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AUTHORITY



LEGISLATIVE HEALTH AND HUMAN SERVICES DEVELOPMENTAL DISABILITIES SUPPORTS DIVISION (DDSD) UPDATE

JUNE 27, 2025

KARI ARMIJO, CABINET SECRETARY
JENNIFER RODRIGUEZ, HCA DDSD DIRECTOR

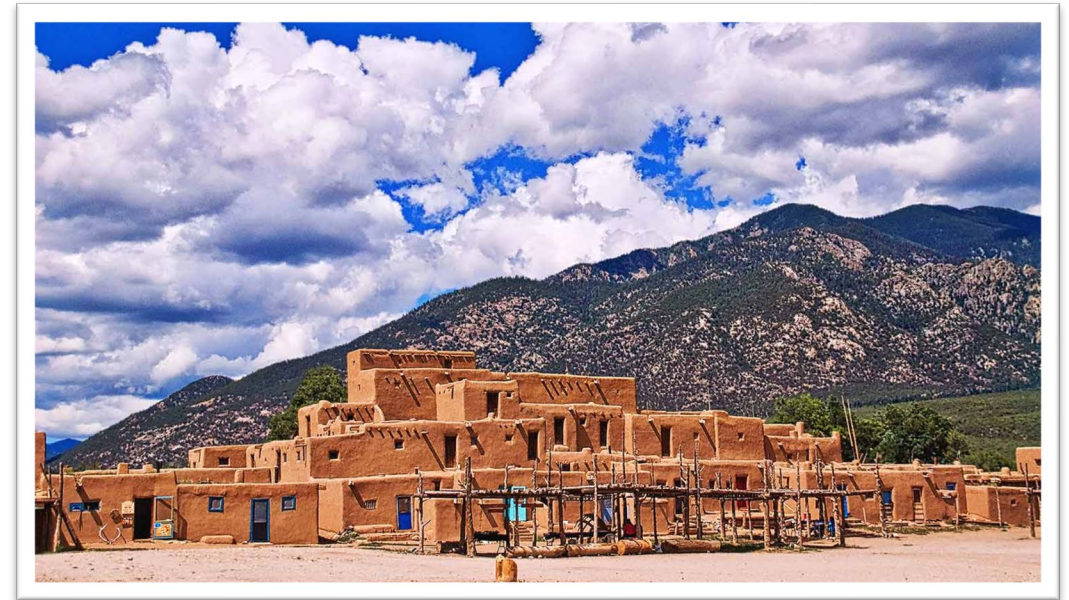
INVESTING FOR TOMORROW, DELIVERING TODAY.

BEFORE WE START...

On behalf of all colleagues at the Health Care Authority, we humbly acknowledge we are on the ancestral lands of the original peoples of the Pueblo, Apache, and Diné past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that contribute to what today is known as the **Great State of New Mexico.**

Learn more: About Taos Pueblo at [Taospueblo.com](https://www.taospueblo.com)



A cloudy morning looking over Taos Pueblo

Photo provided by elpueblolodge.com



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MISSION

We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.

VISION

Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.

GOALS



IMPROVE Leverage purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



SUPPORT Build the best team in state government by supporting employees' continuous growth and wellness.



ADDRESS Achieve health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



PROVIDE Implement innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

AGENDA

- FY 26 Funding
- Provider Rates
- Federal Engagement
- Bolstering provider network and direct care workforce
- Accomplishments FY24 and FY25



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MEET STEVEN*

Steven and his family are new to NM and applied for DD Waiver services.

Steven has a condition that results in frequent trips to the emergency room.

Steven wants to work when he graduates from high school.

Steven selected the Mi Via self-directed waiver because he wanted control over who his direct support professionals would be.

Being new to the waiver system, Steven was unsure of what supports he may receive.



