

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE
FY2020 RECOMMENDATIONS
(thousands of dollars)

AGENCY AND PROGRAM	FY2019 Program Funded	FY2020 Program Requests	2020 TSROC Recommendations
(609) Indian Affairs Department			
Tobacco cessation programs	\$249.3	\$249.3	\$249.3
Total Indian Affairs Department	\$249.3	\$249.3	\$249.3
(630) Human Services Department			
Medicaid -- Breast & cervical cancer treatment	1,255.4	\$1,255.4	\$1,255.4
Medicaid	7,063.9	\$8,319.4	\$8,319.4
Medicaid, contingent on legislation	\$0.0	\$0.0	
Total Human Services Department	\$8,319.3	\$9,574.8	\$9,574.8
(665) Department of Health			
Tobacco Use Prevention and Control Program (TUPAC)	\$5,435.2	\$6,435.2	\$6,435.2
Diabetes prevention and control	\$715.5	\$715.5	\$715.5
Hepatitis and harm reduction	\$293.0	\$443.0	\$443.0
Breast and cervical cancer screening	\$128.6	\$128.6	\$128.6
Total Department of Health	\$6,572.3	\$7,722.3	\$7,722.3
(952) University of New Mexico HSC			
Instruction and general purposes	\$581.5	\$607.9	\$607.9
Research in genomics and environmental health	\$937.4	\$937.4	\$937.4
Poison control center	\$590.2	\$590.2	\$590.2
Pediatric oncology program	\$250.0	\$261.4	\$261.4
Specialty education in trauma	\$250.0	\$261.4	\$261.4
Specialty education in pediatrics	\$250.0	\$261.4	\$261.4
UNM Comprehensive Cancer Center	\$0.0	\$5,850.0	\$5,850.0
Total University of New Mexico	\$2,859.1	\$8,769.7	\$8,769.7
TOTAL:	\$18,000.0	\$26,316.1	\$26,316.1

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: New Mexico Indian Affairs Department

Name(s) of each program for which TSR funds will be used: Tobacco Cessation & Prevention Program (TCPP)

Description of each program, including its purpose: The NMIAD TCPP is focused on building tribal capacity to implement culturally appropriate tobacco cessation and prevention initiatives that recognize the unique ceremonial uses of tobacco while reducing the use of commercial tobacco use and its harmful effects. The program follows CDC Best Practices for Tobacco Control and provides resources statewide.

Have you requested TSR funds prior to this request? Yes No

Have you received TSR funds prior to this request? Yes No

If yes, in what fiscal years? FY2009 to FY2019

What will you use the requested funds for? Please include goals and objectives.

To administer a competitive grant program for tribes and tribal-serving organizations that 1) Promote cessation and prevention of commercial tobacco abuse in Native American communities with special emphasis on youth; and 2) to promote cultural awareness of the Native traditional and ceremonial use of tobacco as a means to strengthen cultural identity and resistance to commercial tobacco.

Is this a change from previous years' use? Yes No

If yes, please describe the change and reason(s): Not applicable.

Amount requested (Total amount, and amount for each program):

\$249,300 Total for the NMIAD Tobacco Cessation and Prevention Program

What other sources of funding are applied to this purpose?

IAD allocates approximately \$25,000 of its General Fund dollars to administer the Program.

Name, title, telephone, email and mailing address of contact person:

Acting Cabinet Secretary Suzette Shije Phone: 505-479-1600 Email: Suzette.Shije@state.nm.us

Date: August 20, 2018

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: Human Services Department

Name(s) of each program for which TSR funds will be used: Medicaid Program

Description of each program, including its purpose: To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance to improve the quality of health care New Mexicans receive while managing health care costs.

Have you requested TSR funds prior to this request? Yes Have you received TSR funds prior to this request? Yes

If yes, in what fiscal years? FY2010- FY2019

What will you use the requested funds for? Please include goals and objectives. To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance to improve the quality of health care New Mexicans receive while managing health care costs.

Is this a change from previous years' use? No

If yes, please describe the change and reason(s): _____

Amount requested (Total amount, and amount for each program): Original FY19 request was \$26,319,400. HSD did not pursue the non-base amount of \$18 million and was appropriated the base amount of \$8,319,300 (\$1,255,400 for breast and cervical cancer treatment program, \$7,063,900 for Medicaid programs).

What other sources of funding are applied to this purpose? State General funds, and Federal Matching funds

Name, title, telephone, email and mailing address of contact person:
Danny Sandoval, 505-827-9412, P.O. Box 2348, Santa Fe, NM 87504-2348,
Jason Sanchez, 505-827-6234, P.O. Box 2348, Santa Fe, NM 87504-2348

Date: July 2, 2018

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: Department of Health - Tobacco Use Prevention and Control (TUPAC) Program.

Name(s) of each program for which TSR funds will be used: Tobacco Use Prevention and Control (TUPAC) Program.

Description of each program, including its purpose: The Tobacco Use Prevention and Control (TUPAC) Program and its partners use a comprehensive, evidence-based approach to promote healthy lifestyles that are free from tobacco abuse and addiction among all New Mexicans. TUPAC follows Best Practices from the Centers for Disease Control and Prevention (CDC). TUPAC works with communities, schools, and organizations across the state to implement activities and services that decrease the harmful and addictive use of commercial tobacco outside of its traditional, sacred or ceremonial purposes. This will reduce tobacco-related illness, save lives and save the State of New Mexico money.

Have you requested TSR funds prior to this request? Yes No

Have you received TSR funds prior to this request? Yes No

If yes, in what fiscal years? FY 03 – FY 19.

What will you use the requested funds for? Please include goals and objectives.

TUPAC will use the requested funds to provide tobacco control services to all New Mexicans using the CDC's Best Practices to ensure effective programs that produce results for the State of New Mexico. The funds will be used for the following Request for Proposals (RFPs):

1. State and Community-Based Interventions – to ensure that communities statewide are engaged in evidence-based tobacco control activities that prevent tobacco use in youth, promote quitting of tobacco to youth and adults, prevent exposure to secondhand smoke, and provide support to specific communities targeted by the tobacco industry and are dealing with tobacco-related disparities. This includes supporting and implementing programs and policies to influence societal organizations, systems, and networks that encourage and support individuals to make behavior choices consistent with tobacco-free norms.

2. Cessation Interventions – to ensure that comprehensive, evidence-based cessations services are available online and via phone in a culturally-appropriate manner to all New Mexicans who want to quit using tobacco.
3. Health Communications Interventions – to ensure that public health information, specifically tobacco counter messages to the tobacco industry’s messages, reach large numbers of people in New Mexico. These messages prevent the initiation of tobacco use, promote and facilitate tobacco cessation, and shape social norms related to tobacco use.
4. Evaluation Interventions – to ensure that all TUPAC programs and services are being assessed for their implementation and outcomes, to increase efficiency and impact over time, and to demonstrate accountability.
5. Infrastructure, Administration Interventions – to ensure a fully functioning infrastructure is in place in order to achieve the capacity to implement effective tobacco interventions. Sufficient capacity is essential for program sustainability, efficacy, efficiency, to provide strong leadership, and to foster collaboration among the state and local tobacco control communities.

Is this a change from previous years' use? Yes No

If yes, please describe the change and reason(s): _____

Amount requested (Total amount, and amount for each program):

\$6,435,200.00.

State and Community-Based Interventions – \$1,960,000.00

Cessation Interventions – \$1,800,000.00

Health Communications Interventions – \$1,720,200.00

Evaluation Interventions – \$715,000.00

Infrastructure, Administration Interventions – \$240,000.00

What other sources of funding are applied to this purpose?

Center for Disease Control and Prevention (CDC) Cooperative Agreement No. NU58DP006012-03-00.

Name, title, telephone, email and mailing address of contact person:

Benjamin Jacquez, TUPAC Program Manager, benjamin.jacquez@state.nm.us, 505.222.8618, 5301 Central Ave. NE, Suite 800, Albuquerque, NM, 87108

Date: 8/13/18

IMPACT ON YOUTH SMOKING, DEATHS & RELATED HEALTH COSTS FROM CHANGES TO NEW MEXICO TOBACCO PREVENTION FUNDING



Current State investments in tobacco prevention: \$5.7 million

[CDC recommended tobacco prevention funding for New Mexico: \$22.8 million]

Youth Smoking Impacts from Increasing State Tobacco Prevention Funding by \$1.0 million

- **Decrease in youth smoking rates: 0.7%**
- **Fewer state kids growing up to become addicted adult smokers: 500**
- **Fewer kids growing up to die prematurely from smoking: 170**
- **Related decrease in future healthcare expenditures in state: \$10.5 million**

Youth Smoking Impacts from Increasing State Tobacco Prevention Funding to \$11.4 million

- **Decrease in youth smoking rates: 4.2%**
- **Fewer state kids growing up to become addicted adult smokers: 2,860**
- **Fewer kids growing up to die prematurely from smoking: 980**
- **Related decrease in future healthcare expenditures in state: \$60.0 million**

Youth Smoking Impacts from Increasing Tobacco Prevention Funding to CDC Recommended Level

- **Reduction to youth smoking rates: 12.6%**
- **Fewer state kids growing up to become addicted adult smokers: 8,560**
- **Fewer kids growing up to die prematurely from smoking: 2,930**
- **Related reduction in future healthcare expenditures in state: \$179.7 million**

For additional information, see:

http://www.tobaccofreekids.org/facts/issues/fact_sheets/policies/prevention_us_state/save_lives_money/.

Campaign for Tobacco-Free Kids, June 28, 2018

Notes & Sources: U.S. Centers for Disease Control & Prevention, *Best Practices for Comprehensive Tobacco Control Programs*, 2014, http://www.cdc.gov/tobacco/stateandcommunity/best_practices/pdfs/2014/comprehensive.pdf. Changes to future healthcare costs occur over the lifetimes of the affected youths. Tauras, J, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95(2):338-44, February 2005 (and related data from authors). Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *Milbank Quarterly* 70(1), 1992. Warner, KE, et al., "Medical Costs of Smoking in the United States: Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3): 290-300, Autumn 1999. CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs—United States 1995-1999," *Morbidity and Mortality Weekly Report (MMWR)* 51(14):300-03, April 11, 2002. See also, Lightwood, JM, et al., "Effect of the California Tobacco Control Program on Personal Health Care

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Expenditures," *PLOS Medicine* 5(8):1214-22, August 2008. Sly, D, et al., "Effect of Ending an Antitobacco Youth Campaign on Adolescent Susceptibility to Cigarette Smoking – Minnesota, 2002-2003," *MMWR* 53(14):301-304, 2004. Farrelly, MC, et al., "The Impact of Tobacco Control Programs on Adult Smoking," *American Journal of Public Health* 98:304-309, February 2008. Farrelly, MC, et al., "The Impact of Tobacco Control Program Expenditures on Aggregate Cigarette Sales: 1981-2000," *Journal of Health Economics* 22:843-859, 2003.

**Tobacco Use Prevention and Control (TUPAC) Program
Tobacco Settlement Revenue Oversight Committee (TSROC)
Estimated Outcomes of Additional Investments
Updated November 30, 2017**

Question: What kind of outcomes might we see in New Mexico with additional investments in tobacco use prevention and control? For example, what would we see for every additional million dollars?

Answer: One of the best-studied areas is that of impact of investment on adult smoking prevalence and related smoking-attributable healthcare expenses. Below is a table of several funding scenarios for New Mexico tobacco prevention and cessation efforts. For an initial **million-dollar** additional investment, we estimate the following after **five** years:

- A decrease of adult smoking of one-half percentage point from 16.6% baseline in 2016 to 16.1% in 2021
- 8,000 fewer adult smokers in 2021 than in 2016
- \$7.6 million in savings in smoking-attributable healthcare expenses
- Additional outcomes specific to youth smoking and reduced exposure to secondhand smoke are included in the second document that accompanies this analysis on youth tobacco prevention activities.

Funding Scenarios for Comprehensive Tobacco Use Prevention and Control in New Mexico	Additional Annual Investment	Total Investment	Adult Smoking Prevalence 2016 (baseline)	Adult Smoking Prevalence 2021 (forecast)	Estimated # of Adult Smokers 2021 (forecast)	Estimated Additional Savings in Smoking-Attributable Healthcare Expenses after 5 years
1: Level Funding* (\$6.6 million, baseline)	\$0	\$6.6 million	16.6%	17.3%	278,400	\$0
2: \$1 million additional annual investment	\$1 million	\$7.6 million	16.6%	16.1%	259,100	\$7.6 million
3: Half of CDC Recommended Annual Investment (\$11.4 million)	\$4.8 million	\$11.4 million	16.6%	15.6%	251,000	\$34.5 million
4: Full CDC Recommended Annual Investment (\$22.8 million)	\$16.2 million	\$22.8 million	16.6%	15.0%	241,400	\$123.1 million

*Current funding = \$6.6 million total (\$5.4 million from MSA to TUPAC; \$250,000 from MSA to Dept Indian Affairs; and \$0.9 million from CDC to TUPAC). Current smoking-attributable healthcare expenses amount to \$844 million annually).

Reference: Max W, Sung HY, & Lightwood, J. The impact of changes in tobacco control funding on healthcare expenditures in California, 2012-2016. *Tob Control* 2013, 22: e10-e15, January 17, 2012. In consultation with CDC, NM-specific adult smoking prevalence and healthcare expenses were used to forecast and extrapolate from CA's findings.

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: DOH/PHD/Diabetes Prevention and Control Program

Name(s) of each program for which TSR funds will be used: Diabetes Prevention and Control Program

Description of each program, including its purpose:

The purpose of the Diabetes Prevention and Control Program is to reduce the burden of diabetes through proven prevention and self-management education services, effective community-based and health system partnerships, and training for health care professionals.

Have you requested TSR funds prior to this request? Yes No

Have you received TSR funds prior to this request? Yes No

If yes, in what fiscal years? Since at least 2005 and prior to that as well, but I don't know when it started.

What will you use the requested funds for? Please include goals and objectives.

GOAL 1: Prevent or delay diabetes; GOAL 2: Prevent complications, disabilities, and burden associated with diabetes and related chronic health conditions; and GOAL 3: Advance health equity to improve health outcomes and quality of life among all New Mexicans.
OBJECTIVE: Increase access to, and participation in, proven diabetes prevention and self-management education services. Efforts focused on four key strategies: 1) screening, testing and referral; 2) awareness; 3) availability and support; and 4) coverage.

Is this a change from previous years' use? Yes No

If yes, please describe the change and reason(s):

No, the DPCP's goals, objectives and strategies have been consistent for several years now. Annual activities may slightly change as we progress in our efforts.

Amount requested (Total amount, and amount for each program):

\$715,500: 1) Personnel: \$242,500; 2) Professional Service Contracts: \$473,000

What other sources of funding are applied to this purpose?

State General funds
Federal funds from the Centers for Disease Control and Prevention
Federal funds from the Administration for Community Living (2 year grant for FYs 17 and 18 only)

Name, title, telephone, email and mailing address of contact person:

Christopher D. Lucero, Program Manager
Phone: (505) 222, 8605; Email: christopher.lucero@state.nm.us
Address: 5301 Central Avenue NE, Suite 800, Albuquerque, NM 87108

Date: 8/13/18

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: New Mexico Department of Health (NMDOH),
Public Health Division (PHD), HIV, STD and Hepatitis Section

Name(s) of each program for which TSR funds will be used:

Hepatitis and Harm Reduction Programs

Description of each program, including its purpose:

The Hepatitis and Harm Reduction Program reduces the transmission of infectious diseases including HIV and hepatitis C virus (HCV) and other harms related to injection of substances such as overdose deaths from opiate use. The programs offer an array of core public health services including syringe exchange, opiate overdose prevention and education, substance use reduction through acu-detox, hepatitis C testing, hepatitis A and B vaccination and hepatitis disease epidemiology and surveillance. Service are delivered by PHD staff at Public Health Offices (PHO) and via outreach work to ensure access for underserved communities. In addition, all activities are also delivered by trained and certified staff of funded partner organizations. Tobacco Settlement Revenue (TSR) funds have been used to support these contractual services for more than a decade.

Have you requested TSR funds prior to this request? Yes

Have you received TSR funds prior to this request? Yes

If yes, in what fiscal years? The HIV, STD and Hepatitis Section has received TSR funds for well over a decade. Due to reductions more than five years ago, the scope of supported activities was reduced to work that directly prevents HIV and HCV infections (while previously part of the allocation supported care for persons living with HIV disease). The total funding amount has been flat at \$293,000 for contractual services annually since state fiscal year (SFY) 2011.

What will you use the requested funds for? Please include goals and objectives.

TSR dollars will contribute partial support to achieve the following Hepatitis and Harm Reduction Program objectives.

1) Provide syringe exchange services to ensure that persons who use drugs have safe and sterile equipment. Exchange approximately 8 million syringes per year.

- 2) Ensure a collection rate of at least 95% for syringe services, to ensure used syringes are disposed of safely and pose no hazard to the public.
- 3) Provide opiate overdose prevention and education, including distribution of the reversal drug Naloxone, to at least 2,500 persons per year.
- 4) Provide over 4,000 tests for hepatitis B and C per year, to ensure individuals are aware of their status and can be linked to medical care and treatment as necessary.

Is this a change from previous years' use? Yes

If yes, please describe the change and reason(s): The program continues to grow rapidly due to rising need and demand, now exchanging more than twice the number of syringes as just 5 years ago and triple the volume of overdose prevention. It has also been deemed as a "super priority" by NMDOH given the high rate of opiate overdoses in the state.

Given that the HIV, STD and Hepatitis Section has seen significant cuts of more than 10%, or \$233,500 in SFY 2017, in state general fund dollars for HIV and HCV prevention, the section respectfully requests an increase in TSR dollars. This will prevent further reductions in contractual services that will impact the program's ability to meet the stated objectives. A request of \$150,000 would mean a total allocation of \$443,000. This will allow part of the reduction to be offset, so the program can continue to grow to meet the needs of New Mexicans at risk for infectious disease.

Amount requested (Total amount, and amount for each program): \$443,000

What other sources of funding are applied to this purpose?

The Hepatitis and Harm Reduction Program receives an annual award from the federal Centers for Disease Control and Prevention (CDC) for hepatitis C prevention and testing work. During summer 2016, the program submitted a competitive application that increased the award to New Mexico by \$25,000. Supplemental funds were also awarded increasing this by an additional \$50,000 in FY18 and for FY19. In addition, the program receives \$913,800 per year in state general fund (SGF) dollars for harm reduction activities and \$715,700 for hepatitis activities.

Name, title, telephone, email and mailing address of contact person:

Dominick Zurlo, Hepatitis and Harm Reduction Program Manager, Dominick.zurlo@state.nm.us
Andrew Gans, HIV, STD and Hepatitis Section Manager, andrew.gans@state.nm.us, 476-3624

Date: August 3, 2018

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: NM Department of Health/Public Health Division

Name(s) of each program for which TSR funds will be used: Breast and Cervical Cancer Early Detection (BCC) Program

Description of each program, including its purpose:

The Breast and Cervical Cancer Early Detection (BCC) Program provides high-quality, age-appropriate, accepted standard of care breast and cervical cancer screening and diagnostic services at no cost to eligible women in New Mexico. The BCC Program provides free mammograms to women who are: uninsured or underinsured; living at or below 250% of the federal poverty guidelines; and 40 years of age and older.

Have you requested TSR funds prior to this request? Yes No

Have you received TSR funds prior to this request? Yes No

If yes, in what fiscal years? FY10, FY11, FY12, FY13, FY14, FY15, FY16, FY17, FY18, FY19

What will you use the requested funds for? Please include goals and objectives.

Tobacco Settlement Revenue funding allows the BCC Program to provide mammograms to women who might not otherwise be screened for breast cancer. The BCC Program receives funding from the Centers for Disease Control and Prevention (CDC) sufficient to serve only 15% – 20% of the eligible population (4 out of 5 women who might meet eligibility requirements cannot receive services due to insufficient funding). Tobacco Settlement Revenue provides additional funds, all of which go towards direct services. The BCC Program prioritizes these funds to screen women 40-49 years of age because CDC requires that 75% of mammograms paid with federal funds be for women 50 years of age and older. At the current level of Tobacco Settlement Revenue funding, the Program's goal is to provide breast cancer screening services to approximately 800 New Mexico women in FY19.

Is this a change from previous years' use? Yes No

If yes, please describe the change and reason(s): _____

Amount requested (Total amount, and amount for each program): BCC Program, \$128,600

What other sources of funding are applied to this purpose?

The BCC Program receives funding from the federal Centers for Disease Control and Prevention (CDC) for provision of breast and cervical cancer screening services for underserved women. Federal funds also are allocated for efforts to increase breast and cervical cancer screening rates at the population level through interventions with health systems. A \$25 fee is collected by the Motor Vehicle Division and distributed to the BCC Program for each Breast Cancer Awareness license plate issued; funds are used for breast cancer screening, outreach and education. The BCC Program's federal grant requires a 3:1 funding match of one dollar in non-federal support for every three dollars from CDC; Tobacco Settlement Revenue contributes to this match, allowing the Program to be in compliance with the federal grant.

Name, title, telephone, email and mailing address of contact person:

Beth Pinkerton, Manager, NMDOH Breast and Cervical Cancer Early Detection Program, 505-841-5847, beth.pinkerton@state.nm.us

Date: 7/31/2018

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: University of New Mexico Health Sciences Center

Name(s) of each program for which TSR funds will be used: Please see list in next item below.

Description of each program, including its purpose:
Instruction & General Purposes: Support for education and faculty retention
Research in Genomics & Environmental Health: Support for pilot research, core facilities, and translating research into cures (CTSC support)
NM Poison & Drug Information Center: NM's only poison center, which plays a critical role in reducing morbidity and mortality
Pediatric Oncology Program: Counseling support for patients and families as well as support for faculty positions
Specialty Education in Trauma: Support for training physicians to respond to trauma
Specialty Education in Pediatrics: Support for training pediatric physicians

Have you requested TSR funds prior to this request? YES No

Have you received TSR funds prior to this request? YES No

If yes, in what fiscal years? FY2001 to present

What will you use the requested funds for? Please include goals and objectives.

Funds are requested for the continuation of activities described above. These programs are critical for reducing the burden of illness and death among New Mexicans statewide.

Is this a change from previous years' use? Yes NO

If yes, please describe the change and reason(s): NA

These continuing requests are a priority over new requests.

Amount requested (Total amount, and amount for each program):

<u>TOTAL REQUEST: \$2,962,100</u>	
<u>Instruction & General Purposes: \$607,900</u>	<u>Pediatric Oncology Program: \$261,400</u>
<u>Rsch in Genomics & Environmental Health: \$937,400</u>	<u>Specialty Education in Trauma: \$261,400</u>
<u>NM Poison & Drug Information Center: \$590,200</u>	<u>Specialty Education in Pediatrics: \$261,400</u>

What other sources of funding are applied to this purpose?

We obtain greater than \$6M per year in matching federal funds as a result of this funding.

Name, title, telephone, email and mailing address of contact person:

<u>Richard S. Larson, MD, PhD</u>	<u>rlarson@salud.unm.edu</u>
<u>Executive Vice Chancellor</u>	<u>MSC08 4560, 1 University of New Mexico</u>
<u>Vice Chancellor for Research</u>	<u>Albuquerque NM 87131-0001</u>
<u>University of New Mexico Health Sciences Center</u>	<u>505-272-5102</u>

Date: 24 October 2018

*The University of New Mexico Comprehensive Cancer Center is also making an additive request (see additional documents)

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: UNM Health Sciences Center & UNM School of Medicine: UNM Comprehensive Cancer Center

Name of each program for which TSR funds will be used: UNM Comprehensive Cancer Center

Description of each program, including purpose:

Background: The UNM Comprehensive Cancer Center (UNMCCC; formerly known as the Cancer Research & Treatment Center or CRTC) was founded at the UNM School of Medicine by the State Legislature in 1971 and ultimately funded as a State's Research and Public Service Project. In 2003, the Center was designated by the State Legislature as *The Official Cancer Center of the State of New Mexico*. In 2005, the Center attached federal designation and federal funding as one of the nation's pre-eminent *National Cancer Institute (NCI) Designated Cancer Centers*, and in 2015, achieved the highest level of designation as an *NCI Comprehensive Cancer Center*, ranking among the top 3% of the Cancer Centers in the nation. The Center has 4 missions: 1) to provide state of the art cancer diagnosis and treatment for *all* New Mexican's regardless of their health insurance status; 2) to conduct world class research to discover the causes and cures for those cancers that preferentially affect New Mexicans; 3) to educate and train the next generation of cancer scientists and health care professionals for New Mexico; and 4) to deliver high quality cancer care across New Mexico in collaboration with community hospitals and physicians, as well as statewide community outreach programs for cancer education, screening, and prevention. UNMCCC provides cancer physicians to programs in Las Cruces (Memorial Medical Center), Santa Fe (Christus-St Vincent), and Silver City (Gila Regional Medical Center) and has a statewide network providing access to new cancer therapies that supports 90% of the state's community-based physicians and health systems.

The Problem: As part of the UNM Health System, the UNMCCC provides high quality cancer care and access to new cancer treatments for *all* New Mexicans, from its neediest to its most prominent citizens. In the past year UNMCCC provided cancer treatment for 11,928 New Mexicans, reflecting New Mexico's population: 52 percent were Hispanic, American Indian, or other minorities; 55 percent were from medically underserved rural counties statewide and American Indian Nations with high rates of poverty and cancer health disparities; and 13 percent were uninsured. *In FY18, the UNMCCC provided \$10 million of unreimbursed cancer care to New Mexicans in its outpatient clinics alone.* To be able to provide this level of care to the uninsured, the UNMCCC has relied on the federal 340B Drug Pricing program. This Congressionally-mandated program requires pharmaceutical manufacturers to sell medications at discounted prices to public safety net hospitals, like UNM Hospital and UNMCCC. *The 340B program has saved the UNMCCC over \$10 million per year in the purchase of expensive cancer drugs for the uninsured and underinsured, almost matching the level of uncompensated care the UNMCCC provides.* Just as Congress intended, these savings have been reinvested in the development of the comprehensive cancer treatment, research, and statewide outreach programs. *However, on January 1, 2018, the Centers for Medicare & Medicaid Services (CMS) implemented a reimbursement rule that significantly reduced reimbursement to public safety net hospitals and cancer centers that participate in the 340B Drug Purchasing Program by nearly 30 percent, resulting in a cut of \$1.6 billion to the nation's public safety net hospitals and cancer centers - effectively wiping out the benefit of the 340B program that Congress intended. The UNMCCC was hit hard, with a loss on clinical reimbursement of \$9,356,000 in calendar year 2018. This loss \ jeopardized the UNMCCC mission and greatly jeopardized the Center's ability to retain its NCI Designation, which must be re-competed in September 2019.* UNMCCC was forced to eliminate a large number of staff (>35), slow or suspend the recruitment of critical cancer physicians and scientists desperately needed in New Mexico, and reduce education and training and statewide community outreach programs.

Have you requested TSR funds prior to this request: No

Have you received TSR funds prior to this request:

Yes; UNMCCC has received \$60,000 per year from the TS allocation to the UNM Health Sciences Center in support of the Genomics Shared Resource Facility for Research.

What will you use the requested funds for: Please include goals and objectives.

The UNMCCC will use the requested funds to sustain its missions:

1. To deliver high quality cancer care and access to life-sustaining cancer drugs for all New Mexicans.
2. To continue to recruit critical cancer physicians and scientists to New Mexico to meet the state's clinical care needs and assure the continuation of research missions.
3. To sustain education and training programs (which span from high school to undergraduate training to medical, pharmacy, nursing, and allied health professional training, training 235 cancer-focused students per year when fully funded).
4. To sustain and expand community-based outreach programs across the state, including rural communities and tribal nations, for cancer education, screening, and prevention programs.
5. To particularly sustain designation from the NCI and federal funding streams, in a critical federal renewal application due on 9/25/19.

Amount Requested (Total amount, and amount for each program): **\$5,850,000**

As noted above, the UNMCCC already provides over **\$10,000,000** annually in unreimbursed cancer care to New Mexicans from across the state. The **\$9,356,000** reduction in CMS reimbursement for clinical activities prevents the UNMCCC from sustaining its missions and jeopardizes the stability of the Center and the ability to retain its NCI Designation and federal funding streams, further eroding the Center's stability. The Center's next competitive renewal of its NCI designation is due to the federal government on 9/25/19.

To address this deficit the Center is developing new clinical revenues that are not impacted by this CMS reimbursement that are projected to generate **\$3,506,000** dollars annually. Thus, the UNMCCC is requesting funding from Tobacco Revenues (**or other sources, such as the Cigarette Tax or other appropriations**) of **\$5,850,000** to close the gap.

What other sources of funding are applied to this purpose?

In the past fiscal year, UNMCCC currently received support from: 1) annual recurring state funding that totaled **\$5,741,062** from various state of New Mexico appropriations (general fund/RPSP, cigarette tax, bond revenues); 2) **\$41,695,213** in federal, private, and industry funds awarded after the submission of competitive grant applications by its faculty; and 3) **\$103,558,262** in net clinical revenues and philanthropic funds.

Name, Title, Telephone, Email, and Mailing Address of Contact Person:

Cheryl L. Willman, M.D.

