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 <u>F</u>	lainaldi	DATE TY	PED <u>2/28/</u>	05 HB		
SHORT TITLE Gallup Cancer Treatment Facility				SB	1013	
				ANALYST	Hadw	viger
<u>APPROPRIATION</u> (in \$000s)						
Appropriation Contained Es		Estimated Add	Estimated Additional Impact		ring Rec	Fund Affected
FY05	FY06	FY05	FY06			
	\$1,000.0			Recurr	ing	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA) Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 1013 appropriates \$1 million from the general fund to the Department of Finance and Administration (DFA) for distribution to the City of Gallup to contract for services with a health care facility specializing in cancer treatment.

Significant Issues

The Department of Health indicated that each year an average of 6,300 new cases of cancer are diagnosed in New Mexico. Cancer is the second leading cause of death in the state, causing about one in every five deaths. Current oncology services in Gallup include one medical on-cologist at Rehoboth McKinley Medical Center who can provide chemotherapy infusions. There is no radiation oncologist or radiation therapy, meaning that fully integrated oncologic therapy is not available. There are no oncology services at Gallup Indian Medical Hospital. According to the New Mexico Oncology Hematology (NMOH), the appropriation in SB1013 would go to the City of Gallup to purchase land for a cancer treatment center that would most likely be owned by

Senate Bill 1013 -- Page 2

the McKinley Development Foundation (MDF), a 501c(3) not-for-profit organization. MDF would lease the building to NMOH, who, in turn, would staff and equip the facility. The NMOH business plan includes contracting with Medicaid, Medicare, Indian Health Services, and providing 20% of services to the uninsured at no cost.

PERFORMANCE IMPLICATIONS

SB1013 supports the DOH Strategic Plan: Program Area 2: Health Care Delivery – Public Health Division, *Strategic Direction:* Improve access to health services. The bill has no direct impact on the DFA performance plan.

FISCAL IMPLICATIONS

The appropriation of \$1 million 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.

ALTERNATIVES

DFA suggested this bill should be administered through DOH. DFA does not have the same resources that DOH may have regarding the licensing of these businesses. DOH may have information regarding facilities that are able to carry out the specialized work involved with caring for cancer patients.

DH/lg