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FISCAL IMPACT REPORT

ORIGINAL DATE 2-6-06

SPONSOR Picraux LAST UPDATED _____ HB 858

SHORT TITLE Telehealth Program Development SB _____

ANALYST Collard

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$7,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 89, HB 289, HB 303, HB 264, HB 354, SB 90, HB 217, HB 654

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Office of the Chief Information Officer (OCIO)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 858 appropriates \$3 million from the general fund to DOH for the purpose of developing and coordinating telehealth clinical service sites and electronic medical records and to support staffing and training needs at school-based health centers, primary care sites, rural clinics and urgent care centers statewide and \$4 million from the general fund to DOH for the purpose of funding band connectivity, video equipment, wiring, health information hardware and software and installation of telehealth capability at the above sites.

FISCAL IMPLICATIONS

The appropriation of \$7 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

SIGNIFICANT ISSUES

DOH notes, in FY05, Governor Richardson created a Telehealth Commission to facilitate the formation of greater public/private partnerships that will be essential to launching technology-intensive ventures to improve health care delivery, particularly in rural areas. This bill implements the recommendations of the New Mexico Telehealth Commission.

DOH further states telemedicine is an effective tool to improve the accessibility and quality of medical services available to rural New Mexicans. It provides a platform for expanding the availability of medical services that is extensible and cost effective.

Currently, New Mexico does not have a comprehensive statewide telehealth infrastructure to support efforts currently under way at the DOH Office of School Health to equip, demonstrate and evaluate the effectiveness of telehealth delivery in a minimum of eight school-based health centers. The proposed funding strengthens infrastructure demands (ie, connectivity and equipment), and provides needed funding to support the delivery of clinical services in sites appropriately equipped.

OCIO indicates, to ensure coordination, consolidation and consistency among telehealth sites, compliance to information technology commission rules and standards is imperative. OCIO oversight will be key to assisting the DOH, the Telehealth Commission and the telehealth sites in implementing the telehealth program. DOH, the Telehealth Commission and the telehealth sites should actively engage the general services department in coordinating and consolidating connectivity and infrastructure.

RELATIONSHIP

House Bill 858 relates to Senate Bill 89, and its duplicate, House Bill 217, which appropriate \$460 thousand to the Board of Regents of the University of New Mexico (UNM) to work with the Center for Aging at the University of New Mexico Medical School to develop a network of community health centers in rural and small urban communities; House Bill 289, which appropriates \$600 thousand to UNM 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 utilizing interactive telemedicine for screening and treatment of chronic medical diseases in rural and underserved areas of New Mexico; House Bill 303, which appropriates \$1 million to UNM for the Health Sciences Center's telehealth program; House Bills 264 and 654, which appropriates \$50 thousand to UNM for the Center for Development and Disability. This appropriation would fund infrastructure for an outreach program using telemedicine to provide training, education, case conferencing and clinical consultation to a network of early intervention providers, families and children with special needs; House Bill 354 and Senate Bill 90, which both appropriate \$2.4 million to DOH to update patient billing systems, implement electronic health records and conduct training in primary care clinics eligible to receive funds under the Rural Primary Health Care Act (RPHCA).

OTHER SUBSTANTIVE ISSUES

OCIO indicates the Health Policy Commission (HPC) reports that "telehealth" is the use of computer technology connected by high-speed or wireless communication to access health care providers, communicate diagnostic information and find best practice advice and training. New

Mexico is the fifth largest state, geographically, which means many residents face gaps in health care access due to the lack of medical and behavioral health specialists in rural areas and distances they need to travel to receive care. Telehealth attempts to reduce health care disparities due to a patient's physical location.

The center for telehealth states its mission as “one of outreach to the rural areas of the state, helping UNM programs and departments deliver their expertise and services to areas of the state where specialty services and education are difficult to obtain.”

(<http://hsc.unm.edu/telemedicine/Program/AnnualReport.htm>)

OCIO research indicates, according to this annual report, in FY 2005, the center for telehealth served 4,742 participants including 650 patients. Additionally, the center for telehealth accomplished the following activities in FY05:

- Developed and successfully piloted mobile videoconferencing solution;
- Developed a comprehensive statewide telehealth training plan;
- Supported project REACH (Rural Early Access to Children's Health) in delivering clinical services and continuing education;
- Developed operational and technical assessments for SBIRT, a statewide behavioral health network;
- Installed additional broadband videoconferencing sites at UNM health sciences center and in rural communities; and
- Received additional funding to validate Project TOUCH applications and further develop immersive virtual reality capability.

(<http://hsc.unm.edu/telemedicine/Program/AnnualReport.htm>)

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