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FISCAL IMPACT REPORT

SPONSOR Gallegos, DY ORIGINAL DATE 01/22/21
 LAST UPDATED 02/10/21 HB 23/aHEC

SHORT TITLE Medical School Licensure Requirements SB _____

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Uncertain, likely small	Uncertain, likely small	Uncertain, likely small	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico Health Sciences Center (UNM HSC)
 Higher Education Department (HED)
 New Mexico Medical Board (MB)
 Burrell College of Osteopathic Medicine (BCO)

No Response Received

Human Services Department

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 23 changes some of the language in the bill, altering the requirements to be met by a newly-licensed New Mexico medical school, and listing purposes for each of the requirements:

- “For the purpose of educating third and fourth-year medical students...” four rather than five clinical affiliates of a new school would have to execute agreements with the new school, in urban, rural, and frontier areas to provide comprehensive care experience. The previous requirement of affiliations with 150-bed hospitals is no longer in the bill.
- “For the purpose of building new graduate medical training programs...” medical schools must demonstrate the creation of one graduate training position for every ten students in the school’s first class, with a preference for primary care programs in urban, rural, and frontier areas. See definition of “primary care program” in this bulleted list. The requirement for such graduate medical programs to be approved by the accreditation council for graduate medical education (ACGME) has been removed.

- Two definitions in the last section of the bill have been added, and two have been changed:
 - In the definition of “clinical affiliate, “ambulatory care center” has been replaced by “outpatient medical clinic or center”
 - “Comprehensive care” means providing access to general adult and pediatric medicine, emergency and critical care, labor and delivery.
 - “Primary care” means general and pediatric care, family medicine, and psychiatry
 - “Procuring cause” means the medical school has created new graduate medical education positions in New Mexico, either at its own facility(ies) or under agreement with other institutions.

Synopsis of Original Bill

House Bill 23, “Medical School Licensure Requirements,” adds requirements to the credentialing or recredentialing of medical schools in New Mexico. The two currently credentialed medical schools in the state, the University of New Mexico School of Medicine (allopathic) and the Burrell College of Osteopathic Medicine would be covered by these requirements, in addition to any future schools.

HB23 aims to increase affiliations between medical schools with larger hospitals around the state, requiring each medical school to execute an agreement with at least five hospitals with more than 150 beds; currently there are nine such hospitals, four in Albuquerque, two in Las Cruces, and one each in Farmington, Santa Fe and Roswell.

In addition, medical schools would be required to execute agreements with New Mexico preceptors as defined by the program’s accreditor. They would also be required to demonstrate that they had facilitated the creation of at least one first-year resident position (not specified of which specialty) for every ten students in a school’s graduating class (UNM enrolls 106 per year; Burrell, 162. Almost all students enrolled graduate.)

An appeals process would be available if a medical school’s licensure were denied.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

There is no appropriation in HB23.

According to HED, “HB23 assigns new functions and duties to the New Mexico Higher Education Department (NMHED). These additional functions and duties may increase NMHED’s administrative costs but further review is still needed to ascertain the full financial impact of
HB23.”

SIGNIFICANT ISSUES

New Mexico has health resource shortage areas occupying part or all of 32 of its 33 counties. Its number of physicians per capita in 2019 was 244.8, compared with a US figure of 277.8 (beckerhospitalreview.com); New Mexico’s problem in access to physicians is compounded by the age of its physicians; of its physician population, 33.3 percent are 60 or more years of age

(www.hasc.org), the highest proportion in the nation, indicating that many are likely to leave the workforce in coming years. Thus all parties agree that recruitment or production of more physicians (and nurse practitioners and physician assistants) is vital to the health of New Mexico residents.

