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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/19

SPONSOR SPAC LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Health Professional Loan Repayment Changes SB 21/SPACS

ANALYST Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
\$31.5	\$31.5	Recurring	Physician Excellence Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	\$31.5	\$31.5	Recurring	Physician Excellence Fund

(Parenthesis ( ) Indicate Revenue Decreases)

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

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$1.6*	\$1.6*	\$3.2*	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\*Estimate based on a cost of 5% of the total expenditure relative to the Physician Excellence Fund

Relates to 2017 Senate Bill 240

### SOURCES OF INFORMATION

LFC Files

Responses Received Regarding Original Bill  
 New Mexico Medical Board (NMMB)  
 Regulation and Licensing Department (RLD)

Response Not Received From

Higher Education Department

## SUMMARY

### Synopsis of Bill

Senate Public Affairs Committee Substitute for Senate Bill 21 would establish a new fund, the Osteopathic Physician Excellence Fund, which would be used to supplement existing funding for loan repayment for primary care provider osteopathic medicine (DOs) in health care shortage areas (designated as being “underserved”). This fund would receive the proceeds of a \$100 increase in the cost of an osteopathic physician’s initial or triennial renewal licensure.

Primary care providers would include those with specialty training in family medicine, general pediatrics, general internal medicine, obstetrics and gynecology.

## FISCAL IMPLICATIONS

Estimates of revenue to be received by the Physician Excellence Fund under SB 21CS are available this year from the Regulation and Licensing Department, as follows:

226 relicensures per year	315 x \$100 = \$31,500 per year
<u>89 new licensures per year (2018 number)</u>	
315 licenses per year	

The totals entered into the Revenue Table and Appropriation Table above reflect this estimate.

In future years, the revenue into the Osteopathic Physician Excellence Fund is likely to increase as the number of osteopathic physicians (licensees new to the state minus licensees retiring or moving elsewhere) is likely to increase. Expenditures would match revenue, according to the provisions of the bill. The Higher Education Department is tasked with administering the fund; to date their estimate of personnel and other costs to do so has not been made available, so the figure of 5 percent of fund revenue and expenditure is used for the table above, Estimated Additional Operating Budget Impact.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

## SIGNIFICANT ISSUES

New Mexico continues to be a state with a large proportion of the population living in health care shortage-designated areas. As of 2017, when a report from the University of New Mexico’s Clinical and Translational Science Center (see attachment) detailed information about health sufficiency, only five New Mexico counties (Bernalillo, Chavez, Los Alamos, Santa Fe and Grant) had more primary care physicians per capita than the national average, and only Los Alamos County had no areas of health professional shortage within its borders. CTSC estimated in 2017 that 40 per cent of the state’s population lived in primary care health professional shortage areas.

Thus virtually all parts of New Mexico would benefit from increasing numbers of primary care practitioners, as would be likely to occur if health professional loan repayment were more available. As New Mexico's licensed physicians' average age is greater than any other state, the retirement of a large proportion of them would only increase the need for recruiting and retaining more.

New Mexico osteopathic physicians are educated in many schools throughout the nation; however, the number being licensed in any year in New Mexico is likely to increase in the near future as the Burrell College of Osteopathic Medicine in Las Cruces, which graduates its first class of osteopathic medical students and has a class size of 162, makes many more local graduates available for practice in New Mexico.

### **RELATIONSHIP**

Related to 2017 SB240, which had similar language, except that in that bill, 50 percent of the proceeds of the \$100 surcharge would have gone to the physician excellence fund, and 50 percent to the impaired physician fund. The current bill deposits all of the proceeds into the physician excellence fund. 2017 SB240 also applied to graduates of both MD and DO programs, while the current Committee Substitute for SB21 applies both the surcharge and the loan fund only to osteopathic physicians.

### **OTHER SUBSTANTIVE ISSUES**

HED and UNM HSC both noted, regarding 2017 SB 240, that it, like current CSSB21, would restrict funding through the Physician Excellence Fund only to primary care physicians, not allowing HED to address shortages of specialists, hospitalists, or behavioral health providers and that there is a conflict between Section 1D of the bill and the definition of eligible specialties contained in the Health Professions Loan Repayment Program's regulations, section 5.7.3.7G.

