

LFC Requester:

Graeser, Laird

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date January 17, 2024

Bill No: HB0093

Sponsor: Kathleen M. Cates

Agency Name and Code Number:

Aging and Long – Term Services Department – 62400

Short Title: MEDICAID HOME MODIFICATION GROSS RECEIPTS

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill (HB) 93 provides that gross receipts of an eligible provider for environmental modification services reimbursed by the medical assistance division may be deducted from gross receipts for the cost of home modifications required for health and safety needs. Specifically, HB 93 implements a gross receipts tax (GRT) deduction for receipts of an eligible provider for environmental modification services to the Medicaid recipient’s dwelling.

HB 93 includes definitions for the recipient, environmental modifications, and the eligible provider. The recipient must be eligible to receive Medicaid-related services and meet the financial and medical level of care to receive medical assistance division services through one of HSD’s waiver programs. The environmental modification, including purchase and installation, must be necessary to ensure the health, welfare, and safety of the recipient, or to enhance the recipient’s access to their home environment, including to increase the recipient’s ability to act independently. The eligible provider must meet the requirements of the medical assistance division to provide environmental modifications pursuant to a federal waiver to provide home and community-based services to recipients.

FISCAL IMPLICATIONS

Though HB 93 impacts the service population for the Aging and Long-Term Services Department (ALTSD), there are no fiscal implications for ALTSD. Benefits directly impact providers and recipients, but not the department itself.

SIGNIFICANT ISSUES

This proposed legislation offers financial benefits to providers of home and community-based service recipients who perform environmental modifications, including much of the population that ALTSD serves. This GRT deduction will: 1) incentivize providers to engage in environmental modification services for Medicaid providers and 2) leverage federal funds.

Of New Mexico’s 328,905 adults with a disability, 22.4% (73,621) are living below the poverty level (U.S. Census Bureau, American Community Survey 2022; table 18130). Approximately 29%

of persons aged 60 years and older in New Mexico have difficulty walking or climbing stairs (Behavioral Risk Factor Surveillance System Survey, 2021. Centers for Disease Control and Prevention, with New Mexico Department of Health). Further, 9% (171,350) of New Mexicans aged 18 years and older have an ambulatory difficulty (U.S. Census Bureau, American Community Survey 2022; table S1810); this percentage is higher than the national percentage (7%). Further, based on U.S. Census Bureau projections, it is anticipated that by 2030 New Mexico will be ranked 4th highest in the nation for total senior population per capita (University of New Mexico Geospatial Population Studies). Finally, 18% of New Mexican adults aged 65 years and older are Medicaid-eligible, thereby necessitating innovative ways to pay for the services. This data underscores the need for services to ensure that older and disabled adults can “age-in-place.”

Vulnerable New Mexicans face geographic, economic, language, and cultural barriers in accessing the resources that permit them to remain safely in their own home, *e.g.*, grab bars in showers and accessibility ramps. HB 93 provides access to one such service as an economic incentive to eligible providers.

PERFORMANCE IMPLICATIONS

None currently identified.

ADMINISTRATIVE IMPLICATIONS

Should HB 93 come into effect, ALTSD may pursue outreach to inform its HCBS providers of the benefit provided under HB 93. The administrative impact should be minimal.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Similar to 2023 HB220

TECHNICAL ISSUES

None currently identified.

OTHER SUBSTANTIVE ISSUES

An unintended consequence of this proposed legislation may be potentially incentivizing environmental modification providers to prioritize Medicaid modifications in a currently stressed construction environment. This may create further delays for non-Medicaid-eligible Seniors and Adults with disabilities.

ALTERNATIVES

None currently identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

By not enacting this bill, Medicaid providers will not receive tax deductions for the cost of home modifications required for health and safety needs.

AMENDMENTS

None currently identified.