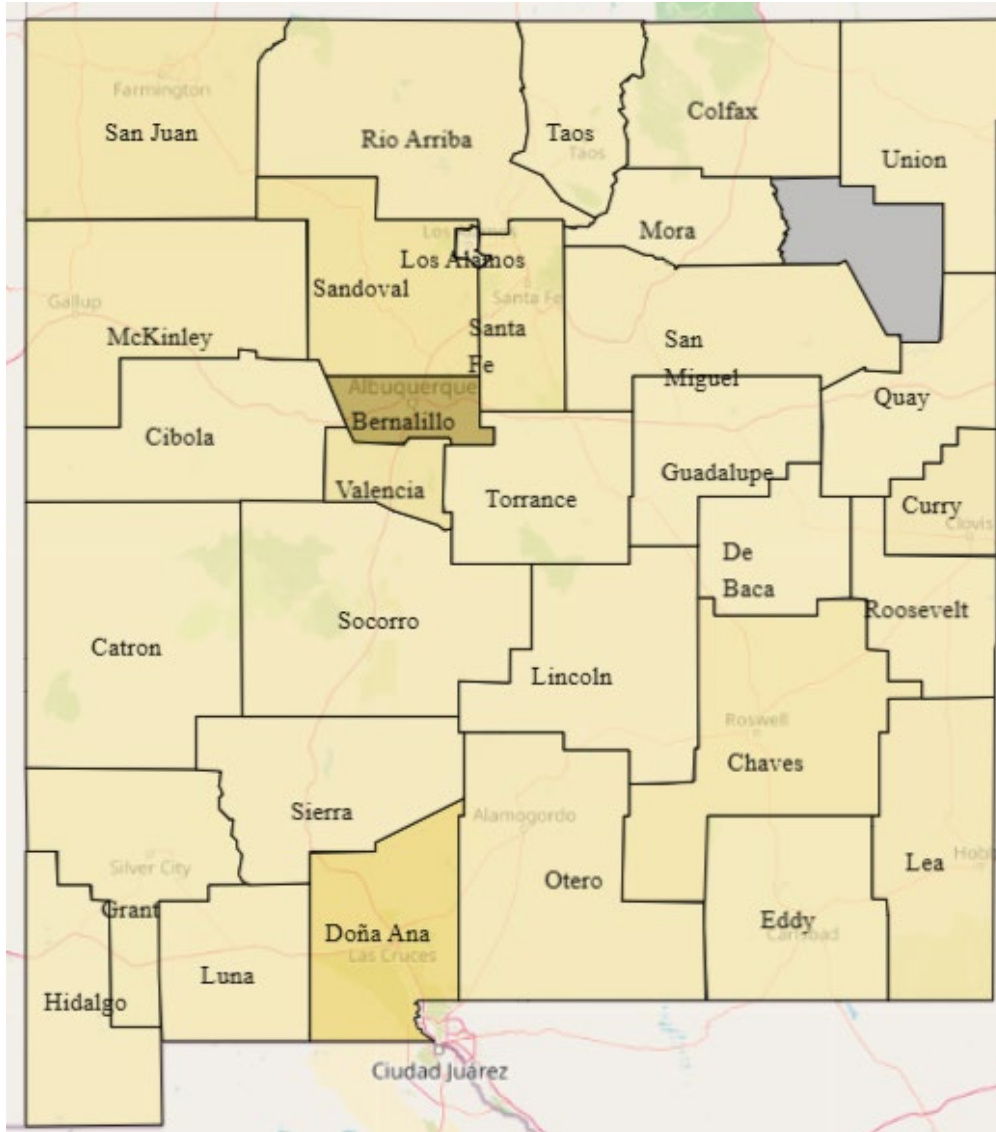
** Based on a real HCA client whose name and photo are changed.*



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DDSD WAIVERS SERVE 8,147 NEW MEXICANS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES



County	Medicaid Enrollment Count Latest
Bernalillo	3,093
Doña Ana	1,067
Sandoval	554
Valencia	438
Santa Fe	374
San Juan	371
Chaves	289
McKinley	248
Curry	178
Lea	174
Rio Arriba	161
Otero	138
San Miguel	130
N/A	126
Grant	113
Taos	89
Torrance	89
Eddy	85
Cibola	66
Roosevelt	56
Luna	50
Socorro	42
Sierra	40
Los Alamos	35
Lincoln	34
Colfax	32
Quay	21
Guadalupe	15
Mora	10
Catron	9
Union	9
De Baca	4
Hidalgo	4
Total	8,147



PROVIDER RATE INCREASES

DDSD RATE STUDY PROCESS ACCORDS WITH 2023 HB395

- Requires that the HCA conduct a **biennial cost study to be used for recommending reimbursement rates for all service providers** (starting in 2024)
- Requires that the HCA's annual budget request include sufficient funding **to continue** serving individuals with disabilities based on the reimbursement rates recommended by the most recent cost study.
 - Executive FY26 budget request = **\$28M GF to sustain** provider rate increases implemented in FY25
 - Final HB2 appropriation for FY26 rate increases = **\$26.2M GF**

14 B. Beginning in 2024, contingent on available
 15 funding, the department shall conduct an independent biennial
 16 cost study for the purpose of recommending reimbursement
 17 rates for all service providers. The cost study shall
 18 include all reasonable costs of providing services.

