

<b>LFC Requester:</b>	<b>Eric Chenier</b>
-----------------------	---------------------

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**  
**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 2/21/25 *Check all that apply:*  
**Bill Number:** SB558 Original  Correction   
Amendment  Substitute

**Sponsor:** Sen Campos **Agency Name and Code** HCA-630  
**Short Title:** Home Based Health Care Waiver **Number:** \_\_\_\_\_  
**Person Writing** Tallie Tolen  
**Phone:** 505-273-0860 **Email:** Tallie.tolen@hca.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$20,000.0	Non-recurring	SGF

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$20,000.0	\$0.0	Non-recurring	Federal Funds

(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>IT changes FF</b>	\$0	\$2,278.1	\$2,278.1	\$4,556.2	Nonrecurring	FF
<b>IT changes SGF</b>	\$0	\$759.4	\$759.4	\$1,518.8	Nonrecurring	SGF
<b>Medicaid Program Costs</b>	\$0	Potentially substantial but unable to determine	Potentially substantial but unable to determine	Potentially substantial but unable to determine	Recurring	SGF and Federal Medicaid Match
<b>Total</b>	\$0.0	At least \$3,037.5 plus Program costs	At least \$3,037.5 plus Program costs	At least \$6,075.0 plus Program costs	R and NR	FF and SGF

(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:

Senate Bill 558 (SB558) would require the Health Care Authority to submit an application to the Federal Centers for Medicare and Medicaid Services (CMS) to develop a home-based health care waiver program for persons who are 65 years of age and older and diagnosed with a chronic debilitating disease. The bill declares an emergency.

**FISCAL IMPLICATIONS**

SB 558 would appropriate \$2 million for administrative costs incurred in submitting the application to CMS. This amount matched with an additional two million dollars in federal funding would cover the cost of related FTE and or/a vendor who would assist with the planning work.

The bill is not clear who would qualify for the waiver program or whether there would be an income limit. The HCA already covers low-income individuals over age 65 with home- and community-based waiver services (see Significant Issues below). If this new waiver would remove income limits, then program costs would be substantial. At this time, without more detail, the Health Care Authority is not able to determine the exact programmatic fiscal impact.

The bill is not clear about how the additional general fund would be budgeted to support the program; however, assurance of general funds is required in the submission of a waiver to the federal government.

**SIGNIFICANT ISSUES**

The HCA already operates the Community Benefit (CB) Program, which is a home and community-based waiver under the Medicaid Turquoise Care 1115 waiver. The CB serves older adults and disabled New Mexicans who meet a nursing facility level of care (NFLOC). The criteria

for NFLOC are met when a person needs assistance with two or more activities of daily living (i.e., bathing, dressing, meal preparation, etc.). Except for palliative care, all the home-based care services listed in SB 558 are already covered in the CB. Medicaid members are already eligible for non-emergency medical transportation, and a waiver is not needed for this service. The table below shows the current CB services that are available to members based on need.

Assisted living	Home health aide
Adult day health	Nutritional Counseling
Behavior support consultation	Personal care
Community transition services	Private duty nursing for adults
Emergency response	Respite
Employment supports	Skilled maintenance therapy for adults (PT, OT, SLP)
Environmental modifications	Medically tailored home delivered meals (coming in July 2025)

Please note that additional services may be available if members choose to self-direct their care.

There are currently approximately 27,000 Medicaid members receiving services in the CB program. HCA issues over 400 offer letters (allocations) per month to members who may qualify for the program. If a member is already on Medicaid and needs CB services, they can request to be on the CB program through their Managed Care Organization. The purpose of the CB program is to allow eligible members to receive care in their home or community as an alternative to living in a nursing facility.

New Mexico ranks high and above the national average with around 12% of all Medicaid long-term care members residing in nursing facilities and 88% aging in their homes and communities.

CMS may not approve another waiver as described in SB 558 as the HCA already has approval for the CB, which is a similar program. Palliative care is not covered in New Mexico Medicaid currently. The only state that has started to cover this service did so through a state plan amendment, not an 1115 waiver.

## **PERFORMANCE IMPLICATIONS**

See Administrative Implications below.

## **ADMINISTRATIVE IMPLICATIONS**

SB 558 declares an emergency. HCA would need time to hire staff and/or engage a vendor to assist with developing the application to CMS. HCA would also need at least 12 months to prepare the application while engaging stakeholders and receiving stakeholder input prior to submitting the application as required by CMS.

If a new waiver is approved, MCO contracts, Medicaid policy and administrative code will need to be updated and promulgated. A new Medicaid category of eligibility will need to be created and implemented in the ASPEN system. Additional HCA staff will be needed to process applications and maintain a waiting list (if applicable).

As noted above, SB558 will require IT system changes for implementation. This includes

changes to: Application Registration, Data Collection, Eligibility, Enrollment and Administrative Renewal, Correspondence updates for Notice of Case Action (NOCA) and Help Us Make a Decision (HUMAD), updates to reports, dashboards, and data transfer configurations. The estimated cost for the work is approximately \$6,075,000.00. The work could not start until after July 1, 2025 and would take approximately two years to complete. If we assume 75% federal funding and 25% state funding, the allocation would be \$4,556,250.00 in federal funds to \$1,518,750.00 in state funding. SB588 declares an emergency and takes effect immediately. The amount of time required to complete the IT changes will not allow compliance with the immediate timeframe.

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

None known

### **TECHNICAL ISSUES**

It is unclear if the appropriation is for preparing and submitting the application, or if it includes all implementation costs which include system changes, ongoing FTE and ongoing cost of new services.

### **OTHER SUBSTANTIVE ISSUES**

None known

### **ALTERNATIVES**

None suggested.

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

Status quo

### **AMENDMENTS**

None