

LFC Requestor: CHENIER, Eric

2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 70

Type: Introduced

Date (of THIS analysis): 1/22/25

Sponsor(s): Tara Lujan

Short Title: Behavioral Health Medicaid Waiver Act

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$	\$		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$	\$	\$		

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$	\$	\$	\$		

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

HB70 proposes to require the Health Care Authority (HCA) to, subject to available appropriations expressly designated for this purpose, acquire, provide, or coordinate support and services for individuals with behavioral health disabilities, which would include “serious mental illness, serious emotional disturbance, substance use disorder or brain injury”. It would also require the HCA to enter into contracts and agreements with agencies and providers capable of delivering these support services, as well as establish advisory councils and task forces as needed to guide the development and review of these services.

HB70 mandates that the HCA hold meetings with individuals with disabilities, their families, and various community stakeholders to gather input on the best approach for applying to the federal Centers for Medicare and Medicaid Services for authorization to implement a Medicaid waiver program for individuals with behavioral health disabilities. In addition, HB70 requires HCA to submit an application to the federal centers for Medicare and Medicaid services to operate a Medicaid waiver program for persons with behavioral health disabilities and retain a consulting agency in the development and submission of the Medicaid waiver program.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

HB 70 addresses multiple aspects of mental health, including brain injury, serious mental illness, behavioral health disability, serious emotional disturbances, and substance use disorder.

Serious mental illness is a significant public health issue in New Mexico. According to estimates by SAMHSA 89,079 adults living with serious mental illness in New

Mexico([adults with SMI and Children with SED Prevalence in 2023](#)). Research has further shown individuals living with serious mental illness are frequently go untreated. Nationally, it is estimated that a third of individuals experiencing severe mental illness received no treatment in the past year ([Mental Illness - National Institute of Mental Health \(NIMH\)](#)).

Substance use and mental health is also a significant concern in New Mexico. In 2021 it was estimated that 17% of adults experienced at least one mental health concern and used at least once substance. Data from New Mexico emergency departments shows more than half of all suicide related ED visits among adult male patients also included a substance use diagnosis, with 1 in four adult males also having an alcohol use disorder diagnosis. ([Co-morbid Substance Use and Mental Health Issues in New Mexico](#)).

HB70 is proposing to address these issues by requiring the HCA to begin the process of applying to the federal centers for Medicare and Medicaid services for authorization to operate a Medicaid waiver program for people with behavioral health disabilities. This would be a new program somewhat comparable to the DDS waiver program (at HCA), which benefits members with developmental disabilities. The bill requires that the HCA engage community members in the development of the application and requires the HCA to retain a consultant for assistance with the application.

There is an appropriation to the HCA of \$1,100,000 for FY 26 and \$1,100,000 for FY 27 for hiring a consultant to guide HCA in development of the application and creation of the program and to hire four FTE to assist in the work of developing the program and assisting in the submittal of the application. The likelihood of this application resulting in an increase in federal funding is highly variable, depending on both state and federal administration alignment, prioritization, and opportunities for submittal.

The bill directs HCA to “(1) acquire, provide or coordinate support and services for persons with behavioral health disabilities; (2) enter into contracts and provider agreements with agencies and persons capable of providing support and services to persons with behavioral health disabilities;”. This could have a potential impact on DOH behavioral health facilities, including public health offices, if they were contracted to provide services to individuals with the behavioral health waiver.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?

Yes No

If yes, describe how.

- Is this proposal related to the NMDOH Strategic Plan? Yes No

Goal 1: We expand equitable access to services for all New Mexicans

Goal 2: We ensure safety in New Mexico healthcare environments

Goal 3: We improve health status for all New Mexicans

Goal 4: We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

If there is a strategic plan indicator or an agency performance measure that would be impacted by the bill, include it here.

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

While there is little association between race and serious mental health diagnosis there is a disparity in the availability of care. There are also significant gaps in treatment for behavioral health in rural communities. ([Racial and Ethnic Disparities in Mental Health Care: Evidence and Policy Implications - PMC](#)).

The relationship between socioeconomic status and serious mental illness is complex. Individuals with lower income levels are disproportionately affected by mental health disorders, including SMI. Research indicates that low household income is associated with a higher prevalence of various mental disorders and increased rates of suicide attempts. Moreover, reductions in household income can exacerbate these mental health challenges. ([Relationship Between Household Income and Mental Disorders: Findings From a Population-](#)

9. HEALTH IMPACT(S)

An increase in the availability of behavioral health services could have a positive health impact for those seeking treatment.

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB70 is not enacted, HCA will not be directed to pursue the establishment of a Behavioral Health Medicaid Waiver Program.

12. AMENDMENTS

None