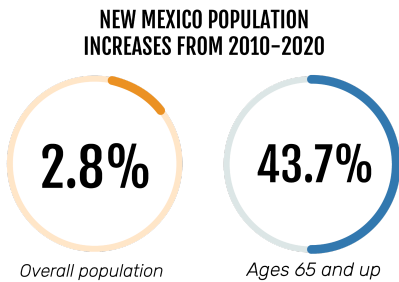


2026 LEGISLATIVE AGENDA

A 15% INCREASE TO FUNDING FOR PERSONAL CARE SERVICES (PCS) IN THE NEW MEXICO AGENCY-BASED COMMUNITY BENEFIT PROGRAM (ABCB)

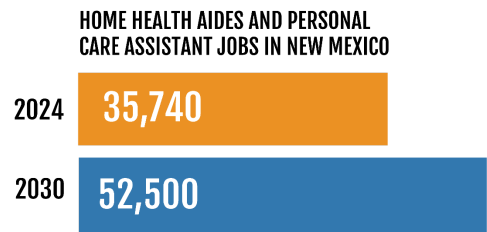
- ◆ Health Care Authority Establishes a Minimum Fee Schedule for MCOs to pay PCS providers, at least \$23.50 per hour
- ◆ Guarantees 70% of reimbursement rate is for direct care worker compensation.



Personal Care Services (PCS) is a long-term care program under the Medicaid-funded Community Benefit that provides critical services to those who are elderly and individuals with disabilities. PCS offers assistance with daily activities such as bathing, feeding, and toileting in someone’s home and community instead of in an institution (i.e., nursing homes). There is a growing demand for workers to perform Personal Care Services. New Mexico’s population rapidly ages. Low wages make it impossible to retain and recruit direct care workers in the field.

New Mexico must take immediate action to raise Personal Care Services reimbursement rates to effectively address the shortage of direct care workers and ensure access to care.

Legislation is necessary to guarantee that Managed Care Organizations pass on those rate increases to providers so they, in turn, can pay higher wages to Personal Care Aides.



We are seeking

- an **increase in the FY 2027 Budget of \$51.4 million** (this amount is a **15% increase** to current funding)
- An increase to the **minimum fee schedule to \$23.50/hour** and
- guarantees that **70% of funding goes directly to PCS caregiver compensation - guaranteeing a wage floor of \$16.45/hr.**

The New Mexico Health Care Authority commissioned a study evaluating funding of Agency-Based Community Benefit (ABCB) Personal Care Services. Mercer selected a median wage of \$18/hour to address existing workforce challenges by:

- (1) supporting competitive wages to recruit and retain Personal Care Aides,
- (2) ensuring parity between similarly funded Medicaid programs and services, and
- (3) keeping pace with the increasing costs of doing business.

Ninety-seven (97) percent of all service utilization in 2023 was attributable to the Agency-Based Community Benefit (ABCB) Personal Care Services. An initial \$51.4 million for PCS services moves New Mexico forward towards the rates recommended by the analysts for the Health Care Authority. It is necessary to stave off the workforce crisis and serve as a stepping stone towards higher wages required to stabilize the workforce and. In turn, access to care to those entitled to PCS services will be possible.