Mercer

Government Human Services Consulting

Analysis for Agency-Based Community Benefit Services

New Mexico Health Care Authority

December 9, 2024

Contents

Section 1
Introduction

The New Mexico Health Care Authority (HCA) contracted with Mercer Government Human Services Consulting (Mercer), part of Mercer Health & Benefits LLC, to develop rate range recommendations for the Agency-Based Community Benefit (ABCB) services. HCA does not currently publish a fee schedule for ABCB, instead service providers negotiate ABCB service rates with the contracted Managed Care Organizations (MCOs). In this document, Mercer provides a summary of the analysis and outlines the results of the analysis.

Background

The Long-Term Services and Supports Bureau within HCA oversees the operation of the ABCB program, which is provided under the authority of New Mexico's Medicaid 1115 Waiver. The ABCB is intended to provide a community-based alternative to institutional care. Members selecting the Agency-Based model have the choice of consumer delegated or consumer directed models of personal care services. By offering these services, HCA aims to supplement the participant's natural supports while increasing independence and enabling participants to live as active members of the community.

HCA contracts with MCOs to provide ABCB, among other Medicaid services, reimbursing MCOs using a capitated per member per month rate. MCOs contract with active, enrolled Medicaid approved providers, negotiating directly with providers the unit rate for each ABCB service. To improve transparency and access to these services, HCA intends to create a fee schedule for ABCB services that can be used as a baseline for providers to negotiate service rates with MCOs.

To assist with establishing a fee schedule, HCA requested that Mercer conduct an analysis to develop rate range recommendations for the services listed in Table 1. In Appendix A, Mercer provides a list of services and definitions.

Table 1: Service Summary

Service Type	ABCB Services[1]
In-Home Services	Respite, Emergency Response, Home Health Aide, Personal Care
Residential	Assisted Living
Nursing	Private Duty Nursing, Nursing Respite
Consumer Directed	Personal Care, Personal Care – Training, Personal Care Directed – Admin Fee
Other Services	Adult Day Health, Community Transition Services, Nutritional Counseling, Employment Supports, Environmental Modifications
Professional Services	Therapies [PT, OT, ST], Behavior Support Consultation

[1] Home-Delivered Meals are not included in this study as this may be a new ABCB service but is not yet offered.

Overview

Mercer initiated the rate analysis in April 2024 and completed the analysis and modeling work in August 2024. Over the course of five months, Mercer met regularly with HCA to ensure alignment of the rate analysis process with HCA's expectations. HCA and Mercer also employed multiple strategies to share information with stakeholders and collect feedback at various times during the project.

HCA asked Mercer to accelerate the typical timeline for this analysis to allow the results to inform budget requests for state fiscal year (SFY) 2026 that were due in September 2024. As such, HCA opted to forgo a provider survey and focus on stakeholder engagement and interviews to gather New Mexico experiences, which supplemented Mercer's typical data gathering of publicly available national and local data. ABCB stakeholders had the opportunity to participate in discussions with HCA and Mercer in June 2024 and July 2024 to share their experiences as providers and users of ABCB services.

Mercer developed preliminary rate ranges for each ABCB service to determine foundational estimates for a SFY2026 budget request to the legislature. Considering that HCA does not have a current fee schedule for ABCB services, and this is the first examination of a rate build-up for these services, the expected outcome of rate range recommendations prior to the study were unknown. The rate range for these services can provide a baseline for decision-making and for planning, e.g., HCA can consider a phase-in approach to implementing rate updates, possibly targeting specific services with available funds.

As of the date of this report, HCA has not selected the rate for each service as the funding amounts are pending.

Section 2

Stakeholder Engagement

With assistance from HCA, Mercer engaged stakeholders of ABCB services in June 2024 and July 2024 to gather information about stakeholder experiences of providing or advocating for ABCB services.

Based on the nature of the service, HCA chose to separate Assisted Living Facility (ALF) stakeholders from the rest of the ABCB stakeholders to allow for a focused discussion of ALF. The following stakeholder engagement occurred.

