

Compliance Roundtable

New Mexico Hospital Association



April 29, 2024





Today's Focus

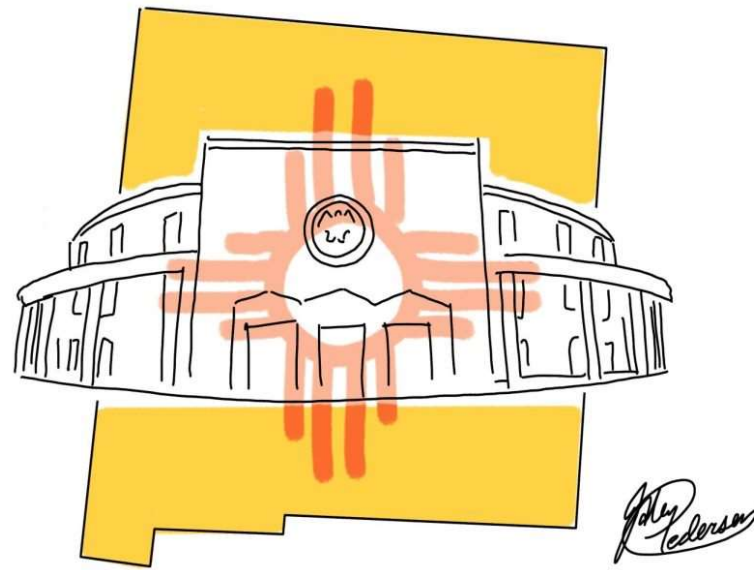
2024
New Mexico
Legislative Session
Overview &
New State Laws
Review



Anti-Trust Policy Compliance Statement

It is the policy of the New Mexico Hospital Association to conduct all of its activities in full compliance with federal and state antitrust laws. As such, it is important that each member/attendee refrain from discussing or exchanging information regarding any competitive sensitive information with any other member. If you have any questions or antitrust concerns relating to NMHA programs, meetings, or activities, please consult your legal counsel.

Disclaimer: The information in this slide deck and presented during this meeting is not and should not be considered legal advice. If you have any questions about how these new laws impact your individual hospital or what steps your hospital or system needs to take to comply, please contact your legal counsel.



2024 NM Legislative Session Overview



SB 17: Health Care Delivery & Access Act

HDAA Background

Opportunity

- CMS policy changes – average commercial rate & provider taxes
- Opportunity to access more federal funds for hospitals through Medicaid MCO state-directed payment program

Legislative Outcome

- Bipartisan support, only one vote in opposition; no amendments

Program Features

- Each hospital (acute and post-acute) pays an **assessment** to the state; the collected **funds are pooled** and sent to CMS to be **matched** at the state Medicaid program match rate
- UNMH, state-owned specialty hospitals, VA, and IHS hospitals excluded
- Distributed 60% based on quarterly Medicaid patient volumes and 40% tied to quality performance (replaces SNCP, HAP, HVBP)
- 75% of net new funds must stay in NM
- Assessment *cannot* be directly passed on to patients or insurers

HDAA Hospital Responsibilities

Assessments

- Provide data to HSD for assessment calculations
- Pay quarterly and annual (for quality portion) assessments by due dates

Quality Performance

- Submit required quality performance data to HSD by deadline(s) (TBD)
- Note: metrics for acute care hospitals are already established and are being developed for post-acute hospitals

Annual Reporting

- To demonstrate that 75% of the net new funds remained in the state
- Form, format, and submission date TBD by HSD



HDAA 75% Language Deep Dive

Hospitals will be required to evidence to HSD upon request, but no more frequently than annually, that **at least 75%** of the net funds a hospital receives are used in New Mexico for costs related but not limited to:

- Operational costs
- Recruitment
- Retention
- Staff wage increases
- Provider compensation
- On-call physician coverage
- Preceptor incentives
- Service expansion
- New services
- Community benefit
- Uncompensated care
- Capital



HDAA Timing & Looking Ahead

Effective Date

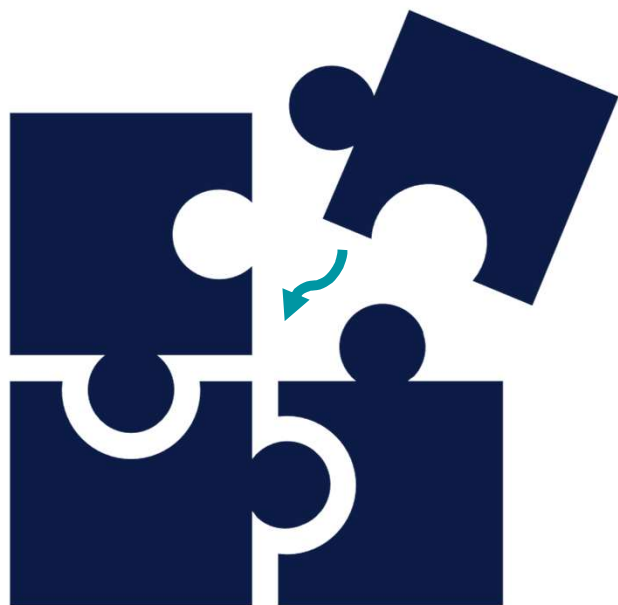
- July 1, 2024

Implementation Date

- Upon CMS approval ...

Future Expectations

- Law expires July 1, 2030; we hope to renew the program before then
- Key issues for lawmakers:
 - Financial viability of rural hospitals
 - Funds are invested in NM/not sent to corporate owners out-of-state
 - Assessment is not passed on to patients/insurers
 - Increases access to and increases quality of care
 - Hospitals compliance (submitting accurate and timely data and reports)



SB 15: Health Care Consolidation Oversight Act

SB 15 Background

Issue

- Several NM hospitals changed owners or announced new business ventures last year
- Lawmakers concerned about lack of transparency, reduction of services, management moving out-of-state, lack of oversight from regulators, local input

Legislative Response

- SB 15 - Health Care Consolidation and Oversight Act
- Initially involved all healthcare operators, scaled back to apply to only hospitals

Statutory Elements

- Places hospital merger and acquisition (M & A)/control change oversight & approval with the Superintendent of Insurance (OSI)
- In most situations, requires NM hospitals to obtain OSI approval before proceeding with M & A/control change
- Excludes UNMH and NMBHI
- Temporary law

SB 15 Components

Important Definitions

- **Control:** indirect/direct ownership, control (the indirect/direct power to direct or cause the direction of the management and policies of a hospital), or vote of **at least 15%**
- **Transaction:**
 - (1) merger of a NM hospital with another hospital;
 - (2) acquisition of 1+ hospitals in NM;
 - (3) any affiliation, contract, agreement, that results in change of control of a NM hospital (including with a management services org or health insurer);
 - (4) formation of a new corp, partnership, joint venture, trust, parent org, or management services org that results in change of control of an existing NM hospital; and
 - (5) sale, purchase, lease, new affiliation or any agreement that results in control of a NM hospital

SB 15 Components (cont.)

Hospital/Parties' Responsibilities

- Submit written notice and complete documentation of proposed transaction to OSI for review and approval
- Pay OSI's "reasonable" costs and expenses associated with review
- Cannot close transaction without OSI written approval
- If approval is received, must notify OSI when transaction is effectuated and must submit annual reports to OSI
- Note: may request a pre-notice conference with OSI

OSI Responsibilities

- Notify parties before expenses are incurred when using outside experts
- Determine if transaction is urgently needed to maintain solvency of a hospital (if so, can choose to immediately approve w/wo conditions)
- **Within 120 days**, and in consultation with HSD, complete review and approve (w/wo conditions) or deny proposed transaction, in writing with explanation
- Establish form and manner for proposed transaction notices and annual reports
 - Proposed emergency rule ([view here](#))

SB 15 OSI Review Criteria

OSI Considerations

- The OSI may consider the likely effect in NM of the proposed transaction on:
 - The potential reduction or elimination in access to essential services (defined)
 - The availability, accessibility, and quality of services to any community affected by the transaction
 - The health care market share of a party and whether the transaction limits competition or increases barriers to entry in a health care market
 - Changes in practice restrictions for licensed providers at the hospital
 - Patient costs, including premium and out-of-pocket costs
 - Provider networks
 - The potential to affect health outcomes for New Mexicans

SB 15 OSI Approval Determination

OSI Approval

- The OSI shall approve the proposed transaction after comprehensive review if it's determined that:
 - The parties demonstrated that the transaction will benefit the public by:
 - Reducing the growth in patient costs, including premiums and out-of-pocket costs; or
 - Maintaining or increasing access to services
 - The proposed transaction will improve health outcomes for New Mexicans
 - There is no substantial likelihood of:
 - A significant reduction in the availability, accessibility, affordability, or quality of care for patients and consumers; or
 - Anti-competitive effects from the proposed transaction that outweigh the benefits of the transaction



SB 15 Timing & Looking Ahead

Effective Date

- May 15, 2024

Sunset Date

- June 30, 2025

Reporting Obligation

- For three years after approval or conditional approval (2027/2028)
- Must include (1) compliance with conditions, (2) the growth, decline, or other change of services, & (3) analyze cost trends and cost growth trends

Future Expectations

- OSI rulemaking (see [proposed emergency rule here](#))
- Negotiations, including NMHA and other stakeholders, throughout 2024
- Expect legislation to be introduced in 2025 state legislative session
- Anticipate some degree of oversight and approval from state officials



