NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

LegisStat

Priority: Healthcare Access | June 24, 2025

Presenters: Eric Chenier, LFC, Kari Armijo, Health Care Authority

Medicaid: Access to Healthcare and Evidence-Based Services

New Mexico could significantly improve its physical health and behavioral health outcomes. With about 38 percent of the state enrolled, Medicaid is the greatest lever available to the state to reduce the prevalence of mental illness and substance use disorders and improve physical health for women and children, such as maternal mortality and birth weight. Access to providers is key to improving these and other population-based outcomes. Over the past three years, the Legislature invested over $2.2 billion across funds to increase rates paid to providers and more funding for startup costs for new services with the goal of improving access. Prior LegisStat hearings resulted in questions about what the state's healthcare landscape will look like in five years and how will progress be measured.

During the 2025 session the legislature appropriated $555.3 million for behavioral health services statewide including $307 million in general fund revenue and $101 million in other state funds. The Health Care Authority received $347.9 million and the state enacted legislation to revamp the behavioral health system. While these steps are intended to improve access, the most recent efforts are just starting and there is little available data to show whether funding appropriated during the 2023 and 2024 sessions have made a difference. This is the third in a series of planned LegisStat hearings focusing on improving access to quality physical and behavioral health services.

Key Data

New Mexico Health Rankings (Lower Rank is Better)

	2021		2022	
	Rank	Rate	Rank	Rate
Maternal Mortality	38	31 per 100,000 live births	30	28 per 100,000 live births
Low Birth Weight	39	9%	43	10%
Neonatal Abstinence Syndrome	41	13 per 1,000 birth hospitalizations	42	13 per 1,000 birth hospitalizations
Mortality Rate, Women	49	261 per 100,000 women aged 20-44	49	223 per 100,000 women aged 20-44

Sources: America's Health Rankings

- In 2022, the state's maternal mortality ranking improved but the ranking for women's mortality was maintained at 49; at the national level unintentional injury and maternal mortality are significant contributors.
- Rankings for low-birth-weight babies and neonatal abstinence syndrome both slipped between 2021 and 2022.

2023 and 2024 New Mexico Behavioral Health Rankings (Lower Rank is Better)

	Behavioral Health 2023		Behavioral Health 2024	
	Rank	Rate	Rank	Rate
Overall Mental Illness Prevalence, Adults and Children	36		44	
Adult Substance Use Disorder	32	17%	49	23%
Youth with Major Depressive Episode	42	19%	46	23%
Youth Substance Use Disorder	47	8%	51	16%

Sources: State of Mental Health in America 2023 and 2024

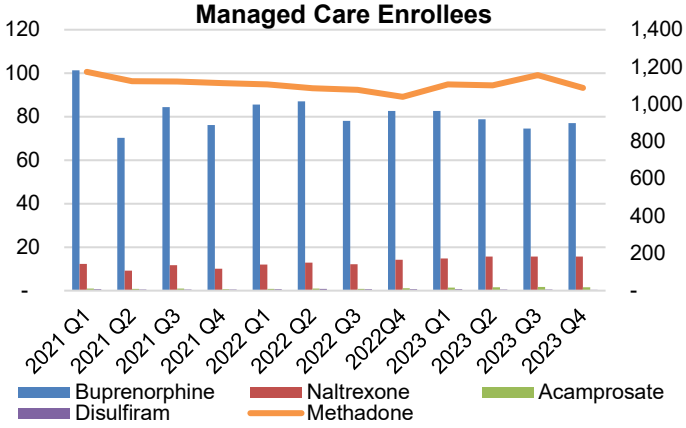
- Between 2023 and 2024 the state's rank in key behavioral health outcomes slipped.
- Even with the significant investment in the last few years, there is little evidence that outcomes are improving.
- Making evidence-based programs and services more widely available should lead to improved outcomes.

