F I S C A L I M P A C T R E P O R T

SPONSOR Sandoval **ORIGINAL DATE** 1/23/07 **LAST UPDATED** **HB** 174

SHORT TITLE Disease Treatment Project in Rural Areas **SB**

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	**FY08**		
	$1,600.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		$125.0	$125.0	$250.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 174, for the Legislative Health and Human Services Committee, proposes an appropriation of $1.6 million to support the Extension for Community Healthcare Outcomes (ECHO), a collaborative project between the Department of Health (DOH) and the University of New Mexico Health Sciences Center (UNM/HSC), whereby chronic disease management services would be provided in primary care settings to persons living in rural and underserved communities across the state. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 would revert to the general fund.

FISCAL IMPLICATIONS

House Bill 174 would appropriate $1,600,000 from the General Fund to DOH in fiscal year 2008. Currently there is $1.6 million dollars in base funding in the FY08 agency budget request. In addition, the Legislative Finance Committee budget recommendation includes expansion funding of $300 thousand for this program.

DOH notes that implementation of a comprehensive surveillance system to monitor project outcomes would require 2 FTEs, an epidemiologist and a supporting administrative clerk position at an estimated cost of about $125,000 per year.

SIGNIFICANT ISSUES

Historically, chronic disease care is provided almost exclusively through medical specialists concentrated in the metropolitan areas of Albuquerque or Santa Fe. HB174 would continue funding for Project ECHO, which provides clinical consult services from diverse disciplines (i.e., gastroenterology, cardiology, rheumatology) to rural primary care providers utilizing the telehealth network so that persons living with chronic diseases would be able to access care in their home communities. In addition, it would educate rural providers and staff, create centers of excellence for chronic diseases, provide continuing medical education credits, and reduce provider isolation, potentially reducing provider turnover. Project ECHO has successfully been implemented for management of chronic hepatitis C in rural areas and correctional facilities.

The project model has been expanded for other chronic diseases. The ECHO Cardiovascular Risk Reduction Project targets the risk factors for cardiovascular disease including hypertension, diabetes, tobacco, cholesterol, obesity, poor diet and inactivity. The plan conducts training seminars at community sites, utilizes Project ECHO infrastructure to conduct a weekly teleconference clinic with providers, and provides certification of regional expertise.

Chronic diseases, including diabetes, asthma, hepatitis C, among others, are a major concern for the State of New Mexico and the public health system as a whole. Of the top eight leading causes of death in New Mexico between 1991 and 2004, five were chronic diseases. Focusing on a chronic disease of epidemic proportion in New Mexico, such as hepatitis C, would allow for implementation of specific activities that would benefit New Mexicans. Approximately 24,000 to 28,000 persons may be infected with hepatitis C in the state. Specialist care for chronic diseases, such as hepatitis C, is frequently unavailable in the rural communities of the state. Persons infected with hepatitis C may not pursue care until the disease has progressed and adverse medical consequences have occurred that ultimately result in a higher cost of care.

HB174 would expand access to health care services in rural, underserved communities such that members of those communities living with chronic diseases may be able to seek care more quickly, and in a potentially more cost effective manner. Provision of chronic disease care locally often means that clinical care will be initiated at an earlier stage in progression of disease, thus mitigating later related medical problems and dysfunction.

GG/mt