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## FISCAL IMPACT REPORT

**SPONSOR** Komadina      **DATE TYPED** 3/10/05      **HB** \_\_\_\_\_

**SHORT TITLE** New Mexico Telehealth Commission Act      **SB** 473/aSPAC/aHGUAC

**ANALYST** Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$50.0 - \$100.0	Recurring	Various

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Health Policy Commission (HPC)  
 Department of Health (DOH)  
 Children, Youth & Families Department (CYFD)  
 Aging and Long-Term Services Department (ALTSD)  
 Public Education Department (PED)  
 Corrections Department (CD)  
 Developmental Disabilities Planning Council (DDPC)  
 Department of Indian Affairs (IAD)  
 Human Services Department (HSD)

### SUMMARY

#### Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment also requires one-third of the Telehealth Commission members to be from rural areas, but positions the new language differently than the SPAC amendment but with the same intent.

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment requires one-third of the Telehealth Commission members to be from rural areas.

### Significant Issues

The Senate Public Affairs Committee amendment is unclear as to what are the determining factors for an area to be called “rural”.

### Synopsis of Original Bill

Senate Bill 473 creates a New Mexico Telehealth Commission administratively attached to the DOH, working in conjunction with the HPC. The purpose of the Commission is to encourage a single, coordinated statewide effort to create a telehealth system that provides and supports health care delivery, diagnosis, consultation, treatment, transfer of medical data and education where the patient and the health care provider are separated by distance, or where there are multiple health care providers involved in patient care, education or other professional activities.

### Significant Issues

Telehealth is the use of computer technology connected by high-speed or wireless communication to access health care providers, communicate diagnostic information and find best practice advice and training. The videoconferencing facilitates patient-to-physician or physician-to-physician consultation and provides education via videoconferencing. Clients have easier access to providers, and providers have easier access to colleagues for collaboration. Telehealth will help with recruitment efforts to attract and retain health care providers in rural areas.

The Telehealth Commission will be composed of state agencies, health care professionals, telehealth technology experts, the business community, healthcare insurance providers, the tribes and state legislators who will be appointed by the Governor. The Commission will be given responsibility to identify how telehealth can increase access, identify barriers to telehealth implementation, inventory the state’s telehealth assets, coordinate public and private telehealth initiatives, establish subcommittees to fulfill its purpose, identify actions to increase collaborative efforts, develop and disseminate telehealth standards, review and comment on initiatives, meet quarterly and report annually to the governor.

The IAD notes that Indian nations, tribes and pueblos frequently experience barriers to delivering health care to tribal members and encourages the Commission to bridge the large gaps in geography and culture that impede tribal communities’ access to necessary health care.

The DDPC notes that by implementing a telehealth system, the expertise of health personnel familiar with the needs of persons with developmental disabilities can be maximized to the benefit of not only patients but medical providers across the state.

## **PERFORMANCE IMPLICATIONS**

Agencies report this initiative is part of what may be needed to assist the School-Based Health Centers initiative become a reality and ties to the *Invest New Mexico* initiative.

Agencies fully support initiative and believe it will help meet performance measures to increase access and improve health outcomes. IAD would like the commission to consider linking with the 22 New Mexico tribes, IHS, tribal colleges, and other tribal health providers to coordinate and expand the telehealth telecommunications capacity of the tribes.

## **FISCAL IMPLICATIONS**

There will be additional costs to agencies for staff time and travel, research, technical assistance, subcommittee participation, development of policies, quarterly and annual reports for participation in the Telehealth Commission.

The cost benefits of telemedicine may accrue to the payers. A telemedicine program can target patients with chronic diseases like diabetes and congestive heart failure. Regular monitoring can head off a crisis before it results in an emergency room visit or a hospital stay. Also, if hospitals have a telemedicine hookup, patients can be kept in the outlying hospital that otherwise might be transferred avoiding the risk and cost of transport.

The HPC reports in theory, people get earlier care so it can reduce the cost, but this has not been proven. It is possible that it may even increase utilization of services via better access with a resulting cost increase.

## **ADMINISTRATIVE IMPLICATIONS**

Agencies report they will assist in providing data, research, technical assistance and staff time to assist the Commission in its mission.

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

The Telehealth Act passed into law in 2004 allows the framework whereby health care providers can use telehealth for New Mexico citizens when it is impractical for patients to receive health care face-to-face.

Duplicates HB 536

## **TECHNICAL ISSUES**

None indicated

## **OTHER SUBSTANTIVE ISSUES**

The HPC has the following comment:

This legislation is part of Governor Bill Richardson's support of Telehealth technology to give rural New Mexico communities access to state-of-the-art medical diagnosis and consultation. A key aspect of the bill is the inclusion of the General Services Department and telecommunication entities within New Mexico as part of the Commission.

The New Mexico Telehealth Alliance indicates there are currently six Telehealth interactive video sites with two additional sites pending. They are located in Las Vegas, Santa Fe, Gallup, Bernalillo, Albuquerque, Roswell, Lordsburg and Las Cruces. Additionally, there are 13 video-phone sites, seven DOH interactive video sites, six CD sites and 14 distance education interactive video sites related to telemedicine. Some of the services provided include teleradiology and mental health. Consultations in dermatology, gastroenterology, pediatric pulmonary and diabetes endocrinology and fluoroscopy have also been provided.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

The HPC reports access to care for New Mexicans in rural and underserved areas may not improve. Providers of health care may not have access to medical consults and the insights of their colleagues. A multiplicity of information systems that may not interface would continue to frustrate medical care professionals.

**AHO/sb:yr**