

HOUSE BILL 395 ANNUAL REPORT

SEPTEMBER 1, 2026

HEALTH CARE AUTHORITY, DEVELOPMENTAL DISABILITIES SUPPORTS DIVISION (DDSD)

BACKGROUND

In 2023 Governor Michelle Lujan Grisham signed House Bill (HB) 395 into law (HB 395, 2023). HB 395 requires the Health Care Authority's Developmental Disabilities Supports Division (DDSD), to collect and report demographic and compensation data on developmental disabilities direct support provider agency staff.

Definitions	
Direct Support Professional (DSP)	A non-administrative employee or subcontractor of a direct support provider agency. DSPs spend the majority of their working hours providing supportive services to individuals with developmental disabilities who live and work in the community.
Direct Support Provider Agency	An entity that has a Medicaid provider participation agreement with the Medical Assistance Division of the Health Care Authority (HCA) and a provider agreement with the DDSD.

DDSD has defined direct support provider agencies for its three home and community-based services waivers as agencies who employed or subcontracted with people who provided the following support services to individuals with intellectual and developmental disabilities.

Developmental Disabilities (DD) Waiver	Medically Fragile (MF) Waiver
• Community Integrated Employment Services • Customized Community Supports Services • Customized In-Home Supports • Family Living Services • Intensive Medical Living Services • Respite Services • Supported Living Services	Mi Via (MV) Waiver
	• Community Supports • Home Health Aide • Respite Services • Employment Supports • Home Health Aide • Homemaker • Direct Support Respite Services • In Home Living Supports • Community Direct Supports

*Previous reports also included the Supports Waiver Program which was sunset on September 28th, 2025.

METHODOLOGY

DDSD implemented a survey to collect agency workforce characteristics as well as individual demographic and employment information. Data was collected starting in January 2026 and was concluded on April 1st. The survey requested data from the 2025 calendar year.

Under the HB 395 law, all direct support provider agencies reported workforce characteristics from the previous calendar year, including the number of full- and part-time DSPs employed or contracted, length and percentage of employment during the year, education level, work experience, wages, and employee benefits. It also included detailed demographic data such as age, gender, race and ethnicity.

DDSD provided direct support agencies with a survey tool to capture individual DSP specific employment characteristics and demographics. DDSD collected these surveys and direct support agency level information through an online data collection and submission form.

- 96 agencies submitted agency level information, DDSD received a 100% response rate
- 90 agencies submitted DSP level information utilizing the DDSD supplied tool for 94% response rate

ANALYSIS

The following provides comprehensive results of the direct support professional workforce from 2025, based on data received from provider agencies that support individuals with intellectual and developmental disabilities through one of the state's three (3) home and community-based Medicaid waivers.

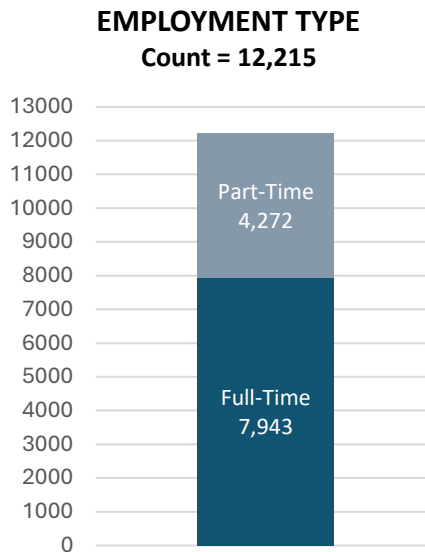
MAIN FINDINGS

- Over 12,000 direct support professionals are employed or contracted with entities that hold Medicaid provider participation agreements with the New Mexico Health Care Authority.
- 65% of DSPs are employed full-time.
- Agencies collectively paid out a reported \$330 million in wages to direct support professionals, with an average spending of \$3.6 million in wages per agency.
- Women comprised 74% of the workers reported in this survey.

AGENCY LEVEL RESULTS FOR CALENDAR YEAR 2025

There are **434 more DSP staff** reported in 2025 than 2024, driven by increases in Part-Time staff.

The number of **part-time workers increased by 485** from 2024 to 2025, while **full-time staff decreased by 51**.



