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FISCAL IMPACT REPORT

SPONSOR Rodriguez ORIGINAL DATE 1/26/16
 LAST UPDATED _____ HB _____

SHORT TITLE Santa Fe Women’s Health Services SB 192

ANALYST Chenier

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$300.0	\$300.0	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

SUMMARY

Synopsis of Bill

Senate Bill 192 appropriates \$300 thousand from the general fund to the Department of Health to provide operating funds for a women’s health services program in Santa Fe.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY17 shall revert to the general fund.

SIGNIFICANT ISSUES

In response to similar 2015 legislation (SB 292) the Department of Health (DOH) reported:

Rural Primary Health Care Act (RPHCA) program funds 99 rural and primary care clinic sites statewide. All RPHCA funded clinics have experienced financial challenges and uncertainties with the federal Affordable Care Act. Shortages of health care providers and rising salaries continue to be a concern for all clinics statewide. However, appropriating funds to one specific RPHCA site in Santa Fe may be inequitable during uncertain times.

Primary care contracts only cover allowable costs for primary care under RPHCA legislation. In order to use the funds specifically in Santa Fe, DOH has in the past administered a Request for Proposal (RFP) to assure equitable access to such funding. A similar appropriation in FY14 resulted in a statewide RFP related to Primary Care Services for Women.

The bill does not specify the type of services for women that would be supported by these new operating funds.

OTHER SUBSTANTIVE ISSUES

The LFC budget recommendation for DOH included the following analysis:

Under Section 24-1A-4 NMSA 1978 the department is required to take into account the relative needs of applicants for RPHCA assistance. Available evidence points to improved revenue for many RPHCA clinics, raising the question of whether increased and sustained investment in this initiative is needed. As pointed out in the October LFC Health Notes, the FQHC payer patient mix has changed dramatically, with Medicaid billed charges increasing from FY13 to FY14 by nearly 58 percent and uninsured and self pay charges decreasing by 17 percent.

Additionally, in FY14, the federal Health Resources and Services Administration awarded \$82.8 million in grants to New Mexico's 16 FQHCs and \$78.4 million in FY15 to fund the operation, expansion, and construction of these health centers. A review of FY14 audits for FQHCs determined net assets increased \$10.3 million between FY13 and FY14, after Medicaid expanded in the middle of FY14. According to the New Mexico Primary Care Association, FQHCs took in \$127.4 million in patient revenues and \$100.7 million in federal state and local grants.

ADMINISTRATIVE IMPLICATIONS

DOH, in response to the 2015 legislation, stated that it would follow the New Mexico Procurement code and issue a request for proposal and then evaluate submissions before awarding the state funding, should the bill be enacted.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Appropriation in the General Appropriation Act.

EC/jo