

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

ORIGINAL DATE 02/23/07

SPONSOR Gutierrez LAST UPDATED \_\_\_\_\_ HB 764

SHORT TITLE Move Health Policy Commission SB \_\_\_\_\_

ANALYST Geisler

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		.01, Minimal			Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 764 proposes to move the New Mexico Health Policy Commission (HPC), currently administratively attached to the Department of Finance and Administration (DFA), to the New Mexico Department of Health (DOH) by creating an Office of Policy and Multicultural Health (OPMH) within DOH. HB 764 proposes to move the HPC staff to DOH; replace the commission with an advisory board, and provide for transfers of functions, personnel, property, contracts and statutory references.

In addition, HB 764 adds the Aging and Long-Term Services Department and the Indian Affairs Department to the membership of the Interagency Behavioral Health Purchasing Collaborative.

### FISCAL IMPLICATIONS

HB 764 eliminates the budget of the HPC and transfers it to DOH. Elimination of the HPC would provide some small savings by elimination of duplicative overhead costs.

## SIGNIFICANT ISSUES

Abolishing the Health Policy Commission and moving its functions to a cabinet agency would appear to have the effect of eliminating an independent source of health related research and information for policymakers.

According to DFA, the bill aims to reduce the duplication and streamline executive functions by creating a single state health policy entity. Efficiencies are likely to result from the proposed consolidation since DOH currently leads the state on many health policy issues and is one of the major users of health data currently collected by HPC.

### DOH provides:

HB 764 is a bill introduced on behalf of the governor.

HB 764 will create a single state health policy entity within DOH, providing for an increased ability to coordinate efforts, forward recommendations and synthesize policy. DOH and HPC are currently required by statute to co-author the State's Comprehensive Strategic Health Plan.

The integration of the HPC into DOH will result in increased efficiency related to data access, analysis and timely description and dissemination of prioritized health-related policies and policy recommendations. DOH possesses extensive expertise in the collection, analysis, and dissemination of data and information. The health information system (HIS) maintained by the HPC (including the Hospitalization Inpatient Discharge Data (HIDD), Geographic Data Access System (GADS), Health Facility Charity Care and Capital Assets Database) contains crucial data sources to inform DOH policy and strategic planning. The combination of epidemiological expertise with HPC data systems will enhance the state's ability to use health information to decide, evaluate and implement health initiatives. For example, the combination of resources can provide analysis of hospitalization and cost related to immunization, attempted suicide, infectious disease, pregnancy, nonfatal injury, and substance use.

The evolution of a 9 member commission appointed by the Governor to an advisory board consisting of four members appointed by the Governor, two members appointed by the Speaker of the House of Representatives and two members appointed by the President Pro Tempore of the Senate provides increased linkages among the Executive and Legislative branches of government in the development and evaluation of health policy.

The Board will independently review health data and make recommendations related to health policy to DOH. Annual reporting to the Legislative Finance Committee and the interim Health and Human Services Committee on policy implementation and progress will be required.

### HPC provides:

The statute for the HPC (§ 9-7-11.1(C). NMSA 1978) states the New Mexico health policy commission is to provide a forum for the discussion of complex and controversial health policy and planning issues and for the creative exploration of ideas, issues and problems surrounding health policy and planning, including the interrelations with education, the environment and economic well-being.

As such, the commission has provided independent research analyzing all sides of policy issues and initiatives whose objective research and information could be viewed as factual. Proposed language in HB 764 is silent with respect to being a “forum for the discussion of complex and controversial health policy and planning issues” and to “serve as a neutral forum for the creative and collaborative exploration of solutions to health information needs” as is the function of the HPC today.

This proposed change in language limits the Health Policy Commission changing the scope to an *advisory board* in comparison to a commission that *monitors the implementation of state’s health policy* §9-7-11.2E NMSA 1978 and has *investigatory powers* §24-14A-4.2 NMSA 1978.

### **ADMINISTRATIVE IMPLICATIONS**

HPC notes that the transition to the Department of Health is one which will require planning and potentially additional fiscal resources, especially if the information systems activities associated with the Hospital Inpatient Discharge Data base is moved. It is not clear from a statutory review what the legal implications could be as it relates to the HIS (Health Information Systems) ACT and the HIDD data base. Despite the fact that the “Commissioners” role would become advisory in nature, the advantage to the state is the opportunity financially, for the agency under DOH, to meet its many statutory duties which it is strained to meet today due to budget considerations.

GG/mt