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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/08

SPONSOR R. Martinez LAST UPDATED \_\_\_\_\_ HB 596

SHORT TITLE Grant & Hidalgo Physician Training SB \_\_\_\_\_

ANALYST Geisler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$175.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 158

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

House Bill 596 appropriates \$175,000 from the general fund to the Department of Health (DOH) for expenditure in FY 2009 for training and development of primary care physicians in Grant and Hidalgo Counties. Any unexpended balance remaining at the end of FY 2009 would revert to the general fund.

### FISCAL IMPLICATIONS

The additional funding in HB 596 is not a part of DOH's FY09 executive budget request. The DOH base budget for FY09 has \$73,000 for training for primary care physicians (residents) in southwestern New Mexico.

### SIGNIFICANT ISSUES

HB 596 would provide funding for training and related services to develop primary care physicians in Grant and Hidalgo Counties, both classified as Health Professional Shortage Areas

(HPSAs), where an important percentage of the population resides in underserved rural areas. Health professionals typically work in areas similar to where they are trained, so the placement of medical students and residents Southwestern New Mexico is an effective approach to recruit and retain physicians 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 their operations. In general, the cost of residency training is mostly underwritten by Graduate Medical Education (GME) payments received by 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 training and placement of medical residents in Grant and Hidalgo Counties.

The Health Policy Commissioners at their January, 2008 meeting endorsed this bill. With half of the physicians in Grant County over the age of 55, the county will be needing replacement physicians in the near future.

UNM Health Sciences Center information indicates that physicians often go into practice in proximity to where they received their training. HB 596 promotes that concept with the appropriation directed towards training programs in Grant and Hidalgo counties.

## **RELATIONSHIP**

HB 596 is related to HB 158, which would provide an appropriation of \$350,000 for a primary care residency program in Southwestern New Mexico.

GG/bb