LFC	<b>Requester:</b>
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#### AGENCY BILL ANALYSIS 2024 REGULAR SESSION

# WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

#### **SECTION I: GENERAL INFORMATION**

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Chec	k all that apply:		Date	1/19/2024
Original	X Amendment		Bill No:	SB 89
Correction	Substitute			
		A gonov Nomo		

			University of New Mexico-952
Sponsor:	Senator Ortiz y Pino	Number:	
Short	Expand Health Care	Person Writing	Lenaya Montoya
Title:	Workforce	<b>Phone:</b> 505277167	70 <b>Email</b> lenayamontoya@unm.edu

### SECTION II: FISCAL IMPACT

#### **APPROPRIATION (dollars in thousands)**

Appropriation		Recurring	Fund
FY24	FY25	or Nonrecurring	Affected
	\$18,000.00	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

#### SECTION III: NARRATIVE

#### **BILL SUMMARY**

<u>Synopsis:</u> Senate bill 89 makes appropriations to various state agencies, state funds, and the University of New Mexico (UNM) to help expand the health care workforce throughout the state.

#### FISCAL IMPLICATIONS

Senate Bill 89 appropriates the following amounts of funding to UNM's board of regents for expenditure in fiscal year 2025:

- Five million dollars (\$5,000,000) to support new physician resident slots at the University of New Mexico Health Sciences Center (UNMHSC) facilities.
- Three million dollars (\$3,000,000) to compensate preceptors that supervise and train students seeking to become health care professionals.

• Ten million (\$10,000,000) to pay faculty at UNM's College of Population Health.

# SIGNIFICANT ISSUES

# College of Population Health-

The state of New Mexico needs to support the faculty within the College of Population Health to health improve the health outcomes for the state. This funding will help support the transition to become an accredited school of public health. Faculty within the college can develop interventions, programs, and policies to address the needs of the diverse communities within New Mexico with expertise in population health including epidemiology, health policy, community health, biostatistics, nutrition, maternal child health, environmental health, diabetes, and substance use.

# College of Nursing (CON)-

- Limited Preceptorships: The CON competes with other institutions for preceptors to take our students. A primary factor is this shrinking pool of preceptors is that other institutions pay preceptors for taking their students. Our institution needs funding to provide competitive stipends to preceptors to remain competitive in the market and provide sufficient clinical experiences to train our students.
- Quality of Education: Compensating preceptors could lead to improved educational experiences for students, as it may attract more qualified professionals to take on these roles.

# School of Medicine (SOM)-

Section 4 A (1)-Since this funding is nonrecurring, the SOM is unable to expand physician resident slots, which need to be designed to pay salaries in a recurring fashion. The state already provides generous financial support for residency slot expansion through Medicaid reimbursement to UNM Hospital from the Human Services Department.

Section 4 A (2)- since this funding is nonrecurring with any unexpended balance returning to the general fund at the end of FY25; if we compensate preceptors for one single year, we will struggle to retain those preceptors if they are not compensated in subsequent years. We recommend consideration of establishing recurring appropriations to compensate volunteer preceptors for these long-standing programs.

# College of Pharmacy (COP)-

The COP is the only pharmacy school in NM and 81% of the practicing pharmacists in the state are COP alumni. The Doctor of Pharmacy curriculum is 4 years and fully 33% of the curriculum is experiential education and taught by preceptor pharmacists. The COP has 430 preceptors located in pharmacies, hospitals, ambulatory care clinics, and other healthcare settings across the state. Each PharmD student is required to perform Introductory Pharmacy Practice Experiences in the first, second, and third year of school and nine Advanced Pharmacy Practice Experiences in their 4<sup>th</sup> year of training requiring preceptor engagement of 1,880 hours per student. With the stresses of COVID 19 and the healthcare provider shortage, there has been a significant turnover and strain in pharmacists across the state creating a reluctance to serve as preceptors. This has been particularly true for pharmacists who precept students in Inpatient Medicine rotations and in Advanced Hospital Rotations. The COP has been able to find sufficient rotation spots for our students but without the 10% surplus required by our accreditation agency.

# PERFORMANCE IMPLICATIONS

We can better serve the needs of New Mexico with developing the future workforce and developing interventions. This funding could strengthen the relationship between the university and healthcare facilities, benefiting both education and healthcare delivery.

- Improved Training Quality: With financial incentives, preceptors may be more motivated to take our students and provide high-quality training, directly impacting the skill level of future health care professionals.
- Student Outcomes: Better training could lead to better-prepared graduates, potentially improving patient care outcomes in the long term.

Since the funding for Section 4 A (1) is nonrecurring, the SOM cannot establish newly funded residency slots, because residencies last over three to seven years. The SOM would suggest that these funds be recurring to increase resident salaries rather than expand resident slots. For Section 4 A (2), the nonrecurring fashion of this funding will create the expectation of compensation for preceptors where it has not existed before.

