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FISCAL IMPACT REPORT

SPONSOR: Beffort DATE TYPED: 1/30/03 HB _____

SHORT TITLE: Expand New Mexico Health Service Corps SB 182

ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	General Fund

Relates to: SB 214 and HB 141

SOURCES OF INFORMATION

Responses Received From

Health Policy Commission (HPC)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 182 appropriates \$500,000 from the general fund to the Department of Health to increase the number of physicians, dentists, dental hygienists and psychiatrists in the New Mexico Health Service Corps(NMHSC).

SB182 appropriates:

- \$250,000 to increase award amounts to eligible physicians.
- \$100,000 to add awards for two new professional categories, dentists and dental hygienists.
- \$100,000 to add awards for a specific physician specialty group, psychiatrists.
- \$50,000 to restore and maintain the budget of the NMHSC.

Significant Issues

The NMHSC recruits and places health professionals (statutorily defined as physicians, physician assistants, nurse practitioners, nurse midwives and emergency medicine technicians or

paramedics) in rural or other medically underserved areas with payments of annual stipends to students who are willing to fulfill a two-year service obligation (Stipends) or the placement of licensed professionals in eligible communities (Community Contracts). The NMHSC is administered by the Primary Care/Rural Health Bureau of the DOH.

SB 182 expands the NMHSC and increase incentives for participation in the program by physicians, psychiatrists and dental health care professionals. The proposed appropriations in SB 182 for participation of dentists and dental hygienists would require enactment of a related bill, as yet not introduced, expanding the NMHSC eligibility to these professionals.

Currently some 30 health care professional students are participating with the NMHSC. The proposed appropriation could add an additional 30 to 40 health professionals to the program.

SB 182 permits the Department of Health to increase award amounts offered to eligible physicians under the New Mexico Health Service Corps (NMHSC) Program. The current award amount of \$15,000 available to physicians under the Program has not provided sufficient incentive for their active participation. Under the NMHSC Program, physicians receive an award during their residency training, and are contractually obligated to practice in an underserved area for two years upon completion of their training. DOH believes higher award amounts would increase the number of physicians participating.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

SB 182 appropriates \$50,000 to restore and maintain the budget of the NMHSC. This amount will be used to conduct the additional duties required by an expanded program. DOH will not be requesting an additional FTE.

RELATIONSHIP

Senate Bill 214 and House Bill 141 are duplicate bills that amend the medical student loan for service act to provide for loans to medical students specializing in certain fields who agree to practice in New Mexico and providing income tax exemption for stipends received pursuant to the NMHSC Corps act. The provisions of SB 214 and HB 141 will make the NMHSC awards more attractive and will assist in recruitment

TECHNICAL ISSUES

The enabling legislation for the New Mexico Health Service Corps (24-1D-1 to 24-1D-10 NMSA 1978) does not include dentist or dental hygienists in the definition of applicable health professionals.

OTHER SUBSTANTIVE ISSUES

Since New Mexico does not have a dental school, a coordinated effort is necessary with the Commission on Higher Education. This effort will identify students currently supported by either the Western Interstate Commission on Higher Education (WICHE) or the Loan for Service Program in dentistry. The proposed \$100,000 allocation would support awards and provide an incentive for New Mexico dental health professional students to return and practice where they are needed. Dental health professionals will be obligated in the same manner as medical and nursing professionals currently included in the program. (The provisions and the requirements for dentistry will be contained in a bill that has not yet been introduced.)

Currently 29 of the 33 counties are designated as Health Professional Shortage Areas (HPSAs) for primary care by the Department of Health and Human Services. 25 of the 33 counties are designated as HPSAs for dental care and 28 of 33 counties are designated for psychiatrists (mental health). The appropriations included in SB 182 will improve the supply of needed health care professionals needed to meet the needs of these areas. The SB 182 appropriation could add as many as 25 new physicians, 3 or 4 dentists, 2 or 3 dental hygienists and 5 psychiatrists to the program.

DW/sb:pr