

LFC Requestor: Gray, Brendon

2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 0258

Type: Introduced

Date (of THIS analysis): 01/30/2024

Sponsor(s): Gail Armstrong, Mark Duncan, Harlan Vincent, Jason Harper

Short Title: Premium Tax for Emergency Services

Reviewing Agency: Agency 665 - Department of Health

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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

Revenue is dependent on the amount received through the health insurance premium surtax. HB258 states that ten percent of the net receipts attributable to the premium tax from health insurance business would be distributed to the EMS Fund.

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	\$	\$	\$	\$		

Section III: Relationship to other legislation

Duplicates: SB151

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

House Bill 0258 (HB258) proposes to amend Section 7-1-6.62 NMSA 1978 to create a distribution to the Emergency Medical Services (EMS) Fund of ten percent of the net receipts attributable to the premium tax from health insurance business. HB258 also proposes an amendment to the EMS Fund Act (24-10A-3) to allow distributions to be deposited into the EMS Fund.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

HB258 proposes a recurring distribution for the EMS Fund, intended to address the financial difficulties that particularly rural and frontier areas of New Mexico have in providing local EMS response. EMS agencies in New Mexico report being in dire need of financial support, as available state funding from the EMS Fund has dropped from \$3.85 million in FY 2008 to \$2.74 million in FY2024 (*EMS Bureau, EMS Fund Data*). The \$2.74 million amount is the same amount budgeted for the EMS Fund in 1997. Subsequently, the EMS Fund is only able fund a small percentage of requests. For example, Taos County agencies received 14% of their requested funds, and Grant County agencies received 17% of their requested funds. Communities such as Vaughn and Eagle Nest have either ceased or reduced EMS operations due to lack of funding for operational and educational costs. Ultimately, this means that communities do not have access to EMS services which can impact their ability to be quickly seen for urgent health conditions.

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

This bill would result in an increase in the amount of funding received by EMS Bureau to administer the EMS Fund to EMS agencies.

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

HB258 is the House version of SB151.

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)

This funding addresses the needs of primarily the rural and frontier EMS agencies in New Mexico which often operate in communities with little or no other healthcare alternative.

10. ALTERNATIVES

None

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

If this bill is not enacted, Section 7-1-6.62 NMSA 1978 would not be amended to create a distribution to the Emergency Medical Services (EMS) Fund, and subsequently, EMS agencies would receive no increase in state funding.

12. AMENDMENTS

None