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FISCAL IMPACT REPORT

SPONSOR King DATE 02-20-05 TYPED HB 625

SHORT TITLE UNM Neurodevelopmental Diagnostic Center SB _____

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for the University of New Mexico in the General Appropriations Act.

Relates to HJM32, SB124

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Health (DOH)
 New Mexico Commission on Higher Education (CHE)
 Developmental Disabilities Planning Council

SUMMARY

Synopsis of Bill

House Bill 625 – Making an Appropriation for the Neurodevelopmental Interdisciplinary Diagnostic Clinic at the University of New Mexico, Including its Programs in Autism Spectrum Disorder – appropriates \$500,000 from the general fund to the Board of Regents of the University of New Mexico for expenditure in FY06 for Neurodevelopmental Interdisciplinary Diagnostic Clinic programs, including diagnostic evaluations for children with autism spectrum disorder and telemedicine consultation for autism spectrum disorders. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

DOH indicates that the number of children with autism spectrum disorders being identified and needing evaluations has increased significantly both nationally and in New Mexico. The Southwest Autism Network in New Mexico serves 990 children ages 3-22 with Autism Spectrum Disorder with 67 percent of these clients between the ages of 3-8 years old. Diagnostic evaluations should be timely and require a highly qualified inter-disciplinary team. The University of New Mexico (UNM), Health Sciences Center, Center for Development and Disability (CDD) has such expertise.

According to UNM-CDD the waiting list for children to receive an interdisciplinary evaluation through the clinic is ten months. In 2004 the UNM-CDD conducted 74 evaluations on children from across New Mexico. Thirty-three percent of the children evaluated were diagnosed with Autism Spectrum Disorder and the remaining children were found to have other complex neurodevelopmental conditions. The Center for Telehealth at UNM has been working on developing a telehealth consultation program to address health care capacity around specialty clinics. This appropriation is to assist in meeting the increased need for diagnostic evaluations and consultation for Autism Spectrum Disorders and other neurodevelopmental conditions across New Mexico.

The Developmental Disabilities Planning Council adds that:

- autism is the fastest growing low-incidence disability, according to the U.S. Department of Education;
- between 3600-10,800 persons in New Mexico have Autism Spectrum Disorders;
- the numbers of referrals for diagnostic and follow-up services continue to rise in New Mexico; and
- telemedicine is an effective way to share expertise and provide technical assistance in rural or otherwise underserved areas.

The council does comment that, of the \$500,000, the language does not specifically state “what proportion would go toward the programs at UNM addressing autism spectrum disorders.”

CHE notes that this request was not in the list of priority projects submitted by the University of New Mexico to the CHE for review. Accordingly, the request was not included in the commission’s funding recommendation for FY06.

PERFORMANCE IMPLICATIONS

DOH notes that this legislation is aligned with a number of the department’s strategic plan initiatives including:

- Program Area 2: Health Care Delivery; Strategic Direction: Improve access to health care services; and

- Program Area 7: DD Community Services; Strategic Direction: To Promote independence, self-determination and inclusion in community life for persons with developmental disabilities.

DOH adds that the legislation also aligns with the Governor's Comprehensive Strategic Health Plan to improve coverage and access to health care services for all New Mexicans.

FISCAL IMPLICATIONS

The appropriation of \$500,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The University of New Mexico would retain oversight of this initiative.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to the appropriation for the University of New Mexico in the General Appropriations Act.

Relates to HJM32 in that HJM32 requires the legislative Health and Human Services Committee to study the feasibility of establishing a system for determining the number of individuals with Autism Spectrum Disorder (ASD) and how to deliver the necessary services to that population and the feasibility of developing a "one-stop shop" approach ASD client evaluation.

Relates to SB124 in that SB124 seeks to appropriate \$200,000 from the general fund to the Public Education Department for the purpose of professional development for school personnel working with students with Autism Spectrum Disorder.

