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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/9

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Health Service Corps Awards & Amounts SB 203

ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 203, Health Service Corps Awards and Amounts, appropriates \$300 thousand from the general fund to DOH for the purpose of increasing the number of awards and the amount of the awards in the New Mexico health service corps.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The LFC submitted a balanced general fund appropriation recommendation for fiscal year 2010. Any additional general fund expenditures appropriated by the Legislature must be off-set by an equal amount from the appropriation recommendation.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SB 203 is submitted for the Legislative Health and Human Services Committee.

DOH states “The funding proposed in SB203 would contribute to the recruitment and retention of health care providers, particularly physicians and dentists, by offering financial incentives to health professionals and health professional students that are more competitive with those offered in other states. Most medical and dental school graduates accrue significant debt during their training, and will choose to work in locations with the best financial incentives. Up to 10 additional awards could be made per year with this increased appropriation.” The program can be managed within the department’s existing staff.

The increased funding will help fill the significant gap in dental and primary services in rural area.

HPC estimated, *The Healthcare Workforce, 2007*, that New Mexico has need for 7,900 medical professionals to meet the 2007 national average of providers on a per capita basis. This includes 6,230 nurses, 880 physicians and 440 dentists.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The program will continue as currently funded.

POSSIBLE QUESTIONS

1. How many health professionals have been recruited to rural areas as a result of this program?
2. How long do these health professionals stay in rural areas?
3. What is the average amount of the awards under the current program?
4. How many awards are currently given?

GAC/mt