

LFC Requestor: Choose an item.

**2025 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS**

**Section I: General**

**Chamber:** Senate

**Category:** Bill

**Number:** 370

**Type:** Introduced

**Date** (of THIS analysis): 02/13/2025

**Sponsor(s):** Katy M. Duhigg and Joseph Cervantes

**Short Title:** OBGYN Medicaid Reimbursement Rates

**Reviewing Agency:** Center for Healthy and Safe Communities

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**Section II: Fiscal Impact**

**APPROPRIATION (dollars in thousands)**

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$0	12,000.0	Nonrecurring	General

**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
<b>Total</b>	\$0	\$0	\$0	\$0	N/A	N/A

The Health Care Authority (HCA) would be administering the proposed new material in Senate Bill 370

(SB370). The Department of Health (DOH) is unable to outline the type of expenses this bill would incur for operating expenses for HCA.

### **Section III: Relationship to other legislation**

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: House Bill 56 (HB56)

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

### **Section IV: Narrative**

#### **1. BILL SUMMARY**

a) Synopsis

Senate Bill 370 (SB370) proposes to enact a new section of the Public Assistance Act with the Reimbursement for Obstetrics or Gynecology services to increase the Medicaid reimbursement rates to two hundred and fifty percent (250%) of the Medicaid reimbursement rate for the equivalent service.

SB370 would increase the Medicaid reimbursement to ensure that at least seventy-five percent (75%) of the increase in reimbursement revenue will provide an increase in compensation for health care workers and other employees who interact directly with the patients and to hire additional health care workers and other employees who interact directly with patients.

SB370 consists of twelve million dollars (\$12,000,000) appropriation from the general fund for the Health Care Authority (HCA) expenditures in fiscal year 2026. Any unused funds shall revert to the general fund.

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

b) Significant Issues

The HCA will fulfill the responsibilities outlined in the OBGYN Medicaid Reimbursement Rates, as specified in SB370.

It is uncertain if constituencies or stakeholders called for this bill.

It is uncertain if this bill affects NMDOH stakeholders and customers.

#### **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

SB370 could be related to HB56, which would ensure that Medicaid reimbursement for services at birth centers is the same as reimbursement for services at hospitals.

### 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

SB370 covers the population who will receive Maternal Health services in the state of New Mexico. The Obstetrics or Gynecology physicians will provide Maternal Health services to

the specified population in SB370. The Maternal Health improvements through the Medicaid reimbursement rates will provide additional access to care from Obstetricians and Gynecologist in urban areas, but this may not reach the Frontier and Rural areas in New Mexico. Attracting and retaining healthcare providers in rural communities can be challenging due to factors such as limited career opportunities, lower reimbursement rates, and lack of infrastructure. Consequently, programs to deal broadly with issues must first assess the abilities at each level – state, county and local – to overcome them. (<https://pubmed.ncbi.nlm.nih.gov/37214231/>).

