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HOUSE BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO LABOR; REQUIRING THE HEALTH CARE AUTHORITY TO SET A
MINIMUM MEDICAID FEE SCHEDULE FOR REIMBURSING PERSONAL CARE
SERVICES; REQUIRING AT LEAST SEVENTY PERCENT OF MEDICAID
REIMBURSEMENT FOR PERSONAL CARE SERVICES TO BE USED FOR
COMPENSATING DIRECT CARE WORKERS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Public Assistance Act is
enacted to read:

"NEW MATERIAL MEDICAID REIMBURSEMENT FOR PERSONAL CARE
SERVICES.--

A. For the purposes of this section:

(1) "compensation" means all payments and
benefits provided to direct care workers, including:

(a) salary, wages, overtime pay and

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1 other remunerations;

2 (b) health, dental, life and disability
3 insurance;

4 (c) paid leave, retirement benefits and
5 tuition reimbursement; and

6 (d) the employer share of payroll taxes;

7 (2) "direct care worker" means a non-
8 administrative employee of a personal care services provider
9 agency who spends the majority of the employee's work hours
10 providing personal care services;

11 (3) "medicaid" means the medical assistance
12 program established pursuant to Title 19 of the federal act and
13 regulations issued pursuant to that act;

14 (4) "personal care services" means services
15 provided to an individual to assist with activities of daily
16 living; and

17 (5) "personal care services provider agency"
18 means an entity that:

19 (a) has entered into a medicaid provider
20 participation agreement with the medical assistance division of
21 the authority and: 1) is contracted with a managed care
22 organization to provide personal care services to medicaid
23 recipients; or 2) provides personal care services to medicaid
24 recipients through fee-for-service arrangements;

25 (b) is reimbursed for personal care

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1 services provided to individuals covered by medicaid; and

2 (c) employs direct care workers to
3 provide personal care services to individuals covered by
4 medicaid.

5 B. The authority shall implement a minimum medicaid
6 fee schedule for personal care services that requires managed
7 care organizations and fee-for-service arrangements to
8 reimburse personal care services provider agencies at least
9 twenty-three dollars fifty cents (\$23.50) per hour for
10 providing personal care services.

11 C. A personal care services provider agency that
12 receives medicaid reimbursement for providing personal care
13 services shall use at least seventy percent of the medicaid
14 reimbursement as compensation to direct care workers for
15 furnishing their services.

16 D. Before calculating the minimum amount of
17 medicaid reimbursement that a personal care services provider
18 agency is required to use to compensate direct care workers,
19 the costs of providing training, travel and personal protective
20 equipment to direct care workers shall be deducted from the
21 total amount of medicaid reimbursement that the personal care
22 services provider agency receives."

23 SECTION 2. APPROPRIATION.--Twenty million eight hundred
24 thousand dollars (\$20,800,000) is appropriated from the general
25 fund to the health care authority for expenditure in fiscal

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1 year 2026 to update the medicaid personal care services fee
2 schedule and increase medicaid reimbursement for personal care
3 services pursuant to Section 1 of this act. Any unexpended or
4 unencumbered balance remaining at the end of fiscal year 2026
5 shall revert to the general fund.