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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/18

SPONSOR Thomson/Armstrong LAST UPDATED \_\_\_\_\_ HM 64

SHORT TITLE Physical Therapy Workforce Incentives Group SB \_\_\_\_\_

ANALYST Dulany

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 145

#### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Higher Education Department (HED)

Responses Not Received From  
Department of Health (DOH)  
University of New Mexico (UNM)

#### SUMMARY

##### Synopsis of Bill

House Memorial 64 requests the Secretary of Higher Education to convene a physical therapy workforce incentives study group to investigate the extent to which New Mexico's workforce incentives, including health professional loan repayment assistance, are providing adequate incentives to physical therapists and physical therapist assistants to locate or remain in the state.

The memorial requests the group report its findings and recommendations to the Legislative Health and Human Services Committee and the Legislative Finance Committee by October 1, 2018.

#### FISCAL IMPLICATIONS

Legislative memorials do not carry appropriations. HED and the participating members of the study group are likely to incur costs associated with staff time, travel, and supplies.

The Health Professional Loan Repayment Act includes physical therapists by reference to allied health professionals. The Act provides for loan repayment by the higher education department for primary care physicians, optometrists, podiatrists, physician's assistants, dentists, nurses, allied health professionals, or other licensed or certified health professional as determined by HED. Allied health professional, as defined by the Allied Health Student Loan for Service Act, includes physical therapists, occupational therapists, speech-language pathologists, audiologists, pharmacists, nutrition professionals, respiratory care professionals, laboratory technologists, radiologic technologists, dental hygienists, mental health service professionals, emergency medical professionals, or other licensed or certified health professionals as defined by HED.

In FY18, HED budgeted \$1.1 million for Health Professional Loan Repayment and \$100 thousand for Allied Health Student Loan-for-Service. HED receives about \$22 million each year to administer its 22 student financial aid programs.

## **SIGNIFICANT ISSUES**

HED provides the following:

- HM 64 does not indicate that postsecondary institutions should participate in the study group. The UNM School of Medicine offers graduate degrees in physical therapy, and New Mexico State University offers a Kinesiology program.
- HM 64 mentions the Rural Health Care Practitioner Tax Credit. According to the New Mexico Department of Health, the credit allows certain healthcare providers who provide care in rural underserved areas to be eligible for an income tax credit of \$3,000 or \$5,000. Currently, physical therapists and physical therapist assistants are not eligible to apply.
- HM 64 also mentions the New Mexico Health Service Corps and National Health Service Corps. The programs provide scholarships or loan-for-service assistance to health professionals who make service commitments. Currently, Physical Therapists and Physical Therapist Assistants are not eligible to apply for New Mexico Health Service Corps or National Health Service Corps.
- HED administers the Allied Health Loan-For-Service Program. The purpose of the program is to increase the number of allied health providers in areas of the state which have experienced shortages of health practitioners by making educational loans to students seeking certification/licensure in an eligible health field. Students completing a physical therapy program are eligible to apply. As a condition of each loan, the student shall declare their intent to practice as a health professional in a designated shortage area within the state of New Mexico upon completion of their studies. For every year of service provided in a designated shortage area within New Mexico, a portion of the loan will be forgiven. If the entire service agreement is fulfilled, 100 percent of the loan is eligible for forgiveness. The maximum allowable award for the program is \$12 thousand per academic year. Participants are eligible to reapply for consideration of additional funding. Participation in the Allied Health Loan-For-Service Program significantly

offsets educational costs incurred for the completion of health educational programs.

- During the FY18 application cycle, a total of three students completing an educational program in the field of physical therapy applied to the Allied Health Loan-For-Service Program. HED awarded two of the three applicants. During the FY17 application cycle, a total of three students completing an educational program in the field of physical therapy applied to the Allied Health Loan-For-Service Program. HED awarded one of the three applicants.
- During the FY17 and FY18 application cycles for both the Allied Health Loan-For-Service Program and Health Professional Loan Repayment, limited numbers of applications from providers in the field of physical therapy were received by HED.

TD/jle