Other New State Laws Impacting Hospitals

SB 14 Health Care Authority

What

- Reorganizes many/most government healthcare functions into one state agency
- Health Care Authority (formerly Human Services Department)

When

- Effective July 1, 2024

Relevant Changes

- Moves the following functions to the Health Care Authority:
 - Licensing and inspecting/surveying of hospitals (under the new Health Care Code)
 - “Stroke Center” certifications
 - Health Facility Receivership Act
 - County-Supported Medicaid Fund
 - Behavioral Health Services Division
 - Health Care Affordability Fund
- Formalizes the Rural Healthcare Delivery Fund in statute

SB 127 Professional Psychologist Act Changes

What

- Allows licensed psychologists with “conditional prescription certificates” to prescribe and administer injections for psychotropic drugs
- Clarifies the training and supervision required for prescribing psychologists or psychologists with a conditional prescription certificate to prescribe drugs for the management or protection from side effects associated with psychotropic medication
- Expands the scope of practice for prescribing psychologists to allow for the prescription and administration of intramuscular and subcutaneous injections
- Expands who can serve as supervisors for those learning the practice of psychopharmacology

When

- Effective July 1, 2024

SB 142 Behavioral Health Facility Notification

What

- Requires “residential behavioral health facilities” (a licensed health facility that provides residential treatment to patients with behavioral health issues) to:
 - Not admit a patient for residential treatment without obtaining or providing evidence that attempts have been made to obtain contact information for a patient’s family member
 - Make immediate and ongoing efforts to provide the patient with the opportunity to notify their family member that they have been admitted, if the patient provides contact information and until the patient’s family member has been notified
- Failure to comply may result in a \$750 civil penalty and up to \$1,000 for additional violations

When

- Effective May 15, 2024

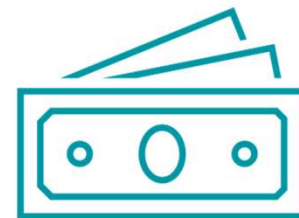
SB 161 Acute Care Facilities Subsidies

What

- Provides funding for rural hospitals “for quarterly subsidies to provide to sick and indigent persons”
- Recipient hospitals must **submit annual reports** to HSD demonstrating they used the funds for allowable purposes outlined in the law
- Recipient hospitals must **submit a plan** to reach or sustain 100 days cash on hand and **provide quarterly updates** on progress with the plan through fiscal year 2026

When

- Effective July 1, 2024



SB 230 Disclosure of Certain Info

What

- Expands to 18 years of age the requirement that authorization from the child or legal guardian is not needed to disclose or transmit confidential health information under specific circumstances outlined in the Children’s Code and the Mental Health and Developmental Disabilities Code.
- Aligns the Children’s Code with the Mental Health and Developmental Disabilities Code to add “a licensed health facility or staff committees of such a facility for the purpose of research and subject to the review of an institutional review board in compliance with HIPAA” to the list of specific circumstances when authorization for disclosure from the child or legal guardian is not needed

When

- Effective July 1, 2024

Thank You!



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New Mexico Hospital Association

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Resources

Links to text of new laws

- SB 14 - [Health Care Authority](#) (reorganization) (new portions [in context](#))
- SB 15 - [Health Care Consolidation Oversight Act](#)
 - OSI's proposed emergency rule - <https://a.storyblok.com/f/132761/x/a066a23b4c/roundtable-meeting-materials-4-17-24.pdf>
- SB 17 - [Health Care Delivery and Access Act](#)
- SB 127 - [Professional Psychologist Act Changes](#) (new portions [in context](#))
- SB 142 - [Behavioral Health Facility Notification](#)
- SB 161 - [Acute Care Facilities Subsidies](#)
- SB 230 - [Disclosure of Certain Health Info](#) (new portions [in context](#))

2024 New Mexico Legislature Passed Bills

- [Bills, Resolutions, and Memorial](#)

New Mexico Statutes Annotated

- [NM OneSource](#)



Compliance Roundtable

Monday, April 29, 2023 | 12:30 PM – 2:00 PM (MT)

[Zoom Link](#) or call in: 719-359-4580

Meeting ID: 820 5632 9047, Passcode: 240346

Agenda

- 12:30 PM – 12:35 PM: **Welcome and Introductions**
Julia Ruetten, NMHA
- 12:35 PM – 12:45 PM: **2024 NM Legislative Session Overview**
Pamela Blackwell, NMHA
- 12:45 PM – 1:05 PM: **Healthcare Delivery and Access Act (SB 17)**
Troy Clark and Julia Ruetten, NMHA
- 1:05 PM – 1:20 PM: **Health Care Consolidation Oversight Act (Mergers & Acquisitions) (SB 15)**
Julia Ruetten and Troy Clark, NMHA
- 1:20 PM – 1:40 PM: **Other New State Laws Impacting Hospitals**
- SB 14 – Health Care Authority (reorganization)
 - SB 127 – Professional Psychologist Act Changes
 - SB 142 – Behavioral Health Facility Notification
 - SB 161 – Acute Care Facilities Subsidies
 - SB 230 – Disclosure of Certain Health Info
- Julia Ruetten, NMHA*
- 1:40 PM – 1:55 PM: **Open Topic Roundtable**
- All Attendees
- 1:55 PM – 2:00 PM: **Wrap-up**
- The next meeting is **August 5 at 12:30 pm** – please send requests for state or federal topics to Julia at jruetten@nmhsc.com.

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2024 Legislative Session Wrap-Up



**NMHA Advocates for Access
Financial Stability and Workforce Needs**



New Mexico
Hospital Association

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**New Mexico
Hospital Association**

NMHA Advocates for Access

Financial stability and workforce needs

THE SECOND SESSION OF NEW MEXICO'S 56TH LEGISLATURE

The 2024 New Mexico Legislative Session, one of New Mexico's every-other-year "short" or "budget" sessions, began on January 16 and closed on February 15. Limited to financial and funding matters and those germane to the governor's agenda or "call," the session was nonetheless a very busy one, as a broad range of proposals sought a share of state revenue for the fiscal year driven by oil and gas and nearing \$10.5 billion. Nearly 700 pieces of legislation were introduced and in the end, 72 bills passed both legislative bodies and made it to the governor's desk.

A Seismic Shift

Each year, the NMHA Board of Directors, full membership as represented through NMHA Strategic Planning and other feedback processes and staff leadership define the priorities that inform efforts through the session. **This year's list was organized around just one strategic imperative—access to care.** This session marked a seismic shift for NMHA and its members on the path to becoming widely recognized leaders in proactive, solutions-based policy that has a direct, positive impact.

It started with NMHA and its members prioritizing a solution for New Mexico's financially struggling hospitals in what would become [SB 17 the Health Care Delivery and Access Act](#). After identifying the opportunity to bring more federal dollars to hospitals through the Medicaid match program, NMHA quickly brought a solution to those at the highest levels of state government. NMHA worked collaboratively and daily with state leaders, through the entire legislative process and culminating in a bill signing ceremony on March 1. NMHA members participated throughout, making an authentic case for hospitals and bringing rural and urban hospitals together to turn this opportunity into a reality.

This success was not born overnight. **Several years of concentrated relationship building by NMHA and its members with legislators and legislative leadership, the Office of the Governor, state agency officials, lobbyists, and media—and partnerships with other organizations in and outside of healthcare—were all brought to bear this session.** Advanced communications and outreach strategies were further instrumental.

In recent years, NMHA has also taken a broader perspective on supporting legislation that advances access to care by increasing our healthcare workforce. **With our workforce shortage an ever-present pressure, NMHA led a coalition to champion and fund the New Mexico Healthcare Workforce Dashboard.** The dashboard, successfully funded through the [state budget](#) for this next fiscal year, will help accurately account for the workforce we have, define what we need and assess how to best invest our resources to recruit and "grow our own" healthcare professionals. This was NMHA's second identified priority for the session.



Responsive and Focused

NMHA staff **Troy Clark**, **Pamela Blackwell** and **Julia Ruetten**, backed by contract lobbyists **Al Park** and **Jason Weaks**, monitored more than 80 hospital-relevant bills, understanding the heavy lift of SB 17 and that other bills inevitably arise that need NMHA's immediate, hands-on attention. In a significant example, after a tough hearing in a key committee, NMHA held up and steered to final passage [SB 161 Rural Acute Facilities Subsidies](#), which creates temporary bridge funding for some of NMHA's smallest, most financially strapped rural hospitals until funding from SB 17 is distributed in 2025.

Additionally, NMHA pushed back key provisions in [SB 15 Health Care Consolidation Oversight Act](#) that would have given the state far reaching authority to approve mergers, acquisitions and ownership changes for all in-state healthcare entities plus enact penalties. Though signed into law, SB 15 now only applies to hospitals, it does not include penalty provisions, and is a placeholder for a bill to be developed and introduced for the 2025 session.

NMHA also defeated [SB 146 Hospital Acceptance of Health Plans](#) that would have required hospitals to provide care for conditions treated in in-patient and outpatient settings, much like EMTALA does for emergency care.