6 C. The department's budget request for each fiscal
 7 year shall include sufficient funding to:

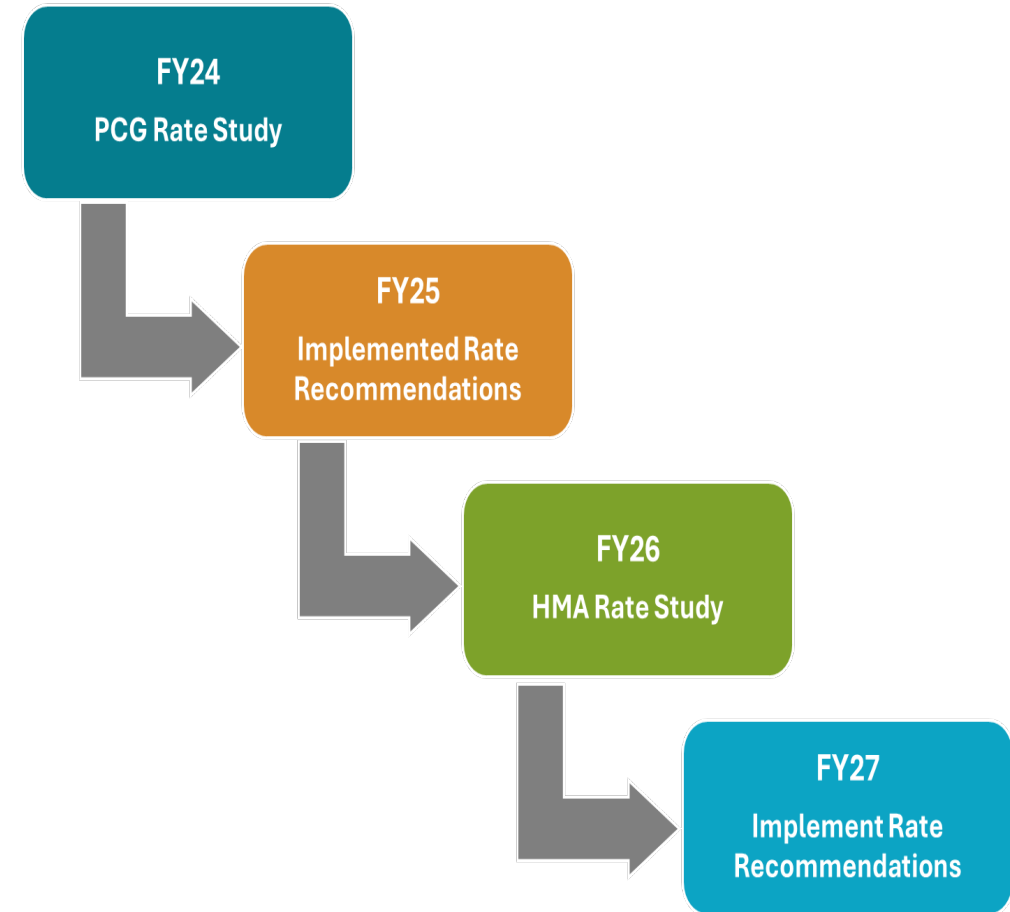
8 (1) **continue** to provide supports and
 9 services for persons with developmental disabilities
 10 currently being served, **based on the service provider**
 11 **reimbursement rates recommended by the most recent cost**
 12 **study;** and

13 (2) serve additional persons, who as
 14 determined by the department, are eligible for but are not
 15 currently receiving services.



FIRST RATE STUDY COMPLETED IN FY24 AND IMPLEMENTED IN FY25

- The Department of Health (DOH) contracted with Public Consulting Group to conduct a comprehensive rate study
 - Recommendations made June 2023
 - <https://www.hca.nm.gov/directors-office-rate-studies/>
- Three primary components, each including stakeholder engagement:
 - Market salary research
 - Cost report from providers
 - Time study from providers
- In FY25, the HCA implemented all rate increase recommendations from the rate study
 - HCA also implemented a 5.32% COLA to provider rates
 - No rates were reduced (though some were recommended by the study)
 - **Average rate increase across services = 16.5%**



FY25 RATE INCREASES

- Developmental Disabilities (DD) Waiver and Medically Fragile (MF) Waiver rate increases approved by CMS and **implemented 7/1/24**
- Mi Via Waiver rate increases approved by CMS and **implemented 10/1/24**
- HCA initiated RFP process to select new vendor for FY26 rate study.
 - Health Management Associates (HMA) selected as FY26 rate study vendor

