

LFC Requester:	Eric Chenier
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## AGENCY BILL ANALYSIS - 2026 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}*

**Date Prepared:** 1/19/26 **Bill Number:** HB87 **Original**  **Amendment**  **Substitute**

**Short Title:** DONA ANA COUNTY LONG-TERM RESIDENTIAL TREATMENT, APPROPRIATION

**Sponsor:** Rep. Joanne Ferry

**Name and Code Number:** HCA 630

**Person Writing:** Rosalind Smith | Nicholas Palmisano

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### SECTION II: FISCAL IMPACT

#### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$1,000.0	Nonrecurring	SGF

(Parenthesis ( ) indicate expenditure decreases)

#### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$1,000.0	\$0.0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

### **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$1,000.0	\$0.0	\$0.0	\$0.0	Nonrecurring	SGF

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

**Synopsis:** House Bill 87 (HB87) appropriates one million dollars (\$1,000,000) from general funds to the Health Care Authority (HCA) to provide funding to an organization in Dona Ana county that uses a soteria model to provide long-term residential treatment services for people diagnosed with serious mental illness and psychosis.

#### **FISCAL IMPLICATIONS**

A treatment provider in Dona Ana County received a special appropriation in fiscal year 2026 for \$1.5 million dollars, to support long-term services for individuals with severe mental illness and psychosis, using a Soteria model. It is unclear if these appropriations are a continuation of funding from the 2025 legislative session, or if this appropriation is for new services.

#### **SIGNIFICANT ISSUES**

It is unclear what the appropriation allowances are requested for (e.g. capital improvements, rent, staff salaries, fringe benefits, food, etc.).

The Soteria Model is not considered evidence-based, and there are no performance metrics that have been identified or consistently studied. To become sustainable, the organization would have to apply for and receive approval to qualify for Medicaid funding. There is presently a limitation on ability to draw down federal funding through Medicaid because the services are not Medicaid covered.

This model does not align with HCA/BHSD's current approach to identifying and selecting behavioral health interventions. Criteria are as follows:

- Assessment of whether interventions are evidence-based. This assessment involves a review of the scientific literature, study design, replicability, and whether studies included participants who are representative of New Mexico's population.
- Epidemiological review of the health priorities of our state including information from the Department of Health regarding mortality outcomes and prevalence of various conditions.
- Making efforts to ensure a "system of care" to address behavioral health conditions appropriately, with various levels of care that address different levels of acuity. These levels of care include recovery-oriented services, outpatient counseling, medication, intensive structured outpatient services, residential treatment, hospitalization and crisis

care.

- Using a co-occurring approach to address any mental health and substance use conditions simultaneously.
- Using a collaborative, interdisciplinary approach incorporating best practices from social work, counseling, medicine, psychology, nursing and individuals with lived experience of behavioral health.

The Health Care Authority, the Substance Abuse Mental Health Services Administration (SAMHSA) and National Institutes of Health (NIH) strongly support other evidence-based practices for coordinated specialty care for this specific population. For example, Assertive Community Treatment (ACT) is an evidence-based practice for individuals with Severe Mental Illness (SMI) and co-occurring disorders and is funded by HCA through Turquoise Care. There are evidence-based treatment models specifically designed to treat First Episode Psychosis.

No significant issues for ITD

## **PERFORMANCE IMPLICATIONS**

None

None for ITD

## **ADMINISTRATIVE IMPLICATIONS**

The HCA (BHSD) would need to collaborate with the treatment provider in Doña Ana County and write a second scope of work for FY27.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

## **TECHNICAL ISSUES**

None

## **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

Assertive Community Treatment (ACT) is an evidence-based practice and SAMHSA states ACT is a way of delivering comprehensive and effective services to consumers who have needs that have not been well met by traditional approaches to delivering services. At the heart of ACT is a transdisciplinary team of 10 to 12 practitioners who provide services to about 100 people. The State of New Mexico currently approves Assertive Community Treatment Providers, and these providers are located within Bernalillo, Santa Fe, Doña Ana, Taos and Raton counties. Doña Ana County currently has two Assertive Community Treatment provider agencies. The HCA funds ACT through Turquoise Care for those who are Medicaid eligible. In FY 25 HCA/BHSD developed an ACT pilot program with two providers in Doña County for individuals that are ineligible for Medicaid. The purpose of the pilot is to review financial and service data to potentially add this evidence-based practice to the non-Medicaid fee schedule, for provider reimbursement in subsequent fiscal years. [Assertive Community Treatment \(ACT\) Evidence-](#)

## Based Practices (EBP) KIT | SAMHSA

The Early First Episode Psychosis Program (FEP) Program, located within the Department of Psychiatry and Behavioral Sciences at the University of New Mexico, provides Coordinated Specialty Care (CSC) to individuals aged 15-30 years old, living in New Mexico, and experiencing a first episode psychosis (FEP). In addition, the Early FEP Program offers community outreach, provider training, and case consultation across the state of New Mexico. The HCA/BHSD is required to utilize 10% of community mental health block grant funding through SAMHSA to fund this program. In addition to Block Grant funding, services are also Medicaid funded. <https://unmhealth.org/services/behavioral-health/psychosis.html>

HCA/BHSD funds the Coordinated Specialty Care model for First Episode Psychosis. This is an evidence-based model that is strongly encouraged by NIH and SAMHSA to provide comprehensive community-based supports to individuals in their first episode of psychosis who are at risk of developing schizophrenia. This model includes therapy, education and support for families, vocational and educational support to encourage participation in school and employment, low dose medication, and case management through a team of providers. National studies demonstrate positive outcomes for this approach including reduced symptoms, reduced hospitalizations, improved family relationships, increased retention in education and increased employment and long-term cost savings and return on investment. Several of the national studies included New Mexican samples including individuals from Spanish speaking and Native American backgrounds confirming that this model is effective in our populations.

Effective December 10, 2024, the Health Care Authority approved Adult Accredited Residential Treatment Centers for Mental Health, for adults with serious mental health conditions. (8.321.2 NMAC) The application and rate setting process for this new residential level of care is currently being updated through the Behavioral Health Services Division.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

This population will be able to get services through approved evidenced-based services including the expansion of the ACT program and FEP as well as AARTCs and Mesilla Valley Hospital in the area. This will also soon include Residential Treatment Services for individuals with severe mental illness. The aforementioned services are funded by Medicaid.

HCA would not be out of federal or state compliance, nor would HCA lose federal funding. There is no negative impact to clients if this bill is not enacted.

### **AMENDMENTS**