

1 SENATE BILL 220

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO LABOR; REQUIRING THE HEALTH CARE AUTHORITY TO SET A  
12 MINIMUM MEDICAID FEE SCHEDULE FOR REIMBURSING PERSONAL CARE  
13 SERVICES; REQUIRING AT LEAST SEVENTY PERCENT OF MEDICAID  
14 REIMBURSEMENT FOR PERSONAL CARE SERVICES TO BE USED FOR  
15 COVERING DIRECT CARE WORKFORCE EXPENDITURES; MAKING AN  
16 APPROPRIATION.

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 **SECTION 1.** A new section of the Public Assistance Act is  
20 enacted to read:

21 "[NEW MATERIAL] MEDICAID REIMBURSEMENT FOR PERSONAL CARE  
22 SERVICES.--

23 A. For the purposes of this section:

24 (1) "consumer-delegated personal care  
25 services" means an arrangement in which a medicaid recipient

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underscored material = new  
[bracketed material] = delete

1 chooses a personal care services provider agency to be  
2 responsible for delivering all personal care services to that  
3 medicaid recipient;

4 (2) "consumer-directed personal care services"  
5 means an arrangement in which a medicaid recipient has control  
6 over all decisions relating to the delivery of personal care  
7 services to the medicaid recipient and a personal care services  
8 provider agency acts as a fiscal intermediary;

9 (3) "direct care worker" means a non-  
10 administrative employee of a personal care services provider  
11 agency who spends the majority of the employee's work hours  
12 providing personal care services;

13 (4) "direct care workforce expenditures" means  
14 the sum of all wages, employee-related expenses and training  
15 and supervision costs reasonably attributable to the furnishing  
16 of personal care services;

17 (5) "employee-related expenses" means payments  
18 made by a personal care services provider agency on behalf of  
19 or for the benefit of direct care workers, including:

20 (a) payroll taxes;  
21 (b) workers' compensation insurance  
22 premiums;  
23 (c) health insurance;  
24 (d) dental insurance;  
25 (e) life and disability insurance;

- (f) retirement plan contributions;
- (g) mileage reimbursements; and
- (h) personal protective equipment;

(6) "medicaid" means the medical assistance program established pursuant to Title 19 of the federal act and regulations issued pursuant to that act;

(7) "personal care services" means services provided to an individual to assist with activities of daily living;

(8) "personal care services provider agency" means an entity that:

(a) has entered into a medicaid provider participation agreement with the medical assistance division of the authority and: 1) is contracted with a managed care organization to provide personal care services to medicaid recipients; or 2) provides personal care services to medicaid recipients through fee-for-service arrangements;

(b) is reimbursed for personal care services provided to individuals covered by medicaid; and

(c) employs direct care workers to provide personal care services to individuals covered by medicaid;

(9) "training and supervision costs" means the expenses directly related to developing and overseeing the performance and skills of direct care workers. "Training and

1 supervision costs" includes the costs for:

2 (a) education and training programs;

3 (b) direct observation of a direct care  
4 worker;

5 (c) field supervision of direct care  
6 workers; and

7 (d) care coordination activities; and

8 (10) "wages" means all payments made to direct  
9 care workers for their services, including:

10 (a) salary;

11 (b) hourly pay;

12 (c) overtime pay;

13 (d) shift differentials;

14 (e) bonuses; and

15 (f) paid leave.

16 B. The authority shall implement the following  
17 minimum reimbursement rates for personal care services:

18 (1) twenty-three dollars fifty cents (\$23.50)  
19 per hour, excluding gross receipts taxes, for consumer-  
20 delegated personal care services; and

21 (2) nineteen dollars seventy-eight cents  
22 (\$19.78) per hour, excluding gross receipts taxes, for  
23 consumer-directed personal care services.

24 C. A personal care services provider agency that  
25 receives medicaid reimbursement for providing personal care

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1 services shall use at least seventy percent of the medicaid  
2 reimbursement to cover direct care workforce expenditures.

3                   D. Before calculating the minimum amount of  
4 medicaid reimbursement that a personal care services provider  
5 agency is required to use to cover direct care workforce  
6 expenditures, the costs of gross receipts taxes on personal  
7 care services shall be deducted from the total amount of  
8 medicaid reimbursement that the personal care services provider  
9 agency receives.

10                  E. Each personal care services provider agency  
11 shall maintain accounting records to document that at least  
12 seventy percent of medicaid reimbursement is being used to  
13 cover direct care workforce expenditures. Upon request of the  
14 authority, each personal care services provider agency shall  
15 make the accounting records available to the authority within a  
16 reasonable amount of time."

17                  **SECTION 2. APPROPRIATION.**--Fifty-one million four hundred  
18 thousand dollars (\$51,400,000) is appropriated from the general  
19 fund to the health care authority for expenditure in fiscal  
20 year 2027 to update the medicaid personal care services fee  
21 schedule and increase medicaid reimbursement for personal care  
22 services pursuant to Section 1 of this act. Any unexpended  
23 balance remaining at the end of fiscal year 2027 shall revert  
24 to the general fund.