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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/06  
 LAST UPDATED 2/6/06      HB 484/aHCPAC

SPONSOR Picraux

SHORT TITLE Nursing Leadership & Retention Programs      SB \_\_\_\_\_

ANALYST Lewis

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$625.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 94.

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Department of Health (DOH)  
 Health Policy Commission (HPC)

### SUMMARY

#### FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

#### Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment changes the second objective in the \$125,000 portion of the appropriation from “to develop guidelines for nurse staffing ratios” to “to develop voluntary consensus guidelines for staffing based on best practices”.

#### Synopsis of Original Bill

House Bill 484 appropriates \$625,000 from the general fund to the Department of Health, including:

- 1) \$125,000 to contract with a statewide organization representing hospitals and health systems to develop an on-line reporting system of demographic information and quality measures and to develop guidelines for nurse staffing ratios; and
- 2) \$500,000 to contract with a statewide nonprofit organization to expand the nursing workforce in New Mexico, to continue development of a clinical teaching institute and to en-

hance and support clinical education, professional development and retention of nurses.

### **FISCAL IMPLICATIONS**

The appropriation of \$625,000 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.

### **SIGNIFICANT ISSUES**

According to the Department of Health (DOH), this bill is based on the recommendations in a report developed in response to SJM 37 (Study Nurse Staffing & Retention Issues) in the 2005 Legislature. SJM 37 requested a study of the impact of nurse staffing and retention issues on workforce development.

DOH notes that the Health Resources and Services Administration (HRSA), predicts that by 2020 New Mexico will be unable to fill 57% of its nursing requirements. DOH adds that the nursing work environment has direct impact on patient safety and outcomes, as well as nurse satisfaction and retention.

According to the Health Policy Commission (HPC), this bill attempts to address many of the issues heard by the Legislative Health and Human Services Committee about the nursing shortage in New Mexico. HPC's "Study of the Impact of Nurse Staffing and Retention Issues on Workforce Development," in response to SJM 37, presented information to the committee that examined issues associated with the nursing environment and retention. Many of the issues reported on in the memorial noted the need for more demographic information, more information on vacancy rates, working conditions, and data on patient outcomes to be collected in a central location that could be useful to workforce development.

### **ADMINISTRATIVE IMPLICATIONS**

DOH reports that the appropriation would require an RFP process and procurement, contracting and monitoring activities; .5 FTE at \$30.0, (salary and benefits). In addition, start-up costs for new staff (space, computer, licenses, etc.) of approximately \$10,000 would be needed.

ML/mt