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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/17/08

SPONSOR Picraux LAST UPDATED \_\_\_\_\_ HB 158

SHORT TITLE Southwestern NM Primary Care Residences SB \_\_\_\_\_

ANALYST Geisler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$350.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 158 proposes to appropriate \$350,000 from the general fund to the Department of Health to provide training and related services for primary care residents in southwestern New Mexico in order to help rural communities recruit and retain physicians pursuant to the provisions of the Rural Primary Health Care Act. Any remaining balance at the end of fiscal year 2009 would revert to the general fund.

### FISCAL IMPLICATIONS

HB 158 would appropriate \$350,000 to the DOH for the primary care residencies. The DOH base budget for FY09 has \$73,000 for training for primary care physicians (residents) in southwestern New Mexico.

### SIGNIFICANT ISSUES

The appropriation proposed in HB 158 would provide funding for training and related services in a primary care residency program in southwestern New Mexico. This would support the placement of medical and dental residents from the University of New Mexico Health Sciences Center residency program and other New Mexico residency programs in that part of the state.

Health professionals typically establish practices in areas similar to where they are trained, so the placement of medical residents in southwestern New Mexico will likely be an effective way to recruit and retain physicians and dentists in a chronically underserved area.

Hidalgo Medical Services, a community-based primary care center operating in Grant and Hidalgo Counties, currently accepts a limited number of placements of primary care residents within its operations. In general, the cost of residency training is underwritten by Graduate Medical Education (GME) payments received by academic training institutions from the Medicare and Medicaid programs. These payments cannot easily be used to support the costs of outplacements at locations such as those of Hidalgo Medical Services. Other funds are required to offset both resident compensation, travel expenses and local supervision and instruction. This appropriation would permit a more routine placement of medical and dental residents in southwestern New Mexico.

Primary care can include several different specialties - Family Practice, General Pediatrics, General Internal Medicine, Obstetrics/Gynecology, Dentistry and Psychiatry. Residents placed at Hidalgo Medical Services have come mainly from two of these specialty areas. This appropriation would permit placement from an expanded range of specialties.

#### **ADMINISTRATIVE ISSUES**

If HB 158 were enacted the Department would manage the appropriation with other rural health/primary care appropriations and with existing staff.

#### **OTHER SUBSTANTIVE ISSUES**

Hidalgo and Grant Counties are both designated by the federal government as critical Health Professional Shortage Areas. The proposed appropriation could increase the number of physicians and dentists practicing in this area and address this health care access disparity.

GG/mt