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## FISCAL IMPACT REPORT

SPONSOR Garcia DATE TYPED 1/30/04 HB \_\_\_\_\_

SHORT TITLE Health Professional Recruitment SB 229

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$750.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to:

SB 261 that appropriates \$75,000 to the DOH to expand recruitment efforts for health professionals hired by or through state agencies

HB 78 and SB 317 that appropriate \$750,000 to the DOH for recruitment of health professionals including nurse professionals.

### SOURCES OF INFORMATION

LFC Files

Responses Received From

- Department of Health (DOH)
- Health Policy Commission (HPC)
- NM Public Education Department (NMPED)

### SUMMARY

Synopsis of Bill

Senate Bill 229 appropriates \$750,000 from the general fund to the Department of Health (DOH) for expenditure in fiscal year 2005 to contract with a qualified nonprofit health professional recruitment agency to recruit nurse practitioners, certified midwives, nurses and clinical nurse specialists statewide for employment by or through state agencies.

### Significant Issues

SB229 supports recruitment of nurse practitioners, certified midwives, nurses and clinical nurse specialists statewide for employment by or through state agencies. The DOH recently reported a 14% health professional vacancy rate; this rate is inclusive of the nursing vacancy rate. SB229 assists the DOH to recruit nursing professionals in public health district offices and other settings, such as school-based health centers (SBHCs).

The shortage of health professionals and rising health care costs continues to place significant demands on the New Mexico (NM) health care system. Increasing the supply of nursing professionals improves access to medical services in rural and medically underserved areas. Public Health District Offices benefit as well as DOH providers that employ nurse professionals in primary care clinics and school based health centers.

Currently 29 of the State's 33 counties are designated as Health Professional Shortage Areas (HPSAs) for primary care by the federal Department of Health and Human Services.

### **FISCAL IMPLICATIONS**

The bill appropriates \$750.0 in general fund on a recurring basis. Under the Rural Primary Health Care Act (RPHCA), \$200,800 in general fund is currently provided to a qualified non-profit agency for the recruitment and retention of primary care providers to eligible, health professional shortage areas (HPSAs). However, this current funding addresses only a limited part of the need. The Rural Primary Health Care Act limits recruitment of health care professionals to rural areas of New Mexico. SB261 would not limit funding to rural recruitment only.

### **ADMINISTRATIVE IMPLICATIONS**

The DOH would administer the proposed appropriation with current administrative staff.

The NMPED have in place FTEs who may assist in any required collaboration with DOH nursing staff.

### **TECHNICAL ISSUES**

DOH points out that it is preferable to have the appropriation targeted to "a New Mexico non-profit corporation with federal 501(c)(3) tax exempt status which has a Governing Board of Directors whose membership is representative of the geographic areas and ethnic populations in New Mexico and is comprised of both health care providers and consumers and which is not be a health care provider or association of health care providers." This would be consistent with the statutory target of current recruitment activities under the Rural Primary Health Care Act (RPHCA).

### **OTHER SUBSTANTIVE ISSUES**

In past studies conducted by the NM Health Policy Commission, the University of New Mexico and New Mexico Health Resources, Inc., the estimated number of nurse professionals needed in NM is 800-1500 nurses.

New Mexico public schools have experienced a nursing shortage, as the current nurse/student ratio in New Mexico is one nurse for 888.56 students. This ratio is higher than the *National Association of School Nurses and Healthy People 2010* recommendation of one nurse for every 750 students.

Current priority sites for NM health professional recruitment include agencies that are part of the health care safety net, such as community hospitals, State health facilities, public health offices and community primary care centers. Health care safety net agencies are generally located in HPSAs.

#### **AMENDMENTS**

On lines 17 and 18, replace “a qualified nonprofit health professional recruitment agency” with "a New Mexico nonprofit corporation with federal 501(c)(3) tax exempt status which has a Governing Board of Directors whose membership is representative of the geographic areas and ethnic populations in New Mexico and is comprised of both health care providers and consumers and which is not be a health care provider or association of health care providers."

**BD/yr:dm**