### Alcohol Harms Alleviation Act

Revenue Stabilization and Tax Policy Committee
October 18, 2024

#### **Presenting Sponsors:**

Sen. Antoinette Sedillo Lopez Rep. Joanne Ferrary Sen. Shannon Pinto

#### **Presenting Experts:**

Sindy Bolaños-Sacoman, MPH Marlene C. Lira, MPH With respect, we acknowledge that we are on the unceded ancestral lands of the Pueblo, Navajo and Apache peoples.

We honor their contributions to the land, both past and present.



#### With Gratitude To:

#### **Legislative Co-Sponsors**:

Rep. Kathleen Cates Rep. Wonda Johnson

Rep. Liz Thomson

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#### **Organizations:**

NM Alcohol Harms Alleviation Coalition NM Behavioral Health Providers Association NM Tribal Behavioral Health Association NM Society of Addiction Medicine Health Equity Council NM Alliance of Health Councils NM Association of Addiction Professionals NM Voices for Children National Latino Behavioral Health Association Rio Arriba Community Health Council Cibola Substance Abuse Prevention Coalition Veterans & Military Families Caucus Democratic Party of NM U.S. Alcohol Policy Alliance Mothers Against Drunk Driving (MADD) Rio Grande Alcohol Treatment Program Alcohol Justice Recovery Cafe, Las Vegas Recovery Friendly Taos NM Chapter of League of Women Voters The American Association of University Women

Santa Fe National Organization for Women Serna Solutions Bernalillo County Commission DWI Resource Center Turning Point Recovery Center Susan Wilger Consulting Alliance for Gun Violence New Ventures Consulting Alpha Assessment Associates First Nations Health Source Hands Across Cultures

# Burden of Harm from Excessive Alcohol Use in New Mexico

#### How We Are Thinking About Alcohol is Changing

- Past research that led to the promotion of low-volume alcohol use (e.g., red wine, Mediterranean diet) may have been subject to selection bias
  - When current drinkers were compared to non-drinkers in past studies, nondrinkers may have represented 'sick quitters', i.e., those who may have been too ill to drink and therefore not representative of a lifetime nondrinker
- A 2023 systematic review of 107 cohort studies comparing drinkers to lifetime nondrinkers found that low-volume alcohol consumption was not associated with reduced risk of death
- Even modestly reducing one's intake is associated with improved health

#### **New Mexico Leads the Country in Alcohol-related Mortality**

- New Mexico has had the highest state rate of alcohol-related mortality since 1997, and has ranked 1st, 2nd, or 3rd, since 1981
- Although New Mexico has the 6th highest state rate of overdose nationally, its rate of death from alcohol is 2x its rate of death from overdose
- New Mexico is also a leader in gun-related mortality, ranking 3rd in the country, and from 2010-2019, 32% of suicides and 42% of homicides in the state involved alcohol
- Youth drinking, which is associated with increased risk of alcohol use disorder is higher in New Mexico than other states
  - 21% of New Mexico youth reported having a first drink of alcohol before age 13, compared to 15% nationally

Centers for Disease Control and Prevention. Stats of the States - Firearm Mortality 2022. March 21, 2024. Accessed September 2,2024. https://www.cdc.gov/nchs/pressroom/sosmap/firearm\_mortality/firearm.htm Centers for Disease Control and Prevention. Drug Overdose Mortality by State. Published March 1, 2022. Accessed February 10, 2024. https://www.cdc.gov/nchs/pressroom/sosmap/drug\_poisoning\_mortality/drug\_poisoning.htm

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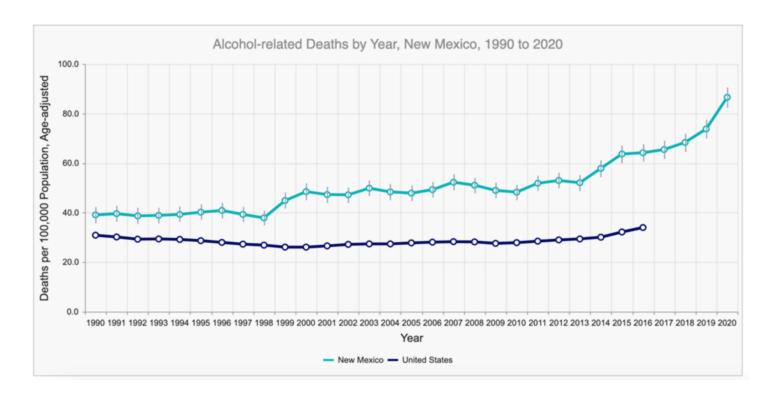
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#### Alcohol-related Mortality Increasing in New Mexico



- From 2019-2021, the rate of alcohol-related death increased by 31%, reaching an all-time high in 2021, now accounting for more than 2,000 deaths per year
- In 2022, the age-adjusted alcohol-related mortality rate in New Mexico was
   93.9 per 100,000

New Mexico Department of Health. New Mexico Substance Use Epidemiology Profile, 2022.

New Mexico Department of Health. 2022 Estimates of alcohol-related mortality by county, race/ethnicity, age, and sex.

Progress Report: Addressing Substance Use Disorders. Program Evaluation Unit Legislative Finance Committee August 24, 2023.

<a href="https://ibis.doh.nm.gov/indicator/summary/AlcoholRelatedDth.html">https://ibis.doh.nm.gov/indicator/summary/AlcoholRelatedDth.html</a>

#### The Downstream Effects of Alcohol Consumption Impact New Mexico's Economy

- In 2010, excessive alcohol consumption cost New Mexico \$2.2 billion
- Equivalent to \$2.77 per drink, with NM experiencing the highest cost per drink of all states
- Adjusting only for inflation and not increases in alcohol consumption, this cost would be equivalent to \$3.1 billion in 2023, or \$3.93 per standard drink
  - NM's entire 2023 Medicaid budget was \$8.9 billion
- This not only includes health and injury consequences, but also lost economic output through absenteeism and impaired productivity

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#### **Alcohol Consumption and Mortality by Race/Ethnicity**

	2022 Alcohol-related Mortality per 100k (NMDOH)	% Who Drank at Least One Alcoholic Beverage, Past 30 Days (BRFSS)		
American Indian or Alaska Native	283.4	36%		
Asian/Pacific Islander	33.8	Not available (small sample)		
Black or African American	80.7	46.8%		
Hispanic	81.5	47.7%		
White	66.9	53.5%		

#### **Excessive Alcohol Use and the Paradox of Harm**

### "Paradox of Harm": when drinking the same amount of alcohol, disadvantaged populations experience greater harms from alcohol than affluent populations

- A telephone study in England found that drinkers of lower socioeconomic status
  were more likely than drinkers of higher socioeconomic status to have other risk
  factors for poor health, leading to multiplicative effects on risk of adverse health
  outcomes related to alcohol
- In New Mexico, this could result from structural violence, intergenerational trauma,
   and social determinants of health

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# Evidence on the Impact of State-level Alcohol Control Policies and Alcohol Taxes

#### Stronger Alcohol Policies Reduce Harms from Alcohol

- A strong body of evidence has found that more restrictive state alcohol policy environments are protective for:
  - Binge drinking among adults
  - Any drinking among youth
  - Alcohol involvement in motor vehicle crash fatalities among adults and youth
  - Multiple types of cancer
  - Homicide and intimate-partner homicide
  - Suicide and gun-involved suicide
  - Remission from alcohol dependence

Koob GF. Understanding How Alcohol Policies Impact Public Health. Coleman SM, Lira MC, Blanchette J, Heeren TC, Naimi TS. Alcohol policies, firearm policies, and suicide in the United States: a lagged cross-sectional study. BMC public health. 2021 Dec;21:1-8. Blanchette JG, Lira MC, Heeren TC, Naimi TS. Alcohol policies in US states, 1999–2018. Journal of studies on alcohol and drugs. 2020 Jan;81(1):58-67.

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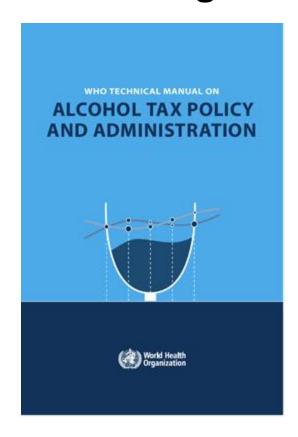
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# World Health Organization Recommends Increasing Alcohol Taxes



"Taxing unhealthy products creates healthier populations. It has a positive ripple effect across society - less disease and debilitation and revenue for governments to provide public services. In the case of alcohol, taxes also help prevent violence and road traffic injuries."

- Dr. Rűdiger Krech, Director, Health Promotion, World Health Organization

## New Mexico Department of Health Recommends Increasing Alcohol Taxes

#### THINGS THAT CAN BE DONE TO DECREASE ALCOHOL-RELATED HARM

Increase Alcohol Taxes - Increasing alcohol taxes has been shown to decrease drinking (including underage drinkers), and decrease many alcohol-related harms.

**Regulate Alcohol Outlet Density** - Limiting the number of businesses selling and distributing alcohol in neighborhoods is one of the most effective strategies for reducing alcohol-related harm.

Increase Alcohol Screening and Brief Intervention - Screening and brief intervention services provided in clinical, community, or fully online settings has been shown to reduce excessive alcohol consumption.

Limit the days and hours alcohol sales occur - Maintaining or decreasing days and hours that alcohol is sold.

To learn more visit The Community Guide at www.thecommunityguide.org/alcohol/index.html and the US Preventive Services Task



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#### **Alcohol Excise Taxes: an Overview**

- Alcohol excise taxes are imposed upon the distributor and passed to consumers
- Raising the price of alcohol targets high-volume drinkers and can reduce health inequities
- Increasing the price of alcohol leads to reductions in alcohol consumption, alcohol use disorder and mortality from cirrhosis, motor vehicle crash fatalities, sexually transmitted infections, violence, all-cause mortality
- Increasing alcohol excise taxes generates state revenue for prevention and treatment

Beverage Type	Increase in Price	Expected Decrease in Consumption
Beer	10%	3.0%
Wine	10%	6.0%
Spirits	10%	6.5%

#### **Excise Taxes vs. Sales Taxes**

Type of Tax	Pros	Cons
Volume-based excise tax	<ul> <li>Can increase the price of beverages and reduce consumption</li> <li>Paid directly by alcohol industry</li> <li>Easy to implement in NM</li> </ul>	Need to be adjusted for inflation over time
Sales tax	<ul> <li>Can increase the price of beverages and reduce consumption</li> <li>Not subject to erosion from inflation</li> </ul>	<ul> <li>Lower tax amount per unit on lower-priced alcoholic beverages by design, making these more affordable and accessible</li> <li>Would require additional infrastructure to assess and collect in NM</li> <li>NM alcohol industry does not want sales taxes</li> <li>Paid directly by consumers</li> </ul>

## Conceptual Framework for Alcohol Taxes and Alcohol-related Health Outcomes

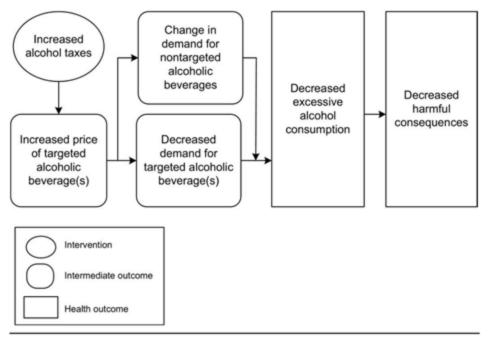


Figure 1. Conceptual model for the causal relationship between increased alcohol taxes and decreased excessive alcohol consumption and related harms (oval indicates intervention; rectangles with rounded corners indicate mediators or intermediate outcomes; and rectangles indicate outcomes directly related to improved health)

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#### **Experiences from Other States**

- An alcohol tax increase led by Vinny DeMarco and David Jernigan in Maryland in 2011 resulted in an 3% absolute increase in sales tax from 6% to 9%, resulting in:
  - 6% reduction in rate of alcohol-involved motor vehicle crashes
  - 3.8% decline in total alcohol sales
  - 24% decrease in incident gonorrhea
- Alcohol tax increases in Alaska in 1983 and 2002 resulted in 29% reductions in alcohol-related disease mortality

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# 2024-2025 Proposal: Alcohol Harms Alleviation Act

