

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{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}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1/18/24
Bill No: SB52

Sponsor: Sen. Woods
Short Title: Funds for Rural Hospitals

Agency Name and Code HSD-630
Number: _____
Person Writing Rayna Fagus
Phone: 505-699-5566 **Email** Rayna.fagus@hsd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
51,000.0	0	nonrecurring	GF

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0	0	0	N/A	N/A
0	0	0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 52 (SB 52) makes an appropriation of \$51,000,000.00 to the Department of Health (DOH) to provide emergency funding to rural and frontier hospitals with fewer than thirty-five beds in FY 2024 and FY 2025 Any unexpended or unencumbered at the end of FY 2025 shall revert to the general fund.

This is an emergency bill and will take effect immediately.

FISCAL IMPLICATIONS

SB 52 appropriates \$51.0 million to DOH to provide emergency funding to rural and frontier hospitals with fewer than thirty-five beds in FY 2024 and FY 2025 but does not specify how DOH is to distribute this fund or which division within DOH would distribute the funding. Clarification on the division would be helpful, considering that Division of Health Improvement will be moving to Health Care Authority in July.

DOH will likely need to hire a team to manage the fund and have contract support to review emergency funding requests and monitor utilization of the funds.

The hospitals listed below have fewer than 35 beds.

HOSPITAL NAME	COUNTY	# OF BEDS
Alta Vista Regional Medical Center	San Miguel	25
Cibola General Hospital	Cibola	25
Dan C. Trigg	Quay	25
Guadalupe Hospital	Guadalupe	10
Holy Cross Hospital	Taos	29
Lincoln County Medical Center	Lincoln	25
Lovelace Regional Hospital -Roswell	Chaves	26
Mimbres Memorial Hospital	Luna	25
Miners Colfax Medical Center	Colfax	25
Nor-Lea General Hospital	Lea	25
Rehoboth McKinley Christian Hospital	McKinley	25
Roosevelt General Hospital	Roosevelt	24

Sierra Vista Hospital	Sierra	25
Socorro General Hospital	Socorro	24
Union County General Hospital	Union	25

SIGNIFICANT ISSUES

This bill does not specify a distribution mechanism for the amount being appropriated.

PERFORMANCE IMPLICATIONS

This bill appropriates funding to assist rural health facilities to be or stay in compliance with state and federal regulations and maintaining ongoing and improved access to care.

Aligns with the Division of Health Improvement’s strategic plan to expand access to services, improve the health status of New Mexican’s and ensure safe healthcare environments statewide.

There is a potential risk of closure or reduction of services for any rural hospital(s) who may be at financial risk, due to potential factors such as, ongoing operational costs, lower census impacting sustainability, or the cost of meeting state and federal compliance requirements, which would reduce access to care in rural parts of New Mexico.

ADMINISTRATIVE IMPLICATIONS

N/A
No IT impact

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS