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## FISCAL IMPACT REPORT

**SPONSOR** Salazar, N. **ORIGINAL DATE** 02/05/14  
**LAST UPDATED** \_\_\_\_\_ **HB** 226

**SHORT TITLE** Mora Emergency Medical Services **SB** \_\_\_\_\_

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$79.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 404 (2013)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 226 appropriates \$79 thousand from the general fund to the local government division (LGD) of the department of finance and administration (DFA) for expenditure in fiscal year 2014 to provide emergency medical services and ambulance service in Mora County.

### FISCAL IMPLICATIONS

HB 226 appropriates \$79 thousand from the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund. In 2013 Mora County projected an annual operating budget of \$174,000 for the ambulance service – based on average expenditures over the past 5 calendar years. To generate the \$174,000, the county anticipated that service fees from ambulance users would generate \$52,000, indigent funding would generate \$15,000, and a new Emergency Management Services (EMS) local gross receipts tax approved by the voters could generate \$61,000. In 2013 the county estimated this revenue would fall short of the required \$174,000 by \$46,000. It was anticipated that this would be a recurring annual deficit.

## **SIGNIFICANT ISSUES**

The following analysis was provided for HB 404, an identical bill put forward during the 2013 legislative Session. Mora County has historically operated under a precarious financial situation. All counties are required by LGD to maintain a 3/12th reserve for the general fund and the County has had a difficult time maintaining, if not meeting, this requirement. However, certain circumstances have changed in the past year; in order to assess the County's current fiscal condition and ability to meet its needs in FY15, members must pose the questions found at the end of this analysis, namely:

- Is Mora County is now eligible for ambulance service fees? If so, what are the revenue estimates?
- Mora Valley EMS applies for and receives money from Local Systems Funding portion of the EMS Fund; how much did it receive in FY14 and how much is anticipated for FY15?
- How much money does the County receive from the new local option gross receipts tax went into effect July 1, 2013?

## **BACKGROUND AND OTHER SIGNIFICANT ISSUES**

Mora County has a total population of approximately 5,070 people, about half of which live in Mora Valley. Residences are spread out, and personal transportation is limited for some families. The ambulance service (Mora Valley EMS), which is certified by the Public Regulation Commission (PRC), is a critical safety net for both residents and tourists. Mora Valley EMS responds when dispatched for all medical and traumatic health emergencies within the Mora Valley and the surrounding areas of Mora County. Mora Valley EMS recently transitioned from being affiliated with the local health clinic, Mora Valley Community Health Services, (MVCHS), to being affiliated with Mora County. Also, Mora Valley EMS has an agreement with the DOH Emergency Medical Systems (EMS) Bureau to provide a physician medical director until such time that a permanent medical director can be found.

Mora Valley EMS applies for and receives money from Local Systems Funding portion of the EMS Fund. Mora Valley EMS received \$10,703 in FY13 and applied for FY14 funding (and was expected to receive a similar amount as FY13). Additionally, Mora Valley EMS can apply for money from the Special Project portion of the EMS Fund. The Special Project portion of the Fund Act makes funding available for the purchase of ambulances and other EMS related projects. These funds are for equipment and supplies but do not cover ambulance service operations – the subject of this legislative request.

Mora County took over the ambulance service from MVCHS, a private contractor, as of January 1, 2013. MVCHS had operated the ambulance for the county since the 70's. For a number of years, the State of New Mexico Department of Health provided a regular subsidy to the Mora Ambulance Service operation of approximately \$30 thousand. The State stopped providing this subsidy to ambulance operations around 2006. The ambulance service then relied on subsidies from the New Mexico Legislature which were discontinued during the economic downturn.

The new local option gross receipts tax went into effect July 1, 2013. Additionally, ambulance service fees had been delayed as Mora County worked to become eligible to bill various insurers

(the County needed certification from the Public Regulation Commission); however, the County may be eligible to bill for those service fees now.

To help defer the initial operating costs of this service, the county requested and received an emergency loan from the State Board of Finance for \$54,000 in 2013; the amount of the loan was sized to cover the County's projected costs from January 1, 2013 through April 30, 2013. The loan was modified in March 2013 to allow for three payments of approximately \$18,000 each; to date the County has made two payments and the final payment is due in February 2014.

Section 6-1-2 NMSA 1978 provides that the Board of Finance may not fund emergencies that can await funding from the Legislature. The Board of Finance only funded the County's need through April 30, reasoning that funding beyond that date could be sought from the Legislature.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this legislation is not enacted, this newly acquired service could require the County operating budget to supplement its operational costs at the detriment of other County services. It is conceivable that if HB 226 is not enacted, the Mora County ambulance service would not be funded.

### **POSSIBLE QUESTIONS**

- Is Mora County is now eligible for ambulance service fees? If so, what are the revenue estimates for those fees?
- Mora Valley EMS applies for and receives money from Local Systems Funding portion of the EMS Fund; how much did it receive in FY14 and what is anticipated for FY15?
- How much money does the County receive from the new local option gross receipts tax went into effect July 1, 2013?

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