

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Picraux DATE TYPED 2-4-05 HB 635

SHORT TITLE Rural NM Hepatitis C Service Delivery SB _____

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$2,200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 650
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
New Mexico Corrections Department (NMCD)
Health Policy Commission (HPC)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 635 appropriates \$2.2 million from the general fund to the Department of Health for the purpose of developing a training and service delivery system for screening and treatment of hepatitis C, using telemedicine capabilities and coordinating with NMCD and primary care clinics.

Significant Issues

DOH notes hepatitis C is a viral disease of the liver spread through blood and possibly other bodily fluids. In New Mexico, hepatitis C infection is 10 times more prevalent than HIV infection. DOH notes Sanjeev Arora, MD with the University of New Mexico (UNM) Health Science Center indicates the cost of managing hepatitis C without treatment is estimated at a lifetime cost of \$100 thousand per person. This bill would provide operational funding to enhance hepatitis C prevention and treatment services to outlying areas of the state through the network of community-based primary care centers and provide resources for treatment of inmates within NCMD.

The bill also charges DOH to use interactive telehealth to aid in the treatment of hepatitis C. Few clinicians in New Mexico are knowledgeable about the treatment, which requires a complex long-term intervention. Telehealth technologies allow the available experts to consult on cases and train their peers in the latest treatment protocols.

NMCD notes \$500 thousand is designated for the Corrections Department to provide screening for all inmates who are sent by the courts to the Reception and Diagnostic Center in Los Lunas.

HPC notes the following statistics:

- The estimated number of New Mexicans with hepatitis C is greater than 32 thousand. Less than 5 percent have been treated.
- Without treatment, approximately 8 thousand hepatitis C patients will develop cirrhosis/liver disease between 2010 and 2015 resulting in several thousand deaths.
- In correctional facilities, 1,978 prisoners have been diagnosed and none have been treated. The number of diagnoses is expected to reach 2,400.
- New Mexico has the highest rate of chronic liver disease deaths in the United States.
- Hepatitis C is curable in 45 percent to 85 percent of cases although there can be severe side effects.
- Thirty-two of 33 New Mexico counties are listed as Medically Underserved Areas. Fourteen counties are designated as Health Professional Shortage Areas.

FISCAL IMPLICATIONS

The appropriation of \$2.2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

DOH indicates the appropriation would permit creation of a system of care for hepatitis C within community-based primary care centers. It would support training of primary care center staff in the prevention and outpatient treatment of hepatitis C, the costs of indigent hepatitis C patients seen at community-based primary care centers, treatment of inmates within NMCD, and expansion of the syringe exchange and harm reduction program.

Additionally, primary care center activities would be integrated with the efforts of DOH staff, creating a continuum of care for hepatitis C-infected individuals similar to the continuum of care already in place for HIV-infected individuals. This continuum of care will range from outreach/identification of patients and include similar testing, counseling, harm reduction and treatment alternatives.

ADMINISTRATIVE IMPLICATIONS

NMCD indicates it has established protocols for the diagnosis and delivery of hepatitis C treatment that has endured court scrutiny and is aligned with the most current medical requirements. The proposed legislation may require more staff and/or the purchase of more equipment.

DUPLICATION, RELATIONSHIP

House Bill 635 duplicates Senate Bill 650. Additionally, there is an executive recommendation for \$2 million as a special appropriation for this purpose. NMCD currently receives \$500 thou-

sand for hepatitis C treatment. DOH also indicates HB 635 relates to HB 536 and its duplicate, SB 473, which creates a telehealth commission to encourage single, coordinated statewide efforts to create a telehealth system.

OTHER SUBSTANTIVE ISSUES

HPC notes telemedicine is the use of medical information exchanged from one site to another using electronic communications for the health and education of patients or providers and to improve patient care. Telemedicine requires a high-speed Internet connection and a video camera at each location.

According to the UNM Department of Internal Medicine, Extension for Community Healthcare Outcomes (ECHO) Project the implementation of a telemedicine model may result in high quality of health care and lower costs. Other positive outcomes may include fewer medical errors, prevention of unnecessary testing, prevention of death from an untreated disease, mitigation cost of future care (liver transplants), reduction of treatment related complications, improvement of outcomes with disease management protocols, preservation of rural physician time, a supplement for in inadequate nursing resources, and greater connectivity for rural clinics.

HPC indicates the model should be scalable and include provider training, installation of protocols and software on-site, conduct telemedicine clinics, collect data and monitor outcomes, and assess cost effectiveness of program.

DOH notes the hepatitis C initiative is a collaboration between DOH, UNM, NMCD and the New Mexico primary care system to develop a continuum of care, from testing and early detection through antiviral treatment for eligible persons infected with hepatitis C, including long term chronic disease management.

Hepatitis C is the most common blood-borne viral infection in the United States and is the single leading cause of liver transplantation in the United States. New Mexico has the highest rate of deaths due to chronic liver disease and cirrhosis in the United States, a rate 25 percent higher than the next highest state.

Injection drug users are the population with the highest rate of infection with the hepatitis C virus. Injection drug use with shared syringes, and other injection equipment, increases the risk of transmission of this blood borne virus.

ALTERNATIVES

HPC recommends the UNM School of Medicine be included as a collaborative partner in the development of this bill.

KBC/lg