

LFC Requester:

Emily Hilda

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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: 01/29/2026

Check all that apply:

Bill Number: HB 173Original  Correction Amendment  Substitute Sponsor: Pamelya P. HerndonShort DEMENTIA CARE  
SPECIALIST PROGRAMAgency Name  
and CodeAging and Long-Term Services  
Department - 6400

Number:

Person Writing

Julie SanchezPhone: 505-629-2069Email Julie.sanchez@altsd.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
1,000.0	NA	Nonrecurring	General Fund

**REVENUE (dollars in thousands)**

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

(Parenthesis ( ) indicate revenue decreases)

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

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$167.0	\$692.0	\$692.0	\$1,551.0	Nonrecurring	General Fund

(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: HB 173 creates the Dementia Care Specialist Program within the Aging and Long-Term Services Department (ALTSD), appropriating \$1 million for fiscal years 2027-2029 to establish a statewide network of dementia care specialists who will provide care coordination, early detection support, caregiver education, and workforce training.

#### **FISCAL IMPLICATIONS**

##### **Internal Programmatic Considerations:**

Based on the initial budget, ALTSD finds funding insufficient for statewide coverage. New Mexico has 33 counties spanning approximately 121,000 square miles. The appropriation would be inadequate to provide meaningful coverage across rural and tribal communities. The three-year pilot structure creates uncertainty for program sustainability and staff retention once the program is fully implemented in year 2, as salary and benefits for 6 FTE are estimated to be \$675,000/year alone. Additional estimated administrative costs are projected to be \$200,000 and contractual services costs estimated at \$150,000, which would equate to a total of \$1,025,000 a year.

These are the hidden administrative costs in HB 173 that are not addressed:

- IT infrastructure for data collection and HIPAA-compliant reporting
- Liability insurance for specialists conducting assessments
- Leases for vehicles, gas and offices
- Ongoing training and certification maintenance
- Marketing and outreach to reach underserved populations

Section 1.D.(5) of HB 173 requires reporting on "program cost savings to the state when data is available," but meaningful cost-benefit data typically requires 3-5 years to materialize—beyond this program's initial funding period.

##### **Contracting Considerations:**

To contract out services, a 15% administrative overhead would need to be included which would cover the cost of ALTSD oversight, organizations are also able to use a 15% administration fee for implementation.

#### **SIGNIFICANT ISSUES**

In 2024, Alzheimer's disease and other dementias affected 46,000 (12%) of New Mexicans 65 and older and ranks as the eighth leading cause of death, making them a major and growing public health crisis.<sup>1</sup> As the U.S. population ages, the impact will intensify—Americans face a 42% lifetime risk of developing dementia after age 55, and the national cost of care is projected to reach **\$384 billion in 2025**<sup>2</sup>. The burden is not shared equally: Black older adults are two

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<sup>1</sup>2024 Alzheimer's disease facts and figures: <https://pubmed.ncbi.nlm.nih.gov/38689398/>

<sup>2</sup> Risk and future burden of dementia in the United States: <https://www.nih.gov/news-events/nih-research->

times more likely and Hispanic older adults are 1.5 times more likely to develop dementia compare with White older adults, and more than 54% of American Indian and Alaska Native adults over age 70 experience cognitive impairment.<sup>3</sup>

Dementia Care Specialists play a critical role by providing education, care navigation, resources, and ongoing support to people living with dementia and their families. Without this specialized workforce, the healthcare system will face increased strain, preventable deaths will rise, and caregivers will experience significantly higher levels of stress and burnout. Dementia Care Specialists can enable timely access to assessments to inform the medical team, to facilitate access to interventions that help to slow the progression of the disease, improve quality of life, and allow for crucial planning and services such as financial, legal, and care planning. These interventions empower those living with dementia and their families to reduce anxiety, ensure better safety, and connect them to support systems and resources sooner.

