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FISCAL IMPACT REPORT

SPONSOR <u>Anaya/Jones/Duhigg</u>	LAST UPDATED <u>3/1/2025</u>	ORIGINAL DATE <u>1/31/2025</u>
SHORT TITLE <u>Health Care Strategic Recruitment Program</u>	BILL NUMBER <u>15/aHAFC</u>	ANALYST <u>Rommel</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
\$0.0	No fiscal impact	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Health Care Authority (HCA)
 Workforce Solution Department (WSD)
 Department of Health (DOH)
 Higher Education Department (HED)

SUMMARY

Synopsis of HAFC Amendment House Bill 15

The House Appropriations and Finance Committee (HAFC) amendment to House Bill 15 strips references to the appropriation in the original bill. The HAFC Committee substitute for the General Appropriation Act (HAFC/HB2&3) includes a \$2 million special appropriation to the Workforce Solutions Department (WSD) contingent on enactment of legislation creating a healthcare strategic recruitment program in WSD.

Synopsis of House Bill 15

House Bill 15 (HB15) creates a healthcare strategic recruitment program to address healthcare shortage areas. WSD, in conjunction with the Health Care Authority (HCA), Department of Health (DOH) and Higher Education Department (HED), shall promulgate rules to enumerate the healthcare professions and allied health practices that shall be targeted in the program.

HB15 seeks to recruit persons who have graduated within the last 10 years from a New Mexico public postsecondary educational institution in a degree- or certificate-granting educational program in a healthcare shortage field but are not currently working in healthcare in the state.

The bill further directs WSD to assist healthcare facilities with engaging New Mexico postsecondary graduates by sharing information about recruitment incentives, providing navigators to assist in credentialing and licensure, and providing other assistance as required.

HB15 requires WSD to compile the following information for potential recruits:

- 1) Relevant alumni contact data from public postsecondary educational institutions,
- 2) Relevant recruitment and retention incentive programs across New Mexico, and
- 3) Information on relevant job openings, housing, and community and area amenities.

Annual reports submitted to the Legislature and governor will include all relevant job placement data, success rates, days to job placement, and obstacles encountered in the recruitment and placement process.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

HB15 contains no appropriation; however, \$2 million is included in the House version of the General Appropriation Act. While the duties under HB15 represent a workload increase for WSD, the department indicates the proposed appropriation will cover the costs of establishing and launching the program.

SIGNIFICANT ISSUES

New Mexico continues to face critical, chronic shortages of healthcare professionals across nearly all disciplines. Thirty-two of 33 counties are designated as or contain federally designated health professional shortage areas in the areas of primary care, mental health, and dental health.¹

HB15 seeks to address shortages by identifying credentialed individuals who are not licensed or employed in their field of study but graduated in the past 10 years. The project could presumably extend to students enrolled in but not yet graduated from healthcare fields, particularly in the role of WSD navigators to assist with licensing and sharing job opportunities.

HCA points out that provider shortages are a constant challenge to maintaining network adequacy standards for Medicaid.

HED notes several programs, including the opportunity scholarship, loan for service and health professional loan repayment programs, may assist in training and recruitment.

Coordinating with alumni associations or conducting outreach to current healthcare students may require memoranda of understanding. Typically, alumni association contact information is not fully public; most postsecondary institutions allow alumni to control which parts of their personal information are visible in the alumni directory, with options to hide details of their contact information.

¹ <https://data.hrsa.gov/tools/shortage-area/hpsa-find>

New Mexico’s healthcare licensure boards are not mentioned in the legislation, though consultation with appropriate boards may enhance the fidelity of activities enumerated in HB15.

PERFORMANCE IMPLICATIONS

HB15 requires that WSD report annually to the governor and the Legislature on the success of the recruitment program.

ADMINISTRATIVE IMPLICATIONS

WSD indicates the program would require staffing support from new or existing positions within the employment services and program support divisions, including the Bureau of Economic Research and Analysis. Other costs may include advertising and outreach.

HCA states it will require 1 FTE to implement its role in the legislation. The personnel cost would be split equally between federal and state funds.

OTHER SUBSTANTIVE ISSUES

Initial employment rates for recent healthcare graduates tend to be quite high but burnout in healthcare professions is a persistent problem, particularly in nursing and primary care.² Health workers faced overwhelming demands and experienced crisis levels of burnout before the Covid-19 pandemic while the pandemic presented unique challenges that further impaired their mental health.³

Engaging and recruiting former healthcare workers in the 10-year postgraduate period may require strategies to address those who left due to burnout or mental health issues.

HR/hj/hg/sgs/rl/hg

² <https://pubmed.ncbi.nlm.nih.gov/articles/PMC6342603/>; Aiken, L. H., Clarke, S. P., Sloane, D. M., Sochalski, J., & Silver, J. H. (2002). Hospital nurse staffing and patient mortality, nurse burnout, and job dissatisfaction. *JAMA*, 288 (16), 1987-1993.

³ *Vital Signs: Health Worker–Perceived Working Conditions and Symptoms of Poor Mental Health — Quality of Worklife Survey, United States, 2018–2022*. Centers for Disease Control and Prevention https://www.cdc.gov/mmwr/volumes/72/wr/mm7244e1.htm?s_cid=mm7244e1_w