



HEALTH CARE
AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Niki Kozlowski, Acting Deputy Secretary
Alanna Dancis, Acting Medicaid Director

May 29, 2026

RE: SMI, SED, and ARTC

Interested Parties:

The New Mexico Health Care Authority (HCA), Medical Assistance Division (MAD) is providing public notice on its plans to submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) to maintain and enhance access to mental health services and continue delivery system improvements in order to provide more coordinated and comprehensive treatment to Medicaid beneficiaries with Serious Mental Illness (SMI) and Serious Emotional Disturbances (SED). The SMI/SED demonstration component will provide the state with the authority to provide high-quality, clinically appropriate treatment to beneficiaries with SMI and SED while they are short-term residents in residential and inpatient treatment settings that qualify as Institutions for Mental Diseases (IMD). It will also support state efforts to enhance provider capacity and improve access to a continuum of SMI/SED evidence-based services at varied levels of intensity. This SPA will be effective on July 1, 2026.

The estimated total Federal Budget Impact is \$15,558 in federal funds for FFY 2026 and \$387,916 in federal funds for FFY 2027.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, recipients, and other interested parties are invited to make comments on this proposed SPA. The complete draft amendment may be found on the Department's website at: <https://www.hca.nm.gov/2026-comment-period-open/>.

A written copy of these proposed documents may be requested by contacting the HCA/MAD in Santa Fe at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to HCA-madrules@hca.nm.gov. All comments must be received no later than **5:00 p.m. Mountain Time (MT) on June 28, 2026**. Written or e-mailed comments are preferred as they become part of the record associated with these changes.

Written comments may be mailed to:

Medical Assistance Division
ATTN: State Plan Specialist
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HCA/MAD upon request by providing copies directly to a requestor, by making them available on the HCA/MAD website, or at a location within the county of the requestor.