LAC/sb

## 2017 NM Health Data Summary

Although not exhaustive, the following descriptive observations are intended to orient community-engaged researchers and other community members in identifying data-driven research priorities that can address specific health concerns within the New Mexico context. This summary, and the resources listed below, include health data for researchers and communities in New Mexico using national and New Mexico data, and highlights tendencies associated with health disparities.

### Highlights for New Mexico Social Determinants of Health

- New Mexico is the fifth largest state by land mass, but has only four cities with population over 50,000 or more, and 17.2 persons per square mile, making it one of the most rural states in the nation.
- Overall, New Mexico's poverty rate is higher than the national average at over 20% versus 13.5%, and is now the second highest in the nation. New Mexico's median income is \$45,382, still well below the national median income of \$55,775.
- McKinley County experienced the highest poverty rate at 34.1% in 2015 and Los Alamos County remains the lowest at 4.0%.
- Unemployment rates have increased for most counties in New Mexico from 2014 to 2015. Luna County continues to have the highest unemployment rate at 17.6%, much higher than the New Mexico and national averages (6.6% and 5.3%, respectively).
- For more information, please see the following resources:
  - University of New Mexico Health Sciences Center County Health Report Cards:
    - [January 2016](#)
    - [January 2015](#)
    - [January 2014](#)
  - United States Census Bureau: [State and County Quick Facts: New Mexico](#)

### Highlights for New Mexico Licensed Health Professionals

- Over 40% of the state's population is estimated to live in a Primary Care Health Professional Shortage Area.
- There are a total of 3,229 licensed primary care practitioners in the state, but only an estimated 2,075 PCPs are currently practicing.
- Current practice location distribution reveals most counties are experiencing severe provider shortages.
- Bernalillo, Chavez, Los Alamos and Santa Fe counties continue to have more primary care physicians than the national average, and in 2015 Grant County joined this count. In Bernalillo County alone, 45% of all NM primary care physicians practice in this county.
- Eight of the 33 NM counties have no surgical facility for labor and delivery. There are only 253 Ob-Gyn physicians in the state.
- Even though NM has 20,971 registered nurses and 1,293 Advanced Practice registered nurses, there is a significant shortage of registered nurses in rural areas.
- 1131 Dentists were reported in 2015, with the most dentists located in Bernalillo, Santa Fe, San Juan, Doña Ana and Curry counties.
- For more information, please see the following resources:
  - University of New Mexico Health Sciences Center County Health Report Cards:
    - [January 2016](#)
    - [January 2015](#)
    - [January 2014](#)
  - The New Mexico Center for Health Workforce Analysis Report to the New Mexico State Legislature:
    - October 2016
    - October 2015
  - Adequacy of New Mexico's Healthcare Systems Workforce Report to the Legislative Finance Committee:
    - [May 2013](#)

### Highlights for New Mexico Health Rankings

- Los Alamos County was consistently first in county health rankings including the Quality of Life category.
- Rio Arriba is ranked last in overall health outcomes (length and quality of life).
- McKinley County continues to rank last in overall health factors (clinical care, health behaviors, socio-economic factors, and physical environment).
- For more information, please see the following resource:
  - The Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute: [New Mexico County Health Rankings: Mobilizing Action Toward Community Health](#)

### Highlights for New Mexico Racial Health Disparities by Disease

- Since 2010, teen births have declined, but NM continues to have one of the highest teen birth rates in the nation. In 2015, it was 34.2 per 1,000.
- The teen birth rate is higher in the border region than in the non-border region. Luna County had the highest teen birth rate in the state, at 73.9 per 1,000.
- New Mexico ranked 4<sup>th</sup> in the nation for chlamydia among females ages 15-24. McKinley county continues to have the highest number of chlamydia cases (1081 per 100,000)
- In New Mexico the rate of black males living with HIV diagnosis is 2.7 times that of white males.
- For more information, please see the following resources:
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 11th Ed.](#), December 2016
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 10th Ed.](#), January 2016
  - [American Indian Health Equity: A Report on Health Disparities in New Mexico](#), October 2013
  - The Henry J. Kaiser Family Foundation: [Teen Birth Rate per 1,000 Population Ages 15-19](#)

