

The Economic Impact of New Mexico Medicaid in 2004

Medicaid accounts for over one-quarter of all healthcare spending in New Mexico

- Medicaid insures 20% of New Mexicans
- Medicaid insures over 40% of all New Mexico children
- Every \$1 spent by New Mexico on Medicaid is matched by \$3 of federal funds.
- In FY 2004, New Mexico spent about \$408 million on Medicaid, drawing down another \$1.85 billion in federal matching funds.
- Federal Medicaid funds, like all other injections of cash from outside the state, generate economic activity.
- Net result: every \$1 New Mexico spends on Medicaid generates \$7.46 in economic activity.
- The 2004 federal investment in New Mexico Medicaid supported 44,600 jobs and generated \$1.2 billion in wages and salaries.
- Thus, each \$1 million cut in New Mexico's Medicaid spending costs 109 jobs and \$2.9 million in lost wages and salaries.