Table 2: Stakeholder Engagement Activities

Type of Outreach	ALF	All Other ABCB Services
Town Hall Meetings	Conducted on July 24, 2024	
Targeted Discussions	Held two meetings with ALF providers in June 2024 and July 2024	Held two meetings with ABCB providers in July 2024
Feedback Form	Released a form with service-related questions to obtain provider feedback (July 24–July 31, 2024)	

In Appendix B, Mercer summarizes the stakeholders who participated in these discussions.

Through the discussions and written feedback, some common themes emerged:

- The need for rates that support competitive wages to find and retain workers.
- Consideration for parity between similar Medicaid programs and services, e.g., ABCB and the Intellectual and Developmental Disabilities (I/DD) waivers.
- Keeping pace with increased costs of doing business, e.g., ALFs have seen increases in liability insurance costs, change in State law for sick leave, recruiting and hiring impacted by turnover after investment in training and background checks, administration of Electronic Visit Verification (EVV).
- Providers depend on Medicaid for their business; Medicaid comprises majority of persons served; therefore, Medicaid rates have a large impact on the provider's ability to run their business.
- Challenges with serving participants in rural areas, specifically provider shortages and covering costs of worker's travel time and mileage.

Mercer also facilitated discussions with stakeholders through targeted questions, to gather feedback that inform rate model assumptions regarding turnover, full-time and part-time percentages, training, and paid time off. This information was then compared with market data to validate assumptions.

Section 3

Key Process Steps

The rate study process involved several key steps. First, Mercer obtained and reviewed relevant service definitions, provider qualifications, and staffing requirements to ensure a clear understanding of each service. A summary of each service can be found in Appendix C. Next, Mercer considered the following key cost components incurred by providers to deliver each service:

- Wages and overtime costs for Direct Care Worker (DCW) and other program staff.
- Employee-related expenses (ERE) (e.g., health insurance, other employee benefits, employer taxes) for DCW and other program staff.
- Productivity (e.g., paid time off (PTO), staff training time, other non-billable staff time).
- Other service-related costs (e.g., supplies, mileage costs associated with service transportation, EVV systems costs).
- Administration/overhead.

To inform the pricing assumptions for each cost component, Mercer obtained and analyzed various data sources. These data sources included publicly available market data to align with the Centers for Medicare & Medicaid Services (CMS) rate study expectations, model assumptions from New Mexico's I/DD waiver rate study, and stakeholder feedback:

- Bureau of Labor Statistics (BLS) market data on wages, ERE, full time staff and turnover percentages.
- IRS data related to employer tax rates and mileage reimbursement rates.
- New Mexico Department of Workforce Solutions information on unemployment and mandatory sick leave, and New Mexico Workers' Compensation Administration on worker's compensation insurance.
- New Mexico I/DD waiver rate study model assumptions for services similar to ABCB.
- Stakeholder feedback gathered during targeted discussions, town-halls, and voluntary feedback forms.

For each service, Mercer projected a modeled rate range specific to the SFY2026 rate study period (July 1, 2025 through June 30, 2026). The modeled rate ranges consist of a lower bound and upper bound rate, which provide a range of reasonable rates based on market conditions and stakeholder input. Mercer did not model rates for Environmental Modifications, Emergency Response, and Community Transition Services. These services are distinct from the rest of the services based on how providers are reimbursed using a per project or purchase arrangement, and have statutory limits, e.g., $6,000 per person every five years for environmental modifications, or, in the case of Emergency Response, market rates with no limits.

Section 4

Cost Component Assumptions

Mercer analyzed the data sources and identified the assumptions for each service to generate the rate study modeled rate ranges. We describe each key cost component below.

Wages

To develop the modeled wage ranges for DCW and other program staff integral to service delivery, Mercer reviewed the job categories available in the most recent, available New Mexico-specific BLS wage data publication (released in April 2024). Mercer compared job positions to the service definitions, provider qualifications, licensing requirements and staffing requirements for each service. For most services, Mercer used the 25th percentile BLS wage data to model the lower bound of the wage range, the median BLS wage data to model the medium wage, and the 75th percentile BLS wage data to model the upper bound of the wage range.

