

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

SPONSOR Altamirano DATE TYPED 1/24/05 HB _____

SHORT TITLE Diabetes Education and Prevention Network SB 82

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$825.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Developmental Disabilities Planning Council (DDPC)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 82 appropriates \$825 thousand from the general fund to the Department of Health for the purpose of contracting with a statewide non-profit organization involved in diabetes education and prevention to create a network of diabetes providers, including a toll-free telephone resource line and web site.

Significant Issues

The first governor's performance review suggested implementing a statewide 2-1-1 network in New Mexico. According to the review, "2-1-1 is the national abbreviated dialing code for free access to health and human services information for referrals, and could replace most of the existing toll-free 800 numbers maintained by New Mexico health and human services agencies." The review placed DDPC in charge of the implementation.

DDPC notes the 2-1-1 telephone system being put into operation over time is a single point of entry for information and referral. Calls to the 2-1-1 system concerning diabetes would be re-

ferred to the appropriate entity that provides diabetes information and services. Coordination between or consolidation of the 2-1-1 system and diabetes phone system would be crucial.

DOH notes currently, 9 percent of the total population has the disease – over 85,000 people who have been diagnosed with diabetes, (BRFSS 2003) and 37,000 who have the disease but do not yet know it (NHANES 1988). In some Native American communities the rate is as high as 20 percent (Albuquerque Area Indian Health Service 2004). Those with diabetes are at risk for limb amputations, blindness, end-stage kidney disease and cardiovascular disease (Centers for Disease Control and Prevention 2004). Children are at increasing risk for Type-2 diabetes due to obesity, poor nutrition, and lack of physical exercise.

The department further notes medical care and lost productivity for a person with diabetes averages over \$13 thousand per year, totaling in excess of \$1 billion a year for the state (Diabetes Care study). With diabetes on the rise, especially among children, these costs are increasing. In addition, over 50 percent of adults in New Mexico are overweight or obese (Behavioral Risk Factor Surveillance System), putting them at risk for diabetes. However, with additional funds supporting coordination of prevention services, money could be saved. A New England Journal of Medicine study indicated that one case of diabetes out of 7 could be prevented in at-risk populations through exercise and diet. This could save New Mexico an estimated \$128 million (based on 11,997 cases of diabetes prevented).

This bill would allow significant expansion of the Department's diabetes education efforts. Continued funding of the program would then become an issue.

FISCAL IMPLICATIONS

The appropriation of \$825 thousand 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

DOH notes all funds expended through the department are subject to the NM Procurement Code and indicates the proposed seventeen month timeline is not sufficient to contract for and implement activities. Additionally, under the current provisions of Senate Bill 82 no new diabetes program staff will be hired and the bill does not include permissive language for coverage of administrative costs.

OTHER SUBSTANTIVE ISSUES

DOH indicates this bill advances the primary recommendation of the August 2004 New Mexico Diabetes Assessment, which was conducted by the Department of Health with input from a wide range of organizations and individuals that make up New Mexico's informal diabetes system. Participants included representatives of Health Care Providers, Diabetes-Related Associations, the Department of Health, Native American Programs, Universities and Colleges, the Community (including People with Diabetes), the Insurance and Pharmaceutical Industries, the Border Community, and the Legislature. The Assessment was funded by the U.S. Centers for Disease Control and Prevention.

A principal finding of the assessment is that New Mexico has many diverse diabetes services and programs; however, the workforce is overwhelmed, there are gaps in services, and little coordinated statewide response to address the epidemic. An urgent need was identified for providers and programs to work together in a more effective way.

The mechanism recommended to remedy this situation is the formation of a New Mexico Diabetes Network, housed within an independent nonprofit organization, to facilitate comprehensive collaboration in the areas of policy, information-sharing, program standards, data collection and management, grant-writing, and legislative advocacy.

KBC/lg:yr