#### **New Mexico's Current Alcohol Tax Structure**

- Over 140 attempts to increase alcohol excise taxes in New Mexico since 1990, with the last success in 1993
- Recall, the cost to society for each standard drink, when adjusted for inflation, is approx. \$3.93, while the revenue to the state is just pennies
- Alcohol excise tax revenue amounts to ~\$50 million annually, with half going to the general fund

Beverage Type	Tax per Taxable Units	Tax per Standard Drink
Beer	\$0.41 / gallon	\$0.04 / standard drink
Wine	\$0.45 / liter	\$0.07 / standard drink
Spirits	\$1.60 / liter	\$0.07 / standard drink

# What does New Mexico need to move the needle on alcohol-related harms and health disparities?

# New Mexico Needs to Decrease Consumption and Create Effective Programs

The legislation we are proposing would:

- 1. Decrease alcohol consumption by 5% 10%
- 2. Collect \$200 million \$250 million in annual tax revenue to stabilize funding and bolster public health investments for prevention of excessive alcohol use and treatment of alcohol use disorder and related harms

#### 2024-2025 Proposal: Alcohol Harms Alleviation Act

#### Part 1: Adjust Alcohol Excise Taxes for Inflation

 Increase alcohol excise tax to account for inflation since 1994 and include inflation adjustments every three years going forward.

#### Part 2: Temporary Public Health Investment Fee to Address Public Health Crisis

• Introduce a temporary \$0.20/standard drink public health investment fee to address the public health crisis from excessive alcohol use in New Mexico. The public health investment fee would sunset after New Mexico's rate of alcohol-related death is less than 40/100,000 for five consecutive years (2022 rate: 93.9/100,000).

# How would this translate to taxes per standard drink?

## Taxes Would Range from \$0.28 to \$0.35 per Standard Drink

	Tax Per Taxable Unit			Tax Per Standard Drink		
	Beer	Wine	Spirits	Beer	Wine	Spirits
Current Tax Rates	\$0.41	\$0.45	\$1.60	\$0.04	\$0.07	\$0.07
2024-2025 Alcohol Harms Alleviation Act						
Part 1: Inflation-adjusted excise tax	\$0.87	\$0.95	\$3.38	\$0.08	\$0.14	\$0.15
Part 2: Temporary public health investment fee	\$2.13	\$1.35	\$4.50	\$0.20	\$0.20	\$0.20
Total excise taxes	\$3.00	\$2.30	\$7.88	\$0.28	\$0.34	\$0.35

The inflation adjustment would essentially double current alcohol excise taxes.

The temporary public health investment fee would add \$0.20 per standard drink.

# What are the anticipated public health impacts?

## AHA Act Would Decrease Alcohol Consumption and Raise Stable Revenue for Effective Programs and Infrastructure

	Expected Change in Consumption			Expected Tax Revenue	
	Beer	Wine	Spirits	Total	
Current Tax Rates	0%	0%	0%	\$48,154,301	
2024-2025 Alcohol Harms Alleviation Act					
Part 1: Inflation-adjusted excise tax	-1%	-2%	-2%	\$49,652,239	
Part 2: Temporary public health investment fee	-5%	-5%	-6%	\$137,144,140	
Total excise taxes	-6%	-7%	-8%	\$234,950,680	

#### The Alcohol Harms Alleviation Act would:

- Reduce alcohol consumption by approximately 7%
- Generate ~\$235 million in <u>stable</u> annual revenue for public health programs

#### What Can New Mexico Do with \$200+ Million in Annual Revenue?

- Increased funding of programs in current statute: LDWI Program, Drug Courts, and Farmington program
- Funding for research to assess and address equity impacts of excessive alcohol consumption in New Mexico
- Robust alcohol prevention, treatment and recovery services to help communities disproportionately impacted by harms from alcohol
- Culturally relevant prevention, treatment and reduction of alcohol-related harms for Indian nations, tribes & pueblos implemented by tribes themselves
- Stable funding for community-led New Mexico Health Councils
- Support for victims of alcohol-related harms, including (but not limited to) domestic violence, sexual assault, and gun violence

