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SENATE BILL 140

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO LABOR; REQUIRING THE HEALTH CARE AUTHORITY TO SET A
MINIMUM MEDICAID FEE SCHEDULE FOR REIMBURSING PERSONAL CARE
SERVICES; REQUIRING AT LEAST SEVENTY PERCENT OF MEDICAID
REIMBURSEMENT FOR PERSONAL CARE SERVICES TO BE USED FOR
COVERING DIRECT CARE WORKFORCE EXPENDITURES; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Public Assistance Act is
enacted to read:

"[NEW MATERIAL] MEDICAID REIMBURSEMENT FOR PERSONAL CARE
SERVICES.--

A. For the purposes of this section:

(1) "consumer-delegated personal care
services" means an arrangement in which a medicaid recipient

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1 chooses a personal care services provider agency to be
2 responsible for delivering all personal care services to that
3 medicaid recipient;

4 (2) "consumer-directed personal care services"
5 means an arrangement in which a medicaid recipient has control
6 over all decisions relating to the delivery of personal care
7 services to the medicaid recipient and a personal care services
8 provider agency acts as a fiscal intermediary;

9 (3) "direct care worker" means a non-
10 administrative employee of a personal care services provider
11 agency who spends the majority of the employee's work hours
12 providing personal care services;

13 (4) "direct care workforce expenditures" means
14 the sum of all wages, employee-related expenses and training
15 and supervision costs reasonably attributable to the furnishing
16 of personal care services;

17 (5) "employee-related expenses" means payments
18 made by a personal care services provider agency on behalf of
19 or for the benefit of direct care workers, including:

- 20 (a) payroll taxes;
- 21 (b) workers' compensation insurance
22 premiums;
- 23 (c) health insurance;
- 24 (d) dental insurance;
- 25 (e) life and disability insurance;

1 (f) retirement plan contributions;

2 (g) mileage reimbursements; and

3 (h) personal protective equipment;

4 (6) "medicaid" means the medical assistance
5 program established pursuant to Title 19 of the federal act and
6 regulations issued pursuant to that act;

7 (7) "personal care services" means services
8 provided to an individual to assist with activities of daily
9 living;

10 (8) "personal care services provider agency"
11 means an entity that:

12 (a) has entered into a medicaid provider
13 participation agreement with the medical assistance division of
14 the authority and: 1) is contracted with a managed care
15 organization to provide personal care services to medicaid
16 recipients; or 2) provides personal care services to medicaid
17 recipients through fee-for-service arrangements;

18 (b) is reimbursed for personal care
19 services provided to individuals covered by medicaid; and

20 (c) employs direct care workers to
21 provide personal care services to individuals covered by
22 medicaid;

23 (9) "training and supervision costs" means the
24 expenses directly related to developing and overseeing the
25 performance and skills of direct care workers. "Training and

1 supervision costs" include the costs for:

2 (a) education and training programs;

3 (b) direct observation of a direct care
4 worker;

5 (c) field supervision of direct care
6 workers; and

7 (d) care coordination activities; and

8 (10) "wages" means all payments made to direct
9 care workers for their services, including:

10 (a) salary;

11 (b) hourly pay;

12 (c) overtime pay;

13 (d) shift differentials;

14 (e) bonuses; and

15 (f) paid leave.

16 B. The authority shall implement the following
17 minimum reimbursement rates for personal care services:

18 (1) twenty-three dollars fifty cents (\$23.50)
19 per hour, excluding gross receipts taxes, for consumer-
20 delegated personal care services; and

21 (2) nineteen dollars seventy-eight cents
22 (\$19.78) per hour, excluding gross receipts taxes, for
23 consumer-directed personal care services.

24 C. A personal care services provider agency that
25 receives medicaid reimbursement for providing personal care

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1 services shall use at least seventy percent of the medicaid
2 reimbursement to cover direct care workforce expenditures.

3 D. Before calculating the minimum amount of
4 medicaid reimbursement that a personal care services provider
5 agency is required to use to cover direct care workforce
6 expenditures, the costs of gross receipts taxes on personal
7 care services shall be deducted from the total amount of
8 medicaid reimbursement that the personal care services provider
9 agency receives.

10 E. Each personal care services provider agency
11 shall maintain accounting records to document that at least
12 seventy percent of medicaid reimbursement is being used to
13 cover direct care workforce expenditures. Upon request of the
14 authority, each personal care services provider agency shall
15 make the accounting records available to the authority within a
16 reasonable amount of time."

17 SECTION 2. APPROPRIATION.--Fifty-one million four hundred
18 thousand dollars (\$51,400,000) is appropriated from the general
19 fund to the health care authority for expenditure in fiscal
20 year 2027 to update the medicaid personal care services fee
21 schedule and increase medicaid reimbursement for personal care
22 services pursuant to Section 1 of this act. Any unexpended
23 balance remaining at the end of fiscal year 2027 shall revert
24 to the general fund.