

LFC Requester:

Connor Jorgensen

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*****(Analysis must be uploaded as a PDF)*****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** March 11, 2025*Check all that apply:***Bill Number:** HB 579Original ☒ Correction ☐Amendment ☐ Substitute ☐**Agency Name****and Code**

University of New Mexico-952

**Number:****Sponsor:** Representative Jenifer Jones**Short** NM Resident Physician**Person Writing** Kelly O'Donnell**Title:** Recruitment Program**Phone:** 505-659-5702 **Email** kodonnell@unm.edu**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$1,200.0	Nonrecurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: SB 579 creates the New Mexico Resident Physician Recruitment Program in the Graduate Medical Education Office at UNM to provide rotations at New Mexico hospitals and clinics for resident physicians. The bill appropriates \$1.2 million from the state general fund to UNM for use in FY2026 to fund additional residence options within the state to broaden recruitment opportunities.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

New Mexico has a severe shortage of healthcare providers, particularly outside the metropolitan areas. Rural residencies are critical for addressing the physician shortage in rural areas by increasing the likelihood that medical graduates will practice in rural communities; research shows that physicians who train in rural settings are more likely to settle in rural areas after completing their residency.<sup>1</sup> Core support for GME programming at UNM comes from CMS (Medicare and Medicaid). UNM receives annual Research and Public Service Project funding for GME. Medicare reimburses hospitals for a portion of their GME costs, based on a cost report submitted by the hospital to CMS. The addition of one-time funding for rural rotations in 2026, after the number of residents is already finalized, will reduce the costs for which UNMH can receive reimbursement, essentially supplanting federal funds and decreasing the net benefits of the appropriation.

Typically, resident rotations are 4 weeks in length.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

#### **AMENDMENT**

---

<sup>1</sup> Hawes EM, Fraher E, Crane S, et al. Rural Residency Training as a Strategy to Address Rural Health Disparities: Barriers to Expansion and Possible Solutions. J Grad Med Educ. 2021;13(4):461-465. doi:10.4300/JGME-D-21-00274.1 And Goodfellow A, Ulloa JG, Dowling PT, et al. Predictors of primary care physician practice location in underserved urban and rural areas in the United States: a systematic literature review. Acad Med. 2016;91(9):1313-1321. doi: 10.1097/ACM.0000000000001203.