

LFC Requester:	Rachel Mercer Garcia
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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: 2/21/25 *Check all that apply:*
Bill Number: SB458 Original Correction
 Amendment Substitute

Sponsor: Sen Trujillo **Agency Name and Code** HCA-630
Short Title: CYFD Families First Act **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

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

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA Medicaid Program	\$0.00	\$3,794.55	\$3,794.55	\$7,589.10	Recurring	General Fund
HCA Medicaid Program	\$0.00	\$12,689.05	\$12,689.05	\$25,378.10	Recurring	Federal Funds
TOTAL	\$0.00	\$16,483.60	\$16,483.60	\$32,967.20	Recurring	Total

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB173 CYFD INVESTIGATION FOR PLAN OF CARE FAILURE and HB205 CYFD NOMINATING COMMITTEE
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 458 focuses on child welfare and includes several key provisions:

- Nominating Committee: Establishes a nominating committee for the Secretary of Children, Youth, and Families Department (CYFD).
- Selection Process: Requires the Secretary of CYFD to be selected from a list of qualified candidates created by the nominating committee.
- Plan of Care: Moves the rulemaking authority for the Plan of Care process within the CARA program from CYFD to the Health Care Authority (HCA). Requires implementation of a prenatal plan-of-care program (POC). The care coordination component of the CARA program for the uninsured or fee-for-service members would be the responsibility of an HCA contractor.
- Strategic Plan: Requires the newly established nominating committee to create a strategic plan for CYFD in alignment with the Families First Act
- Provider Requirements: requires brief screening and intervention services (SBIRT) for all mothers at all hospitals, birth centers, and providers performing prenatal services.
- Plan of Care: Requires plans of care to include substance use treatment and home visiting. Requires a referral to CYFD for a family assessment if the parent does not comply with POC.
- Foster Care Prevention Services: Mandates the provision of foster care prevention services that meet the requirements of the Federal Family First Prevention Services Act.
- Citizen Substitute Care Review: moved to Administrative Office Courts, performs case reviews, access to records, hiring of a staff member.
- Multilevel response team: Implement by July 1, 2027

FISCAL IMPLICATIONS

There is no appropriation in SB458 to support increased responsibilities and FTE for the HCA. Currently, positions for operating the CARA program exist only in CYFD.

SB458 places responsibility of rulemaking on the HCA plan-of-care process for the care of newborns who exhibit physical, neurological or behavioral symptoms consistent with prenatal drug exposure. The bill also includes developing, implementing, tracking and reporting of referrals and services for family members as identified in the plan-of-care. It requires data collection, reporting requirements, training and material development.

HCA is further required to collaborate with CYFD, DOH, the Office of Superintendent of Insurance (OSI), managed care organizations, and private insurers to develop and implement the aforementioned rulemaking. HCA would require 4.0 FTE program coordinator positions, pay band 70, \$388.9 thousands and 2 FTE supervisor positions, pay band 75, \$217.2 thousands for a total cost of \$606.1 thousands salary and benefits beginning in FY26. If these FTE are assigned to Medicaid the federal match is 50% for a GF cost of \$303.1 thousands. The new responsibilities of the HCA include:

- Creating a program for universal brief screening and intervention at hospitals, birth centers, and all settings where prenatal care occurs. Create reporting from these settings. Create mechanism for oversight that SBIRT is occurring in all settings.
- Participate in hospital training on the CARA program. Ensure that all hospitals and birth centers complete the plan-of-care and provide oversight.
- Change contract requirements with managed care, change reports, provide oversight that prenatal CARA plan-of-cares are being completed. This is a new component of the CARA program.
- Complete a new report on CARA plans-of-cares to LHHS and LFC annually.
- Hire, either within HCA or via a contractor, a care coordinator for infants in the CARA program who will not have a care coordinator via the Medicaid program (uninsured parents, and fee-for-service Medicaid)

The requirement in Section 6(B)(1)(b) to have at least a care coordinator available at thirty-five birthing hospitals (open 24 hours per day, 3 coordinators required) along with 3 birth centers (open 12 hours, 1.5 care coordinates required) at all times will cost \$15,877.5 thousands (the general fund is \$3,491.5 thousands) per state fiscal year. This estimate is based on a cost of \$145.0 thousands per care coordinator, the same cost built into the capitation rates. This cost includes MCO-nonmedical care coordination costs, base salary, benefits, related travel expenses, and other related costs in MCO financial reporting. The federal financial participation is calculated with a composite rate of 78.01% for state fiscal years 2026 and FY 2027.