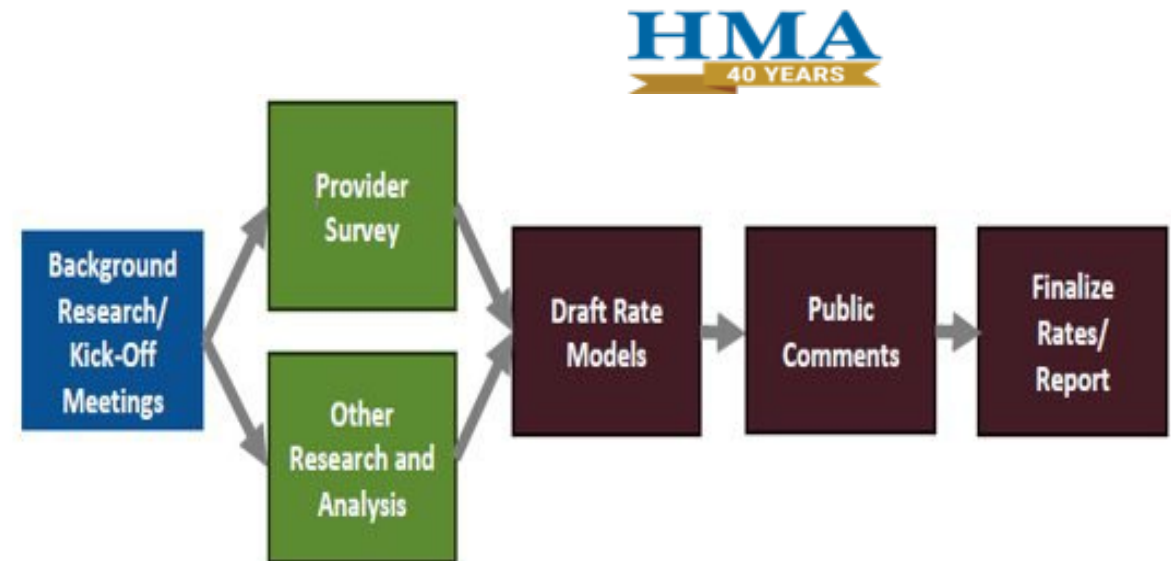
FY25 Rate Increases	Total Computable Expenditures For Rate Increases Through 5/31/25	FY25 GF Appropriation for Rate Increases	Fund Balance Transferred from DOH in FY25 to Supplement Actual GF Need *Rate Increases *Increased Utilization *Reduction in FMAP *New Allocations	Total FY25 GF Need to Support Rate Increases
DD Waiver MF Waiver Mi Via Waiver	\$101M (Projected FY25 expenditures for rate increases \$110M)	\$20.4M	\$21M	\$30M*



FY26 RATE STUDY & FY27 BUDGET REQUEST

BURNS & ASSOCIATES
A Division of HMA

- FY26 Rate Study began June 2025 with Health Management Associates (HMA)
 - All waiver programs
 - All services
- Robust provider input will be sought through a Rate Study Advisory Group
 - Established in collaboration with the Advisory Council on Quality (ACQ), a provider cost survey, a direct care worker time study, a public comment process, and focus groups as needed
- Rate study to conclude November 2025
- HCA FY27 budget request to incorporate rate study recommendations
 - Amount of request will depend on recommendations and budget availability



INCREASING PROVIDER RATES

- Historically, rate study recommendations have resulted in increases over the years
- Not fully funded until FY25 – **THANK YOU!**
- Federal requirement for rate reviews and rate updates every 5 years.

Sample Rate Increases

Service	2012	2020	FY25
Supported Living 2	\$223.04 / day	\$258.69 / day	\$272.45 / day
Customized Community Supports- Individual	\$6.90 / 15 min.	\$7.18 / 15 min.	\$12.22 / 15 min.
Physical Therapy	\$22.45 / 15 min.	\$22.90 / 15 min.	\$27.80 / 15 min.
Nursing	\$18.85 / 15 min.	\$19.23 / 15 min.	\$29.76 / 15 min.

Source: HCA Medicaid Fee Schedules



HB395 DATA COLLECTION & REPORTING ON DIRECT SERVICE PROVIDER WORKFORCE

- HCA data collection on direct support professional data, including employee wages, benefits, full- or part-time status, employment length and demographics
- 2024 report was sent to LFC and LHHS August 30, 2024 and can be found at: <https://www.hca.nm.gov/wp-content/uploads/DDSD-HB395-Report-240830.pdf>
- Major findings:
 - 60% of agencies pay \$12-\$17/hr; 16% pay \$17-\$22/hr
 - Most prevalent length of time working at the same agency was 1-5 years
 - 58% of agencies offer health insurance
 - 52% offer retirement benefits
 - 74% offer sick leave
 - 1,321 average vacancies among agencies responding (92 agencies).
- 2025 Report in progress

