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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 287/aHAFC

**SHORT TITLE:** Permanent Health and Human Services Committee

**SPONSOR:** Thomson/Martinez, J/Ferrary/Szczepanski

**LAST ORIGINAL**  
**UPDATE:** 2/15/2026      **DATE:** 02/02/2026      **ANALYST:** Chilton

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

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		At least \$150.0	At least \$300.0	\$450.0	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 134.

### Sources of Information

LFC Files

#### Agency or Agencies Providing Analysis

Health Care Authority

Office of Superintendent of Insurance

#### Agency or Agencies That Were Asked for Analysis but did not Respond

Department of Health

## SUMMARY

### Synopsis of HAFC Amendment to House Bill 287

The House Appropriations and Finance Committee (HAFC) amendment to House Bill 287 (HB287) strips the appropriation and changes the effective date to January 1, 2027.

### Synopsis of House Bill 287

House Bill 287 (HB287) appropriates \$500 thousand from the general fund to the Legislative Counsel Service to support amendments to the existing Legislative Health and Human Services Committee (LHHS). The bill enlarges committee membership by increasing the number of legislative positions, amends and clarifies appointment procedures, and provides for the hiring of a permanent director and staff.

Section 1 of the bill amends Section 2-3-14.1 NMSA 1978 regarding reports from agencies to the legislature. The section specifies that any legislator may request a report from anyone who receives money from the state.

Section 2 amends Section 2-13-1 NMSA 1978 regarding the current Legislative Health and Human Services Committee, enlarging membership and revising its structure. Membership would increase to 12 legislators, with six house members and six senate members, and members of political parties represented in proportion to their membership in the two houses of the legislature. The chair and vice chair would alternate between the House and Senate every two years.

Language regarding the tasks of the committee with respect to health and human services would additionally be updated to include:

- Monitoring and overseeing programs, policies, issues, and agencies regarding health and human service;
- Monitoring and overseeing statutes and regulations dealing with health and human services programs and activities;
- Monitoring and overseeing available programs and activities regarding the health and well-being of New Mexico residents; and
- Reporting on findings and recommendations at each session of the legislature.

Section 4 of the bill creates a full-year, paid position of director of the LHHS, to be hired to serve at the pleasure of the committee as a whole. Their supplies, office space and additional personnel would be provided by the committee. The procedures and language of the legislation are virtually identical to that in Section 2-10-1, the enabling statute for the Legislative Education Committee.

Section 5 of the bill gives LHHS the power to hold hearing, administer oaths, and issue subpoenas to state and local agencies, to contractors for state and local entities, and to any entities receiving state funding (these subpoenas would require a majority vote of the committee).