Recent and Upcoming Provider Rate Adjustments (Millions)*

Provider Type	FY24	FY25	FY26
Maternal and Child Health and Primary Care	$222.5	$210.3	
Hospital Rates	$105.9	$39.2	$1,361.4
Maternal Health Services	$29.6		
Phase III Providers		$42.6	
Prior Year Rate Maintenance		$116.6	
Rural Primary Care Clinics and FQHCs		$9.0	
Medicaid Home Visiting		$6.7	
Birthing Doulas and Lactation Counselors		$26.0	
Behavioral Health	$31.8	$31.8	$25.9
Program for All Inclusive Care			$23.7
Assisted Living Facilities			$11.2
Nursing Facility Rebasing			$40.2
Total	$389.8	$482.2	$1,462.4

- Over the last three years, the Legislature appropriated over $2.3 billion to increase Medicaid provider rates.
- Hospital rates were increased with the intention of raising them to the average commercial rate, beginning in April 2025
- Rates for maternal and child health and primary care increased to 150 percent of Medicare.
- Behavioral health provider rates were also increased by a total of close to $90 million.

Medication-Assisted Treatment per 1,000 Managed Care Enrollees



Sources: HCA MCO Reports and CMS Prescription Public Use Files

- Among managed care enrollees, medication-assisted treatment utilization remained mostly flat over the last few years, even with increased SUD deaths.
- Acamprosate, naltrexone, and disulfiram for alcohol use disorder remain little used despite being evidence-based interventions.

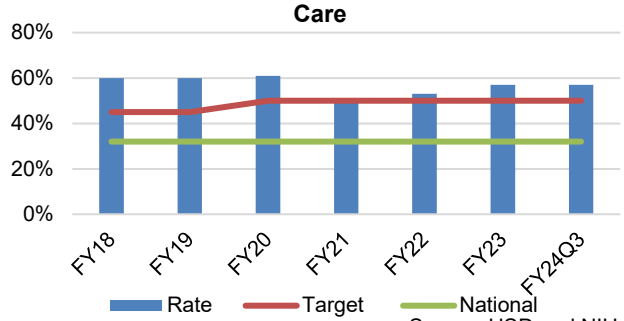
* Buprenorphine, naltrexone, and methadone treat opioid use disorder. The buprenorphine category includes the injectable Sublocade and the combination naltrexone and buprenorphine drugs Suboxone and Zubsolv. Naltrexone is also used to treat alcohol use disorder along with acamprosate and Disulfiram. All drugs are counted on a per prescription basis except Methadone which is typically administered daily in a clinical setting. A small percentage is suppressed from CMS source files due to privacy requirements for small numbers.

Utilization

Physical Health Practitioner Visits per 1,000 Members		Behavioral Health Practitioner Visits per 1,000 Members	
FY24		FY24	
6,956		869	
2019	7,692	2019	250.7

- Utilization of physical health practitioner visits over the last two years has remained relatively unchanged but is still lower than pre-pandemic levels. Behavioral practitioner visits have increased substantially.
- Utilization metrics alone give an incomplete picture, and they only tell us if more services were billed, not whether more Medicaid members are accessing more services.

Emergency Department Use for Routine Care



Source: HSD and NIH

- Reducing emergency department (ED) use is important to reduce costs and improve quality.
- Routine care use of the ED may be a sign of a lack of access to primary care.
- New Mexico's rate is significantly higher than the national rate cited by the National Institutes of Health.

Performance Challenge: Despite Investment, Access to Services Remains a Challenge

LegisStat Recap

During the last LegisStat in September 2024, LFC members asked about how the authority will know whether it is improving the delivery of care, given the passage of the Health Care Delivery and Access Act that greatly increased rates paid to hospitals, and whether the authority is on track to improve services within 5 years given the large investment. Rate increases for other providers were also included last year raising much of the rate structure for maternal and child health and physical health services to 150 percent of Medicare. LFC Members wanted to know when the state would see improved workforce retention and better outcomes because of the new rates.

Other members discussed the current behavioral health system and what can be done to improve outcomes. LFC members asked about what a rewrite of the behavioral health statutes would look like, whether there is a behavioral health needs and gaps analysis, and what the Health Care Authority (HCA) is doing to break down siloes.

Prior LegisStat hearings raised questions about rural healthcare delivery grants, what services the funding was being used for, and whether the services are evidence-based. Members also wanted to know whether the authority was tracking healthcare workforce and access data to distribute the grants to ensure providers establish the right services or expand services in the highest need communities. Other members asked about the status of care coordination, improving services for families with infants exposed to substances, and single credentialing of providers to reduce steps related to becoming a provider in each managed care network.

