

1 SENATE BILL 268

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

4 Pete Campos

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10 AN ACT

11 RELATING TO HEALTH CARE; CREATING THE HEALTH FACILITY VIABILITY  
12 FUND; PROVIDING FOR FINANCIAL ASSISTANCE GRANTS TO HEALTH  
13 FACILITIES; MAKING AN APPROPRIATION.

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. A new section of Chapter 24 NMSA 1978 is  
17 enacted to read:

18 "[NEW MATERIAL] HEALTH FACILITY VIABILITY FUND--FINANCIAL  
19 ASSISTANCE GRANTS.--

20 A. The "health facility viability fund" is created  
21 as a nonreverting fund in the state treasury. The fund  
22 consists of appropriations, gifts, grants, donations, income  
23 from investment of the fund and other revenue credited to the  
24 fund. The health care authority department shall administer  
25 the fund, and expenditures from the fund shall be by warrant of

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1 the secretary of finance and administration pursuant to  
2 vouchers signed by the secretary of health care authority or  
3 the secretary's authorized representative.

4 B. Money in the fund is appropriated to the health  
5 care authority department to provide financial assistance  
6 grants to eligible health facilities that agree to continue,  
7 reestablish or expand their services in medically underserved  
8 areas of the state. A single grant may not exceed seven  
9 million dollars (\$7,000,000), and a single grant period may not  
10 extend beyond twelve months. Grants may be used to subsidize a  
11 facility's costs associated with:

- 12 (1) general operation;
- 13 (2) operational debt;
- 14 (3) medical malpractice and other insurance;
- 15 (4) surcharges required pursuant to the  
16 Medical Malpractice Act;
- 17 (5) assessments levied by the state to secure  
18 medicaid matching funds, to the extent permitted by federal  
19 law; and
- 20 (6) other needs and expenses approved by the  
21 department.

22 C. The health care authority department shall  
23 promulgate rules for the form and manner of a grant  
24 application, criteria for reviewing an application, terms of a  
25 grant agreement, reporting and auditing procedures to ensure

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1 public accountability and other rules necessary to carry out  
2 the provisions of this section.

3 D. A health facility is eligible to apply for a  
4 grant if it:

5 (1) is a licensed public or private general or  
6 special hospital, outpatient clinic, crisis triage center or  
7 freestanding birth center;

8 (2) is an enrolled medicaid provider actively  
9 serving medicaid recipients; and

10 (3) is located and operates in a medically  
11 underserved area of the state.

12 E. An eligible facility shall submit a solvency  
13 plan that includes specific cost containment measures and  
14 adequate documentation that demonstrates that the facility is  
15 at risk of closure or at risk of a significant reduction of  
16 services with the application.

17 F. The health care authority department shall  
18 prioritize the applications of facilities that demonstrate the  
19 greatest need and that are located in the most medically  
20 underserved areas of the state. Upon the receipt of a grant  
21 application, the department shall:

22 (1) conduct a financial assessment of the  
23 facility and review verifiable records and data regarding the  
24 facility's revenue, costs and losses to determine financial  
25 need;

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1 (2) evaluate the facility's workforce and  
2 service capacities; and

3 (3) evaluate health needs in the facility's  
4 service area and the facility's public health impact on that  
5 area."

6 SECTION 2. APPROPRIATION.--Seventy million dollars  
7 (\$70,000,000) is appropriated from the general fund to the  
8 health facility viability fund for expenditure in fiscal year  
9 2025 and subsequent fiscal years to provide for financial  
10 assistance grants to eligible health facilities to sustain,  
11 recover and expand services. Any unexpended or unencumbered  
12 balance remaining at the end of a fiscal year shall not revert  
13 to the general fund.