

**2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS**

Section I: General

Chamber: Senate
Number: 89

Category: Bill
Type: Introduced

Date (of THIS analysis): 1/19/2024

Sponsor(s): Gerald Ortiz y Pino

Short Title: Expand Health Care Workforce

Reviewing Agency: Agency 665 – Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	N/A	N/A
		N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$ 0	\$ 0	\$ 0	\$ 0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

Senate Bill 89 (SB89) proposes to make appropriations to expand the health care workforce throughout the state. Proposed appropriations are for:

Health Care Authority (HCA), for twenty million dollars (\$20,000,000) nonrecurring, to increase Medicaid reimbursement for health care services.

Higher Education Department (HED), for 10 million dollars (\$10,000,000) nonrecurring for health professional loan repayment fund; and 10 million dollars (\$10,000,000) recurring to support the clinical supervision of social work and counseling students and to provide stipends to social work and counseling students who are working at unpaid internships.

Children, Youth, and Families Department (CYFD), for two million dollars (\$2,000,000) nonrecurring, to increase funding for educational stipend programs that receive matching federal funds pursuant to Title IV-E of the federal Social Security Act; and the

Board of Regents of the University of New Mexico (UNM) nonrecurring, for eighteen million dollars (\$18,000,000), to support new physician resident slots; to compensate preceptors that supervise and train students seeking to become health care professionals; and to pay faculty at the UNM College of Population Health.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

New Mexico has a significant shortage of physicians. The New Mexico Healthcare Workforce Committee 2022 Annual Report documents the shortage of physicians in New Mexico and offers recommendations for recruitment, retention, and increasing the health care workforce (https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1009&context=nmhc_workforce). The proposed appropriations in SB 89 could increase the number of participating health care practitioners and could encourage more health care providers to provide services in underserved areas of the state. Thirty-two of New Mexico's 33 counties contain health provider shortage areas as designated by the federal Health Resources and Services Administration (2020-2022 New Mexico State Health Improvement Plan, page 4: <https://www.nmhealth.org/publication/view/plan/5311>). It identifies places/sub-populations with shortages of primary medical care physicians, dentists, and mental health professionals. These areas and sub-populations are estimated to have less than half the supply of professionals needed by the target population.

Under current healthcare reimbursement systems, communities with a large proportion of low-income residents and rural communities may not generate sufficient paying demand to assure that providers will practice in these locations (2020-2022 New Mexico State Health Improvement Plan, page 11: <https://www.nmhealth.org/publication/view/plan/5311>). The rural to urban migration of health professionals inevitably leaves poor, rural, and remote areas underserved and disadvantaged. Skilled health professionals are increasingly taking job opportunities in the labor market in high-income areas as the demand for their expertise rises.

Since the demands for health care services and providers continues to increase, providing incentives to health care providers who work in rural and underserved areas may help stabilize and improve health care services (2020-2022 New Mexico State Health Improvement Plan, page 12).

SB89 could affect NMDOH stakeholders and customers by encouraging more health care providers to stay and continue to provide access to care in rural and underserved areas of the state.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No

- Is this proposal related to the NMDOH Strategic Plan? Yes No

- Goal 1:** We expand equitable access to services for all New Mexicans
- Goal 2:** We ensure safety in New Mexico healthcare environments
- Goal 3:** We improve health status for all New Mexicans
- Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None.

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No

- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

The population served would be New Mexico's rural and underserved communities as current and new health professionals could be providing needed health care services. The New Mexico Rural Health Plan (page 53/C-2, <https://www.nmhealth.org/publication/view/report/5676/>) includes recommendations to support rural health services support statewide.

9. HEALTH IMPACT(S)

The appropriation to the health professional loan repayment program in SB 89 could encourage current and new health care providers to practice full-time and provide needed health care services in rural and underserved areas of New Mexico.

10. ALTERNATIVES

None.

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If SB89 is not enacted, then there will not be appropriations to expand the health care workforce throughout the state.

12. AMENDMENTS

None.