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FISCAL IMPACT REPORT

SPONSOR Kernan ORIGINAL DATE _____ LAST UPDATED _____ HB _____

SHORT TITLE Health Professional Loan Repayment Funding SB 240

ANALYST Chilton

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
\$185.0	\$185.0	\$185.0	Recurring	Physician Excellence Fund
\$185.0	\$185.0	\$185.0	Recurring	Medical Board Fund

(Parenthesis () Indicate Revenue Decreases)

Conflicts with Senate Bill 152.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Medical Board (MB)

SUMMARY

Synopsis of Bill

Senate Bill 240 would establish a new fund, the Physician Excellence Fund, which would be used to supplement existing funding for loan repayment for primary care providers practicing allopathic or osteopathic medicine in health care shortage areas. This fund would receive 50 per cent of the proceeds of a \$100 increase in the cost of an allopathic or osteopathic physician's triennial licensure. The other 50 percent of the added fee would go into the New Mexico Medical Board fund to supplement moneys expended on treatment of impaired physicians.

FISCAL IMPLICATIONS

MB and HED have independently calculated the additional revenue that could be received by imposition of the additional fee. Both emerge with very similar calculations, in one case \$370,000 per year (\$185,000 into each fund); in the other, \$374,300 per year. The slightly smaller estimate is presented in the table above, but both calculations note the fluid nature of the number of applications and renewals that are processed in each year.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

HED, which administers the loan repayment for service program, estimates that an additional 10-15 physicians practicing in underserved areas could be given loan repayment amounts with the additional funds in the Physician Excellence Fund. HED states further that, with current funding, only 27 per cent of eligible practitioners applying for loan repayment funds could be awarded those funds.

CONFLICT with Senate Bill 152.

TECHNICAL ISSUES

HED and UNM HSC both note separately that SB 240 would restrict funding through the Physician Excellence Fund only to primary care physicians, not allowing HED to address shortages of specialists, hospitalists, or behavioral health providers and that there is a conflict between Section 1D of the bill and the definition of eligible specialties contained in the Health Professions Loan Repayment Program's regulations, section 5.7.3.7G.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No additional funds would be available for health shortage area physicians' loan repayment, and no additional funds would be added to the account in the Medical Board Fund allocated for preserving the ability of impaired physicians to practice medicine.

LAC/al/jle