Government Results and Opportunity Hearing Brief

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

During the 2024 session, the Legislature appropriated funding for one Government Results and Opportunity (GRO) fund pilot project at the Aging and Long-Term Services Department (ALTSD). The New Mexicare pilot project is a caregiver support program designed to help older New Mexicans, with income higher than Medicaid eligibility, remain in their homes while supporting the family or informal caregivers who provide most of their long-term care. In 2024, one in five New Mexicans were aged 65 years or older and the state is projected to have the fourth highest percentage of people over the age of 65 of any state in the nation. However, the governor vetoed language calling for rigorous research (randomized control trial) and a low population of propensity matching participants in the current research study (19 percent) produces concerns that results will be ungeneralizable.

AGENCY: Aging and Long-Term Services Department

DATE: August 25, 2026

PURPOSE OF HEARING: Review of 2024 GRO pilot projects

WITNESS: Emily Kaltenbach, Secretary, ALTSD

PREPARED BY: Emily Hilla

EXPECTED OUTCOME: Informational

New Mexicare

Amount: $9.4 million

Purpose: For the New Mexicare program and to fund a ~~randomized control~~ study of the program.

The New Mexicare pilot project provides financial assistance and training to caregivers who are assisting friends or family members with daily activities due to physical or cognitive disabilities. The goals of the program are to allow older adults to stay at home as an alternative to long-term nursing home placements and to help reduce emergency department visits. New Mexicare program eligibility includes adults age 60 years or older with cognitive or physical limitations requiring assistance with two or more activities of daily living—such as personal hygiene, dressing, feeding, walking, etc.—with a monthly income of up to $3,387/month for individuals and $6,774/month for couples. ALTSD provides monthly stipends of up to $1,100 per month, or up to $13.2 thousand a year, per caregiver enrolled in the program. In its draft GRO evaluation report, ALTSD does not specify how many hours of caregiving are expected to qualify for the monthly New Mexicare stipend. Without this information, it is difficult to compare New Mexicare's compensation with similar Medicaid-funded programs that establish hourly rates.

The program first launched in 2023 in six rural counties using general fund revenue from ALTSD's recurring budget. The Legislature provided GRO funding in 2024, allowing the department to expand the program to 31 counties and having Bernalillo and Doña Ana counties as control groups to implement an effective pilot program. However, the department expanded the program statewide in 2025, losing control groups, due in part to the department having recurring operating funds for the program in addition to GRO. With the expansion of the program statewide, it has made studying the effectiveness of the New Mexicare program as a pilot within the state difficult and outcome of the program unclear.

Appropriation Progress At-A-Glance	
Evaluation Plan Submitted	Yes
Percent Expended	
Year 1	26%
Year 2	95.4%
Outcomes Tracked and Reported	Yes

Enrollment in New Mexicare increased from 13 participants in 2024 to 694 as of June 2026, with the department aiming to exceed 1,000 participants by the end of

2026. Due to low pre- and post-survey completion rates in the program's first year and its subsequent statewide expansion, ALTSD shifted its year-two evaluation approach from comparing the pilot with planned control groups in Bernalillo and Doña Ana counties to assessing changes in emergency room visits and the likelihood of nursing home placement. The analysis compared 119 New Mexicare participants with a propensity score-matched control group drawn from the 2023 national Medicare Current Beneficiaries Survey. However, outcomes for only 23 of the original 119 participants were matched and analyzed for the year-two outcomes analysis.

The small number of participants included in the final analysis reflecting a low propensity match of 19 percent limits the strength and generalizability of the findings. As noted in ALTSD's draft evaluation report, these limitations warrant caution when interpreting the program's reported positive outcomes.

New Mexicare was an excellent candidate for a randomized control study of the pilot; however, the governor vetoed language requiring this study. Both the veto of the randomized control study and the program losing state control groups created limitations for the study of New Mexicare, which include:

- Selection bias;
- Very low statistical power;
- Weak generability; and
- Weak causal evidence even from promising results.

The Legislature provided $5 million in recurring general fund revenue in ALTSD's operating budget starting in FY24 for New Mexicare. The Legislature provided $9.4 million divided equally between three fiscal years starting in FY25 for expenditure through the end of FY27. The Legislature appropriated an additional $6 million in nonrecurring funding for the program in FY27. Across recurring and nonrecurring funding, the department has allocated approximately $29.5 million for New Mexicare since FY25.

Questions for Consideration:

- Given that ALTSD has received both recurring and other non-GRO special appropriations, how has the department assessed ongoing program need based on the results of the pilot?
- What is the estimated recurring cost to continue serving currently enrolled participants, and how does cost per client for the program compare to Medicaid coverage across other care settings?
- Does New Mexicare measure whether participation reduces emergency department visits or delays or prevents nursing home placement compared with what would otherwise be expected? If state control groups are no longer available, how does ALTSD assess whether observed outcomes are attributable to the program?
- Does ALTSD track information on caregivers to best determine if caregivers most in need receive the stipends?