

LFC Requester:

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: 1/23/2025 *Check all that apply:*
Bill Number: HB-119 Original Correction
 Amendment Substitute

Sponsor: Kathleen Cates **Agency Name and Code:** New Mexico Administrative Office of the Courts- BU21800
Short Title: Contract Adjustments under Procurement Code **Number:** _____
Person Writing: Jose D. Gallegos
Phone: 505-819-1993 **Email:** aocjdg@nmcourts.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(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	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB-119 impacts 13-1-1 to 13-1-199 NMSA 1978 by asking the state agency to amend said terms in the contract to accommodate any increases to the contractors' expenses due to statutory adjustments in the employee compensation. This bill seeks to allow contract adjustments where the contractor may request a state agency to amend the terms of the contract. The bill includes contract amendments for wage and benefit changes that will allow contractors through the state the opportunity to amend the terms of the contract to accommodate any increase to the contractor's expenses due to the statutory adjustments in employee compensation and benefits.

FISCAL IMPLICATIONS

In Section 2 and 3 of this bill it states: "the state agency responsible for providing payment to such Medicaid providers shall request the federal centers for Medicare and Medicaid services to amend Medicaid reimbursement rates to accommodate any increase to the Medicare provider's expense due to statutory adjustments in employee compensation and benefits."

When Medicaid providers employ people whose benefits and compensation are subject to adjustment due to changes in state statutes, the state agency responsible for providing payment to such Medicaid providers shall request the federal centers for Medicare and Medicaid services to amend Medicaid reimbursement rates to accommodate any increase to the Medicaid provider's expenses due to statutory adjustments in employee compensation and benefits. The responsible state agency shall make such requests within forty-five days of the date on which the relevant changes in state statutes become law.

This new language would increase reimbursements made to a contractor from a state agency, this would increase the expenditures of the state agency. Medicare is a federal health insurance program that aims to have uniform benefits and cost-sharing requirements across the country. However, the amount paid out in benefits varies by state. This is because reimbursements are based on local physicians' prices.

SIGNIFICANT ISSUES: The relative negotiating power of providers or payers. The volume of services delivered. Each state has its own policies that affect Medicaid reimbursement rates.

PERFORMANCE IMPLICATIONS: Medicaid reimbursement rates vary by state and are based on a number of factors, including state policies, federal guidelines, and market assessments. States must meet certain federal guidelines to be eligible for Medicaid programs, including income, citizenship, and residency requirements.

ADMINISTRATIVE IMPLICATIONS: N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP: N/A

TECHNICAL ISSUES: N/A

OTHER SUBSTANTIVE ISSUES: N/A

ALTERNATIVES: N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL: N/A

AMENDMENTS: N/A