



For immediate release

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State agencies cheer progress as priority legislation to support nursing homes moves to House floor
Health Care Quality Surcharge delivers millions to New Mexico nursing facilities

SANTA FE — [Senate Bill 40](#), the Health Care Quality Surcharge Act Changes, is headed to the House floor after unanimously passing the House Taxation and Revenue on Monday. Sponsored by Senator Gerald Ortiz y Pino, the bill will result in millions of additional state and federal dollars flowing to New Mexico nursing facilities to improve quality of care. Originally enacted with a delayed repeal date of January 1, 2023, SB 40 makes the Health Care Quality Surcharge permanent, providing immediate financial help to nursing facilities across New Mexico. The bill is sponsored by Senator Gerald Ortiz y Pino.

“Long-term care facilities have had it really rough over the last few years with the pandemic, especially when it comes to staffing,” said Cabinet Secretary Katrina Hotrum-Lopez. “The permanent repeal helps these facilities with recruitment, quality assurance and improves the quality of care for residents living in these facilities. We are thrilled with the support and the progress SB40 has made this session and want to see it pass.”

“The permanent repeal of the sunset provision is going to improve nursing facilities throughout the state,” said Senator Ortiz y Pino. “Our elderly and disabled residents in these facilities will directly benefit from the improved quality and additional support.”

The Health Care Quality Surcharge program enables the state to leverage millions of additional federal dollars for New Mexico nursing facilities by imposing a daily surcharge on skilled Nursing Facilities and Intermediate Care Facilities for individuals with intellectual disabilities for non-Medicare “bed days”. These facilities pay the surcharge to the Taxation and Revenue Department, which distributes the funds to the Health Care Facility Fund and the Disability Health Care Facility Fund. The Human Services Department administers the Facility Funds and uses the revenue as the source of state general fund to obtain federal Medicaid matching funds and increase payment rates to facilities.

“This innovative program pays for itself many times over. The modest surcharge leverages almost \$86 million in federal Medicaid funds and improves the quality of nursing home care in New Mexico,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

“The data clearly demonstrates this investment is producing viable results in providing better quality care and improved health outcomes for our most vulnerable New Mexicans,” said Deputy Cabinet Secretary Kari Armijo. “The federal funds leveraged for the surcharge program have enabled us to make needed investments in facilities that provide long-term care for the elderly and to New Mexicans with disabilities.”

“The New Mexico Health Care Association and New Mexico Center for Assisted Living is encouraged by the legislative support of SB40 the Health Care Quality Surcharge Act (HCQS)” said Vicente Vargas, Executive Director of the New Mexico Health Care Association and the New Mexico Center for Assisted Living. “The HCQS was implemented with the aim of improving the quality of care for long-term care residents and clients, and quality measure data indicates that the HCQS has been successful in achieving its goal. NMHCA/NMCAL and its members will continue to collaborate with the Human Services Department to ensure that HCQS funding is maximized to best serve long-term care residents and clients.”

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