Productive Partnership

Through its strong partnership with the New Mexico Chamber of Commerce (Chamber) and other healthcare associations, NMHA was able to focus most of its resources on its own priorities and entrust the Chamber to lead the arduous but successful effort to stop

[SB 3 Paid Family Medical Leave Act](#) from moving forward this year. The Chamber's coalition did however, support an alternative paid family medical leave bill that would have better addressed the cost burden on Medicaid providers and would have created a financially self-sustaining benefit program. With information from NMHA on the long list of allied health professions requiring only a certificate or associate's degree, the Chamber also advanced [HB 5 the Workforce Development Apprenticeship Act](#) that creates a trust fund specifically to increase apprenticeship opportunities statewide including in healthcare.

NMHA Member Role

With unprecedented engagement this year, NMHA members served as remarkable advocates for their staff teams, patients and communities. Hospital executives provided expert hearing testimony, personal visits and calls and the ongoing outreach to lawmakers that strengthens valuable relationships year-round. During the session, NMHA members stood at the ready for public comment whenever called upon, attended statewide and regional legislative and networking events and made repeated and last-minute trips to Santa Fe. **We extend our sincere gratitude to each of our members for their exemplary efforts and especially for responding to the time-sensitivity inherent in a 30-day session.**

On the Right Track

Building relationships with legislators, telling local stories and working with others: NMHA and its members, to continue optimal impactful advocacy, must build relationships with all legislators. Each year, there are legislators who do not know much about New Mexico's hospitals or healthcare beyond personal experience. With your help, we can become the go-to source for informed, hospital-related policy.

We again made great strides in the past year, as local, regional and national media reached

out to NMHA for a trusted voice on hospital practice, finance and workforce. There is always more we can do, especially in making healthcare's complexity accessible for those new to our issues.

Working with others makes good things happen. The relationships NMHA has formed with fellow healthcare association leaders and those outside of healthcare is here to stay as a valuable tool in advocacy. More than that, it's a way to make real, "move the dial" progress to advance healthcare in our state and serve New Mexico's patients and communities.



"It's amazing how an election cycle will bring everyone to common ground sometimes."

— **Representative Jim Townsend**

Referring to how lawmakers might be more willing to work together on tough issues during an election year,
January 20, 2024.
The Santa Fe New Mexican



NMHA Staff Role

On your behalf, NMHA staff:

- Advocated directly with lawmakers
- Researched and analyzed bills relevant to hospitals
- Testified to NMHA's positions, lending a trusted voice on how legislation impacts hospitals and the healthcare system
- Engaged external communications consultants for additional bandwidth and targeted expertise
- Provided NMHA members with talking points, briefs, presentations and background information useful in clearly communicating complex policy
- Liaised with state and national media—telling NMHA members' story, influencing lawmakers and building public awareness
- Publicly and personally thanked legislator sponsors of NMHA-backed bills and the governor for their support
- Connected members to their legislators and other key lawmakers
- Hosted legislator events in Albuquerque and Santa Fe
- Gave timely progress updates throughout the session to members, our Hospital Government Relations and Lobbyist Group, partner healthcare provider associations and Continuum of Care Group
- Coordinated with those groups listed above to:
 - * Amplify NMHA's priorities and messages
 - * Sustain and grow a stronger healthcare environment in our state
- Co-hosted the NM Continuum of Care Consortium breakfast event

OUTCOMES: OUR SESSION REPORT CARD

A Legacy of Financial Sustainability for Hospitals

On Friday, March 1, 2024, at Sierra Vista Hospital (SVH) in Truth or Consequences, New Mexico, Governor Michelle Lujan Grisham signed into law our top session priority, **SB 17 the Healthcare Delivery and Access Act (HDAA)**.



As NMHA President and CEO Troy Clark told Gabrielle Porter of the *Santa Fe New Mexican*, **“It’s a landmark year for health care. We are going to see a dramatic difference in the access to care, the quality of care, the sustainability of hospitals throughout the state.”** Porter explained to readers, “SB 17...will take money contributed by most New Mexico hospitals, pool it, leverage those funds for a federal Medicaid match and some state money, and then bring all those dollars — a projected \$1.1 billion in new funding — back to the contributing hospitals.”



L to R, back row: Warren Yehl (Eastern New Mexico Medical Center), Christina Campos (Guadalupe County Hospital), Pamela Blackwell (NMHA), Todd Oberheu (Lincoln County Medical Center), Troy Clark (NMHA), Sen. Liz Stefanics, Sec. Kari Armijo, Dale Maxwell (Presbyterian Healthcare), Curry Graham (Rehoboth McKinley Christian Healthcare), Frank Corcoran (Sierra Vista Hospital)
L to R, front row: Troy Greer (Lovelace), Tammie Chavez (Union County General), Kaye Green (Roosevelt General), Rep. Doreen Gallegos, Rep. Wonda Johnson, Gina DeBlaisse, Gov. Michelle Lujan Grisham, Estela Ruben (Sierra Vista Hospital), Adriana Ruben (high school intern, Sierra Vista Hospital), Lt. Gov. Howie Morales, Mike Richards (UNM HSC), Dr. John Garver (Sierra Vista Hospital),
at the signing of SB 17 and SB 161
March 1, 2024, Sierra Vista Hospital, T or C

The HDAA’s journey through the legislature reflected the eight months of daily collaborative and communications work of NMHA staff and members. The remarkable, bipartisan results demonstrated the effectiveness of the extensive planning, stakeholder engagement and collaboration efforts undertaken during the interim and drafting processes. The bill, carried by lead sponsor Senator Liz Stefanics, was first heard in the Senate Health and Public Affairs Committee (SHPAC) and the Senate Finance Committee (SFC).

Senator Stefanics, Secretary of the Health Care Authority Kari Armijo and Troy Clark offered clear and concise explanations of the legislation and its impacts for the stabilization of state and hospital finances and the improvement of access to care. The three emphasized that:

- SB17 favors rural hospitals, who will pay 19% of the assessment but receive 40% of resulting disbursements.
- The plan is modeled on the already successful Health Care Quality Surcharge, a similar mechanism to fund nursing home care made permanent in New Mexico law in 2022.
- Hospitals and state agencies have worked closely together on the 8 included quality metrics (two focused on behavioral health) that will determine performance-based payments equal to 40% of disbursements.
- SB 17 provides that 75% of the net increase in funds must remain in New Mexico for re-investment in improvements like workforce retention and expansion of services.

Members including Christina Campos, Frank Corcoran, Dr. Denise Gonzales, John Harris and others and contract lobbyists spoke in strong support of the bill in-person and remotely during Senate hearings. No one in the audience spoke in opposition, causing Senator Gerald Otiz y Pino of the SHPAC to remark that hearing was “one big, happy party.” Both Senate committee hearings resulted in unanimous “Do Pass” recommendations, clearing the way for a vote of the full body on Thursday, February 8.

“It’s the right bill at the right time,” said Senator Martin Hickey just before the Senate Floor vote. All 40 Senators agreed as SB passed the Senate unanimously and moved to the House of Representatives where it was sponsored by Representatives Doreen Gallegos, Jason Harper and Cristina Parajón.

The HDAA passed the House Appropriations and Finance Committee (HAFC) and then the House Floor with resounding, bipartisan support by a vote of 59-1 and was signed into law by the governor at the March 1 ceremony.

We thank our NMHA members for their dogged advocacy in meeting with legislators, telling their stories multiple times, lending insights and credibility and of course, their good work and that of hospital teams in the service of communities across New Mexico.



L to Right: Senator Martin Hickey greets NMHA Members Nicholas Shirilla, Nick Arledge and Warren Yehl as the Southern New Mexico hospital CEOs visit the Roundhouse on February 1.

OUTCOMES: OUR SESSION REPORT CARD

The Data We Need: Healthcare Workforce Dashboard

With the signing of the state budget in the amended [House Bill 2 \(HB 2\)](#) the [General Appropriations Act of 2024](#) by the governor on March 6, a new state healthcare workforce dashboard was fully funded. The dashboard was NMHA's second planned priority for the 2024 legislative session and was carried by the strong bipartisan team of Representatives [Gail Armstrong](#) and [Reena Szczepanski](#).

The key objective of the New Mexico Healthcare Workforce Dashboard Coalition, championed by NMHA's Pamela Blackwell, was an idea two years in the making. Members named comprehensive understanding of workforce supply and demand and data-driven assessments of workforce intervention efforts as key needs during NMHA Strategic Planning retreats from 2021-2023, an imperative echoed by healthcare stakeholders across New Mexico. The Coalition grew to 12 member organizations by the opening of this year's session.

NMHA contract lobbyist Jason Weaks succeeded in having a direct appropriation for the dashboard project included in HB 2, an efficient path for this legislative effort and a first for our team. Signed unchanged by the governor, HB 2 provides \$750,000 to New Mexico Institute of Mining and Technology, "For the institute for complex systems analysis to establish and maintain a state healthcare workforce dashboard for expenditure through fiscal year 2027."

Coalition for a NM Healthcare Workforce Dashboard Members

- Albuquerque Hispano Chamber of Commerce
- Blue Cross Blue Shield of NM
- Greater Albuquerque Chamber of Commerce
- Health Action New Mexico
- NM Alliance for School-Based Health Care
- NM Association for Home & Hospice Care
- NM Center for Nursing Excellence
- NM Chamber of Commerce
- NM Health Resources
- NM Hospital Association
- NM Medical Society
- NM Primary Care Association

A Bridge to a Better Future: Help for Rural Hospitals

Signed by the governor along with the Health Care Delivery and Access Act on March 1, 2024, was [SB 161, Acute Care Facilities Subsidies](#), the critically important bill to bridge the financial gap for our smallest rural hospitals.