There were a few services that deviated from this standard approach, these are services that rely on a DCW with similar skillset:

- ALF, Personal Care — Consumer Delegated
- Personal Care — Consumer Directed
- Personal Care — Training
- Adult Day Health
- Respite

Mercer evaluated the wage assumptions used in the I/DD waiver rate study and considered stakeholder feedback to further inform the wage component of the models.

For example, the wages for DCWs providing personal care services and respite services were assumed to be 150% of minimum wage in the I/DD waiver rate study. Stakeholders raised the issue of parity for similar services between ABCB and the I/DD waiver, suggesting that personal care and respite services for ABCB should be modeled with the same 150% of minimum wage. Given workforce challenges and the current market environment, HCA chose to adjust the wage model assumptions to use 150% of the 2025 minimum wage of $12 per hour as the median wage assumption, or $18, instead of the BLS median wage. HCA chose to set:

- The lower bound at $16, rounding the BLS lower bound up from $15.87.
- The upper bound at $20, rounding the BLS upper bound down from $21.24.

In addition, the ALF per diem includes the wages for a range of staff who provide the overarching service to the ABCB Member. The staffing assumed for ALF includes DCWs who perform personal care, housekeeping, and travel assistance, as well as Registered Nurse (RN), Line Cook, Chef, Activities Coordinator, Pharmacist, and Administrator.

The full-time equivalent for each of these roles varies. Although Mercer includes assumptions for Pharmacist and RN as FTEs, stakeholder feedback indicates that these roles are typically contracted employees; however, including them as staff in the assumptions makes it clear that the cost of these roles are included in the rate range recommendations.

Mercer applied an inflationary factor of 4.4% based on BLS wage trends to the wages to project them to the SFY2026 time period. The resulting SFY2026 modeled wage ranges by service for DCW and other program staff are summarized in Appendix D.

Supervisor and Other Program Staff

In addition to the DCW, most services have additional staff costs in the form of a supervisor and other staff involved in the direct care of individuals receiving the service. Table 3 summarizes the additional staffing assumptions for each service.

Table 3: Supervisor and Other Program Staff Cost

Service Type	Staffing Ratio Assumptions
• Personal Care: Consumer Delegated • Adult Day Health • Personal Care Training • Respite	1 Supervisor: 10 DCWs
• Home Health Aide • Private Duty Nursing for Adults RN and LPN • Respite LPN • Respite RN	1 Registered Nurse: 20 DCWs
• Employment Supports • Behavioral Support Consultation	1 Supervisor: 10 DCWs
• ALF • Nutritional Counseling • Personal Care — Consumer Directed • Personal Care — Training • Occupational Therapy for Adults • Physical Therapy for Adults • Speech Therapy for Adults	No Supervisor modeled

DCW Overtime

During the stakeholder discussions, providers offered different experience with overtime for ABCB service staff. Without specific data from providers, the anecdotal information provided during the stakeholder discussions showed that overtime was not a substantial issue. Mercer modeled that 2.5% of wages would be paid overtime and built that assumption into the rate ranges.

ERE

As part of the ERE cost component, Mercer included consideration for provider costs associated with worker's compensation insurance and employer taxes (FICA/FUTA/SUTA)

for both full-time and part-time staff. Mercer assumed the following additional benefits for full-time staff:

- Health insurance
- Retirement benefits
- Other benefits (e.g., short-term disability/long-term disability, and life insurance)

ERE assumptions for most rate study services were based on BLS market data for New Mexico private sector employers in comparable industries. Mercer benchmarked assumptions against provider data and stakeholder feedback for reasonability.

Rate study services with hourly wages ranging from $13–$22 had assumed ERE loads of 28%–35%, while services with hourly wages above $22 had assumed ERE loads of 19%–27%.

Full-Time and Part-Time Assumptions

To incorporate ERE assumptions into the rate study, DCW full-time and part-time assumptions are needed because employers often require employees to have full-time status to be eligible for benefits. Table 4 summarizes full-time and part-time percentage assumptions. Mercer used the same full-time and part-time percentage assumptions for each service. Mercer assumed the 71% full-time percentage based on a Bureau of Labor Statistics publication from February 5, 2024, The Economics Daily, that provided the most current estimate of workers who worked full time from 2022. Mercer used stakeholder feedback to validate this percentage.

