Health Care Policy in a Time of Uncertainty

Albuquerque Chamber of Commerce
Annual Meeting
Albuquerque, NM

October 30, 2025

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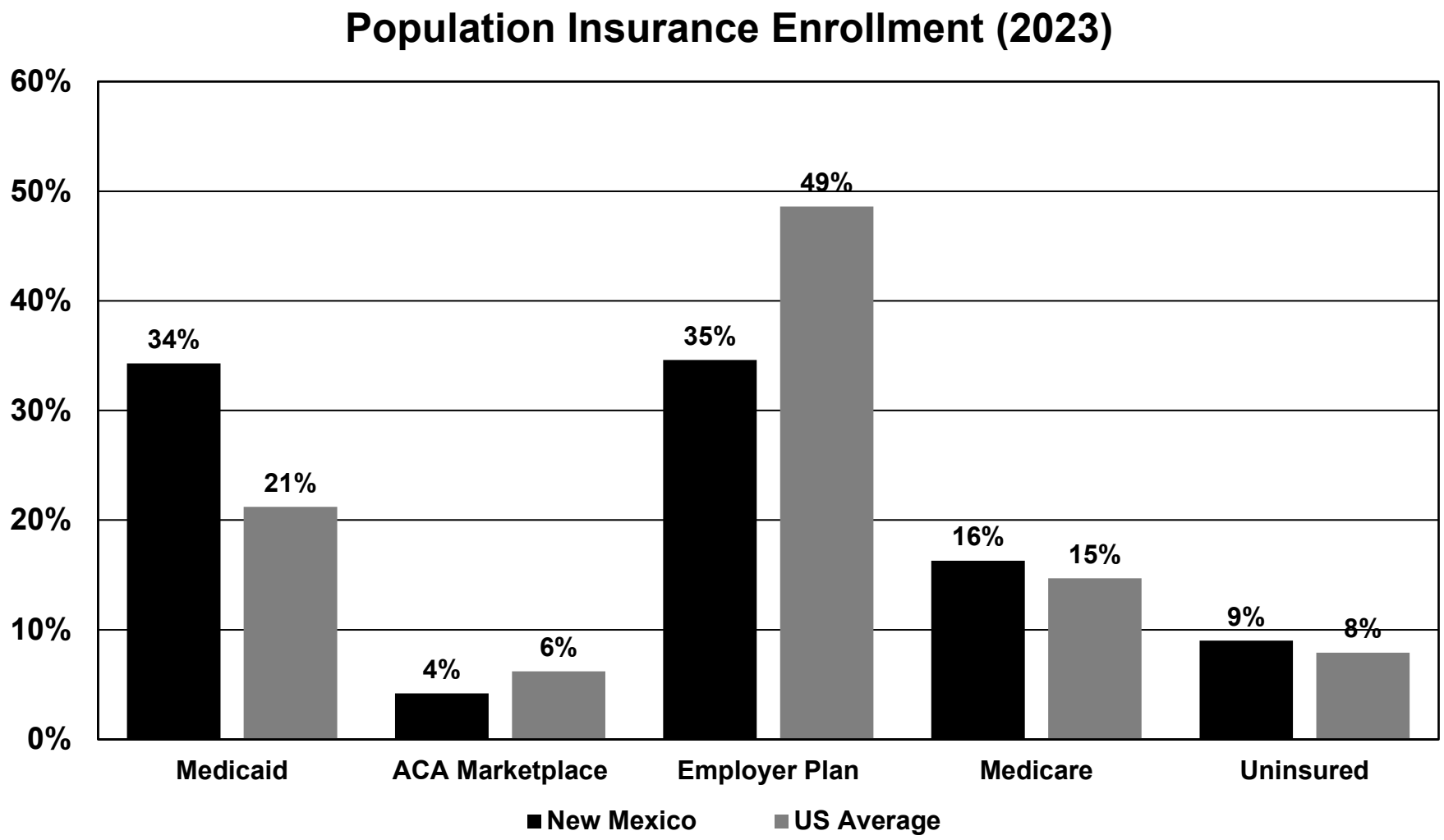
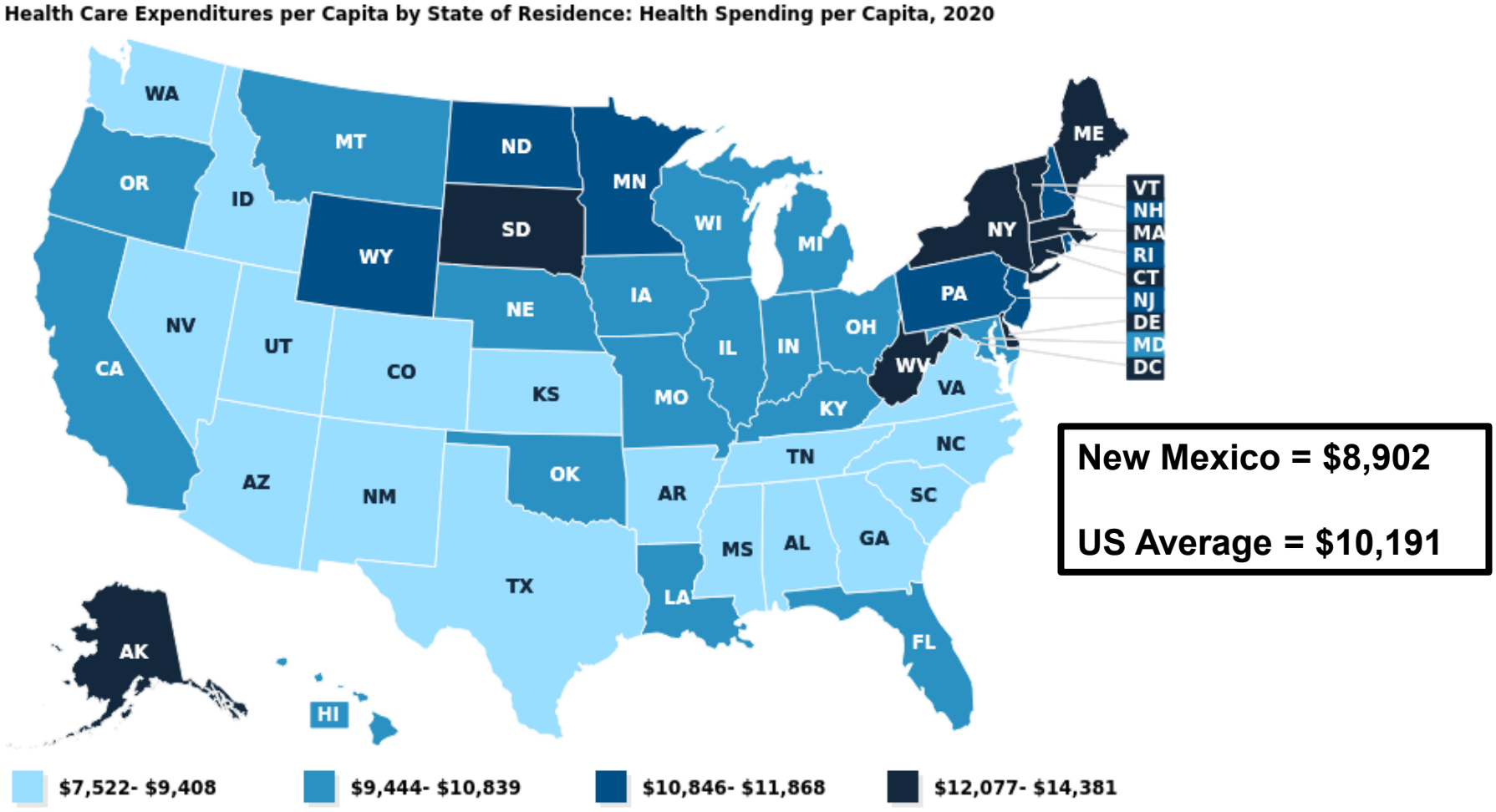
Benchmarking New Mexico: Insurance