The law will provide up to \$50 million in immediate, "bridge" funding to certain rural hospitals with fewer than 30 beds until SB 17 disbursements arrive. On February 14, SB 161 passed the House by a vote of 66 to 0, sending it back to the Senate which concurred with House changes. Rural hospital leaders including Bo Beames, Christina Campos, Tammie Chavez, Frank Corcoran and James Kiser campaigned tirelessly for the bill, leveraging relationships with legislators and media coverage to communicate the financial challenges faced by rural and frontier hospitals, especially since the pandemic and as costs have continued to rise. Without the funding provided by SB 161, Beames told lawmakers, patients from his area "could travel up to 170 miles for care."

Speaking of both SB 161 and SB 17 during the signing ceremony at his facility, Sierra Vista Hospital, in Truth or Consequences, CEO Frank Corcoran told the governor's team that



both bills provide real promise for a brighter future for rural hospitals and their patients. “The signing of this legislation brings immediate assistance to our community by helping us meet the needs of our residents and the thousands of New Mexicans who frequent Elephant Butte State Park and Lake annually. Furthermore, the funds allocated through this legislation will stabilize our current operations and allow us to expand our much-needed behavioral health capacity, surgical services and establish additional services.”

The Funding We Sought: Hospital-Relevant and Medicaid Budget Provisions in HB2

[HB 2 the General Appropriations Act](#) all but sets the amount the state will spend in the next year on everything from roads, to education, law enforcement to healthcare. Healthcare is a significant portion of the state budget. Where the money flows, so too goes policy. Unlike the federal budget process, for New Mexico, the state budget must balance each year so that there is no deficit spending.



Items included in HB 2 remain in play throughout the legislative session process. Any amendments to the bill must be agreed upon, or reconciled, by both Chambers. Once that occurs, the bill goes to the governor who has twenty days to sign, veto, or line-item veto specific items in the bill and then sign the remainder into law. Advocacy to keep or add items to HB 2 continues throughout. Governor Lujan Grisham signed HB 2 on March 6, 2024 with the following hospital-relevant items included.

Health Care Workforce Dashboard	
\$750,000	To New Mexico Institute of Mining and Technology, “For the institute for complex systems analysis to establish and maintain a state healthcare workforce dashboard for expenditure through fiscal year 2027.” NMHA planned priority.

Assistance for Rural Hospitals and Rural Services	
\$50 million	"For subsidies to certain eligible healthcare facilities (rural hospitals) contingent on enactment of Senate Bill 161..." See NMHA support of SB 161, pages 8, 13, 17. NMHA priority action.
\$11.25 million	To Medical Assistance Division (MAD) Medicaid “for directed payment rate increases to New Mexico’s 20 smallest rural hospitals contingent on hospitals strengthening the rural health care workforce through student loan repayments, continuing education, increasing rural training opportunities and other evidence-based rural healthcare workforce development programs.”
\$1 million	To MAD "to provide rate differentials for rural preceptors."
\$12 million	To Department of Finance and Administration (DFA) "to McKinley County for shortfalls at a nonfederal hospital in McKinley County."
\$3 million	Extended through FY 25 to Indian Affairs Department (IAD) "for transition costs to create a critical access hospital in a tribal-serving community."



Hospital-Relevant and Medicaid Budget Provisions in HB2, Continued

Assistance for Rural Hospitals and Rural Services, continued	
\$15 million	To Health Care Authority Department (HCAD) "for a nonfederal hospital in McKinley County."
\$480,000	To NW NM Council of Governments "to support health care and hospital services program services, resources, and equipment in McKinley County."
\$10 million	To HCAD "for a hospital in Tucumcari- Quay County."
\$3.6 million	"To eliminate debt service for the Miner's Hospital and support operations."
\$3.5 million	"For shortfalls related to hospital operations (at Miner's Hospital)."

Rural Health Care Delivery Fund	
\$46 million	To HCAD "to defray operating losses for rural regional hospitals, health clinics, providers and FQHCs that are increasing access to primary care, maternal and child health and behavioral health services through new and expanded services in medically underserved areas. ... Any unexpended balances remaining at the end of fiscal year 2025 from this appropriation shall not revert and may be expended through fiscal year 2027."

"We have to address the issues in rural New Mexico...if we don't we're not going to have hospitals or clinics available in virtually every small town in New Mexico."

—**Senator Greg Nibert**
 Voting to support a primary care facility in Taos, January 28, 2024.
The Santa Fe New Mexican

Medicaid Provider Rate Increases	
\$5 million	From Early Childhood Education & Care Department (ECECD) to MAD "for provider rate increases for maternal and child health."
\$28.14 million	To MAD "to raise rates for primary care and maternal and child health services up to 150% of Medicare rates or equivalent levels based on the HCAD's comprehensive rate review."
\$9.5 million	To MAD "to increase rates for phase three providers to 100% of Medicare rates based on the HCAD's comprehensive rate review."
\$26 million	To MAD "to maintain Medicaid rates at 100% or more of Medicare rates or equivalent rates as implemented based on the HCAD's comprehensive rate review and appropriated in Section 4 of Chapter 210 of Laws 2023."
\$2 million	"For shortfalls related to hospital operations (at Miner's Hospital)."

Patient's Compensation Fund

\$8.1 million	"For the reduction of the patient's compensation fund surcharges for rural hospitals to promote availability of health care in rural areas."
\$35.9 million	"For the elimination of the patient's compensation fund deficit, as currently estimated, that is attributable to independent doctors and facilities."

Behavioral Health

\$5.12 million	To Medicaid BH "for behavioral health provider rate increases \$500,000 for bilingual behavioral health therapy differential rates."
\$1 million	To HCAD "for behavioral healthcare services for low income individuals who do not qualify for other federal behavioral health assistance..."
\$10 million	To HCAD "to provide grants to behavioral health providers for startup costs for new evidence-based behavioral health services eligible for Medicaid billing."
\$10 million	To Children, Youth & Families Department (CYFD) "to provide grants to behavioral health providers for startup costs for new evidence-based children's behavioral health services eligible for Medicaid billing or federal Title IV-E of the Social Security Act Families First reimbursement."
\$15 million	To HCAD "for a pilot to expand evidence-based behavioral health services, including screening brief intervention and referral to treatment and certified community behavioral health clinics, to sustainably bill Medicaid once fully operational." (\$5 million in FYs 25-27)

More Appropriations and Language of Interest in HB 2

Legislative Health Care Oversight

\$160,000	To Legislative Council Service (LCS)"to study developing solutions to the systemic causes of rising health care costs." (For expenditure in FYs 25-26)
\$280,000	To LCS "for the interim LHHS committee to continue developing solutions to the systemic causes of rising health care costs." (For expenditure in FYs 25-26)
\$600,000	To LFC "to contract for health policy and related financial research." (For

NMHA advocated for the Rural Health Care Delivery Fund (RHDF) in 2023. Read about the first cohort of funded hospital projects on nmhospitals.org

OUTCOMES: OUR SESSION REPORT CARD

More Appropriations and Language of Interest in HB 2, continued

Health Care Price Transparency	
\$1.36 million	To HCAD "to continue the all payer claims database project."
\$500,000	Extended through FY 25 to Department of Health (DOH) "for an all payer claims database."
\$100,000	To Office of the Superintendent of Insurance (OSI) "for prescription drug price transparency activities contingent on enactment of HB 33..." See NMHA support of HB 33, pages 13-14.
\$900,000	Extended through FY 25 to DOH "for the initiation and planning phase to implement a database for healthcare cost data."

Other	
\$15 million	To HCAD "for a building for primary care in Taos County."
\$1.82 million	To HCAD "from the opioid crisis recovery fund for plans of safe care navigators as outlined in Section 32A-3A-13 NMSA 1978."
Up to \$3.4 million	To HCAD "to provide salary adjustments to graduate medical education residents and fellows at... UNM HSC through Medicaid directed payments to UNM HSC."
	"Medicaid MCO contractors may negotiate different reimbursement amounts for different specialties or for different practitioners in the same specialty but shall not negotiate less than the Medicaid FFS rate. The HCAD will monitor implementation of the rate increases and share reports or monitoring information with the LFC."
\$1.5 million	To Higher Education Department (HED) "for a partnership with a college of osteopathic medicine to develop a comprehensive outreach program to increase interest in the healthcare field. within the state of New Mexico."
\$15 million	To HED "for the Health Professional Loan Repayment Program."
\$200,000	To North Central NM Economic Development District "for emergency medical technician resources in senate district 39 [Sen. Stefanics] in San Miguel, Torrance, Valencia, Lincoln and Santa Fe counties, provided that the appropriation be expended in FY 25."
\$2 million	To DOH "to proceed with the federal FDA drug importation application process." (For expenditure in FYs 25-26)

More Appropriations and Language of Interest in HB 2, continued

Other	
\$30 million	To Department of Workforce Solutions (DWS) to fund a workforce development apprenticeship trust fund, expanding apprenticeship opportunities statewide. See NMHA support of HB 5, pages 4, 14.
\$75 million	To DFA to provide matching assistance to local entities for matching local and federal funds. See NMHA support of HB 177, page 15.
\$11 million	Makes a recurring distribution of five percent (5%) of Premium Tax revenue generated from the health insurance industry to the Emergency Medical Services Fund. See NMHA support of SB 151, page 16.