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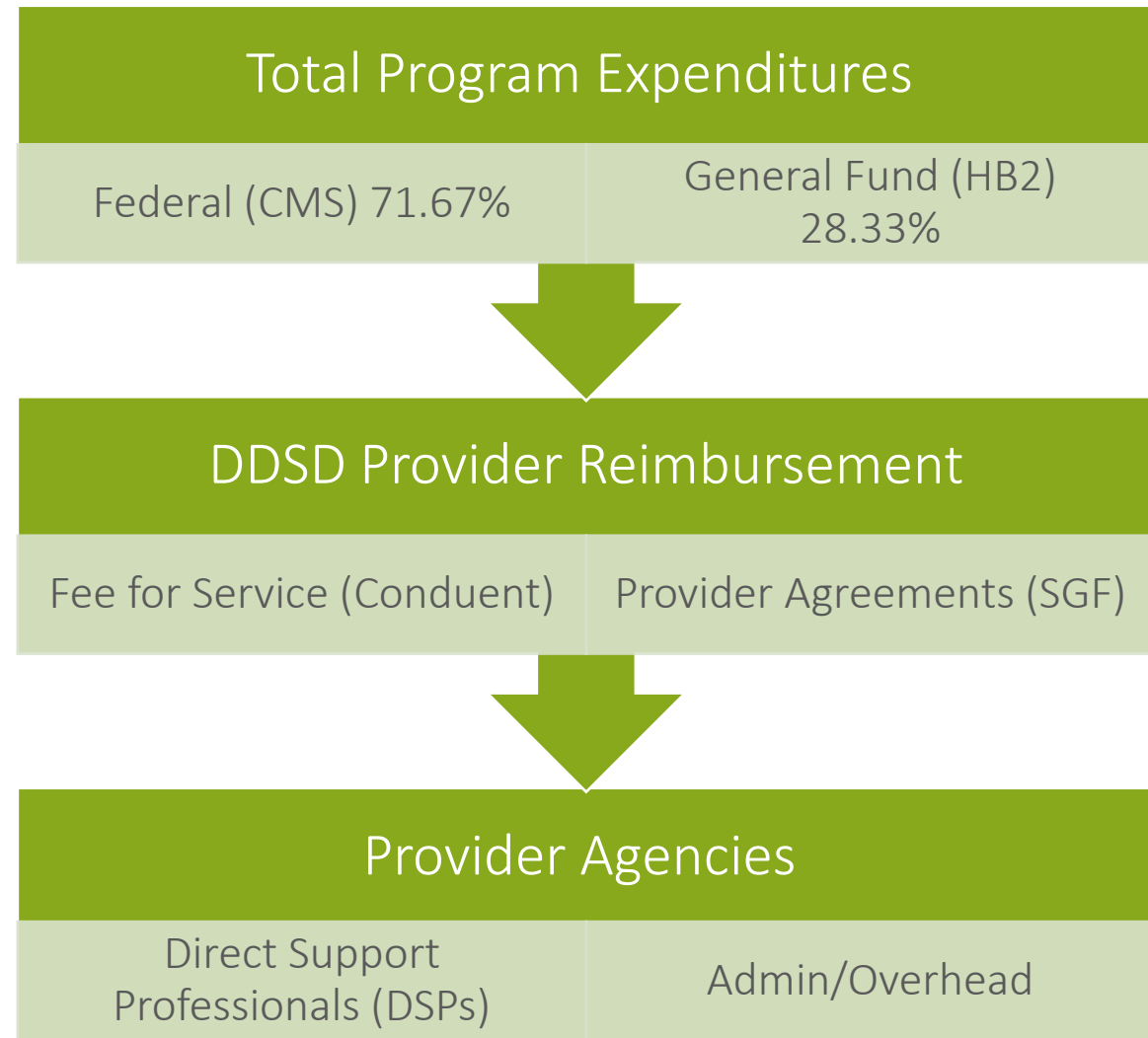
B. The department shall submit an annual report by September 1, 2024, and on September 1 of each subsequent year to the legislative health and human services committee, the legislative finance committee and the governor regarding the direct support professional workforce, including:

- (1) the total number of full- and part-time employees;
- (2) a demographic analysis of this workforce;
- (3) the highest, lowest and average hourly wage paid by direct support provider agencies;
- (4) the average length of employment and vacancy and turnover rates; and
- (5) the availability and type of benefits provided by direct support provider agencies."