The bill defines "dementia care specialist" broadly but doesn't specify required credentials, education, or licensing. "Cognitive assessments" could be interpreted to require clinical licensure (RN, LCSW, psychologist), significantly increasing salary costs.

The bill doesn't address how this program relates to existing ALTSD services or other state dementia initiatives. There may be potential overlaps with the dementia care services and assistance provided by the Area Agencies on Aging (AAAs), the Aging and Disability Resource Centers (ADRCs), the Department of Health (DOH) has dementia-related public health initiatives<sup>4</sup>, and Medicaid managed care organizations provide care coordination. There are missed opportunities for leveraging existing infrastructure and the bill needs clear service differentiation and referral protocols.

While the bill requires collaboration with tribes and pueblos, it doesn't mandate formal tribal consultation in program design.

Three-year pilot funding makes it difficult to recruit and retain qualified specialists. Qualified dementia care professionals can earn higher salaries in clinical settings and temporary funding discourages experienced candidates. Additionally, rural positions are traditionally hard to fill.

The bill requires reporting cost savings by July 2029, but prevention programs typically need 5+ years to show financial returns. Program may be judged "unsuccessful" due to unrealistic expectations. The pressure to show savings could lead to cherry-picking metrics or overstatement of impact.

Required metrics involve sensitive health information from multiple sources requiring complex data-sharing agreements. Data sources that may be required: hospital admission data, emergency department utilization, institutional placement records, care transition information, and individual caregiver stress assessments.

HB 173 does not include a mechanism for program continuation beyond FY 2029, despite likely ongoing need, the bill would need to be increased to a minimum of \$1 million a year to be successfully implemented.

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matters/risk-future-burden-dementia-united-states

<sup>3</sup> <https://www.alzheimers.gov/news/older-american-indians-may-experience-higher-levels-cognitive-impairment-previously-thought>

<sup>4</sup> <https://www.alz.org/professionals/public-health/state-overview/new-mexico>

## **PERFORMANCE IMPLICATIONS**

ALTSD may lack baseline data on current dementia-related hospitalizations, ED utilization, and caregiver stress levels, making it difficult to measure program impact. The program requires specialists to perform clinical assessments, education, training, policy development, and community outreach—a very broad mandate for a small team. Tracking outcomes like "caregiver stress reduction" and "crisis prevention" requires validated assessment tools and longitudinal data collection, which are resource-intensive. Separating program impact from other concurrent initiatives or healthcare system changes will be challenging for demonstrating cost savings. While the bill requires culturally appropriate services, it doesn't specify how cultural effectiveness will be measured or what constitutes success in tribal and diverse communities.

ALTSD may be required to contract with healthcare or non-profit providers capable of implementing a dementia care specialist program in targeted communities, which could result in increased administrative workload related to procurement, contract oversight, and compliance.

## **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 approximately \$200,000, if contracted out an additional 15% would be allocated for contractual administration and program oversight, bringing total administrative costs to \$300,000/year out of the \$1,000,000 budget for three years.

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

The New Mexico Legislature passed the Long-Term Care Facility Dementia Training Act, 24A-6-1 NMSA 1978,) for long-term care facilities, which requires a state training education process to become a certified direct care staff member in a dementia long-term care facility. The education program provides knowledge on the skills and abilities necessary to perform as a competent direct care service staff member; this is established through training education, provided either on-line or in person, followed by successful completion of a division-approved written examination. ALTSD may be able to replicate this training structure for the purposes of implementing HB 173.

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **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 pilot the program in a select number of counties with measurable outcomes related to dementia training, early detection, care transitions, caregiver support and healthcare utilization.

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

Not enacting HB 173 would perpetuate the current fragmented system in which individuals with dementia and their family caregivers lack specialized care coordination and early detection support. Without this program, families will continue to navigate complex healthcare systems without dementia specific guidance, leading to preventable crisis, caregiver burnout, premature institutionalization and higher emergency department utilization.

## **AMENDMENTS**