

**NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.**

## FISCAL IMPACT REPORT



SPONSOR: Moore DATE TYPED: 02/06/02 HB HJM 74

SHORT TITLE: Recruit Rural Health Care Providers SB \_\_\_\_\_

ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

#### Responses Received From

Department of Health (DOH)  
Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 74 recognizes the shortages of health professionals in rural areas, and requests the New Mexico Health Policy Commission to review existing retention and recruitment programs administered by the State and, in consultation with appropriate retention and recruitment programs and agencies, report findings to the Legislative Interim Committee by November 2002.

#### Significant Issues

HJM 74 would require the HPC to consider, in its assessment, initiatives that include: increased Medicaid payment rates for physicians; increased Medicare payments for physicians in coordination with the Congressional delegation; development of programs to mentor students and encourage them to enter the health care professions; licensing of foreign medical graduates or out-of-state health professionals; leveraging County and local health care funding through matching funds; expansion of the programs designed to assist rural, medically underserved and health professional shortage areas; and other similar measures.

## **FISCAL IMPLICATIONS**

HJM 74 does not include an appropriation to support this study. While the study is within the scope and mission of the Health Policy Commission, due to the proposed budget reductions in HAFC CS/HB2 and SB 379, the HPC reports that they may not have the capacity to conduct the activities requested in HJM 74. The proposed budget reduction of these two bills is approximately \$828,000, reducing the operating budget of the Health Policy Commission from \$1.8 million in FY202 to \$997,000 for FY2003.

## **ADMINISTRATIVE IMPLICATIONS**

If the proposed budget reductions identified in the Fiscal Implications section are enacted, HPC staffing may be reduced by as many as nine FTE according to the commission. Staff time will need to be prioritized to meet statutory mandates. Therefore, less time will be available to devote to studies such as the one proposed by HJM 74.

## **RELATIONSHIP**

HJM 74 relates to SJM 16 which would request that the DOH develop a program to promote and encourage youth to enter into the health care professions

## **TECHNICAL ISSUES**

HJM 74 would propose an assessment of the effectiveness of three programs currently administered by the DOH and the NM Commission on Higher Education (CHE). The NM CHE is not mentioned as one of the agencies to be consulted during this assessment.

## **OTHER SUBSTANTIVE ISSUES**

The three programs identified in HJM 74 are currently administered by two state agencies, the NM Commission on Higher Education (NM CHE) and the DOH, and they support initiatives that encourage health professionals to practice in identified designated areas. Local communities, agencies and governments are all struggling to ensure the availability of health services despite limited or nonexistent resources. It is also recognized that recruitment and retention of these health professionals require a focused and coordinated approach.

The Health Policy Commission 1998 Health Professional Survey found that while a service obligation is an important factor in recruiting an individual to a rural area, it is not correlated with retention in the same area. It was noted that loan repayment and "signing bonuses" (used in other states) provide more immediate return for the state funds. Recent graduates have higher levels of indebtedness, and the need to recruit professionals to areas perceived as less desirable require larger financial incentives.

## **AMENDMENTS**

Add language to include Behavioral Health professionals, the Rural Psychiatry Program at UNM and the NM Commission on Higher Education.

**BD/njw**