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## FISCAL IMPACT REPORT

Thomson/Trujillo, C/  
 Ferrary/Roybal  
 Caballero

**SPONSOR** \_\_\_\_\_ **ORIGINAL DATE** 1/24/2020  
 \_\_\_\_\_ **LAST UPDATED** \_\_\_\_\_ **HB** 65

**SHORT TITLE** School Based Health Clinics Funding **SB** \_\_\_\_\_

**ANALYST** Chilton \_\_\_\_\_

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY20	FY21	FY22		
	\$650.0	\$650.0	Recurring	Federal Funds

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$85.0	\$85.0	\$170.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Department of Health (DOH)

No Response Received  
 Public Education Department (PED)

## SUMMARY

### Synopsis of Bill

House Bill 65, School Based Health Clinics Funding, appropriates \$2 million from the General Fund to the Department of Health for the purpose of expanding the number of school-based health centers and the functions and times of operation of the 46 DOH-funded school-based health centers already in existence in New Mexico (the New Mexico Alliance for School-Based Health Care indicates that there are over 70 New Mexico school-based health centers [SBHC] in all). Forty-three of the 46 DOH-funded clinics now in existence are operated by medical organizations, including federally-qualified health centers, the University of New Mexico Medical Group, hospitals or community private medical practices, an arrangement that allows students ready access to care beyond what can be provided within the school-based clinic, and beyond the relatively limited hours the SBHC is open (currently, according to DOH, the average DOH-funded SBHC is open fourteen hours per week for medical care and nineteen hours per week for behavioral health care).

## FISCAL IMPLICATIONS

The majority of the \$2 million appropriation would be used by DOH for augmented contracting with the outside organizations that currently run DOH-funded clinics and in contracting with the same or other organizations to run newly-established SBHCs.

The Department of Health indicates costs and revenue to DOH as follows:

An additional FTE (\$75,000.00 annually + \$10,000 administrative costs) would be needed to assist with the added administrative requirements, including contracting, invoicing and site visitation, as well as the training needs for new school-based health center operations. \$650K would be revenue from Medicaid match funds.

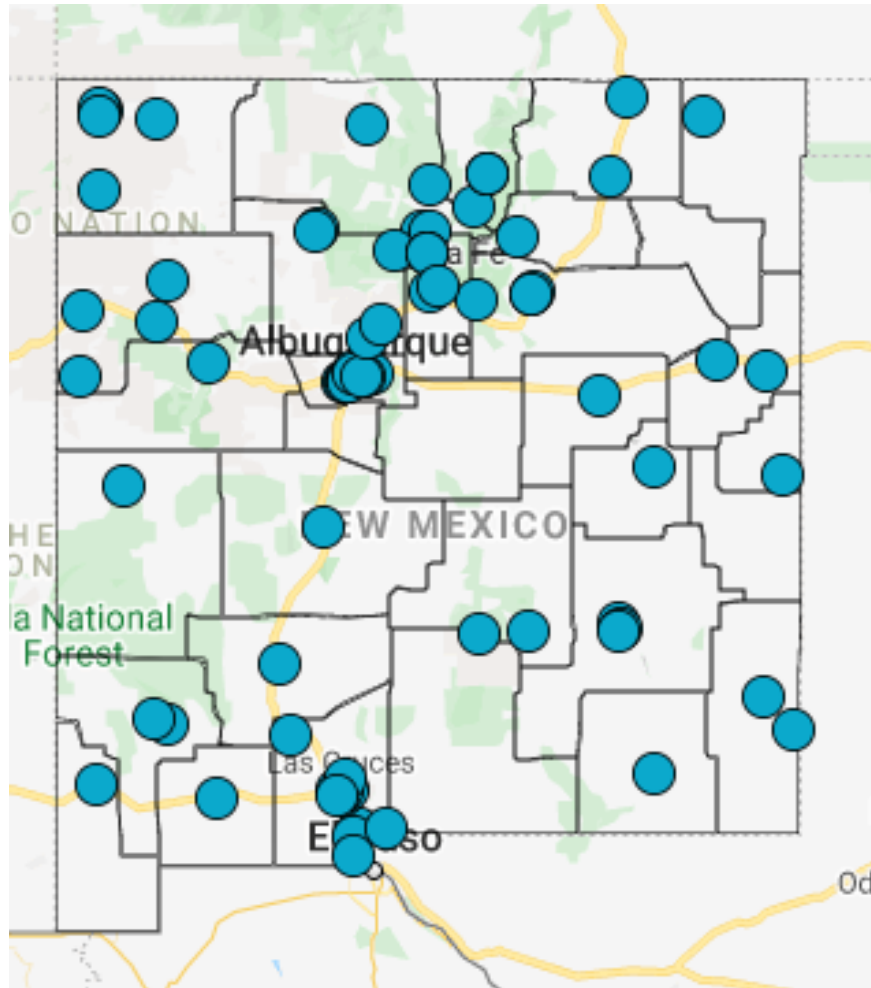
The revenue from Medicaid is estimated based on the current Medicaid match rate: (78.6 percent federal: 21.4 percent New Mexico state funds), and would assume that the federal revenue received, estimated at \$650 thousand, would be matched with \$177 thousand of state funds.

