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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/13
LAST UPDATED 03/05/13 **HB** 36/aHAFC

SPONSOR Hamilton/Cisneros

SHORT TITLE Veterans' PTSD Treatment Pilot Project **SB** _____

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$150.0	\$150.0	\$300.0	Recurring	General Fund; Veterans Virtual Reality Treatment Grants Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Veterans' Services Department (VSD)
 Regulation and Licensing Department (RLD)
 Human Services Department (HSD)
 Western New Mexico University (WNMU)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee (HAFC) amendment to House Bill 36 strikes the general fund appropriation of \$250 thousand.

Synopsis of Original Bill

House Bill 36 (HB 36) proposes the Veterans' Services Department (VSD) implement the veterans' virtual reality treatment pilot project in collaboration with Western New Mexico University. The bill also creates a new fund, the "veterans virtual reality treatment grants fund," and provides for continuing appropriations.

FISCAL IMPLICATIONS

The HAFC amendment to HB 36 struck the appropriation of \$250 thousand contained in the bill.

Continuing Appropriations Language

House Bill 36 creates a new fund, the “veterans virtual reality treatment grants fund,” and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the Legislature to establish spending priorities.

The Behavioral Health Services Division of the Human Services Department indicates given the scope of the study, a better estimate of cost might be a total of \$700 thousand per year for provision of the clinical services provided with strict risk mitigation protocols (\$300 thousand per year), outcome evaluation to determine effectiveness (\$150 thousand per year), veteran adjunct support services (\$100 thousand per year) and facility/administrative operating resources (\$150 thousand).

The Veterans’ Services Department reports it does not currently have staff experienced to administer such a large project as proposed by HB36, and would need additional resources.

SIGNIFICANT ISSUES

The Behavioral Health Services Division of the Human Services Department (BHSD/HSD) indicates according to the Veterans’ Administration, the number of veterans in New Mexico was 179,497 as of the end of 2007. The provision of treatment for veterans in New Mexico for military trauma spectrum disorder is a priority for the state of New Mexico. The state funds numerous behavioral health activities that work in collaboration with the NM National Guard, Department of Defense and the Veterans’ Administration to support veterans and their families. Often the state-funded public behavioral health system is the first point of contact for a veteran experiencing PTSD and the veteran’s family. Among the many approaches that have been used to treat PTSD, exposure therapy appears to have the best-documented therapeutic efficacy. Exposure therapy typically involves the graded and repeated reliving of the traumatic event through imagination within the therapeutic setting so that the patient can begin to therapeutically reduce trauma-relevant emotions.

Researchers have recently turned to the use of virtual reality (VR) to deliver exposure therapy by creating simulations of trauma-relevant environments through the computer viewer that allows the person to experience the trauma simulation in controlled conditions. The virtual reality prolonged exposure treatment is promising but still experimental and should only be applied by thoroughly trained clinicians within organizations or programs vetted through the Department of Defense, Veterans’ Administration or other organizations explicitly endorsed by these organizations as prolonged exposure therapy for military trauma disorders has significant risks if not appropriately applied. Treatment of veterans requires particular attention to the individualized experiences in combat and current needs of the veteran, making a single modality for treatment unlikely to address the needs of all New Mexico veterans. The Veterans’ Administration does not appear to have endorsed or begun using the virtual reality treatment in New Mexico. Treatment efficacy and evaluation findings may be more appropriately studied in a state currently engaged in use of this experimental therapy.

The Veterans' Services Department indicates the U.S. Department of Veterans Affairs estimates that up to 30 percent of combat veterans suffer from some type of PTSD. These veterans are currently treated through the VA mental health program as well as four veterans' centers located in Santa Fe, Albuquerque, Farmington, and Las Cruces. The VA currently uses prolonged exposure therapy under the guide of trained therapists experienced in screening and treating veterans with this method. The VA currently does not recognize virtual reality PTSD treatment since it is relatively new and experimental.

PERFORMANCE IMPLICATIONS

HB36 creates a pilot project administered by the Veterans' Services Department to treat veterans with posttraumatic stress disorder using virtual reality treatment devices. The pilot project is created as a four year study to determine the efficacy of virtual reality therapy.

The purpose of the project is to:

- Demonstrate that virtual reality therapy is a cost and therapeutically effective strategy;
- Demonstrate virtual reality therapy will decrease long term costs due to chronic care needs;
- Develop and implement a related curriculum in the Masters of Social Work program at Western New Mexico University.
- Train graduate social workers and other therapists to provide virtual reality therapy; and
- Provide therapeutic services to rural veteran closer to their homes through use of mobile virtual reality therapy devices.

The Veterans' Services Department shall seek public and private grants and donations for the pilot project which shall be deposited into a newly created non-reverting fund, the "veterans virtual reality treatment grants fund."

ADMINISTRATIVE IMPLICATIONS

The Veterans' Services Department reports it does not currently have staff experienced to administer such a large project as proposed by HB36.

OTHER SUBSTANTIVE ISSUES

The Behavioral Health Services Division of the Human Services Department (BHSD/HSD) indicates post traumatic stress disorder (PTSD) is an anxiety disorder characterized by feelings of intense horror, fear and helplessness as a result of exposure to a traumatic event when one experiences actual or threatened death or serious injury. PTSD can occur following a life-threatening event like military combat, natural disasters, terrorist incidents, serious accidents, or violent personal assaults like rape. PTSD is marked by clear physical and psychological symptoms including depression, substance abuse, problems of memory and cognition, and other physical and mental health problems. PTSD has been estimated to affect up to 18 percent of returning Operation Iraqi Freedom veterans (Hoge et al., 2004).

ALTERNATIVES

The Behavioral Health Services Division of the Human Services Department (BHSD/HSD) indicates it is the statewide authority for mental health and substance use (behavioral health), and the BHSD/HSD funds and monitors programs serving veterans and their families who have behavioral health service needs. Many veterans, especially in rural areas, rely on behavioral health core service agencies rather than the Veterans' Affairs Administration (VA) or the Veterans' Services Department to provide services related to trauma and PTSD. Core service agencies provide mental health and substance use treatment to both individuals who are and are not Medicaid eligible. The Veterans and Family Support Services Program (VFSS) received positive evaluations and with additional resources could be expanded to offer services throughout the state. The VFSS Program has served a large number of veterans and their family members through outreach, educational, and program development activities (3,004 individuals) and direct services (1,024 individuals) since 2007.

RAE/blm