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FISCAL IMPACT REPORT

SPONSOR Miera DATE TYPED 2/26/05 HB 243

SHORT TITLE NM Health Sciences Center Compliance Program SB _____

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$672.3			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Endorsed by the Legislative Health and Human Services Committee.

House Bill 243 appropriates \$672.3 thousand from the general fund to the board of regents of the University of New Mexico for a base adjustment to the New Mexico health sciences center compliance program.

Significant Issues

According to the website for the University of New Mexico, Office of Government Affairs, the number one priority of the institution is to secure improved funding for the Health Sciences Center. This proposal was ranked as part of priority one of the nine research and public service expansion items submitted to the Commission on Higher Education.

The UNM – HSC at www.unm.edu/~govrel/HSCLLegislativeBriefing.pdf describes the compliance program as follows:

“Due to increased government regulation of health care billing and services, as well as increased scrutiny of research grants, academic health care institutions across the country have invested increasing amounts in compliance programs. Operating under a compliance pro-

gram is now a necessity for a health care institution to assure itself of compliance with legal obligations and simultaneously to minimize the likelihood of a government investigation. The HSC compliance program oversees all three mission areas: academic, clinical, and research. To date, the HSC has spent about \$1 million implementing a compliance program and is requesting recurring Legislative funding of \$672,300 to help cover the costs of this critical activity.”

FISCAL IMPLICATIONS

The appropriation of \$672.3 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund. The project was not included in the CHE request or the legislative or executive budget recommendations.

ALTERNATIVES

CHE notes indirect cost revenues from federal contracts and grants are unrestricted in that the governing board of the institution has the flexibility to choose which projects are supported with these funds. Indirect costs might be used for projects such as that proposed in this bill.

AW/yr:lg