Recent data indicate that nine New Mexico hospitals have more than 150 beds:

Hospital	Location	Number of beds
Presbyterian	Albuquerque	716
UNM Hospital*	Albuquerque	555
Lovelace Medical Center	Albuquerque	293
Christus St. Vincent Hospital*	Santa Fe	214
Memorial Medical Center*	Las Cruces	199
San Juan Regional Medical Center	Farmington	184
Mountain View Regional Medical Center	Las Cruces	180
Lovelace Women’s Hospital	Albuquerque	162
Eastern New Mexico Medical Center	Roswell	162

Data from American Hospital Directory, www.ahd.com/states/hospital_NM.html

Currently, Family Practice post-graduate training programs are located in Albuquerque, Santa Fe and Las Cruces. All other programs (pediatrics, internal medicine, obstetrics/gynecology, etc.) are available only through UNM Hospital in Albuquerque.

According to HED, “The University of New Mexico Health Sciences Center and the Burrell College of Osteopathic Medicine are the only accredited medical schools currently training students in New Mexico. At the time of this analysis NMHED is unaware of any plans for another medical school to be established in New Mexico... the Legislature has recognized the importance of GME programs in addressing New Mexico’s shortage of primary care physicians and other medical practitioners, creating the Graduate Medical Education Expansion Program in 2019.”

UNM HSC concurs with the need to expand the number of physicians and other health care providers available to New Mexico residents, but notes problems in doing so, many of which would be addressed by this bill:

In many parts of New Mexico there are too few physicians to ensure that all community members have access to appropriate medical care. Training new physicians for New Mexico is one of UNM School of Medicine’s primary objectives.

Although the state has been successful at building GME programs, said GME programs are currently at capacity and must grow to meet the needs of both Burrell College of Osteopathic Medicine (BCOM) and UNM.

Community preceptors are critical to the missions of both Burrell and the UNM Health Sciences Center (HSC). Another medical school would further stretch the already limited pool of community preceptors.

This bill requires that any medical school seeking licensure in New Mexico be the procuring cause for the creation of at least one first-year resident position in New Mexico for every ten students in the applicant's initial approved class size. This provision is needed because allowing new medical schools to operate in New Mexico without adding new opportunities for residency training would do little to advance the cause of training physicians for New Mexico, as the new doctors would have to leave the state for their residency training.

Burrell College comments that “Other states have faced challenges striking a balance between the demand for and the available supply of clinical training for medical students and GME positions for graduates of medical school (residents)... Medical schools are only beneficial to a state when: 1) The schools have the resource, partnerships, and knowledge base to help build residency in addition to filling residency slots, 2) the state has BOTH the GME program capacity to meet the existing and future demand **AND** the support of the existing hospital and healthcare providers to train students while in medical school during their third and fourth years.”

Past experience shows that the location of young physicians’ post-graduate training plays a large part in determining where they will practice. For example, of 1198 physicians trained in New Mexico between 2008 and 2017, 592, or 49.4 percent remained in New Mexico, similar to the national rate of 52.4 percent. (Academy of American Medical Colleges, www.aamc.org/data-reports).

ADMINISTRATIVE IMPLICATIONS

HED takes note of ambiguity regarding its role in licensing new medical schools – it licenses private schools such as Burrell College of Osteopathic Medicine, but not public institutions such as UNM SOM –while indicating that it knows of no new medical school being anticipated at this point: “PPSD [its Private Post-Secondary Schools Division] enforces the New Mexico statutes and rules for all private post-secondary educational institutions providing post-secondary educational services in the state of New Mexico. The Division issues State Authorizations to institutions that are compliant with applicable State laws. The standards specified in the New Mexico Statute and the New Mexico Administrative Code (NMAC) include the institution’s self-evaluation process, accreditation (for degree granting institutions), degree standard, information provided to students, admissions procedure, tuition refund policy and procedure, student record maintenance, financial stability, student complaint procedure and a surety bond to mitigate each student’s financial damage.” It approves budgets for public institutions (like UNMSOM), but has not been involved in their licensing or accreditation to this point.

TECHNICAL ISSUE

The amendment’s added definition of primary care includes both general pediatrics and pediatric medicine, which are essentially redundant.

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