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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino ORIGINAL DATE 1/31/19
 LAST UPDATED 3/04/19 HB _____

SHORT TITLE Residencies Support Appropriation SB 138

ANALYST Hawker

APPROPRIATION (dollars in thousands)

| Appropriation | | | | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------|------|------|---------------------------------|------------------|
| FY19 | FY20 | FY21 | FY22 | FY23 | | |
| | \$1,200.0 | | | | Recurring | GF |

Parenthesis () indicate expenditure decreases

Relates to Appropriation in the General Appropriation Act for \$200 thousand for the Medicaid program to fund rural residencies.

Relates to House Education Committee Substitute House Bill 480

SOURCES OF INFORMATION

LFC Files

New Mexico Healthcare Work Force Annual Report, 2018

Responses Received From

University of New Mexico Health Sciences Center (UNMHSC)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 138 appropriates \$1.2 million from the general fund to the UNM Health Sciences Center for the purpose of primary and secondary care physician residency positions.

Higher education institutions in New Mexico do not revert unexpended funding back to the state's general fund.

FISCAL IMPLICATIONS

The appropriation of \$1.2 million contained in this bill is a recurring expense to the general fund.

According to UNMHSC the average salary and benefits for a resident physician is \$74 thousand. Additionally, UNMHSC states it costs approximately the same amount in faculty salaries to educate and supervise each resident physician. The \$1.2 million appropriation will cover resident physician salary and benefits and associated faculty costs for nine additional physician residency training positions.

SIGNIFICANT ISSUES

Medicare provides funding for resident physician education, however, these funds can typically only be used to support training within UNM Hospital (UNMH). UNMHSC believes exposure to rural training will increase retention of physicians in New Mexico.

In FY19 UNMHSC is receiving general fund appropriations of \$1.69 million to support resident physician positions in general surgery, family and community medicine, internal medicine, and psychiatry. The LFC recommendation for FY20 continues these appropriations.

Using health care practitioner licensure data, the New Mexico Health Care Workforce Committee analyzes New Mexico's health care workforce. In the 2018 *New Mexico Healthcare Workforce Committee Annual Report*, the Committee, in addition to health care practitioners other than physicians, examined New Mexico's need for primary care, obstetrics/gynecology, general surgery, and psychiatry physicians. Assuming no redistribution of the current workforce, in order to reach national benchmarks, New Mexico needs 279 additional primary care, obstetrics and gynecology, general surgery, and psychiatry physicians.

| Physician Type | # Additional Needed to Meet Benchmark |
|-------------------------|---------------------------------------|
| Primary Care | 126 |
| Obstetrics & Gynecology | 30 |
| General Surgery | 12 |
| Psychiatry | <u>111</u> |
| Total: | 279 |

SB 138 would allow UNMHSC to increase the number of New Mexico funded resident physicians at either the primary or secondary care level. Primary care refers health professionals who are the first point of consultation for patients. Examples of primary care providers include general practitioners, family physicians, and pediatricians. Secondary care refers to healthcare specialists who typically do not have initial contact with patients. Examples of secondary care providers include cardiologists, rheumatologists, and urologists.

This request was not submitted to HED for possible incorporation into the HED higher education funding recommendation. HED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the HED funding recommendation.

RELATIONSHIP

HB480/HECS creates a Medical Education Expansion Grant Program to create and expand physician residency programs.

OTHER SUBSTANTIVE ISSUES

Resident physician training programs are accredited by the Accreditation Council for Graduate Medical Education (ACGME). UNM\HSC can only add new resident physician positions into training programs which have program capacity.

POSSIBLE QUESTIONS

UNM\HSC receives \$1.69 million in appropriated funds to support resident physicians in general surgery, family and community medicine, psychiatry, and internal medicine.

- What rural rotations do the currently funded resident physicians do?
- If SB 138 is funded, what additional residencies does UNM\HSC propose?
- Outside of UNMH, where does UNM\HSC propose to rotate the resident physicians who would be funded in SB 138?

VKH/gb/sb