


Date: December 1, 2025

To: Mi Via Participants, Employer of Records, Consultant Agencies, Vendor Agencies, and Interested Parties

From: Melanie Buenviaje, Deputy Director 
Developmental Disabilities Supports Division (DDSD)

Subject: Implementation of House Bill (HB) 357 – Mi Via Provider Gross Receipts Tax

BACKGROUND

Under HB 357 Gross Receipts Tax (GRT) will no longer be subtracted from a Mi Via Waiver participant's Approved Annual Budget (AAB). The following guidelines have been established:

- No budget revisions are required to accommodate this change.
- Existing vendor agreements remain valid and do not need to be reestablished.
- Vendor payment processes will continue as usual.
- All invoices must include a separate line for GRT to ensure transparency and accurate tracking.
- System changes will not be fully until March 2026.
- GRT should remain included in the cost of each approved service or goal.
- Participants and Consultants should wait for further direction from DDSD before removing GRT from service goals or submitting revisions that modify service budget amounts.

The following Frequently Asked Questions (FAQ) are provided to clarify key aspects of the implementation scheduled for January 1, 2026:

FREQUENTLY ASKED QUESTIONS

1. When will Gross Receipts Tax (GRT) be implemented and no longer be counted against the participant's Approved Annual Budget (AAB)?

HB357 will be implemented on January 1, 2026. For services provided on or after that date, GRT will no longer be paid from or deducted from the participant's budget.

2. How should budgets be built regarding GRT, and can revisions be made before January 1, 2026?

For plans effective before and beyond January 1, 2026, Gross Receipts Tax (GRT) must continue to be included in the budget. Revisions should not be made before January 1, 2026 to redistribute GRT. Although initial changes take effect on January 1, 2026, full system integration will not be complete until March 2026. GRT should remain part of the cost of each approved service until DDSO provides further direction. Other types of revisions unrelated to GRT may still be submitted during this time.

3. What changes will take place in FOCOOnline?

Prior to January 1, 2026, FOCOOnline will systematically create, for each approved service on a participant's budget, a dedicated section for GRT costs, similar to the section used for Paid Sick Leave. Funds designated for GRT payments will be documented in this new section. Consultants will not need to create or allocate funds to it themselves. Instead, FOCOOnline and Conduent, will ensure the section is properly filled in, maintained, and updated during the processing of Vendor Payment Request (VPR) forms.

By March 2026, once full system integration is complete, this process will shift from participant-by-participant updates to a fully automated system. This will ensure all participant budgets are managed consistently and accurately, without requiring individual manual adjustments.

4. How will participants access GRT funds, and do rates on services need to be revised?

The funds allotted for Gross Receipts Tax (GRT) on services will not be automatically returned to the Individual Budgetary Allotment (IBA). If a participant wishes to redistribute GRT funds to additional services or apply them toward new services, a budget revision must be created and submitted to the Third-Party Assessor (TPA) for review and approval. Consultants should work with Mi Via participants to review the funds that may become available for use.

Participants and Consultants should wait for further direction from DDSO before revising rates and redistributing funds allotted to GRT.

5. When revising budgets, how will participants or Consultants know the amount of money available from GRT?

Participants/ Employers of Record (EOR) will need to work directly with their vendors to determine the specific amount of Gross Receipts Tax (GRT) that is being charged on services. Vendors are responsible for calculating and applying GRT to their invoices, and the amount may vary depending on the service type, rate, and frequency (e.g., hourly, daily, or monthly).

Example: A participant/Employer of Record (EOR) contracts with an In-Home Living Supports (IHLS) vendor for the rate of \$191.48 per day; vendor charges Santa Fe County GRT (8.4375%).

The current service/goal in FOCOonline shows:

IHLS at a rate of \$191.48 per day with GRT of \$16.15 per day; total budgeted per day is \$207.63.

When revising the budget, an additional \$16.15 per day is available for the participant to move to new or other services.

6. Will vendors need to change how they submit invoices?

Yes. Vendors must separate the cost of the actual service from the GRT on their invoices. Specifically, there should be one line that shows the GRT amount and a second line that shows the Total Amount Billed. Invoices do not need to add a separate GRT line for every date of service, a single total GRT line for the entire invoice is sufficient. Here's how that might look in practice:

Example: A participant/Employer of Record (EOR) contracts with an In-Home Living Supports vendor for the rate of \$191.48 per day; vendor charges Santa Fe County GRT (8.4375%). Dates of Service are January 1 and January 2, 2026.

The invoice should show the following:

Date	Description	Amount
01/01/2026	T2033 – In-Home Living Supports Service	\$191.48
01/02/2026	T2033 – In-Home Living Supports Service	\$191.48
	GRT	\$32.30
	TOTAL BILLED	\$415.26

In situations where the contracted amount in the Vendor Agreement includes GRT, vendors will need to 'back out' the GRT to show two figures on the invoice:

1. Actual cost of the service (pre-tax amount), and
2. GRT amount

This ensures that invoices clearly delineate service costs and tax.

Example: A participant/Employer of Record (EOR) contracts with an In-Home Living Supports vendor for the rate of \$191.48 per day; vendor charges Santa Fe

County GRT (8.4375%) of \$16.15. The amount noted in the Vendor Agreement is \$207.63 (\$191.48 plus \$16.15) per day.

The invoice must separate the cost of services from cost of GRT.

Date	Description	Amount
01/01/2026	T2033 – In-Home Living Supports Service	\$191.48
	GRT	\$16.15
	TOTAL BILLED	\$207.63

**Invoices do not need to add a separate GRT line for every date of service, a single total GRT line for the entire invoice is sufficient.*

Vendors can begin delineating the GRT on invoices now but are required to do this beginning January 1, 2026.

Vendors who submit payment requests through “Bulk Entry” will be contacted directly by Conduent and provided with technical assistance on entry of GRT charges in FOCoSonline. An instruction guide will also be posted on New Mexico Medicaid Portal: <https://nmmedicaid.portal.conduent.com/static/index.htm>

7. What happens if an invoice does not have separate line item for GRT?

If the invoice submitted for payment does not have a separate line item for GRT, the request of payment will be a Returned to Participant (RTP) for a corrected invoice.

Vendors can begin delineating the GRT on invoices now but are required to do this beginning January 1, 2026.

8. Will the Vendor Payment Request (VPR) form be updated to reflect GRT changes?

No, the VPR will not be updated.

9. Will guidance be provided on which GRT rate to use?

No. Guidance on which GRT rate to use will not be provided. It is the responsibility of vendors to determine the appropriate GRT rate based on their GRT reporting to New Mexico Tax and Revenue Department (NMTRD). <https://www.tax.newmexico.gov/>

10. Will the system support multiple GRT rates for the same vendor?

Yes. Starting January 1, 2026, FOCoSonline will be able to support different Gross Receipts Tax (GRT) amounts for the same vendor. Since vendors may charge different

rates depending on their location or type of service, FOCOnline will simply record and display the GRT exactly as billed by each vendor on their invoices.

11. Will there be audits to ensure correct GRT payments?

Yes. Payments to vendors, including the amount billed for GRT, are reviewed through the Health Care Authority's annual post-payment audit review process.

For any questions or clarification, please contact: Melanie Buenviaje at
melanie.buenviaje@hca.nm.gov