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FISCAL IMPACT REPORT

ORIGINAL DATE 03/08/11

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE NM Health Policy Commission Changes SB 564

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Significant	Significant	Significant	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriation in the FY12 General Appropriation Act for the Health Policy Commission of \$140.9 in total funds (\$137.5 in general fund revenue, \$3.4 in other revenues, and 2 permanent FTE).

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Workforce Solutions (DWS)
 Medical Board (MB)
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 564 (SB564) would amend the section of the Department of Health Act to change the name, duties and powers of the New Mexico Health Policy Commission (HPC) to create the New Mexico Health Care Professional Workforce Commission (HCPWC). SB564 would provide for the transfer of resources, contracts and references in law of the New Mexico Health Policy Commission to the New Mexico Health Care Professional Workforce Commission; and would repeal a section of the Department of Health Act relating to the Health Care Providers Licensing and Credentialing Task Force of the New Mexico Health Policy Commission. SB564 would create the HCPWC, and identify membership, duties and powers, which would be administratively attached to the Department of Finance and Administration (DFA).

FISCAL IMPLICATIONS

SB564 contains no appropriation.

Currently, the appropriation in the FY12 General Appropriation Act for the Health Policy Commission contains \$140.9 in total funds: \$137.5 in general fund revenue, \$3.4 in other revenues, and 2 permanent FTE. It is questionable if this appropriation is sufficient to cover all the additional duties SB564 envisions for the “New Mexico Health Care Professional Workforce Commission.”

SIGNIFICANT ISSUES

The HCPWC would consist of nine (9) members, five (5) members appointed by the Governor, two (2) appointed by the Senate Pro Tempore and two (2) appointed by the House Speaker. Secretaries of Health, Human Services, Aging and Long-Term Services and Higher Education, as well as the Superintendent of Insurance, (or their designees) would be ex-officio non-voting members of the Commission. The HCPWC would serve as a resource for the Governor, the Legislature, local government entities, and the people of New Mexico in matters involving the health care professional workforce.

The HPC was established in 1989 pursuant to the Health Information System (HIS) Act. The purpose of the HIS is to collect, analyze, and disseminate health data and information for use by public and private entities in health planning and policy development. Pursuant to the HIS Act, the HPC maintains the hospital inpatient discharge data (HIDD), and the Geographic Access Data System (GADS).

SB564 sets forth many additional duties, including: identifying, analyzing, and disseminating information on current and projected health care professional workforce demographics, education and training capacity, effective career pathways, retention, recruitment, and workforce sustainability; monitoring related changes to the Commission’s purpose, scope, and priorities; and making recommendations to the Governor and the Legislature concerning various national health care workforce priorities, goals, and policies. In addition, the bill repeals a section of the Department of Health Act relating to the Health Care Providers Licensing and Credentialing Task Force, which was created to study and make recommendations for the consolidation and simplification of the health care licensure processes.

TECHNICAL ISSUES

All resources and contractual agreements currently being managed by the Health Policy Commission would be transferred to the HCPWC. SB564 does not appear to address the transfer of health related data collected and reports published by the NM Health Policy Commission, which may not be relevant to the newly created New Mexico Health Care Professional Workforce Commission.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB564 conflicts with SB162 (Health Administration & Finance Consolidation Act) would enact the Health Administration and Finance Consolidation Act. The Act would:

- Create the Health Administration and Finance Department;
- Transfer administration and operation of medical assistance programs and

- behavioral health services programs to the Health Administration and Finance Department;
- Transfer administration and operation of home- and community-based waiver services and certain other long-term services programs to the Health Administration and Finance Department;
- Provide for a study on the eventual transfer of the administration of health benefit plans for public school employees, state and local public employees and public retirees to the Health Administration and Finance Department;
- Provide for health care cost containment workforce planning and data collection and delivery system planning;
- Establish the New Mexico Health Policy Commission as an adjunct agency and provide for Commission appointment of the agency's Executive Director; and
- Amend, repeal and enact sections of NMSA 1978.

