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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/12
 SPONSOR Varela LAST UPDATED 02/11/12 HB 315/aHAFC
 SHORT TITLE Lung Cancer Research SB _____
 ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$1,000.0	Nonrecurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)
 Higher Education Department (HED)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 315 clarify that the appropriations are for the “Speaker Ben Lujan Lung Cancer Research Project.”

Synopsis of Original Bill

House Bill 315 appropriates \$1,000,000 from the Tobacco Settlement Fund to the University of New Mexico Health Sciences Center for lung cancer research.

FISCAL IMPLICATIONS

\$1,000,000 is appropriated from the Tobacco Settlement Fund to the Health Sciences Center (HSC) for lung cancer research. UNM notes that for every \$1 in research funding from the state, HSC is able to leverage between \$7 and \$20 in additional funding from the federal government.

The annual distribution of funds from the Tobacco Settlement Permanent fund to the Tobacco Settlement Program fund is established by statute. For fiscal years 2009 through 2013, 100% of

the settlement funds were to be distributed to the program fund. The legislature makes appropriations in the General Appropriation Act for tobacco programs from the projected balance in the Tobacco Settlement Program at entities including the Department of Health, the Human Services Department, and the University of New Mexico. Both the LFC and DFA budget recommendations (see attachment) included the full projected distribution of \$38.6 million in their FY13 budget recommendations and did not specify funds for lung cancer research. Thus, there are no additional funds available for this project from tobacco settlement funds.

SIGNIFICANT ISSUES

The University of New Mexico notes that the Health Science Center (HSC) would use this appropriation to support comparative effectiveness research in lung cancer. Comparative effectiveness research is designed to provide evidence on the effectiveness, benefits, and harms of treatment options -- determining the type of clinical care or implementation of care that is best. The benefits of the state investing in Biomedical research at the HSC are: (a) novel medical research and healthcare innovations, (b) access to state-of-the-art medical technologies and care, (c) accelerated translation of scientific discovery into improved health.

HED notes that lung cancer claims more lives than any other cancer. The expected 5-year survival rate for all patients combined in whom lung cancer is diagnosed is 15 percent and by contrast, the 5-year survival rate for cases detected when the disease is still localized is 50 percent. At the present time, only 16 percent of lung cancer cases are diagnosed at this early stage. More people in the United States die from lung cancer than any other type of cancer. This is true for both men and women. In 2007 (the most recent year numbers are available):

- 203,536 people in the United States were diagnosed with lung cancer, including 109,643 men and 93,893 women.
- 158,683 people in the United States died from lung cancer, including 88,329 men and 70,354 women.
- According to the most recent data from the New Mexico Tumor Registry, there are 487 new cases of lung cancer per 100,000 people diagnosed annually, and 397 associated mortalities per 100,000 each year.

ALTERNATIVES

The appropriation in HB 315 could be included in the General Appropriation Act by reallocation of funds from other programs that are recommended for funding from the Tobacco Settlement Program Fund.

GG/lj:svb

TOBACCO SETTLEMENT PROGRAM FUND APPROPRIATIONS
(dollars in thousands)

Agency	Purpose	FY12 Laws 2011, Ch. 179	FY12 Revised OpBud (1)	FY13 Request (2)	LFC FY13 Rec (3)
609 Indian Affairs	Tobacco Cessation Programs	255.7	249.3	249.3	249.3
630 Human Services Department	Medicaid -- Breast and cervical cancer treatment	1,345.9	1,312.4	1,312.4	1,312.4
630 Human Services Department	Medicaid	27,885.5	27,190.0	27,190.0	27,190.0
665 Department of Health	Tobacco cessation and prevention	5,827.4	5,682.0	5,682.0	5,682.0
665 Department of Health	Diabetes prevention and control	767.1	748.0	748.0	748.0
665 Department of Health	HIV/AIDS services	300.5	293.0	293.0	293.0
665 Department of Health	Breast and cervical cancer screening	131.8	128.6	128.6	128.6
952 University of New Mexico HSC	Research and clinical care programs in lung and tobacco-related illness (LRRRI contract)	0	195	-	-
952 University of New Mexico HSC	Instruction and General Purposes	675.9	607.9		607.9
952 University of New Mexico HSC	Research in genomics and environmental health	981.2	979.8		979.8
952 University of New Mexico HSC	Poison control center	335.1	395.2		590.2
952 University of New Mexico HSC	Pediatric oncology program	290.7	261.4		261.4
952 University of New Mexico HSC	Telemedicine program	109.0	-		-
952 University of New Mexico HSC	Los Pasos program	36.3	-		-
952 University of New Mexico HSC	Area health education centers	36.3	-		-
952 University of New Mexico HSC	Specialty education in trauma	290.7	261.4		261.4
952 University of New Mexico HSC	Specialty education in pediatrics	290.7	261.4		261.4
	Sub-total University of New Mexico HSC		2,962.1	2,962.1	2,962.1
Total Appropriations		39,559.8	38,565.4	38,565.4	38,565.4

(1) DFA advised agencies in April 2011 of reduced allotments for FY12 based on the 2011 actual payment.

(2) The Higher Education Department request was a flat amount for all tobacco funds.

Source: LFC Files

(3) The other state funds category for UNM HSC will include the use of tobacco and other funds.