# ADMINISTRATIVE IMPLICATIONS

Aside from budgetary oversight, there are no administrative implications for the state for the College of Population Health.

# College of Nursing-

- Resource Allocation: The university and associated health care settings would need to manage the distribution of funds effectively.
- Oversight and Accountability: Ensuring that the funds are used appropriately would require robust administrative mechanisms.

# School of Medicine-

Section 4 A (1)- This would require administration by SOM and the fiscal team at Graduate Medical Education.

Section 4 A (2)- This would require administration and oversight by the SOM Chief Financial Services Officer as well as development of infrastructure to dispense funds to student preceptors in approximately 6-8 programs in the UNM SOM (Medical Doctor, Physician Assistant, Anesthesiologist Assistant, Physical Therapy, Occupational Therapy, Medical Laboratory Sciences, and Radiologic Sciences).

# **OTHER SUBSTANTIVE ISSUES**

College of Nursing-

• Tracking and Monitoring: Systems would need to be in place to track the use of funds

and the performance of preceptors.

- Integration: Integrating this new funding scheme with existing financial and administrative systems could pose technical challenges.
- Equity: Ensuring equitable distribution of funds among various disciplines and departments could be a challenge.
- Long-term Sustainability: The university needs to consider the long-term sustainability of funding these positions.
- Volunteer Incentives: Instead of direct compensation, other incentives like continuing education credits, certification, or recognition programs could be considered.
- Partnerships: Forming partnerships with healthcare organizations that could provide financial or other support for preceptors.
- Specificity: Amendments could be made to specify how funds will be distributed and used.
- Evaluation: Including provisions for regular evaluation of the program's effectiveness and impact on educational outcomes.

# School of Medicine-

The MD Program at the SOM currently has more than 360 active clinical preceptors outside the UNM Health System teaching students at clinical sites. The amount of time per course ranges from 40 to 120 hours per clinical experience and some teach several experiences. Feedback from clinical sites and preceptors includes provisions for covering the cost of having students on site and keeping up with medical knowledge in order to excel as preceptors. The renumeration that is most commonly requested is CME reimbursement for UNM courses. The second most requested is tax credit.

In the past 3 years interest in teaching the medical students from the SOM as increased substantially by both alumni and non-alumni physicians. The reasons for physicians' interest in precepting our students at their clinical sites are most often 1) training and recruiting doctors to our state 2) a personal interest in giving back to their profession 3) gaining the intellectual stimulation teaching medical students provides 4) forming a deeper connection with the only public academic medical school in the State of New Mexico 5) recent data that shows many graduates from SOM stay in New Mexico for residency and then to establish a medical practice.

Volunteer preceptors in the MD and PA Programs are awarded Letters of Academic Title at the SOM. By definition, these individuals are unpaid and are volunteers. If they are compensated, this may create an employment relationship. Should this appropriation pass, the UNM Office of University Counsel should examine this closely for potential conflict.

Notably, amongst many benefits, these volunteer preceptors have access to the UNM Health Sciences Library & Informatics Center, athletic and fine arts event discounts, and access to UNM Recreational Services. Likewise, they have access to free and discounted opportunities offered by the UNM SOM Office for Continuous Professional Learning.

# WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The College of Population Health states that without this bill and funding from it, they will undo the year-long effort to recruit faculty to the College of Population Health.

The College of Nursing states that there will be a decreased quality of training without adequate compensation and there may be a decline in the quality or availability of preceptorships. Additionally, the long-term impact on healthcare because of inadequate training can lead to less competent healthcare professionals, adversely affecting patient care and healthcare outcomes.

The UNM SOM is the only public academic medical school in the State of New Mexico that has served the people of NM for over 60 years. Physicians, Advanced Practice Providers, and Allied Health Professionals throughout NM historically served in a voluntary capacity to educate students enrolled at the UNM SOM. In 2016, Burrell College of Osteopathic Medicine, located in Las Cruces, NM, welcomed its first class. Because they are a for-profit institution, they have the resources to compensate preceptors to educate their students. This directly impacted the UNM SOM's ability to recruit and retain volunteer preceptors. It is a competitive market. Practitioners throughout NM have the burden of providing timely, appropriate care to their patients. Educating students can reduce that time significantly and any compensation is welcomed to defray the costs that practitioners bear by accepting a student. If the UNM SOM cannot compete with Burrell in this manner, it will continue to lose valuable volunteer educators who help train the next generation of providers in NM.

The COP states that if this bill is not enacted there is the potential that the COP will lose additional preceptors and not meet the accreditation requirements for our PharmD program. Losing accreditation would result in graduates of the UNM COP not being able to sit for the national board exams necessary to become licensed as pharmacists which would significantly impact the access to pharmacy care for the citizens of New Mexico.