## 9. HEALTH IMPACT(S)

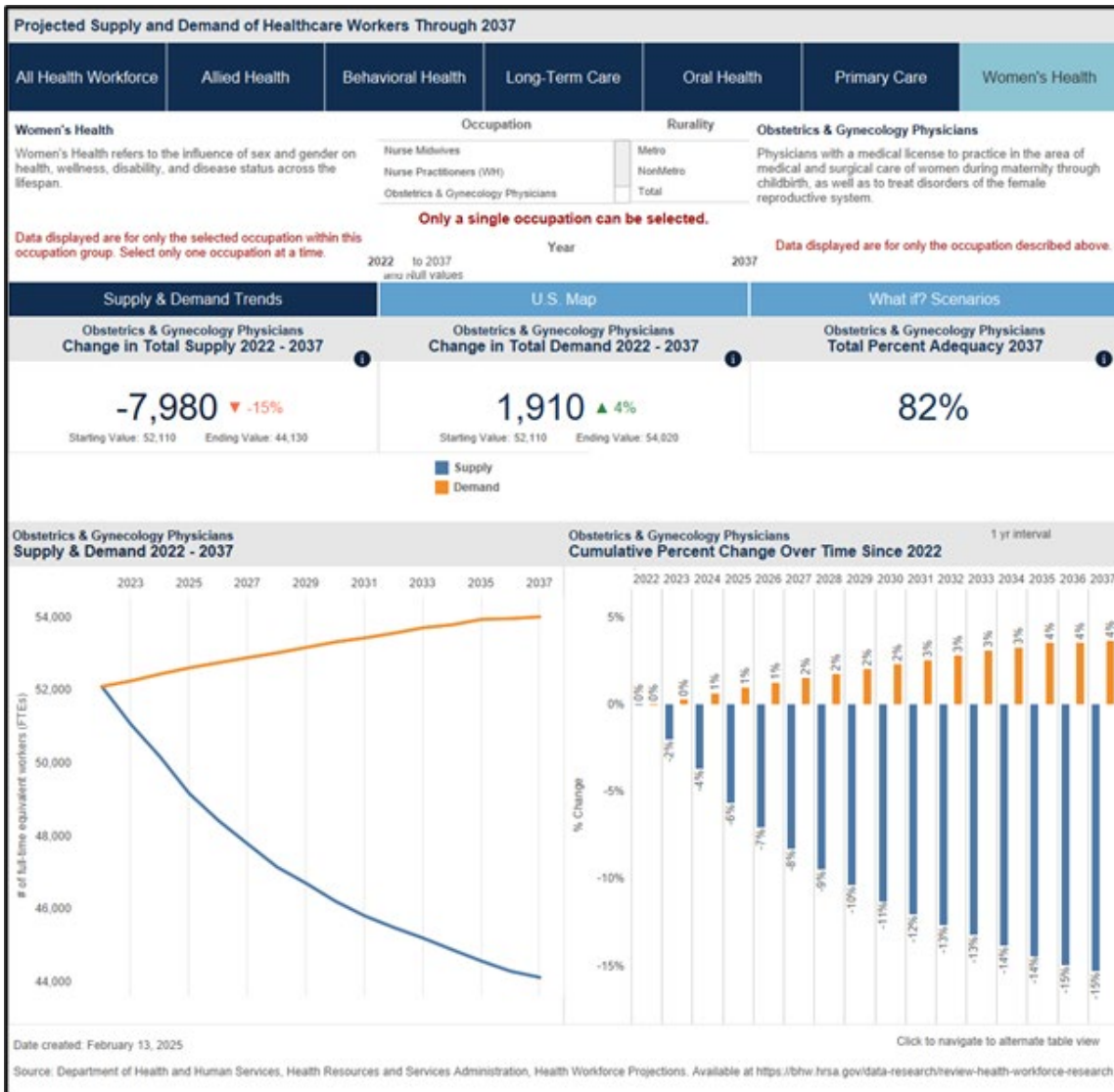
Providing health care and public health services in rural, frontier, and urban areas poses challenges such as the ability to hire and maintain health care providers. Rural and Frontier communities throughout the country, but especially in the West, face challenges in health care due to many factors including aging populations, closure and/or downsizing of hospitals (<https://pubmed.ncbi.nlm.nih.gov/33011448/>), aging out of local health providers (<https://pubmed.ncbi.nlm.nih.gov/36205415/>) and loss of younger people and changes in local economies away from extractive and agricultural economies. Rural and frontier communities face transportation and isolation. These and other issues create circumstances in which every community is unique in the strength of each of the factors and which ones affect unique health care issues especially health workforce shortages.

1. Geographic isolation: Many rural areas in New Mexico are 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/>)
2. Socioeconomic factors: 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/>)
3. Health workforce shortages: Rural areas struggle with a shortage of healthcare professionals, including doctors, nurses, and specialists. Attracting and retaining healthcare providers in rural communities can be challenging due to factors such as limited career opportunities, lower reimbursement rates, and a lack of infrastructure. (<https://pubmed.ncbi.nlm.nih.gov/35760437/>) The labor force participation rate shows a more robust effect on healthcare spending, morbidity, and mortality than the unemployment rate. (<https://pubmed.ncbi.nlm.nih.gov/24652416/>)
4. Limited healthcare infrastructure: Rural areas often have fewer healthcare facilities, including hospitals, clinics, and specialty care centers. The lack of infrastructure restricts access to comprehensive and specialized healthcare services.
5. Financial constraints: Rural communities have limited financial resources, making it challenging to invest in healthcare infrastructure, recruit healthcare professionals, and offer affordable healthcare services to residents.
6. Telecommunications and technological limitations: Rural areas often have inadequate internet connectivity and limited access to advanced medical technologies. This hampers the implementation of telemedicine and other innovative solutions that can bridge the gap in healthcare delivery. The New Mexico Department of Information Technology, DOIT,

is working on increasing access to broadband in rural communities to address this. (<https://www.doit.nm.gov/programs/broadband/>)

7. Transportation barriers: Limited public transportation options and long travel distances make it difficult for rural residents to reach healthcare facilities, especially for routine appointments or follow-up. (<https://pubmed.ncbi.nlm.nih.gov/26026190/>)
8. Maternal health access to care: The Maternal Health improvements will support the reduction of the maternal morbidity and mortality with five goals supported by the Health Resources and Services Administration (HRSA) ([How We Improve Maternal Health | HRSA](#)) with the White House Blueprint for Addressing the Maternal Health Crisis. Here are the goals:
  - Goal 1 – Increase access to and coverage of comprehensive high-quality maternal health services, including behavioral health services.
  - Goal 2 – Ensure those giving birth are heard and are decision makers in accountable systems of care.
  - Goal 3 – Advance data collection, standardization, harmonization, transparency, and research.
  - Goal 4 – Expand and diversify the perinatal workforce.
  - Goal 5 – Strengthen economic and social supports for people before, during, and after pregnancy.

The following snapshot shows the data trend of supply and demand Workforce Projections retrieved from the HRSA Workforce Projections ([Workforce Projections](#)):



**10. ALTERNATIVES**

None.

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

If SB370 is not enacted, then the bill will not be added to the appropriations of the general fund to support the OBGYN Medicaid Reimbursement Rates in fiscal year 2026.

**12. AMENDMENTS**

None.