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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/12

SPONSOR Rodriguez LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE UNM Hepatitis C Program SB 285

ANALYST Hartzler-Toon

### APPROPRIATION (dollars in thousands)

| Appropriation |           | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|-----------|------------------------------|------------------|
| FY12          | FY13      |                              |                  |
|               | \$1,000.0 | Recurring                    | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

Either duplicates or relates to Appropriation in the General Appropriation Act, Section 4, J Higher Education, University of New Mexico Health Sciences Center

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico (UNM)  
Higher Education Department (HED)  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 285 appropriates \$1 million from the general fund to the University of New Mexico for a hepatitis C program and the Project Extension for Community Healthcare Outcomes (Project ECHO) administered by the University of New Mexico Health Sciences Center (HSC).

### FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

This request was submitted by UNM to the HED for review and for an expansion of program funding. For fiscal year 2012, the university requested nearly \$1.5 million in general fund support: the fiscal year 2012 level of \$860 thousand and a \$629 thousand increase. The Executive's fiscal year 2013 budget recommended funding HSC's Project ECHO at fiscal year

2012 levels, while the House Appropriations and Finance Committee (HAFC) included HSC funding at \$966.9 thousand – or a \$100 thousand increase over fiscal year 2012 levels – in the committee substitute to House Bill 2. House Bill 285 would more than double Project ECHO general fund support for fiscal year 2013.

This bill does not affect the nearly \$100 thousand in general fund that the DOH allocates for Project ECHO. Since fiscal year 2006, the DOH has contracted with Project ECHO to provide a telehealth network to increase access to clinical care in primary settings for persons living with hepatitis C. For fiscal year 2013, the Executive recommended \$98 thousand for DOH to continue to contract with the HSC and Project ECHO for maintaining the hepatitis C and addiction management services; the HAFC substitute reflects this recommendation.

### **SIGNIFICANT ISSUES**

According to the DOH's Epidemiology and Response Division (ERD),

an estimated 36,000 to 38,000 New Mexicans are living with chronic Hepatitis C, with approximately 3,000 newly identified cases reported annually in 2009 and 2010. (<http://www.health.state.nm.us/phd/dist3/documents/HepatitisAwarenessMonthProclamation2011Upright.pdf>) The Centers for Disease Control and Prevention (CDC) reports an estimated 12,000 deaths nationwide each year due to Hepatitis C-related liver disease. (<http://www.cdc.gov/hepatitis/index.htm>) According to CDC, the Hepatitis C virus is the most common cause of chronic liver disease, hepatocellular carcinoma, and liver transplantation in the nation.

Treatment for Hepatitis C includes a combination therapy utilizing Pegylated Interferon and Ribavirin medications over a course of 24 to 48 weeks, depending upon genotype and treatment response. The treatment protocol is complicated and requires close monitoring and clinical evaluation by a multi-disciplinary team of specialists. Emerging therapies have improved response rates but require even closer monitoring of patients. Without access to consultation from urban health centers, most community-based providers in rural and frontier areas of New Mexico do not have the expertise to offer such care. ...

Project ECHO has received recognition for the success of their model for expanding access to complex specialty care. The project demonstrated that Hepatitis C treatment response rates and adverse events in rural primary care settings were the same or better than those in urban academic medical center clinics via a five-year study reported in the literature (*Outcomes for Treatment of Hepatitis C*, Arora et al., *New England Journal of Medicine*, 364:23, June 2011).

The HED also noted that Project ECHO supports 13 extension community health clinics for non-hepatitis-related issues. Through Project ECHO's telehealth network, Albuquerque-based and urban practitioners and rural health care providers work together to track and treat rural patients with complex health issues.

### **PERFORMANCE IMPLICATIONS**

The HSC includes targets and measures for Project ECHO as part of the HED process for reviewing research projects and special projects.

**ADMINISTRATIVE IMPLICATIONS**

None. The HSC and Project ECHO would simply absorb increased costs resulting from the implementation of additional funds.

**DUPLICATION or COMPANIONSHIP RELATIONSHIP**

The HAFC substitute for House Bill 2 appropriates \$966.9 to Project ECHO. Senate Bill 285 could more than double the general fund amount currently in House Bill 2 or possibly add another \$35 thousand to the HAFC level to make the total HSC Project ECHO appropriation \$1 million.

THT/lj