

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 161

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

DISCUSSION DRAFT

AN ACT

RELATING TO HEALTH; MAKING AN APPROPRIATION TO THE HEALTH CARE
AUTHORITY DEPARTMENT TO PROVIDE SUBSIDIES TO CERTAIN ELIGIBLE
HEALTH CARE FACILITIES TO COVER CERTAIN REVENUE LOSSES;
PROVIDING FOR A DELAYED REPEAL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1. TEMPORARY PROVISION--SUBSIDIES TO CERTAIN
ACUTE CARE FACILITIES TO COVER REVENUE LOSSES.--**

A. An eligible health care facility may apply
annually to the health care authority department for quarterly
subsidies to cover revenue losses incurred due to:

- (1) providing emergency medical services;
- (2) providing inpatient services related to
maternal, child and family health;
- (3) paying year-on-year cost increases for

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1 medical malpractice premiums;

2 (4) medicare sequestration;

3 (5) paying year-on-year cost increases for
4 property insurance; or

5 (6) providing in-patient unit acute care.

6 B. An eligible health care facility that has less
7 than one hundred days of cash on hand in reserves shall provide
8 the health care authority department with the following:

9 (1) upon initial application, a plan for the
10 eligible health care facility to have one hundred days of cash
11 on hand in reserves within five years without cutting the
12 services it provides and providing those services to all
13 patients, regardless of insurance coverage; and

14 (2) quarterly updates until the end of fiscal
15 year 2026 regarding progress toward completing the plan
16 pursuant to Paragraph (1) of this subsection.

17 C. An eligible health care facility that has more
18 than one hundred days of cash on hand in reserves shall provide
19 the health care authority department with the following:

20 (1) upon initial application, a plan for the
21 eligible health care facility to maintain at least one hundred
22 days of cash on hand in reserves without cutting the services
23 it provides and providing those services to all patients,
24 regardless of insurance coverage; and

25 (2) quarterly updates until the end of fiscal

1 year 2026 regarding progress toward completing the plan
2 pursuant to Paragraph (1) of this subsection.

3 D. An eligible health care facility that fails to
4 provide quarterly updates to the health care authority
5 department pursuant to Paragraph (2) of Subsection B of this
6 section or Paragraph (2) of Subsection C of this section shall
7 not receive additional subsidies.

8 E. Over the course of fiscal years 2025 and 2026,
9 the health care authority department shall not provide more
10 than:

11 (1) three million two hundred thousand dollars
12 (\$3,200,000) to the Artesia general hospital;

13 (2) four million five hundred thirty-four
14 thousand dollars (\$4,534,000) to the Cibola general hospital;

15 (3) five million seven hundred thousand
16 dollars (\$5,700,000) to the Holy Cross hospital;

17 (4) two million five hundred thousand dollars
18 (\$2,500,000) to the miners' Colfax medical center;

19 (5) five million seven hundred thousand
20 dollars (\$5,700,000) to the Roosevelt general hospital;

21 (6) five million seven hundred thousand
22 dollars (\$5,700,000) to Rehoboth McKinley Christian health care
23 services;

24 (7) two million seven hundred thousand dollars
25 (\$2,700,000) to the Sierra Vista hospital;

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1 (8) five million seven hundred thousand
2 dollars (\$5,700,000) to the Union county general hospital;

3 (9) five million dollars (\$5,000,000) to the
4 Alta Vista regional hospital;

5 (10) one million seven hundred thousand
6 dollars (\$1,700,000) to the Guadalupe county hospital;

7 (11) five million seven hundred thousand
8 dollars (\$5,700,000) to the Gila regional medical center; or

9 (12) one million eight hundred sixty-six
10 thousand dollars (\$1,866,000) to the Nor-Lea hospital district.

11 F. For the purposes of this section, "eligible
12 health care facility" means the hospitals listed in Subsection
13 E of this section.

14 **SECTION 2. APPROPRIATION.**--Fifty million dollars
15 (\$50,000,000) is appropriated from the general fund to the
16 health care authority department for expenditure in fiscal
17 years 2025 and 2026 to provide quarterly subsidies to eligible
18 health care facilities to cover certain revenue losses. Any
19 unexpended or unencumbered balance remaining at the end of
20 fiscal year 2026 shall revert to the general fund.

21 **SECTION 3. DELAYED REPEAL.**--This act is repealed
22 effective July 1, 2026.