F I S C A L I M P A C T R E P O R T

SPONSOR Armstrong, D. **ORIGINAL DATE** 1/24/17 **LAST UPDATED** 2/24/17 **HB** 87/aHHHC/aHJC

SHORT TITLE Diabetes Committee **SB**

ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Up to $72.4	Up to $72.4	Up to $144.8	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Aging and Long Term Services Department (ALTSD)
Department of Health (DOH)
Indian Affairs Department (IAD)
Human Services Department (HSD)
New Mexico Corrections Department (NMCD)
University of New Mexico Health Sciences Center
Public Education Department (PED)

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 87 brings Subsection F in line with the HHHC amendment adding members to the committee and makes minor technical changes.

Synopsis of HHHC Amendment

The House Health and Human Services Committee amendment to House Bill 87 adds four additional members to the diabetes committee.

Synopsis of Bill

House Bill 87 would require selected state agencies and other constituent entities to form a Diabetes Committee convened by the Department of Health (DOH). The Diabetes Committee

would collaborate to identify goals and benchmarks while developing individual constituent entity programs to reduce the incidence of diabetes in the state, improve diabetes care statewide and control complications associated with diabetes.

FISCAL IMPLICATIONS

All agencies involved on this committee would be required to devote additional staff time to the committee. It is assumed most of the agencies can provide staff time using current resources. However, since DOH would be responsible for convening the committee it is likely DOH would have to devote more time than the other agencies.

DOH stated that the bill would require 1 FTE staff support for DOH and ideally from a Social and Community Services Coordinator-Advanced (mid-point, plus benefits = $67,385 each year). There would need to be startup costs to convene meetings and distribute printed material and travel (approximately $5,000 one-time only). Since provisions within HB87 ask that the committee activity and a report be conducted indefinitely every two years there is a fixed cost to maintain meaningful committee activities excluding the FTE (approximately $5,000 each year).

SIGNIFICANT ISSUES

PED stated that their 2015-2016 Annual School Health Services Summary Report indicated that 25% of visits to the Student Health Office are chronic disease related, of which diabetes is one. The number of public school students with a diabetes diagnosis is 1,099, representing 17% of medically complex procedures performed by school nursing staff. (http://ped.state.nm.us/sfsb/reports/)

PED also said that both the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. & 1232g; 34 CFR Part 99) impose numerous requirements on the use and disclosure of individual health information. This law may prohibit and even prevent personal student diabetes information disclosures. The demographic data sharing would need to meet the requirements of both HIPAA and FERPA. Written agreements would need to be developed for the appropriate release of personal health information.

DOH provided the following:

> Some key partner organizations are still not included in on the committee. Limiting health care plan representation to only those organizations providing managed care coverage to Medicaid recipients may not be inclusive of other important health plan partners.
>
> Additional representatives on the diabetes committee could include:
> the New Mexico Diabetes Advisory Council;
> the Zia Association of Diabetes Educators;
> the Indian Health Service;
> diabetes programs from New Mexico's tribes and pueblos;
> New Mexico State University Cooperative Extension Service; and
> the Burrell College of Osteopathic Medicine at New Mexico State University.

Some of these representatives may be included in this amendment under "medical communities providing diabetes care and education," but since the language is vague, the specific intent is unknown.

In 2014, the prevalence of diabetes in the United States was 9.3 percent of the total population. In the same year New Mexico had a slightly higher prevalence of 10.2 percent of the total population in New Mexico. It would be important to note that American Indian and Alaskan Natives (AIAN) have the highest prevalence of diabetes both in the nation and in New Mexico, 15.9 percent and 17.7 respectively. In light of the fact that the prevalence of diabetes is highest amongst the AIAN population in New Mexico, provisions within the bill could be more comprehensive and effective to include consideration of local, tribal or federal healthcare agencies as well as other state agencies not mentioned.

One aspect of a more comprehensive approach would be to adequately consider Social Determinants of Health (SDH) as a major contributor to the incidence and prevalence of diabetes. SDH is generally defined as the places where people live, work, learn, and play and is recognized as having a tremendous impact on health (https://www.cdc.gov/socialdeterminants/). A comprehensive approach that addresses SDH is required to achieve the goals of this bill. Because so many community and environmental factors (e.g. availability of and access to healthy foods, physical activity opportunities, health care and community resources), influence the development and management of all chronic diseases such as diabetes, obesity, heart disease, stroke, cancer and arthritis, a comprehensive, multi-sector public health approach could be helpful.

From 2011 to 2013, similar legislation has been passed in 9 other states, most requiring working more closely with the agency that oversees Medicaid. The Louisiana legislation requires action to address obesity and its complications, which is a more comprehensive approach that highlights the need to focus on this major risk factor for diabetes (National Association of Chronic Disease Directors Diabetes Action Plan Legislation Frequently Asked Questions, January 2014). Of the states that have since passed similar legislation, New Jersey, North Dakota, and Oregon report that it is too early to know if the legislation in their states has resulted in significant improvements in the incidence of diabetes and costs and complications relating to diabetes.

IAD provided the following:

According the American Diabetes Association, the burden of diabetes is at an epidemic rate in New Mexico. Approximately 14.1percent of the adult population has diabetes and 39.7 percent have prediabetes. Further, every year an estimated 12,000 people in New Mexico are diagnosed with diabetes. People with diabetes have medical expenses approximately 2.3 times higher than those who do not have diabetes. In New Mexico, diabetes costs an estimated $2 billion each year; this includes the serious complications of diabetes, such as heart disease, stroke, amputation, end-state kidney disease, blindness, and death. An additional $424 million was spent on indirect costs from lost productivity due to diabetes.

Among New Mexico's racial/ethnic groups, the American Indian rate was three times,

and the Hispanic rate was two times, the White rate. The prevalence of prediabetes and diabetes are disproportionate to other populations in the state. The constituents of the Indian affairs department are among the many that suffer. The New Mexico department of health estimates that 12.6 percent of the Native Americans in the state are diagnosed prediabetes or borderline diabetes; this is double the White race/ethnicity prevalence (6.3 percent). The estimated diagnosed diabetes for Native Americans in the state is 18.1 percent; the White race/ethnicity is 6.1 percent and the Hispanic is 12.6 percent. Overall, the 60+ age group have the highest prevalence, at 10 times that of the 18-39 age group and 1.7 times that of the 40-59 age group rate.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

ALTSD stated that in 2015, ALTSD's Senior Services Bureau provided direction to Area Agencies on Aging, which required them, at the beginning of Fiscal Year 2016, to use funds designated by Title IIID of the Older Americans Act to implement evidence-based programs at the highest criteria level as defined by the Administration for Community Living. Currently, the City of Albuquerque/Bernalillo County Area Agency on Aging and the Non-Metro Area Agency on Aging are uses Title IIID funds to provide the Manage Your Chronic Disease Program, which is an evidence-based program, developed and tested by Stanford University to serve people with chronic health conditions. As part of this program, people with chronic health issues, including diabetes attend workshops in community-based settings and learn how to better manage their chronic health conditions and prevent additional chronic health conditions.

TECHNICAL ISSUES

DOH provided the following suggested amendments

Page 5, Lines 14-16: Remove: "type one or type two diabetes mellitus; complications related to diabetes mellitus; or pre-diabetes" and replace with: "a group of diseases marked by high levels of blood sugar due to defects in insulin production, insulin action, or both. It includes type 1, type 2, and gestational diabetes".

Add the following definitions under Section F., Pages 5-6:
a. "gestational diabetes means any degree of glucose intolerance with onset or first recognition during pregnancy;"
b. "incidence means the number of new cases within a population at risk in a specified time period;"
c. "prediabetes means a person's blood sugar is higher than normal but not as high as it would be with diabetes;"
d. "prevalence means the number of current cases, both new and preexisting, within a population at a specified point in time;"

EC/jle/sb/al/jle