HOW FUNDING IMPACTS PROVIDERS

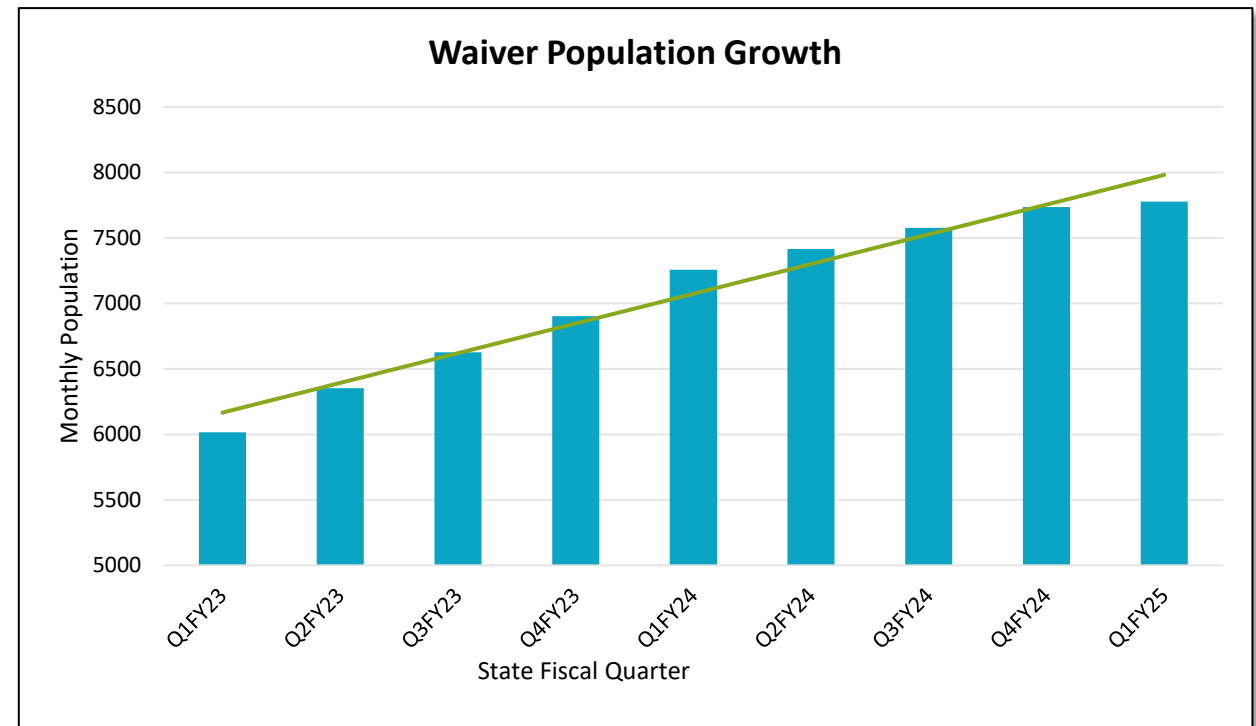
- DDSD's Program expenditures are a combination of Federal and State General Funds.
- DDSD receives funding and pays providers based on the established reimbursement rates for services.
- Providers are then responsible for setting salaries and benefits and paying their Direct Support Professionals and other staff, as they deem appropriate.



DDSD ACCOMPLISHMENTS
FY24-FY25

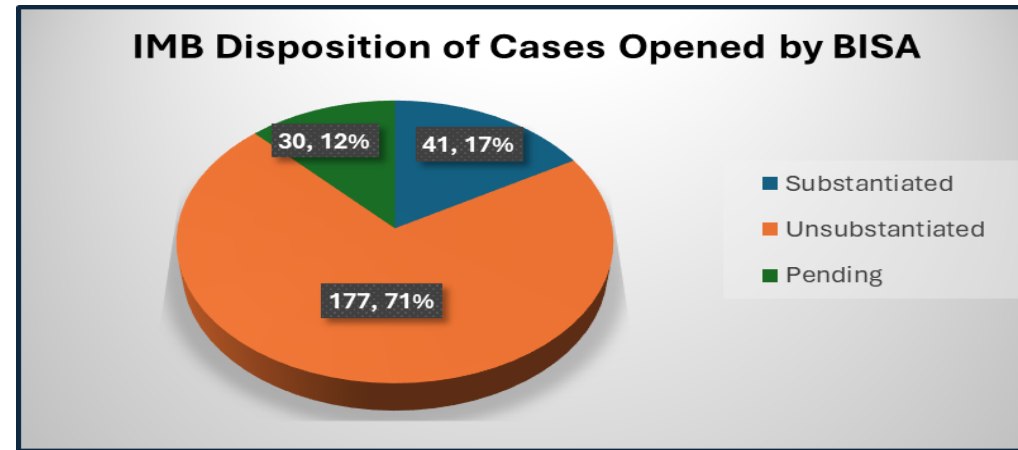
BETTER CUSTOMER SERVICE, GREATER TRANSPARENCY, IMPROVED EFFICIENCY AND COLLABORATION

- Cleared waitlist and brought over 3,500 new people into services
- Held Provider Summit and ongoing quarterly Advocacy Partners Meetings to improve the IDD system collaboratively
- Moved 5 positions from the Medical Assistance Division to DDSD to enhance waiver work, resulting in greater efficiencies and improve communication with providers



PREVENTION OF ABUSE, NEGLECT AND EXPLOITATION (ANE)

- Created new Bureau of Individual Safety and Advocacy (BISA) - went live April 2024
 - Established criteria that triggers a DDS response to allegations of ANE
 - 248 cases opened (4/24-5/25)
 - 41 Substantiated
 - 177 Unsubstantiated
 - 30 Awaiting disposition
 - Data collection on DDS's response actions, individuals' needs, additional recommendations and referrals made, and reports by provider agency.
- Ongoing wellness visits
 - 160 of 169 total staff are mobilized to ensure total waiver populations is seen every 6 months through Health and Wellness Visits
 - To date over 31,000 visits have taken place



