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FISCAL IMPACT REPORT

SPONSOR: Hurt DATE TYPED: 2/1/03 HB _____

SHORT TITLE: Expand Access to Dental and Health Services SB 173

ANALYST: Wilson

APPROPRIATION

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

REVENUE

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

Relates to SB 133 & HB 144

SOURCES OF INFORMATION

Responses Received From
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 173 appropriates \$1.2 million from the general fund to the Department of Health for the purpose of contracting with rural primary health care and dental clinics to leverage federal dollars at newly established or expanded clinic sites.

Significant Issues

SB 173 permits the 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 under-

served 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.

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 fiscal year 2003 shall revert to the general fund.

The federal government keeps new grants to rural clinics at the same percentage level of participation as previous ones. Federal grant formulas tend to work against new clinics.

The federal government views itself as the funding source of last resort. State investment in new community based primary care centers will increase the attractiveness of new fund applications to the federal agency.

ADMINISTRATIVE IMPLICATIONS

The appropriation in SB 173 will require additional procurement, contracting and monitoring activities to existing workloads under the Rural Primary Health Care Act (RPHCA) Program. The DOH can administer this additional appropriation with current staff.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 173 relates to House Bill 144 and Senate Bill 133 that appropriate \$1.5 million of the Tobacco Settlement Program Fund to DOH in Fiscal Year 2004 to support capital infrastructure at rural health clinics. SB 173 supports operation of some new or expanded rural health clinics that are eligible for coordinated capital funding from HB 144 and SB 133.

TECHNICAL ISSUES

DOH suggests 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"...

OTHER SUBSTANTIVE ISSUES

According to the DOH, new and expanded centers in Silver City, Edgewood, Mora, Santa Fe, East Mesa and Alamogordo have already benefited from the Community Health Center Initia-

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tive. Other communities standing to benefit from the Initiative include Fort Sumner, Bernalillo, Socorro and Hobbs. Each has applications pending for federal funding for new or expanded centers. The possibility exists to develop 5 to 10 applications for new or expanded health centers over the remaining 3 years of the President's program. The intent of the SB 173 appropriation is to help primary care centers supported by the RPHCA program become eligible and receive federal funding under the President's Community Health Center Initiative program.

DW/njw ;yr