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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/13
 SPONSOR Beffort LAST UPDATED 02/23/13 HB _____
 SHORT TITLE UNM Health Center Project ECHO SB 56
 ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$1,600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, UNM Health Sciences Center, Hepatitis Community Health Outcomes

Duplicates SB300, UNM Health Center, Hepatitis C Program

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico Health Sciences Center (UNM HSC)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 56 appropriates \$1.6 million from the general fund to the University of New Mexico for the purpose of hiring personnel to continue the Project ECHO program in New Mexico.

FISCAL IMPLICATIONS

For FY13, the UNM HSC's Project ECHO program, or the Hepatitis C Program, received \$966.9 thousand in general fund revenues, an increase of 12 percent over the FY12 general fund level. The project receives other state funds and federal funds, for an additional \$4.2 million estimated for FY13. House Bill 2 includes a general fund appropriation of \$1,476.6 thousand, a 53 percent increase over the FY13 general fund level. This amount includes a base increase of \$500 thousand and an increase for funding retirement contributions.

If HB 2, as passed by the House, and SB56 are enacted, Project ECHO's general fund support would increase to \$3.08 million.

The appropriation of \$1.6 million contained in this bill is a recurring expense to the general fund. While SB 56 states that unencumbered or unexpended funds shall revert to the general fund, language in the General Appropriation Act, Section 4 applied to Project ECHO's general fund appropriation makes the appropriation nonreverting unless specifically stated otherwise.

SIGNIFICANT ISSUES

The UNM HSC states that

Thirty two of thirty three counties in New Mexico are designated as Medically Underserved Areas. Specialty care for common, chronic, complex diseases is only available in many of these counties by traveling to the state's only academic medical center, UNMHSC.... Project ECHO extends specialty consultation to rural and frontier areas by partnering experts at UNMHSC with primary care providers in those areas, so that care can be delivered to the patient by their own provider, in their own communities. This results in improved access to specialty care for thousands of New Mexico citizens.

Project ECHO's clinical safety and effectiveness was proven in a multiyear study, recently published in the New England Journal of Medicine. This study demonstrated that Hepatitis C care delivered by primary care providers in rural New Mexico under the aegis of Project ECHO is as safe and as effective as care delivered at the UNMHSC Hepatology Clinic. The ECHO model, piloted successfully in the treatment of Hepatitis C, has now been expanded to multiple specialty fields and diseases.

With this funding support, Project ECHO will continue to provide specialty care to New Mexicans in rural and underserved areas throughout the State. Legislative funding, different from grant funding received by Project ECHO, can be dedicated to basic operating budget and salaries that we must maintain in order to serve the underserved of New Mexico. In the case of Chronic Pain ECHO Clinic, we provide access to the only interdisciplinary pain team in the state.

The DOH notes that it has supported Project ECHO and its approach to providing better access to health care. While Project ECHO does not involve direct patient care, the telehealth model connects primary care partners to specialists who help co-manage rural and underserved patients with common chronic conditions.

PERFORMANCE IMPLICATIONS

Project ECHO provides annual performance reports to the HED as part of the annual budget process.

DUPLICATION

SB56 duplicates

- General Appropriation Act appropriation
- SB300, a bill appropriating \$1 million to Project ECHO

OTHER SUBSTANTIVE ISSUES

While Project ECHO has been unable to collect patient fees and insurance because it is not considered to be providing direct patient care, other states have worked with insurers to bill these services. It would be appropriate to determine whether any changes to current law should occur to allow Project ECHO to bill for its services and generate revenue directly.

Further, SB56 specifies that funds should be used for personnel. It is unclear from LFC files and agency responses how many faculty and professional staff will be supported with these funds.

THT/svb:blm