

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

ORIGINAL DATE 01/24/07

SPONSOR Altamirano LAST UPDATED _____ HB _____

SHORT TITLE Diabetes Prevention, Education & Outreach SB 126

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,000.0	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		\$136.0	\$136.0	\$272.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 126 would appropriate one million dollars (\$1,000,000) from the state general fund to the New Mexico Department of Health for expenditure in fiscal year 2008 for diabetes prevention, education, and outreach. Any unexpended or unencumbered balance remaining at the end of the fiscal year would revert to the general fund.

FISCAL IMPLICATIONS

The appropriation in Senate Bill 126 is not part of the Department of Health operating budget request for FY08. DOH estimates an operating budget impact of \$136 thousand per year for two

health educator positions and other costs to run the program.

SIGNIFICANT ISSUES

DOH notes that 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]). 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 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 case of diabetes out of seven could be prevented in at-risk populations through exercise and diet. This could potentially save New Mexico an estimated \$128 million every 3 years (based on 11,997 cases of diabetes prevented).

In 2004, the DOH conducted a statewide diabetes assessment; one of the top priorities identified was to provide a coordinated response to the problem of diabetes. The assessment was conducted with input from a wide range of partners that make up New Mexico's informal diabetes system. Participants included representatives of Health Care Providers, Diabetes-Related Associations, the Department of Health, Native American Programs, Universities and Colleges, the Community (including People with Diabetes), the Insurance and Pharmaceutical Industries, the Border Community, and the Legislature. A coordinated response is also a priority of the Diabetes Advisory Council's 2010 Strategic Plan (available at www.diabetesnm.org).

People with diabetes do not always have access to the preventive services and health care they need in their communities, underscoring the need for a comprehensive and coordinated response. Such a response would include prevention programs and education initiatives, as well as health care for uninsured and underinsured populations. Outreach efforts to communities and tribes throughout the state would enhance the New Mexico Department of Health Diabetes Prevention and Control Program's (DPCP) ability to identify and fund areas of highest need.

ADMINISTRATIVE IMPLICATIONS

Allocation of this appropriation would require application and/or Request for Proposal (RFP) processes. The increase in funding would most likely require additional DOH staff. Staff time would be dedicated to creating innovative programs that have a direct impact on diabetes in communities, community organizing and outreach, development and monitoring of contracts, technical assistance, and evaluation.

GG/sb