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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/06

SPONSOR Rainaldi LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE MCKINLEY COUNTY DIALYSIS  
INFRASTRUCTURE NEEDS SB 291

ANALYST Hadwiger

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$3,000.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to

Duplicates Appropriation in the General Appropriation Act  
Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
Department of Health (DOH)  
Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 291 appropriates \$3 million from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for operating funds for dialysis infrastructure needs at the Rehoboth-McKinley County Hospital in McKinley County.

### FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

## **SIGNIFICANT ISSUES**

DFA indicated McKinley County has the highest diabetes rate in the state of New Mexico, and the 3rd highest per capita diabetes rate in the nation. The County has 388 patients in renal failure, who either currently receive dialysis or will receive in the near future. Rehoboth-McKinley Christian Health (RMCH) in Gallup is the administering agency of three dialysis units in McKinley County. The Gallup dialysis unit is not sufficiently accommodating its 168 patients. The facility doesn't have enough dialysis machines to treat all the patients on a daily basis, and space isn't available to house additional machines. Dialysis nurses are currently working 16-18 hour shifts to treat all patients in need, with the machines currently available. This situation creates not only a hardship on those nurses, but on the patients who have to attend the facility at unreasonable hours to receive treatment. Construction of a new building will create space for additional machines. The purchase of additional machines will not only accommodate more patients, but regular patients will be able to receive treatment in a timely manner and on a more appropriate schedule. McKinley County will be the fiscal agent of this appropriation. County officials indicate the County has the capacity to administer this appropriation, and the board of commissioners supports the proposed project.

DOH stated the appropriation would expand the three dialysis units operated by RMCH in order to eliminate the current waiting list. The service area is McKinley County, with dialysis sites in Zuni, Crownpoint and Gallup. Currently, approximately 400 patients are served per year. Most patients have three visits per week. The unit has 2 shifts per day, six days per week.

HED indicated RMCH is a hospital of major importance to the small towns and rural communities it serves. RMCH has collaborated with other hospitals in the area to defray the costs of expensive equipment such as magnetic resonance imaging. A network of hospitals in the Four Corners Healthcare Alliance also allows hospitals to share specialties, including the dialysis at Rehoboth. McKinley County has one of the highest levels of kidney and renal pelvic cancer rates in New Mexico, and most studies have attributed these rates to the uranium mining activities that have taken place in the county. American Indians experience high rates of chronic kidney disease (CKD), often resulting in end-stage renal disease (ESRD). The incidence of ESRD for Native Americans has been noted to be as high as 2.7 times the Caucasian rate. In the Zuni Pueblo, a community of 10,000 in western New Mexico, the prevalence of ESRD is 17,400 per million population. This is 4.5, 5.7, and 21.3 fold higher than the rates for African Americans, other American Indians, and European Americans, respectively.

## **ADMINISTRATIVE IMPLICATIONS**

DFA has the capacity to administer this non-recurring appropriation.

DH/mt