TECHNICAL ISSUES

CHE notes that Autism Spectrum Disorder (ASD) is an increasingly popular term that refers to a broad definition of autism including the classical form of the disorder as well as closely related disabilities that share many of the core characteristics.¹ ASD includes the following diagnoses and classifications:

- Pervasive Developmental Disorder—Not Otherwise Specified (PDD-NOS), which refers to a collection of features that resemble autism but may not be as severe or extensive;

¹ CHE indicates that the principal source for diagnosing autism is the Diagnostic and Statistical Manual of the American Psychiatric Association, Fourth Edition (DSM-IV, 1994). Although children affected by autism are being identified at earlier ages than was the case previously, the diagnosis usually does not occur until sometime between two and three years of age. Diagnosticians are often reluctant to issue a formal diagnosis before the age at which complex language is expected to emerge. However, early intervention services can still be provided on the basis of developmental delay, even without a formal diagnosis of autism.

- Rett's syndrome, which affects girls and is a genetic disorder with hard neurological signs, including seizures, that become more apparent with age;
- Asperger syndrome, which refers to individuals with autistic characteristics but relatively intact language abilities, and;
- Childhood Disintegrative Disorder, which refers to children whose development appears normal for the first few years, but then regresses with the loss of speech and other skills until the characteristics of autism are conspicuous.

Although the classical form of autism can be readily distinguished from other forms of ASD, the terms autism and ASD are often used interchangeably. Individuals with autism and ASD vary widely in ability and personality. Individuals can exhibit severe mental retardation or be extremely gifted in their intellectual and academic accomplishments. While many individuals prefer isolation and tend to withdraw from social contact, others show high levels of affection and enjoyment in social situations. Some people with autism appear lethargic and slow to respond, but others are very active and seem to interact constantly with preferred aspects of their environment.

OTHER SUBSTANTIVE ISSUES

As general background to this initiative, DOH offers the following observations:

- Both nationally and in New Mexico there has been a significant growth in the number of children diagnosed with Autism Spectrum Disorders (ASD). According to a study by the University of Missouri-Columbia (Baker, D. L., 2004, March 16. Public Policy and the Shaping of Disability: Incidence Growth in Educational Autism) the average growth rate nationwide for ASD between 1995 and 2002 has been 307 percent, compared with just 15 percent for all other disabilities.
- According the Centers for Disease Control (CDC) studies done in Europe and Asia since 1985 have found that as many as 6 of every 1,000 children have ASD. CDC studies in the United States have shown a prevalence of between 3-6 per 1,000 children. Given these statistics it is estimated that there may be approximately 7,200 to 10,800 children and adults with Autism Spectrum Disorders in New Mexico, with an estimated 540 - 810 children under the age of five.
- Identification of children with Autism Spectrum Disorders typically occurs between the age of 2 – 4 years old. Due to the specific recommended interventions for children with Autism Spectrum Disorders, it is important that they are accurately diagnosed early in order to receive appropriate early intervention or pre-school special education services.
- The Department of Health currently contracts with the University of New Mexico – Center for Development and Disability (UNM-CDD) to conduct comprehensive diagnostic evaluations for children birth the age three, which includes young children where there is a concern regarding a diagnosis of Autism Spec-

trum Disorders. The UNM-CDD is able to bill Medicaid for children under age three for these evaluations.

- Experts in Autism at the UNM-CDD, who work as part of the Southwest Autism Network and Project SET (Specialized Early Teaching), along with the Early Childhood Evaluation Program collaborate in conducting diagnostic evaluations of children with autism spectrum disorders. The UNM-CDD operates an autism clinic at their Albuquerque location and also conducts diagnostic evaluation in local communities. The clinical team consists of a developmental pediatrician, a neuropsychologist, speech-language pathologists, a family specialist and staff from other disciplines, including speech-language pathology, medicine, social work, psychology and nutrition. Efforts have begun by the UNM-CDD to provide consultation services to local providers through telehealth conferencing thus minimizing the need for families to often travel long distances to Albuquerque to receive follow-up.

CHE observes that higher education institutions receive indirect cost revenues from federal contracts and grants. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. A great deal of this money is used as seed money to develop new research and public services projects at institutions. A portion of the indirect cost revenue, and earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contract and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed. Further, that the higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

CHE further suggests – assuming that funding will continue beyond FY06 – that consideration might be given to requiring University of New Mexico to submit a plan for program evaluation, including specific program goals and criteria for assessing program effectiveness to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2005. Further that the university should also submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by June 30, 2008 detailing the benefits to the State of New Mexico from having this program implemented for a three-year period.

BFW/njw