LEGISLATION STATUS

Find full text of all 2024 bills, including fiscal impact reports (FIR), by searching bill numbers on the [New Mexico Legislature website](#). Search a categorical listing [here](#).

NMHA Supported Bills Signed into Law

#	Bill	Category	Sponsor
HB 2	GENERAL APPROPRIATION ACT OF 2024	FINANCE/ FUNDING	Small
HB 5	WORKFORCE DEVELOPMENT & APPRENTICESHIP FUND	WORKFORCE/ STAFFING	Cates, Chandler, Garratt, Hemphill, Padilla
HB 7	HEALTH CARE AFFORDABILITY FUND DISTRIBUTION	FINANCE/ FUNDING	Hochman-Vigil, A. Lopez, Parajon
HB 33	PRESCRIPTION DRUG PRICE TRANSPARENCY ACT	REGULATION/ OVERSIGHT	Herndon, Parajon, Stefanics, Tallman
HB 163/ HB252	RURAL HEALTH CARE TAX CREDIT/ADJUST INCOME TAX BRACKET	WORKFORCE/ STAFFING	M. Garcia, Jones
HB 177	NM MATCH FUND	FINANCE/ FUNDING	G. Armstrong, Campos, Dixon, Herrera, Woods
SB 17	HEALTH CARE DELIVERY & ACCESS ACT	FINANCE/ FUNDING	Gallegos, Harper, Hickey, Padilla, Stefanics
SB 151	PREMIUM TAX TO EMERGENCY SERVICES FUND	FINANCE/ FUNDING	Campos, Woods, Diamond
SB 161	ACUTE CARE FACILITIES SUBSIDIES	FINANCE/ FUNDING	Munoz, Woods

NMHA Supported Bills Signed into Law, continued



HB 2 General Appropriation Act of 2024

See pages 9-13 for relevant appropriations.

HB 5 Workforce Development Apprenticeship Act

See also page 4; appropriation in HB 2, page 13.

This bill creates a trust fund specifically for increasing and expanding apprenticeship opportunities statewide and will be administered by the New Mexico Department of Workforce Solutions (DWS). The interest from the trust fund will be used to pay for more apprenticeship enrollments and expand apprenticeships into new career fields such as for electric vehicles, healthcare and teaching. The funding will also allow for higher reimbursement rates to employers offering apprenticeships.

Apprenticeship programs combine paid, on-the-job training with related classroom instruction, aiming to prepare individuals for skilled occupations and engage trainees in positive workplace culture. On-the-job training has proven effective in recruiting and retaining employees and in fostering quality healthcare and other services provided in New Mexico's hospitals by local residents who know and reflect well their home communities.

Apprenticeship programs must meet U.S. Department of Labor standards. Apprenticeships range between one year and five years in length and typically receive a minimum of 2,000 hours of on-the-job training and 144 hours of related classroom instruction.



HB 7 Health Care Affordability Fund Distribution

This bill temporarily lowers then reinstates the 55% distribution from the Health Insurance Premium Surtax to the Health Care Affordability Fund (HCAF). The distribution is currently set to be cut permanently to 30% on July 1, 2024. Under HB 7, from July 1, 2024 to September 1, 2025, the distribution will be reduced to 30% then will rise back to 55% on September 1, 2025. This delay is intended to reduce the cost to the general fund until 2026.

The HCAF is a valuable tool in increasing access to care for low-income working families, individuals and small businesses. HCAF funds are used to reduce the cost of health insurance and medical expenses. The fund also prohibits copays and other cost sharing for people with insurance who seek behavioral health services. For hospitals, the HCAF helps to cover the cost of healthcare and hospital related services.

HB 33 Prescription Drug Price Transparency Act

See also appropriation in HB 2, page 12.

HB 33 is intended to bring greater public transparency in wide variances in pharmaceutical drug pricing empowering the state to monitor the affordability of necessary medications. This would benefit patients needing these drugs and allow providers to prescribe and provide their patients with affordable, life-saving pharmaceuticals more

NMHA Supported Bills Signed into Law, continued

reliably. Recent studies have shown that one of the largest cost drivers for hospitals has been rising pharmaceutical costs at inconsistent rates.

HB 33 would require drug makers, health insurers, pharmacy benefits managers and distributors to turn in data every year to OSI showing the costs of their most expensive drugs, profits from those products and how much patients ultimately pay out of pocket. Similar laws passed in other states have been shown to help curb price increases.

HB 163 Rural Health Care Tax Credit/ HB 252 – Adjust Income Tax Bracket

HB 163/HB 252 expands the \$3,000 Rural Healthcare Practitioner Tax Credit to include pharmacists, nurses, social workers, mental health counselors, marriage and family therapists, art therapists, alcohol and drug abuse counselors and physical therapists in addition to professionals already eligible: dental hygienists, physician assistants, certified nurse-midwives, nurse anesthetists, and nurse practitioners, and clinical nurse specialists. These practitioners must practice a minimum of 1,584 hours at an approved rural health care underserved area. If they practice at least 792 hours, then the credit is reduced to half, \$1,500.

HB 252 also adds a qualifier for physicians, dentists, psychologists, podiatrists and optometrists to be eligible for the \$5,000 credit. These practitioners must have provided a minimum of 1,584 hours at an approved rural health care underserved area. If at least 792 hours, then the credit is \$2,500.

These tax credits have proven influential for hospitals and other facilities in recruiting and retaining healthcare personnel in rural areas. The bill also includes reporting mechanisms to show the impact these incentives have on increasing healthcare professionals in rural areas.

In all healthcare settings it takes a team to bring timely and quality access to a full range of health services to all New Mexicans. This legislation better reflects the best practice, cross-disciplinary care models of treating the whole person and recognizes the contribution of every team member.

HB 177 New Mexico Match Fund

See also appropriation in HB 2, page 13.

HB 177 leverages available federal dollars to invest in New Mexico communities. It creates the New Mexico Match Fund which allows counties, cities, towns, villages and political subdivisions to request funds to use as state matching funds for federal grants or to offset higher project costs incurred to comply with federal requirements.

Currently the state has no one source for matching funds or project overruns for federal grants. This means small, rural communities and local organizations end up forgoing the financial opportunity to invest in both practical and dynamic local projects and programs like those that improve health and wellness. Having a source of matching funds and funds for administrative use for grants will make it easier, especially for smaller qualified entities, to obtain and keep federal grant awards. Hospitals commonly partner with local government, nonprofits and businesses in applying for federal grant funding and implementing those projects.

NMHA Supported Bills Signed into Law, continued



SB 17 Health Care Delivery and Access Act

See also pages 6-7.

SB 17 imposes an assessment on hospitals to create the the Health Care Delivery and Access (HDAA) fund and the HDAA Medicaid-directed payment program. Revenue from the assessment is then designated for use as additional reimbursement to certain hospitals.

This NMHA-drafted bill, supported by the governor and related state agencies, will leverage the new opportunity created by the federal government for states to get more federal dollars into their Medicaid programs. Through a hospital provider assessment, the HDAA brings new Medicaid funding to New Mexico to cover the cost of hospital services and improve hospital quality. The HDAA will keep hospitals open and services available to local communities, improve recruitment and retention of providers and staff and improve access to care – especially in rural areas.

SB 151 Premium Tax to Emergency Services Fund

See also appropriation in HB 2, page 13.

SB 151 makes a recurring distribution of five percent (5%) of Premium Tax revenue generated from the health insurance industry to the Emergency Medical Services Fund. The fund currently exists to support local, governmental/public emergency services' need for supplies, equipment, and operational costs other than salaries and benefits for emergency medical services personnel.

As a rural state where hospitals and the emergency services they provide are few and far between, New Mexicans rely on emergency transport to get them safely to hospitals when and where they need it. The state emergency transport system remains strained due to inflationary related supply and equipment costs, low reimbursement rates and policies that hinder efficiency, as well as a dire emergency healthcare professional shortage. In addition, New Mexico's emergency transport equipment and vehicles must endure higher than average wear and tear required to travel the state's long distances and many times over rugged terrain to deliver patients to the next level of care.



The 5% recurring distribution included in SB 151 is one important step among many to bring financial sustainability to New Mexico's emergency transportation system.

NMHA Supported Bills Signed into Law, continued

SB 161 Acute Care Facilities Subsidies

See also appropriation in HB 2, page 9.

This bill creates a temporary financial assistance grant program for 11 named, rural and frontier New Mexico hospitals in fiscal years 2025 and 2026. Grant funding may be used only to subsidize the provision of care for sick and indigent persons. Grantee hospitals must apply to the Health Care Authority Department (HCAD) for the funding, provide a plan for having 100 days cash on hand in reserve within five years without cutting services, and submit quarterly updates and annual reports demonstrating how the funds are being used. SB 161 offers the hospitals listed below with a bridge to continue to serve their communities until the implementation of SB 17.

Artesia General Hospital, Cibola General Hospital, Miners' Colfax Medical Center, Guadalupe County Hospital, Gila Regional Medical Center, Holy Cross Hospital, Nor-Lea Hospital District, Roosevelt General Hospital, Rehoboth McKinley Christian Health Services, Sierra Vista Hospital, Union County Hospital.

