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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/06

SPONSOR Altamirano LAST UPDATED _____ HB _____

SHORT TITLE Diabetes Education & Prevention Network SB 219

ANALYST Lewis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	950.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB218

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Health Policy Commission (HPC)
 Public Education Department (PED)

SUMMARY

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

Synopsis of Bill

Senate Bill 219 appropriates \$950,000 from the general fund to the Department of Health for expenditure in fiscal years 2007 through 2010 to contract with a statewide nonprofit organization involved in diabetes education and prevention efforts that will develop and support a network of diabetes organizations and resources and will facilitate collaborative planning, implementation and evaluation of diabetes education, prevention and management services.

FISCAL IMPLICATIONS

The appropriation of \$950,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

In 2004 the Department of Health (DOH) conducted a statewide diabetes assessment, which identified as the top priority the development of a statewide network to provide a coordinated response. Such a network was also a priority of the Diabetes Advisory Council's 2010 Strategic Plan (www.diabetesnm.org).

According to the DOH, 42 percent of New Mexicans live in rural areas, and 32 of 33 counties have areas that are medically underserved (www.HRSA.gov). Residents of these areas have limited access to local health resources and services, experience isolation and must often travel long distances for specialized health care. As a result people with diabetes don't always have access to the preventive services and medical care they need in their communities, underscoring the need for a coordinated response.

However, the appropriation in SB 219 is not part of the DOH executive budget request.

The Health Policy Commission (HPC) observes that, according to the Diabetes Prevent and Control Program of the DOH, the annual cost to New Mexico for diabetes care is \$1.1 Billion. This cost includes care provided in hospitals, medical offices, nursing homes and home health care, and includes the cost of amputations and treatment of end-stage renal disease with dialysis. It does not include care and treatment provided by dental, eye, podiatric and dietary professionals, costs associated with school-based and public health clinics, many vision products, research, over-the counter medications and indirect expenditures associated with lost productivity and earnings due to disability or death.

Direct medical costs for individuals with diabetes average \$13,243 per year, versus \$2,560 for those without diabetes.

PERFORMANCE IMPLICATIONS

The Public Education Department (PED) notes that his bill could positively impact PED performance measures that relate to the Governor's Obesity Prevention initiative. Obesity prevention initiatives, school attendance and graduation rates enhance student performance by increasing the number of students performing at grade level in math and reading.

ADMINISTRATIVE IMPLICATIONS

DOH states that allocation of these funds would require a Request for Proposal (RFP) process. At least one FTE (Health Educator) would be needed to provide community outreach. The staff person's time would need to be dedicated to the tasks associated with the proposed legislation, including community organizing and outreach, development and monitoring of the contract, technical assistance, and evaluation.