

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 202 establishes two new nonreverting funds in the state treasury: (1) a Physician Graduate Medical Education Trust Fund, designed as a permanent investment fund, and (2) a Physician Graduate Medical Education Program Fund, used for annual programmatic support. The trust fund is capitalized with a one-time \$100 million transfer from the general fund. Beginning July 1, 2027 the trust distributes 5 percent of the average trailing three-year market value to the program fund annually. The program fund receives an immediate \$10 million transfer from the general fund. For FY27 and FY28, the bill appropriates \$8 million from the program fund to finance tiered annual support for GME programs in various stages of development. SB 202 contains an emergency clause and takes effect immediately.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

SB 202 assigns the Health Care Authority responsibility for administering physician graduate medical education funding. Separating operational administration at UNM from program oversight at HCA would align fund stewardship with institutional responsibilities. Implementation of GME programs requires direct operational control over accredited residency programs, faculty supervision, clinical training sites, and compliance with Accreditation Council for Graduate Medical Education requirements. The University of New Mexico, as the state’s academic medical center and primary GME sponsoring institution, is well positioned to implement and administer program expenditures efficiently and in alignment with accreditation and clinical capacity constraints. The Health Care Authority, in turn, is better suited to statewide oversight, reporting, and evaluation of outcomes.

While additional rural residencies are important, adding rural rotations for existing GME spots can increase rural exposure without overextending rural sites. Increasing rural rotations allows more residents to experience rural practice without requiring rural hospitals or clinics to sustain the full staffing, accreditation, and administrative infrastructure needed for a stand-alone residency program.

Proposed amendments (below) clarify that while the Health Care Authority retains statewide oversight of the Physician Graduate Medical Education Program, expenditures from the program fund are administered by the University of New Mexico as the state’s academic medical center and primary GME sponsor. Proposed amendments also add explicit reference to rural rotations.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Section 2, line 7

medical education programs and rotations located in rural and underserved areas.

Section 4

C. The health care authority shall distribute money from the physician graduate medical education program fund to the board of regents of the university of New Mexico for the purpose of implementing and administering physician graduate medical education program activities authorized in Section 2 of this act, including residency program development, accreditation support, and support of accredited residency programs serving rural and underserved areas.

D. The health care authority shall retain responsibility for statewide oversight, reporting, and evaluation of program outcomes, and the board of regents of the university of New Mexico shall serve as the operational administrator of expenditures from the physician graduate medical education program fund.