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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/09

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Rural Health Telemedicine Network SB 199

ANALYST Archuleta

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 229

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
		\$11,300.0	Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)
New Mexico Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 199 appropriates two million dollars \$2,000,000 from the general fund to the Department of Information Technology for expenditure in fiscal year 2010 for the required matching funds for a federal communications commission allocation to New Mexico of eleven million three hundred thousand \$11,300,000. These funds would be administered in collaboration with the University of New Mexico (UNM) center for telehealth and

cybermedicine research to design, create and implement a rural health telemedicine network throughout New Mexico.

FISCAL IMPLICATIONS

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

According to the 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.

SIGNIFICANT ISSUES

According to UNM, as part of a national pilot program, the University of New Mexico 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 healthcare 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). The name of this project is Southwest Telehealth Access Grid (SWTAG) and creates an electronic highway connecting nearly 300 healthcare facilities through New Mexico in all 33 counties, including school based health centers.

According to UNM, this project will enhance network support for an expanding number of telemedicine programs being provided to communities throughout the state by several private and public health provider organizations and includes several non-university stakeholders, such as Presbyterian Medical Services, Primary Care Association, Lovelace Clinic Foundation, Sangre de Cristo Community Health Partnerships, Holy Cross Hospital, as well as several UNM telehealth programs, such as ECHO, REACH, ENVISION, Behavioral Health and many others.

PERFORMANCE IMPLICATIONS

According to NMHED, Senate Bill 199 proposes a coordinated project with providing connectivity to other state agencies and their programs including the Department of Health, Human Services Department, Department of Corrections, Children, Youth, and Families Department, and Homeland Security, along with Internet2 and National Lambda Rail.

ADMINISTRATIVE IMPLICATIONS

The Department of Information Technology will administer the proposed legislation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to House Bill 229

OTHER SUBSTANTIVE ISSUES

According to NMHED, SWTAG will be implemented in conjunction with other state broad-band initiatives being implemented by DoIT, built-out of the southeast high speed network quadrant.

ALTERNATIVES

According to NMHED, DoIT, UNM and their SWTAG partners would need to seek other sources of funding or determine if the institution has any available funding to support this initiative.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The state may not be eligible to receive \$11.3 million of federal support in order to implement a rural health telemedicine network throughout New Mexico.

DA/mt