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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/07

SPONSOR Foley LAST UPDATED _____ HB 537

SHORT TITLE Health Care Professional Recruitment SB _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 7, SB 14

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
Health Policy Commission (HPC)
Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 537 would appropriate one hundred thousand dollars (\$100,000) from the General Fund to the Department of Health for expenditure in Fiscal Year 2009 to develop capacity to address local health needs through recruitment and retention of health care professionals and by training youth for health careers. Any unexpended balance remaining at the end of fiscal year 2009 would revert to the General Fund.

FISCAL IMPLICATIONS

The funding in HB 537 is not a part of DOH's FY09 executive budget request. Both the Legislative and the Executive base budget recommendations contain the following general fund amounts for recruitment and retention of health care professionals: 1.) New Mexico Health Services Corps - \$581,700 2.) New Mexico Health Resources - \$200,800. Both programs are administered by the Office of Rural and Primary Health Care in the Health Systems Bureau.

SIGNIFICANT ISSUES

Currently 32 of New Mexico's 33 counties are designated by the Department of Health and Human Services as Health Professional Shortage Areas (HPSAs) for Primary Medical, Dental and Mental Health. One of the strategies for meeting health professional needs of the state is to create a set of career ladders for New Mexico residents that would lead from secondary schools through professional schools. 'Homegrown' health professionals have a higher likelihood of remaining in their home state and meeting its needs.

It is relevant to note that the Health Resources and Services Administration (HRSA) predicts New Mexico will not be able to fill 57% of its nursing requirements by 2020. Center for Nursing Excellence data also show that it was predicted in 2000 that "40% of the national nurse workforce would be over age 50 by 2010. NM exceeded that mark. Additional nurses will be needed for the increased demand of a growing population (35% growth between 2000 and 2020) and a higher percentage of elderly (population over age 65 increasing by 74% between 2000 and 2020).

The proposed use of the appropriation to train youth for health careers is unclear. The Department of Health does not currently support health professions education in schools, but the appropriation might be used by the Office of School and Adolescent Health to develop a model health curriculum for local school districts so that it includes health professions education. It might be appropriate to consider changing the appropriation so that it goes to the Public Education Department or other agency.

RELATIONSHIP

HB 537 relates to: SB 7, which proposes to appropriate \$250,000 from the general fund to the Board of Regents of New Mexico Highlands University to establish a demonstration and research program that will better prepare undergraduate students from small universities for successful entry into medical school or other related health fields; and SB 14, which proposes to appropriate \$1,756,600 from the General Fund to fund expanded health professional recruitment, retention and educational opportunities.

OTHER SUBSTANTIVE ISSUES

PED notes that according to the Industry Employment & Projections' data in New Mexico from Base Year 2004 to projected year 2014:

Ambulatory Health Care Services ~ 19.1% growth
Health Care and Social Assistance ~ 20.2% growth
Hospitals ~ 3.1 growth
Nursing and Residential Care Facilitates ~ 31.9% growth
Social Assistance ~ 42.5 % growth.

PED's Career and Technical Education Bureau has assisted schools in organizing around career clusters through the federal Carl D. Perkins Career and Technical Education Act. In doing so, participating schools have implemented career programs of study related to the national 16 career clusters initiative (www.careerclusters.org), which aligns to the Governor's career cluster initiative (<http://www.workinnewmexico.gov>). Under this framework, 15 secondary and 10 two-

year college programs (community colleges and branch campuses) offer programs of study under the Health Sciences Cluster, which includes the pathways of Therapeutic Services, Diagnostic Services, Health Informatics, Support Services and Biotechnology Research and Development.

The State Workforce Investment Board has required each local workforce investment area to develop priority business plans that drive one-stop training services. Within each of the business plans are identified priority industries with high-growth, high-wage occupations that tie to New Mexico career clusters and Perkins' programs of study. Secondary schools are utilizing this information and other labor market information as identified by economic development initiatives when developing curricula to match local industry needs. Every local workforce investment board has identified Health Services as their top priority industry.

ALTERNATIVES

DOH notes it might be preferable to make the proposed appropriation to a university health professions training program or the Public Education Department.

GG/bb