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FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/07

SPONSOR Altamirano LAST UPDATED _____ HB _____

SHORT TITLE Grant County Indigent Primary Health Care SB 132

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,100.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 132 would appropriate \$1,100,000 from the General Fund to the local government division of the Department of Finance and Administration for expenditure in Fiscal Year 2008 to contract for providing primary medical services to the indigent in Grant County. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation in Senate Bill 132 is not part of the Department of Health operating budget request for FY08.

SIGNIFICANT ISSUES

Currently the Department of Health (DOH) contracts with Hidalgo Medical Services (HMS) under the Rural Primary Health Care Act (RPHCA) 7 NMAC 29.3 to assist in the provision of primary health care services in underserved areas of the state in order to better serve the health care needs of the public. Under the RPHCA program, HMS has \$226 thousand in base funding

in DOH's FY08 budget. HMS has both sliding scale and self-pay billing systems in place to accommodate both the underinsured and uninsured. When Medicaid, insurance and other sources cannot fully reimburse medical services provided, balances are to be paid by patients and their families. However, as many indigents cannot pay their full shares, remaining balances of the health care costs must be borne at a loss by medical services providers.

Senate Bill 132 would provide additional State funds for use in this county. The bill would be strengthened by including language specifying the mechanism for providing assistance, and by including information about whether any particular type of indigent primary care should be prioritized (e.g., primary care, prenatal care, oral health care, or other pressing needs).

If enacted, Senate Bill 132 would contribute to the improvement of public health in a part of the state with a large at-risk population. Health services financed by the bill would help reduce the risk of health emergencies (especially those related to proliferation of infectious diseases) that could result in much higher public health care costs.

ADMINISTRATIVE IMPLICATIONS

DFA notes the funds will be administered through the Local Government Division of DFA, which already has the staff and knowledge to fund and monitor this project.

GG/csd