

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/24/26 **Bill Number:** SB0101 **Original** **Amendment** **Substitute**

Short Title: CONTINUES HEALTH CARE DELIVERY AND ACCESS ACT

Sponsor: Sen. Stefanics, Sen. Szczepanski, Sen. Thompson, Sen. Lopez

Name and Code Number: HCA 630

No Person Writing: Rayna L. Fagus

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$0.0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$0.0	\$0.0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 17 (SB17) would repeal the delayed 2030 repeal of New Mexico's Health Care Delivery and Access Act (HDAA) program, which passed in the 2024 Legislative Session.

FISCAL IMPLICATIONS

SB17 does not have a direct fiscal impact to the Health Care Authority (HCA). The HDAA program imposes assessments on inpatient and outpatient hospital services. Assessments are then used as the general fund match to draw down significant federal revenue for New Mexico's hospitals.

The federal Reconciliation bill (HR1) that was passed by Congress in July implemented new limitations on Medicaid provider assessments used to generate revenue to support hospitals, **which will result in a net loss of \$8.5 billion in federal funding for New Mexico hospitals over the period from 2028 to 2037.**

SIGNIFICANT ISSUES

Without a repeal of the HDAA sunset provision, New Mexico's HDAA program will end permanently in 2030. While HR1 allows for a graduated decrease in provider assessments over the next 10 years, the repeal currently in state law would prematurely terminate this funding for New Mexico's hospitals. **The HCA is reimbursing hospitals over \$1 billion in federal funding though the HDAA program per year, and the premature or abrupt end of the program could be devastating for New Mexico's hospitals, particularly in rural and underserved areas. A per-hospital funding table is included at the bottom of this FIR to calculate the impact of loss of this program by facility.**

Pursuant to changes in HR1, states are prohibited from creating any **new** provider assessments or related payment programs as of enactment (July 4, 2025). If New Mexico's existing HDAA program sunsets in state law, then New Mexico will be unable to replace it without a change in federal law.

PERFORMANCE IMPLICATIONS

For CY26 the HDAA total computable payment is projected to be \$1.5 billion for New Mexico hospitals. The program includes quality metrics that total up to 40% of the share of HDAA payments for each provider class. Annual quality payments are paid based on results of quality performance.

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

HDAA funds are subject to annual reporting requirements. All facilities receiving funds are required to report to the HCA how at least 75% of the net new funding (total payments received less assessment paid) was used to maintain and/or increase access to health care services in New Mexico.

Results of the HDAA 75% Reporting will be reviewed for compliance and results shared with LFC by the end of each SFYQ1 (September).

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If not enacted then HDAA will sunset on July 1, 2030. The consequences will be potential closures of rural NM hospitals for inpatient and outpatient hospital services.

