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FISCAL IMPACT REPORT

SPONSOR: Beffort DATE TYPED: 3/10/03 HB _____

SHORT TITLE: Include Dentists in Health Services Corps Act SB 494/aSFC

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB 141:SB 182

SOURCES OF INFORMATION

Responses Received From
 Department of Health (DOH)
 Health Policy Commission (HPC)
 New Mexico Commission on Higher Education (NMCHE)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amends the bill by removing the appropriation. The amendment deletes all language pertaining to the appropriation and therefore creates a discrepancy between the title of the bill and the intentions of the bill. By removing the appropriation and the language pertaining to the appropriation, the bill is left with only the “definitions” section. There is no language in the bill that “includes dentist and dental hygienists in the Health Services Corps Act.

Synopsis of Original Bill

Senate Bill 494 appropriates \$500,000 from the general fund in fiscal year 04 to the Department of Health (DOH) to be used as follows: \$250,000 to increase award amounts to eligible physicians; \$100,000 to add awards for dentists and dental hygienists; \$100,000 to add awards for psychiatrists; and \$50,000 to restore and maintain the budget of the NMHSC.

The bill also amends Section 24-1D-2 NMSA 1978 of the New Mexico Health Service Corps (NMHSC) Act to include dentists and dental hygienists as eligible health professionals.

Significant Issues

SB 494 would expand the eligibility of providers for the NMHSC to include dentists and dental hygienists as recommended by the DOH. The bill would increase incentives for participation in the program by oral health professionals as well as physicians, and psychiatrists.

Currently 29 of 33 New Mexico counties are designated as Health Professional Shortage Areas (HPSAs) for primary care by the U.S. Department of Health and Human Services. They also designate 25 of 33 counties as HPSAs for dental care) and 28 of 33 counties are designated as shortage areas for psychiatrists (mental health). The appropriations contained in SB 494 would improve the supply of needed health care professionals for these areas. The proposed increase with this appropriation could add as many as 25 new physicians, 3-4 dentists, 2-3 dental hygienists and 5 psychiatrists to the program.

New Mexico's dental health care professional shortage was highlighted in June 2001 at a DOH sponsored Health Professional Workforce Conference. The lack of dentists in New Mexico was summarized in the 2001 Senate Joint Memorial 21 Study. It is estimated one hundred nine (109) additional dentists are needed to achieve a 3000:1 population to dentist ratio. This number represents the threshold for current state designation as a dental health professional shortage area (HPSA). SB 494 would fund an increase to physician placements as well as dentists, dental hygienists and psychiatrists in medically underserved areas (MUAs) of the state.

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 FY 04 shall revert to the general fund.

The Department of Health reports a FY03 NMHSC General Fund budget of \$383,000, a 10% reduction from the FY02 budget of \$427,800.

The NMCHE indicates that the Western Interstate Commission for Higher Education (WICHE) programs and the Health Loan-for-Service and Health Professional Loan Repayment programs are administered by the Commission on Higher Education to help New Mexico residents reduce the cost of health professional education in exchange for service to New Mexico. In FY 2003 the CHE made 233 awards totaling \$1,616,373 to health professional students through WICHE and Loan-for-Service programs and to practicing health professionals through the Loan Repayment program. The Commission's FY 2004 higher education funding recommendations include \$300,000 to increase WICHE (\$200,000), and Nursing Loan for Service (\$100,000) programs.

ADMINISTRATIVE IMPLICATIONS

Administrative impact to the Department of Health is minimal and can be handled with existing staff.

RELATIONSHIP

House Bill 141 (HB 141) which would modify the Income Tax Act to exempt health practitioner stipends made under the authority of the New Mexico Health Service Corps Act from taxation.

SB 182 which appropriates \$500,000 to provide financial incentives to dentists, dental hygienists and psychiatrists but does not amend the NMHSC Act.

OTHER SUBSTANTIVE ISSUES

The appropriations proposed in SB 494 would permit the DOH to increase award amounts offered to eligible physicians under the NMHSC Program, including dentists, dental hygienists and psychiatrists. The current award of \$15,000 to physicians under the NMHSC Program has not provided sufficient incentive for 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 (2) years upon completion of their training. Higher award amounts would increase the number of physicians participating.

Dental health care professionals are currently not eligible to participate in the NMHSC. The provisions of SB 494 would expand eligibility to include both dentists and dental hygienists. Dentists would be eligible for the last two years of dental school and the dental residency. Because New Mexico does not have a dental school, this program would need to be coordinated with the New Mexico Commission on Higher Education in order to identify students supported by either the Western Interstate Commission on Higher Education or the New Mexico Loan for Service Program in Dentistry. The proposed appropriations 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 would be obligated in the manner as medical and nursing professionals currently included in the NMHSC Program.

BD/lr:yr:njw