SIGNIFICANT ISSUES

There are many new components to the CARA program in SB458 that would be the responsibility of the HCA. Over 90% of infants in the CARA program have Medicaid, but there are some with commercial insurance and some who have uninsured parents, so the CARA program does not entirely align with Medicaid. SB458 does not align with the Governor's harm reduction strategy of moving the CARA program to DOH.

There is no clarity surrounding which positions, if any, would move from CYFD to the HCA to operationalize this program, and no staff or appropriation are currently included for HCA to stand up this program.

Sections throughout the bill place responsibility on HCA but also refer to the “department” which is defined as CYFD. It is unclear which areas would be HCA’s responsibility, and which ones continue to fall under CYFD.

SB458 places primary responsibility of annual reporting of HCA to the interim legislative finance committee, the interim legislative health and human services committee and the department of finance and administration on the status of the plan of care system. Reporting requires aggregate statistical data related to the plans-of-care. HCA would need to develop processes to collect all data elements required in the bill.

SB458 requires collaboration of HCA, CYFD, and DOH on the development, and distribution of training materials for discharge planners and social workers on the Abuse and Neglect Act, child notification requirements, and the assessment/deployment of plans of care.

SB458 requires HCA to assume collaborative responsibility with CYFD for certain outside reporting requirements such as notification of a plan-of-care. HCA would need to create and execute processes on what to do with such requirements.

SB458 requires HCA to promulgate additional rules for hospitals to require all hospitals and birthing centers to provide a brief intervention and referral to treatment (SBIRT) program. NMAC 8.370.12.1, Requirements for licensed hospitals Acute Care, Limited Services, and Special Hospitals would need to be amended. State hospital regulations may conflict with CMS Conditions of Participation for hospitals. HCA, specifically the Division of Health Improvement (DHI), would need to create processes for oversight of this rule. Furthermore, HCA will need to ensure the availability and completion of the SBIRT trainings for all staff in hospitals, and birthing centers, conducting screenings and brief intervention. SB458 requires reporting from hospitals which, can be expensive and administratively burdensome. It may push certain hospitals who have few births per month away from continuing to provide Labor and Delivery services.

PERFORMANCE IMPLICATIONS

There will need to be extensive coordination among HCA, CYFD, DOH and stakeholders on all responsibilities outlined in the bill. It will take time to develop a collaborative process to implement HCA’s responsibilities.

HB 205 will impact the Comprehensive Addiction and Recovery Act (CARA) by enhancing the support services such as care coordination, strategic planning, for families affected by substance use disorders. The bill supports a non-punitive approach to substance use during pregnancy, which is a key aspect of CARA.

ADMINISTRATIVE IMPLICATIONS

Revision of current rules and processes to include data collection, reporting requirements, training and material development and implementation, and collaborative processes development among state agencies and stakeholders.

The bill does not imply any immediate changes to existing HCA IT systems are required given that most of the provisions are around rulemaking. Discovery sessions will need to be conducted if there is a need for HCA to collect and store data for the purpose of reporting. After detailed requirements are gathered, an estimated cost and timeline could be generated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relationship to: HB173 CYFD INVESTIGATION FOR PLAN OF CARE FAILURE and HB205

CYFD NOMINATING COMMITTEE

TECHNICAL ISSUES

The preferred term is “substance use disorder” rather than “substance abuse”.

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

HCA to continue with the current responsibility and guidance provided in the previously issued LOD and supplement.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS