UNM
HEALTH SCIENCES
CENTER

Presentation to:

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

Co-Chaired by:
Senator Mary Jane M. Garcia
Representative Gail Chasey

August 16, 2011

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Chancellor for Health Sciences
Dean of the UNM School of Medicine

Richard S. Larson, M.D., Ph.D.
Vice Chancellor for Research
& Sr. Associate Dean for Research, SOM

Original Intent

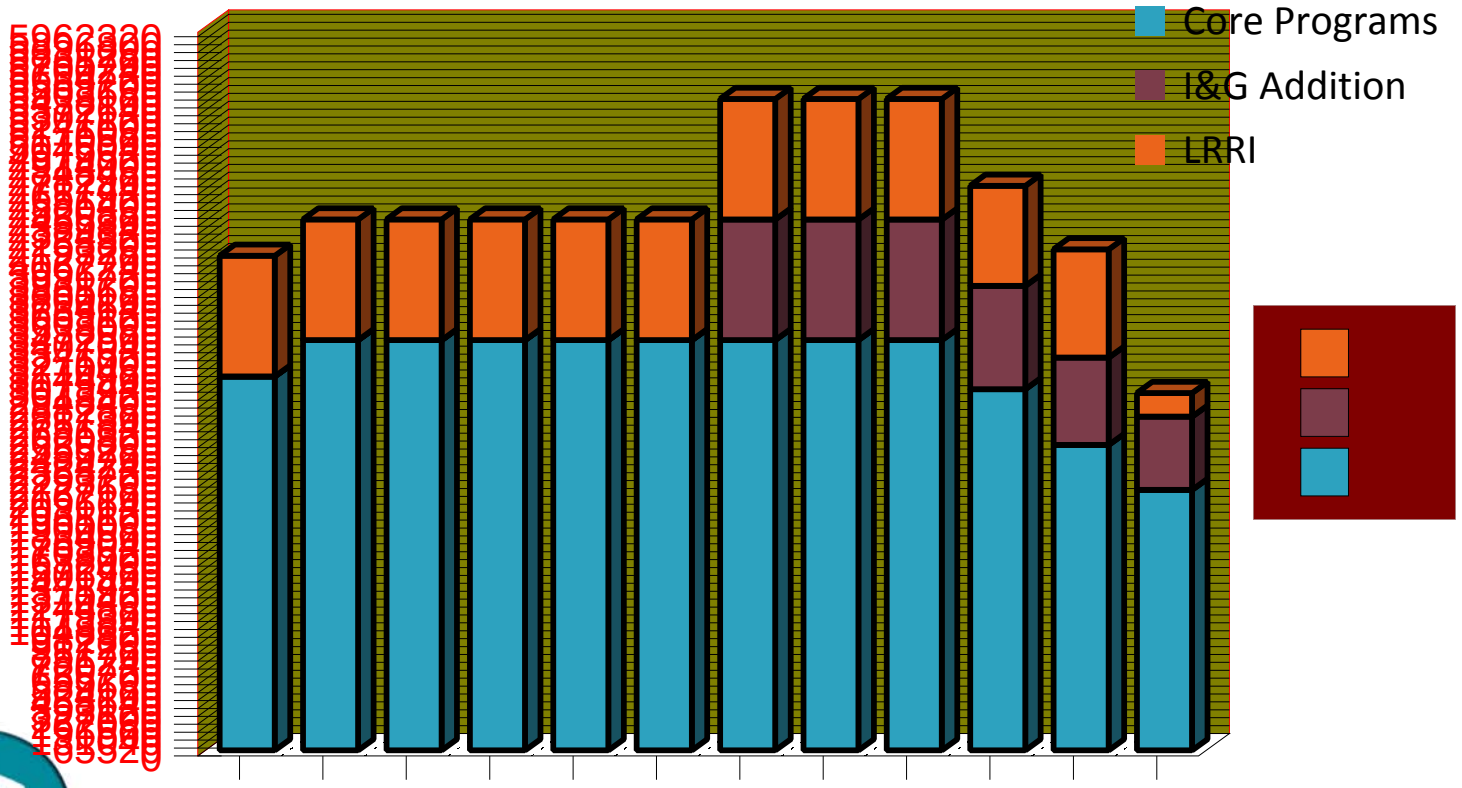
- Tobacco Related Illnesses
- Support of **Biomedical Research** with tobacco settlement funds
- Funded **other needed** health-related programs

UNM HSC
Critical Needs Programs for New Mexico

- **Patient Care**
  - Delivery of comprehensive and unique patient care
  - **Education**
  - Growing the next generation of Health Care Professionals workforce
  - **Research**
  - Creating new knowledge to increase the quality of life for New Mexicans

Changes Over the Last Decade

- Core Programs started in 2001
- LRRI received funding in 2001
- Augmented I&G funding in 2007



Effect of Continued Cuts on Core Programs

FY 10 & FY 11:

Core Programs **Absorbed** progressive reductions in funding

Adapted and modified to **gain efficiencies**

FY 12:

No additional **efficiencies** possible

Through the single appropriation, the HSC was granted **flexibility** to allocate among historic Tobacco Settlement Programs

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Tobacco Settlement Revenue Oversight Committee

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Programs Supported by Tobacco Settlement Funds

Core Projects

NM Poison & Drug Informatics Center

UNM HSC Biomedical Research (Genomics, Biocomputing & Environmental Health Research)

Pediatric Oncology Program

Replacement of I&G Funds

Specialty Education Trauma

Specialty Education Pediatrics

Instruction and General Line Item (added in 2007)

Core Projects Not Receiving Tobacco Funds in 2012

Area Health Education Centers

Los Pasos

Center for Telemedicine

Effects of State Funding Reduction

	FY2001	FY2007	FY 2009	FY 2010	FY 2011	FY 2012
Original Appropriation	3,100,000	4,400,000	4,400,000	4,180,100	3,726,000	3,037,900
Mid-Year Reduction				(330,220)	(386,380)	(75,761)
Revised	3,100,000	4,400,000	4,400,000	3,849,780	3,375,620	2,962,139
LRRI Appropriation	1,000,000	1,000,000*	1,000,000	828,900	897,294	195,012
Total	4,100,000	5,400,000	5,400,000	4,678,680	4,153,052	2,767,127

* Appropriated in 2007 Session Section 5 of the General Appropriation Act

- Lost clinical and research jobs
- Reduced recruitment of health professionals to rural and medically underserviced areas
- Increase in healthcare costs to New Mexico
- Reduced federal funding for research and clinical care
- Reduced clinical care
- Staff cuts resulting in fewer services provided to children with cancer
- Decreased outreach resulting in increased healthcare costs

Research and Public Service Projects Funding From All Sources FY 11 & FY 12

	FY 11 TSF	FY 11 Other	FY 12 TSF	FY 12 Other
Area Health Education Centers	$39,012	$357,663	$0	*$566,689
Center for Telemedicine	$39,012	502,862	$0	*$525,302
Los Pasos	$116,887	483,900	$0	$553,100

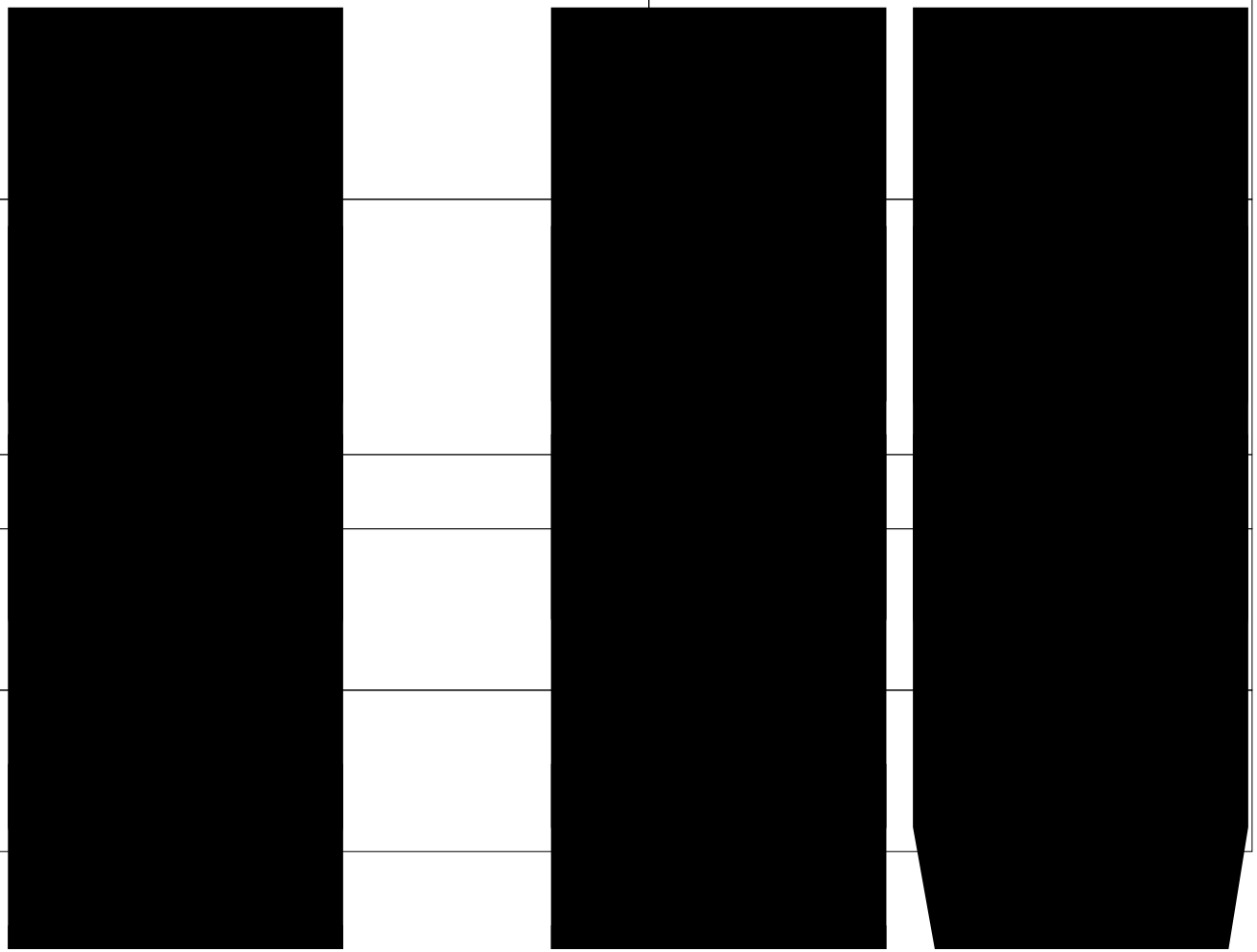
* Includes pending awards. The Value Options FOCUS award for Los Pasos is assumed at the same funding level as FY 11.

Efficiencies and Modifications

- Managed increased workload with reduced staff
- Consolidated and merged management oversight

Benefit of Sustained Programs

	Benefit	Use of Funds
NM Poison & Drug Information Center		
Biomedical Research		
Pediatric Oncology Center		
I&G Replacement Programs		
Specialty Education in Pediatrics		
Specialty Education in Trauma		



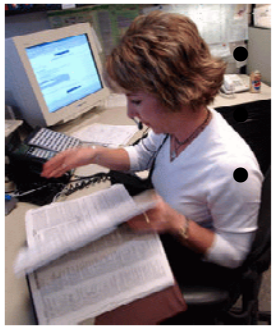
NM Poison & Drug Information Center

Benefit

- Improves the health of citizens of New Mexico by
  - Reducing morbidity and mortality associated with poisoning
  - Encouraging proper use of medications

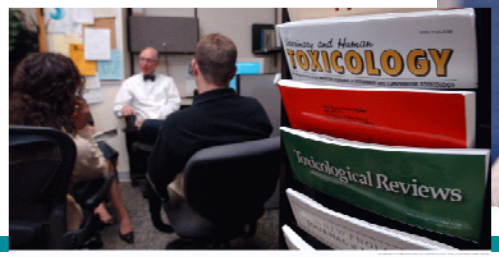
POISON Help 1-800-222-1222

Effect of FY09-11 Reductions



- Decreased outreach activities, leading to a lack of awareness and utilization of the NMPDIC
- Increased healthcare costs to the State of New Mexico (saves $6M/year)
- Decreased revenue from other sources
- Potential reduction of service hours. Currently, NMPDIC operates 24 hours a day, 7 days a week, 365 days a year

- **Tobacco Settlement Funds had been**
- **appropriated to NMPDIC in lieu of increased**
- **General Fund**



UNM HEALTH SCIENCES CENTER

Pediatric Oncology Program

Benefit

- The center of excellence for diagnosis & care of children with cancer
- Only provider of care for children with cancer in New Mexico

Effect of FY09-11 Reductions

- Significantly impacted level of patient care (this funding provided salary support for the clinical staff)
- Lead to staff cuts that jeopardized the care we provide to the fragile population of New Mexican children diagnosed with cancer

Funds Committed to I&G Replacement

Programs

- Specialty Education in Pediatrics
- Specialty Education in Trauma HSC
- I&G Support for Education

Benefit

- Support additional faculty positions in pediatrics and trauma medicine
- Ensure that faculty members have sufficient time to continue teaching despite an ever-increasing clinical patient load

Effect of FY09-11 Reductions

Increased workload on current faculty which could impact the time they are able to spend on educational endeavors

Benefit UNM HSC Biomedical Research

- Novel medical research & healthcare innovations
- Access to state-of-the-art medical technologies & care
- Accelerating the translation of scientific discovery into improved human health

Effect of FY09-11 Reductions

- Loss of $7 for every $1 of reduced allocation, translates to a LOSS of $960,000 in matching federal funding
- Reduction of one full time Ph.D. level staff member to half time
- Reduction of student training with biostatisticians (In July, 6 students were unable to obtain assistance)
- Endangered community research programs, putting current & future victims of tobacco addiction at further risk
- Caused the cancellation of equipment service contracts resulting in the operating of equipment without insurance & without the ability to repair

(Now known as UNM Comprehensive Program for Clinical and Basic Research, and Prevention of Tobacco-Related Illnesses in New Mexico)

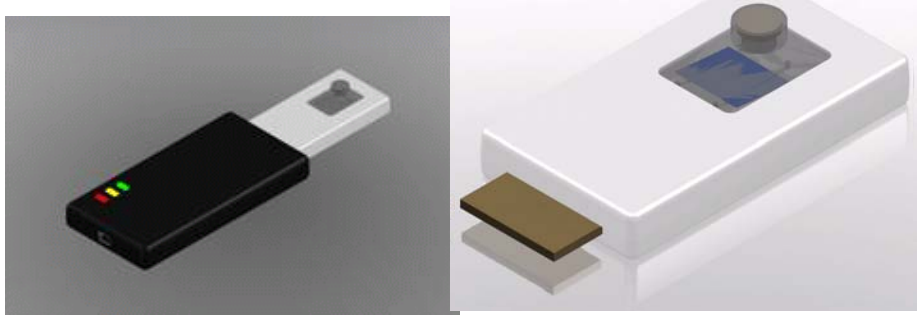
Pilot Funding

- Pilot funding is the primary mechanism for obtaining federal support

- Pilot funding returns $8-$20 per $1 invested

Example of Pilot Funding

- **Idea**
  - Can we develop handheld device to rapidly diagnose infection or other diseases
- **Required Investment**
  - Invested $50,000 of pilot funds (2003)
  - Used core facilities that are annually supported by Tobacco Settlement
- **Result**
  - Obtained some initial data
  - Applied for grant ($1.3M X 8 years; supports 10 jobs per year)
- **2009**
  - Adapted for detection of 2009 H1N1 flu, Hepatitis B and C, HIV
  - Partnership with private company (more jobs)
  - Testing in Albuquerque, Washington DC and Atlanta
  - Potential to save tens of thousands of lives



Jobs

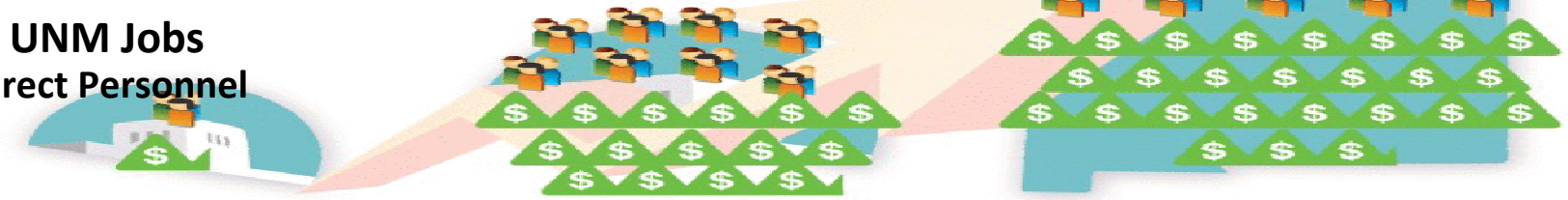
= 20 FTEs

=$1 million in salaries

Local Economy, FY10
Indirect Impact (1.7)

UNM Jobs, FY10
Non-state Funded (Leveraged)

UNM Jobs
Direct Personnel



	FY08	FY09	FY10
FTEs	15	17.5	15.5
Salaries ($ in millions)	0.8	1.2	1.05

	FY08	FY09	FY10
FTEs	87	199	179
Salaries ($ in millions)	10.2	17.1	15.4

	FY08	FY09	FY10
FTEs	149	378	304
Salaries ($ in millions)	17.3	29.0	26.1

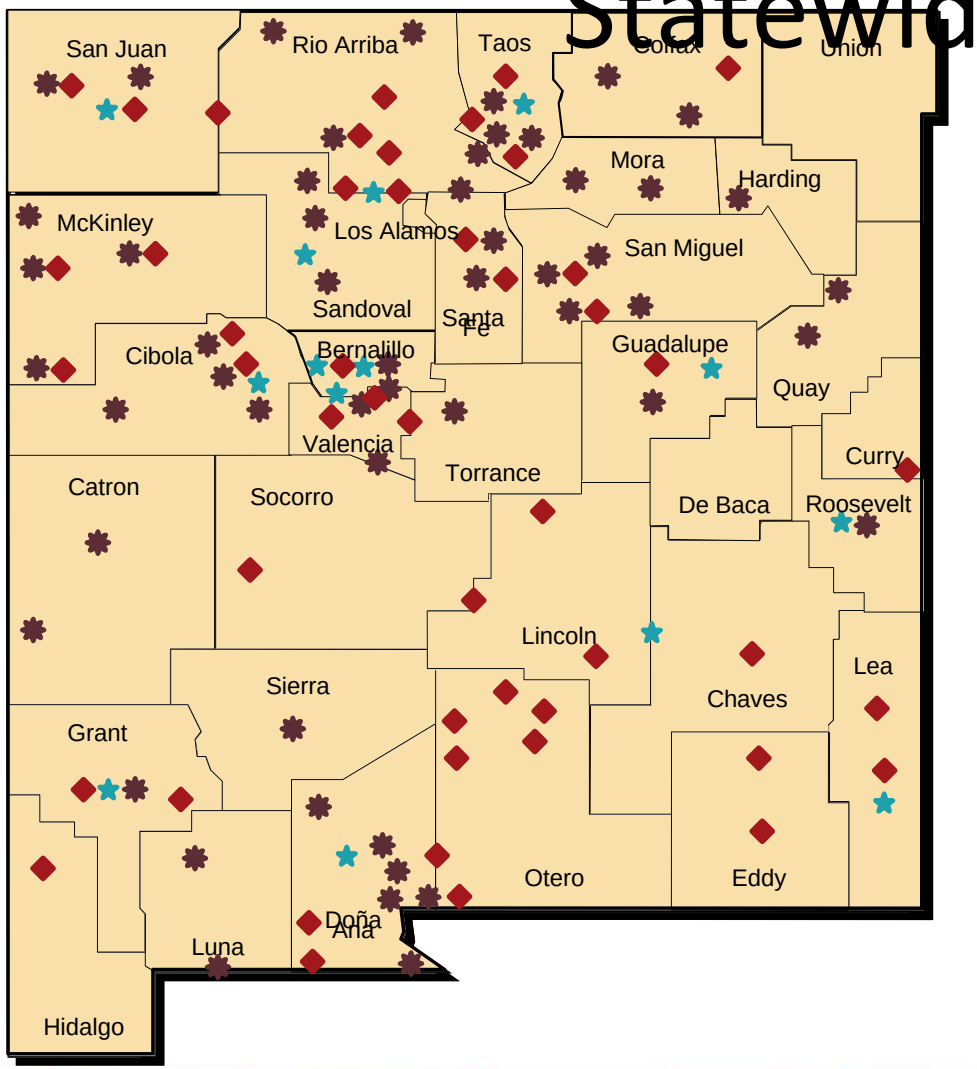
Commercialization

- Since 2001, 34 new private companies were either spun off from the university or used university technology to start up
- Greater Albuquerque population approximately 900,000
- Total employment impact = **1,272 new sustainable jobs in the private sector**

Clinical and Intervention Trials

- Brings latest treatments and technologies to New Mexico
- If trial not available, treatment not available in New Mexico
- Each trial provides new treatment at no cost to patient
- Tobacco settlement funding has provided infrastructure support to 176 trials
- Examples in Clinical Trials Center
  - 12 studies involving cystic fibrosis
  - 22 studies involving heart/cardiovascular
  - 35 studies involving diabetes
  - 9 studies involving infectious disease
  - 2 studies involving vitamins and
  - their role in cardiovascular disease

Collaborative Partnerships Statewide



- Health Extension Rural Offices
- Practice-Based Research Network
- Investigator-led Community-based Programs
  - NM CARES HD
  - National Children's Study

Evaluation

- Robust Evaluation Process
- Presented internal evaluation process to TSROC 2005-2010
- Filed evaluation forms with LFC and TSROC 2006-2009
- During 2007 LFC Auditor regarded GBEHR Evaluation Process as exemplary

Implications of Further Reductions

Implementation of additional reduction will result in:

- Reduction of services
- Loss of federal matching funds for research, educations, and clinical missions
- Loss of new federal funds
- Loss of jobs
- Compromise clinical, research, and education missions

What to do about future reductions?

- **Request stable funding**
- **Request that funds not be cut during year**