

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 87

**SHORT TITLE:** Soteria Model Residential Treatment Funding

**SPONSOR:** Ferrary

**LAST ORIGINAL**  
**UPDATE:** 2/16/2026      **DATE:** 1/21/26      **ANALYST:** Chenier

### APPROPRIATION\* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$1,000	Recurring	General Fund

\*Amounts reflect most recent analysis of this legislation.

Relates to appropriations in the General Appropriation Act as amended by the Senate

### Sources of Information

LFC Files

Agency or Agencies Providing Analysis  
Health Care Authority (HCA)

## SUMMARY

### Synopsis of House Bill 87

House Bill 87 (HB87) appropriates \$1 million from the general fund to the Health Care Authority (HCA) for expenditure in FY27 to provide funding to an organization located 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.

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

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

HCA stated that 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.

Additionally, 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.

## **SIGNIFICANT ISSUES**

HCA stated that 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.

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

Related to appropriations in the General Appropriation Act as amended by the Senate in Section 5 Items 159 and 164. Item 159 appropriates \$200 thousand from the general fund and item 164 reauthorizes \$1.5 million from the General Appropriation Act of 2025.

## **ALTERNATIVES**

HCA states that 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 Dona 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 years.

EC/dw/ct