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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Rural Health Work Force Program SB 400

ANALYST Esquibel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$165.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in General Appropriation Act. The DOH's FY13 operating budget includes funding for a workforce program in southwest New Mexico, and SB 400 would expand the program to other communities.

Relates to SB 408, Human Services Dept. Primary Care Training

Relates to SB 137, Rural Primary Health Care Funding

Duplicate to HB 398, Rural Health Professional Work Force Program

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico Health Sciences Center (UNMHSC)  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 400 (SB 400) provides \$165 thousand in general fund revenue to contract with an organization in southwest New Mexico to expand its successful workforce development program focused on working with junior high school, high school and colleges students to encourage and prepare for health careers. At least 75 percent of the funds must be used to contract with community organizations to develop capacity to conduct the health career program model in selected rural and underserved communities in the state.

## **FISCAL IMPLICATIONS**

The appropriation of \$165 thousand in SB 400 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end FY14 shall revert to the general fund.

The Department of Health indicates it would use a minimum of 5 percent of the amount appropriated for the department's administrative overhead costs associated with administration of the program.

## **SIGNIFICANT 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 DOH Strategic Plan). The Affordable Care Act will produce increased competition for "mid-level" providers nationally, especially for family nurse practitioners. Currently, Rural Primary Health Care Act (RPHCA) funded clinics do not employ sufficient numbers of providers, especially "mid-levels" to meet current demand, much less the impact of adding approximately 167,000 additional Medicaid covered individuals in the near future. New Mexico is ranked 29<sup>th</sup> 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 2013; from: <http://www.beckershospitalreview.com/hospital-physician-relationships/which-states-have-the-highest-concentration-of-nurse-practitioners.html>).

## **PERFORMANCE IMPLICATIONS**

The program will work with a minimum of 500 students per year in each community served under contract with the core organization.

## **ADMINISTRATIVE IMPLICATIONS**

The DOH currently has one existing recurring contract (\$63,248) with Hidalgo Medical Services (HMS) related to this work force program, and is awaiting approval of another Hidalgo Medical Services contract for FY13 in the amount of \$100,000 that also relates to this work force program. The DOH will follow the procurement code, and may be required to conduct a Request for Proposal (RFP) process in order to meet the requirements of this bill.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The UNM Health Sciences Center indicates the program in SB 400 relates to, coordinates with and supports the BA/MD and BA/DDS programs, the federal Area Health Education program, the Health Extension Rural (HERO) Offices, and the Dream-makers programs at UNM. It provides support for de-centralized efforts and places responsibility for increasing access to services and training future health professionals at the community level.

## **OTHER SUBSTANTIVE ISSUES**

The UNMHSC indicates there is a well-documented undersupply of basic health care services in rural and otherwise underserved populations in the state. Often young New Mexicans are

discouraged from entering health careers due to lack of knowledge of career options, lack of academic competitiveness, lack of understanding of financing options and other reasons. The health career program funded through this legislation creates an environment in which rural and underserved New Mexico students can understand their options, prepare for high education in terms of math and science, participate in internships in local health care systems and otherwise be supported in obtaining health professional training.

This program complements and partners with centralized programs for encouraging health careers at the University of New Mexico. It is part of a collaborative effort to combine UNM and other institutions of higher education outreach programs with community based organizations that will have as part of their function the development of a local health workforce. It is an active approach to solving the health care access dilemma.

New Mexico children are the state's best short and long term solution to providing health services to rural and underserved New Mexicans. This bill complements efforts at increasing health professional training program students and residents by ensuring that a larger number of people trained through state invested programs will be from, and work in, New Mexico.

RAE/svb