

Primary Care Capital Fund Annual Report FY 2025



Las Clinicas del Norte – Abiquiu, NM

Presented to
Governor Michelle Lujan Grisham
and the
New Mexico Legislature

PRIMARY CARE CAPITAL FUND

Annual Report for Fiscal Year Ended June 30, 2025

The Primary Care Capital Fund (PCCF) was created by the New Mexico Legislature in 1994 to increase geographic access to healthcare by providing non-profit primary care providers in rural and underserved communities with low-cost financing for infrastructure and equipment projects. Increasing access to quality and affordable primary care is essential for improving the health of a community, reducing health disparities, and ensuring better patient outcomes in New Mexico. Access to healthcare is particularly important in rural New Mexico, among high-risk communities, and in underserved populations where patients may face multiple barriers to healthcare. Having to travel long distances to clinics affects overall health as patients may be less likely to see primary care providers to obtain preventive care such as vaccines and screening exams.

The PCCF was expanded in FY 2019 to be able to serve more clinics with SB 126, the Local Government Primary Care Clinic Funding bill. This bill changed the definition of eligible entities to include clinics owned by municipalities and counties thereby expanding the availability of low-cost financing to more primary care clinics throughout New Mexico. In 2023, the program was modified again when Senate Bill 423 was enacted. SB423 expanded the use of the PCCF to include working capital and realigned the responsibilities of NMFA and the Department of Health (DOH) in the administration of the program. This change means PCCF loans can be used for salaries and other operating expenses, which is important to primary care clinics, particularly those that have adequate equipment and facilities but who need financing to be able to attract and retain staff and operate their clinics. The rules and policies governing the new uses and updates to the fund were promulgated by NMFA in December 2024.

The Primary Care Capital Fund was started with an initial appropriation of \$5 million. Since then, no additional capital has been provided to the fund, and the fund currently has no capital to provide new loans. In the 2025 Regular Session, the NMFA Oversight Committee endorsed

HB196 which would have provided additional capital to the fund. This proposed allocation for funding did not pass.

Terms of Primary Care Capital Fund Loans

PCCF loans carry an interest rate of three percent (3%). Infrastructure loans are made for terms of up to 20 years and equipment loan maturities are based upon the estimated useful life of the equipment, not to exceed ten years. The PCCF Rules and Regulations allow a borrower to enter into a contract-for-services agreement with DOH, which allows borrowers to satisfy a portion of the loan payments by providing care to the sick and medically indigent at free or reduced fees. All of the PCCF borrowers to date have executed these agreements, allowing them a 20% percent forgiveness of the annual principal and interest payments in exchange for services provided. The agreement requires that DOH report to NMFA on the level of service provided by the PCCF borrowers and certify that all requirements under their contract-for-services agreement have been met. If services have not been adequate, the contract-for-services agreement will be terminated and total monthly payments due on the loan will be paid according to the loan agreement. To date, all borrowers have fulfilled their contract-for-services agreements.

Primary Care Capital Fund Loans

Through June 30, 2025, NMFA has made 20 PCCF loans totaling just over \$12.4 million. Of these, 17 loans have been paid in full, and three loans are still in repayment. All loans continue to be current and performing as agreed. The newest loan was made in FY24 to Sunrise Clinics for \$890,000. The PCCF currently has no new funds for loans, however the infrastructure for the PCCF remains in place to continue improving the health of New Mexico communities in the future.

Primary Care Capital Fund Loans (as of 6/30/25)

	Location (County)	Year	Loan Amount
El Centro ¹	Taos	1997	\$498,500
La Clinica del Pueblo de Rio Arriba ¹	Rio Arriba	1997	\$440,000
La Clinica de Familia, Inc. ¹	Dona Aña	1997	\$450,000
Pecos Valley Medical Center ¹	San Miguel	1998	\$120,000
Las Clinicas del Norte, Inc. ¹	Rio Arriba	1998	\$265,000
First Choice Health ¹	Bernalillo	1998	\$131,855
Pecos Valley Medical Center ¹	San Miguel	1999	\$80,000
La Familia Medical Center ¹	Santa Fe	1999	\$145,000
Las Clinicas del Norte, Inc. ¹	Taos	1999	\$395,000
El Pueblo Health Services ¹	Sandoval	2000	\$755,000
Las Clinicas del Norte, Inc. ¹	Taos	2000	\$250,000
Hidalgo Medical Services, Inc. ¹	Grant	2001	\$2,194,304
Hidalgo Medical Services, Inc. ¹	Grant	2003	\$1,100,000
Hidalgo Medical Services, Inc. ¹	Grant	2006	\$300,000
Mesilla Valley Hospice ¹	Dona Aña	2008	\$2,000,000
La Clinica de Familia, Inc. ¹	Dona Aña	2008	\$800,000
La Clinica de Familia, Inc. ¹	Dona Aña	2009	\$400,000
Hidalgo Medical Services, Inc. ²	Grant	2012	\$600,000
Las Clinicas del Norte, Inc. ²	Rio Arriba	2014	\$600,000
Sunrise Clinics Inc. ²	Quay	2023	\$890,000
¹ Paid in full	TOTAL		\$12,414,659
² Current			