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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/07

SPONSOR Trujillo LAST UPDATED _____ HB 293

SHORT TITLE St Vincent Electronic Record Repository SB _____

ANALYST Hanika Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$2,000.0	non-recurring	general fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 293 appropriates \$2 million to the Department of Finance and Administration (DFA) in FY08 to establish and implement an electronic medical records repository at St Vincent Regional Medical Center for hospitals, providers, and doctors in northern New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in HB 293 is considered a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund. St. Vincent's Regional Medical Center indicates that this system will be self-sustaining and will utilize in-house staff for operation and cover any on-going system maintenance costs.

HB 293 relates to a component of "Invest NM", investing funds in the state's infrastructure, including communication systems.

SIGNIFICANT ISSUES

DFA reports that north central New Mexico has no electronic system for tracking medical records at this time. The bill proposes to plan and design a mechanism for the medical center to enter information to a central database and be available in real time to other hospitals and doctor's offices. This may decrease the number of medical mishaps associated with drug to drug interactions, duplicate prescription fraud by individuals that visit multiple doctors for the same condition, as well as provide advanced care to patients with long term or threatening illness. St. Vincent's Regional Medical Center indicates that in 2006 approximately 1.5 million people nationally were affected by medical errors resulting in \$3.5 billion in treatment costs. Congress is calling on all health care providers and pharmacies to implement electronic medical records by the year 2010.

PERFORMANCE IMPLICATIONS

The software and hardware have been selected following the states procurement code under an RFP process and the repository can be completed by June of 2008. DFA reports the State along with the University of New Mexico Hospital installed intele-health lines.

ADMINISTRATIVE IMPLICATIONS

DFA will have direct oversight of the appropriation and ensure that the appropriation is expended in accordance with the states procurement process. The department will work closely with St. Vincent's to provide technical assistance in the establishment and implementation of a medical records repository.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB 122, which appropriates \$1.5 million from the general fund to the Human Services Department to assist in the adoption of electronic health records by funding pilot projects in Taos, Chaves, Hidalgo, Luna and Grant counties.

Relates to SB 294, which appropriates \$300 thousand from the general fund for St. Vincent's Hospital Medical Center to establish an integrated systems for communicating electrocardiogram information.

TECHNICAL ISSUES

An assumption is made within HB 294 that the establishment of an electronic medical records repository is considered "maintenance" and within the original intent of Article IV, Section 31 of the New Mexico Constitution.

OTHER SUBSTANTIVE ISSUES

When asked by DFA if St. Vincent's Hospital is eligible to receive Legislative appropriations in light of limitations contained in the New Mexico Constitution, the Assistant Attorney General in a memo to the state Board of Finance dated 05/11/06 stated "...appropriations made by the Legislature to St. Vincent's for its maintenance are not prohibited by the New Mexico Constitution".

House Bill 293 – Page 3

The Assistant Attorney General further states that the language within Article IV, Section 31 and Article IX, Section 14 of the New Mexico Constitution makes clear that the limited prohibition to receive a Legislative appropriation does not include a hospital or charitable institution that received maintenance appropriations, prior to Statehood, from the Legislative Assembly of the Territory of New Mexico of 1909. Those recipients remain eligible today to receive legislative appropriation in his professional judgment.

AHO/mt