

LFC Requestor: Choose an item.

**2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS**

Section I: General

Chamber: Senate

Category: Bill

Number: 210

Type: Introduced

Date (of THIS analysis): January 29, 2024

Sponsor(s): Michael Padilla

Short Title: Health Care Fund Purpose Funding

LFC Requester: Emily Hilla

Reviewing Agency: Agency 665 - Department of Health

Person Writing Analysis: Arya Lamb

Phone Number: 505 – 470 - 4141

e-Mail: arya.lamb@doh.nm.gov

Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	NA	NA

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 210 (SB 210) would appropriate twenty-five million dollars (\$25,000,000) for the New Mexico Finance Authority to carry out the purposes of the Behavioral Health Capital Funding Act; twenty-five million dollars (\$25,000,000) for the New Mexico Finance Authority to carry out the purposes of the Primary Care Capital Funding Act; and ten million dollars (\$10,000,000) for the New Mexico Finance Authority to carry out the purposes of the Child Care Facility Loan Act, from the general fund to the department of finance and administration for expenditure in fiscal year 2025 and subsequent fiscal years.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

The New Mexico Finance Authority (NMFA) has been active in private lending since 1994 with the establishment of the Primary Care Capital Fund. With the creation of the Statewide Economic Development Finance Act in 2003, the Legislature authorized NMFA to issue bonds, make loans, and provide loan and bond guarantees on behalf of other private entities, including businesses and nonprofit corporations. [Business Financing | New Mexico Finance Authority \(nmfinance.com\)](#)

Created in 1994, the Primary Care Capital Fund is administered jointly by NMFA and the Department of Health to make loans to nonprofit primary care clinics in rural and medically underserved areas. In 2005, the Legislature broadened the use of the fund to include school-based health centers and telehealth sites as well as broadening the eligibility to include all nonprofit primary care providers. In 2019, Governor Lujan Grisham signed into law a bill allowing primary care health clinics owned by counties and municipalities to apply for the funds as well. [Primary Care Capital Fund / Behavioral Health Capital Fund | New Mexico Finance Authority \(nmfinance.com\)](#)

The Behavioral Health Capital Fund was created in 2004 to provide low-cost capital to nonprofit behavioral health clinics in rural and underserved areas of the state. In 2019, Governor Lujan Grisham signed into law the Local Government Behavioral Health Clinic Funding bill which increased access to the fund by eliminating the asset cap on nonprofits and allowing behavioral health clinics owned by counties and municipalities to also apply for the funds. [Primary Care Capital Fund / Behavioral Health Capital Fund | New Mexico Finance Authority \(nmfinance.com\)](#)

Enacted in 2007, the Child Care Facility Loan Act directs the Children, youth and Families Department in conjunction with the (NMFA) to adopt rules to administer and implement the Child Care Facility Loan Act. The Child Care Facility Revolving Loan Fund provides long term, low interest funding for purposes of physical improvement, repair, safety and maintenance of child care facilities that are licensed by the department. [8.16.3 NMAC](#)

Benefits of a medical business loan:

- Can be used for a wide range of purposes- A medical business loan can provide the funds you need to start, acquire or grow your existing business and cover all the costs that go into it, including equipment, real estate, payroll and marketing.
- Choice of repayment terms. Some loans offer terms of 10 years or more, allowing you to spread out your payments over time and select a monthly payment that works with your budget.
- Could offer special perks. Some lenders offer certain borrower benefits with their medical business loan program, such as fee discounts, support programs, project managers or interest-only payment options. [Best Medical Business Loans Of 2024 – Forbes Advisor](#)

Other benefits of low-interest medical loans are they may help businesses save money since less money is spent on interest and it may help businesses pay for unexpected costs or expand businesses more quickly. [Best Low-interest Business Loans in January 2024 | Bankrate](#)

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

None

9. HEALTH IMPACT(S)

It is unclear if the appropriations outlined in SB 210 would have substantial impacts on the health of New Mexicans. If new medical practices were constructed through these funds, it could be argued that patients in these facilities could benefit.

10. ALTERNATIVES

None

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

If SB 210 is not enacted, and appropriation of twenty-five million dollars (\$25,000,000) for the New Mexico finance authority to carry out the purposes of the Behavioral Health Capital Funding Act; twenty-five million dollars (\$25,000,000) for the New Mexico finance authority to carry out the purposes of the Primary Care Capital Funding Act; and ten million dollars (\$10,000,000) for the New Mexico finance authority to carry out the purposes of the Child Care Facility Loan Act, from the general fund to the department of finance and administration for expenditure in fiscal year 2025 and subsequent fiscal years, would not be made.

12. AMENDMENTS

None