FISCAL IMPACT REPORT

SPONSOR Matthews/Thomson/Armstrong **LAST UPDATED** **ORIGINAL DATE** 02/13/2023

SHORT TITLE Interstate Medical Compact **BILL NUMBER** House Bill 247

ANALYST Chilton

REVENUE
(dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
	$37.24-$55.86	$37.24-$55.86	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		NFI	NFI	NFI		

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent version of this legislation.

Duplicates House Bill 247

Sources of Information

LFC Files

Responses Received From
Department of Health (DOH)
Medical Board (NMMB)
Human Services Department (HSD)
Commission of Public Records (CPR)
Board of Nursing (BON; response to identical SB67)

SUMMARY

Synopsis of Senate Bill 67

House Bill 247 enables New Mexico to join an interstate medical licensing compact, adopting its rules and bylaws. This would expedite allopathic or osteopathic physicians' ability to achieve an expedited license to practice in New Mexico if they already held a license in another compact state.

Section 1 of the bill names it as the "Interstate Medical Licensure Compact."

Section 2, article 1 enacts the compact into law, committing New Mexico to join with other states in the compact. It uses standard compact language that is used by each of the states that are party to the compact, summarized below in this Section 2. The compact allows a second pathway to licensure alongside, but not replacing, the current New Mexico licensing methodology. In this second pathway, the locus of medical care being delivered is defined as the physician's location and thus under the control of the home state's medical board, although New Mexico's board could also discipline physicians independently.

Section 2, article 2 establishes definitions. It includes a long definition of physician (to be licensed) as having passed required texts, being of allopathic or osteopathic training, having completed an approved residency, being licensed by a state board among the compact states, have had no convictions or state licensing board or controlled substances license-related disciplinary actions for any offense.

Article 3 specifies that a physician may receive an expedited license in a compact state if she/he meets all of the criteria noted in Article 2.

Article 4 deals with the physician designating a compact member state as being the state of principal licensure, although this can be changed at a later time.

Article 5 lists the requirements for initial licensure in the state of primary licensure, to include verifying medical school and residency qualifications and criminal background check. Non-primary states would not be required to evaluate these aspects independently.

Article 6 gives the Interstate Commission the responsibility for establishing fees for expedited licensure.

Article 7 establishes rules for renewal of licenses, including maintenance of a clear record, completion of required continuing medical education and payment of fees.

Article 8 mandates use of a common data system to identify public actions or complaints for access by compact states in which the physician is licensed, and for identification of non-public complaints or actions at another compact's request.

Article 9 allows for joint investigations of any allegations against a compact member-state physician, and article 10 makes it clear that findings of these investigations will subject a disciplined physician to actions by other compact states. If the state of primary licensure removes the licensure in that state, other states' licenses will be removed without other necessary actions; if a state other than the state of primary licensure disciplines a physician, other compact states may impose the same or lesser consequences on the physician or pursue a separate action.

Article 11 establishes an "interstate Medical Licensure Compact Commission" to administer the compact overall – two members would be appointed from each compact state, one an allopathic and one an osteopathic physician. It would meet at least once per year, either in person or electronically, give public notice of meetings (open to the public except for personnel matters and those relating to investigations of individuals). Minutes would be available to the public with the same exceptions. An executive committee and other committees would be established

among the members.
Article 12 establishes duties of the commission, to include:

- Overseeing compact administration;
- Promulgating rules for the compact;
- Issuing advisory opinions to member states regarding the compact;
- Enforcing compact rules;
- Paying expenses, purchasing insurance and bonds, establishing a budget;
- Opening an office;
- Employing an executive director;
- Establishing personnel policies, a seal and bylaws; maintaining records;
- Accepting donations and grants;
- Leasing or purchasing needed property or selling property;
- Reporting annually to each legislature, including audit results;
- Coordinating education and training regarding the compact; and
- Seeking patents, trademarks, and copyrights.

Article 13 empowers the commission to make an annual assessment on each member state.

Article 14 designates the organization of the commission and its officers. Officers and members are to be unpaid, have immunity from suits and liability from related affairs where there is no good faith violation; the executive director and employees would have partial immunity.

Article 15 allows the commission to institute rules, which could be challenged within 30 days in the appropriate district court.

Article 16 states that all branches of state government must abide by and enforce the commission's rules, though they would not supersede the state board's licensing rules.

Article 17 empowers the commission to enforce its provisions and rules, including by filing suit if necessary.

Article 18 establishes procedures for dealing with a state that has defaulted on its obligations relative to the compact, providing written notice and giving the defaulting state education as to how to avoid defaulting. Remedies could include termination of a state's participation in the compact.

Article 19 deals with dispute resolution.

Article 20 establishes that any state may join the compact after legislative action; amendments to the compact must be accomplished by a unanimous vote of member states.

Article 21 states that states can withdraw from the compact if they pass legislation to do so; the withdrawal takes effect one year later, to be reinstituted after legislation to do so.

Article 22 relates to dissolution of the compact, article 23 to severability of the compact and to dealing with conflicts between the compact and any state's constitutional requirement.

