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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/23/2016  
**SPONSOR** Rodriguez **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Expand UNM Project ECHO Program **SB** 61

**ANALYST** Dulany

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$3,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$3,000.0	\$3,000.0	\$6,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4J Higher Education, University of New Mexico, Research and Public Service Projects, Hepatitis Community Health Outcomes

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico Health Sciences Center (UNM HSC)

Department of Health (DOH)

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 61 appropriates \$3 million from the general fund to the University of New Mexico for the Project ECHO program to improve health outcomes for rural and underserved New Mexicans.

**FISCAL IMPLICATIONS**

As drafted, the appropriation of \$3 million contained in this bill is a recurring expense to the general fund. The bill states that any unexpended or unencumbered balance remaining at the end of FY17 shall revert to the general fund. Importantly, Project ECHO currently receives general fund revenues through a direct line-item in Section 4 of the General Appropriation Act (GAA). If SB 61 or any appropriation for this program is added to the program’s existing appropriation in the GAA, the funds would be treated as recurring and non-reverting unless explicitly stated. (The FIR tables for this bill reflect a recurring appropriation.)

For a summary of general fund appropriations for this program in Section 4, GAA, see the chart below. For FY17, UNM HSC requested \$5.2 million for this program, an increase of over \$3 million over the currently funded level. While the Executive recommended flat funding for FY17, the LFC recommendation included an increase of \$100 thousand for the program.

<b>Project ECHO: General Fund Summary</b>			
<b>(in thousands)</b>			
<b>Fiscal Year</b>	<b>Amount</b>	<b>Dollar Change from Prior Year</b>	<b>Percent Change from Prior Year</b>
2008	\$550.0	-	-
2009	\$900.0	\$350.0	64%
2010	\$949.0	\$49.0	5%
2011	\$913.2	-\$35.8	-4%
2012	\$860.0	-\$53.2	-6%
2013	\$966.9	\$106.9	12%
2014	\$1,482.6	\$515.7	53%
2015	\$1,987.5	\$504.9	34%
2016	\$2,143.8	\$156.3	8%
2017	Exec. Rec. \$2,143.8 LFC Rec. \$2,243.8	Exec. Rec. \$0.0 LFC Rec. \$100.0	Exec. Rec. No Change LFC Rec. 5%

Source: General Appropriation Acts, LFC Post-Session Reports

The amounts above do not reflect the consistent levels of federal and other funding Project ECHO receives. UNM HSC reports the program has brought in over \$40 million in grant funding to New Mexico in the past 12 years to help develop new pilot programs, and Project ECHO was awarded a three-year, \$14 million grant from General Electric in 2015 to expand its model to federally qualified health centers. UNM HSC reports current grants and contracts totaling \$25.1 million for Project ECHO; however, \$14.7 million is designated for projects outside of New Mexico. While contract and grant dollars are restricted and must be used to satisfy contractual or grant terms, Project ECHO is allowed to retain a percent (ranging from 12 to 26 percent) of the contract or grant amount to cover indirect costs or administrative overhead; these funds can be used for unrestricted purposes or purposes related to the contract or grant purpose.

**SIGNIFICANT ISSUES**

According to UNM HSC, Project ECHO (Extension for Community Healthcare Outcomes) is a platform for both healthcare service delivery and research. Developed in June 2003, the ECHO model builds knowledge and capacity among community clinicians through case-based learning,

“knowledge networks,” and “learning loops.” The knowledge networks consist of regularly scheduled teleECHO clinics that facilitate meetings between inter-disciplinary specialists and community-based partners.

UNM HSC indicates the funds contained in SB 61 would maintain current teleECHO clinics (\$500 thousand) and expand the project in four areas (\$2.5 million):

1. Improve mental health.
2. Improve care for diabetes and obesity.
3. Build and support community health worker training programs.
4. Build a system of support for health care workforce (primary care physicians, nurse practitioners, physician assistants, nurses, pharmacists, counselors, social workers, and medical assistants, and community health workers).

## **PERFORMANCE IMPLICATIONS**

Project ECHO reports performance results annually as part of HED’s annual budget request process. Project ECHO met performance targets in the number of community health worker specialists in diabetes, the number of best practice protocols established for six disease models, and the number of teleECHO clinics held. Project ECHO did not meet performance targets in the number of:

- prisoners trained by prison peer educators in HIV, Hepatitis C, and substance abuse disorders (the target was 1,000; Project ECHO trained 478, although the tabulation at numerous sites is not complete);
- clinician and staff attending educational events (the target was 2,500; Project ECHO provided educational trainings to 996 unique participants); and
- community health worker specialists in addictions and substance abuse disorders (Project ECHO indicates zero community health workers were trained as specialists due to internal staffing issues).

UNM HSC has asserted it is difficult to accurately capture the impact of the program because Project ECHO trains physicians and other health professionals, who in turn treat an indeterminate number of people over the course of several years. An article published in the *New England Journal of Medicine* suggests the ECHO model is an effective way to treat hepatitis C patients. Findings in the article indicated the sustained viral response rates of patients treated under the ECHO model closely mirror the sustained viral response rates of patients treated in-person at the UNM Hepatitis C Virus Clinic.

## **OTHER SUBSTANTIVE ISSUES**

According to DOH:

“Project ECHO is designed to provide primary healthcare providers practicing in rural and underserved areas of New Mexico via telemedicine with medical specialty expertise and support that allows the providers to manage complex patients in their home communities. For New Mexicans living in rural areas, they may be able to better manage chronic illness if they do not have to travel long distances to receive specialty care.”

**DUPLICATION**

SB 61 duplicates an appropriation in the LFC Appropriation Recommendation.

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