4,715

Total Hired

4,345

Total Separated

1,046

Year End Vacancies

41%

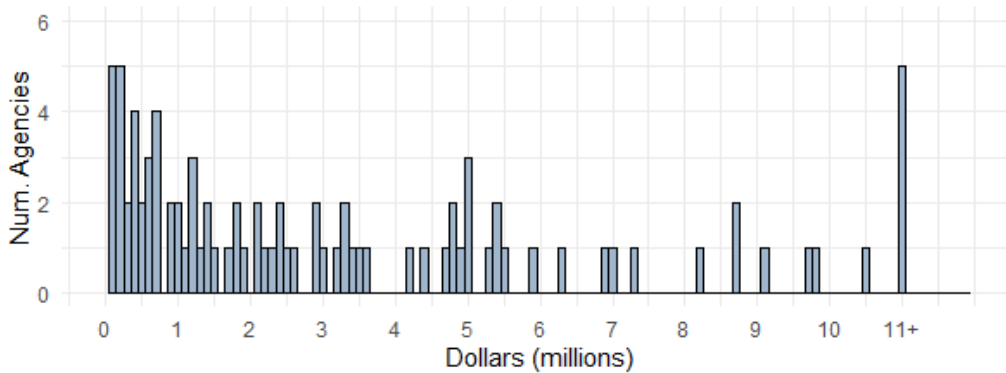
Average Turnover

TABLE 1: AGENCY SIZE

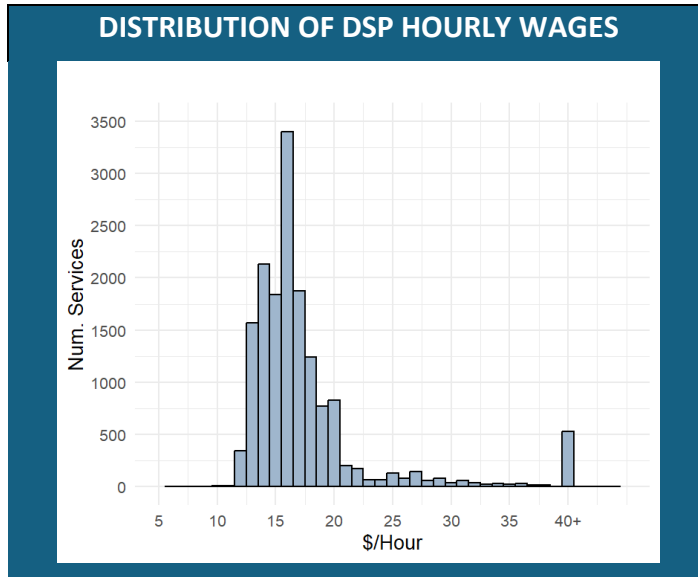
	Full-Time Staff	Part-Time Staff	All Staff
Smallest	0	0	2
Largest	398	600	642
Average	84	45	129
Total	7,943	4,272	12,215

These values are the counts reported by the agency, not the total number of individual staff information reported. The total count of observations that reported individual level information reported was 12,818.

DISTRIBUTION OF TOTAL AMOUNT PAID IN DSP WAGES BY AGENCY



DSP DEMOGRAPHICS AND WAGES



Large **wage differentials** are mainly driven by DSPs with **college degrees**, earning between **\$1.50 and \$32.90** more an hour than those with a high school degree, depending on the type of service provided. College degrees are likely associated with higher wages for nursing staff.

The wage distribution is also partially explained by **differences in work experience**, each **additional year** in the industry is associated with approximately **\$0.24** higher hourly wages.

