



Office of the Governor

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Governor introduces legislation to support rural health care delivery

SANTA FE – Gov. Michelle Lujan Grisham on Tuesday announced the introduction of legislation creating a new fund that will support rural hospitals across New Mexico and improve access to health care for thousands of New Mexicans.

Sponsored by Senator Liz Stefanics and Representative Susan Herrera, Senate Bill 190 creates the Rural Hospital Services Fund, designed to provide support for rural health care delivery in parts of New Mexico often underserved by available health care options. The fund will support newly constructed hospitals in counties with fewer than 100,000 residents by providing funds for operating losses accrued in the first five years of operation, or by providing funds for losses associated with the establishment of new or expanded services.

“Expanding rural hospital care and available services not only benefits New Mexicans in rural communities, it benefits every New Mexican by increasing available hospital beds statewide,” said **Gov. Lujan Grisham**. “With the creation of the Rural Hospital Services Fund, we will provide critical support to hospitals and communities across New Mexico and improve rural health care delivery to thousands of New Mexicans.”

Rural hospitals across the country are often forced to close due to the fact that reimbursement frequently fails to cover the cost of care delivery to patients in non-urban areas, a challenge that is even more significant in a hospital’s initial years of operation. According to the [Center for Healthcare Quality and Payment Reform](#), more than half of small rural hospitals nationwide that have closed in recent years had losses of 10% or more in the year prior to closure, and over one fourth had losses greater than 20%. The Rural Hospital Services Fund would support both the establishment of new rural hospitals and the expansion of services at existing rural facilities, improving rural health care delivery and supporting rural hospitals in their capacities as economic drivers in their communities – providing job opportunities, connecting people with other critical resources, and purchasing local goods and services.

SB 190 proposes an initial appropriation of \$150 million to the fund, to be managed through the New Mexico Human Services Department.

“This funding will provide support for our rural healthcare facilities across the state, giving them the ability to expand services like behavioral health, prenatal services, dialysis, rehab, and any number of other much-needed care offerings currently out of reach to too many New Mexicans,” said **Senator Stefanics**. “I would like to thank Governor Lujan Grisham for recognizing this need and asking me to bring forth this legislation.”

“Our rural hospitals are in crisis – this legislation will help stabilize them and improve access to care in communities across the state,” said **Representative Herrera**. “The Rural Hospital Services Fund will deliver critical support for rural hospitals and provide much needed relief to New Mexico health care workers.”

“Now is the time to invest in hospital infrastructure in our state. This fund will help rural hospitals identify services their communities need, such as behavioral health, and reduce the high start-up costs for special programs so patients can get care closer to home,” said **Troy Clark**, President and CEO of the New Mexico Hospital Association.

“New Mexico, although sparsely populated, is a very large state geographically, and it’s not unusual for some of our citizens to have to travel over one hour to the nearest hospital. In fact, currently 7 of our 33 counties have no hospital or emergency department, and it’s no coincidence that these are all rural counties,” said **Christina Campos**, Guadalupe County Hospital administrator. “These funds will support rural start-up hospitals while they get their finances in order, and will help other existing rural hospitals expand essential services for their communities. All New Mexicans deserve access to quality hospital and emergency services regardless of where we choose to live, urban or rural communities. This is one important step toward achieving that goal.”

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