

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/10/2025 *Check all that apply:*
Bill Number: HB317 Original Correction
 Amendment Substitute

Sponsor: Representative Joseph Sanchez **Agency Name and Code Number:** Aging and Long-Term Services Department
Short Title: Aging Network provider reimbursement increase **Person Writing:** Denise King
Phone: 505469-1933 **Email:** Denise.king@altsd.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	2,500.00	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		2,500.0			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 317 (HB 317) proposes an appropriation of 2.5 million dollars to the Aging and Long-Term Services Department (ALTSD) for an increase in provider reimbursement in the aging network. The proposed appropriation is for expenditure in fiscal year 2026 and any unexpended or unencumbered balance shall not revert to the general fund.

FISCAL IMPLICATIONS

Given current projections, it is highly likely that the Area Agencies on Aging (AAA) will fully expend the 2.5 million dollars appropriated in FY26 as proposed in HB 317. Therefore, if the 2.5 million is fully expended in FY26, there is the potential for a continued gap in funding for future fiscal years. Any non-reverted funding will need to be appropriated by the legislature for use.

SIGNIFICANT ISSUES

The ALTSD Aging Network Division includes the Area Agencies on Aging and direct Older Americans Act (OAA) Title III service providers, to include OAA Title VI tribes, pueblos, and nation providers.

The Aging Network service providers are contracted to provide direct OAA services designed to enable older adults (generally age 60 and older) to live independently in their communities and maintain their health and well-being, with a focus on those with the greatest social and economic needs. Funding is critical to address the growing needs of the increasing aging population and ensures that older New Mexicans can age in place with dignity and independence. Most older adults wish to "age-in place" by living in their community longer, necessitating a rebalance of long-term services and supports (LTSS) to include more funding for home-and community-based supports.

New Mexico's senior population is expected to grow by over 80,000 between 2020 and 2040, according to the University of New Mexico population projections. This will make up the greatest growth of any age group in the state. However, the youth population is expected to decline. Additionally, according to the University of New Mexico population projections¹:

- The number of New Mexicans aged 65 and older is expected to increase by more than 28% over the next 20 years.
- By 2040, nearly 23% of New Mexicans will be 65 and older.
- The number of New Mexicans 85 and older will more than double over the next 20 years.

Further based upon the FFY23 and FFY24 OAA Performance Measure System ALTSD annual submission the following was reported²:

- By 2030, New Mexico will move from 29th highest ranking to the 4th highest in the nation for total senior population per capita¹.
- In FFY24 the Aging Network provided 2,196,067 home delivered meals and 1,285,641 congregate meals.
- In FFY24 the Aging Network providers served 114,771 unduplicated seniors. Since FFY22

¹ [New Mexico Population Projections: An aging population and minimal growth | UNM UCAM Newsroom](#)

² FFY23 and FFY24 Older Americans Act Performance Measure System ALTSD annual submission

the Aging Network providers consumers served increased by 9%. In FFY24 high risk nutritional senior population increased by 19.7% from FFY22.

- In FFY24 the Aging Network provided 219,062 transports for seniors reliant on senior center services which was a 38% increase from FFY23.
- FFY24 chore services for seniors increased by 27.8% from FFY22.

PERFORMANCE IMPLICATIONS

Increasing Aging Network providers reimbursements by 2.5 million will expand the reoccurring funding that supports services statewide for Seniors in the following categories:

- Adult Day Care
- Case Management
- Homemaker/Chore Service
- Transportation
- Respite Care
- Caregiver Support
- Congregate and Home Delivered Meals
- Health Promotion and Disease Prevention
- Legal Assistance Services

Aging Network contractors and service providers are required to report monthly units of service and expenditures for all general fund allocations per service category. This reporting requirement would be applicable to the appropriation contained within HB 317.

ADMINISTRATIVE IMPLICATIONS

Aging Network Contractors and Providers have historically experienced challenges statewide in recruiting new or expanded business/service providers, as well as retaining and sustaining same; however, the 2.5 million appropriated in HB 317 would likely address recruitment and retention shortfalls in the Aging Network.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate – SB 288

TECHNICAL ISSUES NA

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB 317 is not enacted, then statewide AAAs maybe unable to continue contracted services, expand their contracted services and recruit new service providers to meet the ever-growing need for supportive services for seniors. Further, if HB 317 is not enacted than AAAs will not be able to continue the expansion of services outside of their current base budget. Wait lists for senior services including respite, chore, transportation, and home delivered meals will likely increase without additional appropriations for reimbursements for the Aging Network contractors and providers.

AMENDMENTS