

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Garcia DATE TYPED 1/07/04 HB _____

SHORT TITLE Primary Health Clinic Technology & Funding SB 437

ANALYST Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$1,200.0			Recurring	General Fund
	\$1,200.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$1,200.0		Recurring	Primary Care Capital Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Department of Health

SUMMARY

Synopsis of Bill

Senate Bill 437 appropriates \$1.2 million from the general fund to the primary care capital fund for loans to be made by the New Mexico Mortgage Finance Authority, and appropriates \$1.2 million from the general fund to the Department of Health for the acquisition of improved hardware and software technology for primary health care clinics statewide.

Significant Issues

The 1994 Legislature enacted the Primary Care Capital Funding Act and created a \$5 million revolving fund known as the primary care capital fund (PCCF) for the purpose of providing

loans and other financial assistance to rural primary care health clinics infrastructure and construction projects. The Department of Health (DOH) and the New Mexico Finance Authority (NMFA) jointly carry out the purposes of the Act and jointly adopted the rules governing the financing of the primary health care projects in under-served areas of New Mexico. The rules and regulations allow 20 percent of loan repayment to be made in the form of contract-for-services.

Senate Bill 437 appropriates \$1.2 million from the general fund to PCCF for loans to be made by the New Mexico Mortgage Finance Authority pursuant to the Primary Care Capital Funding Act. The Primary Care Capital Funding Act provides loans and other financial assistance to rural primary care health clinics infrastructure and construction projects. The bill appropriates an additional \$1.2 million from the general fund to the Department of Health for the acquisition of improved hardware and software technology for electronic billing, tracking and health records systems by primary health care clinics statewide pursuant to the Rural Primary Health Care Act. Provisions of the Rural Primary Health Care Act allow for technical assistance to eligible programs for administrative and financial management purposes, clinical services, outreach and planning. The Act further provides for financial assistance for eligible programs that have applied for and demonstrated a need for assistance to sustain a minimum level of delivery of primary health care services.

FISCAL IMPLICATIONS

The first appropriation of \$1.2 million for fiscal year 2005 and subsequent fiscal years contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall not revert to the general fund. The second appropriation of \$1.2 million for fiscal year 2005 from the general fund is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

According to DOH, the department is a “covered entity under the Health Insurance Portability and Accountability Act (HIPAA). HIPAA requires covered entities to comply with national standards if they submit claims electronically. Those clinics operated by DOH are part of the Integrated Network for Public Health Official Records Management (INPHORM) system and are already able to bill electronically. Those clinics not operated by DOH may or may not have the capability to bill electronically and these loans and appropriations may be used to assist them in doing so in a manner that is in compliance with HIPAA.”

TECHNICAL ISSUES

According to statutory provisions of the Primary Care Capital Funding Act, the New Mexico Finance Authority is the financial administering entity for loans from the Primary Care Capital Fund. The following is a proposed amendment to Senate Bill 437: On page 1, lines 18 and 19, delete the words “New Mexico mortgage finance authority” and insert in lieu thereof the words “New Mexico finance authority.”