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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/12

SPONSOR Morales LAST UPDATED _____ HB _____

SHORT TITLE Rural Health Professional Work Force Model SB 312

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$165.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)
 Board of Nursing (BON)
 Medical Board (MB)
 Human Services Department (HSD)
 Department of Health (DOH)
 Hidalgo Medical Services

SUMMARY

Synopsis of Bill

Senate Bill 312 appropriates \$165 thousand from the general fund to the Department of Health to replicate and disseminate a health professional workforce model that will:

- Encourage rural secondary students to enter health professions
- Follow rural students through graduate education
- Provide inter-professional training experiences
- Improve recruitment and retention of primary care providers in underserved areas.

FISCAL IMPLICATIONS

The appropriation of \$165 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY13 shall revert to the general fund.

The University of New Mexico indicates each primary care physician who establishes a practice in a rural community hires approximately 18 people directly or indirectly and generates about \$1 million in business each year, creating over \$300,000 per year in economic impact on the local economy.

SIGNIFICANT ISSUES

Senate Bill 312 seeks to add resources to an existing program for the replication of the southwest New Mexico rural health care workforce model currently funded through DOH and federal grant resources. The program trains 70 students and medical / dental residents annually in 11 different disciplines from nine different sponsoring institutions in and out of state including 4-8 dental students per year from Arizona. The program is the only program training dental students in NM. The bill proposes to expand rural training programs to other underserved areas of the state.

ADMINISTRATIVE IMPLICATIONS

The Medical Board indicates since July 2008, the board has waived the licensure fee for physician and physician assistant applicants who choose New Mexico as their first state of licensure in an effort to recruit and retain physicians in New Mexico.

The Department of Health (DOH) indicates if the work provided for in SB312 was to be contracted, it would be necessary that DOH issue a Request for Proposals (RFP) to develop, replicate and disseminate a successful professional work force as identified in the bill.

The Board of Nursing supports the increased health care education and access for nurses and other health care professionals in rural areas.

OTHER SUBSTANTIVE ISSUES

Southwestern New Mexico has historically lacked adequate numbers of primary care providers in rural areas. Thirty-Two (32) of 33 counties in the state are recognized federally as Health Professional Shortage Areas (“HPSA”s). New Mexico is currently short 400 to 600 full-time equivalent primary care physicians, according to a NM Health Policy Commission Workforce Report dated January, 2011. These shortages are projected to increase significantly as primary care needs increase. Also of significance is that, of the direct-patient primary care providers licensed in New Mexico, over half practice in the Albuquerque and Santa Fe areas. Additionally, over 50% of our state’s licensed primary care physicians are over 50 years old, which means the state is also facing challenges associated with replacing an aging physician community. An expedient response to this critical shortage is required. Intensified efforts include the dissemination of a successful workforce model, the intensification of existing efforts and development of new strategies to address the health care workforce shortage in New Mexico.

The University of New Mexico writes the following:

- There is a health care provider shortage throughout the state, with 32 of 33 counties designated as health professional shortage areas. This bill would assist higher education, hospitals and health systems to assure access to care by training and employing a workforce to accommodate the need for access to health care, by geography and specialty.

- “The economies of local communities in New Mexico are fragile. The ability to attract and retain physicians is economically critical to these communities, allowing them to keep their hospitals open, create health-related jobs, and thereby attract businesses and retirees to settle there.” (Pacheco et al, 2005)
- The healthcare system is a major employer in every community—in some impoverished counties, healthcare makes up 65% of the workforce
- Mentoring for students from secondary through graduate education will increase retention of these students in health professions
- Providing inter-professional experiences better prepares students for the realities of entering into a complex health system and creates respect among the different health professions.

RAE/svb