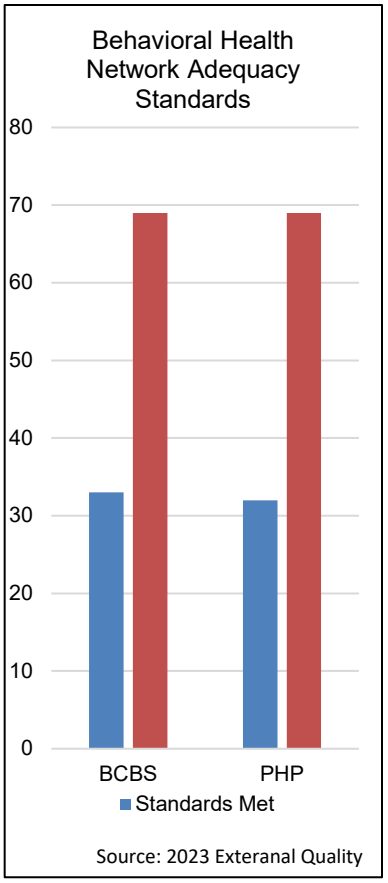
Progress

There remains little available data to assess whether the state's investments are resulting in meaningful Medicaid managed care network expansion. The authority recently revamped the state's managed care system under new contracts, partially by increasing the network adequacy standards managed care organizations (MCO) must meet. The new adequacy requirements led to confusion among the MCOs as to how to report network adequacy, geographical access, and secret shopper data. Because of the confusion, the authority had to revamp the way it is asking MCOs to report the data and much of it will not be available until the end of July 2025. With the change in reporting requirements there may be less comparability between the new reports and older reports making it difficult to gauge progress.

The authority made some progress with its rural health delivery grant program. Of the $126 million appropriated during the 2023 and 2024 legislative sessions to the Health Care Authority, about $67 million or 53 percent has been expended or encumbered. The authority reports that 44 percent was spent on behavioral health, 17 percent on primary care, 16 percent each on maternal child health and specialty care, and the remainder on dental services, optometry and transportation. The authority also reports that 396 health workers were hired with the new funding. However, without having a needs and gaps analysis available at the time the funding was awarded it is hard to know whether the funding was targeted at the right types of services in the highest needs communities.

However, the work the state has done over the last several years to increase the number of behavioral health providers by increasing provider rates and other initiatives has not necessarily led to increased providers or access. The authority reported recently that in 2024 there was a reduction of 1,072 prescribing providers and 427 non-prescribing providers from the prior year. The authority said the decrease was likely the result of the pandemic unwinding. At the same time, the authority reported an increase in the number of behavioral health encounters suggesting fewer providers billed for more services. But this data does not shine a light on whether more people accessed services or whether the services they did access were evidence-based.

The most recent network adequacy data available from 2023, finds that the two existing Medicaid managed care organizations (MCO) Blue Cross and Blue Shield (BCBS) and Presbyterian Health Plan only met 47 percent of the behavioral health network adequacy standards required within their MCO contracts. The standard is based on whether there is a specific provider type available within 30 miles, 60 miles, or 90 miles in urban, rural, or frontier areas. MCOs only met 39 percent of the standard in frontier areas, 36 percent in rural areas, and 63 percent in urban areas. The MCOs did not meet any of the standards for treatment foster care, rural health clinics providing behavioral health services, partial hospital programs, Indian Health Service and Tribal 638s Providing Behavioral Health, or day treatment services. Presbyterian met the standard for multi-systemic therapy and assertive community treatment in an Urban area but did not meet the standard elsewhere while BCBS did not meet any of the standards for these evidence-based services at all.



Since the September LegisStat, the state greatly expanded its emphasis on behavioral health by overhauling the state's behavioral health statutes, appropriating $555 million for behavioral health services including $347.9 million to the Health Care Authority, and increasing rates to behavioral health providers for a third time.

The newly passed Behavioral Health Reform and Investment Act repeals the Interagency Behavioral Health Purchasing Collaborative and replaces it with a new executive committee. It requires the Administrative Office of the Courts (AOC) to conduct sequential intercept mapping (SIM) (or mapping justice system intervention points), and convene regional meetings to create regional behavioral health plans. The courts are required to report to the LFC monthly on their progress in conducting SIM and developing the regional plans.

Suggested Questions

Overall access

1. Does the authority have a strategic plan to expand access to evidence-based behavioral health services?
2. What is the authority's plan to improve oversight of managed care organizations?
3. Does Medicaid or the Behavioral Health Collaborative measure the number or percent of clients served through evidence-based practices, prevention services, or high-fidelity wraparound services?

Data Collection

4. What is the authority doing to improve data collection?
    a. When will the authority begin sharing this data with LFC?

Rural Access and Delivery Grants

5. During the 2023 and 2024 sessions, the Legislature appropriated a total of $126 million for startup costs to expand physical and behavioral services in rural or underserved areas that could then bill Medicaid. The 2025 session included another $20 million.
    a. What is the authority doing to ensure these services are evidence-based?
    b. What are the authority's criteria for awarding the grants?
    c. What is the timeline for awarding the grants from the funds appropriated in the 2024 session?
    d. How is the authority deciding how much to award to each entity?
    e. How does the authority determine success with the grants?
    f. What are the performance metrics the authority is using to determine success?
    g. What is the authority doing to ensure the grants do not duplicate services that are already available?
6. What is the plan for using the $20 million appropriated to the Health Care Authority and Children, Youth and Families Department to develop evidence-based services that could then be eligible for Medicaid or federal Families First Prevention Services Act Title IV-E (for starting prevention services) reimbursement?

a. What is the timeline of the plan?
b. What are the goals and how is the state going to measure success?
c. Does the plan include using $20 million for providers' startup costs?

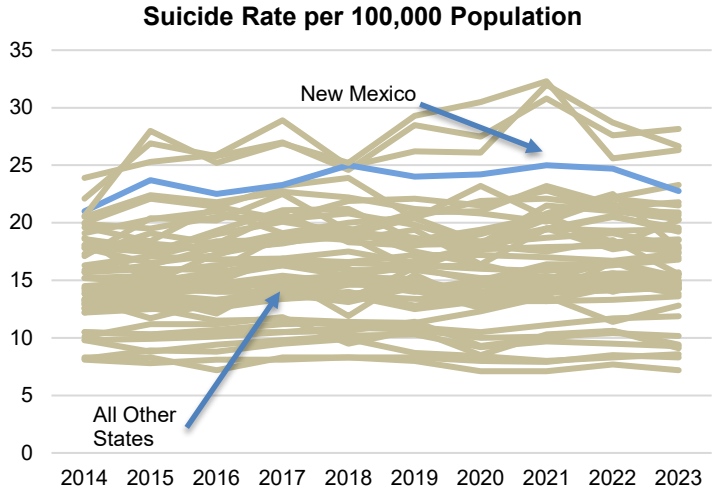
Health Care Delivery and Access Act

7. During the 2024 session, the state enacted the Health Care Delivery and Access Act expected to generate about $1.3 billion in new revenue for the hospitals. Forty percent of the revenue will be linked to performance.
    a. What is the authority doing to ensure this funding does not result in a continued status quo over the next five years?
    b. What are the performance indicators the authority plans to track?
    c. What will determine how the performance-based funding will be distributed?
        i. For example, if a hospital fails to meet three out of seven metrics, will the authority withhold the funding?
        ii. How will the authority ensure the performance metrics hospitals report are quality?
    d. Is the authority going to do anything to ensure that hospitals use the funding to expand access to services?
    e. Is the authority going to track whether the funding is staying within the state or going to out-of-state corporations?
    f. How will the authority ensure that the funding goes to the hospitals most in need of financial help?

Network Adequacy

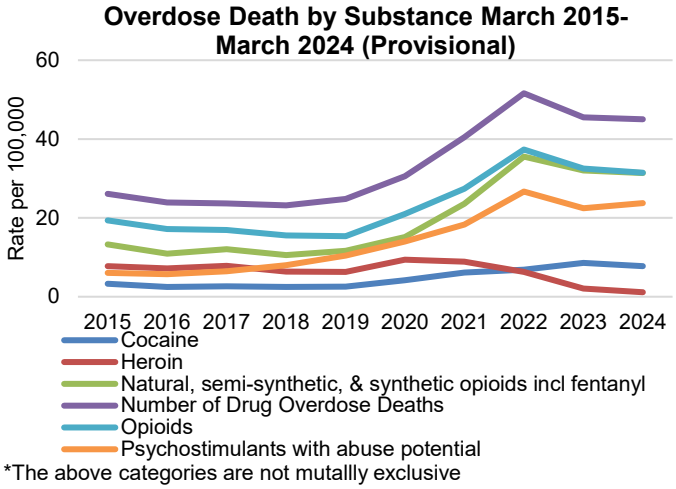
8. Each Medicaid managed care organization (MCO) oversees its own network of providers. It is important to ensure each MCO has an adequate network to ensure access to care, quality of care, continuity of care, access to emergency services, and choice and flexibility.
    a. What is the authority doing to ensure MCOs are monitoring the adequacy of their networks?
    b. Does the authority ensure MCOs are monitoring the quality of care their networks are providing to patients?
    c. How does the authority ensure that MCOs are ensuring that evidence-based services are being provided within their networks?
    d. Does the authority do anything to ensure MCOs conduct regular assessments to ensure ongoing compliance with network adequacy standards.

Appendix



Source: Centers for Disease Control and Prevention

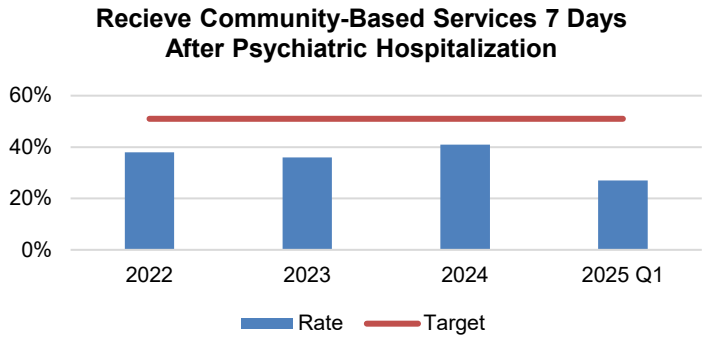
- New Mexico consistently ranked in the worst five states nationally for its high rate of suicides.
- Experts consistently cite mental health disorders (especially depression) substance use disorder, and social isolation as three of the top risk factors for suicide.
- As cited above, the state ranks poorly for substance use disorders and mental illness prevalence.
- In 2023, there were 489 suicide deaths, and a web search indicates that about 4 or those deaths occurred at the Taos Gorge Bridge.



