

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 be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 01/27/05 HB _____

SHORT TITLE Increase Primary Care Clinic Capacity SB 8

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1,200.0				General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 8 appropriates \$1.2 million from the general fund to the Department of Health (DOH) for the purpose of obtaining additional federal grant funds under the President’s Community Health Center Initiative to increase the capacity of primary care clinics providing medical, dental and behavioral health services in New Mexico.

Significant Issues

A network of community-based primary care centers providing basic services to more than 230,000 patients each year helps to meet the health care needs of underserved New Mexicans. The Rural Primary Health Care Act (RPHCA) administered by the DOH provides financial support to more than 80 clinics in the network. The primary purpose of the RPHCA is to provide awards ranging from \$64,000 (single clinic site) to over \$1,000,000 (multiple clinic sites) for nonprofit community or tribal facilities that provide primary health care services to residents of a health care underserved area. The majority of patients are either indigent or Medicaid program participants. Indigent patients receive services according to sliding fee schedules based upon their ability to pay. All programs must have policies and procedures’ assuring no one is denied services because of the inability to pay. According to the Department of Health an additional

200,000 New Mexicans statewide could benefit from the services of new or expanded health centers.

The President has established a Community Health Center Initiative for the nation aiming to double the number of new or expanded community-based primary care centers nationwide by 2006. All new centers receiving this funding are required to provide both medical and dental services to their patients. According to the Department of Health, primary care centers in New Mexico have competed successfully for this funding over the last few years with new or expanded centers in Silver City, Edgewood, Mora, Santa Fe, East Mesa (Dona Ana County), Fort Sumner, Socorro and Alamogordo. In the current fiscal year federal applications are pending for new or expanded centers in Bernalillo and Hobbs. In addition, there have been numerous supplemental grants given to existing health centers to expand the comprehensiveness of their services to include dental and basic behavioral health care. During the next year, it is anticipated that at least 5 applications could be developed for new or expanded health centers in New Mexico.

PERFORMANCE IMPLICATIONS

The DOH claim the appropriation in SB 8 supports the DOH Strategic Plan, Program Area 2: Health Care Delivery – Public Health Division; Strategic Direction: Improve access to health services in agency-funded primary care centers.

Client data could be collected for reporting on identified performance measures, to include the best practice preventative health and treatment modalities specific for each population.

FISCAL IMPLICATIONS

The appropriation of \$1.2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The appropriation in SB 8 is not included in the executive budget recommendation.

ADMINISTRATIVE IMPLICATIONS

The DOH has stated that they can fulfill the provisions of this bill with existing resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 8 relates to the base budget appropriation for the DOH for services provided through the Rural Primary Health Care Act Program; the base budget is contained in the General Appropriation Act.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

According to the Governor's Task Force on Health Care Coverage and Access Report, access to care is the ability of people to obtain timely, cost-effective, affordable health care. Access to healthcare is not merely a problem of not having a local physician. If the patient cannot pay for the physician visit and has no coverage, there is no access to health care. If a physician does not accept Medicaid patients, it limits access to health care for that population. According to the NM Health Policy Commission, access to primary care services for low-income and uninsured people has improved in recent years. However, access to specialty medical care, mental health care and dental services continues to lag.

Twenty-eight New Mexico counties are considered Health Professional Shortage Areas and/or medically underserved areas. Several medical professional recruitment and retention programs are underway in New Mexico. These programs are: J-1 Visa Waiver Program for foreign graduates, 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, and the Baylor Dentistry Program.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

According to the Department of Health, if SB 8 is not enacted, the amount of additional federal funding support from the Community Health Center Initiative could restrict expansion of existing or the growth of additional primary care clinics in rural areas.

POSSIBLE QUESTIONS

What are the types of different services and specialties provided by community health centers and how many clients are served in each?

Since funding under the RPHCA may not be used for specialty care or home health, how is the DOH addressing these needs in rural areas?

What kind of preventative care services and programs are being offered in the rural areas through the community health centers?

AHO/yr