Source: BISA data May 2025

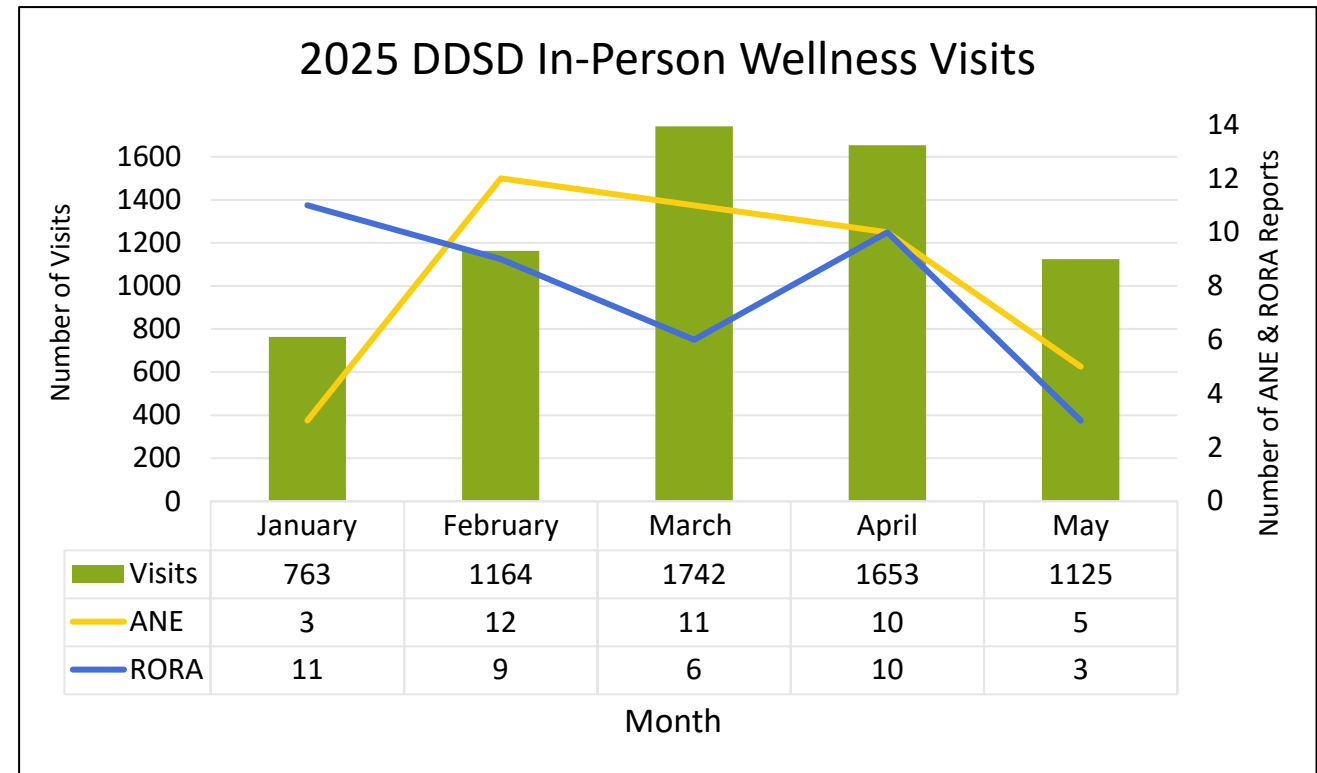


Source: DDS Wellness Visit Data



ONGOING WELLNESS VISITS

- Comprehensive Health and Wellness Visit Training developed
- Use of predictive risk model for visits
- Between 1/1/2025 – 5/30/2025:
 - 108 DDSD staff completed 6,447 in-person visits
 - Average of 1,320 visits per month
 - 41 Potential Abuse, Neglect, and Exploitation (ANE) reports were collected
- Ongoing Health and Wellness Visits: 30,307 to date

