

LFC Requester:

Kelly Klunt

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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: 1/23/25 *Check all that apply:*
Bill Number: HB116 Original Correction
Amendment Substitute

Sponsor: Rep. Joanne Ferrary
Boarding for Certain Health Discharges
Short Title:

Agency Name and Code Number: HCA 630
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$250.0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

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

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total (if legislative intent is to support the increasing number of licensed boarding homes)	\$0	\$965.3	\$965.3	\$1,930.6	Recurring	SGF
Total (if legislative intent is to provide funding only to 3 existing licensed boarding homes)	\$0	\$0	\$0	\$0	-	-

(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 116 (HB116) bill provides an appropriation of \$250,000 to the Department of Health (DOH) to pay licensed boarding homes \$200.00 per month, per individual admitted to a licensed boarding home for individuals discharged from the New Mexico Behavioral Health Institute at Las Vegas or The University of New Mexico adult Psychiatric Center.

FISCAL IMPLICATIONS

The Division of Health Improvement (DHI) (state licensing body) is no longer a part of the Department of Health and is now a part of the Health Care Authority. It is unclear which entity is intended to administer these funds, Department of Health or the Health Care Authority. If the administration of funds is not administered by the Department of Health but by the Health Care Authority, there would be a significant impact to the Health Care Authority both with the Division of Health Improvement and or another division to process the provider enrollment and payments as it is outside the scope of work for DHI.

The Division of Health Improvement would need up to 10 additional FTEs to support the increased workload in licensure application processing, complaints, and health and safety inspection surveys. This number is dependent on the amount of new boarding homes wanting to become licensed due to this incentive. There would not be a fiscal implication for the Division of Health Improvement if the number of licensed boarding homes remained at three.

SIGNIFICANT ISSUES

HB 116 provides an appropriation for licensed boarding homes to be paid a sum of \$200 monthly for each person who is discharged from the University of New Mexico (UNM) and the New Mexico Behavioral Health Institute (NMBHI) at Las Vegas, and goes on to reside at a licensed boarding home. The appropriation is only for FY26 and is not recurring. The bill does not address what would happen if the appropriation is not expended prior to the end of the fiscal year. The bill does not address what assurances the residents would have to continue to live there if the appropriation was depleted or at the end of FY26.

The bill refers to and requires the Department of Health to pay licensed boarding homes and

promulgate rules. However, it is unclear if this function is intended to be at the Department of Health or the Health Care Authority since the Division of Health Improvement who licenses boarding homes is now part of the Health Care Authority. HCA can process payments; however, this responsibility needs to be clarified prior to the bill being passed.

There are currently only three licensed boarding homes in the state who would be eligible to receive these payments. HCA does not recommend funding be issued to unlicensed boarding homes. The exact amount of unlicensed boarding homes in the state is not known, however, it is estimated to be over 60.

The bill is unclear how the funding should be utilized for the benefit of the resident.

PERFORMANCE IMPLICATIONS

The additional payment of \$200 per individual per month discharged to a licensed boarding home from The University of New Mexico (UNM) and the New Mexico Behavioral Health Institute (NMBHI) at Las Vegas for residential services may be an incentive and motivation for unlicensed boarding homes to seek licensure with the Health Care Authority Division of Health Improvement.

The addition of more boarding homes seeking licensure would have a significant increase in the processing of new licensure applications and conducting additional life safety code and health surveys.

Increasing the number of licensed boarding homes would likely improve the health outcomes for individuals residing in licensed boarding homes.

ADMINISTRATIVE IMPLICATIONS

HCA/BHSD program coordinators may need collaborate with The New Mexico Behavioral Health Institute (NMBHI), The University of New Mexico (UNM), and the Department of Health to provide information about existing specialized behavioral health providers that are approved to provide services to those discharged from UNM and NMBHI.

The HCA Division of Health Improvement would need to collaborate with the payor to promulgate rules and establish processes to enroll and pay licensed boarding homes providing these services.

The Health Care Authority Division of Health Improvement requested a five million dollar general fund nonrecurring appropriation for the 2026 fiscal year specifically to incentivize licensure of boarding homes. If HB116 is enacted, the appropriation would complement the incentive for licensure.

The bill does not specify which entity would be responsible for enrolling facilities and issuing payments. If an IT software application needs to be created or enhanced to support these functions then detailed requirements would need to be documented clearly before a cost and timeline for completion for the changes could be estimated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The Department of Health no longer oversees the licensing for boarding homes. The Health Care Authority's Division of Health Improvement oversees this process.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None