

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: 01/21/2026 **Check all that apply:**
Bill Number: HB 42 **Original** X **Correction**
Amendment **Substitute**

Sponsor: <u>Cynthia Borrego</u>	Agency Name and Code Number: <u>Aging and Long-Term Services Department - 6400</u>
Short <u>FROZEN FOOD FOR CERTAIN COMMUNITIES</u>	Person Writing <u>Julie Sanchez</u> Phone: <u>505-629-2069</u> Email <u>Julie.sanchez@altsd.nm.gov</u>

SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NA	200,000	Non-Recurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA	NA	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	NA	\$60.00	NA	NA	Nonrecurring	General

(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: Appropriation of \$200,000 for frozen or medically tailored meals in high food-insecure areas or limited access to health food subpopulations requiring specialty meals.

FISCAL IMPLICATIONS

Medicare-aged beneficiaries are among the most impacted populations in terms of nutrition-responsive issues,¹ and it is estimated that 95% of older adults manage at least one chronic health care condition, while rates of adherence to dietary guidelines related to these conditions remain low. More than 50% of older adults are malnourished or at risk of malnutrition, which is associated with poorer health outcomes.²

Food-insecure older adults, aged 60 and over, are 53% more likely to suffer a heart attack, 40% more likely to suffer from congestive heart failure, and 52% more likely to develop asthma.³ From a cost perspective, food-insecure adults with chronic diseases have higher health care costs. Together, poor nutrition and nutrition insecurity are meaningful drivers of higher health care costs and poor outcomes, with a disproportionate impact on New Mexico state-sponsored insurance markets and historically marginalized communities.

Under this bill, both ALTSD and direct service providers would incur administrative costs associated with implementing the new service model. Administrative expenses for ALTSD staff are estimated at 15 percent of the appropriation (approximately \$30,000), with an additional 15 percent allocated for contract administration, resulting in total administrative costs of approximately \$60,000 of the \$200,000 appropriation.

While additional studies need to be completed, there may be a cost-savings to implementing a long-term, sustainable, and medically tailored meal program.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES:

New Mexico Medicaid *does* cover medically tailored meals and groceries for eligible members through its [Food is Medicine \(FIM\)](#)⁴ program, specifically for those in the Community Benefit program or pregnant individuals with diabetes, providing home-delivered, dietitian-designed meals and food boxes. Original Medicare generally doesn't cover these services, but some Medicare Advantage plans might if it's a specific covered benefit for chronic conditions or post-hospitalization.

¹ <https://www.ncoa.org/article/the-inequities-in-the-cost-of-chronic-disease-why-it-matters-for-older-adults/>

² Combatting Senior Malnutrition. <https://acl.gov/news-and-events/acl-blog/combatting-senior-malnutrition>.

³ <https://www.feedingamerica.org/sites/default/files/research/senior-hunger-research/or-spotlight-on-senior-health-executive-summary.pdf>

⁴ <https://www.hca.nm.gov/food-is-medicine/>

Area Agencies on Aging and direct service providers administer Older Americans Act (OAA) congregate and home-delivered meal programs, which collectively provided approximately 4,191,156 meals statewide to New Mexicans age 60 and older, meeting one-third of the USDA daily nutritional requirements for older adults. In federal fiscal year 2025, 5,626 older New Mexicans receiving congregate or home-delivered meals were assessed by network providers as having high nutritional risk. While OAA meals are required to meet USDA nutritional standards, they are not medically tailored to specific health conditions.

Medically tailored meals generally cost between \$8 and \$12 per meal. Assuming an average cost of \$10 per meal, the department could provide approximately 14,000 medically tailored meals under the proposed appropriation

PERFORMANCE IMPLICATIONS

ALTSD may be required to contract with food providers capable of delivering frozen and medically tailored meals in high-need communities, which could result in increased administrative workload related to procurement, contract oversight, and compliance. Alternatively, if Older Americans Act (OAA) service providers are utilized as contractors, they would be responsible for referring, coordinating, and arranging the delivery of specialty fresh and/or frozen meals directly to eligible older adult clients.

ADMINISTRATIVE IMPLICATIONS

Direct service providers and ALTSD would both incur administrative costs under this new service model. Administrative expenses for ALTSD staff are estimated at 15% (approximately \$30,000), with an additional 15% allocated for contractual administration, bringing total administrative costs to \$60,000 out of the \$200,000 budget.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

No known conflict or duplication.

TECHNICAL ISSUES

The OAA service providers have limited reach-in and walk-in freezer space at senior center/meal sites and may not have the capacity to deliver frozen meals locally so frozen meal options are likely the option to meet the need.

OTHER SUBSTANTIVE ISSUES

Procurement arrangements with vendors need to be established.

ALTERNATIVES

To support effective implementation and accountability, the Legislature may wish to consider utilizing Government Results and Outcomes (GRO) funds in coordination with or as an alternative to the General Fund appropriation. GRO funding could be used to align the proposed nutrition services with measurable outcomes related to food security, health stabilization, and service reach in high-need communities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without enactment, individuals with medical dietary needs in food-insecure communities may continue to lack reliable access to appropriate nutrition, increasing the risk of poor health outcomes.

Without implementation, the state loses an opportunity to gather programmatic data on utilization, outcomes and cost effectiveness that could inform future legislative or budget decisions related to nutrition and aging services.

AMENDMENTS