

LFC Requester:	Connor Jorgensen
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/16/2025 *Check all that apply:*
Bill Number: SB 380 Original Correction
 Amendment Substitute

Sponsor: Senator Campos **Agency Name and Code:** University of New Mexico-952
Short Title: Physician Graduate Medical Ed. Trust Fund **Number:** _____
Person Writing: Kelly O'Donnell
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	(\$100,000)	Non	SGF
	\$100,000	Non	physician graduate medical education trust fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 380 creates a graduate medical education (GME) trust fund with a \$100 million transfer from the state general fund. Each year, 5% of the fund will be allocated to GME. For years 2026-2028 up to \$2.5 million can be used to support GME at institutions located in rural and underserved areas that are in the process of developing programs for accreditation. Up to \$500,000 will be available annually during this period to support institutions in rural and underserved areas that have been accredited for less than a year. Beginning 2029, annual allocations will support accredited programs in rural and underserved areas.

FISCAL IMPLICATIONS

No impact is assumed for UNM. In the first three years SB 380 will primarily support graduate medical programs in the process of being accredited. After the first three years, funding will support ongoing costs for GME in rural areas.

Many of the costs associated with rural residencies are incurred outside of rural areas. Rural residencies typically require residents to spend their first year in large (urban) hospitals. It is not clear if the funds from SB 380 would cover first-year costs.

SIGNIFICANT ISSUES

Core support for GME programming at UNM comes from CMS (Medicare and Medicaid).

Established GME residency programs are funded through CMS. However, GME expansion requires considerable coordination and planning; new programs typically require 2-5 years for development and existing programs require 1-3 years for expansion. There is no dedicated funding mechanism for these activities. SB 380 would fund these initial costs.

Rural residencies are critical for addressing the physician shortage in rural areas by increasing the likelihood that medical graduates will practice in rural communities; research shows that physicians who train in rural settings are more likely to settle in rural areas after completing their residency.¹

Funding from SB 380 could help support the development of a GME programs in rural and underserved settings.

¹ Hawes EM, Fraher E, Crane S, et al. Rural Residency Training as a Strategy to Address Rural Health Disparities: Barriers to Expansion and Possible Solutions. *J Grad Med Educ.* 2021;13(4):461-465. doi:10.4300/JGME-D-21-00274.1 And Goodfellow A, Ulloa JG, Dowling PT, et al. Predictors of primary care physician practice location in underserved urban and rural areas in the United States: a systematic literature review. *Acad Med.* 2016;91(9):1313-1321. doi: 10.1097/ACM.0000000000001203.

UNM currently has one program under development in Dona Ana county, a 1+3 Psychiatry program (first year trainees are based within the UNMH and the other three years they are based in the community).

It is important to note that rural residency programs generally require residents to spend their 1st year at a larger hospital system where they can gain a lot of experience and prepare for the rigors of their rural training. Therefore, the ability to expand faculty and clinic training at large urban hospitals to support first year residents could be a limiting factor for rural residencies.

Rural-based programs confront unique challenges and obstacles including high turnover. The departure of a core community provider can be devastating to a program's development.

Background/historical context

- In 2019, House Bill 480 (Graduate Medical Education Expansion Program Act) directed the Human Services Department (now the HCA) to create a funding program for expanding GME programs in Family Medicine, General Pediatrics, General Internal Medicine, and General Psychiatry.
- It also established a governing body to oversee the program and recommend funding decisions to the HSD Secretary.
- A 5-year strategic plan was developed and update by the GME Expansion Review Board and Advisory Group. The plan prioritizes developing new residency positions in primary care and psychiatry, especially in rural and underserved areas.
- The program is now administered by the NM Health Care Authority.
<https://www.hca.nm.gov/gme-expansion-2/>

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS