

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 02/07/07

SPONSOR King LAST UPDATED _____ HB HM 17

SHORT TITLE Nurse Recruitment & Retention SB _____

ANALYST Hanika Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$.1 see narrative			Non- Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 17 formally requests the Health Policy Commission to study and make policy recommendations to increase nurse recruitment and retention in New Mexico hospitals.

FISCAL IMPLICATIONS

Additional costs to state agencies incur with the commencement of studies that impact staff and resources which may need to be redirected.

SIGNIFICANT ISSUES

The Memorial has the following comments:

- Research and concern are increasing regarding the nursing work force and projected short- and long-term shortages of nurses.
- New Mexico hospitals and other health care providers are facing serious shortages of professional nurses.
- Physicians and nurses agree that hospital staffing levels of nurses are often inadequate to ensure safe and effective care of patients, diminishing inpatient capacity, which leads to emergency department overcrowding.
- A 2001 national study identified a clear link between nurse staffing levels, job dissatisfaction and nurse retention.

House Memorial 17 – Page 2

- The need to attract and retain greater numbers of nurses within New Mexico will continue for the foreseeable future.
- A well-qualified, satisfied, stable and adequate supply of nurses is a shared concern for employers, employees, consumers, families and private and public payers of hospital services.
- Increased nurse recruitment and retention could result in reduced errors, increased patient safety and outcomes and improved job satisfaction for nurses.
- There currently is no hospital in New Mexico that has obtained "magnet recognition status" by the American nurses credentialing center.

The Memorial requests the Health Policy Commission report its findings and recommendations to the Legislative Health and Human Services Committee at its October 2007 meeting.

PERFORMANCE IMPLICATIONS

The Health Policy Commission along with others with knowledge and interest in nursing will be required to conduct a study to include:

- research and study of hospital environments that attract nurses, provide them with job satisfaction, encourage them to give high-quality care and make them want to remain within the nursing profession;
- research what other states are doing or considering to make hospital nursing more attractive;
- analyze turnover rates, vacancy rates, patient outcomes data, nursing-sensitive quality indicators and organizational factors that lead to the development of best practices in hospital nursing.

OTHER SUBSTANTIVE ISSUES

The "Magnet Recognition Status" was established in 1993. It is the highest level of recognition that the American Nurses Credentialing Center can accord to organized nursing services in health care organizations.

This recognition indicates excellence in nursing services, development of a professional milieu, and growth and development of the nursing staff. The "Magnet Recognition Status" is valid for a four-year period, after which the recipient must reapply.

POSSIBLE QUESTIONS

What kind of efforts have been made to seek additional funding from hospitals for this effort considering this study may greatly benefit hospital recruitment and retention rates?

AHO/csd