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FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/15

SPONSOR Maestas Barnes LAST UPDATED _____ HM 26

SHORT TITLE Hepatitis C Strategic Plan SB _____

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal	Minimal	Nonrecurring	Various, including General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Public School Insurance Authority (PSIA)

University of New Mexico Health Science Center (UNMH)

SUMMARY

Synopsis of Bill

House Memorial 26 requests that the Department of Health convene a task force to create a statewide strategic plan designed to address the mortality and morbidity associated with the hepatitis C virus. The memorial requires the task force develop a comprehensive plan to increase access to hepatitis C treatment in New Mexico. The bill identifies eight task force participants including:

- University of New Mexico project ECHO;
- Medical Assistance Division of the Human Services Department;
- Bernalillo County Community Health Council;
- New Mexico Public Health Association;
- Santa Fe County Health Policy and Planning Commission;
- Rio Arriba County Health Council;
- Drug Policy Alliance; and
- Southwest Care Center.

The memorial requires the task force to present recommendations to the Legislative Health and Human Services Committee and the Legislative Finance Committee before November 30, 2015.

FISCAL IMPLICATIONS

The memorial does not provide funding to the DOH or other agencies to convene and facilitate the proposed task force. However, since the department is already supporting the New Mexico HCV Coalition, only modest resources will be needed to fulfill the goals of the bill and may be accomplished with existing program resources.

SIGNIFICANT ISSUES

DOH reports:

New Mexico (NM) has a large number of persons living with chronic infection of the hepatitis C virus (HCV). While numbers are not exact due to limited resources to track the epidemic using surveillance and epidemiology, the DOH Epidemiology and Response Division (ERD) estimates that there are at least 35,000 New Mexicans now living with HCV. There are also many newly reported cases each year, based on lab and medical reports submitted to ERD.

Several new treatments for HCV have been approved by the Food and Drug Administration (FDA) over the past year and more are in the research pipeline. These are from an entirely new class of medications. These options are far easier for patients to tolerate, as they are not interferon-based and, therefore, are far less likely to have severe side effects (<http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm427530.htm>).

In addition, while prior treatments had varying rates of success, for the most common HCV genotype, cure rates were well below 50 percent for most patient populations (<http://interferon.ws/interferon-treatment.htm>). In contrast, the new class of medications has very high rates of success, leading to sustained viral response (SVR) for the overwhelming majority of patients. SVR is the marker which is considered a “cure” for HCV. However, the new class of medications is very costly at this time. A single course of one medication can cost over \$100 thousand. Therefore, health systems and insurance providers are currently struggling with protocols and processes to determine which individuals are eligible and prioritized to receive these medications. A variety of groups are concerned about limited access at this time, including medical providers, patients, and advocates.

New Mexico has had a long history of coalitions designed to respond to the HCV epidemic. Through 2009, a non-profit entity called the New Mexico Hepatitis C Alliance worked to build coalitions and expand services across the state. This group developed statewide plans, the last of which was completed through a collaborative process in 2004. This document was entitled “A Vision and Strategy: Hepatitis C in New Mexico.”

A new plan has the potential to be more relevant and useful than the plan from 2004. It also has potential to find creative solutions and partnerships to bring more persons with HCV into care. A new group, the New Mexico HCV Coalition, was established in 2013. DOH helps to convene this body and one staff member is a co-chair of the group. As this body already has membership from some of the perspectives noted in this bill, it could help be a basis for recruiting to the new task force.

The University of New Mexico Health Science Center's (UNM HSC) Project ECHO (Extension for Community Healthcare Outcomes), was developed in 2003 to help address the burden of HCV infection. Since that time, Project ECHO has trained hundreds of primary care clinicians to treat HCV in the setting of community clinics. There are currently 32 partnering primary care clinics and Indian Health Service sites.

UNM HSC's Prisoner Health is Community Health – The New Mexico Peer Education Project (NMPEP) was started in response to an overwhelming problem in New Mexico state prisons. In 2008, the NM Department of Corrections began testing all prisoners upon entry into the state prison system and the HCV prevalence is 40 percent to 45 percent, the highest reported rate in the US. Through NMPEP, 380 prisoners have received 40 hours of training and participate in ongoing mentoring. HCV education in the prison system is critical to decreasing HCV transmission which impacts the public health of the community at large.

PERFORMANCE IMPLICATIONS

HM26 relates to DOH FY2015 Strategic Plan, Goal 1: Improved Health Outcomes for the People of NM.

RELATIONSHIP

Relates to Appropriation in the General Appropriation Act

OTHER SUBSTANTIVE ISSUES

DOH reports HCV infection disproportionately impacts persons with a history of injection drug use behavior. This group faces stigma and other challenges in accessing health care.

The Public School Insurance Authority (PSIA) reported, as part of Interagency Benefit Advisory Committee (IBAC), it adopted Express Script's formulary approach with the goal of lowering the cost of the cure by up to 40 percent. For members with Hepatitis C with Genotype 1 (representing 75 percent of Hep C patients), the plan will exclude Hepatitis C drugs Incivek, Harvoni, Olysio, and Sovaldi, and will include coverage for the durg Viekira Pak.

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