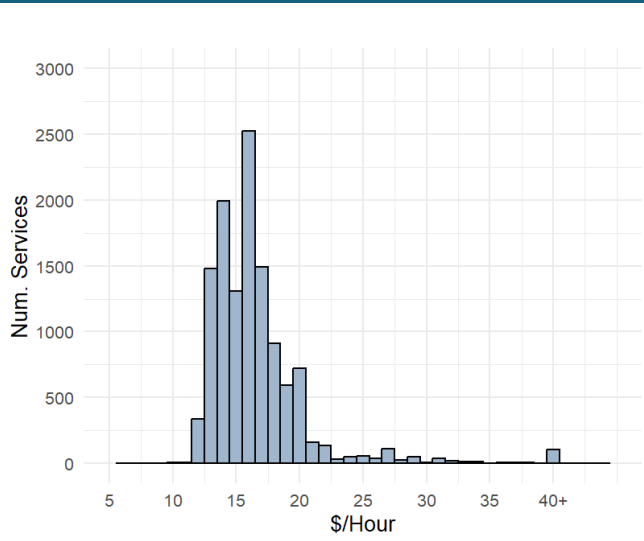
TABLE 2: WAGES BY SERVICE TYPE

Service	Total Staff	Average Wage	Mode Wage	Lowest Wage	Highest Wage
DD Waiver					
Community Integrated Employment Services	1,502	\$16.41	\$14.00	\$12.36	\$52.00
Customized Community Supports	3,660	\$16.89	\$16.00	\$12.00	\$51.46
Customized In-Home Supports	1,182	\$16.34	\$14.00	\$12.00	\$51.46
Intensive Medical Living Services	667	\$18.58	\$20.00	\$11.50	\$51.46
Respite	659	\$18.90	\$14.00	\$10.00	\$65.00
Supported Living Services	4,581	\$16.23	\$16.00	\$7.00	\$72.12
Family Living Services (Daily Rate)	1,711	\$95.63	\$90.00	\$71.00	\$211.76
MF Waiver					
Community Supports	182	\$19.81	\$18.00	\$12.78	\$61.00
Home Health Aide	45	\$16.04	\$13.00	\$12.00	\$44.00
Respite	198	\$38.24	\$65.00	\$13.00	\$65.00
MV Waiver					
Community Direct Supports	1,321	\$25.33	\$16.00	\$11.96	\$84.00
Employment Supports	477	\$17.69	\$16.00	\$14.00	\$51.46
Home Health Aide	412	\$17.65	\$16.00	\$13.15	\$51.46
Homemaker Direct Support	445	\$18.41	\$16.00	\$13.00	\$51.46
Respite	481	\$23.50	\$16.00	\$10.50	\$65.00
In Home Living Supports (Daily Rate)	2,439	\$157.50	\$142.00	\$40.00	\$499.00

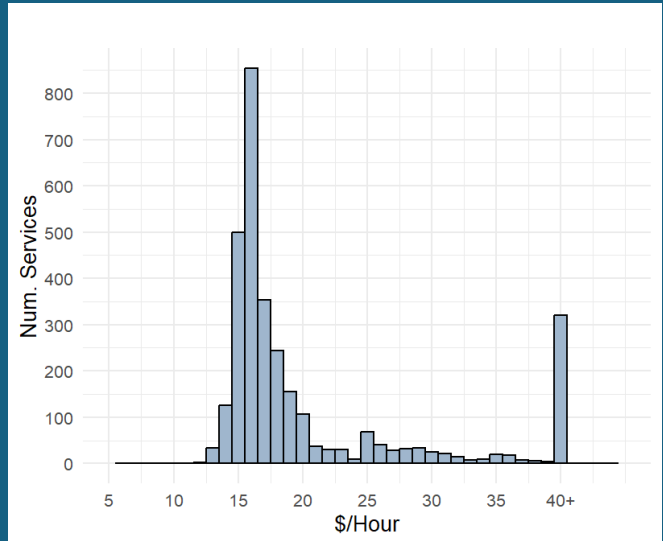
Extreme outliers were removed from the sample due to suspected submissions errors. This data cleaning procedure was conducted on each service separately. An individual may provide multiple service types; thus, the sum of the total staff column is not equal to total staff count in the data set.

DISTRIBUTION OF INDIVIDUAL DSP WAGES BY WAIVER TYPE

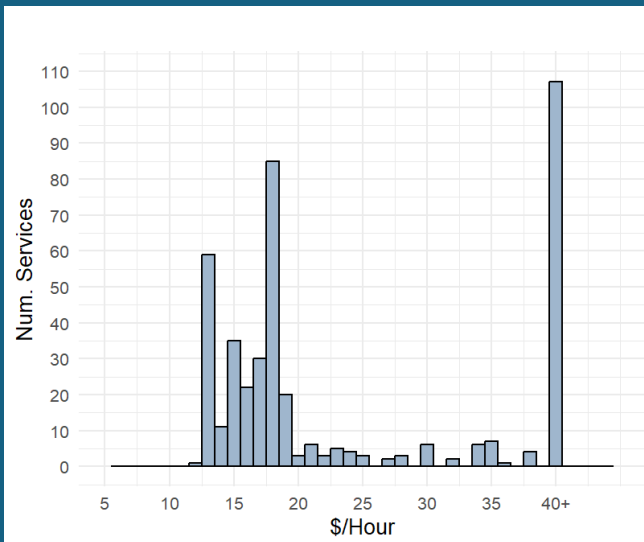
A. DISTRIBUTION OF DD HOURLY WAGES



B. DISTRIBUTION OF MI VIA HOURLY WAGES



C. DISTRIBUTION OF MF HOURLY WAGES

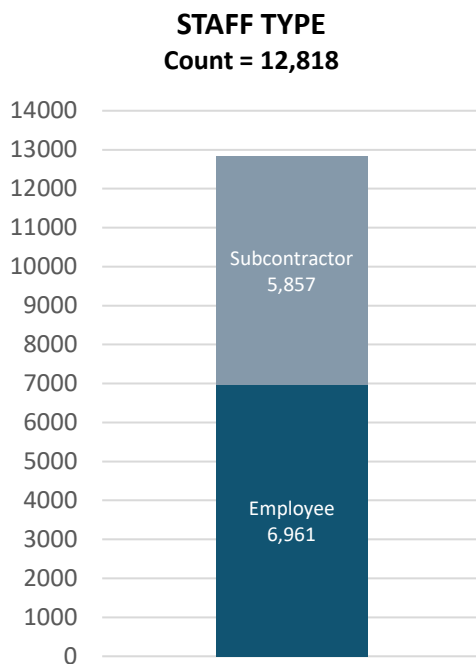


In each figure, the bars show the number of services with staff hourly wages within a one-dollar range. All staff with reported wages greater than \$40 per hour are combined into the final bin

Mi Via participants may set rates, allowing for greater wage variation (*Panel B*). The Medically Fragile Waiver often offers higher wages due to the complex diagnosis and needs of individuals participating in this waiver program (*Panel C*).

Family Living Services and In Home Living Supports are excluded because wages are reported as daily rates. Extreme outliers were removed due to suspected submission errors.

On average, **sub-contracted (1099)** staff earn **\$2.87** more per hour than employee staff for performing the same service.



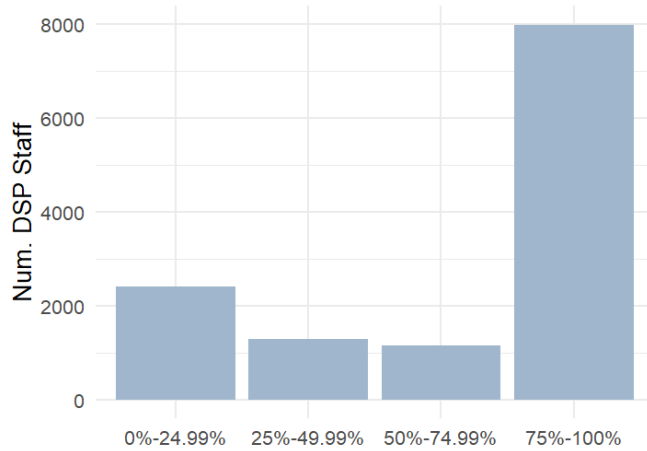
Most DSPs are **women**, representing **74%** of the workforce. Additionally, **women** on average have reported wages that are **\$0.44 greater** and hour than those reported for men.

Table 3. Direct Support Professional Demographics

	Total	%
Gender		
Female	9425	74%
Male	3306	26%
X	4	<1%
Race		
American Indian	1137	9%
Asian/Pacific Islander	59	<1%
Black	645	5%
Caucasian	3056	25%
Hispanic	5717	47%
Native Hawaiian/Other		
Pacific Islander	17	<1%
Other	211	2%
Two or more Races	276	2%
Unknown	1078	9%
Ethnicity		
Hispanic or Latino	6164	56%
Not Hispanic	4847	44%
Highest Level of Education		
Graduate Degree	153	1%
College Degree	1086	10%
Some College	1397	12%
Highschool/ GED	8583	77%
Age	Range	Average
Age ¹	[17-90]	45
Work Experience	Range	Average
Years in Industry	[0-64]	7.7
Years at Agency	[0-68]	3.3

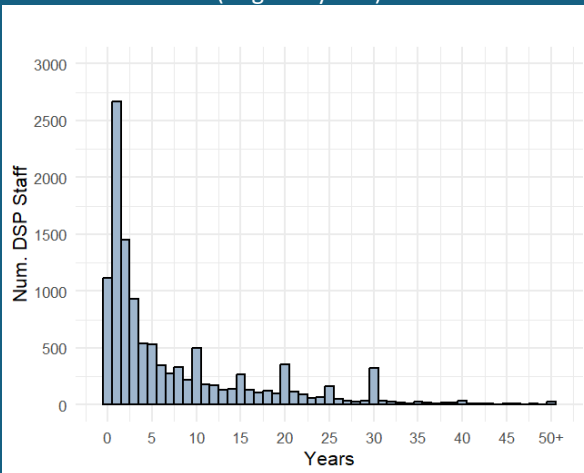
¹Ages reported under legal working age or over 90 were removed due to suspected submission errors.

