

LFC Requestor: Self Assigned

**2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS**

Section I: General

Chamber: Senate

Category: Bill

Number: 45

Type: Introduced

Date (of THIS analysis): 01-29-25

Sponsor(s): Jeff Steinborn

Short Title: County Healthcare Assistance Fund Use

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	\$0	\$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

Senate Bill 45 (SB45) proposes to amend Section 27-5-7.1 NMSA 1978, the Indigent Hospital and County Health Care Act, to allow additional authorized uses of county health care assistance funds. The proposed additional authorized uses are for:

1. Monthly premiums of health insurance policies for indigent patients, and
2. Out-of-pocket costs, including copayments and deductibles, incurred by indigent patients pursuant to the terms of a health insurance policy.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

NM Stat § 27-5-4 (2023) defines “Indigent Patient” and “Health Care Services” as follows:

“Indigent patient” means a person to whom an ambulance service, a hospital, or a health care provider has provided medical care, ambulance transportation or health care services and who can normally support the person’s self and the person’s dependents on present income and liquid assets available to the person but, taking into consideration the person’s income, assets, and requirements for other necessities of life for the person and the person’s dependents, is unable to pay the cost of the ambulance transportation or medical care administered or both; provided that if a definition of “indigent patient” is adopted by a county in a resolution, the definition shall not include any person whose annual income together with that person’s spouse’s annual income totals an amount that is fifty percent greater than the per capita personal income for New Mexico as shown for the most recent year available in the survey of current business published by the United States department of commerce.

“Indigent patient” includes a minor who has received ambulance transportation or medical care or both and whose parent or the person having custody of that minor would qualify as an indigent patient if transported by ambulance, admitted to a hospital for care or treated by a health care provider”.

“Health care services” means treatment and services designed to promote improved health in the county indigent population, including primary care, prenatal care, dental care, behavioral health care, alcohol or drug detoxification and rehabilitation, hospital care, provision of prescription drugs, preventive care or health outreach services, to the extent determined by resolution of the county. [New Mexico Statutes Section 27-5-4 \(2023\) - Definitions. :: 2023 New Mexico Statutes :: U.S. Codes and Statutes :: U.S. Law :: Justia](#)

“Indigent” patients in New Mexico are those whose family finances would be threatened by the costs of care. Historically, county indigent funds, outside of a very few counties, have been administered by County Commissions with a focus on payment of hospital costs of medically indigent patients. County commissions and indigent programs do not necessarily reimburse costs for direct patient care by health professionals. Insurance premium payments potentially could cover both inpatient and outpatient reimbursements.

The coverage of eligible copays and deductibles may be difficult for counties to calculate. It would be useful to have a sliding fee scale to evaluate, based upon income and family size, what percentage of copays and deductibles a patient should be able to be paid out of pocket and what portion should be subsidized. It would also be useful to clarify if there would be a limit of visits or encounters per patient to use these funds.

Several community health centers receive support from counties out of this fund as part of an annual grant. This is separate from claims-based payment. Thus, it has freed counties from having to confront the needs of the indigent population on a claims level. Community health centers are permitted, by law, to treat all patients regardless of insurance status.

Lastly, in some smaller counties, individuals make application for the use of indigent funds on a case-by-case basis either to a designated “indigent fund” administrator or someone required to process applications who has additional duties. The cases may or may not be approved for payment by that designated “indigent fund” administrator – and they are then sent on to the county commission for votes, one by one. This approach has led to many different approval and disapproval processes throughout the state.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
- 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

SB45 would support the indigent population of New Mexico; however, it is uncertain whether SB45 would have any positive or negative impact on health or health disparities, as it is unclear how funds would be distributed, how payments will be tracked or evaluated, or what the fiscal impact would be on the health care system.

Rural communities in New Mexico often have higher rates of poverty, lower levels of education, and limited health insurance coverage. These socioeconomic factors contribute to poorer health outcomes and difficulties in accessing and affording healthcare services. (<https://pubmed.ncbi.nlm.nih.gov/21768583/>)

9. HEALTH IMPACT(S)

SB45 would support the indigent population of New Mexico; however, it is uncertain whether SB45 would have any positive or negative impact on health or health disparities as it is unclear how funds would be distributed, how payments will be tracked or evaluated, or what the fiscal impact would be on the health care system.

Many areas in New Mexico are rural, remote and sparsely populated, making it difficult for residents to access healthcare facilities. The distances between communities and medical centers can be substantial, resulting in limited access to timely and emergency care. (<https://pubmed.ncbi.nlm.nih.gov/37196993/>) If this bill increased access to transportation or other care options in rural areas, it could have a positive impact on population health.

10. ALTERNATIVES

None

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

If Senate Bill 45 (SB45) is not enacted, Section 27-5-7.1 NMSA 1978 would not allow additional authorized uses of county health care assistance funds.

12. AMENDMENTS

None