# **Extensive List of Programming Requested by State Agencies and Community Organizations**

#### Requested Programs from State Agencies and Community Organizations

Statewide Alcohol Coordinator and Admin Support

LDWI Programs - increase from \$23 million to \$30 million

Drug Courts - increase from \$3 million to \$3.6 million

Farmington Program for people found intoxicated outdoors -- increase from \$250k to \$300k

Alcohol Program in ERD

Media Campaion

Expansion of School-Based Health Centers

Developmental Disabilities waiver program to support people with DD related to alcohol (e.g., FAS, TBI, etc)

Behavioral Health Local Collaboratives, Health Councils and sustained funding for New Mexico Alliance of Health Councils

Home Visiting Program for High Risk Fetal Alcohol Syndrome/Effects: Prenatal and Postpartum

Universal SBIRT in Primary Care

Tribes/Nations/Pueblos for prevention, enforcement, treatment, support services, inc Support for Native Americans transitioning from recovery to sober living

OSAP: Grant-funded programs to support expansion of AUD treatment (high mortality counties, rural counties, telehealth)

OSAP: Grants to localities, tribes, and community-based organizations to support alcohol coalitions and organizations working to reduce harms from excessive alcohol use

CRAFT Training or other evidence-based approaches to train family friends/others includes evaluation

Peer Support Workers Expansion (50)

Treatment reimbursement for uninsured individuals

Long-Term Treatment Funding (Residential)

NM Tribal Behavioral Health Providers Association

Adolescent IOP Expansion Incentive

w/ DOH, Statewide implementation of evidence-based prevention and practices in elementary schools, e.g., PAX Good Behavior Game; w/DOH

w/ DOH, Statewide support of evidence-based prevention and practices in elementary schools, e.g., Botvin Life Skills Training or other evidence-based curriculum in MS or HS

Loan repayment for addiction workforce

Expand Special Investigations Unit for enforcement of STI and STM

Expand ABC to process and ensure compliance with rules

Crime Victim's Rights

Prevention and Treatment Access for seniors

Prevention and Treatment for children and teens, esp. in foster care and high-risk situations

Domestic Violence Prevention and Treatment

Alcohol education outreach through the Area Agencies on Aging community network

Home Visits Program for individuals entering guardianship: Conduct Bi-Arnual Protected Persons Welfare Visits (PPWWs) for newly protected persons (PPs) under guardianship with substance abuse related to alcohol.

Home Visits Program - for individuals in guardanship. Conduct Protected Persons Welfare Visits (PPWVs) on existing protected persons (PPs) appointed to a Professional Guardian and has substance abuse related to alcohol.

Treatment Guardianship: Funding for Protected Persons under Treatment Guardianship with substance abuse related to alcohol.

Guardanship Intake Processing: Funding to process intake applications for Alleged Incapacitated Persons (AIPs) with substance abuse related to alcohol.

Yellow Ribbon suicide prevention in K - 12 schools

Implementation of a multifaceted approach utilizing Primary Prevention evidence-based strategies including direct services, experiential education, statewide PAX Good Behavior Game and Indigenous PAX Good Behavior Game, and population-level environmental strategies focused on policy change, social access, perception of risk through allocation contracted to county-level providers.

Rural Transport Initiative: Focus on transportation deficiencies in rural and frontier areas to support providers transporting patients/clients to and from treatment and other care. Money will support at Federal Government mileage reimbursement and through an application process, pur chase of a vehicle can be awarded to qualified areas.

Provide recurring funding to support facilitation of unifying regional behavioral efforts and voices between Local Collaboratives, Health Councils, coalitions, and alliances.

Two FTEs to support expansion of training within Office of Peer Recovery and Engagement that would result in certification rather than specialty endorsements.

Create program outreach to support the BH impact brought about by Human Trafficking for individuals and their families.

Expand on gender specific programming for individuals involved in the justice system: This programming could support outreach to more vulnerable, or minority, populations and involved in the justice system (e.g. women; Intellectually Disability; LGBTQI)



#### **Summary and Next Steps**

We have an historic opportunity to mitigate the harms and health disparities from excessive alcohol consumption in New Mexico and build a healthier and more equitable future.

We we welcome collaboration and hope to work together to find consensus and pass this important legislation. Thank you!

