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FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/07

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE Rural Area Telehealth Programs SB 180

ANALYST Geisler

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|---------|-------------------------|------------------|
| FY07 | FY08 | | |
| | \$600.0 | Recurring | General |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB 173, HB 174

Duplicates: HB 429

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 180, for the Legislative Health And Human Services Committee, would appropriate \$600,000 from the General Fund to the Department of Health (DOH) for expenditure in fiscal year 2008 to fund a telehealth program providing training, education, case conferencing and clinical consultation targeted towards childhood diabetes and obesity, developmental disabilities early intervention, mental health of children under 5 years old, pediatric asthma and other pediatric specialties. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

FISCAL IMPLICATIONS

DOH notes that the executive budget request contained an expansion request of \$2 million for telehealth. However, that request was not recommended in either the executive or Legislative Finance Committee budget recommendations for DOH in FY08. The Legislative Finance Committee budget recommendation did include expansion funding of \$300,000 for project Echo.

SIGNIFICANT ISSUES

DOH notes that of the 33 counties in the State, 28 are classified as Health Physician Shortage Area (HPSA) or Moderate HPSA (Maternal and Child Health Title V Block grant, 2006). These shortages especially affect the quality and frequency of pediatric health care in rural and frontier areas. Telehealth is an evolving strategy for providing quality healthcare to rural and frontier residents in their home communities. SB 180 would establish a new telehealth network of pediatric specialty services, bringing these services to rural areas where pediatric specialists are not readily available. It would likely coordinate these pediatric specialty services through existing service providers (primary care centers, private practices, public health offices, and rural hospitals).

Several different telehealth programs are currently administered by DOH, including Project ECHO, school-based health center telehealth program, and the Screening, Brief Intervention, Referral and Treatment Program (SBIRT). The department's Office of School and Adolescent Health is equipping 18 school-based health centers (SBHCs) with telehealth equipment through June 2007. The majority of these SBHC are located in rural, frontier areas of the state. The telehealth equipment will be used to serve school-aged children, primarily students in grades 6-12. Services planned include clinical consultation, training, education, and case conferencing. Telehealth activities in SBHCs will be targeted toward adolescent primary and behavioral health care assessment and intervention and obesity prevention and intervention. The University of New Mexico/Health Sciences Center also operates numerous telehealth activities.

DUPLICATION, RELATIONSHIP

SB 180 is duplicated by HB 429. SB 180 relates to HB 173, which would appropriate \$150,000 to the Board of Regents of the University of New Mexico in FY08 to fund telehealth consultation for rural health providers and school-based health centers (SBHC) working to prevent and treat childhood obesity. HB 174 would appropriate \$1.6 million to DOH for the Extension for Community Healthcare Outcomes (Project ECHO) to provide chronic disease management services in primary care settings to persons living in rural and underserved communities across the state.

TECHNICAL ISSUES

DOH notes that SB 180 could be strengthened by clarifying whether the proposed appropriation would be used for capital costs, operating costs or a combination of both. It also does not specify whether the funds would be used for a DOH-operated program, contracted program, or a service provider reimbursement program.

GG/nt