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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Campos/Rep. Gonzales</u>	LAST UPDATED <u>02/25/2025</u>
	ORIGINAL DATE <u>02/14/2025</u>
SHORT TITLE <u>Hub & Spoke Health Care Pilot Project</u>	BILL NUMBER <u>Senate Bill 261</u>
	ANALYST <u>Chilton</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$1,750.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bill 58

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Health (DOH)
 Health Care Authority (HCA)
 Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 261

Senate Bill 261 (SB261), the Hub and Spoke Health Care Pilot Project, appropriates \$1.75 million from the general fund to the Department of Health (DOH) for the purpose of establishing a hub-and-spoke health care pilot project. “Hub-and-spoke model” is defined in Section 1A of the bill as a network directed from a central “hub” of a comprehensive primary care clinic, with mobile services and satellites, the “spokes,” reaching out into a surrounding community.

The hub would be a federally qualified health center (FQHC) in San Miguel County with outreach to the “spokes” in schools in at least five school districts. Care would be provided in these “spokes” by a cooperative care team, defined in the bill as a preventive health care team, including the following licensed personnel: a school nurse, a primary care provider, a behavioral health care provider as well as a certified athletic trainer, and a certified community health worker.

DOH would contract with the FQHC, collect data regarding health and academic outcomes, collaborate with the Public Education Department (PED), which would help evaluate student academic outcomes, and report to the Legislature, including the Legislative Health and Human

Services Interim Committee, and the governor on at least an annual basis.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$1.75 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY30 shall revert to the general fund/other fund. Although SB261 does not specify future appropriations, establishing a new program could create an expectation that the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

Neither the Health Care Authority (HCA) nor DOH identifies expenses to the respective departments resulting from the possible passage of this bill.

SIGNIFICANT ISSUES

In describing a hub-and-spoke model implemented in Shreveport, Louisiana, an article in BMC Health Services Research made note of the challenges of providing care in rural America:

Rural populations are among the most vulnerable in America. They are poorer, older, and sicker than their counterparts residing in densely populated areas, and the communities where they live are increasingly losing an already compromised pool of healthcare resources. Convenient access to healthcare services in these small communities was commonplace at one time, but the increasing urbanization and suburbanization of society has taken a severe toll on the viability of rural America, reducing population, the tax base associated with such, and related public and private investment. High poverty, reduced employment opportunities, and high numbers of uninsured residents further characterize and burden rural communities. These consequences understandably have negatively impacted community infrastructure, notably including the availability of healthcare services, their depth and breadth, and their accessibility to area residents.

These comments would apply to challenges facing health care for all ages, including school populations, including those in San Miguel County. The report goes on to describe the hub-and-spoke model employed in this Louisiana example:

The hub-and-spoke model, as applied in healthcare settings, is a method of organization involving the establishment of a main campus or hub, which receives the heaviest resource investments and supplies the most intensive medical services, complemented by satellite campuses or spokes, which offer more limited service arrays at sites distributed across the served market. Basic healthcare needs are addressed locally through the network's satellite facilities, but in cases where more intensive medical interventions are required, patients are routed to the main campus or hub for treatment.

San Miguel County is designated as health care shortage area by the federal Health Resources and Services Administration, as evidenced in part by its only hospital, Alta Vista Hospital, having closed its maternity services in 2022.

DOH recommends adding telehealth as a means of extending services out from a hub in a rural setting and continues, stating that:

Ensuring a successful program requires dedicated planning, development, and implementation. Applying a standardized framework to program development may contribute to reaching established goals and outcomes. Developing a strong collaborative interprofessional network focused on achieving the same goals may not only improve patient outcomes but also contribute to improved health equity for children.

DOH also states that it has partnered with PED to correlate student academic outcome with the presence or absence of school behavioral health system; the collaboration would be helpful in assessing the results of this pilot program.

PED cites evidence suggesting that school-based health centers (SBHCs) and this similar hub-and-spoke model will be effective, especially for lower income students:

Increased access to healthcare services as proposed in SB261 has been shown to improve outcomes, such as student well-being and academic performance.

A study of SBHCs and educational outcomes funded by the DOH Office of School and Adolescent Health (OSAH) from 2014-2019, published in 2025, noted the following positive associations prior to the COVID-19 pandemic in New Mexico:

- OSAH-funded SBHCs are reaching higher-need students in under-resourced and rural communities. A higher proportion of students eligible for free or reduced-price lunch and receiving special education services use OSAH-funded SBHCs compared to the overall New Mexico public school population. Also, 75 percent of OSAH-funded SBHCs were in town or rural regions and 89 percent of OSAH-funded SBHCs were in counties rated medium-high to high on the Social Vulnerability Index.
- Students who used an OSAH-funded SBHC for any reason in high school were eight percentage points (83 percent compared to 75 percent) more likely to graduate on time compared to their peers who did not use OSAH-funded SBHCs.
- Using OSAH-funded SBHCs may serve as a protective factor mitigating the academic impact of chronic absenteeism. Among the students who were chronically absent for one year during high school, the graduation rate of those who used OSAH-funded SBHC services was six percentage points higher than students who had also been chronically absent but didn't use OSAH-funded SBHC services.

The bill requires a final report to the governor and the Legislature by November 1, 2030, but the period during which the appropriation is to be spent begins July 1, 2026, and ends June 30, 2031.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 58, Mental Health Programs in Schools Funding, which would establish a pilot program of school mental health provision in chosen schools throughout New Mexico.