

LFC Requestor: FAUBION, Jennifer

2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: 249

Type: Introduced

Date (of THIS analysis): 02/05/2025

Sponsor(s): Craig Brandt

Short Title: Health Care Providers Reimbursed for Gross Receipt Taxes

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$00	\$0	\$0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

SB249 proposes required reimbursement to medical providers when providing services to a Medicaid recipient, the provider would be reimbursed for all applicable gross receipts taxes they are required to pay.

SB249, also required health care providers be provided an itemized list that includes information on the services for which the provider is being reimbursed and a list including the specific amount being reimbursed for gross excepts taxes.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

New Mexico has a significant shortage of healthcare providers. The New Mexico Healthcare Workforce Committee 2024 Annual Report documents the shortage of physicians, nurses, pharmacists, physician assistances, certified nurse practitioners, and dentists in New Mexico and offers recommendations for recruitment, retention, and increasing the healthcare workforce ([New Mexico Health Care Workforce Committee 2024 Annual Report](#)).

According to 2022 data, 33.5% of New Mexico's population were enrolled in Medicaid (<https://healthjournalism.org/wp-content/uploads/2023/12/New-Mexico-Insurance-Media-Guide.pdf>). That same year the New Mexico Legislature produced a program evaluation report on the New Mexico Medicaid Network, which indicated Medicaid enrollees do not have adequate access to timely healthcare (https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/A-1-1%20Draft_%20Medicaid%20Adequacy%20and%20Access%20v16.pdf). SB249 aims to

encourage medical providers to offer services to Medicaid patients by establishing a reimbursement mechanism for gross receipt taxes paid on Medicaid-funded services.

As demand for healthcare services and providers continues to increase, providing retention incentives to healthcare practitioners who work and live in rural and medically underserved areas may help stabilize the healthcare workforce. The proposed eligibility for additional practitioners in SB249 could encourage more healthcare practitioners to stay in rural and medically underserved areas to provide needed healthcare services.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
If yes, describe how.
- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No.

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None.

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No

- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

None.

9. HEALTH IMPACT(S)

SB249 would encourage provider to provide services to individuals receiving Medicaid community which consist primarily of lower income families and children.

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If SB249 is not passed, medical providers will not be reimbursed on their gross receipts tax for services provided to Medicaid patients.

12. AMENDMENTS

It may be useful to add a definition of who is a health care provider for purposes of SB249 – for example, is a contracted home health aide considered to be a health care provider, or only a licensed clinician.