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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/09
 LAST UPDATED 3/10/09 HB 229

SPONSOR Picraux

SHORT TITLE Health Related Program Funding SB _____

ANALYST Archuleta

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$796.0	Recurring	General Fund
	\$2,150.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB199

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
		\$11,300	Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)

Department of Health (DOH)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

An Act making an appropriation to provide funding for various health-related programs appropriates \$2,946,000 from the General Fund to various health-related services as follows:

- 1) two million dollars (\$2,000,000) to the Department of Information Technology for the required matching funds for a federal communications commission allocation

to New Mexico of eleven million three hundred thousand dollars (\$11,300,000) to be administered in collaboration with the university of New Mexico center for telehealth to design, create and implement a rural health telemedicine network throughout New Mexico;

- (2) one hundred fifty thousand dollars (\$150,000) to the Department of Health to contract with a nonprofit organization to continue implementation of a health information exchange collaborative network to serve rural and underserved communities in New Mexico and to enhance the capacity of existing telehealth services;
- (3) seven hundred fifty thousand dollars (\$750,000) to the Children, Youth and Families Department to expand the home visiting program; and
- (4) forty-six thousand dollars (\$46,000) to the Birthing Workforce Retention Fund to provide malpractice insurance premium assistance for certified nurse-midwives or physicians whose insurance premium costs jeopardize their ability to continue their obstetric practices in New Mexico.

According to the Department of Information Technology, the University of New Mexico (UNM) Center for Telehealth was selected to manage and coordinate a \$15.5 million project funded by the Federal Communications Commission (FCC) to design, build and operate a rural health care telemedicine network throughout New Mexico in collaboration with the Arizona Telemedicine Program and Southwest Indian Health Services (HIS) Area Offices (Albuquerque, Navajo, Phoenix and Tucson). This pilot project is one of the top ten “highest-funded” projects in the United States.

FISCAL IMPLICATIONS

The appropriation of \$2,946,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the General Fund.

According to December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

PERFORMANCE IMPLICATIONS

House Bill 229 is consistent with the Department of Health’s FY10 Strategic Plan, System Objective 9, improve recruitment, retention and training of healthcare providers in rural and underserved areas.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 199 which proposes Telehealth and Cyber-medicine research to design, create and implement a rural health telemedicine network throughout New Mexico.

OTHER SUBSTANTIVE ISSUES

According to Dr. Dale Alverson, Medical Director at the UNM Center for Telehealth and Telehealth Commission member, stresses that telehealth and telemedicine services can provide patients in rural areas access to medical specialties in areas like oncology, cardiology, pulmonary, infectious diseases, behavioral health, post traumatic stress disorder, and many other disorders, as well as health information exchange in some instances without leaving their homes or communities.

DOH suggests the proposed program would benefit rural populations throughout the state of which 26 of 33 counties are considered rural in their entirety by the Federal government, while large portions of four other counties also meet Federal rural definitions.

ALTERNATIVES

According to HED, UNM could provide the \$2 million matching funds for the Federal Communications Commission allocation to New Mexico, in lieu of receiving a general fund appropriation.

DoIT may consider using available Wire New Mexico appropriations to satisfy the federal participating match requirements.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The state would miss the opportunity to receive \$11.3 million of federal support and reduce the capacity to provide connectivity for health programs serving rural communities throughout New Mexico.

DA/mc