Table 4: Full-Time and Part-Time Assumptions

Full-Time Percentage	Part-Time Percentage
71%	29%

Productivity

As part of the DCW's job, there are certain tasks that are considered non-billable (i.e., the DCW is being paid by the provider, but they are not delivering services that can be billed as a Medicaid unit of service). Some examples include PTO, time the DCW spends attending training sessions, and time the DCW spends during a workday on non-billable activities such as shift changes, treatment team meetings, and notes/documentation. For all services, Mercer included an assumption of 38 days of PTO for full-time employees and 24 days of PTO for part-time employees in the rate study. For all services, Tables 5 and 6 summarize the assumptions included for the other productivity-related cost components. Mercer used stakeholder feedback to inform the training hour assumptions. For the staff turnover percentage, Mercer estimated the annualized average staff turnover percentage based on Bureau of Labor Statistics Job Openings and Labor Turnover Survey data "Total Separations, Total Nonfarm, New Mexico, seasonally adjusted." Mercer estimated productivity assumptions by service based on service definitions and informed by stakeholder feedback.

Table 5: Training Hours and Staff Turnover Assumptions

First Year Staff	Annually Thereafter	Staff Turnover Percentage
72 hours per year	12 hours per year	45.6%

Table 6: Billable Time Assumptions

Service	Productivity Assumption for Direct Staff Delivering Services
• Adult Day Health • Personal Care — Consumer Delegated • Personal Care — Consumer Directed • Respite • Personal Care — Training	94%
• Assisted Living Facility	91%
• Home Health Aide • Nutritional Counseling	88%
• Employment Supports	81%
• Private Duty Nursing RN and LPN • Respite RN and LPN	66%
• Behavior Support Consultation	63%
• Physical Therapy for Adults • Occupational Therapy for Adults • Speech Language Therapy for Adults	56%

Other-Service Related Costs and Administration/Overhead Expenses

Mercer considered other-service related costs that providers incur to deliver the rate study services such as service-related supplies, costs for staff training sessions, mileage costs for transportation integral to a service, EVV systems costs, and other service-related costs necessary for service delivery. This assumption was 5% for most services, with the exception of Assisted Living Facility at 7% to account for the facility costs necessary to deliver these services.

Mercer also considered administration/overhead costs such as wages/salaries and ERE for administrative staff, building space costs (e.g., rent/mortgage, utilities, maintenance), vehicles, office equipment and supplies, information technology, professional/liability insurance, and other administrative costs necessary for program operations. A 10% administrative/overhead cost load factor was included for most services, with the exception of Assisted Living Facility at 18%. There was no consideration given to Personal Care — Consumer Directed and Personal Care — Training, as administration/overhead costs for consumer directed services are covered by the Personal Care Directed Administrative Fee

(procedure code G9006) that reimburses for Financial Management Services in support of consumer direction.

Unit Definitions

Modeled Rate Ranges were developed on a per hour basis and then a factor was applied to convert each rate range to the applicable unit definition. Please see table 7 for the unit definition and conversion factor for each service.

Table 7: Unit Definitions and Conversion Factors

Service	Unit Definition	Conversion Factor Applied to Hourly Rate
Assisted Living Facility	Per Diem	45 bed days*100% Occupancy*365 days
Employment Supports	Per Diem	Multiplied by six hours per day
Home Health Aide Respite Nutritional Counseling	Per Hour	Multiplied by one hour per visit
All Other Services	15-minute	Divided by four quarter-hour units per hour

Individual versus Group Rates

The majority of the rate study services are delivered via a one-to-one (1:1) staffing ratio, meaning that one DCW delivers services to one participant at a time. Mercer worked with HCA to establish average group size assumptions for the only group service, Adult Day Services, and then Mercer divided the rate ranges that were developed for a 1:1 staffing ratio by the average group size assumption to generate the group rate ranges. For Adult Day Services, Mercer assumed an average group size of three.