SB564 relates to the following bills:

- HB266 (Scope of Practice Act), which would enact the Scope of Practice Act to provide a procedure for objective review of proposed changes in the scope of practice of health professionals licensed by the state in order to ensure that the changes contribute to the improvement of the overall health of the people of New Mexico. The Scope of Practice Act would also provide a procedure for submitting findings, based on an objective review, to the Governor and to the legislature. The HPC would be required to coordinate the review of scope of practice changes for 23 professional and occupational health professions.
- SB14 (Health Care Workforce Data Collection), which would:
 - Direct the Department of Health (DOH) to collect and analyze data on the state's health care workforce;
 - Direct all health care licensing/regulatory boards to collect additional data from applicants for licensure; and
 - Direct DOH to convene a health care workforce work group to explore the use of provider incentives, and to develop a short-term and five-year plan that would improve health care access by addressing provider recruitment and retention.

OTHER SUBSTANTIVE ISSUES

The New Mexico Health Policy Commission's January 2011 report entitled, *Recommendations to Address New Mexico Health Care Workforce Shortages*, provides several recommendations to address New Mexico Health Care Workforce shortages including to support legislation to create an entity in the state with analyzing and reporting responsibilities to the Governor and the State Legislature consistent with the National Health Care Workforce Commission, to coordinate New Mexico health professional workforce needs and efforts.

According to the report, assuring access to quality health care for all New Mexicans includes health insurance coverage and ready access to health care providers. However, our nation is experiencing health care workforce shortages. Analysts project a nationwide shortage of 100,000 to 150,000 physicians, as many as one million nurses, and 250,000 public health professionals by 2020 to 2025. These shortages will worsen as Affordable Care Act provisions are implemented and increase demand for health care providers.

Based on health professional licensure data, New Mexico's health care workforce ranks poorly when compared to the nation's health care workforce. These shortages contribute to New Mexico's poor rankings related to access to health care and preventive services. New Mexico faces growing health care workforce shortages:

- Thirty-two of 33 counties are federally designated as Health Professions Shortage Areas, Medically Underserved Areas or Populations (HPSA, MUA/P).
- New Mexico ranks 49th of 50 states in per capita dentists.
- New Mexico is short 400 to 600 full time equivalent primary care physicians.
- New Mexico's current nursing shortage is 1,000, but will almost triple to 2,800 by 2015.

Several states including New Mexico are implementing enhanced pipeline production and recruitment and retention strategies to address health care workforce shortages. Examples of successful New Mexico efforts to address these shortages include: expansion of University of New Mexico (UNM) affiliated, community-based family medicine and dental residencies in Albuquerque, Santa Fe, Roswell, and Las Cruces; New Mexico Health Resources recruitment and placement efforts; UNM's Locum Tenens Program; UNM School of Medicine Combined BA/MD Program; UNM Health Science Center's Health Careers Pathways Programs; New Mexico Area Health Education Centers; New Mexico Health Professional Loan Repayment Program; New Mexico Loan-for-Service Programs; New Mexico Health Service Corps Medical and Dental Stipends and Community Retention Support by the New Mexico Department of Health; Center for Rural and Community Behavioral Health; New Mexico Center for Nursing Excellence; the New Mexico Rural Health Care Practitioner Tax Credit; and the Health Extension Rural Offices – Primary Care Extension Services.

While these efforts are helping to address health care workforce shortages in the state, it is clear that more needs to be done to address the worsening health professional shortages and assure access to quality health care for all New Mexicans.

(Source: New Mexico Health Policy Commission. (January 2011). *Recommendations to Address New Mexico Health Care Workforce Shortages*.

http://www.nmhpc.org/documents/Workforce_Paper_1-18-11.pdf)

ALTERNATIVES

Make the current Health Policy Commission an advisory body to the Department of Health or other agencies regarding health care workforce issues.

RAE/bym