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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/08

SPONSOR Martinez LAST UPDATED \_\_\_\_\_ HB 40

SHORT TITLE Diabetes Prevention & Outreach SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$150.0	\$150.0		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 40 appropriates \$1,000,000 from the general fund to DOH for expenditure to fund for diabetes prevention, education and outreach.

### FISCAL IMPLICATIONS

The appropriation of \$1,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

HB 40 is proposing an additional \$1,000,000 from general funds to fund diabetes prevention, education and outreach activities in addition to the general appropriations act which contains \$585,000 from general funds and \$1,000,000 from Tobacco Settlement funds.

DOH will require to FTEs for health educators to implement and oversee the grants at an estimated cost of 150,000.

### **SIGNIFICANT ISSUES**

Approximately one in ten adults, or 150,300 New Mexicans has diabetes. People 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 increasing rates of obesity, poor nutrition, and lack of physical exercise.

Costs for medical care and lost productivity for a person with diabetes average more than \$13,000 per year and current estimates are almost \$2 billion a year for the state estimated forward based on data from a Diabetes Care study, 2002. With diabetes on the rise, especially among children, these costs are increasing. Of New Mexicans without diabetes, more than half are overweight or obese and one in five do no leisure-time exercise, increasing their risk for diabetes. A New England Journal of Medicine (2002) study indicated that one of every seven cases of diabetes could be prevented in at-risk populations through exercise and diet.

People with diabetes do not always have access to the preventive services and health care they need in their communities, underscoring the need for a comprehensive and coordinated response. Such a response would include prevention programs and education initiatives, as well as health care for uninsured and underinsured populations.

In 2004, DOH conducted a statewide diabetes assessment. One of the top priorities identified was to provide a coordinated response to the increasing prevalence of diabetes. Participants in the assessment included health care providers, diabetes-related associations, DOH, Native American programs, universities and colleges, community members including people with diabetes, the insurance and pharmaceutical industries, the border community, and the legislature. A coordinated response is also a priority of the Diabetes Advisory Council's 2010 Strategic Plan

Outreach efforts to communities and tribes throughout the state would enhance the New Mexico Department of Health Diabetes Prevention and Control Program's (DPCP) ability to identify and fund areas of highest need.

### **ADMINISTRATIVE IMPLICATIONS**

DOH notes distribution of this appropriation to professional services contractors would require application and/or Request for Proposal (RFP) processes. The increase in administrative workload will also require additional DOH staff of two Health Educators. Staff time will mainly be dedicated to overseeing community programs that have a direct impact on diabetes in communities, community outreach, development and monitoring of contracts, technical assistance, and evaluation.

## OTHER SUBSTANTIVE ISSUES

Populations experiencing diabetes-related disparities include Native Americans, Hispanics, African Americans, and rural communities. Native Americans in New Mexico are about twice as likely to be diagnosed with diabetes as non-Native Americans and non-Hispanics. Hispanics are about 1.5 times more likely to be diagnosed with diabetes than non-Hispanics. Non-Native American and non-Hispanic men are 1/2 to 1/5 as likely as African American men to have or develop diabetes, and African American women are approximately twice as likely as non-African American women to have or develop the disease. Yearly diabetes estimates for African American and Asian American populations in NM are based on numbers too small and imprecise to be able to compare to other New Mexico racial and ethnic groups.

Native Americans are about 3.5 times more likely to have a diabetes-related amputation than non-Native Americans and non-Hispanics (31, 2003).

In rural communities, residents have limited access to local health resources and services, experience isolation and often must travel long distances for specialized health care. 42% of New Mexicans live in rural areas and 32 out of 33 counties have areas that are medically underserved.

DW/mt