Rate Range Summary

Mercer compiled the rate study assumptions outlined in previous sections to generate SFY2026 modeled rate ranges for each service. Please refer to Appendix E for a summary of the rate ranges resulting from this study. Providing a range of rate recommendations allows HCA to choose a rate within the range that meets its requirements. For services like physical therapy, occupational therapy, and speech therapy where a comparable Medicare rate may be available, HCA can use the rate range recommendations provided for those services to assess parity and reasonableness of choosing the existing Medicare rate. In the next section, we discuss the fiscal impact of the rate ranges and the potential need to implement rate increases over time before achieving the full impact of the results of this study on ABCB rates, due to budget constraints.

Fiscal Impact Analysis

Mercer conducted an analysis to estimate the fiscal impact of the recommended rate ranges resulting from this study. A fiscal impact analysis examines utilization by service, comparing current expenditures to estimated expenditures using the same utilization under the proposed rate ranges. The difference between the current and estimated expenditures is the

fiscal impact. To conduct this analysis, Mercer used calendar year (CY) 2023 claims data for ABCB services, which represented $520.4 million in total expenditures.

Mercer also considered the total expenditures were funded partly by New Mexico state funds with the remainder covered through federal matching funds. Currently, New Mexico is responsible for 28.32% of total expenditures, leaving federal matching funds for 71.68% of expenditures. Of the $520.4 million in CY2023 expenditures, New Mexico's share was $147.4 million.

The highlights of the fiscal impact analysis are as follows:

- **The estimated fiscal impact based on the modeled rate range for all services is $181.2–$341.8 million**, meaning this amount is the estimated additional funding needed to implement the recommended rate ranges. Of that amount, New Mexico's share is estimated to be $51.3–$96.8 million.
- **Ninety-seven percent of ABCB service utilization in CY2023 was attributable to Personal Care — Consumer Delegated and Personal Care — Consumer Directed services**. As such, the proposed rate range for Personal Care services have significant influence on the total fiscal impact.
- Personal Care — Consumer Delegated CY2023 actual managed care expenditures were $212.8 million; we estimate in the fiscal impact analysis that the additional funds needed to fully fund the rate ranges are $112.6–$195.0 million. Of that amount, New Mexico's share is estimated to be $31.9-$55.2 million.
- Personal Care — Consumer Directed CY2023 actual managed care expenditures were $241.2 million; we estimate the total fiscal impact of the rate ranges is $55.9–$122.9 million. Of that amount, New Mexico's share is estimated to be $15.8-$34.8 million.
- Assisted Living Facilities CY2023 actual managed care expenditures were $10.3 million; we estimate the total fiscal impact of the rate range is $0.58–$3.4 million. Of that amount, New Mexico's share is estimated to be $0.2-$1.0 million.

Section 5
Considerations

HCA can consider options for implementing rate ranges all at once or over time, e.g., incremental increases over several years. Primary consideration will be the amount of funding available to HCA to assign to the ABCB program. Assuming New Mexico cannot fully fund rates within the recommended rate range immediately, HCA can consider whether they will target specific services or apply a portion of an increase across more than one or all services.

The State's share to fund ABCB services is allocated by the State legislature. HCA must request funding through the budget process that begins more than a year in advance of the fiscal year.

Without a prior fee schedule or rate study, HCA only had anecdotal information about whether the rates that MCOs negotiated with providers did or did not allow providers to be competitive in obtaining and retaining workers for ABCB services. This analysis provides data to support the need for additional funding for ABCB services when considering the costs that comprise the business of providing each service, from paying the wages and salaries of workers to making sure that workers are properly trained and motivated to remain with the job.

CMS published the final Medicaid Program: Ensuring Access to Medicaid Services regulation in the Federal Register on May 10, 2024. The regulation is intended to improve access to HCBS, quality and health outcomes, as well as address health equity issues across fee-for-service (FFS) and managed care models. Beginning in July 2028, HCA will be required to report to CMS the percentage of total payments that goes to compensation for DCWs who deliver personal care, homemaker services, home health aide services and habilitation services. By July 2030, HCA will need to ensure that 80% of Medicaid payments go to compensation for DCWs for those same services. In this context, compensation includes:

- Salary, wages, and other renumeration as defined by the FLSA
- Benefits, such as health and dental benefits, paid leave, and tuition reimbursement
- Employer-related expenses, as defined earlier in this report

The rate range recommendations in this report reflect an independent build-up of the costs to provide services effective for SFY2026 (July 1, 2025 through June 30, 2026), which does not capture this regulation. Mercer can assist HCA with rate calculations and adjustments to achieve and demonstrate the required compensation proportions that will be needed to comply with the regulation effective for SFY 2029.

Section 6

Limitations and Caveats

In preparing the assumptions and modeled rate ranges summarized in this document, Mercer considered publicly available market information, stakeholder feedback, and other information provided by HCA. Mercer reviewed the data and information for consistency and reasonableness, but did not audit them. If the data or information are incomplete or inaccurate, the modeled rate ranges may need to be revised accordingly. Assumptions were developed based upon information available as of August 2024. Should additional information become available, the assumptions and modeled rate ranges may need to be updated accordingly.

All projection estimates are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimates. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Mercer. Mercer is not responsible for the consequences of any unauthorized use.

Assumptions and rates developed by Mercer are projections of future contingent events. Actual provider costs may differ from these projections. Mercer has developed these ranges on behalf of HCA for purposes of the SFY2026 ABCB rate study. Use of this information for any purpose beyond that stated may not be appropriate. This document should only be reviewed in its entirety.

Appendix A
Service Definitions

Service	Definition
Adult Day Health (S5100)	Provide structured therapeutic, social and rehabilitative services.
Assisted Living Facility (T2031)	Offer residential services that provide a homelike environment which may be in a group setting with individualized services designed to respond to the member's needs as identified by the member, provider and the Care Coordinator.
Personal Care-Consumer Delegated (T1019)	Includes a range of activities of daily living and instrumental activities of daily living services to consumers who meet NF LOC because of a disability or functional limitation(s).
Home Health Aide (S9122)	Provide total care or assist an eligible member in all activities of daily living. Total care is defined as: the provision of bathing (bed, sponge, tub, or shower), shampoo (sink, tub, or bed), care of nails and skin, oral hygiene, toileting and elimination, safe transfer techniques and ambulation, normal range of motion and positioning, adequate oral nutrition and fluid intake.
Employment Supports (H2024)	Include job development, job seeking, and job coaching supports after available vocational rehabilitation supports have been exhausted. Employment Supports facilitates competitive work in integrated work settings for individuals with disabilities (i.e., psychiatric, mental retardation, learning disabilities, and TBI) for whom competitive employment has not traditionally occurred, and who, because of the nature and severity of their disability, need ongoing support services to perform their job.
Behavior Support Consultation (H2019)	Services for the parents, family members, and DSPs include training in dealing with challenging behaviors and assistance with coping skill development at home and in the community. Includes: assessments, evaluations, treatments, interventions, and follow-up services and assistance with challenging behaviors and coping skill development.
Behavior Support Consultation, Clinic Based (H2019TT)	
Private Duty Nursing for Adults — RN (T1002)	Provides members who are 21 years of age and older with intermittent or extended direct nursing care in the member's home. Requires skills of a licensed RN or LPN under written physician's order.
Private Duty Nursing for Adults — LPN (T1003)	
Respite (99509 U1)	Provide the member's primary caregiver with a limited leave of absence to prevent burnout, to reduce stress and provide temporary relief to meet a family crisis, emergency or caregiver's illness. Respite services may be provided in the member's home, in the respite provider's home and/or in the community.

