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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/08

SPONSOR Feldman LAST UPDATED _____ HB _____

SHORT TITLE Health Professional Recruitment & Retention SB 14

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1,756.6	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

No response from the Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 14 appropriates \$1,456.5 million from the General Fund to the HED and \$300 thousand from the General Fund to the DOH in FY09 and subsequent fiscal years to fund expanded health professional recruitment, retention and educational opportunities.

FISCAL IMPLICATIONS

The total appropriation of \$1,756.0 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the General Fund.

\$300 thousand within the appropriation directed to DOH to expand the Health Services Corps was part of the Department's Executive Budget Request for FY09. However, the LFC did not include this amount in its recommendations to the Department for base expansion of the Health Services Corps for FY09.

\$1,000.0 million within the appropriation directed to Higher Education Department to expand the Health Professional Loan Repayment Program (HPLRP); and, the \$250.0 thousand to increase slots in the Western Interstate Commission for Higher Education program (WICHE) was part of the Departments Executive Budget Request for FY09. However, the LFC recommendation for both programs included a base expansion of only \$250.0 thousand for the HPLRP, and \$206.5 thousand for WICHE.

The following table reflects how the appropriation within the bill will be applied:

Program / Service	Department	Current Funding	Proposed FY09 Expansion
1. Expand Health Professional Loan Repayment Program – Increase awards from \$12,500 to \$25,000. Create 40 new awards for primary care and specialty physicians and dentists.	HED	\$ 416.7	\$ 1,000.0
2. Expand the Medical Student Loan for Services Program. Increase awards from \$12,000; increase to \$25,000. Create 10 new awards.	HED	\$ 67.5	\$ 250.0
3. Expand Health Service Corps – increase awards to \$30,000 per year and add 10 new awards.	DOH	\$ 500.0	\$ 300.0
4. Increase the number of dental students supported under WICHE; add 5 new awards at \$21,300 per student.	HED	\$824.0	\$ 106.5
5. Funding for nursing faculty to obtain higher degree levels.	HED	\$ 66.0	\$ 100.0

The Executive General Fund Budget Recommendations for FY09 included \$3,830.0 for Enhancing NM’s Health Care Workforce.

SIGNIFICANT ISSUES

DOH reports the appropriation request reflects the Governor’s priorities in the Health Solutions New Mexico Plan for enhancement of the state’s health care workforce and was introduced on behalf of the Legislative Health and Human Services Committee.

The expansions proposed in the bill may help contribute to the retention of existing health care providers and future students by offering financial incentives that may be more competitive than those offered in other states. Most medical and dental school graduates accrue significant debt during their training, and may chose to work in locations with the best financial incentives and debt repayment options.

PERFORMANCE IMPLICATIONS

DOH states that the number of primary care and emergency medical professionals supported or obligated through the Office for Primary Care/Rural health working in underserved areas can be used as a performance measure of progress.

OTHER SUBSTANTIVE ISSUES

The Federal government has designated all or part of 32 New Mexico counties as either medical, mental health or dental Health Professional Shortage Areas.

POSSIBLE QUESTIONS

Please describe the repayment options and length of service requirements for health care providers and students participating in these programs.

AHO/mt