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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Woods/Rep. Pettigrew</u>	LAST UPDATED <u>1/29/24</u>
	ORIGINAL DATE <u>1/23/24</u>
SHORT TITLE <u>Emergency Rural & Frontier Hospital Funds</u>	BILL NUMBER <u>Senate Bill 52/ec</u>
	ANALYST <u>Chenier</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
\$51,000.0		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 161

Sources of Information

LFC Files

Agency Analysis Received From
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From
Department of Health (DOH)

SUMMARY

Synopsis of Senate Bill 52

Senate Bill 52 appropriates \$51 million from the general fund to the Department of Health to provide emergency funding to rural and frontier hospitals with fewer than 35 beds.

This bill contains an emergency clause and is effective upon enactment.

FISCAL IMPLICATIONS

The appropriation of \$51 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

SIGNIFICANT ISSUES

HCA provided the following:

The bill appropriates \$51 million to DOH to provide emergency funding to rural and frontier hospitals with fewer than 35 beds in FY24 and FY25 but does not specify how DOH is to distribute this fund or which division within DOH would distribute the funding. Clarification on the division would be helpful, considering that Division of Health Improvement will be moving to Health Care Authority in July.

DOH will likely need to hire a team to manage the fund and have contract support to review emergency funding requests and monitor utilization of the funds.

	COUNTY	# OF BEDS
Alta Vista Regional Medical Center	San Miguel	25
Cibola General Hospital	Cibola	25
Dan C. Trigg	Quay	25
Guadalupe Hospital	Guadalupe	10
Holy Cross Hospital	Taos	29
Lincoln County Medical Center	Lincoln	25
Mimbres Memorial Hospital	Luna	25
Miners Colfax Medical Center	Colfax	25
Nor-Lea General Hospital	Lea	25
Rehoboth McKinley Christian Hospital	McKinley	25
Roosevelt General Hospital	Roosevelt	24
Union County General	Union	25
Sierra Vista Hospital	Sierra	25

PERFORMANCE IMPLICATIONS

HCA provided the following:

This bill appropriates funding to assist rural health facilities to be or stay in compliance with state and federal regulations and maintaining ongoing and improved access to care.

Aligns with the Division of Health Improvement’s strategic plan to expand access to services, improve the health status of New Mexican’s and ensure safe healthcare environments statewide.

There is a potential risk of closure or reduction of services for any rural hospital(s) who may be at financial risk, due to potential factors such as, ongoing operational costs, lower census impacting sustainability, or the cost of meeting state and federal compliance requirements, which would reduce access to care in rural parts of New Mexico.