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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/09

SPONSOR Chasey LAST UPDATED _____ HB 668

SHORT TITLE Veteran's Department Early Lung Cancer Detection SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$1,300.0	Recurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 532

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
Department of Veteran's Services (DVS)

SUMMARY

Synopsis of Bill

House Bill 668 appropriates \$1.3 million from the tobacco settlement program fund to the Department of Veterans' Services (DVS) to contract with an organization for a clinical study validating diagnostic technology for the early detection of lung cancer.

FISCAL IMPLICATIONS

The appropriation of \$1.3 million contained in this bill is a recurring expense to the tobacco settlement program fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the tobacco settlement program fund.

DVS has received funding through special appropriations in prior fiscal years to support this project. The department has received \$1.3 million and \$350 thousand in special appropriations for FY09 and FY08 respectively. DVS did not submit a special appropriation request in FY10.

SIGNIFICANT ISSUES

HED reports in their analysis that lung cancer claims more lives than any other cancer. The expected 5-year survival rate for all patients combined in whom lung cancer is diagnosed is 15 percent and by contrast, the 5-year survival rate for cases detected when the disease is still localized is 50 percent. At the present time, only 16 percent of lung cancer cases are diagnosed at this early stage. According to U.S. Department of Defense statistics, veterans have a 25% higher rate of lung cancer than the general population.

New Mexico Tech and Biomoda Inc., a medical diagnostics company based in Albuquerque, have partnered with the New Mexico Department of Veterans Services (DVS) to conduct a clinical study using proprietary testing technology for detection of early lung cancer in the state's veterans. Biomoda conducts the program using its proprietary non-invasive diagnostic technology for cost-efficient screening of early stage lung cancer in large populations. New Mexico Tech and DVS oversee the clinical program, with DVS providing a list of up to 2,500 veteran participants for the clinical phase.

According to HED, Biomoda and NM Tech are collaborating on efforts to bring Biomoda's diagnostic for early-stage lung cancer screening to market. New Mexico Tech's original role was to verify the viability of Biomoda's technology. Researchers and students at NM Tech have since developed specialized image recognition technology that will speed the commercialization of the technology; NM Tech owns the corresponding intellectual property. Biomoda's non-invasive diagnostic is based on a patented application that preferentially binds to cancerous or aberrant cells extracted from lung sputum samples. The cytology-based assay is designed for cancer screening of large populations at a reasonable cost.

NM Tech reports that final approval for human trials by the Food and Drug Administration (FDA) is pending, at which point DVS will provide research subjects for the final phase of clinical study.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill conflicts with the General Appropriation Act and funds related to the tobacco settlement program fund as well as the LFC recommendation for the tobacco settlement program fund.

This bill duplicates SB 532.

ALTERNATIVES

HED reports that DVS or NM Tech would need to seek other sources of funding such as federal or private grants, or determine if NM Tech has existing funds available to support this initiative. Per the principal investigator, NM Tech is actively seeking additional project funding from the National Institutes of Health and the Department of Defense.

PV/mc