



# THE TAOS NEWS

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## Holy Cross Hospital has millions at stake in 30-day legislative session

By Andrew Oxford

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With Taos Health Systems forecast to lose as much as \$7 million this fiscal year, Holy Cross Hospital administrators are hoping lawmakers in Santa Fe will help improve the nonprofit's financial well-being.

Though hospital administrators are not expecting a cure-all, they are hoping the Legislature will approve a new plan for disbursing millions of dollars in payments under the sole community provider program.

The hospital's share shrank from more than \$9.8 million in 2011 to just over \$2.5 million in 2013 — far short of the more than \$8 million in uncompensated care Holy Cross provided to patients that year. Most of the state's payments have been late.

The Human Services Department, which distributes the sole community provider funds, has proposed a new formula that would allocate a projected \$6.02 million to the hospital. That is still more than \$500,000 less than Holy Cross received under the program in 2012 prior to an agreement between the state and federal government that prompted the department to reduce payments and change its formula.

But the association representing New Mexico's county governments has rejected that proposal. Counties have traditionally contributed one quarter of the program's funding. That contribution, which could be used for services ranging from hospitals to prison health, came from a 1/8-cent gross receipts tax.

The Human Services Department proposed to take control of that gross receipts tax revenue for a pool it would then have total discretion in dispersing. The funding would be funneled directly from the state to hospitals and would not be extended to other health care programs.

"Unfortunately, it didn't go well with the counties for various reasons," Sen. Carlos Cisneros told *The Taos News* Jan. 17.

Lawmakers were supportive of the premise in the Human Services Department's proposal, Cisneros said, but added every county he represented had urged him to oppose the plan.

Representatives of the state's hospitals and counties were still negotiating a new formula for sole community provider funding when the Legislature convened Tuesday (Jan. 20).

“We’re walking a tight rope with the governor’s office, the Human Services Department and the Association of Counties,” said Jeff Dye, executive director of the New Mexico Hospital Association.

Amid ongoing discussions over what he characterized as a critical amount of funding for the state’s hospitals, Dye said he could not predict whether an agreement would be reached in time for lawmakers to approve a new plan before the end of their 30-day session.

Cisneros said he was optimistic the groups would reach an accord but suggested it was unlikely lawmakers would proceed without their consensus.

“We just need to convince local governments they are not on the losing end of this,” he said.

As what Cisneros described as a fall-back, the senator and state Rep. Roberto “Bobby” Gonzales introduced legislation that would eliminate gross receipts taxes on health-care services.

“It doesn’t help the hospital’s operations but it does help the physicians who are taxed for providing health care,” he said.

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