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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 173

SHORT TITLE: Dementia Care Specialist Program

SPONSOR: Herndon/Cates/Szczepanski

LAST ORIGINAL
UPDATE: _____ **DATE:** 02/02/2026 **ANALYST:** Chilton

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ALTSD	\$167.0	\$692.0	\$692.0	\$1,551.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Aging and Long-Term Services Department

Agency or Agencies That Were Asked for Analysis but did not Respond
Indian Affairs Department

Agency or Agencies That Declined to Respond
Department of Health

SUMMARY

Synopsis of House Bill 173

House Bill 173 appropriates \$1 million to the Aging and Long-Term Services Department (ALTSD) from the general fund for the purpose of developing and implementing a dementia specialist program to aid patients suffering dementia and their families throughout the state.

The program, to be supervised by ALTSD, would be state-wide, training and employing

specialists who would provide

- Cognitive assessments of their patients, and those patients' caregivers
- Assistance with early detection of dementia
- Education to caregivers to reduce secondary effects of dementia
- Assistance with developing community awareness and competency regarding dementia and its effects and dangers
- Collaboration with local and statewide agencies and organizations to support the dementia specialist program.
- Provision of culturally appropriate and multi-lingual materials about dementia
- Collection of data on effectiveness of the program.

An interim report on the program's reach and effectiveness would be made to the governor, the Legislative Health and Human Services Committee, and the Legislative Finance Committee would be made by ALTSD on October 1, 2028, with a subsequent report due on July 1, 2029, which would include recommendations regarding program continuation or expansion.

The effective date of this bill is July 1, 2026.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY29 shall revert to the general fund.

ALTSD indicates that the funding appropriated by this bill is likely to be insufficient for a three-year program in a large, multi-cultural state. Once the program was fully established, in fiscal year 2028, it estimates that it would need \$675 thousand per year for personnel alone (6 FTEs), with additional expenses for administrative costs and contract services totaling \$350 thousand.

SIGNIFICANT ISSUES

According to the [Alzheimer's Association](#), "High-quality dementia care training can lead to an improvement in communication between caregivers and individuals living with dementia, a reduction in dementia-related behaviors and an increase in job satisfaction for staff." Alzheimer's disease itself is responsible for 60 to 80 percent of dementia cases. Other common forms of dementia include frontotemporal degeneration, Lewy body disease, and vascular dementia, all of which result in progressive decline in memory, reasoning, and other cognitive functions.

The Alzheimer's Association lists the following symptoms that may be seen among patients with dementia:

- Memory loss that disrupts daily life
- Challenges in planning or solving problems
- Difficulty completing familiar tasks
- Confusion with time or place
- Trouble understanding visual images and spatial relationships
- New problems with words in speaking or writing

- Misplacing things and losing the ability to retrace steps
- Decreased or poor judgment
- Withdrawal from work or social activities
- Changes in mood and personality.

Dementia care specialists are trained to address obstacles in daily living, particularly dementia-related cognitive and behavioral changes such as memory loss, confusion, mood changes, and occasional agitation or aggression that can affect individuals and their families.

ALTSD estimates that there are 46,000 New Mexicans affected by dementia, which afflicts twelve percent of New Mexicans older than 65 years and some below that age. ALTSD reports that dementia prevalence varies across populations, with higher rates observed among certain racial and ethnic groups. Black older adults are about twice as likely and Hispanic older adults about 1.5 times as likely to develop dementia compared with White older adults, and more than 54 percent of American Indian and Alaska Native adults over age 70 experience cognitive impairment.¹

ALTSD further states the importance of dementia care specialists:

Dementia Care Specialists play a critical role by providing education, care navigation, resources, and ongoing support to people living with dementia and their families. Without this specialized workforce, the healthcare system will face increased strain, preventable deaths will rise, and caregivers will experience significantly higher levels of stress and burnout. Dementia Care Specialists can enable timely access to assessments to inform the medical team, to facilitate access to interventions that help to slow the progression of the disease, improve quality of life, and allow for crucial planning and services such as financial, legal, and care planning. These interventions empower those living with dementia and their families to reduce anxiety, ensure better safety, and connect them to support systems and resources sooner.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to 2025 House Memorial 53, which directed ALTSD to collaborate with the New Mexico chapter of the Alzheimer's Association to review appropriate studies on the best ways to help patients with Alzheimer's disease and other forms of dementia and their families.

Relates and supplements the requirements enacted in 2021 as Section 24A-6-1 NMSA 1978 on the training on dementia requirements for long-term care facilities' personnel. (2021 House Bill 250).

TECHNICAL ISSUES

As pointed out by ALTSD,

- The bill defines "dementia care specialist" broadly but doesn't specify required

¹ <https://www.alzheimers.gov/news/older-american-indians-may-experience-higher-levels-cognitive-impairmentpreviously-thought>

credentials, education, or licensing.

- The bill doesn't address how this program relates to existing ALTSD services or other state dementia initiatives. There may be potential overlaps with the dementia care services and assistance provided by the Area Agencies on Aging (AAAs), the Aging and Disability Resource Centers (ADRCs), the Department of Health (DOH) has dementia-related public health initiatives and Medicaid managed care organizations provide care coordination. There are missed opportunities for leveraging existing infrastructure and the bill needs clear service differentiation and referral protocols.
- While the bill requires collaboration with tribes and pueblos, it doesn't mandate formal tribal consultation in program design

ALTERNATIVES

ALTSD suggests that in order “To support effective implementation and accountability, the Legislature may wish to consider utilizing Government Results and Outcomes (GRO) funds in coordination with or as an alternative to the General Fund appropriation. GRO funding could be used to pilot the program in a select number of counties with measurable outcomes related to dementia training, early detection, care transitions, caregiver support and healthcare utilization.”

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