FISCAL IMPACT REPORT

SPONSOR	Senate Health and Public Affairs Committee	**LAST UPDATED**	02/27/2025
		ORIGINAL DATE	02/04/2025
SHORT TITLE	Report on Direct Care Workforce	**BILL NUMBER**	CS/Senate Bill 103/SHPACS
		ANALYST	Rommel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA	$0	Up to $20.0	Up to $150.0	Up to $170.0	Nonrecurring	General Fund
HCA	$0	$57.4	$57.4	$114.8	Recurring	General Fund
Total	**$0**	**Up to $77.4**	**Up to $207.4**	**Up to $284.8**		General Fund

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 55

Sources of Information

LFC Files

Agency Analysis Received From
Health Care Authority (HCA)
Department of Health (DOH)

SUMMARY

Synopsis of SHPAC Substitute for Senate Bill 103

The Senate Health and Public Affairs Committee substitute for Senate Bill 103 (SB103) pertains to the Developmental Disabilities Act, (28-16A-1 NMSA 1978, et. seq.). The bill requires personal care service agencies to report data on direct care workers to the Health Care Authority (HCA) for services that are provided to Medicaid members in the Community Benefit (CB) program.

The committee substitute requires the following data be submitted by March 1, 2026, and annually thereafter:

1. The total number of (a) full-time direct care workers providing personal care services through the self-directed community benefit program and (b) part-time direct care workers providing personal care services through the self-directed community benefit program;
2. The highest, lowest and average hourly wage of direct care workers providing personal care services through the self-directed community benefit program;
3. The percentage of eligible Medicaid recipients enrolled in the self-directed

community benefit program who are unable to receive services due to a shortage of direct care workers; and

4. Disaggregated demographic information on the direct care workers providing personal care services through the self-directed community benefit program that includes (a) age; (b) gender; and (c) race and ethnicity.

By January 30, 2030, HCA shall perform a study to determine the cost of payment adequacy for personal care service delivery and recommend reimbursement rates. Payment adequacy shall address workforce stability, vacancy reductions, a wage at least 150 percent of the state minimum wage, and ensuring adequate access for eligible Medicaid recipients.

SB103 builds on reporting requirements enacted in Laws 2023, Chapter 160 (House Bill 395). It adds several additional reporting elements such as overtime wages paid, educational attainment, certifications, and demographics for each direct care worker.

For personal care service under the Mi Via self-directed community benefit program, the managed care organizations (MCOs) and/or the fiscal management agency would be required to report certain data to HCA on the same timeframe. The bill would also require HCA to review and analyze the data and submit a report to the Legislative Health and Human Services Committee, the Legislative Finance Committee, the Governor's Office, and an interested parties advisory group.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns.

FISCAL IMPLICATIONS

SB103 contains no appropriation.

HCA estimates an additional recurring budget impact of one FTE to perform the work required under the legislation, which would involve collecting data from over 100 PCS agencies, the MCOs and the fiscal management agency, producing the required reports, managing the rate study and procurement, and facilitating/managing the interested parties workgroup.

HCA estimates the nonrecurring cost of the 2030 cost study on a 2024 rate conducted for all agency-based community benefit services including personal care services. If another rate study by 2030 is needed, another rate study would cost approximately $300 thousand ($150 thousand in general fund; $150 thousand in federal Medicaid funds). HCA estimates an additional nonrecurring cost of $20 thousand to update data systems.

SIGNIFICANT ISSUES

The developmental disabilities (DD) and Mi Via waiver programs, administered by the Developmental Disabilities Supports Division (DDSD) of HCA, serve approximately 7,900 New Mexicans with intellectual and developmental disabilities. The waiver programs use federal and state Medicaid dollars to contract with providers to deliver living supports, community services, therapy, employment, and other services to allow participants to live in their homes and communities rather than in an institutional setting.

The Department of Health notes that long-term care facilities that participate in Medicaid Personal Care Services Programs are currently required to report similar information to the Centers for Medicare and Medicaid Services on a quarterly basis.

HCA notes that homemaker services are referenced in the bill, but there are no homemaker services that are approved by the federal Centers for Medicare and Medicaid Services or offered in the CB program.

ADMINISTRATIVE IMPLICATIONS

HCA reports administrative impact involves collecting and analyzing data through an annual report, procuring and collecting data to inform the rate study, overseeing the fiscal management agency to ensure that data is collected in accordance with the bill, and establishing an advisory group. This would require one FTE for the HCA. For the data collection requirements specified in the bill, many of the fields are available today; however, some are not and would need to be added.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 55 which sets a minimum fee schedule for reimbursing personal care services under Medicaid; requires seventy percent of reimbursement to compensate direct care workers; and appropriates $20.8 million for purposes of the legislation.

OTHER SUBSTANTIVE ISSUES

HCA oversees four home and community-based programs for individuals with intellectual and developmental disabilities. The programs are referred to as waivers because they require a waiver of standard Medicaid rules. These waivers allow the state to use Medicaid dollars, with a state match, to support individuals with diverse needs. The waivers provide a large array of supports to allow for community participation based on waiver participant's needs and preferences.

The traditional DD waiver, which serves the most participants (4,598 or 59 percent), offers community-based services coordinated by a case manager at an average cost in FY24 of approximately $116 thousand per client. The Mi Via waiver provides greater self-direction by offering participants more flexibility in their program oversight and monitoring, with the aid of a designated employer of record (the individual responsible for directing the work of employees and providers for Mi Via participants), if needed.

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