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FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/12
 LAST UPDATED 02/02/12 **HB** 101/HHGACS

SPONSOR HHGAC

SHORT TITLE Veteran PTSD Virtual Reality Treatment **SB** _____

ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Department of Military Affairs (DMA)
 Human Services Department (HSD)
 Department of Veterans' Services (DVS)

SUMMARY

Synopsis of Bill

House Health and Government Affairs Committee Substitute for House Bill 101 appropriates \$250.0 thousand from the general fund to the DVS for the purpose of funding a four year veteran's reality treatment pilot project. The bill creates the Veterans Virtual Reality Treatment Grants Fund as a nonreverting fund.

FISCAL IMPLICATIONS

The appropriation of \$250.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert. At the end of the pilot project, any unexpended or unencumbered balance shall revert to the general fund. According to the LFC staff General Fund Recurring Appropriation Outlook for FY14 and FY15, December 2011 forecasted revenues will be insufficient to cover growing recurring appropriations.

Continuing Appropriations language

This bill creates a new fund. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

DVS reports the U.S. Department of Veterans' Affairs (VA) estimates up to 30 percent of combat veterans suffer from some type of Post Traumatic Stress Disorder (PTSD). These combat veterans are treated through local community organizations, state programs, VA programs, as well as the four veterans centers located in Las Cruces, Albuquerque, Santa Fe and Farmington. The VA is using prolonged exposure therapy at various VA hospitals but only under the supervision of highly trained therapists with considerable experience screening and treating veterans with this method.

DVS further reports the use of virtual reality for treatment of PTSD is relatively new and still experimental, although there is some anecdotal evidence that it is successful.

DOH reports the New Mexico Behavioral Health Institute does not provide outpatient services to veterans and attempts to work with the VA have been unsuccessful. The Institute would be open to the idea of "virtual treatment" for veterans suffering from PTSD but would need a mechanism to bill for the services to make it self-sustaining.

HSD contends the scope of the task is significantly underfunded and estimates the cost will be \$2.1 to \$3.5 million with costs of \$1.4 million needed the first year. It adds the following:

"Post Traumatic Stress Disorder (PTSD) is an anxiety disorder characterized by feelings of intense horror, fear and helplessness as a result of exposure to a traumatic event when one experiences actual or threatened death or serious injury. PTSD can occur following a life-threatening event like military combat, natural disasters, terrorist incidents, serious accidents, or violent personal assaults like rape. PTSD is marked by clear physical and psychological symptoms including depression, substance abuse, problems of memory and cognition, and other physical and mental health problems. The disorder is also associated with difficulties in social or family life, including occupational instability, marital problems, family discord, and difficulties in parenting (Military.com). Research indicates that the more a service member is exposed to combat experiences and the more intense those experiences are, the greater the likelihood that the service member will experience chronic PTSD (Litz, n.d.).

PTSD has been estimated to affect up to 18 percent of returning Operation Iraqi Freedom (OIF) veterans (Hoge et al., 2004). Due to the nature of this conflict, the war in Iraq presents unique and chronic stressors, including civilian threats such as guerilla warfare and terrorist actions (Hoge et al., 2004). Soldiers and Marines need to maintain constant vigilance to deal with unpredictable threats like roadside bombs, and to discern safe civilians from potential combatants (Litz, 2005). Additionally, an unprecedented number are now surviving serious wounds (Bilmes, 2007). Ninety-two percent of soldiers and Marines serving in Iraq reported being attacked or ambushed, 86 percent reported knowing someone who was seriously injured or killed, 70 percent reported seeing dead or seriously injured Americans, and 53 percent reported handling or uncovering human remains (Hoge et al., 2004). The above risk factors are significant for development of PTSD (Schnurr, Lunney, & Sengupta, 2004).

According to the Veterans Administration, the number of veterans in New Mexico was 179,497 as of the end of 2007. The provision of treatment for veterans in New Mexico for military trauma spectrum disorder is a priority for the state of New Mexico. The state funds numerous behavioral health activities that work in collaboration with the NM National Guard, Department of Defense and the Veterans Administration to support veterans and their families. Often the state funded public behavioral health system is the first point of contact for a veteran experiencing PTSD and the veteran's family. Among the many approaches that have been used to treat PTSD, exposure therapy appears to have the best-documented therapeutic efficacy. Exposure therapy typically involves the graded and repeated reliving of the traumatic event through imagination within the therapeutic setting so that the patient can begin to therapeutically reduce trauma-relevant emotions.

Researchers have recently turned to the use of virtual reality (VR) to deliver exposure therapy by creating simulations of trauma-relevant environments through the computer viewer that allows the person to experience the trauma simulation in controlled conditions. The virtual reality prolonged exposure treatment is promising but still experimental and should only be applied by thoroughly trained clinicians within organizations or programs vetted through the Department of Defense, Veterans Administration or other organization explicitly endorsed by these organizations as prolonged exposure therapy for military trauma disorders has significant risks if not appropriately applied.”

PERFORMANCE IMPLICATIONS

DVS is required to partner with Western New Mexico University on this pilot project.

ADMINISTRATIVE IMPLICATIONS

DVS advises it is currently understaffed and does not have a staffer with the expertise to administer such a large project.

TECHNICAL ISSUES

To preserve the Legislative authority to appropriate, on Page 3, line 9, after the word “appropriated” insert “by the Legislature”.

ALTERNATIVES

Change the responsible agency to the HSD or pass a joint memorial encouraging the VA to undertake a pilot project in New Mexico using virtual reality to treat PTSD.

GAC/svb