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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino **ORIGINAL DATE** 01/26/21
LAST UPDATED 03/03/21 **HB** _____
SHORT TITLE Rural Primary Care Clinician Loan Repayment **SB** 61/aSIRC
ANALYST Klundt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$117.6	\$117.6	\$235.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Department of Health (DOH)
 Board of Nursing (BON)
 Medical Board (MB)

SUMMARY

Synopsis of SIRC Amendment

The Senate Indian, Rural and Cultural Affairs Committee (SIRC) amendment to Senate Bill 61 adds optometrists and certified nurse-midwives to the list of eligible clinicians.

Synopsis of Original Bill

Senate Bill 61 (SB61) is proposing enacting the Rural Primary Care Clinician Loan Repayment Act; providing for a loan repayment program to assist rural primary care organizations to recruit and retain eligible clinicians; and creating a fund.

The Rural Primary Care Clinician Loan Repayment Act would provide a loan repayment award for eligible organizations to hire eligible clinicians in accordance with the provisions of the Rural Primary Care Clinician Loan Repayment Act. Eligible organizations will hire an eligible clinician in eligible health care underserved area through the creation of a Rural Primary Care Clinician Loan Repayment Act.

Eligible clinicians include: medical doctor; osteopathic physician; physician assistant; nurse practitioner, dentist; dental hygienist; dental therapist; psychologist; independent social worker; master social worker; art therapist; licensed professional mental health counselor; licensed clinical professional mental health counselor; alcohol and drug abuse counselor; substance abuse associate; marriage and family therapist; associate marriage and family therapist.

In accordance with the provisions of the Rural Primary Care Clinician Loan Repayment Act, NMDOH: (1) shall establish award criteria; (2) may grant awards to eligible organizations to repay the loans of recipients; (3) will receive applications from eligible recipients who are licensed or certified to practice in the state and provide primary care services within the designated health care underserved areas of the state; and (4) shall be allowed up to 3percent of expenditures in each fiscal year for administration of the loan repayment program.

The general form of the contract required shall be prepared and approved by the attorney general and signed by the recipient and the designated representative of the department on behalf of the state.

The "rural primary care clinician loan repayment fund" is created as a non-reverting fund in the state treasury. The fund is composed of appropriations, donations and money earned from investment of the fund and otherwise accruing to the fund. Money in the fund is appropriated to the department to provide a revenue stream to finance the activities of the Rural Primary Care Clinician Loan Repayment Act. All money appropriated for the loan repayment program shall be credited and deposited to the fund. All payments for awards shall be made upon vouchers signed by the designated representative of the department and upon warrant issued by the secretary of finance and administration. Balances remaining in the fund at the end of a fiscal year shall not revert.

FISCAL IMPLICATIONS

The Department of Health (DOH) reported this bill would require additional personnel to administer this program. DOH estimates the department will need \$117.6 thousand for personnel expenditures. See administrative implications for more information.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

DOH reported New Mexico has a significant shortage of physicians. The NM Healthcare Workforce Committee 2020 Annual Report documents the shortage of physicians in New Mexico. [New Mexico Health Care Workforce Committee 2020 Annual Report \(unm.edu\)](https://www.unm.edu/newsroom/2020/06/2020-annual-report/). The proposed eligibility changes in SB61 would increase the number of participating health care practitioners and could encourage more health care providers to provide services in underserved areas of the state. Of New Mexico's 33 counties, seven contain predominantly urban areas defined as part of Metropolitan Statistical Areas (New Mexico Rural Health Plan, June 2019: <https://www.nmhealth.org/publication/view/report/5676/>). The remaining 26 Non-Metropolitan counties are considered rural or frontier in nature. It should be noted that there are locations within Metropolitan Statistical Areas counties that are largely rural or frontier. The very large

size of New Mexico counties creates this situation. The New Mexico Rural Health Plan also includes a recommendation to increase funding for current state loan-for-service and loan repayment programs.

Under current healthcare reimbursement systems, communities with a large proportion of low-income residents and rural communities may not generate sufficient paying demand to assure that providers will practice in these locations (2020-2022 New Mexico State Health Improvement Plan: <https://www.nmhealth.org/publication/view/plan/5311>). The rural to urban migration of health professionals inevitably leaves poor, rural, and remote areas underserved and disadvantaged. Skilled health professionals are increasingly taking job opportunities in the labor market in high-income areas as the demand for their expertise rises.

Since the demands for health care services and providers continues to increase, providing incentives to health care providers who work in rural and underserved areas may help stabilize and improve health care services (2020-2022 New Mexico State Health Improvement Plan). SB61 could encourage more health care providers to provide services in rural and underserved areas of the state.

The Board of Nursing reported, “Section 2 defines eligible clinicians and excludes clinical nurse specialists. Some clinical nurse specialists can provide mental health services in rural and underserved areas.

Section 3 specifies that the eligible clinician have a valid license to practice in the state. The primary issue is how will the department of health track license eligibility or will that responsibility remain with the eligible organization. There could be a circumstance that a loan repayment awardee loses their license through disciplinary process or through other process.

Section 6 refers to the eligible recipient submitting quarterly reports. The department would need to establish a process whereby licensure and privilege to practice are monitored for the eligible recipient. If the department proposes regulation that includes such monitoring, the regulation would be best developed by with input by the various state regulatory bodies.”

ADMINISTRATIVE IMPLICATIONS

DOH reported the proposed Rural Primary Care Clinician Loan Repayment Act in SB61 would increase work duties to the Office of Primary Care and Rural Health staff. An FTE would be needed to carry out the requirements of the Rural Primary Care Clinician Loan Repayment Act. The proposed legislation fund is composed of appropriations, donations and money earned from investment of the fund and otherwise accruing to the fund for the Rural Primary Care Clinician Loan Repayment Act. DOH shall be allowed up to 3 percent of expenditures in each fiscal year for administration of the loan repayment program.

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