

2025 Legislative Session Agenda

(1) 15% Increase to New Mexico's Personal Care

Services (PCS) Providers under Community Benefit Program

(2) Workforce Data Collection on PCS Caregivers & Cost Study

What are Personal Care Services (PCS)? PCS is a long-term care program of New Mexico's Medicaid Community Benefit Program (currently named "Turquoise Care") that provides services to persons who are elderly and those with disabilities. Services include assistance with activities like bathing, feeding and grooming. Services are provided in-home rather than within institutions, i.e., nursing homes.

What are current Medicaid reimbursement rates for PCS? Under the current Community Benefit program, Health Care Authority (HCA) has no published *Minimum Fee Schedule* that requires how much Managed Care Organizations (MCOs) must pay PCS providers for delivering services. Current negotiated rates between MCOs and PCS provider agencies are barely enough for the PCS caregivers to make ends meet.

With a rapidly aging population, our failure to invest in PCS jeopardizes vital care to the most vulnerable populations within New Mexico. Investing in Personal Care Services ultimately saves State funds since PCS are so much less expensive than institutionalized care.¹

What is Health Care Authority (HCA) doing to address the funding crisis? HCA engaged a third-party vendor, Mercer, to conduct a "Benchmark Study" to compare New Mexico's PCS rates to neighboring states' rates, but these data are insufficient and provide incomplete comparisons for the Legislature to act on. HCA has thus far not invested additional funding in its FY2026 budget for Personal Care Services.

To effectively address the shortage of PCS caregivers, the New Mexico Legislature must take immediate action to raise PCS reimbursement rates and also require that Managed Care Organizations pass those rate increases on to providers so they may, in turn, pass these increases on to PCS caregivers. Our Coalition goals for the 2025 Legislative Session will:

- Fund a 15% wage increase so PCS caregivers can earn a higher wage than the NM average of just more than \$12.
- Require Health Care Authority (HCA) to annually collect workforce data that provides the Legislature information on PCS workforce stability (attrition and vacancy rates); volume (number of full and part-time workers); compensation (average hourly wage and benefits) and HCA's capacity to meet future needs.

Armed with an immediate PCS rate reimbursement increase, annual PCS workforce data and a Cost Study, the New Mexico Legislature can then make informed decisions about adequately funding the caregivers who care for New Mexicans Medicaid-funded individuals who are elderly, including those with disabilities.

For more information, contact New Mexico Caregivers Coalition, info@nmdcc.org or 505-710-1024.

¹ On average, a nursing home placement costs the State over \$9,039/month while average PCS cost is \$3,582/month.