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## FISCAL IMPACT REPORT

SPONSOR Saavedra DATE TYPED 02/27/05 HB 533

SHORT TITLE UNM Combined Medicine Degree Program SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$805.8			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 209

### SOURCES OF INFORMATION

- LFC Files
- Commission on Higher Education (CHE)
- Health Policy Commission (HPC)
- Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 533 appropriates \$805.8 thousand from the general fund to the board of regents of the University of New Mexico for the purpose of expanding enrollment in the school of medicine through a combined bachelor’s degree to medical degree program. The program is intended to increase medical school enrollment by approximately 25 percent and would target enrollment by native New Mexicans to promote retention of medical students to serve the state.

#### Significant Issues

According to the UNM Office of Government Affairs website, “the project would require a multi-year commitment from the legislature and the university to continue to fund incremental costs of the new program. The program will build on the School of Medicine’s educational pipeline directed toward middle school, high school, pre-college and college students interested in a career in medicine. Students will be admitted from high school to both the UNM College of Arts and Sciences and the School of Medicine. Local communities will participate in identifying, encouraging and mentoring potential applicants.”

CHE notes this proposal was ranked fourth out of nine research and public service expansion items submitted by the University of New Mexico for the FY06 funding cycle.

DOH notes University of New Mexico School of Medicine (UNM SOM) is the only school offering an MD degree in New Mexico, and has adopted, as a part of its mission, the goal of increasing recruitment and retention of physicians choosing rural/frontier practice in New Mexico. UNM SOM initiatives such as rural residency programs (i.e. Northern New Mexico Family Practice Residency) have met with some success, but until recently, the number of slots for medical students could not be increased because of federal requirements for lab space per student. An appropriation from last year will allow expansion of the number of slots for medical students to increase from 75 to 100 per academic year. This bill proposes that these 25 slots be earmarked for students from rural/frontier areas, as research has shown that such students are more likely to select a rural/frontier setting for practice.

This bill would fund the first year of an 8-year plan to recruit high school seniors from rural/frontier areas and enroll them in a combined bachelor/MD degree program, while maintaining their close ties to their rural/frontier home community through summer internships through out their college and medical school years. Phase One funding, the undergraduate phase, would provide scholarships, recruitment activities, course development, tutoring and other student support. In addition to expanding medical student slots, and recruiting rural and frontier area students early in their schooling (high school juniors and seniors) for placement in a combined degree program, this program would also help to address the exodus of top high school students to out-of-state and private colleges by offering a UNM-based path to medical school.

HPC notes New Mexico has a serious physician shortage in all counties except Bernalillo and Los Alamos. All counties but these two are designated Health Professional Shortage Areas by the federal government. Within Bernalillo County there is a shortage of physicians in selected specialties. The *Physician Supply in New Mexico* study published in May 2003 confirmed the shortage in that the state has 169 physicians per 100,000 population compared with a Health Resources Services Administration recommended number of 240 per 100,000 population.

HPC notes the bill does not address whether New Mexico natives are given an “affirmative action” type of preference or exactly how graduates would be encouraged to stay in New Mexico upon completion of their training.

## **PERFORMANCE IMPLICATIONS**

HPC notes “neither the state nor UNM Medical School have committed to specific targets regarding the proportion of their graduates who will choose to practice in rural and other underserved New Mexico communities. To deny the role of the medical school admissions process, faculty incentives or lack thereof for retention in effecting where graduates choose to practice is to deny a wealth of published research to the contrary. It is hard to hit a target for retention percentages when those targets have not been set. Recommend an amendment tying future state support to demonstrated percentage target increases in graduates and residents who practice in the future in New Mexico. Targets could be given to the school and individual departments to meet for retention with the progress measured yearly...”

HPC suggests “an assessment of why graduates leave New Mexico to practice elsewhere be

added as well as a survey of incoming and graduating residents about plans for New Mexico practice.”

HPC also suggests the bill require a multi-community physician mentoring program for upper level residents and fellows to encourage them to stay in state.

HPC notes the track record of retention (*UNM Location Report 2004* published by the School of Medicine) shows the following:

- 1,302 physicians who received their MD and/or completed their residencies at the UNM School of Medicine are licensed to practice in New Mexico. This represents 25% of the School's total number of MD recipients and former residents (N=5,273).
- From 1994 to 2003, the number of UNM-trained physicians practicing in New Mexico has grown from 819 to 1,302, a 63 percent increase. Of the 3,991 physicians licensed to practice and in New Mexico, 33 percent are MD recipients and/or former residents of the UNM School of Medicine.

However, data provided by the UNM School of Medicine shows that while the number of UNM graduates increased 40 percent from 1994 to 1999 there has been only a 4% increase between 2000-2003.

Data back to 1978 shows the retention rate of graduates in practice in New Mexico or in training in NM as low as 21 percent.

Many studies of predictors of retention have suggested that the medical students and resident trainees that are more likely to remain in that state to practice have the following characteristics:

- Underrepresented minorities
- Graduates from primary care training programs
- Individuals from rural areas (practice in rural areas)
- Graduates from programs in states with large populations (larger population states are more likely to retain their student and resident graduates). (Source: UNM SOM presentation before Blue Ribbon Tax Commission 2003)

## **FISCAL IMPLICATIONS**

The appropriation of \$805.8 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The CHE request for FY06 included \$500.0 for the BS/MD Community Partnership Physicians program, but did not fully fund the UNM request of \$805.8 as reflected in this bill. Neither the LFC recommendation nor the Executive recommendation for FY06 includes funding for the program.

## **OTHER SUBSTANTIVE ISSUES**

CHE notes three major factors that contribute to the current workforce environment include high poverty levels, a largely government based economy and demographic changes. Demographic changes include large numbers of people (aged 22-29) with college degrees leaving the state while those coming into the state have much less education. Additionally, the state is losing people in the 30-64 year age bracket, many of them highly educated.

CHE notes professionals move out of the state for numerous reasons, including low reimbursement rates, high levels of Medicaid, poor work environments, rural populations and minimal professional interaction. Additionally, the existing health care work force is aging (i.e. looking toward retirement), and there are not sufficient replacement professionals in the pipeline.

Currently, several medical professional recruitment and retention programs are underway in New Mexico. Oversight for the programs comes under the Department of Health, Rural and Primary Care; the Commission on Higher Education; and the University of New Mexico, Health Sciences Center, School of Medicine. Those programs are: J-1 Visa Waiver Program, New Mexico Health Service Corps, Specialty Extension Services Program, Locum Tenens Program, Health Loan-for-Service Program, Health Professional Loan Repayment Program, Western Interstate Commission on Higher Education (WICHE), and Baylor Dentistry Program.

## **ALTERNATIVES**

DOH notes the possibility of considering language to address Native Americans who reside in New Mexico but were born out of state or who live on tribal lands adjacent to New Mexico. Another option would be to include resident New Mexicans but give priority to native New Mexicans and/or Native Americans residing in rural communities.

**ANA/rs**