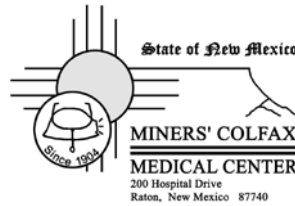


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Date: October 25, 2018
To: Legislative Finance Committee
Re: Fiscal Year 2020 Appropriation Request
Agency 66200-Miners' Colfax Medical Center

Outlined below is a summary of the Miners' Colfax Medical Center's (MCMC) Fiscal Year 2020 Appropriation Request. The request is slightly higher than in previous years due to rising costs of medical supplies, drugs and services. As MCMC does not receive any State General Fund appropriations, it will be necessary for MCMC to improve collections/reimbursement in the year ahead to offset the increase in medical costs.

Being a rural medical facility, MCMCs most significant challenge continues to be recruiting and retaining licensed clinical staff. As you are very aware, rural recruitment challenges are much greater as compared to the private, urban medical centers located in larger communities which have more favorable economic conditions. In addition, few privately run physician offices continue to exist in rural areas, and Northeastern New Mexico is no exception. To offset the loss of physicians operating private medical practices, it has become necessary for MCMC to expand its medical services to include a Rural Health Clinic, Women's Health Clinic (Obstetrics) and General Surgery Services. This has been accomplished through the employment of physicians, and mid-level providers (Physician's Assistant, Nurse Practitioner) and the staff required to support them. Though services and gross revenues have grown significantly, an increase in Full Time Equivalent (FTE) positions commensurate with the volume increase was never requested by the previous CEO/CFO as part of the annual budget process.

MCMC continues to work closely with the Department of Finance and with the State Personnel Office on its staffing concerns. Four physician (MD) positions, as well as the double filling of 12 current positions and use of 34 non-benefitted temporary (PRN) positions, have allowed MCMC to continue to grow and to operate at its current level. MCMC is now asking that the Fiscal Year 2020 budget incorporate these positions to efficiently and effectively staff the Hospital, Clinics and Long-Term Care facility. For this reason, a request of an additional 31 authorized FTE positions above the prior year is being requested, for a total of 255 FTEs. The only incremental cost over the prior year that is expected is the cost of benefits, as employees are converted from temporary/PRN status to permanent status. These positions are necessary for MCMC to provide safe and reliable care at current volumes.

In the ever-changing healthcare industry, MCMC continues to evolve and strives to be the model in providing quality, integrated healthcare to the Miners of New Mexico and the residents of the region.

Sincerely,
Bo
Bo Beames
Chief Executive Officer