*The above categories are not mutallly exclusive

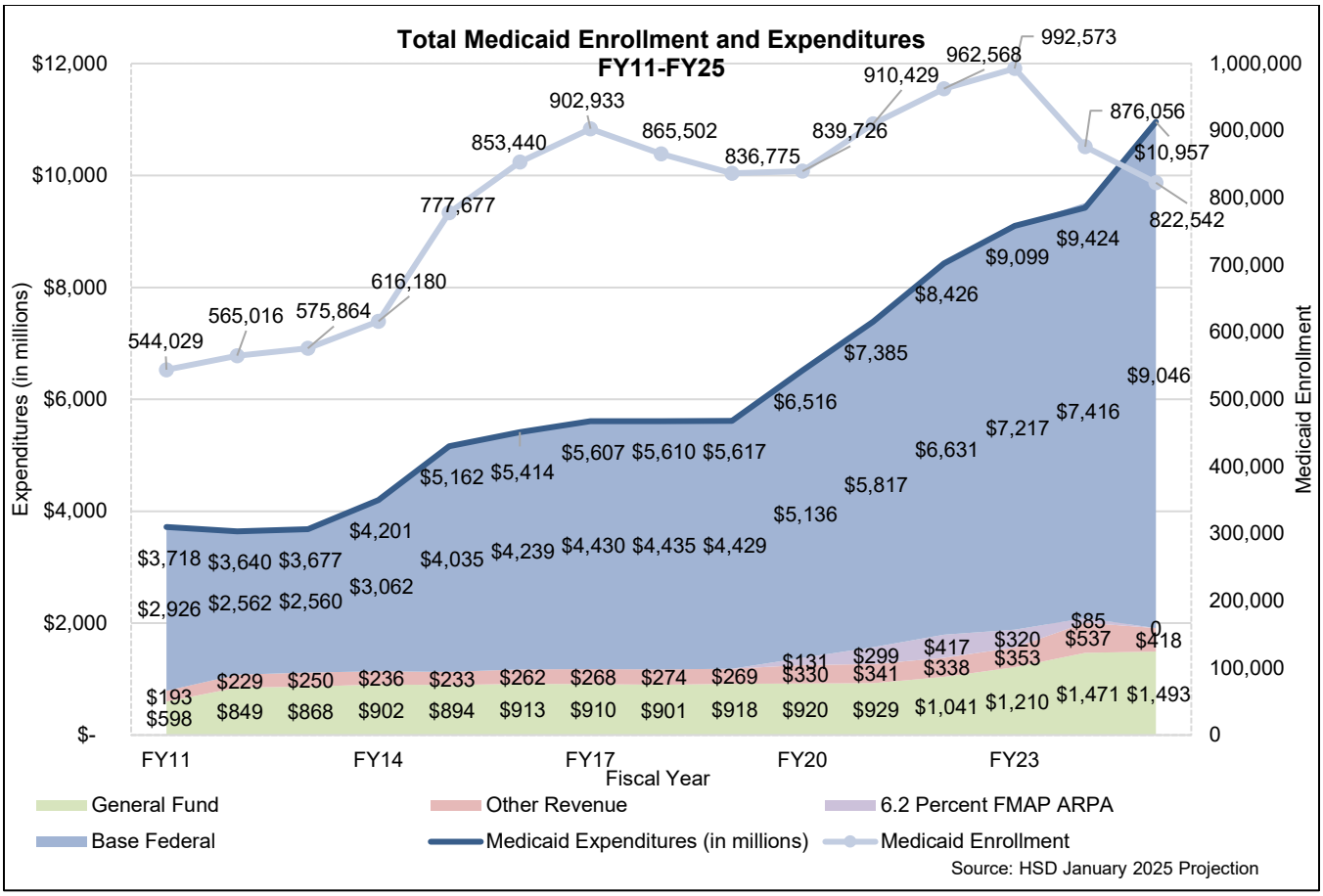
Source: Centers for Disease Control and Prevention

- The state experienced a significant increase in the number of overdose deaths between 2019 and 2022, more than doubling in total, and has not recovered to pre pandemic levels.
- New Mexico would have to prevent 430 overdose deaths to reach pre pandemic rates.
- The most available interventions to address substance use disorder (SUD) include improved access to medication assisted treatment, screening and early intervention, behavioral health integration into primary care, alcohol detoxification and rehabilitation, and telehealth.



Source: HSD

- Due to New Mexico's high rates of behavioral health prevalence, the state needs to improve follow-up care after a psychiatric hospitalization, especially for children.
- Follow-up care after psychiatric hospitalization can improve patient outcomes, reduce the risk of rehospitalization, and lower the overall cost of outpatient care. It can also be critical for suicide prevention during the high-risk period after discharge.


Total Medicaid Enrollment and Expenditures
FY11-FY25
Expenditures (in millions)
Medicaid Enrollment
Fiscal Year
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$-
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
FY11
FY14
FY17
FY20
FY23
544,029
565,016
575,864
616,180
777,677
853,440
902,933
865,502
836,775
839,726
910,429
962,568
992,573
876,056
822,542
$10,957
$3,718
$3,640
$3,677
$4,201
$5,162
$5,414
$5,607
$5,610
$5,617
$5,136
$5,817
$6,631
$7,217
$7,416
$9,046
$2,926
$2,562
$2,560
$3,062
$4,035
$4,239
$4,430
$4,435
$4,429
$6,516
$7,385
$8,426
$9,099
$9,424
$193
$229
$250
$236
$233
$262
$268
$274
$269
$330
$341
$338
$353
$537
$418
$598
$849
$868
$902
$894
$913
$910
$901
$918
$920
$929
$1,041
$1,210
$1,471
$1,493
$85
$131
$299
$417
$320
0
General Fund
Other Revenue
6.2 Percent FMAP ARPA
Base Federal
Medicaid Expenditures (in millions)
Medicaid Enrollment
Source: HSD January 2025 Projection