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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/13

SPONSOR Ortiz y Pino LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Health Extension Rural Offices SB 22

ANALYST Hartzler-Toon

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$496.6	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to University of New Mexico Health Sciences Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico Health Sciences Center (UNM HSC)  
Higher Education Department (HED)  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 22 appropriates \$496 thousand six hundred dollars from the general fund to the board of regents of the university of New Mexico health sciences center for the purpose of expanding health extension rural offices (HEROs) around the state.

### FISCAL IMPLICATIONS

The appropriation of \$496.6 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

The UNM HSC cites that there is a tremendous “return on investment” in communities that HEROs serve. Health extension agents provided over 7,000 hours of technical assistance, facilitation & coaching, training & education, and advocacy to community groups and organizations in FY 12. HEROs also work to recruit and retain health professionals to rural and underserved communities. In the past year, HEROs have helped recruit 1 family medicine physician to Las Vegas, NM; 1 family medicine physician to Silver City, NM; and 2 physician assistants to Hobbs, NM. This generates approximately \$3 million to the communities in direct and indirect revenue. The HEROs have also contributed to bringing in \$2 million in grants and \$2 million in service contracts to the university and communities served. In addition, HEROs play a key role in designing and providing the training for Community Health Workers who provide care to underserved communities as well as providing service to high risk members of Medicaid Managed Care organizations.

Further, the HEROs program served as a model for Section 5405, “Primary Care Health Extension Program” of the Affordable Care Act; seventeen states have since implemented this approach to delivering care and assisting underserved populations. The presence of HEROs across New Mexico enables UNM HSC to meet federal requirements regarding community engagement that confers eligibility to HSC for a host of research funds. For example, in the case of UNM HSC’s clinical and translational science center (CTSC) funded by the National Institutes of Health, HEROs was one component helping the HSC meet the community engagement requirements of NIH. This core award, with its community component then confers eligibility to HSC for other research funding. This brings resources, jobs, and health science discovery to New Mexico.

The DOH states that the goal of the HEROs program is to link persons with priority health needs with UNM HSC resources, so that these persons have an opportunity to improve their health status. Components of the HERO program include: 1) the location of community-based health extension offices and agents across the state that are link community needs with HSC resources areas such as: service, education, research and policy; and 2) campus-based programmatic support to respond in a timely way to community requests and to provide special support in community-identified priority areas.

## **PERFORMANCE IMPLICATIONS**

DOH notes that the HEROs program relates to the department’s fiscal year 2014 strategic plan, goal 1, to improve health outcomes for the people of New Mexico. It also aligns with public health essential service goal 4, to mobilize community partnerships and action to identify and solve health problems and goal 7, to link people to needed personal health services and assure the provision of health care when otherwise unavailable.

While there are no Accountability in Government Act measures for current HEROs offices, the UNM HSC may consider doing so to measure outreach efforts and health care improvements for individuals served,

**ADMINISTRATIVE IMPLICATIONS**

The UNM board of regents would be responsible for administering the funds to staff health extension rural offices.

**OTHER SUBSTANTIVE ISSUES**

The DOH cites that New Mexico's 26 of 33 counties are rural or frontier in nature. The federal government has designated much of New Mexico as either a medically underserved area (MUA) or a medically underserved population (MUP). MUPs are typically designations either for low income or Native American populations. Twenty-five of the state's 33 counties are designated as MUAs or MUPs. Further, those New Mexico counties designated as rural or frontier is also designated as MUAs or MUPs. Thus, these data reflect the high levels of unmet need in rural parts of the state.

The HED notes that this particular bill does not directly pertain to that department, but may however have an indirect impact.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The UNM HSC cites that currently, 10 HEROs serve very large regions of the state. Expanding the HERO program will allow rural and underserved urban populations to link to health science center resources and programs, as well as technical assistance and capacity building around community health improvement. Increasing the number of HERO offices will allow agents to be more effective, focusing on a smaller geographic area.

THT/bm