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FISCAL IMPACT REPORT

SPONSOR: Begaye DATE TYPED: 2/24/03 HB 482

SHORT TITLE: Expand Access to Primary & Dental Health Care SB _____

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$1,200.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	Significant		Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB 173
Relates to HB 144, SB 133

SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH)
Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill appropriates \$1.2 million from the general fund to the Department of Health (DOH) in fiscal year 2004 to contract with rural primary health care and dental clinics to leverage federal dollars at newly established or expanded clinic sites.

Significant Issues

The proposed appropriation in HB 482 would permit leveraging of additional federal grant funds under the President's Community Health Center Initiative to meet the critical primary medical and dental care needs of underserved New Mexicans.

There is a federal initiative to double the number of community based care centers in the nation. New Mexico currently has over 75 community based care centers, providing the primary source of health care for approximately one quarter of a million individuals. Despite programs such as the Health Service Corps Act, the Medical Student Loan for Service Act, and the Health Professional Loan Repayment Act, counties, municipalities and other political subdivisions of government continually struggle with the availability of health care services. The shortage of health professionals and rising health care costs will continue to place significant demands on the New Mexico health care system and the state economy. Providing access to medical and dental services to rural, medically underserved, and health professional shortage areas requires a focused and coordinated approach.

According to the Primary Care Association, 17,000 New Mexican will be served if HB482 is enacted.

PERFORMANCE MEASURANCE

Performance Measure (II.B.2.1): Number of underserved communities with community-based primary care centers.

FISCAL IMPLICATIONS

The appropriation of \$1,200.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 04 shall revert to the general fund.

The President has established a Community Health Center Initiative for the nation aiming to double the number of new or expanded community-based primary care centers nationwide by 2006. All new centers receiving this funding are required to provide both medical and dental services to their patients. Primary care centers in New Mexico have competed successfully for this funding over the last few years. New or expanded centers in Silver City, Edgewood, Mora, Santa Fe, East Mesa (Dona Ana County), and Alamogordo have all benefited from this Initiative. In the current fiscal year federal applications are pending or to be submitted for new or expanded centers in Fort Sumner, Bernalillo, Socorro and Hobbs.

During the next 3 years it is anticipated that at least 5-10 applications could be developed each year for new or expanded health centers in New Mexico. This would permit a significant expansion of our health care safety net. The appropriation proposed in HB 482 could be used to leverage these federal grants and substantially improve access to primary medical and dental care.

ADMINISTRATIVE IMPLICATIONS

HB 482 would have some administrative impact upon the DOH. The appropriation requires additional procurement, contracting and monitoring activities to existing workloads under the Rural

Primary Health Care Act (RPHCA) Program. The DOH could administer this additional appropriation with current staff.

DUPLICATION, RELATIONSHIP

Duplicates: SB 173

Relates to:

House Bill 144 (HB 144) and Senate Bill 133 (SB 133) which would appropriate \$1,500,000 of the Tobacco Settlement Program Fund to the Department of Health in Fiscal Year 2004 to support capital infrastructure at rural health clinics.

HB 482 would support operation of some new or expanded rural health clinics that would also be eligible for coordinated capital funding from HB 144 and SB 133.

SB408 Rural Portable Dental Clinics for Children--provides \$100,000 for dental care for rural low-income children.

HB450 Community Dental Health Services--appropriates funding to provide statewide community dental health care services.

TECHNICAL

DOH specifies that HB 482 is directed to contract with “rural primary health care and dental clinics to leverage federal dollars at newly established or expanded clinic sites.” The appropriation is likely intended for community-based primary care centers eligible for support under the President’s Community Health Center Initiative as well as the RPHCA Program. It may be advisable to modify the eligibility language in HB 482 to more clearly reflect this intention.

OTHER SUBSTANTIVE ISSUES

Despite efforts over the years (and some progress), there are still significant gaps in access to dental and primary care services for many New Mexicans who reside in underserved areas of the state. The Federal government has designated all or part of 28 New Mexico counties as either medical or dental Health Professional Shortage Areas. Dental services are inadequate due to a shortage of licensed dentists, especially in rural and remote areas of the state. The needs of underserved New Mexicans are met, in part, by a network of community-based primary care centers. This network provides basic services to more than 230,000 patients each year. The Rural Primary Health Care Act (RPHCA) Program, administered by the DOH, provides financial support to more than 75 clinics in the network. The majority of patients at community-based primary care centers are either indigent or Medicaid program participants. Indigent patients receive services according to sliding fee schedules, based upon their ability to pay. It is estimated that an additional 200,000 New Mexicans statewide could benefit from the services of new or expanded health centers.

Special populations, such as patients with special needs (i.e., developmental disabilities, traumatic brain injury, etc.), would also benefit from the services provided by this appropriation. Such patients often require practitioners with specialized skills.

According to New Mexico Primary Care Association:

- There are 135 medical, dental and school based primary care centers that serve over 250,000 New Mexicans in 95 underserved communities in 31 counties.
- In calendar year 2001, 49% of operating revenues for primary care clinics were generated from patient revenues, 15% from State Rural Primary Health Care Act (RPHCA) funding, 26% from federal funds. Local funds and other sources made up the difference.
- 78% of community primary health clinics patients' income is 200% of the federal poverty level or lower. Charges for health care services are set on a sliding scale basis according to income.

According to the HPC's Quick Facts 2003 (available at hpc.state.nm.us):

- As of December 2001, New Mexico had 8 Indian Health Service Clinics and 106 State licensed Diagnostic Treatment Facilities and Rural Health Center offering primary medical care. (Map showing facility/health center locations is in Quick Facts 2003, page 11.)

AMENDMENTS

On Page 1, lines 18 and 19, replace "rural primary health care and dental clinics" with "... to contract with eligible primary care centers providing medical and dental care as defined in the Rural Primary Health Care Act, 1978 NMSA 24-1A-1"...

BD/njw