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FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/13

SPONSOR Smith LAST UPDATED _____ HB _____

SHORT TITLE Rural Primary Health Care Funding SB 137

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------------------------------|------------------|
| FY13 | FY14 | | |
| | \$1,000.0 | Recurring | General Fund |
| | \$200.0 | 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)

SUMMARY

Synopsis of Bill

Senate Bill 137 (SB137) appropriates \$1 million in general fund revenue to the Department of Health (DOH) to fund recruitment, hiring and retention of additional health care clinicians for primary health care services in underserved areas of the state pursuant to the Rural Primary Health Care Act. The bill also appropriates \$200 thousand in general fund revenue to the DOH to fund recruitment of health care personnel for underserved areas of the state through a contract between the DOH and a nonprofit with expertise in recruiting health care personnel to the state.

FISCAL IMPLICATIONS

Senate Bill 137 contains a recurring appropriation of \$1.2 million from the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

The Department of Health indicates it would request authority to use a minimum of 5 percent of the amount appropriated for the department's administrative overhead costs associated with implementing the appropriation.

OTHER SUBSTANTIVE ISSUES

The Department of Health (DOH) indicates New Mexico continues to face a critical shortage of health care professionals. The inadequate supply and uneven distribution of providers have resulted in shortages in all specialties of health care providers (2014 Department of Health Strategic Plan).

The Affordable Care Act will produce increased competition for "mid-level" providers nationally, especially for family nurse practitioners. The Rural Primary Health Care Act (RPHCA) funded clinics currently do not employ sufficient numbers of providers, especially "mid-levels," to meet current demand. Additional funds could be used to increase full time employees in RPHCA funded clinics and to enhance the ability of these clinics to recruit qualified providers from across the nation.

New Mexico is ranked 29th among the states by the Kaiser Family Foundation for the number of "mid-levels" per 100,000 populations, based upon gross licensing data and the 2010 U.S. Census (Gamble, M., 2013) Retrieved from:

<http://www.beckershospitalreview.com/hospital-physician-relationships/which-states-have-the-highest-concentration-of-nurse-practitioners.html>.

New Mexico has 56 nurse practitioners per 100,000 population and 29 physician assistants per 100,000 population (Gamble, M., 2013) Retrieved from:

<http://www.beckershospitalreview.com/hospital-physician-relationships/which-states-have-the-highest-concentration-of-physician-assistants.html>. (However, these are gross numbers in that they are not adjusted for FTE, age nor distribution into urban areas.)

New Mexico Health Resources Inc. reports it is aware of 51 family nurse practitioners and physician assistant job openings in the safety net currently, as well as 105 primary care physician openings (including psychiatry).

RAE/svb