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FISCAL IMPACT REPORT

SPONSOR Candelaria **ORIGINAL DATE** 01/30/14
LAST UPDATED 02/07/14 **HB** _____

SHORT TITLE Health Care Work Force Working Group **SJM** 6/aSPAC

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$8.0	\$8.0	\$24.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico Health Sciences Center (UNMHSC)

Department of Health (DOH)

Human Services Department (HSD)

Board of Nursing (BON)

Board of Medical Examiners (BME)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Joint Memorial 6 provides for the following:

- Change the convening of the Health Care Work Force Working Group from the secretary of the Department of Health to the chancellor for health sciences at the University of New Mexico;
- Add to the membership of the Health Care Work Force Working Group a representative

engaged in health care work force training from an institution of higher education that is not part of the University of New Mexico; and

- Transmit an additional copy of the memorial to the chancellor for health sciences at the University of New Mexico.

Synopsis of Original Bill

Senate Joint Memorial 6 would establish a Health Care Working Group as follows:

1. The secretary of the Department of Health (DOH) is requested to convene a Health Care Work Force Working Group with membership drawn from:
 - a. Department of Health (DOH)
 - b. Human Services Department (HSD);
 - c. Legislative Finance Committee (LFC);
 - d. Economic Development Department (EDD);
 - e. Leadership of the Legislative Health and Human Services Committee (LHHS); and the New Mexico Health Policy Commission (HPC).
2. The Health Care Work Force Working Group is requested to meet monthly from April through September 2014 and would be supported by staff from the Legislative Council Service (LCS) and LFC to help carry out the work of the group.
3. The Health Care Work Force Working Group would create advisory groups made up of representatives from:
 - a. Consumer advocacy organizations;
 - b. Health care provider organizations including hospitals;
 - c. Health professional recruiters;
 - d. Institutions that train health care providers;
 - e. Native American nations, tribes, and pueblos; and
 - f. Organizations representing traditionally underserved populations.
4. The Health Care Work Force Working Group is requested to:
 - a. Receive input and recommendations from the public and from advisory groups;
 - b. Present to the governor and the Legislature recommendations and proposed action steps for administrative legislative, regulatory, operational and financial initiatives necessary to develop the health care work force;
 - c. Make recommendations regarding capturing revenue generated from the federal funds related to the expansions of the state's Medicaid program and subsidies for the purchase of health insurance through the New Mexico health insurance exchange;
 - d. Make recommendation on how available revenue can be used to expand the health care work force;
 - e. Review the effectiveness of existing tax incentives aimed at developing and

maintaining the state's health care work force and make recommendations on how those credits may be revised or redirected.

The memorial would have the Health Care Task Forced Working Group present its recommendations to the governor, LFC, and LHHS by October 1, 2014.

FISCAL IMPLICATIONS

The Human Services Department (HSD) indicates SJM 6 would require representation from HSD at a monthly meeting from April through September 2014. Some additional work outside of the scheduled meetings would also likely be necessary, and would require approximately 10 percent of one HSD FTE at an annual estimated cost of \$8 thousand.

SIGNIFICANT ISSUES

DOH and University of New Mexico Health Sciences Center indicate SJM 6 overlaps with Section 24-14C-1 NMSA 1978 (Chapter 24, HB 19, 2012 legislative session), and many tasks outlined in SJM 6 are currently in this statute. Much of the content and activities in SJM 6 are under the purview of the state Health Care Workforce Committee convened by the University of New Mexico Health Sciences Center. DOH is a key member of the committee and reports back to the DOH Secretary on recommendations and findings.

The Legislative Finance Committee's Performance Evaluation unit, in collaboration with DOH, conducted an evaluation on the *Department of Health and Allied Agencies Adequacy of New Mexico's Healthcare Systems Workforce* in May 2013. This report has contributed to the work of the existing Health Care Workforce Committee and LFC staff members are on the committee. The committee's membership further includes academic institutions, state agencies, community-based organizations, health professional associations, healthcare providers and other stakeholders.

OTHER SUBSTANTIVE ISSUES

The Board of Nursing indicates 32 of the state's 33 counties have at least one type of health professions shortage area (HPSA) classification. Specifically, primary care has 39 HPSAs (including 18 entire counties), dental care has 35 HPSAs (21 entire counties), and 29 counties are designated as mental health shortage areas.

Professional shortages also exist for emergency medical personnel, pharmacists, laboratory technicians, behavioral health professionals, nurse practitioners, nurses, and many allied health professionals such as physical and occupational therapists.

Rural, geographically remote Hispanic and Native American communities in New Mexico are in areas with the most significant shortage of health professionals in the nation. Studies have shown that students who participate in programs that encourage rural and underserved community involvement are more likely to eventually work in these communities.

The Board of Medical Examiners indicates the number of first time physician licenses issued in New Mexico has increased by at least 200 per year since 2010 due in part to the New Mexico Medical Board expediting its licensure processes, which may be an incentive for physician

Senate Joint Memorial 6/aSPAC – Page 4

licensure in New Mexico. The New Mexico Medical Board has been working to develop and maintain the state's health care work force through its expedited licensure process and its "First Permanent Licensure" initiative, i.e., no initial triennial licensure fee if New Mexico is the first state of licensure for medical doctors and physician assistants.

RAE/jl:ds