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## FISCAL IMPACT REPORT

SPONSOR Feldman DATE TYPED 01/27/05 HB \_\_\_\_\_

SHORT TITLE UNM Medicine Combined Degree Program SB 209

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$805.8			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for the University of New Mexico in the General Appropriations Act.

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Health Policy Commission (HPC)

New Mexico Department of Health (DOH)

#### No Response From

Commission on Higher Education (CHE)

#### SUMMARY

##### Synopsis of Bill

Senate Bill 209 – Making an Appropriation to the University of New Mexico to Expand Enrollment in the School of Medicine – appropriates \$805,800 to the board of regents of the University of New Mexico for expenditure in fiscal year 2006 to expand enrollment by approximately twenty-five percent in the school of medicine through a combined bachelor's degree to medical degree program to encourage enrollment by native New Mexicans and to promote retention of graduates in the state. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### Significant Issues

HPC notes that New Mexico has a serious physician shortage in all counties except Bernalillo and Los Alamos. Further, that all counties but these two are designated Health Professional Shortage Areas by the federal government, with even Bernalillo County experiencing a shortage of physicians in selected specialties. The *Physician Supply in New Mexico* study published by the HPC in May 2003 observed: New Mexico has 169 physicians per 100,000 population compared with a Health Resources Services Administration recommended number of 240 per 100,000 population.

DOH indicates that while the University of New Mexico, School of Medicine has initiated programs to encourage physicians to locate and practice in rural New Mexico, many graduates continue to choose to practice in the more metropolitan areas of New Mexico or other states. This appropriation would fund the initiation of a program to recruit promising high school students from rural areas, enroll them in a combined bachelor/MD degree program, and sustain their ties with their community throughout their college and medical school tenure via summer internships. It is proposed that this would also reduce the exodus of promising native New Mexico high school students to other state or private universities.

### **PERFORMANCE IMPLICATIONS**

DOH suggests that this bill would fund the first year of an 8-year plan to recruit high school seniors from rural areas and enroll them in the combined bachelor/MD degree program, while maintaining their close ties to their rural communities through summer internships throughout their college and medical school years. Phase One funding, the undergraduate phase, would provide scholarships, recruitment activities, course development, tutoring and other student support. In addition to expanding medical student slots, and recruiting rural area, junior and senior level high school students for placement in a combined degree program.

### **FISCAL IMPLICATIONS**

The Commission on Higher Education recommends \$500,000 for this program in their FY06 budget proposal.

The appropriation of \$805,800 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

The University of New Mexico, Health Sciences Center will retain oversight of this program.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for UNM in the General Appropriations Act.

### **OTHER SUBSTANTIVE ISSUES**

DOH indicates that the University of New Mexico, School of Medicine, is the only school offer-

ing an MD degree in New Mexico, and has adopted, as a part of its mission, the goal of increasing recruitment and retention of physicians choosing rural practice in New Mexico. University initiatives such as rural residency programs have met with some success, but, until recently, the number of slots for medical students could not be increased because of federal requirements for lab space per student.

HPC provides the following overview of New Mexico physician retention rates as drawn from the *UNM Location Report 2004* published by the School of Medicine:

- 1,302 physicians who received their MD and/or completed their residencies at the UNM School of Medicine are licensed to practice in New Mexico. This represents 25 percent of the School's total number of MD recipients and former residents (N=5,273).
- From 1994 to 2003, the number of UNM-trained physicians practicing in New Mexico has grown from 819 to 1,302, a 63 percent increase. Of the 3,991 physicians licensed to practice and in New Mexico, 33 percent are MD recipients and/or former residents of the UNM School of Medicine.

However, HPC observes, data provided by the UNM School of Medicine shows that while the number of UNM graduates increased 40 percent between 1994 and 1999, there has been only a 4 percent increase between the years 2000 and 2003.

BFW/yr