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## FISCAL IMPACT REPORT

SPONSOR: Picraux DATE TYPED: 2/15/01 HB 467  
 SHORT TITLE: Recruit Dentists for Underserved Areas SB \_\_\_\_\_  
 ANALYST: Esquibel

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	100.0*			Recurring	GF

**\*These funds would be available in FY02 and FY03.**

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB435.

### SOURCES OF INFORMATION

Human Services Department (HSD)  
 General Services Department (GSD)  
 NM Health Policy Commission (HPC)  
 Department of Health did not respond  
 Public Regulation Commission did not respond

### SUMMARY

#### Synopsis of Bill

House Bill 467 amends Section 13-1-98 NMSA 1978:

- to exempt contracts with health professionals under the Health Service Corps Act from the Procurement Code;
- adds dentists and dental hygienists to Section 24-1D-2 NMSA 1978; and
- appropriates \$100.0 from the general fund to the Department of Health (DOH) for expenditure in FY02-03 to develop and implement a recruitment program to provide dental and dental hygienist services to medically underserved areas of New Mexico.

Significant Issues

Section 1 of HB467 amends the exemptions from the Procurement Code such that contracts over \$20.0 with health professionals entered into under the Health Service Corps Act will not be required to submit a request for proposals (RFP).

**FISCAL IMPLICATIONS**

The appropriation of \$100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY03 shall revert to the general fund.

The General Appropriation Act of 1999, Special Session, included \$1.5 million from the general fund to increase the Medicaid fee schedule for dental services because of the critical shortage of dentists in the Medicaid program and the continuing need to recruit dentists to work in underserved areas.

The bill's appropriation of \$100.0 could be used to leverage \$100.0 in federal Medicaid funds if appropriated to the Human Services Department for the Medicaid program to broaden the scope of dental services for NM beneficiaries.

**CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

HB467 relates to SB435 in that both bills add "dentist or dental hygienist" to the definition of health professional in the NM Health Services Corps Act (NMHSC). SB435 also inserts definitions for "dentist and dental hygienist" into the NMHSC.

**TECHNICAL ISSUES**

The HPC suggests striking section 2, paragraph F, line 12, "...to serve in medically underserved areas" and replacing it with "to serve in dental health professional shortage areas".

The bill does not specify if the \$100.0 appropriation would be used for stipends for dentists and hygienists, administrative costs at the department of health, or for some other purpose.

**OTHER SUBSTANTIVE ISSUES**

The HPC and the Oral Health Task Force recommended in 1999 that the health professional recruitment and retention program be consolidated and administered by the Commission on Higher Education, and that the NM Health Service Act be amended to include dentists and dental hygienists in the stipend program.

Currently, DOH administers the NM Health Service Corps (NMHSC). There are two parts to the NMHSC—the stipend awards and the community awards.

- Stipends are awarded to qualified applicants within a certain time frame.
- If there are not enough qualified applicants eligible for stipends, the money may revert back to another round of applications later in the year, or it goes into the community award fund.
- Community awards are given on a one-time basis to specific health professionals in a community as a retention incentive. Awards can be bonuses, salary increases, or education courses.

Currently, all unexpended or unencumbered balances remaining at the end of the state fiscal year for the NMHSC revert to the general fund.

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- Every year, a certain amount of hospitals or clinics buy out the NMHSC contracts of health professionals before their commitment has been completed. The reimbursed money goes directly into the general fund and not into the NMHSC stipend fund.
- DOH gives a limited number of stipends on an annual basis.
- There is \$495.0 in the NMHSC permanent fund, and \$145.0 was spend on stipends in 2000. DOH has not provided information on the remainder of the revenue in the fund.

Alternatives to the bill considered by the Commission on Higher Education's health professional advisory committee include:

- Since the NMHSC is very similar to the CHE loan programs, it may be mor appropriate to have CHE administer the stipend portion of NMHSC while DOH continues to administer the contracts. Currently, NMHSC does not include dental providers in the program.
- Shifting the appropriation to CHE would allow repayment funds to revert back to the program to be used again rather than reverting to the general fund as now occurs at DOH.

### POSSIBLE QUESTIONS

1. Would recruitment of dentists and dental hygienists for medically underserved areas be better achieved by further improving compensation to dentists and dental hygienists through the Medicaid program and the Health Purchasing Act?

RAE/njw