Source: "Health Insurance Coverage of the Total Population," Kaiser Family Foundation

Benchmarking New Mexico: Per Capita Costs

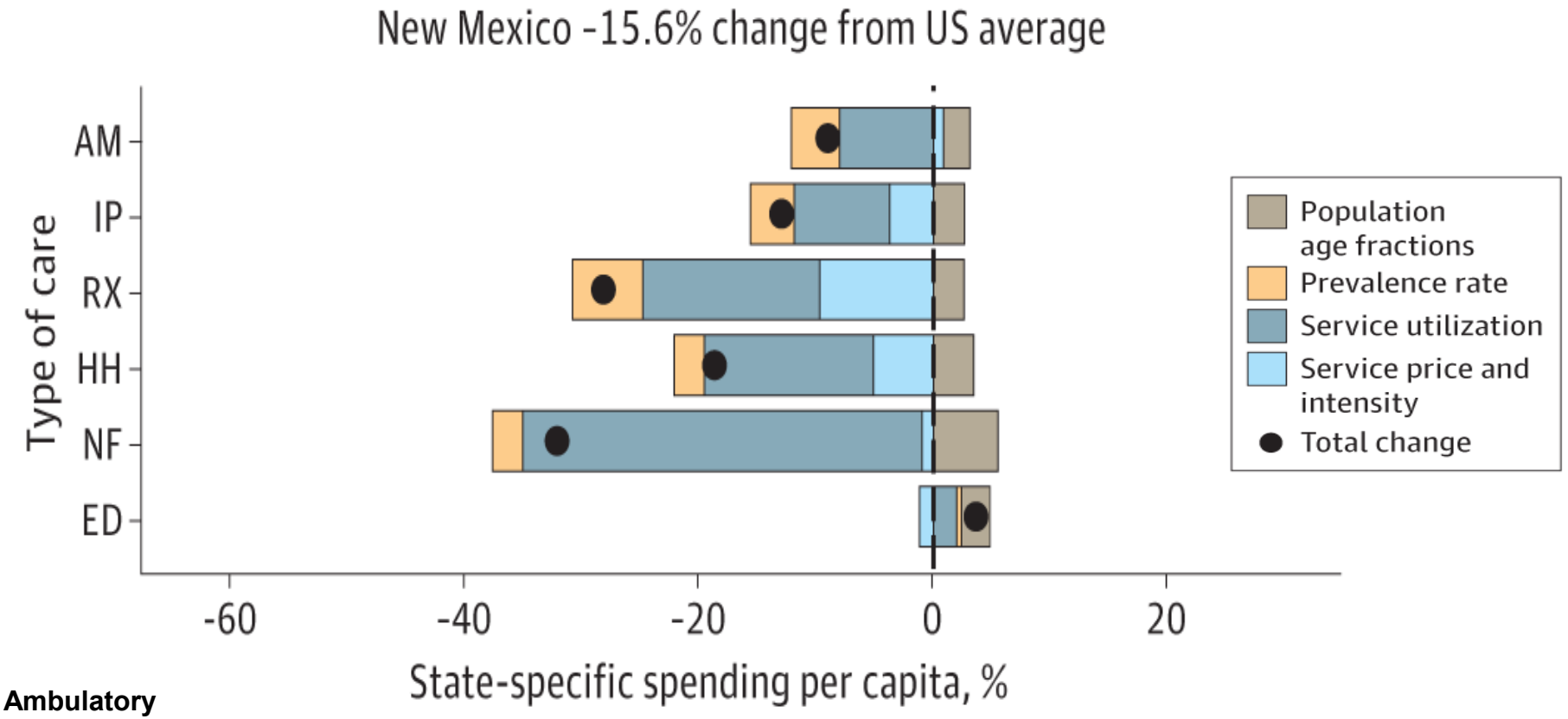


New Mexico = $8,902

US Average = $10,191

SOURCE: KFF's State Health Facts.

Reasons for State Cost Differential



AM = Ambulatory
IP = Inpatient
RX = Prescription Drugs
HH = Home Health
NF = Nursing Facility
ED = Emergency Department

Source: Dieleman JL, Weil M, Beauchamp M, et al. "Drivers of Variation in Health Care Spending Across US Counties," *JAMA Health Forum*, 2025;6(2):e245220. doi:10.1001/jamahealthforum.2024.5220.

