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FISCAL IMPACT REPORT

ORIGINAL DATE 2/08/07

SPONSOR Heaton LAST UPDATED _____ HB 693

SHORT TITLE Primary Care Clinic Electronic Records SB _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$61.4	\$61.4	\$122.8	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: SB 656
 Relates to HB 78, SB 91
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 693, for the Legislative Health and Human Services Committee, would appropriate \$2 million from the General Fund to the Department of Health (DOH) in FY 2008 to implement electronic patient health records in primary care clinics eligible to receive funds under the Rural Primary Health Care Act (RPHCA).

The funds are to assist these primary care clinics in developing analyzable, comprehensive patient records, including laboratory and radiology test results. The new records systems are to

export information or data to state, federal and regional registries and databases; improve practitioner access to evidence-based protocols, decision support tools and best practices in disease management and prevention programs; permit prescribing of medications with alerts for adverse drug reactions; allow measurement of patient outcomes; involve patients in their health care through personal health records and web portals; lead to reduction of medical errors; and achieve cost savings through elimination of unnecessary or duplicative treatment and diagnostic tests. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

FISCAL IMPLICATIONS

DOH notes that the funds included in HB 693 to implement electronic medical records for rural primary clinics are not part of the Governor's executive budget recommendation. The executive is supporting a \$2 million special appropriation for telehealth which includes funding to create an electronic medical records and health information exchange system.

The executive and Legislative Finance Committee recommendations for FY08 include \$10,330,700 from general funds and \$2,328,000 from County Supported Medicaid Funds for RPHCA contracts. The executive recommendation includes an additional \$3.0 million expansion for general clinic operations, bringing the total general fund recommended by the Executive to \$13,330,700.

DOH notes that the bill will have an operational impact on DOH. They estimate that one additional FTE at a cost of \$61,410.53 would be required to oversee this project.

SIGNIFICANT ISSUES

The RPHCA program, administered by DOH, provides financial support to 82 clinics statewide through contracts with nonprofit organizations and governmental entities. In FY 06, these clinics reported over 780,000 primary care patient visits.

The New Mexico Primary Care Association (NMPCA) has indicated, in presentations before interim Legislative committees, that a total investment of \$4 million over two fiscal years would permit widespread implementation of these systems, supporting 200 providers in the primary care center network. The proposed appropriation represents the first year's portion of the NMPCA request.

DUPLICATION AND RELATIONSHIP

HB 693 is duplicated by SB 656. HB 693 relates to HB 78/SB 91 which would appropriate \$3 million from the general fund to the DOH in FY 2008 pursuant to the Rural Primary Health Care Act (RPHCA) to support operating costs associated with providing uncompensated care to low income, rural and underserved New Mexicans and to maintain the state's primary care safety net.