### Highlights for New Mexico Major Causes of Death

- Heart disease is the leading cause of death in NM and accounts for over 20% of all deaths.
- Colorectal cancer is the 2<sup>nd</sup> most frequently diagnosed and 2<sup>nd</sup> most common cause of cancer death in New Mexico.
- New Mexico's drug overdose death rate has been one of the highest in the nation for most of the last two decades. Rio Arriba County had the highest drug overdose death rate (85.8 deaths per 100,00) among all NM counties.
- Diabetes was the 6<sup>th</sup> leading cause of death in New Mexico in 2015, but there were significant differences by race/ethnicity.
- New Mexico fares better than the national average in infant mortality (5.5 v. 6.4 per 1,000 live births).
- For more information, please see the following resources:
  - University of New Mexico Health Sciences Center County Health Report Cards:
    - [January 2016](#)
    - [January 2015](#)
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 11<sup>th</sup> Ed.](#), December 2016
  - [American Indian Health Equity: A Report on Health Disparities in New Mexico](#), October 2013
  - The Henry J. Kaiser Family Foundation: [New Mexico Health Status Indicators](#)
  - [New Mexico Cancer Plan 2012-2017](#)

### Highlights for New Mexico High School Risk and Resiliency Survey

- Suicide is the second leading cause of death among adolescents in New Mexico, the rate for suicide attempts resulting in injury has remained stable at 3.2%
- Rates for heroin use increased for youth from 2.9% to 3.9%, NM drug use rates are consistently higher than the national rates.
- For more information, please see the following resources:
  - The New Mexico High School Youth Risk and Resiliency Survey
    - [2015](#)

## Highlights for New Mexico Obesity

- New Mexico remains the state with the 32<sup>nd</sup> highest adult obesity rate in the nation, with a current obesity rate of 28.8%
- In 2015, 22.8% of White adults were considered obese, 37.5% of African Americans and 31.2% of Hispanics.
- Obesity rates in children (grade 3) continue to decrease from 19.9% in 2013 to 18.9% in 2015.
- American-Indian youth continue to have the highest obesity prevalence compared to their Hispanic and White counterparts.
- In 2015, more than 1 in 4 (25.6%) kindergarten students was overweight or obese.
- For more information, please see the following resources:
  - Robert Wood Johnson Foundation: [New Mexico: Signs of Progress Toward Reversing the Childhood Obesity Epidemic](#), February 2015.
  - New Mexico Department of Health: New Mexico Childhood obesity surveillance
- **For more information, please see the following resources:**
  - University of New Mexico Health Sciences Center County Health Report Cards:
    - [January 2016](#)
    - [January 2015](#)
  - United States Census Bureau: [State and County Quick Facts: New Mexico](#)
  - The New Mexico Center for Health Workforce Analysis Report to the New Mexico State Legislature:
    - [October 2015](#)
    - [October 2013](#)
    - [October 2012](#)
  - The Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute: [New Mexico County Health Rankings: Mobilizing Action Toward Community Health](#)
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 10<sup>th</sup> Edition, January 2016](#)
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 9<sup>th</sup> Ed.](#), December 2014
  - [Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 8<sup>th</sup> Ed.](#), October 2013
  - [American Indian Health Equity: A Report on Health Disparities in New Mexico](#), October 2013
  - The Henry J. Kaiser Family Foundation: [Teen Birth Rate per 1,000 Population Ages 15-19](#)
  - The Henry J. Kaiser Family Foundation: [New Mexico Health Status Indicators](#)
  - Robert Wood Johnson Foundation: [New Mexico: Signs of Progress Toward Reversing the Childhood Obesity Epidemic](#), February 2015
  - The Centers for Disease Control and Prevention: [Progress on Childhood Obesity](#)