

LFC Requester:

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/9/26 **Bill Number:** HB33 **Original** **Amendment** **Substitute**

Short Title: PSYCHOLOGY INTERJURISDICTIONAL COMPACT

Sponsor: Rep. Matthews

Name and Code Number: HCA 630

Person Writing: Keenan Ryan

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB33 proposes to adopt the Psychology Interjurisdictional Compact. The compact is an agreement among member states that allows licensed psychologists to practice telepsychology (providing services remotely via technology) across state lines without needing a separate license in each state. It also creates a system for temporary in-person practice of psychology in other compact states for up to a specified number of days per year. By joining this compact, New Mexico would join other states in standardizing how psychology licensure works across borders while still maintaining state authority to protect the public.

HB33 outlines detailed definitions and requirements for participation in the compact, including what counts as telepsychology, how licenses are recognized, and how states share information about licensure history and disciplinary actions. Psychologists must meet specific educational and professional criteria, like holding a valid psychology license and passing background checks—to be eligible for interstate practice.

FISCAL IMPLICATIONS

See Significant Issues below.

SIGNIFICANT ISSUES

HCA has committed to pursuing a psychology compact in New Mexico's application for the Rural Health Transformation Program administered through the Centers for Medicare and Medicaid Services (CMS). **If the State of New Mexico does not succeed in enacting a psychology compact during the 2026 legislative session, there is the potential for clawback of funding from CMS (the timing and amount of funding tied to any potential clawback are unclear). The HCA received \$211.5M in federal funding for Year 1 of the Rural Health Transformation Program, and some portion of this funding could be at risk if this compact bill does not pass.**

PERFORMANCE IMPLICATIONS

This compact may streamline the process for out-of-state provider enrollment. HB33 would allow psychologists to provide service across state lines with a home state license rather than applying for reciprocity. This could increase access to behavioral health services across state lines. Providers from compact member states would be required to enroll as a NM Medicaid provider

and follow all applicable provider requirements in order to be reimbursed.

ADMINISTRATIVE IMPLICATIONS

None for HCA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None for HCA.

ALTERNATIVES

NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequence of not passing this legislation is the potential clawback from CMS of Rural Health Transformation Program funds. The plan to pursue healthcare worker compacts helped NM HCA scoring for the RHT award. New Mexico was awarded \$211.5 million for calendar year 2026. It is unclear what proportion of the award would be recouped from CMS.

AMENDMENTS

None