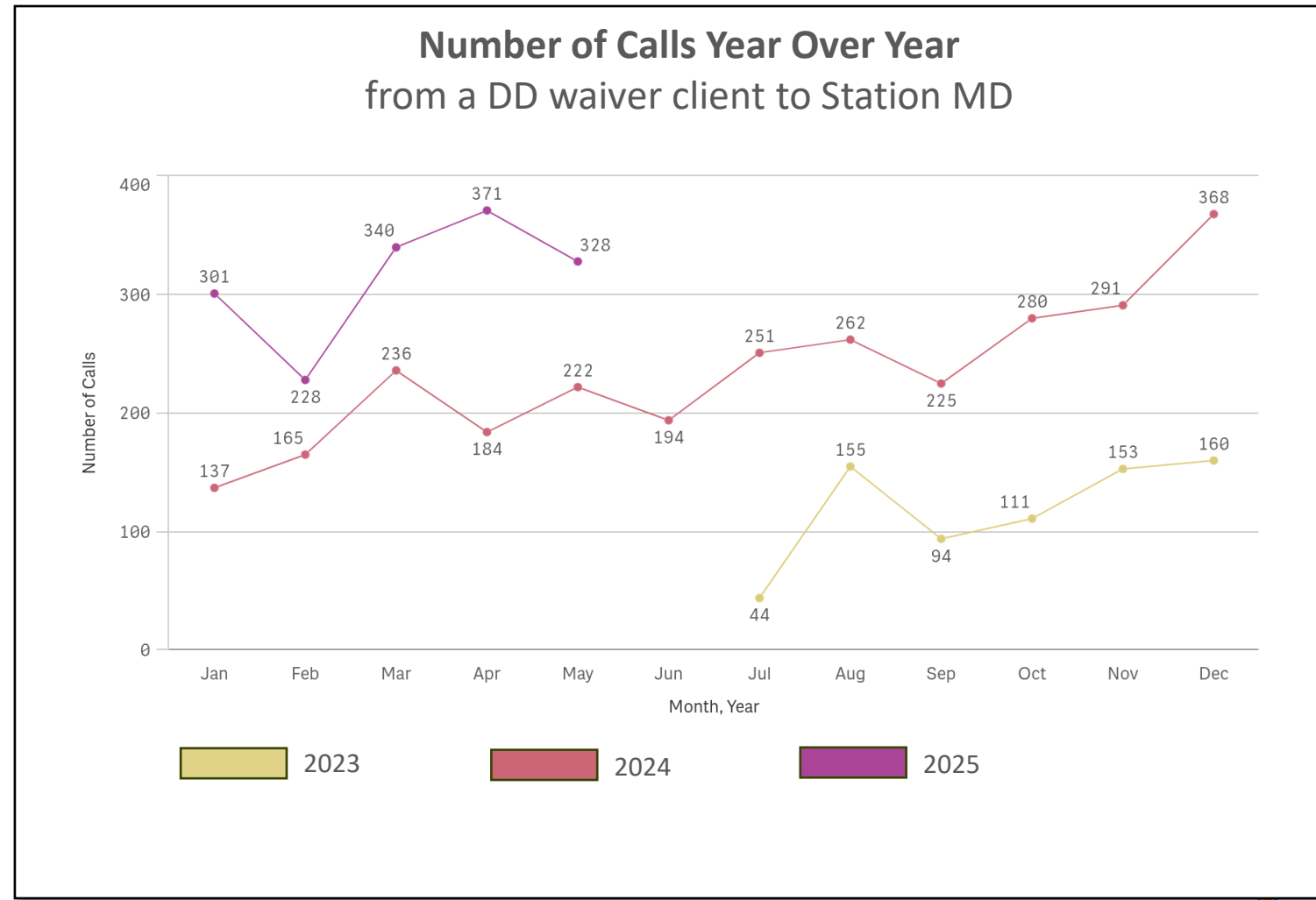


Source: DDSD Systems and Data Bureau data, May 2025



STATION MD SPECIALIZED TELEMEDICINE SERVICES AS AN ER DIVERSION STRATEGY

- DDSD offers Station MD's IDD-specialized 24/7 telehealth service so people on the Developmental Disabilities (DD) waivers can connect with a doctor anytime, from anywhere in NM, for any medical concern.
- All StationMD clinicians are board-certified and specially trained to care for people with IDD.
- Helps reduce hospital visits and minimize disruptions to daily activities, medication schedules, meals, work, and sleep for patients and caregivers alike.
- Uptake has been exponential.



Source: Station MD report May 2025



CONTINUOUS ALLOCATIONS

- DDSD received enough funding in its FY26 budget to offer people the waivers as they apply.
- Why is this important? People will no longer need to wait months for services.
- DDSD will not need to wait for annual appropriations from the legislature.
- Benefits: improved individual outcomes, family stability and caregiver well-being, health and safety improvements, and equity and fairness for New Mexicans.

Thank you for your investment in our programs and people with intellectual and developmental disabilities in NM!



THE FAMILY TODAY*

- Within less than 6 months, Steven completed the eligibility process and was receiving services.
- Steven was able to hire his cousin and older brother to be his staff and pays them well above minimum wage due to recent rate increases that were supported by the legislature in DDSD's FY 25 and 26 budget.
- A routine health and wellness visit from DDSD staff informed Steven he was able to access StationMD telehealth services when he experienced acute medical episodes, so he did not have to spend hours sitting in the emergency room, avoiding highly stressful and physically difficult situations for him and his family.
- Steven is currently involved in his high school transition program and on his way to competitive employment upon graduation.



* Story based on a real HCA client, name and photo have been changed.



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THANK YOU & QUESTIONS

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