“At the beginning of the session we talked about generational impact and what was done to get us to this point. And even though there is more to be done as Sen. Baca has shared, I still think that together we did some impactful things. **Together we ensured that rural hospitals and all hospitals across the state are going to be taken care of.**”

— **Lieutenant Governor Howie Morales**

Closing Remarks

The Second Session of New Mexico's 56th Legislature

February 15, 2024

NMHA Opposed Bills that Failed



The following bills, opposed by NMHA as inconsistent with hospital priorities, did not make it through the process.

#	Bill	Category	Sponsor
HB 145	NURSING STAFF RATIO REQUIREMENTS	WORKFORCE/ STAFFING	Chasey, E. Chavez, Szczepanski
SB 3	PAID FAMILY MEDICAL LEAVE ACT	REGULATION/ OVERSIGHT	Stewart, Chandler, Serrato, Caballero
SB 34	EXPAND PRESCRIPTION DRUG DONATION PROGRAM	HEALTHCARE SERVICES/ CONTINUUM	Ortiz y Pino
SB 146	HOSPITAL ACCEPTANCE OF HEALTH PLANS	REGULATION/ OVERSIGHT	Small, Steinborn

HB 145 Nursing Staffing Ratio Requirements

This bill, a variation of previous versions strongly opposed by NMHA, did not receive a message from the governor making it germane this session. It will likely be reintroduced in 2025.

SB 3 Paid Family Medical Leave Act

See also page 4.

SB 3 would have created the Paid Family and Medical Leave Program that would pay via a newly created fund, eligible employees a percentage of their wages to care for a new child, a family member or one considered family, with a serious medical condition for a maximum of 12 weeks. The leave could be taken consecutively or incrementally in increments no less than eight hours. The fund would be financed by assessments placed on employees and on employers with five or more employees as well as the state's general fund. The New Mexico Department of Workforce Solutions would administer the program.

Through its partnership with the New Mexico Chamber of Commerce (Chamber) and other healthcare associations, NMHA was able to entrust the Chamber to lead the arduous but successful effort to stop SB 3 from moving forward this year. The Chamber's coalition did however, support an alternative paid family medical leave bill that would have better addressed the cost burden on Medicaid providers, would not have assessed employers and would have created a financially self-sustaining benefit program.

SB 146 Hospital Acceptance of Health Plans

See also page 4.

SB 146 would have required hospitals to accept plans offered by the New Mexico Health Insurance Exchange and to offer reasonable payment plans for patients under certain circumstances. While intended to support patients' access to services, the bill as drafted would have harmed access to care. First, it would have undercut hospitals' leverage to negotiate with insurance companies for fair reimbursement rates and policies. This would put hospitals at risk of receiving less than the cost of services further diminishing hospitals' fiscal ability to provide care. The bill would have also required hospitals to provide care for conditions treated in both inpatient and outpatient settings, much like EMTALA does for emergency care. This would have been an unprecedented expansion of requirements on hospitals in New Mexico.

NMHA Supported Bills that Failed to Advance in the 30-day Session

The following bills, supported by NMHA as consistent with hospital priorities, did not make it through the process. In some cases, authorization legislation failed to advance, yet direct appropriation for the initiative is successfully provided by the passage of HB 2. See notations in the table below.

#	Bill	Category	Sponsor
HB 67	COUNTY AND TRIBAL HEALTH COUNCILS	FINANCE/ FUNDING	Allison, Armstrong, Johnson, Lente, Thompson
HB 94	HEALTH DATA COLLECTION & COST STUDY	REGULATION/ OVERSIGHT	Cates, Chaves, Lujan
HB 100	ADULT ONLINE LEARNER SCHOLARSHIP ACT	WORKFORCE/ STAFFING	Castellano, Hernandez, Sanchez
HB 104	STATEWIDE PUBLIC HEALTH & CLIMATE PGM	OTHER	Stefanics, Szczepanski,
HB 112	LIQUOR TAX DISTRIBUTION FOR TREATMENT	FINANCE/ FUNDING	Szczepanski, Hemphill, Dixon
HB 139	RECRUITMENT & RETENTION HOUSING LOANS FOR SVC	WORKFORCE/ STAFFING	Cates
HB 203	HEALTH-RELATED REIMBURSEMENT RATE	FINANCE/ FUNDING	Jaramillo, Jones, Terrazas, Townsend, Vincent
HB 218	RURAL HEALTH CARE TAX CREDIT DEFINITIONS	WORKFORCE/ STAFFING	Harper, Jones
HB 267	AGENCY RESPONSE TO RULES COMMENTS	REGULATION/ OVERSIGHT	Armstrong, Lane, Townsend
HB 288	HEALTH PROFESSIONAL LOAN DEFINITIONS	WORKFORCE/ STAFFING	Thompson
HB 269	QUAY COUNTY HOSPITAL CONSTRUCTION, See also HB 2, page 10.	FINANCE/ FUNDING	Chatfield, Woods
SB 23	ACADEMIC REVIEW ON BEHAVIORAL HEALTH	BEHAVIORAL HEALTH	Tallman, Reeb, Herndon, Jones
SB 32	BOARDING FOR CERTAIN HEALTH DISCHARGES	BEHAVIORAL HEALTH	Hemphill, Ortiz y Pino
SB 35	MEDICATION FOR JUVENILES IN TREATMENT PGMS.	BEHAVIORAL HEALTH	Cates, Ortiz y Pino
SB 43	UTILITY EASEMENTS FOR BROADBAND	OTHER	Padilla
SB 44	HEALTH CARE LICENSING CHANGES	REGULATION/ OVERSIGHT	Ortiz y Pino
SB 47	HEALTH CARE PERSONNEL RECRUITMENT	WORKFORCE/ STAFFING	Hemphill, Ortiz y Pino
SB 50	USE OF COUNTY HEALTH ASSISTANCE FUNDS	FINANCE/ FUNDING	Rodriguez, Steinborn
SB 60	SUICIDE PREVENTION TRAINING	BEHAVIORAL HEALTH	Hemphill
SB 62	HEALTH CARE AUTHORITY MILEAGE REIMBURSEMENT	FINANCE/ FUNDING	Campos

NMHA Supported Bills that Failed to Advance in the 30-day Session, continued

#	Bill	Category	Sponsor
SB 78	NORTHERN NM INTEGRATED SUBSTANCE ABUSE	BEHAVIORAL HEALTH	Campos
SB 89	EXPAND HEALTH CARE WORKFORCE	WORKFORCE/STAFFING	Ortiz y Pino
SB 98	COUNSELING COMPACT	BEHAVIORAL HEALTH	Maestas
SB 113	TAOS MEDICAL FACILITY, See also HB 2, page 12.	FINANCE/FUNDING	Gonzales
SB 139	MEDICAID TRUST FUND	FINANCE/FUNDING	Munoz, N. Rodriguez
SB 150	NEW TUCUMCARI HOSPITAL. See also HB 2, page 10.	FINANCE/FUNDING	Campos, Woods
SB 233	GRADUATE SCHOLARSHIP ELIGIBILITY	WORKFORCE/STAFFING	Pope

NMHA Opposed Bill, Amended/Compromise Version Signed into Law

SB 15 Health Care Consolidation Oversight Act

See also page 4.

SB 15 as originally drafted, would have allowed the Office of the Superintendent of Insurance (OSI) to have oversight, approval and enact penalties related to mergers, acquisitions and ownership changes for all healthcare related entities in the state. NMHA pushed back key provisions that would have given the state this far-reaching authority. Though signed into law, SB 15 now only applies to hospitals, it does not include penalty provisions, and is a placeholder for a bill to be developed and introduced for the 2025 session.



Other Hospital-Related Memorials and Bills Signed Into Law

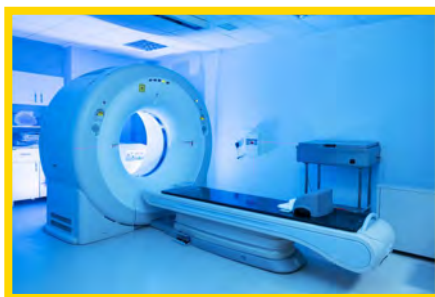
#	Bill	Category	Sponsor
HM 3	PRENATAL SUBSTANCE EXPOSURE TASK FORCE	BEHAVIORAL HEALTH	Lord, Jones, Jaramillo
HM 12	BEHAVIORAL HEALTH WORKFORCE STUDY	BEHAVIORAL HEALTH	Little, Jaramillo, Parajon, Thomson, Herndon
SB 127	PROFESSIONAL PSYCHOLOGIST ACT CHANGES	BEHAVIORAL HEALTH	Soules
SB 135	STEP THERAPY GUIDELINES	OTHER	Stefanics, Brandt, Hemphill, Maestas, Ivey-Soto
SB 142	BEHAVIORAL HEALTH FACILITY NOTIFICATION	BEHAVIORAL HEALTH	Munoz
SB 230	DISCLOSURE OF CERTAIN HEALTH INFO	REGULATION/OVERSIGHT	Nibert

A Note About Behavioral Health Bills

Many bills potentially relevant to behavioral health facilities and acute care hospital psychiatric units were introduced, though NMHA took explicit positions on relatively few and most did not advance to passage in the 2024 session. Issues identified by the NMHA Behavioral Health Task Force remain key to our ongoing work and larger legislative agenda. Behavioral health bills introduced during the session were extremely diverse in intent and particulars, seemingly indicative of a piecemeal approach that fails to advance the integrated and coordinated statewide behavioral health system that New Mexico desperately needs and NMHA members could unanimously support. [See also behavioral health appropriations in HB 2, page 11.](#)



