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SENATE BILL 161

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

INTRODUCED BY

George K. Muñoz and Pat Woods

AN ACT

RELATING TO HEALTH; MAKING AN APPROPRIATION TO THE HEALTH CARE
AUTHORITY DEPARTMENT TO PROVIDE SUBSIDIES TO CERTAIN ACUTE CARE
FACILITIES TO COVER CERTAIN REVENUE LOSSES.

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 independent not-for-profit or state- or
county-owned acute care facility with fewer than thirty beds
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. In order to receive a subsidy, an acute care
7 facility with a debt larger than one million dollars
8 (\$1,000,000) shall provide the health care authority department
9 with the following:

10 (1) upon initial application, evidence that
11 the acute care facility has less than one hundred days of cash
12 on hand in reserves;

13 (2) upon initial application, a plan for the
14 acute care facility to have one hundred days of cash on hand in
15 reserves within five years without cutting the services it
16 provides and providing those services to all patients,
17 regardless of insurance coverage; and

18 (3) quarterly updates until the end of fiscal
19 year 2026 regarding progress toward completing the plan
20 pursuant to Paragraph (2) of this subsection.

21 C. An acute care facility that fails to provide
22 quarterly updates to the health care authority department
23 pursuant to Paragraph (3) of Subsection B of this section shall
24 not receive additional subsidies.

25 D. The health care authority department shall not

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1 provide an acute care facility with more than three million
2 dollars (\$3,000,000) in subsidies per fiscal year.

3 E. For purposes of this section, "acute care
4 facility" means a facility providing emergency or urgent care,
5 inpatient medical care and nursing care for acute illness,
6 injury, surgery or obstetrics.

7 SECTION 2. APPROPRIATION.--

8 A. Fifty million dollars (\$50,000,000) is
9 appropriated from the general fund to the health care authority
10 department for expenditure in fiscal years 2025 and 2026 to
11 provide quarterly subsidies to acute care facilities with fewer
12 than thirty beds to cover certain revenue losses. Any
13 unexpended or unencumbered balance remaining at the end of
14 fiscal year 2026 shall revert to the general fund.

15 B. The health care authority department shall not
16 spend more than twenty-five million dollars (\$25,000,000) in
17 fiscal year 2025.