

1 AN ACT  
2 RELATING TO HEALTH; EXPANDING THE PERMISSIBLE USES OF THE  
3 RURAL HEALTH CARE DELIVERY FUND TO ALLOW FOR GRANTS TO HEALTH  
4 CARE PROVIDERS AND FACILITIES IN HIGH-NEEDS GEOGRAPHIC HEALTH  
5 PROFESSIONAL SHORTAGE AREAS AND TO STABILIZE THE PROVISION OF  
6 EXISTING HEALTH CARE SERVICES; DECLARING AN EMERGENCY.  
7

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

9 SECTION 1. Section 24A-1-17 NMSA 1978 (being Laws 2024,  
10 Chapter 39, Section 38) is amended to read:

11 "24A-1-17. RURAL HEALTH CARE DELIVERY FUND--GRANTS--  
12 APPLICATIONS--AWARDS.--

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

23 B. A rural health care provider or rural health  
24 care facility may apply to the authority for a grant to:

25 (1) defray operating losses, including rural

1 health care provider or rural health care facility start-up  
2 costs, incurred in providing inpatient, outpatient, primary,  
3 specialty or behavioral health care services to New Mexico  
4 residents; or

5 (2) stabilize the provision of existing  
6 health care services when those services are at risk of  
7 reduction or closure.

8 C. The authority may award a grant from the rural  
9 health care delivery fund to a rural health care provider or  
10 rural health care facility that is providing a new or  
11 expanded health care service as approved by the authority  
12 that covers operating losses for the new or expanded health  
13 care service, subject to the following conditions and  
14 limitations:

15 (1) the rural health care provider or rural  
16 health care facility meets state licensing requirements to  
17 provide health care services and is an enrolled medicaid  
18 provider that actively serves medicaid recipients;

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

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

25 (4) the rural health care provider or rural

1 health care facility provides adequate cost data, as defined  
2 by rule of the authority, based on financial and statistical  
3 records that can be verified by qualified auditors and which  
4 data are based on an approved method of cost finding and the  
5 accrual basis of accounting and can be confirmed as having  
6 been delivered through review of claims;

7 (5) grant award amounts shall be reconciled  
8 by the authority to audited operating losses after the close  
9 of the grant period;

10 (6) in the case of a rural health care  
11 provider, the provider commits to:

12 (a) a period of operation equivalent to  
13 the number of years grants are awarded; and

14 (b) actively serve medicaid recipients  
15 throughout the duration of the grant period; and

16 (7) in prioritizing grant awards, the  
17 authority shall consider the health needs of the state and  
18 the locality and the long-term sustainability of the new or  
19 expanded service.

20 D. Grants shall not be used for operations outside  
21 of New Mexico.

22 E. As used in this section:

23 (1) "allowable costs" means necessary and  
24 proper costs defined by rule of the authority based on  
25 medicare reimbursement principles, including reasonable

1 direct expenses, but not including general overhead and  
2 management fees paid to a parent corporation;

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

8 (3) "medicaid" means the medical assistance  
9 program established pursuant to Title 19 of the federal  
10 Social Security Act and rules issued pursuant to that act;

11 (4) "medicaid provider" means a person that  
12 provides medicaid-related services to medicaid recipients;

13 (5) "medicaid recipient" means a person whom  
14 the authority has determined to be eligible to receive  
15 medicaid-related services in the state;

16 (6) "operating losses" means the projected  
17 difference between recognized revenue and allowable costs for  
18 a grant request period;

19 (7) "recognized revenue" means operating  
20 revenue, including revenue directly related to the rendering  
21 of patient care services and revenue from nonpatient care  
22 services to patients and persons other than patients; the  
23 value of donated commodities; supplemental payments;  
24 distributions from the safety net care pool fund; and  
25 distributions of federal funds;

1                   (8) "rural health care facility" means a  
2 health care facility licensed in the state that provides  
3 inpatient or outpatient physical or behavioral health  
4 services or programmatic services:

5                   (a) in a county that has a population  
6 of one hundred thousand or fewer according to the most recent  
7 federal decennial census;

8                   (b) in a high-needs geographic health  
9 professional shortage area as designated by the United States  
10 health resources and services administration; or

11                   (c) in a tribally operated health care  
12 facility;

13                   (9) "rural health care provider" means an  
14 individual health professional licensed by the appropriate  
15 board, a medical or behavioral health ground transportation  
16 entity licensed by the public regulation commission or a  
17 health facility organization licensed by the authority to  
18 provide health care diagnosis and treatment of physical or  
19 behavioral health or programmatic services:

20                   (a) in a county that has a population  
21 of one hundred thousand or fewer according to the most recent  
22 federal decennial census; or

23                   (b) in a high-needs geographic health  
24 professional shortage area as designated by the United States  
25 health resources and services administration; and

1                   (10) "start-up costs" means the planning,  
2 development and operation of rural health care services,  
3 including legal fees; accounting fees; costs associated with  
4 leasing equipment, a location or property; depreciation of  
5 equipment costs; and staffing costs. "Start-up costs" does  
6 not mean the construction or purchase of land or buildings."

7           SECTION 2. EMERGENCY.--It is necessary for the public  
8 peace, health and safety that this act take effect  
9 immediately. \_\_\_\_\_

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