

LFC Requestor: KLUNDT, Kelly

2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 0116

Type: Introduced

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

Sponsor(s): Ferrary

Short Title: Payment given to Boarding Homes for NMBHI and UNM Discharges.

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		
\$	\$250,000	Nonrecurring	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$0	\$0	\$0	N/A	N/A

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		\$ 99,945	\$0	\$0	N/A	N/A

***This bill requires NMDOH to become a payor for healthcare services. The costs would involve processing

invoices from Boarding Homes across the state. It is unknown what the true cost would be to the department as data on the number of discharges from UNM to Boarding Homes is unavailable at this time.

**** Given the lack of information/ data regarding discharges from UNM to boarding homes, it is difficult to determine the cost of administering this new program, at least one FTE would be required to develop a system for managing care coordination, processing requests, and billing.**

The proposed legislation does not include any appropriation for the administrative support to effectively administer this new program.

A Full-Time Equivalent (FTE) position would be necessary.

Pay Band 65 - \$29.99/hr. x 2080 hours plus benefits @ x 0.4395 = \$89,803 + Office Setup \$6,150 + Rent \$4,000 = \$99,945.

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

HB 116 proposes to have the Department of Health pay for all discharges from both NMBHI and UNM Adult Psychiatric Center to Boarding Homes at \$200/month. Additionally, the bill directs Department of Health to promulgate rules for the payment of boarding homes. The total appropriation for this bill is \$250,000 for FY26. The bill specifies this is for FY26 only and does not have language regarding future fiscal years.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

The purpose of this bill is to direct the Department of Health to function as a Managed Care Organization paying for healthcare services. Currently NMDOH is not set up to provide this function. If this level of care is medically necessary, Managed Care Organizations would likely be a better avenue for approving and providing funds to Boarding Homes as they are already capable of providing services related to approval and funding of medically necessary services. Currently NMBHI has not encountered any Boarding Homes refusing

patients in response to having inadequate funding. Currently, there is no data available regarding the need for additional funding.

The bill identifies “boarding home” as a facility licensed by Department of Health, this is incorrect as the licensing function has moved to Health Care Authority as part of the migration of the Division of Health Improvement (DHI) to that agency. HB116 would impact Health Care Authority as they are responsible for licensing these Boarding Homes.

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

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

This bill may negatively impact DOH as an appropriation of \$250K will cover roughly 104 discharges for a one-year period. DOH does not have information regarding the number or frequency of UNM discharges to boarding homes.

4. ADMINISTRATIVE IMPLICATIONS

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

Yes, if the bill was to pass DOH would have to administer the appropriation and payments to boarding homes.

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

Yes, the bill identifies “boarding home” as a facility licensed by Department of Health, this is incorrect as the licensing function has moved to Health Care Authority.

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No

Yes, the bill directs DOH to promulgate rules for the payment of boarding homes.

- 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

This bill is specific to only discharges from NMBHI and UNM, it would not pay for boarding home residents that were referred from any other source.

9. HEALTH IMPACT(S)

None

10. ALTERNATIVES

Health Care Authority, working with the Managed Care Organizations, can develop a system of care that is paid for by Medicaid and this level of care could be included. This would keep the purchasing of healthcare with Health Care Authority and the Managed Care Organizations.

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

Boarding Homes would continue to operate similarly as they do today.

12. AMENDMENTS

None