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HOUSE BILL 55

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

INTRODUCED BY

Pamelya Herndon and Antoinette Sedillo Lopez

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

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  
COMPENSATING DIRECT CARE WORKERS; 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) "compensation" means all payments and  
benefits provided to direct care workers, including:

(a) salary, wages, overtime pay and

1 other remunerations;

2 (b) health, dental, life and disability  
3 insurance;

4 (c) paid leave, retirement benefits and  
5 tuition reimbursement; and

6 (d) the employer share of payroll taxes;

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

11 (3) "medicaid" means the medical assistance  
12 program established pursuant to Title 19 of the federal act and  
13 regulations issued pursuant to that act;

14 (4) "personal care services" means services  
15 provided to an individual to assist with activities of daily  
16 living; and

17 (5) "personal care services provider agency"  
18 means an entity that:

19 (a) has entered into a medicaid provider  
20 participation agreement with the medical assistance division of  
21 the authority and: 1) is contracted with a managed care  
22 organization to provide personal care services to medicaid  
23 recipients; or 2) provides personal care services to medicaid  
24 recipients through fee-for-service arrangements;

25 (b) is reimbursed for personal care

underscored material = new  
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1 services provided to individuals covered by medicaid; and

2 (c) employs direct care workers to  
3 provide personal care services to individuals covered by  
4 medicaid.

5 B. The authority shall implement a minimum medicaid  
6 fee schedule for personal care services that requires managed  
7 care organizations and fee-for-service arrangements to  
8 reimburse personal care services provider agencies at least  
9 twenty-three dollars fifty cents (\$23.50) per hour for  
10 providing personal care services.

11 C. A personal care services provider agency that  
12 receives medicaid reimbursement for providing personal care  
13 services shall use at least seventy percent of the medicaid  
14 reimbursement as compensation to direct care workers for  
15 furnishing their services.

16 D. Before calculating the minimum amount of  
17 medicaid reimbursement that a personal care services provider  
18 agency is required to use to compensate direct care workers,  
19 the costs of providing training, travel and personal protective  
20 equipment to direct care workers shall be deducted from the  
21 total amount of medicaid reimbursement that the personal care  
22 services provider agency receives."

23 SECTION 2. APPROPRIATION.--Twenty million eight hundred  
24 thousand dollars (\$20,800,000) is appropriated from the general  
25 fund to the health care authority for expenditure in fiscal

.229094.2

underscored material = new  
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1 year 2026 to update the medicaid personal care services fee  
2 schedule and increase medicaid reimbursement for personal care  
3 services pursuant to Section 1 of this act. Any unexpended or  
4 unencumbered balance remaining at the end of fiscal year 2026  
5 shall revert to the general fund.