Service	Definition
Respite LPN (T1003 U1)	Provides the member's primary caregiver with a limited leave of absence to prevent burnout and provide temporary relief to meet a family crisis, emergency or caregiver's illness. Nursing respite services may be provided in the member's home, in the nursing respite provider's home, and in the community. Nursing respite services may be provided by an RN, or an LPN.
Respite RN (T1002 U1)	
Nutritional Counseling (S9470)	Nutritional counseling is defined as advising and helping an ABCB member obtain appropriate nutritional intake by integrating information from the nutritional assessment with information on food, other sources of nutrients, and meal preparation consistent with cultural background and socioeconomic status.
Physical Therapy for Adults (G0151)	Skilled therapy service for members 21 years and older provided by licensed Physical therapist. PT services promote/maintain gross/fine motor skills, facilitate independent functioning and/or prevent progressive disabilities.
Occupational Therapy for Adults (G0152)	Skilled therapy service for individuals 21 years and older provided by a licensed occupational therapist. OT services promote/maintain fine motor skills, coordination, sensory integration, and/or facilitate the use of adaptive equipment or other assistive technology.
Speech Language Therapy for Adults (G0153)	Skilled therapy service for individuals 21 years and older provided by a licensed speech and language pathologist. SLT services preserve abilities for independent function in communication; to facilitate oral motor and swallowing function, to facilitate use of assistive technology, and to prevent progressive disabilities.
Personal Care — Consumer Directed (99509)	Self-directed PCS are provided on a continuing basis to assist the member with accomplishing tasks he/she would normally do for him/herself if he/she did not have a disability.
Personal Care — Training (S5110)	Training provided to the consumer or their attendant at the request of the consumer. There is an annual maximum of eight (8) hours of training allowed per consumer.
Personal Care Directed — Administrative Fee (G9006)	The rate for fiscal intermediary tasks such as processing payroll for the consumer's Personal Care Attendants, producing reports required by the Medical Assistance Division, processing claims for Consumer-Directed Personal Care services (including Income Tax and Social Security withholding) and submitting billings to the MCO.
Environmental Modifications (S5165)	Include the purchase and/or installation of equipment and/or making physical adaptations to an eligible member's residence that are necessary to ensure the health, welfare, and safety of the member or enhance the member's level of independence.

Service	Definition
Emergency Response (S5161)	Provided through an electronic monitoring system to secure help in the event of an emergency. The member may use a portable “help” button to allow for mobility in his/her home environment. The monitoring system has a 24-hour, seven day a week monitoring capability. The system is connected to the member’s phone and programmed to send a signal to a response center once the “help” button is activated. This response system helps ensure that the appropriate service agency responds to alarm calls.
Community Transition Services (T2038)	Non-recurring set-up expenses for adults 21 years old and older who are transitioning from an SNF/NF to a living arrangement in the community where the person is directly responsible for his or her own on-going living expenses.
Home-Delivered Meals[2]	Hot or frozen meals delivered to the home of the participant. Meals must meet the standards for the nutritional services delivered under Title III of the Older Americans Act.

[2] HCA will add Home-Delivered Meals to the ABCB set of services in CY2025.

Appendix B

Stakeholder Representation

Organization	Service Area
Abarim Home Healthcare, Inc.	ABCB
Home Modification Solutions	ABCB
Links II, Inc.	ABCB
Little Roses Home Care of the Southwest	Assisted Living Facility
National Domestic Workers Alliance	ABCB
New Mexico Ageless Living	Assisted Living Facility
New Mexico Association for Home & Hospice Care	ABCB
New Mexico Caregiver Coalition	ABCB
Quilted Care	Assisted Living Facility
Rustic Health LLC	ABCB
Senior Living Systems	Assisted Living Facility

There were additional stakeholders who attended the town-hall meetings whose organizations we were not able to capture.

Appendix C
Service Summary

Service	Included In Rate Study
Adult Day Health	✓
Assisted Living Facility	✓
Personal Care-Consumer Delegated	✓
Home Health Aide	✓
Employment Supports	✓
Behavior Support Consultation	✓
Behavior Support Consultation, Clinic Based	✓
Private Duty Nursing for Adults — LPN	✓
Private Duty Nursing for Adults — RN	✓
Respite	✓
Respite LPN	✓
Respite RN	✓
Physical Therapy for Adults	✓
Nutritional Counseling	✓
Occupational Therapy for Adults	✓
Speech Language Therapy for Adults	✓
Personal Care — Consumer Directed	✓
Personal Care — Training	✓
Personal Care Directed — Administrative Fee	
Environmental Modifications	
Emergency Response	
Community Transition Services	
Home-Delivered Meals[3]	

[3] HCA will add Home-Delivered Meals to the ABCB set of services in CY2025.

Appendix D

SFY2026 Modeled Wage Ranges

Service[4]	Lower Bound	Medium	Upper Bound
Adult Day Health	$16.00	$18.00	$20.00
Assisted Living Facility	$16.00	$18.00	$20.00
Personal Care-Consumer Delegated	$16.00	$18.00	$20.00
Personal Care — Consumer Directed	$16.00	$18.00	$20.00
Home Health Aide	$16.65	$18.29	$21.27
Employment Supports	$24.45	$26.36	$28.04
Behavior Support Consultation	$22.88	$31.50	$39.21
Behavior Support Consultation, Clinic Based	$22.88	$31.50	$39.21
Private Duty Nursing for Adults — LPN	$21.38	$32.56	$34.78
Private Duty Nursing for Adults — RN	$43.06	$45.28	$55.71
Respite	$16.00	$18.00	$20.00
Respite LPN	$21.38	$32.56	$34.78
Respite RN	$43.06	$45.28	$55.71
Physical Therapy for Adults	$41.32	$54.17	$64.83
Nutritional Counseling	$28.63	$33.98	$40.27
Occupational Therapy for Adults	$42.34	$52.24	$65.58
Speech Language Therapy for Adults	$42.86	$55.49	$66.65
Personal Care — Training	$16.00	$18.00	$20.00

[4] Presents wage ranges for the direct service provider and does not list any supervisor wage ranges.

Appendix E

SFY2026 Modeled Rate Ranges

Service	Rate Type[5,6]	Lower Bound	Medium	Upper Bound
Adult Day Health	Per 15 Minutes	$2.66 ($10.64)	$3.00 ($12.00)	$3.33 ($13.32)
Assisted Living Facility	Per Diem	$78.76	$87.67	$98.98
Personal Care-Consumer Delegated	Per 15 Minutes	$7.98 ($31.92)	$9.00 ($36.00)	$10.00 ($40.00)
Personal Care — Consumer Directed	Per Hour	$6.37 ($25.48)	$7.09 ($28.35)	$7.81 ($31.23)
Home Health Aide	Per Hour	$8.88 ($35.52)	$9.64 ($38.54)	$11.14 ($44.55)
Employment Supports	Per Diem (6 Hours)	$321.79	$349.16	$375.35
Behavior Support Consultation	Per 15 Minutes	$16.72 ($66.88)	$22.30 ($89.20)	$27.40 ($109.60)
Behavior Support Consultation, Clinic Based	Per 15 Minutes	$16.72 ($66.88)	$22.30 ($89.20)	$27.40 ($109.60)
Private Duty Nursing for Adults — LPN	Per 15 Minutes	$14.74 ($58.96)	$21.29 ($85.16)	$22.88 ($91.52)
Private Duty Nursing for Adults — RN	Per 15 Minutes	$27.29 ($109.16)	$28.65 ($114.60)	$35.00 ($140.00)
Respite	Per Hour	$7.98	$9.00	$10.00

[5] The Rate Type column provides the unit for each service, i.e., 15-minute, hour, or per diem.

[6] For services with 15-minute and per hour rates, we list the 15-minute equivalent first and the per hour equivalent in parentheses to allow for easier comparisons across services.

Service	Rate Type[5,6]	Lower Bound	Medium	Upper Bound
		($31.92)	($36.00)	($40.00)
Respite LPN	Per 15 Minutes	$14.74 ($58.96)	$21.29 ($85.16)	$22.88 ($91.52)
Respite RN	Per 15 Minutes	$27.29 ($109.16)	$28.65 ($114.60)	$35.00 ($140.00)
Physical Therapy for Adults	Per 15 Minutes	$29.15 ($116.60)	$37.84 ($151.36)	$45.05 ($180.20)
Nutritional Counseling	Per Hour	$13.23 ($52.92)	$15.56 ($62.23)	$18.29 ($73.17)
Occupational Therapy for Adults	Per 15 Minutes	$29.84 ($119.36)	$36.53 ($146.12)	$45.56 ($182.24)
Speech Language Therapy for Adults	Per 15 Minutes	$30.19 ($120.76)	$38.73 ($154.92)	$46.28 ($185.12)
Personal Care — Training	Per 15 Minutes	$6.37 ($25.48)	$7.09 ($28.35)	$7.81 ($31.23)

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