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FISCAL IMPACT REPORT

SPONSOR Lopez DATE TYPED 1/31/04 HB _____

SHORT TITLE Indigent Dental Care SB 127/aSFC

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$400.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Human Services Department (HSD)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee Amendment removes the term “a non profit organization” from the bill. This change allows the DOH to open the RFP process to additional potential providers of the service. Reference is made to “Technical Issues” and “Amendments” below.

Synopsis of Original Bill

Senate Bill 127 appropriates \$400,000 from the general fund to the Department of Health (DOH) in fiscal year 2005 to provide funding for a nonprofit organization dedicated to providing dental care for indigent patients in various New Mexico communities.

Significant Issues

Community-based and non-profit dental clinics continue to report increasing demand for dental services to indigent patients. The proposed appropriation would be used to expand services to the underserved population of the State.

FISCAL IMPLICATIONS

The appropriation of \$400,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the General Fund.

Current DOH funding for indigent dental services is \$850,500 with an anticipated decrease of approximately 7.2% for FY '05. The funding is currently dispersed to six contractors at multiple sites throughout the state. According to DOH, new monies would improve access to dental care services and positively impact the oral health status of New Mexicans.

TECHNICAL ISSUES

The term “non-profit organization” limits the Department of Health to distribute funds to only non-profit organizations. In addition, SB 127 would require the funding to be provided to “a”, or one, non-profit organization, that would not comply with current procurement rules. The DOH would be required to expend these monies through a Request for Proposal (RFP) as procurement regulations do not allow for more than \$20,000 to be awarded to an individual provider under the sole source provisions.

OTHER SUBSTANTIVE ISSUES

HPC reports that:

- Current DOH contractual service costs average about \$127.00 per treated patient. Provided services primarily include diagnostic, preventative, and restorative services as well as a smaller number of endodontic, periodontic and oral surgery procedures.
- The appropriation in SB127, \$400.0, should increase the number of individuals served by about 50%, to 9,225 individuals in FY05.

The following socioeconomic indicators illustrate NM’s standing in oral health care:

- 49th in the country in oral health access;
- 50th in the country in poverty; and
- 22% of residents live in poverty compared to 13.2% for the country.

AMENDMENTS

In lines 18 and 19, strike the words “a nonprofit dedicated to providing”.

BD/yr:dm:lg