New Capital Outlay Projects Funded in SB 275



Hospital	Project	Amount
Artesia General Hospital	To purchase and install surgical c-arm imaging equipment .	\$335,000
Artesia General Hospital	To purchase and install flooring, including the wall base, for the rural health clinic of the Artesia Special Hospital District.	\$190,000
Miners' Colfax Medical Center	To the Miners' Colfax Medical Center for expenditure in fiscal years 2024 through 2028... to acquire and install medical and other equipment.	\$1.5 million
Nor-Lea Hospital District	To plan, design, construct and furnish a behavioral health clinic.	\$200,000
Sierra Vista Hospital	To plan, design, construct, improve and equip facilities for the Sierra Vista Hospital.	\$1.5 million
Other		
	To plan, design, construct, furnish and equip an ambulance building with living quarters in Carrizozo in Lincoln county.	\$100,000
	To purchase and equip ambulances in Portales in Roosevelt county.	\$200,000
	To purchase and equip ambulances for Questa in Taos county.	\$200,000
	To purchase and equip ambulances for Des Moines in Union county.	\$350,000
	To purchase and equip a rescue ambulance for Valencia county.	\$400,000
	To plan and design a health care facility in Bernalillo County.	\$300,000
	To plan, design, construct, repair and equip improvements for a health care clinic in McKinley County	\$300,000
	To plan, design and construct a collaborative health training center in the University Park area of Dona Ana County	\$200,000
	To plan, design, construct, renovate, equip, furnish and landscape a health care facility in Eddy County	\$500,000
	To the Office of the Superintendent of Insurance for expenditure in fiscal years 2024 through 2028... to purchase, install and implement information technology systems for the office of superintendent of insurance to meet network adequacy requirements of the federal Patient Protection and Affordable Care Act in Santa Fe in Santa Fe county.	\$800,000

CONTINUUM OF CARE CONSORTIUM INVITED TO HELP PRIORITIZE INTERIM HEALTH COMMITTEE DOCKET

On February 1, NMHA and our Continuum of Care Consortium healthcare association partners hosted legislators and Behavioral Health HSD Director [Nick Boukas](#) to a healthful sunrise breakfast at the Roundhouse. Legislators in attendance included Senator [Jerry Ortiz y Pino](#) and Representatives [Micaela Lara Cadena](#), [Ambrose Castellano](#), [Kathleen Cates](#), [Mark Duncan](#), [Natalie Figueroa](#) and [Joy Garratt](#)).

By design, the organizations' presentations showcased how each organization is unique and how collectively, the members of our associations work together to serve New Mexicans throughout their lives.

Continuum of Care Consortium healthcare association partners

- [NM Alliance for School-Based Health Care](#)
- [NM Association of Home and Hospice Care](#)
- [NM Health Care Association/Center for Assisted Living](#)
- [NM Hospital Association](#)
- [NM Primary Care Association](#)

The message resonated with the legislators who remarked that this was the first time they had thought of the associations as working together, how there are many shared versus competing priorities among these associations. Legislators reflected how they often feel pulled to favor one over the other with legislative outcomes that don't make the difference they had hoped. Sen. Ortiz y Pino invited the Consortium to present to the [Legislative Health and Human Services Committee](#)

during the interim session suggesting that the Consortium, with its shared priorities, could assist the committee in prioritizing its own slate of lead bills for the 2025 Legislative Session.



NMHA HOSTS STATE HEALTH CABINET SECRETARIES AND LEGISLATORS AT LA POSADA EVENT



La Posada de Santa Fe provided the setting for NMHA's January 31, evening reception with the state's cabinet secretaries for the Department of Health (DOH) and the Human Services Department (HSD) as well as legislators. The reception allowed NMHA members to greet and show appreciation for the work our state officials do, particularly this year for HSD officials in their collaborative efforts with NMHA in the development and passage of SB 17 Health Care Delivery and Access Act.


Those in attendance included: [Patrick Allen](#) (DOH Cabinet Secretary), [Kari Armijo](#) (HSD Cabinet Secretary), [Alex Castillo Smith](#) (HSD Deputy Secretary), [Alanna Dancis](#) (HSD Chief Medical Officer), [Nick Boukas](#) (HSD Behavioral Health Director), Senator [Mark Moores](#), and Representatives [Jenifer Jones](#) and [Harlan Vincent](#).

NMHA'S COMMUNICATIONS STRATEGY REACHES POLICY MAKERS, COLLABORATORS AND MEDIA

The public policy goals of our member hospitals and NMHA's position on specific bills were communicated throughout the session via a variety of outreach tools designed for our audiences. NMHA's role as a trusted voice and resource for reliable information on hospital operations, finance and workforce is reinforced by the careful research, expert analysis and simple and direct style of our materials.

2024 Policy Priorities Handbill and CEO Directory

All members of the 56th New Mexico Legislature began their session with a concise, hand-held version of NMHA's policy priorities and the cell phone numbers of each member of our advocacy team waiting in their inbox. Also provided was our CEO Directory with contact information for the chief executives of our 47 member hospitals and key facts about the medical, community and economic contributions of New Mexico's community hospitals.



On behalf of the 47 New Mexico Hospital Association members, we welcome you and your staff to the 2024 legislative session.

We look forward to sharing with you the successes in quality and patient safety and the challenges in financial stability and access to care facing New Mexico's community hospitals now. Our policy priorities are informed by the knowledge, experience and insights of healthcare experts across New Mexico, our members and staff, our collaboration with other organizations and our primary goal of strengthening statewide access to quality healthcare.

Please do not hesitate to contact us with questions or for accurate information. We are here to assist you in developing smart, impactful health policy for the good of your constituents, our patients and our state.





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CEO/Administrator 2024



**New Mexico
Hospital Association**

**CARING FOR
NEW MEXICO
FAMILIES**

- 203,698**
Hospitalizations provided
- 17,357**
Newborns delivered
- \$385 million**
Charity and uncompensated care covered
- 911,874**
ER visits
- 147,524**
Surgeries

NEW MEXICO HOSPITALS STRENGTHEN THE STATE AND LOCAL COMMUNITY ECONOMIES

\$12 BILLION
In total hospital expenditures impact

- **\$7.3 BILLION**
spent by hospitals directly
- **\$4.7 BILLION**
In secondary expenditures like the purchase of local goods and services



In 2022, **34,095** full and part time hospital employees in NM made **\$3.8 billion** in earnings and benefits.

An additional **33,749** workers in other industries brought home **\$2.46 billion** from jobs supported by hospital businesses.

72,277
Jobs

\$4.6 BILLION
in labor income impact

New Mexico hospitals are committed to providing the highest quality care, close to home.

We must work together to promote an environment that supports hospital gains in quality and patient safety via innovation and evidence-based best practices.

Contact NMHA or your local hospital to learn how you can work together with us to support smart policy and sound investments that bolster local economies and equitable patient access to hospital care statewide.

For more information, please email us at: info@nmhsc.com.
Ph: (505) 343-0010
Toll Free: (800) 432-5050
nmhospitals.org
@NM-Hospitals

Sources: IPP/ALN, NMHA 2022 Member Survey

Healthier Communities, Healthier Economies

Also produced at the start of the session was our one-pager showcasing the statewide impact of New Mexico's hospitals for the last full calendar year, 2022. From our hospitals' counts of inpatient stays provided and babies delivered to the statewide economic contribution of community hospitals, this infographic piece showed legislators and media the numbers. With \$7.3 billion spent directly and another \$4.3 billion in secondary expenditures like the purchase of local goods and services, our hospitals contributed \$12.04 billion to the state economy. Hospitals also supported 67,844 jobs in New Mexico in 2022, where communities across the state with a local hospital showed higher rates of home ownership, an important marker of community vitality and stability, than those without.

Complex Ideas, Simply Explained

A full suite of materials were developed to communicate the importance and all the particulars of our two critical session priorities, SB 17 the Healthcare Delivery and Access Act and the Healthcare Workforce Dashboard. From messaging guides and talking points for our members to pitch pieces for potential partners, statewide stakeholders, media representatives and every member of New Mexico's legislature received briefings on NMHA session goals.



The New Mexico Healthcare Workforce Dashboard

The Challenge:
New Mexico grapples with healthcare workforce shortages. This means all New Mexicans experience prolonged wait times, reduced access to care, missed school and work and increased burnout among healthcare professionals. We need a strategic, data-driven, and collaborative public-private sector approach to address these challenges, to wisely invest our resources and ensure accessible, quality healthcare for all New Mexicans.

The Solution: A dynamic healthcare workforce dashboard
The planned NM healthcare workforce dashboard goes beyond counting who is licensed to detail:

- Who is regularly practicing in NM and where,
- The types and demographics of health professionals,
- Where NM healthcare students are in the education pipeline, and
- Where students work after graduation and within 3 to 10 years post-graduation.

Lasting Benefits: Access to care

- The dashboard offers accountability and the opportunity for the state and others to make smart, targeted investments to measurably grow and recruit our own healthcare workforce.
- Puts to good use data collected by multiple agencies and other entities to change New Mexico's healthcare access landscape.
- Guides more New Mexicans toward the economic opportunity of working in fulfilling, livable wage, health careers serving their NM communities.

