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FISCAL IMPACT REPORT

SPONSOR Ingle DATE TYPED 2/16/05 HB _____

SHORT TITLE Special Hospital District Agreements SB 541

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Human Services Department (HSD)
 General Services Department (GSD)
 Aging and Long-Term Services Department (ALTSD)

SUMMARY

Synopsis of Bill

Senate Bill 541 adds a new provision to Section 4-48A-9 NMSA 1978 allowing a Special Hospital District to enter into an agreement with any state or federal agency, county, municipality, or other political subdivision or person to own or operate a Common Health Care Service. Any agreement entered into will be subject to the provisions of the Procurement Code under the Act.

Significant Issues

A Special Hospital District is a legal entity governed by an elected Board and coordinates and provides hospital, physician, laboratory, home health and nursing home services, etc. to a specific region and population.

Examples of Common Health Care Services are:

- *Prescriptions *Doctor Visits *Dental services *Laboratory tests
- *Private duty nursing *Speech/language therapy *Physical therapy *Occupational therapy

*Hearing services *X-rays *Podiatry services
*Psychological/mental health services

PERFORMANCE IMPLICATIONS

The DOH believes the uncertainty regarding application of the Procurement Code to legal entities jointly formed under the proposed amendment raises administrative and procurement issues.

FISCAL IMPLICATIONS

The creating of partnerships as proposed in the amendment may be evidence of a more aggressive marketing strategy in an effort to preserve a Special Hospital District's market share. If this is so, then there is the potential for conflict of interest issues that may restrict a consumer's freedom of choice when health care referrals are indicated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

The DOH seeks a definition as to what a "Common Health Care Service" is under the Act, as the proposed amendment may be outside the intended scope and purpose of the Special Hospital District Act.

The DOH further questions to what extent, if any, a state entity and Special Hospital District would be subject to the Procurement Code.

ALTERNATIVES

The Special Hospital District Act, Section 4-48A-9 NMSA 1978, would remain unchanged.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

A special hospital district would not have the ability to partner with a governmental entity or individual to own or operate a common health care service.

AHO/yr