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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 222

SHORT TITLE: Physician Residency Programs

SPONSOR: Soules

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/7/26 **ANALYST:** Jorgensen

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$20,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 159

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Health Care Authority

University of New Mexico

SUMMARY

Synopsis of Choose an item.

Senate Bill 222 (SB222) appropriates \$20 million from the general fund to the Health Care Authority (HCA) to create physician residency programs and positions.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$20 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY29 shall revert to the general fund.

SIGNIFICANT ISSUES

HCA notes:

As drafted, the bill does not specify how the appropriation would be used by HCA to create or expand physician residency programs and positions. HCA currently administers graduate medical education (GME) residency expansion funding through its existing GME program, which has supported the creation and expansion of residency programs since 2019. It is unclear how SB222 funding would be integrated with this existing program and whether it would overlap with or supplement current efforts. Consequently, it remains uncertain how the appropriation would be administered by HCA and what the fiscal impacts would be on HCA's operating budget and administrative capacity.

The University of New Mexico reports:

GME expansion requires considerable coordination and planning. New programs typically require 2-5 years for development and existing programs require 1-3 years for expansion. There is currently no dedicated funding mechanism for these activities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB222 is related to Senate Bill 159 which provides \$27 million for expansion of graduate medical education.

CJ/sgs/dw/sgs