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FISCAL IMPACT REPORT

SPONSOR Thomson ORIGINAL DATE 1/22/19
 LAST UPDATED 2/28/19 HB 71

SHORT TITLE School-Based Health Center Funding SB _____

ANALYST Chenier

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$3,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$54.5	\$54.5	\$109.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

The appropriation contained in this bill relates to two appropriations in the General Appropriations Act.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 71 appropriates \$3.5 million from the general fund to DOH to fund school-based health centers (SBHC).

FISCAL IMPLICATIONS

The appropriation of \$3.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

The department's FY20 appropriation request and the subsequent LFC budget recommendation for DOH includes a total of \$4.4 million, including \$2.5 million in general fund revenue, to operate 60 of the state's SBHCs. Additionally, as a new appropriation item, the LFC recommendation included \$1.5 million to the Public Education Department for SBHCs.

HSD said that this appropriation is part of the FY20 budget. Depending on its use, this appropriation may be eligible for federal Medicaid matching funds at a rate of 50 percent federal financial participation (FFP). Because the bill does not specify how the funding would be used, the Human Services Department (HSD) is unable to define a specific revenue figure; however, HSD currently leverages approximately \$2 million FFP for SBHCs from the DOH General Fund appropriation.

DOH said that an additional FTE would be needed to assist with the added administrative requirements, including contracting, invoicing and site visitation, as well as the training needs for new school-based health center operations. It is not certain what type of additional personnel (e.g., Health Educator, Nurse, Nurse Practitioner, Financial Specialist) would be needed.

SIGNIFICANT ISSUES

DOH provided the following:

The Community Preventive Services Task Force recommends the implementation and maintenance of school-based health centers (SBHCs) based on evidence from a review of 46 studies of SBHCs. SBHCs reach low-income, racial and ethnic minority populations, and marginalized groups such as sexual minority youth. SBHCs are an effective strategy to improve education and health outcomes and advance health equity. (<https://www.thecommunityguide.org/findings/promoting-health-equity-through-education-programs-and-policies-school-based-health-centers>).

Some of the improved health outcomes that are associated with SBHCs include decreasing asthma-related hospitalizations by 70 percent, reducing non-asthma related emergency department visits by 14 percent, and reduction in unintended pregnancies in SBHC users by 40 percent. SBHCs are linked to improved educational outcomes. Student who use SBHCs have a 29 percent higher rate of high school completion compared to non-users. Students using SBHCs are also more likely to be on pace to graduate high school, and they have a nearly 5 percent increase in GPA (https://www.thecommunityguide.org/sites/default/files/assets/Health-Equity-School-Based-Health-Centers_1.pdf).

SBHCs address many of the barriers to health care access for school-aged children and youth. Because SBHCs are located where children spend a significant amount of their time, scheduling and transportation barriers are minimized. SBHCs also have an economic impact. A 2013 analysis of New Mexico (NM) SBHCs determined they yielded a return on investment of \$6.07 for every dollar spent (Ginn and Associates, 2013, <https://www.nmlegis.gov/handouts/BHS%20091714%20Item%202%20Melanie%20Shaw%20Ginn,%20Pres%20and%20CEO%20New%20Mexico%20Alliance%20of%20School%20Based%20Health%20Care.pdf>). SBHCs financially benefit the healthcare and education systems by: reducing productivity costs related to missed school time, travel,

lost parental wages and improved graduation rates, and averting healthcare costs related to emergency department visits, hospitalizations, and management of chronic conditions (https://www.thecommunityguide.org/sites/default/files/assets/Health-Equity-School-Based-Health-Centers_1.pdf).

Currently, DOH funds 48 SBHCs located in 22 of NM's 33 counties. All DOH-funded SBHCs are in federally designated health professional shortage areas (HPSAs) (<https://data.hrsa.gov/tools/shortage-area/hpsa-find>). Eighty-six percent of DOH-funded SBHCs are operated by Federally Qualified Health Centers (FQHCs) or a University Medical Group. This affiliation connects students and families in underserved areas to larger medical organizations that can serve as medical homes, and improves continuity of and access to care (DOH, Office of School and Adolescent Health 2017-2018 annual report, publication pending).

In school year 2017-2018, DOH-funded SBHCs provided 56,566 visits to 18,609 patients. Sixty-one percent of the visits were for primary care, including well child exams, sports physicals, illness and injury, and reproductive health. Thirty-five percent of visits were for behavioral health and four percent of visits were for oral health. Sixty-eight percent of DOH-funded SBHCs were open three days a week or fewer and thirteen DOH-funded SBHCs offered services during the summer. DOH-funded SBHCs provided an average of 17 hours per week primary care and 22 hours per week of behavioral health care services, while 8 DOH-funded SBHCs offered access to dental services (DOH, Office of School and Adolescent Health 2017-2018 annual report, publication pending). HB71 could result in expanded reach or operations, which would improve access to healthcare and health and educational outcomes for youth in New Mexico's rural and underserved communities.