AMENDMENTS

None

Payment Summary Table: CY24 July-Dec through CY25 Q3

HDAA HOSPITALS	Total CY24 July-Dec	Total CY25 Q1-Q3	HDAA Total To Date						
ALBUQUERQUE ER AND MEDICAL HOSPITAL - COORS	\$ -	\$ -	\$ -						
ALTA VISTA REGIONAL HOSPITAL	\$ 3,100,945.01	\$ 3,625,450.73	\$ 6,726,395.74						
ARTESIA GENERAL HOSPITAL	\$ 6,751,430.23	\$ 5,959,212.27	\$ 12,710,642.51						
CARLSBAD MEDICAL CENTER	\$ 16,054,275.91	\$ 14,020,171.71	\$ 30,074,447.62						
CIBOLA GENERAL HOSPITAL	\$ 13,683,276.48	\$ 11,832,759.63	\$ 25,516,036.12						
COVENANT HEALTH HOBBS HOSPITAL	\$ 11,208,408.99	\$ 9,614,125.83	\$ 20,822,534.82						
DAN C TRIGG MEMORIAL HOSP	\$ 3,776,653.45	\$ 3,041,027.05	\$ 6,817,680.51						
EASTERN NM MEDICAL CENTER	\$ 25,430,061.53	\$ 22,375,572.61	\$ 47,805,634.14						
PRESBYTERIAN HEALTHCARE SERVICES ESPANOLA	\$ 15,154,234.12	\$ 13,377,326.39	\$ 28,531,560.51						
GERALD CHAMPION MEDICAL CENTER	\$ 25,386,452.01	\$ 24,093,914.79	\$ 49,480,366.80						
GILA REGIONAL MEDICAL CENTER	\$ 17,983,211.60	\$ 14,447,339.75	\$ 32,430,551.35						
HOLY CROSS HOSPITAL	\$ 11,670,272.27	\$ 11,145,763.69	\$ 22,816,035.96						
LINCOLN COUNTY MEDICAL CENTER	\$ 14,235,591.13	\$ 12,029,291.02	\$ 26,264,882.15						
LOS ALAMOS MEDICAL CENTER	\$ 1,128,633.23	\$ 1,149,110.51	\$ 2,277,743.74						
LOVELACE MEDICAL CENTER - DOWNTOWN	\$ 29,890,290.30	\$ 26,515,582.41	\$ 56,405,872.72						
LOVELACE REGIONAL HOSPITAL - ROSWELL	\$ 10,531,869.26	\$ 9,683,654.01	\$ 20,215,523.27						
LOVELACE WESTSIDE HOSPITAL	\$ 12,574,058.58	\$ 10,335,169.25	\$ 22,909,227.82						
LOVELACE WOMENS HOSPITAL	\$ 40,324,689.23	\$ 34,143,560.00	\$ 74,468,249.24						
MEMORIAL MEDICAL CENTER	\$ 41,404,229.88	\$ 37,630,900.90	\$ 79,035,130.78						
MIMBRES MEMORIAL HOSPITAL	\$ 12,546,470.66	\$ 10,951,774.01	\$ 23,498,244.67						
MINERS COLFAX MEDICAL CENTER	\$ 3,513,870.50	\$ 3,301,451.47	\$ 6,815,321.97						
MOUNTAINVIEW REGIONAL MEDICAL CTR	\$ 39,254,789.08	\$ 38,015,446.75	\$ 77,270,235.83						
NORLEA GENERAL HOSPITAL	\$ 20,052,973.14	\$ 15,952,793.62	\$ 36,005,766.77						
PLAINS REG MED CTR-CLOVIS	\$ 21,147,342.62	\$ 22,504,106.94	\$ 43,651,449.55						
PRESBYTERIAN HOSPITAL	\$ 140,545,028.45	\$ 126,591,104.56	\$ 267,136,133.01						
REHOBOTH MCKINLEY CHRISTIAN HEALTH CARE SVCS	\$ 9,665,145.87	\$ 8,761,677.11	\$ 18,426,822.98						
ROOSEVELT GENERAL HOSPITAL	\$ 6,452,803.73	\$ 5,405,445.70	\$ 11,858,249.44						
SJRM MEDICAL CENTER	\$ 57,902,773.67	\$ 52,325,570.38	\$ 110,228,344.05						
PRESBYTERIAN SANTA FE MEDICAL CENTER	\$ 12,370,573.41	\$ 10,848,801.61	\$ 23,219,375.02						
SIERRA VISTA HOSPITAL	\$ 6,599,521.23	\$ 5,437,016.75	\$ 12,036,537.98						
SOCORRO GENERAL HOSPITAL	\$ 7,024,594.08	\$ 6,565,433.88	\$ 13,590,027.96						
ST VINCENT HOSPITAL	\$ 38,056,508.70	\$ 33,555,714.21	\$ 71,612,222.92						
THREE CROSSES REGIONAL HOSPITAL LLC	\$ 10,235,552.36	\$ 9,791,915.29	\$ 20,027,467.65						
UNION COUNTY GENERAL HOSPITAL	\$ 1,854,878.20	\$ 1,317,022.67	\$ 3,171,900.88						
GUADALUPE COUNTY HOSPITAL	\$ 682,137.74	\$ 530,380.79	\$ 1,212,518.53						
ALBUQUERQUE ER AND MEDICAL HOSPITAL - MONTGOMERY	\$ -	\$ -	\$ -						
ADVANCED CARE HOSP OF SOUTHERN NEW MEXICO LLC	\$ 1,607,642.20	\$ 1,330,716.61	\$ 2,938,358.82						
ALBUQUERQUE-AMG SPECIALTY HOSPITAL	\$ 6,290,928.89	\$ 3,655,906.41	\$ 9,946,835.30						
CLEARSKY REHAB HOSPITAL OF RIO RANCHO LLC	\$ 421,948.79	\$ 290,044.46	\$ 711,993.26						
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF A	\$ 1,641,516.31	\$ 1,726,697.89	\$ 3,368,214.19						
KINDRED HOSPITAL ALBUQUERQUE	\$ 8,379,094.15	\$ 9,588,380.64	\$ 17,967,474.80						
LOVELACE UNM REHABILITATION HOSPITAL LLC	\$ 7,919,740.54	\$ 7,448,477.40	\$ 15,368,217.94						
REHABILITATION HOSPITAL OF SOUTHERN NM INC	\$ 1,279,082.61	\$ 1,118,539.82	\$ 2,397,622.43						
MESILLA VALLEY HOSPITAL	\$ 16,236,088.65	\$ 14,342,832.20	\$ 30,578,920.84						
BEHAVIORAL HEALTH SERVICES OF NEW MEXICO LLC	\$ 4,867,043.83	\$ 4,750,702.29	\$ 9,617,746.12						
HAVEN BEHAVIORAL SENIOR CARE OF ALBUQUERQUE	\$ 5,417,316.78	\$ 5,200,064.84	\$ 10,617,381.62						
PEAK BEHAVIORAL HEALTH SERVICES LLC	\$ 7,746,050.58	\$ 6,854,168.07	\$ 14,600,218.65						
PRESBYTERIAN KASEMAN HOSPITAL *NEW CY25	\$ N/A	\$ 1,791,954.74	\$ 853,746.30						
CARLSBAD MEDICAL CENTER REHAB *NEW CY25	\$ N/A	\$ 25,726.29	\$ 15,687.72						
TOTAL PAID CY24 July-Dec through CY25 Q1-Q3	\$ 750,000,000.00	\$ 675,000,000.00	\$ 1,424,051,752.99						

CY25 HDAA Payments Remaining
Q4 HDAA Access Payment (pays 3.30.26) \$225M
CY25 Quality Payment \$600M (pays 5.29.26 for CY25)
Total CY25 remaining: \$825M