

SENATE BILL 7

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Elizabeth "Liz" Stefanics and Gail Armstrong and  
Marian Matthews

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO RURAL HEALTH CARE PROVIDERS; CREATING THE RURAL HEALTH CARE DELIVERY FUND TO PROVIDE GRANTS TO DEFRAY OPERATING LOSSES SHPAC→**AND START-UP COSTS**←SHPAC OF RURAL HEALTH CARE PROVIDERS AND FACILITIES THAT PROVIDE NEW OR EXPANDED HEALTH CARE SERVICES; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] RURAL HEALTH CARE DELIVERY FUND.--

.223357.3GLGAIC January 31, 2023 (1:30pm)

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A. The "rural health care delivery fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, gifts, grants, donations, income from investment of the fund and any other revenue credited to the fund. The department shall administer the fund, and money in the fund is appropriated to the department to carry out the provisions of this section. Expenditures shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of human services or the secretary's authorized representative.

B. A rural health care provider or rural health care facility may apply to the department for a grant to defray operating losses SHPAC→, including rural health care provider or rural health care facility start-up costs,←SHPAC incurred in providing inpatient, outpatient, primary, specialty or behavioral health services to New Mexico residents. The department may award a grant from the rural health care delivery fund to a SHPAC→~~newly constructed~~←SHPAC rural health care SHPAC→~~facility~~←SHPAC SHPAC→~~provider~~←SHPAC or rural health care facility that is providing a new health care service as approved by the department that covers operating losses for the new or expanded health care service, subject to the following conditions and limitations:

(1) the rural health care provider or rural health care facility meets state licensing requirements to

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provide health care services;

(2) grants are for one year and for no more than the first five years of operation as a newly constructed rural health care facility or the operation of a new or expanded health care service;

(3) grants are limited to covering operating losses for which recognized revenue is not sufficient;

(4) the rural health care provider or rural health care facility provides adequate cost data, as defined by rule of the department, based on financial and statistical records that can be verified by qualified auditors and which data are based on an approved method of cost finding and the accrual basis of accounting SHPAC→;←SHPAC and SHPAC→can be confirmed as having been delivered through review of claims;←SHPAC

SHPAC→(5) grant award amounts shall be reconciled by the department to audited operating losses after the close of the grant period;←SHPAC

SHPAC→(5)←SHPAC SHPAC→(6)←SHPAC in the case of a rural health care provider, the provider commits to a period of operation equivalent to the number of years grants are awarded SHPAC→;←SHPAC SHPAC→; and←SHPAC

SHPAC→(7) in prioritizing grant awards, the department shall consider the health needs of the state and the locality.←SHPAC

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C. As used in this section:

(1) "allowable costs" means necessary and proper costs defined by rule of the department based on medicare reimbursement principles, SHPAC→~~but "allowable costs" does not include fund transfers to parent corporations;~~←SHPAC SHPAC→including reasonable direct expenses, but not including general overhead and management fees paid to a parent corporation;←SHPAC

(2) "department" means the human services department;

(3) "health care services" means services for the diagnosis, prevention, treatment, cure or relief of a physical, SHPAC→dental,←SHPAC behavioral or mental health condition, substance use disorder, illness, injury or disease SHPAC→and for medical or behavioral health ground transportation←SHPAC ;

SHPAC→(4)←~~"newly constructed" means a rural health care facility constructed after June 30, 2023;~~←SHPAC

SHPAC→(5)←SHPAC SHPAC→(4)←SHPAC "operating losses" means the projected difference between recognized revenue and allowable costs for a grant request period;

SHPAC→(6)←SHPAC SHPAC→(5)←SHPAC "recognized revenue" means operating revenue, including revenue directly related to the rendering of patient care services and revenue from nonpatient care services to patients and persons other

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than patients; the value of donated commodities; supplemental payments; distributions from the safety net care pool fund; and distributions of federal funds;

SHPAC→(7)←SHPAC SHPAC→(6)←SHPAC "rural health care facility" means a health care facility licensed by the department of health that provides inpatient or outpatient physical or behavioral health services SHPAC→and is located←SHPAC SHPAC→or programmatic services←SHPAC in a county that has a population of one hundred thousand or fewer according to the most recent federal decennial census; SHPAC→and←SHPAC

SHPAC→(8)←SHPAC SHPAC→(7)←SHPAC "rural health care provider" means an individual health professional SHPAC→licensed by the appropriate board, a medical or behavioral health ground transportation licensed by the public regulation commission←SHPAC or a health facility organization licensed by the department to provide health care diagnosis and treatment of physical or behavioral health SHPAC→and is located←SHPAC SHPAC→or programmatic services←SHPAC in a county that has a population of one hundred thousand or fewer according to the most recent federal decennial census SHPAC→.←SHPAC SHPAC→; and←SHPAC

SHPAC→(8) "start-up costs" means the planning, development and operation of rural health care services, including legal fees; accounting fees; costs associated with

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leasing equipment, a location or property; depreciation of equipment costs; and staffing costs. "Start-up costs" does not mean the construction or purchase of land or buildings.←SHPAC

SECTION 2. APPROPRIATION.--Two hundred million dollars (\$200,000,000) is appropriated from the general fund to the rural health care delivery fund for expenditure in fiscal year 2024 and subsequent fiscal years to carry out the purposes of the fund. The human services department may use up to three hundred fifty thousand dollars (\$350,000) each year from the fund to administer the fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.