The Maurice and Marguerite Liberman Distinguished Chair in Cancer Research

UNM Distinguished Professor of Pathology, UNM School of Medicine

Director & CEO, University of New Mexico Comprehensive Cancer Center

1 University of New Mexico, MSC 07-4025

1201 Camino de Salud N.E.

Albuquerque, NM 87131-0001

Telephone: 505-272-5622

Email: cwillman@salud.unm.edu

Date: 9/24/18

TOBACCO SETTLEMENT FUNDS TO UNM HSC, FY17 – FY19 AND REQUESTED AMOUNT FOR FY20

Amounts in thousands		FY17	FY18 Appropriated / Actual	FY19	FY20 Request	FY20 Rec
952 University of New Mexico HSC	Instruction and General Purposes	581.5	581.5 / 531.9	581.5	607.9	
952 University of New Mexico HSC	Research in Genomics and Environmental Health	937.2	937.4 / 857.4	937.4	979.8	
952 University of New Mexico HSC	Poison Control Center	590.2	590.2 / 539.8	590.2	590.2	
952 University of New Mexico HSC	Pediatric Oncology Program	250.0	250.0 / 228.7	250.0	261.4	
952 University of New Mexico HSC	Specialty Education in Trauma	250.0	250.0 / 228.7	250.0	261.4	
952 University of New Mexico HSC	Specialty Education in Pediatrics	250.0	250.0 / 228.7	250.0	261.4	
Subtotal University of New Mexico Health Sciences Center		2,859.1	2,859.1 / 2,615.2	2,859.1	2,962.1	

TOBACCO SETTLEMENT FUNDS TO UNM HSC, FY17 – FY19 AND REQUESTED AMOUNT FOR FY20

Amounts in thousands		FY17	FY18 Appropriated / Actual	FY19	FY20 Request	FY20 Rec
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952 University of New Mexico HSC	Specialty Education in Trauma	250.0	250.0 / 228.7	250.0	261.4	
952 University of New Mexico HSC	Specialty Education in Pediatrics	250.0	250.0 / 228.7	250.0	261.4	
Subtotal University of New Mexico Health Sciences Center		2,859.1	2,859.1 / 2,615.2	2,859.1	2,962.1	
					5,850.0	
NEW Additional Request – University of New Mexico Comprehensive Cancer Center						

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

TOBACCO SETTLEMENT REVENUE (TSR) FUNDING REQUEST

Name of entity requesting TSR funds: University of New Mexico Health Sciences Center

Name(s) of each program for which TSR funds will be used: Please see list in next item below.

Description of each program, including its purpose: _____

Instruction & General Purposes: Support for education and faculty retention

Research in Genomics & Environmental Health: Support for pilot research, core facilities, and translating research into cures
(CTSC support)

NM Poison & Drug Information Center: NM's only poison center, which plays a critical role in reducing morbidity and mortality

Pediatric Oncology Program: Counseling support for patients and families as well as support for faculty positions

Specialty Education in Trauma: Support for training physicians to respond to trauma

Specialty Education in Pediatrics: Support for training pediatric physicians

Have you requested TSR funds prior to this request? YES No

Have you received TSR funds prior to this request? YES No

If yes, in what fiscal years? FY2001 to present

What will you use the requested funds for? Please include goals and objectives.

Funds are requested for the continuation of activities described above. These programs are critical for reducing the burden of illness and death among New Mexicans statewide.

Is this a change from previous years' use? Yes NO

If yes, please describe the change and reason(s): NA

These continuing requests are a priority over new requests.

Amount requested (Total amount, and amount for each program):

TOTAL REQUEST: \$2,962,100

Instruction & General Purposes: \$607,900

Research in Genomics & Environmental Health: \$937,400

NM Poison & Drug Information Center: \$590,200

Pediatric Oncology Program: \$261,400

Specialty Education in Trauma: \$261,400

Specialty Education in Pediatrics: \$261,400

What other sources of funding are applied to this purpose?

We obtain greater than \$6M per year in matching federal funds as a result of this funding.

Name, title, telephone, email and mailing address of contact person:

Richard S. Larson, MD, PhD	rlarson@salud.unm.edu
Executive Vice Chancellor	MSC08 4560, 1 University of New Mexico
Vice Chancellor for Research	Albuquerque NM 87131-0001
University of New Mexico Health Sciences Center	505-272-5102

Date: 24 October 2018

*The University of New Mexico Comprehensive Cancer Center is also making an additive request (see additional documents)

TOBACCO SETTLEMENT FUNDS TO UNM HSC, FY17 – FY19 AND REQUESTED AMOUNT FOR FY20

Amounts in thousands		FY17	FY18 Appropriated / Actual	FY19	FY20 Request	FY20 Rec
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Subtotal University of New Mexico Health Sciences Center		2,859.1	2,859.1 / 2,615.2	2,859.1	2,962.1	

