

LFC Requester:	Connor Jorgensen
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/14/25 *Check all that apply:*
Bill Number: SB380 Original Correction
 Amendment Substitute

Sponsor: Sen Campos **Agency Name and Code** HCA-630
Short Title: GME Trust Fund **Number:** _____
Person Writing Rayna Fagus
Phone: 505-699-5566 **Email** Rayna.fagus@hca.nm.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
(\$100,000.0)	N/A	Non-recurring	General Fund
\$100,000.0	N/A	Non-Recurring	Physician Graduate Medical Trust Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$5,000.0	\$5,000.0	\$5,000.0	Recurring	Physician Graduate Medical Program Fund

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	\$0.0	\$54.0	\$54.0	\$107.9	R	GF
	\$0.0	\$54.0	\$54.0	\$107.9	R	FF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill (SB) 380 makes an appropriation of \$100,000.0 thousands to the physician graduate medical education trust fund for fiscal year (FY) 2026. Each July 1, a distribution shall be made from the physician graduate medical education trust fund to the physician graduate medical education program fund in an amount equal to five percent of the average of the year-end market values of the trust fund for the immediately preceding three calendar years. If, on July 1 of a year, the trust fund has been in effect for less than three calendar years, the distribution shall be in an amount equal to five percent of the average of the year-end market values of the trust fund for the immediately preceding number of calendar years that the trust fund has been in effect. The intent of the physician graduate medical education program fund is for rural and underserved area hospitals to increase physician education and training in rural New Mexico.

FISCAL IMPLICATIONS

The required distribution from the physician graduate medical trust fund to the physician graduate medical education program fund of five percent of the average of the year-end market values of the trust fund or five percent of the average of the year-end market values of the trust fund for the immediately preceding number of calendar years is \$5,000.0 thousands a year. For FY 2026 to FY 2028, the Health Care Authority may use \$2,500.0 thousands for developing application for graduate medical education in rural and underserved areas, \$500.0 thousands for accredited program existed for less than a year, and the remaining \$2,000.0 thousands for accredited rural programs existed for more than a year. For FY 2029 and thereafter, the five percent distribution from the fund to the program fund is for supporting physician graduate medical education programs located in rural and underserved areas that have been accredited for more than a year. HCA will need 1 new FTE, payband 70 at a cost of \$107,900 to manage this program and will allocate part of the \$2,500.0 thousands to this new FTE.

Currently, there are five accredited graduate medical programs in rural or underserved areas with 11.26 FTEs and a total expenditure of \$932.0 thousands of which the general fund is \$264.0 thousands a year.

Current GME FTE counts: 13 Total accredited graduate medical programs

	SFY24 GME FTE Counts
UNMH IGT	551
Urban – 7 providers	100.5
Rural – 5 providers	11.26
Total FTEs	662.81

SIGNIFICANT ISSUES

SB 380 would provide \$2,500.0 thousands a year from FY 2026 to FY 2028 to develop applications for accredited graduate medical education program in rural and underserved areas. This may help to expand the number of residents in future years. However, currently there are only five accredited and approved graduate medical education programs in rural and underserved areas that qualified for Medicaid reimbursement and Medicaid payment to those programs is about \$1,000.0 thousands a year. Below are currently approved State Plan criteria:

1. Current cost for non-expansion FTE is \$50,000.0 per year for eligible providers.
 - a. Primary Care and General Psychiatry resident \$50,000.
 - b. Other resident \$50,000.
 - c. Change in FTE/year cost will requires SPA amendment with CMS approval.
2. Current cost for expansion GME FTE, ACGME approved positions after July 1, 2020
 - a. Primary Care and General Psychiatry resident \$100,000.
 - b. Other resident \$50,000.
 - c. Expansion FTEs are limited 101 FTEs

To implement SB 380, HCA will need a mechanism for supporting physician graduate medical education programs located in rural and underserved areas that are in the process of developing applications with the body responsible for accrediting physician graduate medical education programs. The amount of \$2,500.0 thousands to develop applications for accredited education program does not receive federal matching funds.

In addition, SB 380 does not address graduate medical funding in urban areas. Thus, HCA will continue to fund currently existed urban graduate medical education cost in urban areas with general fund.

HCA currently receives \$1,000.0 thousands in general funds annually for an application to allocate funding to support the expansion of primary care residency programs, increasing the number of first-year residency positions in rural communities. We currently have 5 programs in development. These programs may benefit from the new fund as it allows support in years after the new residency is open. This would help with the stability and sustainability of newly developed residencies.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS