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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Human Services Dept. Primary Care Training SB 408

ANALYST Geisler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$85.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	\$85.0		Recurring	Federal Funds

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to: SB 400 and HB 398.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

University of New Mexico Health Sciences Center (UNMHSC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 408 appropriates \$85 thousand from the general fund to the Human Services Department (HSD) to contract with a consortium of primary care training programs, with the goal of expanding and improving the quantity and quality of family medicine residency training opportunities in the state. Any unexpended balance remaining at the end of fiscal year 2014 shall revert to the general fund.

## **FISCAL IMPLICATIONS**

HSD notes that SB408 includes an appropriation that is not included in the FY14 Executive Budget. The Patient Protection and Affordable Care Act provides a 50 percent federal match for administrative functions for primary care center training, which would result in \$85 thousand in additional revenue.

## **SIGNIFICANT ISSUES**

HSD notes this consortium would increase the number of family medicine resident trainees in the state, particularly in rural areas, thereby addressing the healthcare workforce shortage both in the short and long term.

The 1997 Balanced Budget Act capped the number of primary care training slots in the US at a time when there was not a significant shortage of primary care providers. However, today there is a documented shortage of primary care providers. The best way to increase primary care residency slots is to form consortiums of the type funded by this bill. This model is being utilized in many states around the country, including Washington and Colorado, with assistance from state funding.

UNMHSC notes that it has residents in the UNM Family Medicine Residency program that provide primary care to underserved clinics for Federally Qualified Healthcare Systems. UNM Family Medicine provides healthcare to the Indian Healthcare Services as well as sending residents to the Family Medicine and SE Heights clinics – both are underserved areas within the state and to rotations in rural IHS sites.

In addition to the aforementioned services, FCM provides primary care to underserved rural areas on rotations throughout the state such as Farmington, Hobbs, Silver City, Santa Rosa, Zuni, Shiprock, and Crownpoint. In addition to this, the UNM Family Medicine Residency program provides services to the One Hope Clinics and East Central Ministries which are mobile clinics that provide healthcare to the homeless populations.

This funding will help ensure the healthcare needs of the underserved rural areas within the state are met as well as provide for the needs of the homeless populations and will meet the goal of expanding and improving the quantity and quality of family medicine residency training opportunities in the state. Evidence is clear that training in rural sites increases the likelihood that residents will ultimately practice in these areas. In the past residency class, over 60 percent of the graduates have chosen to practice in rural areas.

## **RELATIONSHIP**

SB 408 relates to SB 400/HB 398, which appropriate \$165,000 from the general fund to the Department of Health for expenditure in fiscal year 2014 to expand a successful health professional work force program developed in southwestern New Mexico

GG/blm