## SIGNIFICANT ISSUES

School-based health centers exist in a small minority of New Mexico's public schools, but where they do exist, they provide important services to children, some of whom have little other access to medical care. Thirty-two of New Mexico's 33 counties are in part or in total designated as Health Resources and Services Administration primary care shortage areas. All of the current 56 DOH-funded SBHCs are in HRSA-designated health professional shortage areas; the locations of all 70 currently-operated SBHCs, DOH- and other-funded, are indicated on the following map.

## NEW MEXICO SBHC MAP

From New Mexico Alliance for School-Based Health Care,  
<https://www.nmasbhc.org/school-based-health-centers/sbhc-directory/>



DOH notes the heavy use of the clinics it currently funds:

In school year 2018-2019, NMDOH funded SBHCs provided 51,105 visits to 16,142 patients. Eighty-six percent of the visits were for primary care, including well child exams, sports physicals, illness and injury, and reproductive health. Twenty-nine percent of visits were for behavioral health and four percent of visits were for oral health (these percentages include overlapping visits). Sixty-eight percent of NMDOH funded SBHCs were open three days a week or fewer and thirteen OSAH funded SBHCs offered services during the summer. NMDOH funded SBHCs provided an average of fourteen hours per week primary care and nineteen hours per week of behavioral health care services, while thirteen NMDOH funded SBHCs offered access to dental services (NMDOH, Office of School and Adolescent Health 2018-2019 annual report, publication pending).

SBHCs offer several important advantages to school children:

- Services are offered in a location where time away from classes can be minimized
- Services are free to the patients, regardless of insurance
- Services are provided by providers regularly seen on school premises, decreasing the fear that sometimes accompanies visits to clinics or hospitals
- Ready availability of services means that many diseases and injuries can be caught and treated early, avoiding later sequelae and higher costs.

The Department of Health makes a strong argument for SBHCs, as follows:

SBHCs have the capacity to increase access to basic health care for low-income children and adolescents. Data suggests they are perceived as acceptable by students and families and can target underserved racial and ethnic minorities, thereby fostering equity in access to care and health outcomes for the most vulnerable populations” (<https://nashp.org/wp-content/uploads/sites/default/files/AdolHealth.pdf>).

Children and adolescents from low-income and racial and ethnic minority populations commonly experience worse health, are less likely to have a usual place of health care and miss more days of school because of illness. SBHC present in low-income communities are likely to reduce education gaps and advance health equity. <https://www.thecommunityguide.org/sites/default/files/publications/he-ajpm-evrev-sbhc.pdf>.

A systematic review of the effectiveness of SBHC conducted by The Community Preventive Taskforce showed that SBHC improved educational and health outcomes and that the economic benefit of SBHC exceeds the operating cost and result in net savings to Medicaid <https://www.thecommunityguide.org/sites/default/files/publications/he-ajpm-ecrev-sbhc.pdf>.

A 2013 analysis of New Mexico SBHCs determined they yielded a return on investment of \$6.07 for every dollar spent. Projected savings were related to health issues such as decreased hospitalizations of children with asthma, early detection of STI [sexually-transmitted infections], and provision of mental health services (Ginn and Associates, 2013).

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

New Mexico would not experience the benefits to school children and the high rate of return from expanding services through SBHCs, as, using DOH figures, a \$2 million investment would result in an approximately \$12 million return on that investment.

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