Coalition for A NM Healthcare Workforce Dashboard

- Albuquerque Hispanic Chamber of Commerce
- Blue Cross Blue Shield of NM
- Greater Albuquerque Chamber of Commerce
- Health Action New Mexico
- NM Alliance for School-Based Health Care
- NM Association for Home & Hospice Care
- NM Center for Nursing Excellence
- NM Chamber of Commerce
- NM Health Resources
- NM Hospital Association
- NM Medical Society
- NM Primary Care Association

SUPPORT FUNDING for the NEW MEXICO HEALTHCARE WORKFORCE DASHBOARD

Senate Bill (SB) 17

New Mexico Healthcare Delivery and Access Act



New Mexicans rely on their community hospitals to provide the care they need when they need it. To offer reliable, timely and equitable care, hospitals need a predictable financial foundation that supports their patients and workers, keeps facilities and technology up-to-date and allows them to invest in the health and wellness of their communities.


THE CHALLENGE

- Almost half of New Mexico's population utilizes Medicaid, which pays less than the cost of the care provided.
- New Mexico is ranked 48th in the nation in Medicaid spending per capita.
- New Mexico has an aging baby boomer population that requires additional care and more complex care than ever before.
- While labor costs continue to skyrocket, New Mexico must also compete with all other states in the country to attract workers in the midst of a national healthcare worker shortage.
- Struggling rural hospitals that cannot meet the needs of their community are putting further strain on urban hospitals.



The Senate Bill 17 (HDAA) proposal increases the federal Medicaid matching dollars available to the state to support statewide hospital access, workforce and quality and is funded through a hospital assessment.


- For New Mexicans to stay healthy, we need all New Mexico hospitals to be healthy. Sustainable and predictable finances are essential to protecting, preserving and improving access to care.
- Although improving, Medicaid reimbursement rates do not cover the cost of care for the services provided. That, along with fewer New Mexicans on commercial health plans, puts even more strain on our local hospitals.
- The federal government has created an opportunity for states to get more federal dollars for their Medicaid programs to increase access and several states have already passed legislation to take advantage of this opportunity through Medicaid directed payment programs.
- Across the nation, 40 states, including New Mexico, have implemented directed payment programs, and eight states have already issued some form of provider or hospital assessments to fund Medicaid effectively.
- New Mexico hospitals support a hospital assessment and are willing to invest more of their dollars to further the state's contribution to Medicaid and maximize the federal match.



Senate Bill (SB) 17

New Mexico Healthcare Delivery and Access Act

New Mexico continues to face challenges with access to healthcare, which is exacerbated by our current Medicaid landscape. With almost half of New Mexicans enrolled in Medicaid and low reimbursement rates for the cost of care, we need to act soon to preserve and improve New Mexicans' access to care. Through a hospital assessment, we have the opportunity to secure the future of healthcare with no additional impact to the state general fund - enabling New Mexico's community hospitals to receive more federal dollars and make our state dollars go further.



For more information, please email us at: info@nmhsc.com
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@NMHospitals



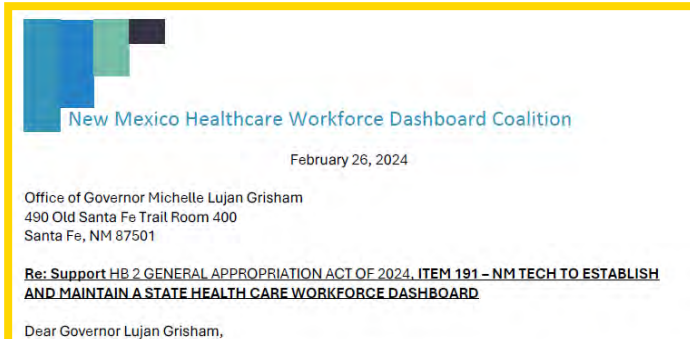

Senate Bill (SB) 17

Healthcare Delivery and Access Act (HDAA)

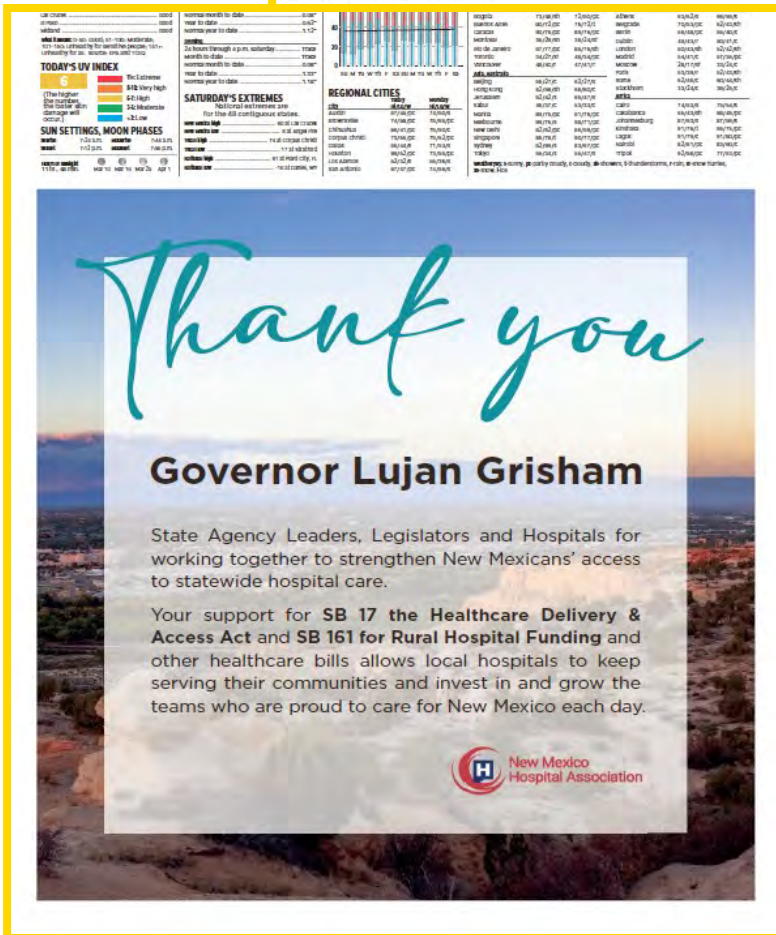
Leader Toolkit

...And the Session Never Ends

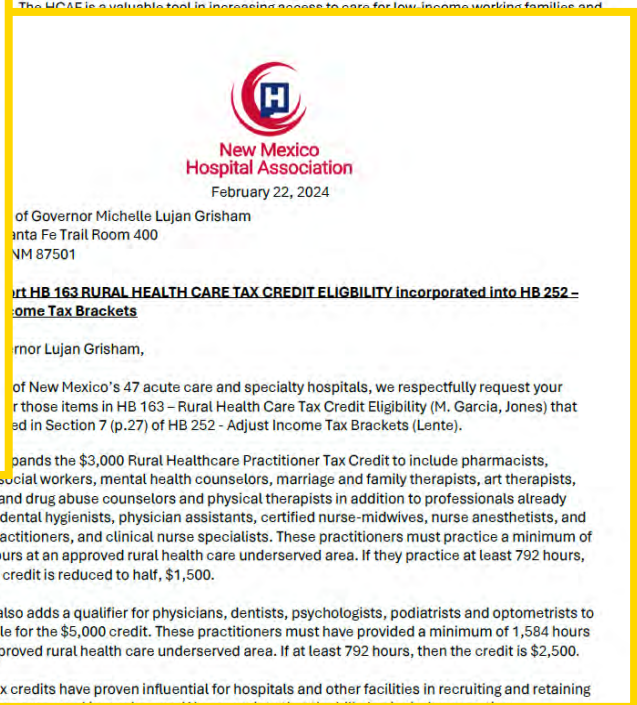
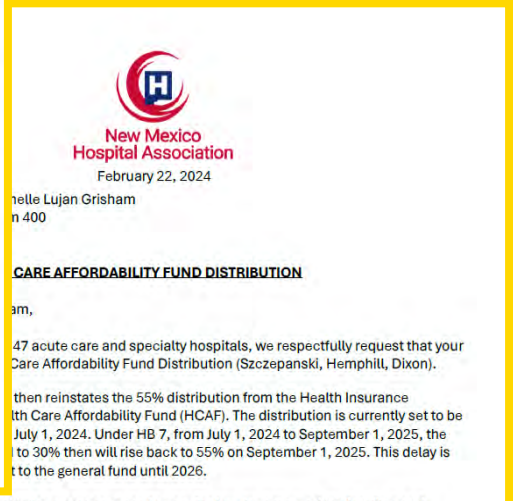
After the session closing on February 15, our advocacy and communications teams continued to work with others to press for signing of priority bills and acknowledge the work of allies. Approaches included in-person meetings, emailed action alerts calling for members and collaborators to contact the Office of the Governor, and formal letters on behalf of the association. Important also is recognizing the critical work of the sponsors of significant healthcare legislation, both formally and publicly through social media. After the signing of SB 17 the Health Care Delivery and Access Act, NMHA ran ads in the Albuquerque, Santa Fe and Las Cruces major, Sunday newspapers, thanking the legislature and governor for their efforts on behalf of hospitals.



Left and below: Letters encouraging bill signing, February 2024



Above: Sunday Las Cruces Sun-News March 10, 2024



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