

## **To tax or not to tax for Holy Cross?**

### **Committee debates mill levy versus GRT**

**By Andrew Oxford**

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An intergovernmental committee established in November to form recommendations for the future of Holy Cross Hospital will work with legislators to advance a bill that would allow Taos County to impose a new tax for funding the nonprofit health care provider.

The issue was debated by task force members during a special two-hour meeting Monday night (Jan. 27).

Town councilor Michael Silva said he called the meeting to take advantage of the legislative session that began Jan. 21. Holy Cross has millions of dollars at stake as lawmakers decide how to fund indigent health care.

But negotiations over how to distribute funds from the sole community provider program among New Mexico's hospitals have stalled and some committee members said uncertainty necessitated action.

Speaking at the beginning of the meeting, Mayor Darren Córdova, who is up for re-election, encouraged the committee to propose a new tax.

"The time has come where we need to take care of ourselves and that means taking care of the hospital," he said.

The mayor added that municipal leaders in Questa, Red River and Taos Ski Valley would support a countywide tax. Córdova said he also discussed the issue with Gov. Susana Martinez. She purportedly opposed the prospect of a new tax but "will listen," he reported.

Córdova touted a gross receipts tax and said the community's representatives in Santa Fe should be encouraged to pursue approval for such a revenue measure.

County officials said Monday that a one-eighth of 1 percent gross receipts tax could raise approximately \$758,000 in a year.

But hospital administrators remained uncertain as to how much money Holy Cross might require to cover its losses which currently stand at approximately \$7 million. Holy Cross would receive more than \$6 million through the sole community provider program, according to a plan proposed by the Human Services Department.

That would be an improvement over the \$2.5 million Holy Cross received through the program in 2013 but still \$500,000 less than it was allocated in 2012.

The hospital's future financial needs will hinge on how legislators fund the program, administrators said. The proposal advanced by the Human Services Department has met strong opposition from county governments. State officials and lobbyists representing New Mexico's counties are negotiating a compromise.

"This is a possibility but why put all our eggs in one basket?" said Walter Brennan, a nurse and representative of the union representing health care workers at Holy Cross, referring to the state's plan.

Union representatives and other members of the committee assented to seeking legislative approval for a new tax that could then be placed on a ballot for voters if lawmakers do not decide on how to fund the state's hospitals or if that funding is inadequate for Holy Cross.

Sen. Carlos Cisneros told *The Taos News* Tuesday (Jan. 28) he would advance such legislation but also expressed confidence that a deal on hospital funding would be reached.

"I don't have a problem with that if that's what they're interested in," he said. "It's good planning. It's good forward thinking."

Taos County Commissioner Tom Blankenhorn was skeptical lawmakers would pass a measure specifically for Taos County in the remainder of their 30-day session.

"I am optimistic the Legislature will compensate hospitals for indigent care," he told *The Taos News* after Monday's meeting.

Lawmakers already have a full agenda and the sole community provider program is near the top, the commissioner said. They are unlikely to approve a plan for one county to fund its hospital without addressing similar needs facing counties across the state, he added.

Even if lawmakers do not approve a sufficient plan for funding New Mexico's hospitals, he suggested there are alternatives that would raise tax revenue for Holy Cross.

"There is a default backstop that would not require additional legislation," Blankenhorn said, referring to the county commission's authority to call an election for a mill levy that could generate funds for the hospital.

A mill levy would be more appropriate as Taos County already has one of the highest gross receipts tax rates in New Mexico, Blankenhorn argued.

But before any voter approval could be sought for a new tax, town councilor and mayoral candidate Fred Peralta said the hospital needed to offer local residents a clear idea of how their money would be used.

"The hospital has to give us a plan we can take to the community and sell," he told the committee.

Nurse and union leader Frances Trujillo echoed that concern.

"I think people would go for a mill levy if they had a plan that said the hospital will be here in five years," she told the task force, noting also that a mill levy could be particularly hard on homeowners with fixed incomes. "The hospital needs to make sure it holds up its end of the deal."

Thirteen New Mexico counties have imposed mill levies to fund hospitals or other health care providers in their communities.

Presbyterian Espanola Hospital receives the revenue from a mill levy of \$4.25 for every \$1,000 of taxable value for every property in Rio Arriba County.

Taos Health Systems' board of directors proposed a smaller mill levy in October 2012. At a rate of \$1.60 for every \$1,000 of taxable value, administrators projected the hospital would raise approximately \$1.9 million annually.

Later that month, county commissioners denied the board's request to authorize a special election on the measure.

The nonprofit hospital has received taxpayer support throughout its history. In the 1990s, Taos County residents voted in favor of allowing bond sales to raise funds for the hospital.

The organization's main building on Weimer Road was built by the county and remains county property.