

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

**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:** 1/15/2025

*Check all that apply:*

**Bill Number:** HB70

Original  Correction

Amendment  Substitute

**Sponsor:** Tara J. Lujan  
Behavioral Health Medicaid  
Waiver Act

**Agency Name and Code Number:** Aging and Long-Term Services Department-62400

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	1,100.00	Recurring only in 1,100.00 (FY27)	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)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(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**

Synopsis:

This bill enacts the **Behavioral Health Medicaid Waiver Act** which aims to expand behavioral health services for individuals with serious mental illness, emotional disturbances, substance use disorders, or brain injuries based upon a waiver model. The proposed legislation directs the Health Care Authority (HCA) to submit a behavioral health waiver application to the federal centers for Medicare and Medicaid no later than December 31, 2025. Prior to the submission of the waiver application the HCA must solicit input from a consultant as well as various stakeholders and interested parties. The bill allocates \$1.1 million from the general fund to HCA to retain a consultant and hire four full time employees to develop and submit the behavioral health waiver application. This bill does include an emergency clause.

**FISCAL IMPLICATIONS**

There are no significant fiscal implications for the New Mexico Aging and Long-Term Services Department (ALTSD).

**SIGNIFICANT ISSUES**

Behavioral health and related issues have become more prevalent in the population that the ALTSD serves. Several divisions within ALTSD serve older adults and adults with disabilities who are struggling with behavioral health issues, including Adult Protective Services and the Consumer and Elder Rights Division. Regularly, ALTSD works with individuals with behavioral health disabilities who continue to face barriers to services, which has caused an increase in abuse, neglect, or exploitation and self-neglect.

As indicated in the University of New Mexico’s Center for Applied Research and Analysis’ 2024 *New Mexico Older Adult Needs Assessment*, “the 60 and older population in New Mexico has grown by an estimated 125,524 people, with significant increases in the total number of those: with any disability, with household incomes less than 200% of poverty, living alone, living alone and renting, dual Medicare & Medicaid recipients, SNAP recipients, and who are working.” The report indicates that it will be “necessary for the state to strategically plan for a significantly growing older adult population with increasing need for financial assistance and social supports,”

including behavioral health. The provider survey and older adult focus group participants noted in-home mental health therapy and behavioral health in general as being unmet needs of New Mexico's senior population.

In 2022, 15.9% of New Mexico adults experienced frequent mental distress, which is defined as 14 days or more of distress in a 30-day period.<sup>1</sup> Frequent mental distress was higher among NM adults who were unemployed or unable to work. Further, the drug death rate of seniors in New Mexico increased by 66% between 2017-2019 and 2020-2022.<sup>2</sup>

Additionally, 190,835 New Mexico Medicaid clients with a behavioral health diagnosis received health care for their physical or behavioral health needs. Of those, 150,298 (78.8%) had a mental health disorder only, 14,528 (7.6%) had a substance use disorder only, and 26,009 (13.6%) had both.<sup>3</sup>

The proposed waiver program could address service gaps for vulnerable populations, particularly those with co-occurring behavioral health disabilities and abuse, neglect, or exploitation concerns, which is a significant portion of the population that ALTSD serves. Further, addressing behavioral health needs through a Medicaid waiver program could reduce reliance on emergency care and institutional settings, aligning with broader healthcare reform goals, which may also decrease abuse, neglect and exploitation for this population.

## **PERFORMANCE IMPLICATIONS**

Currently, there is a shortage of mental healthcare providers, which could directly impact a behavioral health waiver program. According to the Legislative Finance Committee Health and Human Services Brief dated June 12, 2024, there are a shortage of mental healthcare providers within New Mexico. The mental health provider shortage impacts people in communities throughout the country, but it disparately impacts New Mexicans living in rural areas. New Mexico has 19 designated geographic mental health shortage areas, covering 28 counties. Approximately 845 thousand New Mexican residents are underserved, or about 40 percent of the state's population.<sup>4</sup>

## **ADMINISTRATIVE IMPLICATIONS**

As part of this proposed legislation the HCA will need to conduct monthly meetings with persons with behavioral health disabilities and their family members, providers of behavioral health services, the University of New Mexico, and advocates to determine the best way to apply to the federal centers for Medicare and Medicaid for authorization to operate a Medicaid Waiver

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<sup>1</sup><https://www.nmhealth.org/data/view/behavior/2874/>

<sup>2</sup>[https://assets.americashealthrankings.org/app/uploads/ahr\\_2024seniorreport\\_comprehensivereport.pdf](https://assets.americashealthrankings.org/app/uploads/ahr_2024seniorreport_comprehensivereport.pdf)

<sup>3</sup> <https://hsc.unm.edu/medicine/departments/psychiatry/cbh/docs/2020-bh-resource-mapping-and-needs-assessment.pdf>

<sup>4</sup> <https://www.nmlegis.gov/handouts/ALFC%20061124%20Item%2014%20Hearing%20Brief%20-%20Medicaid%20Behavioral%20Health%20Physical%20Health%20Workforce%20.pdf>

Program for individuals with Behavioral Health Disabilities. ALTSD would be a necessary voice in providing relevant information specific to the challenges that older adults and adults with disabilities face when dealing with behavioral health issues.

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

### **TECHNICAL ISSUES**

The bill does not specify the process for integrating the Medicaid waiver program with existing programs at ALTSD.

### **OTHER SUBSTANTIVE ISSUES**

ALTSD, as well as other state agencies may need to advocate for clients to access waiver services, requiring additional outreach and training efforts by HCA.

### **ALTERNATIVES**

NA

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

Without the enactment of behavioral health legislation, there continues to be service gaps for individuals with behavioral health disabilities. This increases undue burden on social service agencies, police, and emergency departments for crisis management, compared to the opportunity for proactive care, treatment, and crisis prevention planning

### **AMENDMENTS**

None currently identified.