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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/09

SPONSOR Cote LAST UPDATED _____ HJM 10

SHORT TITLE Restore Federal Residency Education Funding SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HJM 9

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 University of New Mexico (UNM)
 Health Policy Commission (HPC)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 10 requests the New Mexico congressional delegation to work to restore full federal funding for residency education under Title VII and Title VIII of the Public Health Service Act.

House Joint Memorial 10 calls for a collaborative effort between the New Mexico congressional delegation and the New Mexico Department of Health, the University of New Mexico Health Sciences Center, New Mexico Health Resources, and others to identify recommendations that will best serve the health care needs of New Mexico.

FISCAL IMPLICATIONS

Fiscal Implications are limited to the costs of DOH, UNM and others in identifying recommendations related to the purposes of the joint memorial. Costs are likely to be minimal.

SIGNIFICANT ISSUES

UNM states that it supports this legislation to restore \$40 million in funding to assure sufficient numbers of primary care and dental providers to care for all New Mexicans.

The HPC notes that Title VII of the Federal Public Health Services Act, enacted in 1963, and Title VIII, enacted in 1964, were both created in response to a shortage of health care providers. Title VII is designed to encourage health care workers to practice in underserved areas, increase the number of providers, increase the number of minority and disadvantaged students enrolling in health care programs and increase the number of facility in health care training and education programs. Title VIII focuses on training advanced practice nurses, increasing the number of minority and disadvantaged students enrolling in nursing programs, and improving nurse retention through career development and improved patient care systems.

According to the DOH:

After graduation from medical school, all physicians must complete several years of an advanced training residency, referred to as *graduate medical education*. Some of the cost of residency education for physicians in the United States, particularly for primary care residency training, came from programs authorized under Titles VII and VIII of the Federal Public Health Service Act. In the last few years, this federal categorical funding has been substantially reduced, with some programs being completely eliminated.

The number of federally approved residency positions in the nation was originally calculated in the 1990s, based upon projections of physician supply available at that time. Subsequently, it has been shown that the projections were inaccurate, and that we have been preparing far too few physicians for the country. The nation has not yet expanded the pipeline for physicians by expanding the number of approved residency positions.

RELATIONSHIP

House Joint Memorial 10 relates to House Joint Memorial 9, which would request the New Mexico Congressional Delegation to support and promote measures to remove graduate medical education funding caps in the Medicare Program.

OTHER SUBSTANTIVE ISSUES

The HPC published the 2007 New Mexico Geographic Access Data System (GADS). According to GADS, with the exception of Los Alamos County, all counties in New Mexico have areas that the Health Resources and Service Administration have designated as a Health Professional Shortage Area for Primary Care, Dentists, and/or Mental Health professionals. Given our current population and health care workforce, New Mexico would have to hire 7,900 medical professionals to meet the national average. Of this number, 4,900 would need to be Registered Nurses; 1,330 Licensed Practical Nurses; 880 physicians, 442 dentists, 191 pharmacists, and 157 nurse practitioners.

GH/mc