



New Mexico Hospital Association

2009 Legislative Agenda

FINANCING

Fully Funding Medicaid

Background: The Medicaid budget in general is a highly volatile and moving target. Factors such as the economy, federal participation, unreliability of financial systems and management information systems data from the Medical Assistance Division, SALUD contracts and interim policy or contract modifications all keep the Medicaid budget in flux.

From a policy perspective it is difficult to simply advocate for a certain level of appropriation for the Medicaid program. A letter that has been produced as a compilation of several advocacy and provider groups involved with the Medicaid program incorporates policy goals that should drive the appropriations process. The major points included in the letter are:

- New Mexico should maximize federal funds.
- There should be no program reductions in coverage.
- SCI (the state coverage insurance program) should be preserved and expanded or a similar program to cover adults should be initiated.
- Enrollment barriers should be eliminated.
- Provider reimbursement rates should not be reduced.

NMHA continues to meet with various stakeholders, legislative leadership, the Governor and Lt. Governor to express support for these policy goals while working to identify possible cost containment strategies to help address the overall fiscal crisis facing the state. NMHA opposes any arbitrary, unilaterally conceived rule-driven reductions in reimbursement that the Medical Assistance Division may attempt to promulgate.

NMHA also opposes any premature State mandated reductions to the Medicaid program prior to actions being taken by the Federal government to address the national economic crisis and the enactment of economic stimulus legislation. Premature state action may have the unintended consequence of reducing New Mexico's potential receipt of additional federal dollars if the Medicaid program is cut at this point in time.

*NMHA Position: **Support** the "Statement of Support for Fully Funding Medicaid" as developed by an advocate collaborative.*