

Bills aim to help rural hospitals hang on

Written by By Holly J. Wagner Sun Correspondent
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It's not just Rehoboth McKinley Christian Hospital that's struggling to stay afloat. Small, rural hospitals across the state and the country are in the same boat, trying to keep up financially with their metro counterparts.

To try to fill the gap in New Mexico, legislators have introduced some bills this legislative session that would primarily help the state's seven smallest hospitals, including RMCH.

Some offer short-term relief; at least one could improve the financial footing for small hospitals

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for the long term. Local officials are holding their collective breath to see which bills will pass.

What follows is a roundup of hospital rescue bills and their status at press time.

SENATE BILL 52 - EMERGENCY RURAL & FRONTIER HOSPITAL FUNDS

Senate Bill 52, titled Emergency Rural & Frontier Hospital Funds, would set aside \$51 million from the general fund to give hospitals with fewer than 35 beds a one-time emergency infusion of \$3 million each.

The bill was introduced Jan. 17 and sent to the Senate Indian, Rural and Cultural Affairs Committee Jan. 18 and reported with a Do Pass recommendation Jan. 25.

Bill sponsors are Sens. Pat Woods (R) and Randall Pettigrew (R).

SENATE BILL 161 - ACUTE CARE FACILITIES SUBSIDIES

Senate Bill 161, titled Acute Care Facilities Subsidies, would create a fund for state - or county - owned hospitals and independent not-for-profit hospitals with fewer than 30 beds to tap to cover losses incurred from providing emergency medical care; inpatient services related to maternity, child and family health; increased costs of medical malpractice and property insurance premiums; inpatient acute care; and Medicare spending reductions known as sequestration.

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The fund would get \$50 million from the general fund, to be allocated over the next two fiscal years. To access funding of up to \$3 million per year, the hospital applicants would have to have debt of more than \$1 million – far below what most of the targeted rural hospitals are carrying – and less than 100 days of cash on hand. They would have to provide the Health Care Authority Department with a plan to have 100 days cash on hand within five years without reducing services; and quarterly progress updates through 2026.

The bill was introduced Jan. 22, passed the Senate on a 37-0 vote and sent to the House Health and Human Services committee Feb. 7 before going to the House Appropriations and Finance Committee.

Bill sponsors are state Sens. Roberto Gonzales (D) and Siah Correa Hemphill (D); cosponsors are Sens. George Muñoz (D), Woods, and Nancy Rodriguez (D).

SENATE BILL 17 - HEALTH CARE DELIVERY & ACCESS ACT

Senate Bill 17, dubbed the Health Care Delivery & Access Act, was introduced Feb. 5 and has the backing of the New Mexico Hospital Association. It would create a Medicaid-Directed Payment Program – an assessment on hospitals, based on inpatient days and outpatient billing. Whatever the assessment rates are determined to be each year, larger hospitals would pay 100%, rural and “special” hospitals would pay 50% and small urban hospitals would pay 10% of the full assessment.

A Medicaid-Directed Payment Program creates a match that opens the door to more federal funding. Forty other states have approved similar programs.

The bill requires that 90% of the fund go to hospitals, setting aside 10% for the state to administer the fund. Hospitals would be required to spend 75% of money they receive from the fund on delivering health care, including hospital operational costs, workforce recruitment and retention, staff and provider compensation increases, on-call physician coverage, ongoing

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training incentives, creation or expansion of services, community benefit activities or capital investments.

Once the bill wins approval in the state Legislature, it will have to pass muster with the federal Centers for Medicare and Medicaid Services, which sets payment rates and access rules for those two programs.

It was introduced Jan. 26 and won Do Pass recommendations from the Senate Health and Public Affairs Committee Feb. 5 and the Senate Finance Committee Feb. 7.

Bill sponsors are state Reps. Doreen Gallegos (D) and Jason Harper (D); joint sponsor Rep. Cristina Parajon (D); co-sponsors are Sens. Michael Padilla (D) and Elizabeth Stefanics (D).

RMCH Interim CEO Bill Patten, who testified Jan. 29 in favor of SB 161, urged legislators not to see the bills as either/or but a continuum, as if the financially strapped hospitals were patients.

“We have emergency, then we would have intermediate, then long-term [care],” he said. “This would be like someone is having a heart attack. We need to deal with the heart attack [SB 52]. Intermediate is, after they’ve survived the heart attack they need open heart surgery [SB 161]. Once they survive that, we need to get them in cardiac rehabilitation and diet and weight loss programs. That’s what SB 17 is.”

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