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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/06

SPONSOR Cordova, K. LAST UPDATED _____ HB 289

SHORT TITLE Rural NM Chronic Medical Disease Treatment SB _____

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB303, HB217, HB654, and SB89.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Health (DOH)
 New Mexico Health Policy Commission (HPC)
 Department of Corrections (DC)
 New Mexico Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 289 appropriates \$600,000 from the general fund to the Board of Regents of the University of New Mexico for the School of Medicine to work with the Corrections Department and a network of primary care clinics to continue to develop a model of training and service delivery using interactive telemedicine.

FISCAL IMPLICATIONS

The appropriation of \$600,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

There is no appropriation for any equipment or personnel that the Corrections Department may

have to provide. This could result in a slightly increased fiscal burden on the Corrections Department. However this increase might be at least partially offset by savings generated by utilizing this technology to treat inmates with difficult medical conditions. Other potential savings from telemedicine identified by the Health Policy Commission include the cost of continuing education for health professionals in rural areas, and transportation costs for moving inmates for treatment in Albuquerque or Santa Fe (where most physicians and facilities are concentrated).

SIGNIFICANT ISSUES

According to the Higher Education Department, the appropriation in HB289 will support the Area Health Education Center (AHEC) at the UNM School of Medicine. The Executive budget recommendation includes a line-item amount of \$50,000 for this purpose. The LFC budget recommendation includes \$177,600 for this purpose.

There may be some overlap in funding for telehealth with this appropriation, since it will use interactive telemedicine technology. The Executive budget recommendation for telemedicine includes \$150,000, and the LFC recommendation is \$286,100. Adoption of this bill would augment the funding for both of these initiatives.

ADMINISTRATIVE IMPLICATIONS

The Department of Corrections notes that if this program is implemented it may result in a change of procedure with respect to inmate medical care. The change in procedure may result in a slight increase in administrative burden in the short run. Additionally telemedicine may result in two sets of records being kept, one at the doctor's end and one at the patients end. This would create a slight increase in the administrative burden.

The Executive created a Telehealth Commission in 2005 to facilitate the development of greater public and private partnerships, which will likely be necessary to successfully launch an initiative that requires substantial investments in technology to improve health care delivery in rural areas.

RELATIONSHIP

House Bill 217 appropriates \$460,000 to the University of New Mexico's Center on Aging to develop a network of health centers in rural and small urban communities using telemedicine to facilitate the treatment of geriatric disorders.

House Bill 303 appropriates \$1,000,000 to the Board of Regents of the University of New Mexico for the telehealth program at the University of New Mexico Health Sciences Center.

House Bill 654 appropriates \$50,000 to the Board of Regents of the University of New Mexico for the Center for Development and Disability to fund infrastructure for an outreach program using telemedicine to support a network of early intervention providers, families and children with special needs, and to provide training, education, case conferencing and clinical consultation.