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

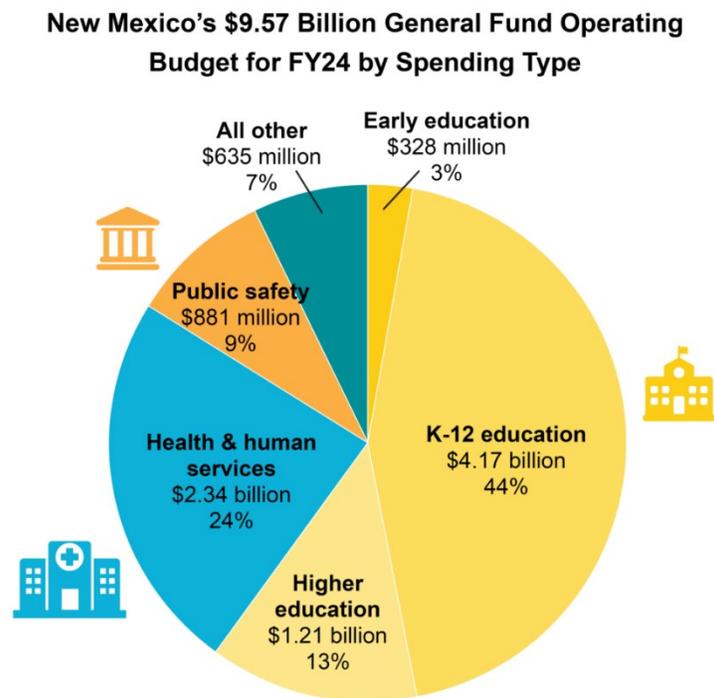
## **FISCAL IMPLICATIONS**

HB287 as amended does not contain an appropriation and there is no specific appropriation in the House Appropriations and Finance Committee substitute for House Bills 2 and 3 (the General Appropriation Act) for the costs of making the existing interim Legislative Health and Human Services Committee into a permanent committee and hiring a full-time director. The cost of a director, office space, and other necessary resources is estimated at a minimum of \$300 thousand a year.

## **SIGNIFICANT ISSUES**

New Mexico currently has two permanent legislative agencies with year-round staff, the Legislative Finance Committee and the Legislative Education Study Committee. This bill would create a third, the Legislative Health and Human Services Committee, which would be an outgrowth of the interim committee by the same name.

As seen in the pie chart below, about 84 percent of New Mexico’s general fund budget from 2024 was either related to education (13 percent for higher education, 44 percent for kindergarten through twelfth grade education) and health and human services (24 percent). Although these figures have changed slightly since FY24, the percentages remain substantially the same. The \$2.34 billion spent on health and human services actually understates the case since state Medicaid expenditures are matched by federal funds, resulting in approximately \$11 billion in health care expenditures in 2024, overmatching the \$5.4 billion spent on education at all levels in the state that fiscal year.



Source: Post-Session Review, Legislative Finance Committee, 2023

Healthcare and education represent two of the state’s largest policy and budget areas, and both may warrant ongoing legislative evaluation and oversight, similar to the approach used for education since 1971.

According to a 2025 [Legislative Finance Committee \(LFC\) report](#) on healthcare,

Importantly, the state does not know if more or fewer clients are receiving more or less care. Over the last decade, LFC reports have repeatedly highlighted a lack of utilization and performance data related to Medicaid behavioral and physical health, making it difficult to determine how many Medicaid clients are receiving what behavioral health services and the outcomes for these services. Prior to 2023, the Health Care Authority (HCA) discontinued reports that previously shared information about unduplicated client service utilization and costs. In general, New Mexico lacks timely information about how many clients are receiving what services, and this information could be used to measure progress or inform policy decisions. For example, the behavioral health per-member per-month rate has increased by 97 percent since FY21, from \$71 to \$140. It is unclear if a few members are utilizing a large amount of behavioral health services or if many members are utilizing fewer behavioral health services. The state needs better reporting mechanisms and information to make informed decisions about Medicaid, the largest

component of the state budget.

The LFC report indicates the following as having important supervisory needs: costs and spending (Medicaid costs have increased approximately 70 percent since 2016 despite serving 31,000 fewer New Mexicans than in 2016), outcomes and quality (LFC finds that there both improvements and worsening in certain measurements of outcome and quality), access and network adequacy (New Mexicans are concerned about the decreasing numbers of practitioners available to them), utilization (despite difficulty accessing care, utilization is up for both physical and behavioral health), and administration (there are questions about the adequacy of Medicaid supervision). All of these factors would support full-time supervision of the state's role in health and human services.

HCA states:

The state's oversight of healthcare and public benefits has grown increasingly complicated with extensive federal statutory and regulatory mandates that must be met and involving constant technological changes. Having a committee with a full-time executive director dedicated to this area of the State's responsibilities and opportunities for advancement could help ensure that our lawmakers have the in-depth analysis and information to support New Mexico's long-term health and well-being.

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

Related to Senate Bill 134 (HB134); most of the provisions of HB287 are also in SB134, but HB287 adds additional provisions as well.

LAC/ct/dw/hg/cf/sgs