scheduled to end half way through the coming year. The state funding that was temporarily diverted from Medicaid to other state programs needs to be restored in order to avoid the massive cuts being embraced by HSD.

The number of people served by the Medicaid program has grown as more New Mexicans have lost their jobs – and their families’ health insurance – in the economic recession and turned to Medicaid for help.

What does the Medicaid program need? HSD is guessing that it needs an increase in state funds in the coming year of more than \$300 million to maintain the current program. Replacing temporary federal funding accounts for about half this amount; the rest would replace other temporary funding sources (such as money from the tobacco fund) and keep up with enrollment growth. HSD’s estimate may be inflated. And the department has already imposed rate cuts to virtually all Medicaid providers, stopped enrollment into State Coverage Insurance, and taken other “cost containment” steps that will reduce the level of appropriation needed. But it is clear that a substantial increase in state funding will be needed for the coming year.

Why is Medicaid important to people with disabilities? Medicaid is the foundation for health care as well as community-based supports and services for people with disabilities and for frail elders as well. Three programs alone that are geared just to these groups - the DD waiver, the CoLTS managed long-term care program and Medicaid behavioral health services - account for at least one-third of all Medicaid spending in New Mexico, which is approaching \$4 billion. Much of Medicaid’s other spending also benefits persons with disabilities and frail seniors. Most of these programs and services will be reduced and some possibly eliminated under HSD’s “re-design”.

Why is Medicaid important to New Mexico? The Medicaid program brings nearly \$3 billion of federal funding into New Mexico each year. That money supports our state’s health care delivery system and generates economic activity throughout the state’s economy, providing jobs for New Mexicans in the health care sector and beyond. Under funding Medicaid by \$300 million means forgoing nearly *one billion dollars* in federal dollars flowing into our state. Because Medicaid is a significant payment source for hospitals and other health care providers, especially in rural areas, cutting more than a billion dollars out of the program will cause many providers to go out of business and others to struggle to continue providing services. A cut of that magnitude also would mean the loss of at least 15,000 New Mexico jobs at a time when unemployment is already at painfully high levels due to the economic recession.

What can you do to help? You can help avoid a health care catastrophe.

1. ***Tell Governor Bill Richardson to request full funding for the Medicaid program.*** His budget request for the coming year is now being developed and will be released in early January. We need him to support replacement of the lost federal money and enough additional funding to keep up with enrollment growth. And ask him to tell HSD to stop promoting a “re-design” that will cause irreparable harm to individuals with disabilities and others, to the state’s entire health care system, and to the state economy.

2. ***Tell your state representatives and senators that you support Medicaid and that you need them to replace the temporary federal money that was diverted to other state programs and to provide adequate funding to meet the need.*** Tell them to stop the HSD plan to dismantle Medicaid as it exists today. And tell them that additional revenue must be found to avoid massive cuts to Medicaid and other vital government programs.