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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/07

SPONSOR Rainaldi LAST UPDATED _____ HB _____

SHORT TITLE McKinley County Kidney Dialysis Center SB 975

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$2,000.0	Non-Recurring	General Fund

(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 975 appropriates \$2,000.0 from the General Fund to plan, design and construct a kidney dialysis center in McKinley County.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a non-recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

DFA reports that McKinley County has the highest diabetes rate in the State of New Mexico, and the 3rd highest per capita diabetes rate in the nation. The County has approximately 380 patients in renal failure, who either currently receive dialysis or will receive in the near future. Rehoboth-McKinley Christian Health Care Services (RMCHCS) in Gallup is the administering agency of three dialysis units in McKinley County.

The Gallup dialysis unit is not sufficiently large to accommodate its current patient load. The facility doesn't have enough dialysis machines to treat all the patients on a daily basis, and space isn't available to house additional machines, so the Gallup dialysis unit is sending patients to the Zuni dialysis unit. This causes an undue hardship on those patients who must travel to Zuni three days a week for their required dialysis.

Construction of a new building will create space for additional machines. The new building will not only accommodate more patients, but regular patients will be able to receive treatment in a timely manner and on a more appropriate schedule.

McKinley County will be the fiscal agent of this appropriation. In 2006, the Board of Commissioners supported an identical project which died in the legislature.

The Department of Health reports that **American Indians**, Hispanics, African Americans, and rural communities are populations that experience diabetes related disparities. American Indians are about 3 times more likely to be diagnosed with diabetes and Hispanics are 2 times more likely than Whites. In rural communities, residents have limited access to local health resources and services, experience isolation and often must travel long distances for specialized health care (Fertman, C.I. et. al., 2005, Journal Allied Health). McKinley is a medically underserved area. (www.HRSA.gov).

ADMINISTRATIVE IMPLICATIONS

DFA has the staff experience and expertise in the Capital Outlay Bureau to administer these funds.

WEP/nt