Selected Major Medicaid Legislative Changes

Provision	Fed Budget Effects CBO Estimate (2025-2034, $ Bil.)	Effective Date
Medicaid Community Participation Requirement (80 hours per mo.) for ACA Expansion Population	-326	2027 (2029 with HHS Approval)
Medicaid Provider Tax Changes Safe Harbor Exemption: Expansion States ⇒ Lowered from 6.0 Percent of Net Patient Revenue at a Facility to 3.5 Percent in Non-Expansion States ⇒ Frozen Tighten Uniform Tax Requirements	-226	2027 (Safe Harbor) Immediate (Uniform Tax Rules)
Medicaid State Directed Payments Lowered from Average Commercial Rates to Medicare Rates With a Transition	-149	2028
Redeterminations No Less Than Every Six Months	-63	2027
Cost-Sharing for Expansion Adults Above FPL	-7	Oct 2028
Restricted Eligibility for Non-Citizen Aliens	-6	Oct 2026

Sources: Cost Estimate of Public Law 119-21 Relative to CBO's January 2025 Baseline, CBO, July 21, 2025, and "Changes to Medicaid in the Budget Reconciliation Law," State Health and Value Strategies, July 24, 2025

Selected Non-Medicaid Legislative Changes

Provision	Federal Budgetary Effects CBO Estimate (2025-2034, $ Bil.)	Effective Date
ACA Premium Credits:		
Prohibit Most Non-Citizen Eligibility	-124	2026/ 2027
More Restrictive Special Enrollment Periods	-41	2026
Require Pre-Enrollment Eligibility Verification	-41	2028
Recapture Full Credit Overpayments	-20	2026
Health Savings Accounts:		
Permanent Safe Harbor from Deductible for Telehealth	-4	2025
Authorization of Direct Primary Care	-3	2026
ACA Bronze and Silver Plans Qualify as HDHPs	-4	2026
Other:		
Rural Health Transformation Fund	+50 (10 per year)	2026-2030

Sources: Cost Estimate of Public Law 119-21 Relative to CBO's January 2025 Baseline, CBO, July 21, 2025, and "Implementation Dates for the 2025 Reconciliation Law," Kaiser Family Foundation, August 2025

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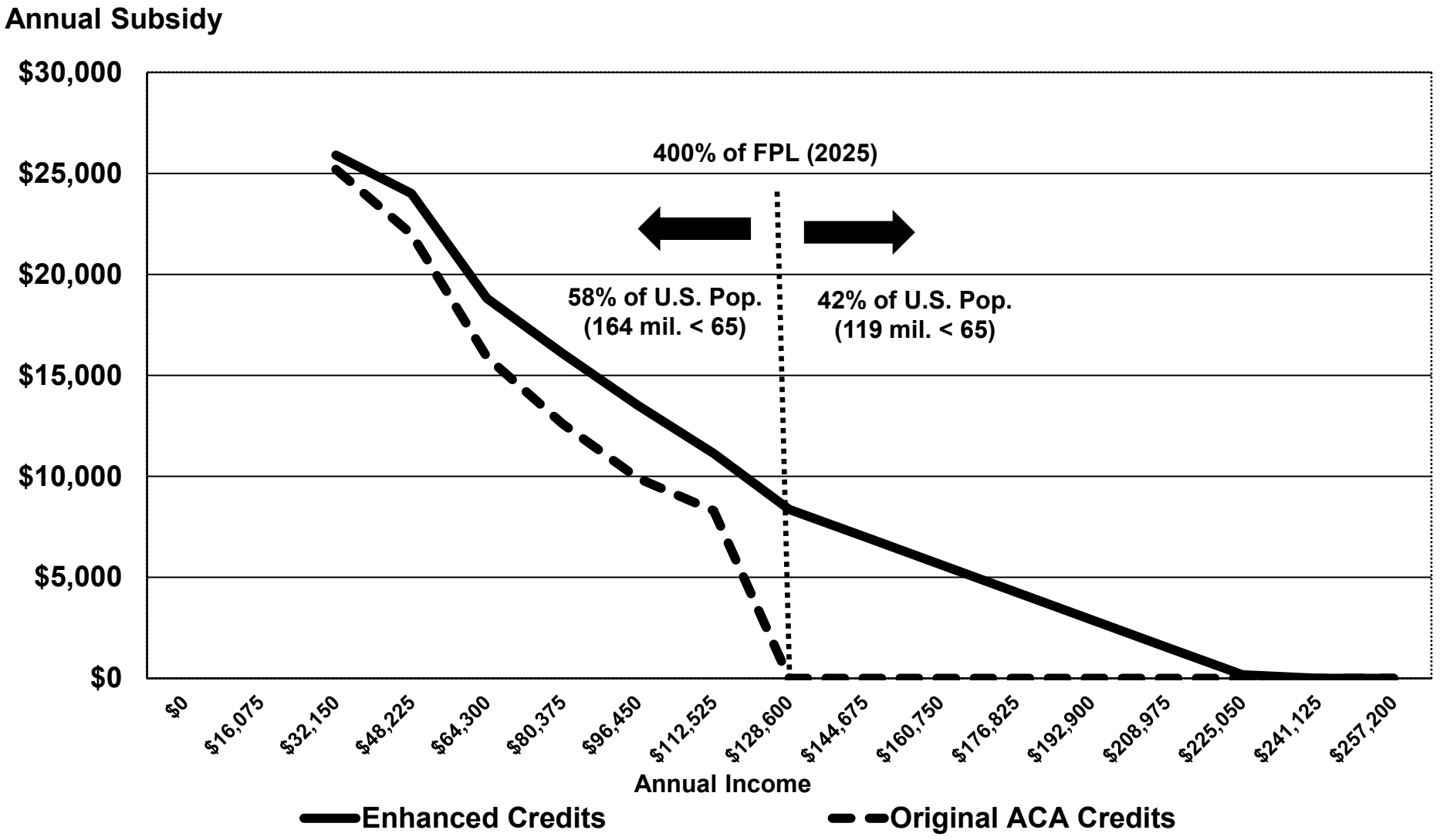
ACA Premium Credits: Enhanced vs. Original