Section 23 grants New Mexico's governor the duty of appointing one osteopathic and one

allopathic physician to serve as compact board commissioners.
Section 24 requires the commission to file its bylaws and rules with the state records administrator in New Mexico.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 247. State agencies responding do not identify costs to those agencies. Although each state could be assessed a fee to participate in the Interstate Medical Licensure Compact by the compact's commission, there is currently no such fee, and a call to the Compact [personal communication with David Clark, IMLCC administrator] gave the impression of a probable increase in revenues to the state: each state within the compact continues to charge its usual fee to apply, and the average compact member state sees a 10 to 15 percent increase in applications. If this figure were applied to New Mexico, which currently receives about $372,400 in fees from new license applicants each year, this would result in increased annual revenues of $37,240 to $55,860.

Each physician applying to be covered by the compact is assessed a $700 fee, paid not by the state but by that physician, and it is that fee that sustains the compact's finances.

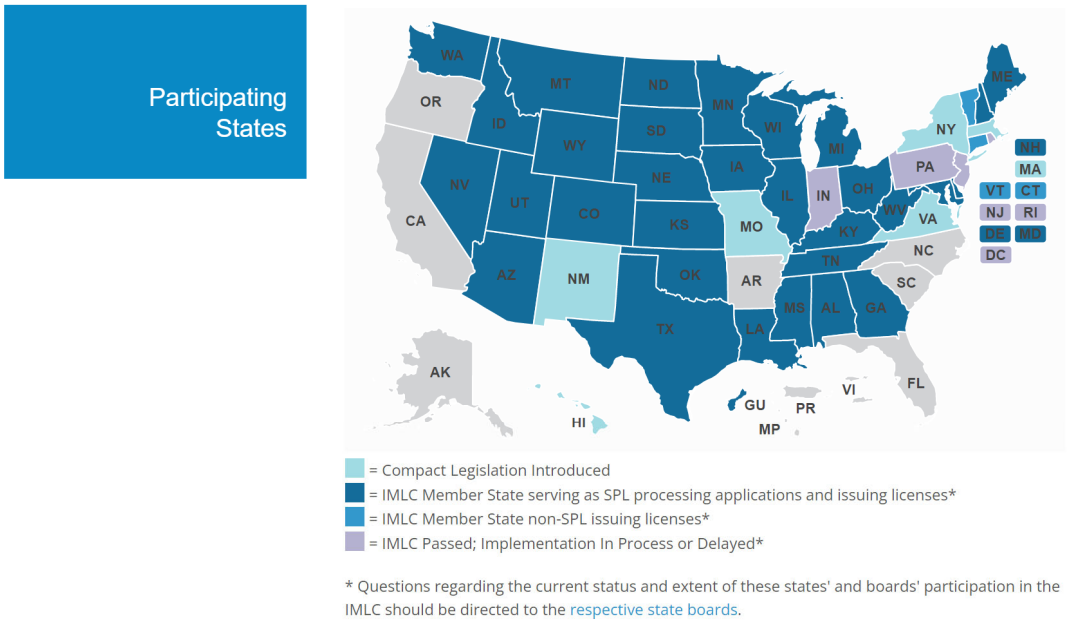
SIGNIFICANT ISSUES

DOH notes that "Forecasts project New Mexico will have the second largest physician shortage in the nation by 2030. The federal Health Resources and Services Administration (HRSA) has designated New Mexico a healthcare workforce shortage area, with the exception of small parts of Bernalillo, Los Alamos, and Dona Ana counties. This designation highlights the shortage of providers as well as the need for New Mexico to recruit and retain the healthcare workforce and provide efficient care with its current resources. (2024RecommendVoI.pdf (nmlegis.gov))"

It is likely that belonging to the interstate medical license compact will make it simpler for physicians to enter into practice in New Mexico, to provide telehealth services to New Mexico patients, or to practice part-time in New Mexico, alleviating the shortage of all types of physicians within the state.

NMMB points out that "States that participate in the Compact see a significant increase in physician licensure in their state, which we anticipate would occur in New Mexico."

The Interstate Medical License Compact currently covers more than 37 states, with several more in the process of joining it, as shown in the map below.



From the International Medical Licensure compact website, imlcc.org, accessed 2/13/2023.

ADMINISTRATIVE IMPLICATIONS

HSD points out "HB247 states that the interstate commission shall establish a database of all physicians licensed, or who have applied for licensure, pursuant to Article 5 of the Interstate Medical Licensure Compact. The bill does not state what State agency or Department will be required to interface with the information system; it is logical to conclude that such an interface would be the responsibility of the New Mexico Medical Board."

DUPLICATION

Duplicate of Senate Bill 67.

TECHNICAL ISSUES

Article 2 requires that a physician, to be licensed through the compact, have no convictions or adjudications in legal matters. It is not clear that there are any exceptions to this, for example for traffic violations.

Article 5 states that a physician can apply for expedited licensure in her/his state of principal licensure, although that would appear to give her/him access to expedited licensure not available to a physician applying to only one state.

DOH points out that "One issue to consider is whether participation in the Compact would allow that disciplinary action taken by one member board against a physician in one state where a service is considered illegal (e.g., pregnancy termination) may automatically trigger discipline by other member boards in states where the service is not illegal – this could adversely affect a physician's ability to practice in New Mexico until this were to be resolved."

The Board of Nursing makes reference to a question that may arise: "Can a nurse accept an order from a provider in another state with an interstate compact license? It then answers the question: There is no conflict in the nursing practice act for RNs and LPNs: Administering medications and performing treatments prescribed by a person authorized in this state or in any other state in the United States to prescribe them."

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico's physician shortage will not be ameliorated by the streamlining of licensing physicians through the Interstate Medical License Compact.

LAC/al/ne/mg