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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Study Tobacco Use & Employer Costs SJM 15

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicate to SM 22

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)
 Public Regulation Commission (PRC)
 Medical Board (MB)
 Department of Health (DOH)

Response Not Received From

Workforce Solutions Department (WSD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 15 (SJM 15) requests the formation of a task force to study the relationship between tobacco use and employer costs, including the impacts on organizations that employ tobacco users, and recommend changes in laws to decrease workplace productivity losses and employer and employee health care and insurance costs due to tobacco use. The task force members will include the Association of Commerce and Industry of New Mexico, New Mexico Chamber of Commerce, New Mexico Hospital Association, leading health care providers in New Mexico, the Insurance Division of the Public Regulation Commission (PRC) or its successor; the American Lung Association, the New Mexico Medical Society, the American Cancer Society, and the Greater Albuquerque Medical Association.

FISCAL IMPLICATIONS

The memorial contains no appropriation; however the task force would require administrative support in arranging meeting locations, clerical support for meetings, research, documentation and transportation.

SIGNIFICANT ISSUES

The Department of Health (DOH) annually receives \$5.7 million from tobacco settlement program funds for smoking cessation and prevention programs.

The Human Services Department (HSD) notes the Behavioral Health Collaborative currently funds several types of local substance abuse prevention programs. The federal Substance Abuse Prevention and Treatment Block Grant provides approximately \$2.3 million each year to fund prevention efforts. About \$1.7 million of these funds are distributed annually to local community providers, primarily for alcohol and tobacco abuse prevention efforts. In FY12, about \$150 thousand in state general fund revenue supported several efforts including a prescription drug take-back effort, and another \$50 thousand was used for public awareness media campaigns. The HSD adds that state general fund revenue also supports prevention efforts through the Collaborative Total Community Approach grants to local communities. In FY13, the Collaborative will provide an additional \$650 thousand to five communities for prevention efforts through the federal Partnerships for Success grant.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The Public Regulation Commission's Division of Insurance indicates it appears that related studies have already been done by the National Cancer Society, the Tobacco Task Force, the Federal Task Force on Tobacco, and the Indian Health Service Tobacco Control Task Force.

TECHNICAL ISSUES

The Division of Insurance indicates regarding the memorial's statement that New Mexico law may actually impede efforts to reduce tobacco use, it notes that the Superintendent of Insurance has promulgated rules mandating that all health insurance policies and plans that offer maternity benefits must also provide coverage for tobacco cessation treatment.

The Economic Development Department (EDD) indicates task-force efforts should include outreach to business owners for feedback on any program recommendations viewed as having any cost impact to businesses. The state's Small Business Regulatory Commission should be positioned as an added resource for reviewing any small business new rules that result from the task force process.

OTHER SUBSTANTIVE ISSUES

The EDD indicates the creation of a results-based "wellness program" that ties the cost of employee's premium for the group benefits self-insurance plan health care coverage could be used to measure health education programs effectiveness when implemented in the workplace. The goal of the program is to promote the health and wellness of participants and lower health care expenses to businesses.