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FISCAL IMPACT REPORT

ORIGINAL DATE 02/19/07

SPONSOR Bandy LAST UPDATED _____ HB 1035

SHORT TITLE Northwest NM Preventative Health Programs SB _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$250.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Relates to: SB 916

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 1035 would appropriate \$250,000 from the general fund to the Department of Health (DOH) for expenditure in Fiscal Year (FY) 2008 for a preventive health pilot program in rural areas of northwest New Mexico that works to identify and improve the health of persons who suffer from diabetes, heart disease, obesity or other preventable health conditions. Any unexpended balance remaining at the end of fiscal year 2008 shall revert to the general fund.

FISCAL IMPLICATIONS

DOH notes that HB 1035 is not part of the DOH executive budget request. Both the executive and Legislative recommendations contain \$1 million from Tobacco Settlement Funds for diabetes prevention and treatment. Of this amount, almost \$700,000 is used to support contract services and more than \$150,000 is used to purchase medical supplies.

SIGNIFICANT ISSUES

The economic burden of chronic diseases related to overweight and obesity is significant. NM spends an estimated \$324 million annually on direct adult medical expenditures (preventive,

diagnostic and treatment services) that can be attributed to obesity. Of this, \$51 million is spent within the Medicare population and \$84 million is spent within the Medicaid population (Finkelstein et al., 2004). The business sector also bears significant costs through lost work time, decreased productivity and health benefit costs. Although these and other indirect costs of obesity and overweight have not been measured in New Mexico, a national study shows them to be nearly as high as direct medical costs (Wolf, 1998). Approximately 1 in 11 adults, or 130,000 New Mexicans have diabetes (Behavioral Risk Factor Surveillance System [BRFSS] 2004 and National Health and Nutrition Examination Survey [NHANES]). In 2003, Cibola, McKinley and San Juan counties had 17,440 adults with diabetes. Those with diabetes are at risk for limb amputations, blindness, end-stage kidney disease and cardiovascular disease (Centers for Disease Control and Prevention 2004). Children are at an increasing risk for type 2 diabetes due to obesity, poor nutrition, and lack of physical exercise. Medical care and lost productivity for a person with diabetes averages over \$13,000 per year, totaling in excess of \$1 billion a year for the state (Diabetes Care study).

With diabetes on the rise, especially among children, these costs are increasing. Over 50% of adults in New Mexico are overweight or obese (BRFSS), putting them at risk for diabetes. A New England Journal of Medicine study indicated that one out of seven cases of diabetes could be prevented in at-risk populations through exercise and diet. This could potentially save NM an estimated \$128 million every 3 years (based on 11,997 cases of diabetes prevented). Heart disease and stroke continue to be two of the leading causes of death and disability in NM. In 2005, more New Mexicans (3,376) died from heart disease than any other cause, accounting for 22.7% of all deaths; stroke was the fifth leading cause of death, responsible for 4.2% of mortality (625 deaths). Heart disease and stroke caused the greatest number of deaths in New Mexicans ages 65 years and older. Heart disease was also the second leading cause of death in those 45 to 64 years old and the fourth leading cause in those 25-44 years old, representing an unfortunate number of years of productive life lost (NMDOH, 2006).

RELATIONSHIP

HB 1035 relates to SB 916 which would appropriate \$160,000 for the same purposes.

OTHER SUBSTANTIVE ISSUES

Adults living in New Mexico's Northwest region have statistically higher rates of obesity (23.4%) than those living in Bernalillo County 17.5% (BRFSS 2003). Hispanic (62.5%) and Native American (73.3%) adults have statistically higher rates of overweight and obesity than do White, non-Hispanic adults (51.3%) in New Mexico. The Northwest Counties of Cibola, McKinley and San Juan have a larger percentage of Hispanics and Native America than non-Hispanic Whites. American Indians are about 3 times more likely to have diagnosed diabetes than non-Hispanic Whites. American Indians are approximately 3.5 times more likely to have a diabetes-related amputation than non-Hispanic Whites (Health Policy Commission, NM Hospital Inpatient Discharge Data, 2002; Santa Fe Indian Hospital data, 2001). NM Hispanics and Native Americans have higher rates of heart disease and risks of stroke are elevated, particularly for NM Hispanic women. Rural residents have limited access to local health resources and often must travel long distances for specialized health care. Cibola, McKinley and San Juan Counties are medically underserved.