

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 2/3/04 HB \_\_\_\_\_

SHORT TITLE Emergency Medical Personnel Training SB 368

ANALYST Geisler

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$800.0				Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
\$800.0			Recurring	Emergency Medical Services Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

The bill would appropriate \$800 thousand to the Emergency Medical Services Fund to provide education, training, certification and licensing to emergency medical services personnel for expenditure in fiscal year 2004 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund. The bill contains an emergency clause.

### Significant Issues

DOH provides that the cost of training EMS personnel has continued to rise as training courses become more technical and lengthy. Most rural EMS personnel have to travel to training, which is both expensive and time consuming. Volunteers, which continue to cover the large rural and frontier areas, are dwindling in New Mexico because of both the time and cost (often out of pocket) associated with volunteering. Formal EMS training and education is accomplished mostly at approved post-secondary educational institutions, which have even higher fees.

The EMS Fund Act provides a vital safety net of operational funding for EMS Services (ambulances and rescue squads) that helps support the costs to assure a rapid response to emergency calls for assistance and treatment/transport of patients. Currently, the EMS Fund Act is capable of meeting approximately 45% of the annual requests from the approximately 320 participating EMS services statewide. Most of the funding is used by EMS Services to pay for the operating costs including vehicle maintenance and fuel, utilities, physician medical direction, supplies and equipment, and personnel training and licensing.

An increase in any available funds to support statewide EMS system enhancement would improve the ability to reduce the rate of injury death in the state, which is currently second highest in the nation.

### **FISCAL IMPLICATIONS**

SB 368 would annually appropriate \$800.0 in general fund to the EMS Fund, managed by the Department of Health, \$800 thousand annually. This would raise the EMS Fund from its current FY 04 funding level of about \$3.4 million to about \$4.2 million annually. However, the \$800 thousand increase could only be used for training, certification and licensing of EMS personnel. This proposal is not in the Executive Budget recommendation.

### Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriations language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

### **ADMINISTRATIVE IMPLICATIONS**

SB 368 would slightly increase the workload for the EMS staff at the Department of Health. The costs associated with the increase would be covered through the existing 3% for administration, which would increase by \$24,000 if the appropriation were enacted. The existing DOH Regulation 7 NMAC 27.5, EMS Fund Act, would need to be amended to comply with the training and licensing provisions in SB 368.

### **OTHER SUBSTANTIVE ISSUES**

DOH provided background on EMS in New Mexico:

Operational costs of delivering EMS have continued to rise and rural/volunteer EMS Services struggle to pay these costs. Counties that operate EMS and ambulance services, without a sub-

stantial tax base, have difficulty in maintaining these services. In calendar year 2004, there are several EMS systems currently struggling to operate due to inadequate funding. The County Emergency Services Tax, which was enacted in FY2003, is being used by several counties to provide sufficient funding to pay for EMS services and emergency dispatch services. This tax on gross receipts must be approved by the governing body and a special election by the voters, and may be in increments of one-sixteenth of one percent up to one-fourth of one percent.

If SB 386 is enacted, a special funding program for EMS training could be established through the EMS Fund Regulations to pay for rural training and personnel licensing expenses, or the increase could be applied evenly to all EMS services through a formula approach. SB 386 is the result of a resolution passed last fall from the New Mexico Municipal League's Fire Chief's Association. The resolution addresses the increased costs for rural EMS services for both training and licensure of personnel. It also emphasizes that rural volunteer EMS Services are not compensated for operations, except through the EMS Fund. As stated above, it's estimated that only about 45% of EMS service needs are currently being met through the EMS Fund. This funding is critical to all EMS services, but particularly to volunteer EMS services.

EMS, in general, has seen a decline in the number of volunteers needed in rural areas. It is also difficult to recruit and retain advanced level EMS providers in rural areas. This funding could help overcome some of the issues in recruiting and retaining volunteers, paying for training and licensing, and would free up some existing EMS Fund dollars to pay for operational costs, such as supplies and equipment.

In 2003, an EMS Personnel Recruitment and Retention Study was initiated by the Department's Injury Prevention and EMS Bureau. Although the study is not yet completed, the top two recommendations made thus far by New Mexico Health Resources Inc. were:

- New Mexico must ensure an adequate supply of trained and motivated people to staff an EMS system that is losing personnel to age and to competing professions for young people.
- An on-going recruitment and retention initiative should be initiated within every community, as well as by the State

EMS in New Mexico has developed over the past thirty years into a well-organized safety-net prehospital response network of about 350 EMS Services and 7,000 licensed personnel. However, the system is extremely fragile in regards to volunteer personnel and funding to support operations, particularly in rural areas. SB 368 would provide significant help in paying for EMS training and licensing, and would enhance overall access, response and medical treatment to the people of New Mexico.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

The rising costs of EMS training and licensing will continue to make it difficult to recruit and retain EMS personnel, particularly in the rural volunteers

**GGG/yr:njw**