Assumptions: Average ACA premium for family of four = $19,300 (cost-sharing subsidy is separate)
Two wage earners with equivalent annual earnings

Source: Author's calculations

Rural Health Transformation (RHT) Program

Total Funding	**$10 B per year for five years (fiscal years 2026 to 2030)**
Allowable Uses	• Prevention and chronic disease management (including through new technology) • Higher provider payments • Technology training for improving access • Workforce recruitment • IT upgrades • Development of plans for ”rightsizing” lines of service • Substance abuse disorder treatment services • Development of innovative payment models • Additional uses as designated by CMS
Disallowed Uses	• New construction • Permanent adjustments to fee schedules
Base Funding (50%):	• Uniform funding for each approved state application
“Workload“ Funding (50%):	• 50%: Rural population and facility measures • 50%: Other factors (policies, initiatives, and performance metrics)
Selected Policies Scored Favorably in State Applications:	• Roll back of certificate of need laws • Supplemental Nutrition Assistance Program (SNAP) changes to prohibit non-nutritious food purchases • Regulatory room for short-term, limited-duration insurance • Expansive scope of practice rules for nurses, others • Cross-state coordination of clinician licensure authority

Source: “Rural Health Transformation (RHT): Notice of Funding Opportunities Webinar,” Centers for Medicare and Medicaid Services, September 19, 2025

Tools

Lever	Agents	Supply Side	Demand Side
Price Transparency: TPA Review	Employers	Stronger TPA Price Competition Using Price Transparency Data (Purchasers Group on Health report)	
Price Transparency: Plan Design	Employers		Employees Share in Savings When Choosing Lower-Pricing (even after deductible)
Direct Primary Care	Employers State Medicaid	Improved Compensation for Primary Care, Incentives for Avoiding Unnecessary Costs Later, Consumer Choice	
Contracting Incentives	Employers State Medicaid	• Centers of Excellence (common procedures) • 24/7 urgent care access • Penalties for Excessive ER Use	
Strict Plan Standardization	ACA Exchange Market		Incentivize Consumer Migration to Lower-Premium Offerings
Tiered Cost-Sharing	Employers		Reward Patient Migration to High-Value Providers
Cross-State Licensure Compacts	State Legislature	Expanded pool of credentialed doctors, psychologists, and other clinician categories	