PERCENTAGE OF YEAR WORKED

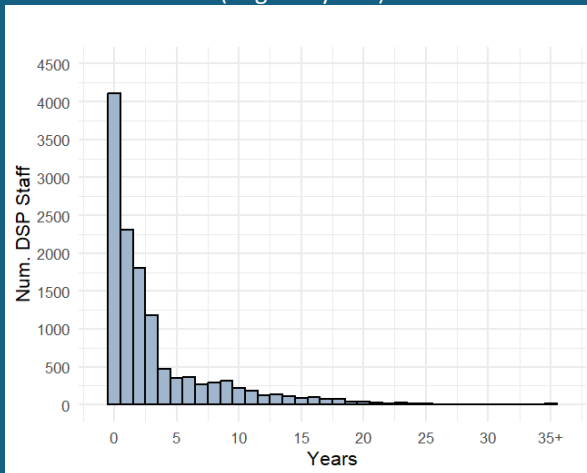


62% of DSPs reported that they worked **75% of the year or more** and **19%** worked **between 0 and 24.99%** of the year.

DISTRIBUTION OF YEARS WORKED IN INDUSTRY (Avg. 7.7 years)



DISTRIBUTION OF YEARS WORKED AT AGENCY (Avg. 3.3 years)



Years of experience at an agency or within the industry are self-reported by the agency. Extreme outliers were removed due to suspected submission errors, including individual entries whose reported experience and year of birth would imply an age exceeding 90 years.

50% of DSPs have worked in the **industry** for **3 years or less**.

50% of DSPs have worked for their **agency** for **1 years less**.

CONCLUSIONS

- During the 2025 calendar year DDS paid \$911.7 million in claims.
 - Payments for claims dated more than 90 days before January 1 were excluded. This adjustment was made to account for an abnormal end-of-year payment lag in 2024, with many delayed claims being paid in January 2025.
- From 2023-2025 agency reported wage expenditures have increased from \$248.5 million to \$330.4 million.
 - This is likely explained in part by an increase in the total number of staff.
 - 330.4 million likely understates the total wage expenditures by agencies in 2025 as 5% of agencies did not provide accurate wage data.



- Despite increases in wage expenditure and employment growth, agencies continue to report substantial vacancies and have high turnover rates.
 - There is no supporting evidence that agencies that offer on average higher wages or benefits have fewer vacancies or lower turnover rates.
- 33% of agencies showed major inconsistencies between their reported full-time and part-time staff counts and their individual DSP data, resulting in a discrepancy of 603 more staff in the DSP counts than in the agency totals.

DIRECT SUPPORT PROFESSIONALS ARE AN ECONOMIC MULTIPLIER

1. Creates jobs and supports local economies.
2. Enables family caregivers to remain employed.
3. Reduces reliance on higher-cost institutional care.
4. Improves health outcomes and lowers healthcare costs.
5. Supports community participation and employment for people with disabilities.
6. Strengthens the overall healthcare and long-term services system.
7. Failing to invest in DSPs will lead to greater costs:
 - i. Low wages force DSPs to rely on public benefits, exacerbating economic insecurity and state expenditures on benefit programs
 - ii. High turn-over, low retention, and chronic labor shortages lead to crisis care gaps, creating costs across employers, people who receive services, the healthcare system, and state government
 - iii. Family caregivers leave the labor force to care for relatives with unmet direct care needs, leading to significant economic consequences for families and employers
 - iv. Workforce shortages create immense human cost as people go without care

STRATEGIES DDSD USED IN FY26 TO STRENGTHEN AND SUPPORT THE DSP WORKFORCE

- DDSD conducted biennial rate studies; the most recent comprehensive rate study was completed in 2025.
- DDSD increased rates for certain services that rely on DSPs to deliver services during FY26.
- DDSD attended 17 job fairs and community outreach events.
- DDSD continued its collaboration with the New Mexico Aging and Long-Term Services Department and the Department of Workforce Solutions, building on more than two years of work to develop a business case outlining the socioeconomic benefits of continued investment in the DSP workforce and to identify recommendations for strengthening New Mexico's policies and programs that support a robust HCBS ecosystem.
- DDSD collected DSP workforce data annually in accordance with HB 395.
- DDSD launched a targeted social media campaign to raise awareness of the direct care workforce, promote direct support careers, engage providers and prospective DSPs, and highlight the meaningful impact DSPs have on the lives of individuals with intellectual and developmental disabilities.

HB 395 data collection and analysis provides a set of quality metrics to measure progress over time in improving recruitment, development, and retention efforts. The State will continue to strategize with intellectual and developmental disabilities community providers to strengthen the DSP workforce and improve quality support for the people we serve. DSPs are often the most vital connection in the lives of people with intellectual and developmental disabilities, providing the support that makes independence and inclusion possible.

REFERENCES

HB 395 (New Mexico 56th Legislature 2023)
<https://www.nmlegis.gov/Sessions/23%20Regular/final/HB0395.PDF>