

**LFC Requester:** \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** \_\_\_\_\_ *Check all that apply:*  
**Bill Number:** HB329 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Tara Lujan **Agency Name and Code** HCA 630  
**Short Title:** Behavioral Health Purchasing Collaborative **Number:** \_\_\_\_\_  
**Person Writing** Annabelle Martinez  
**Phone:** 505-690-2439 **Email** Annabellem.martinez@hca.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0	\$0	\$0	\$0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Not known

Duplicates/Relates to Appropriation in the General Appropriation Act: Not known

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

House Bill 329 (HB329) would amend the composition of the interagency Behavioral Health Purchasing Collaborative (Collaborative), by removing the following agencies:

- Aging and Long-Term Services Department
- Finance and Administration Department
- Public Education Department
- Transportation Department
- Retiree Health Care Authority
- The Governor's Commission on Disability
- The Developmental Disabilities Council
- The Instructional Support and Vocational Education Division of the Public Education Department
- New Mexico Health Policy Commission
- The Governor's Health Policy Coordinator

HB329 would also remove secretaries from the Department of Health (DOH) and Children Youth and Families (CYFD) as Chairs of the Collaborative, leaving the Secretary of the Health Care Authority (HCA), the sole Chair.

HB329 would also administratively attach interagency responsibility to the Office of the Governor.

The bill would create the Director of the Collaborative, requiring the Director of the Collaborative to be selected from a list of qualified nominees created by a nominating committee. The Nominating Committee would be made up of three (3) members: One member to be appointed by the Speaker of the House, one member by the President Pro Tempore of the Senate and one member appointed by the Governor. Each member would serve a four-year term, and one would be designated as the Director of the Nominating Committee.

HB329 would repeal the Behavioral Health Planning Council statute: 24A-3-2 NMSA 1978 (being Laws 2004, Chapter 46, Section 2, as amended).

#### **FISCAL IMPLICATIONS**

HB329 would not result in a fiscal impact to the HCA. However, the fiscal implications of HB329 are unclear regarding state agencies that administer non-Medicaid funds through the Collaborative's Administrative Services Organization (ASO) to support behavioral health services, and whether the agencies being removed would still be able to use the ASO to administer these funds.

HB329 attaches the Collaborative to the Office of the Governor (instead of to the Health Care Authority, as it is attached today). This may mean that the Office of the Governor would have to hold the ASO contract. Currently, the ASO contract and related functions are the responsibility of the HCA Behavioral Health Services Division (BHSD).

#### **SIGNIFICANT ISSUES**

HB329 is not clear regarding why certain agencies would be removed from the Collaborative or why the current Co-Chair structure would be revised.

HB329 adds the New Mexico Behavioral Health Provider Association to the Collaborative. Although the Association is a key partner, HB329 excludes any other behavioral health association such as the New Mexico Tribal Behavioral Health Provider Association, the National Latino Behavioral Health Association, and the Southwest Behavioral Health Provider Association.

There could be conflicts of interest arising from the addition of a provider association as a voting member of the Collaborative, given the financial interest that providers may have in the advancement of certain reimbursement or policy initiatives.

HB329 repeals 24A-3-2 NMSA 1978 (being Laws 2004, Chapter 46, Section 2, as amended) removing the Behavioral Health Planning Council (BHPC). The BHPC is a requirement of receiving Mental Health and Substance Use Block Grant funding. In Federal Fiscal Year 24 HCA BHSD received \$5,960,037 in Mental Health and \$10,379,411 in Substance Use Block Grant funding. This funding is utilized to support the safety net population (e.g. individuals who do not qualify for Medicaid or are uninsured) and non-Medicaid paid services.

Per 42 CFR Part 51-Mental Health Block Grants: The Substance Abuse and Mental Health Services Administration (SAMHSA) requires states to establish and maintain a mental health planning council to oversee the use of Mental Health Block Grant (MHBG) funds. This council ensures the allocation and adequacy of mental health services are regularly reviewed and evaluated. The planning council's responsibilities include:

- Reviewing the state's mental health plan and submitting recommendations for modifications;
- Advocating for adults with serious mental illnesses, children with serious emotional disturbances, and other individuals with mental health issues;
- Monitoring, reviewing, and evaluating the allocation and adequacy of mental health services within the state at least annually.

Council membership must include:

- Residents of the state;
- Representatives from state agencies such as mental health, education, vocational rehabilitation, criminal justice, housing, social services, and Medicaid;
- Representatives from public and private entities concerned with the planning, operation, funding, and use of mental health services;
- Adults with serious mental illnesses who are receiving or have received mental health services;
- Families of adults with serious mental illnesses or families of children with emotional disturbances.

Additionally, SAMHSA [encourages](#) states to integrate substance use and mental health planning councils into a single behavioral health planning council to enhance coordination and efficiency.

The BHPC is responsible for reviewing and making recommendations for the comprehensive mental health and substance use block grant applications, the state plan for Medicaid services and any other plan or application for behavioral health federal funding. The BHPC and its subcommittees are key stakeholders on all behavioral health efforts and disrupting this work will negatively impact progress and collaboration. Positions on the BHPC are Governor appointed, unpaid, and voluntary positions. These are requirements for the state to obtain block grant funding, posing a significant fiscal impact.

HB329 adds housing supports, which will need participation from New Mexico Housing Authority

on the Collaborative. Further, HCA, Department of Corrections (DOC), Administrative Office of the Courts (AOC), Department of Health (DOH), Office of the Governor, CYFD and PED implement initiatives that align with housing supports, two of which, as written, are removed from the Collaborative.

#### **PERFORMANCE IMPLICATIONS**

HB329 adds additional reporting requirements. Removing the state agencies, as proposed, from the Collaborative may impact reporting requirements related to measuring adequacy and allocation of funds for behavioral health services in the state.

#### **ADMINISTRATIVE IMPLICATIONS**

HCA would have to collaborate with the Office of the Governor to transfer oversight of the ASO should the Office of the Governor assume administrative responsibilities of the Collaborative.

With the impact of the changes listed above, these provisions may need additional time to implement and may need additional time to be met beyond July 1, 2025, as written.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB329 is related to and potentially conflicts with Senate Bill 3.

#### **TECHNICAL ISSUES**

HB329 mentions “mental health” in section I number 4 and should say behavioral health to incorporate all services including both mental health and substance use disorder.

#### **OTHER SUBSTANTIVE ISSUES**

The HCA is the largest payor of behavioral health care in NM. HCA Medicaid is the payor of behavioral health services for the Medicaid eligible population, and HCA BHSD is the payor of behavioral health services for the uninsured individuals and those ineligible for Medicaid. Together, these two HCA Divisions finance more than 90% of behavioral health care expenses in NM in FY25.

#### **ALTERNATIVES**

None

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo

#### **AMENDMENTS**

None suggested