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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/12
 LAST UPDATED 02/13/12

SPONSOR SFC HB _____

SHORT TITLE Community Provider Payments SB 258/SFCS

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 New Mexico Hospital Association

SUMMARY

Synopsis of Bill

The Senate Finance Committee substitute for Senate Bill 258 (SB258/SFCS) amends the Indigent Hospital and County Health Care Act to allow other public funds into the sole community provider fund as matching dollars for federal sole community provider payments (Section 2). Changes in Section 1 are technical in nature to reorganize current statute. In Section 3, SB258/SFCS adds language to the current statute, NMSA Section 27-5-6.1. E, to state that the due date for submission of the hospital's request for Sole Community Provider program funds (currently January 15th) can be a date determined by the secretary of the Human Services Department. The bill, if passed, would take effect immediately.

FISCAL IMPLICATIONS

Senate Bill 258 contains no appropriation.

The Human Services Department indicates SB258/SFCS would have no fiscal impact for the department. Currently, matching dollars for the Sole Community Provider program are provided by counties. Currently, counties have not been able to provide enough matching dollars to draw-down all federal funds available through the Sole Community Provider program. SB258/SFCS would allow other public funds to be used as matching dollars to support Sole Community

Provider hospitals. Any additional public funds provided for this program would benefit the state's Sole Community Provider hospitals.

SIGNIFICANT ISSUES

The Sole Community Provider (SCP) program was established within the Indigent Hospital and County Health Care Act. Specifically, the program:

- Acknowledges that hospitals and hospital emergency rooms were often the care provider of last resort and that costs associated with that situation would require additional reimbursement;
- Takes into consideration under-compensated care for individuals on public assistance programs; and
- Recognizes that due to the rural nature of SCP hospitals, incentives are often required to attract qualified healthcare professionals.

HSD, in collaboration with the NM Hospital Association and Association of Counties, has worked to address findings raised in a draft federal review of this program for federal fiscal year 2009. As a result, the department established a new certification process to establish that matching funds used for the program are public dollars. Any entity public providing funds for this program, as allowed by this bill, would also have to provide this certification.

DUPLICATION

Senate Bill 258/SFCS duplicates House Bill 323/HFLS, Community Provider Payments.

OTHER SUBSTANTIVE ISSUES

The New Mexico Hospital Association indicates it supports the passage of the duplicate bills SB258SFCS/HB323HFLS as they enable new approaches to allow alternate sources of public funding and certified public expenses to draw down federal matching funds for 28 hospitals in the state.

RAE/svb