

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/09

SPONSOR Lundstrom LAST UPDATED _____ HB 113

SHORT TITLE Create Statewide Alzheimer's Disease Plan SB _____

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
\$25.0		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Human Services Department (HSD)
 Health Policy Commission (HPC)
 Developmental Disabilities Planning Council (DDPC)

SUMMARY

Synopsis of Bill

House Bill 113 appropriates \$25 thousand to the DOH for expenditure in FY09 and FY10 to create a task force to establish a statewide Alzheimer's disease plan. HB 113 has an emergency clause that requires this new act take effect immediately.

FISCAL IMPLICATIONS

The appropriation of \$25 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the General Fund. The bill is unclear as to how this appropriation will be spent.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

This appropriation was not included in the Legislative Finance Committee's budget recommendation for the Department in FY09.

In terms of health care expenses and lost wages of both patients and their caregivers, the cost of Alzheimer's disease nationwide is estimated at \$100 billion per year.

Task force members may be entitled to per diem and mileage as provided in the Per Diem and Mileage Act. Any additional fiscal impact to state agencies will depend upon what recommendations made by the task force are ultimately implemented.

SIGNIFICANT ISSUES

Alzheimer's disease is a progressive, ultimately fatal, disorder in which certain types of nerve cells in particular areas of the brain degenerate and die for unknown reasons.

According to the Alzheimer's Association New Mexico Chapter website; *Alzheimer's disease is the most common form of dementia – brain disorders that affect your ability to function effectively in daily living. Well-established risk factors for Alzheimer's disease are genetics and aging (10 percent of those over age 65 and 50 percent of those over 85 have Alzheimer's). It's not known what causes Alzheimer's disease or what role genetics plays in most cases of Alzheimer's.*

PERFORMANCE IMPLICATIONS

The bill requires the task force to present its plan before the appropriate interim committees by November 2, 2009. The bill is unclear as to which public or private entities will be asked to participate as task force members. It would be expected the DDPC will be asked to contribute its expertise regarding guardianship issues.

ADMINISTRATIVE IMPLICATIONS

DOH reports the bill will require existing staff to organize and facilitate the task force, and to develop and deliver reports to interim committees.

OTHER SUBSTANTIVE ISSUES

Alzheimer's disease often goes unrecognized or is misdiagnosed in its early stages. Many doctors and nurses, patients, and family members mistakenly view the early symptoms of Alzheimer's disease as the inevitable consequences of aging.

Key elements of disease management include timely diagnosis and effective use of available therapies to manage cognitive and behavioral symptoms. Other important considerations include monitoring individuals for adequate nutrition, hydration and pain management as well as signs of abuse.

DDPC notes that the growth in the aging population in New Mexico is one of the factors predicting a growth in the need for guardianship.

ALTERNATIVES

DOH currently participates in the Aging and Long-Term Services Department's (ALTSD) Alzheimer's Advisory Work Group. DOH suggests directing the appropriation and duties outlined in the bill toward ALTSD as opposed to the Department.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A task force and appropriation to support its efforts to establish a statewide Alzheimer's disease plan will not be established through this legislation.

AHO/mc