

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

Co-Chaired by:

Senator Mary Jane M. Garcia
Representative Gail Chasey



Richard S. Larson, MD, PhD
Executive Vice Chancellor
Vice Chancellor for Research

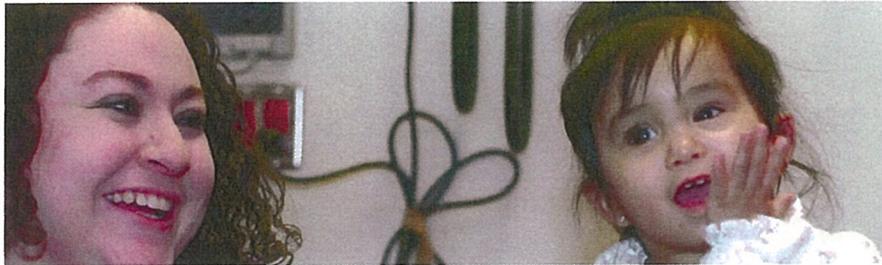


UNM Health Sciences Center
plays a **critical role** in delivering
healthcare services, training of
health professionals, and contributing
to New Mexico's **economy.**

Employs over **7,592** individuals

Supports **\$347.6M** in salaries with out-of-state revenues

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

Original Intent of Tobacco Settlement

- Supports **Clinical Care, Education, and Research** into tobacco related illnesses
- Support of **Biomedical Research** with tobacco settlement funds
- Funded **other needed** health-related



Tobacco Related Illnesses

Cancer

- Lung Cancer
- Esophagus Cancer
- Laryngeal Cancer
- Kidney Cancer
- Cervical Cancer
- Colorectal Cancer
- Leukemia/Lymphoma

Brain & Behavioral Illnesses

- Addiction
- Fertility in Women
- Impotence in Men
- SIDS
- Toxic Exposures

Infectious Disease and Immunity

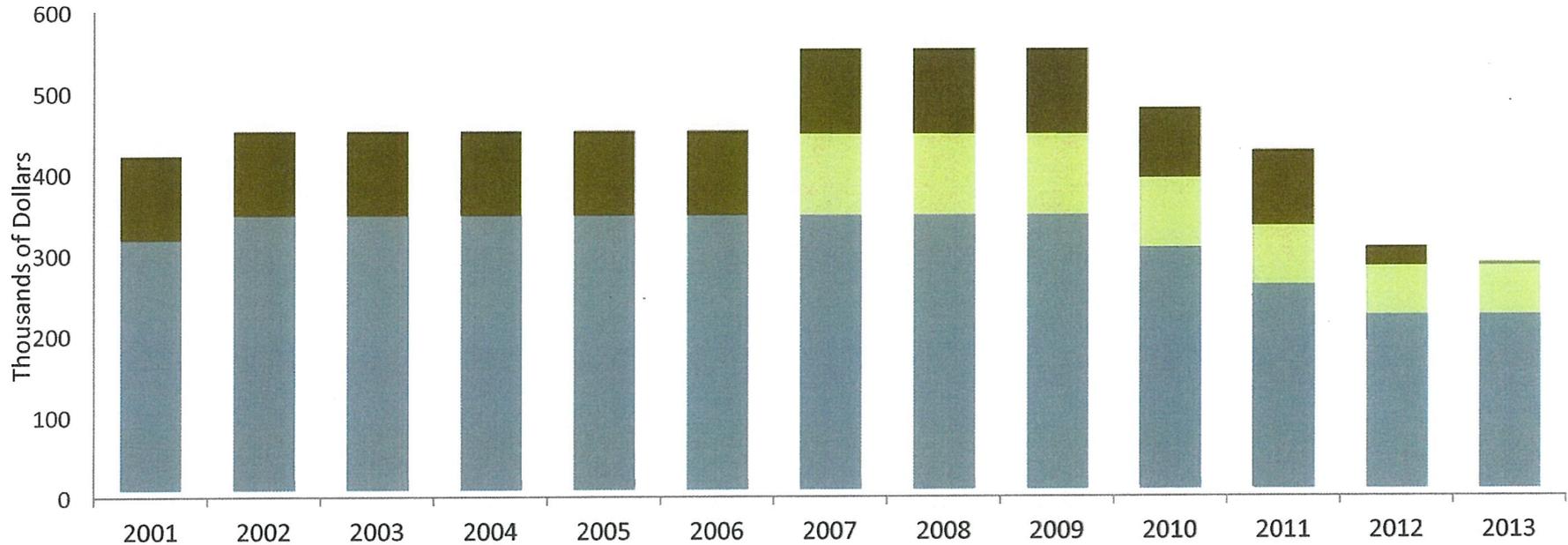
- Osteoporosis
- Delayed wound bleeding
- Palmoplantar pustulosis
- Psoriasis
- Increased incidence of back injury and broken bones

Diabetes and Vascular Diseases

- Coronary Heart Disease
- High Cholesterol
- Stroke
- Diabetes
- Emphysema
- Asthma
- Atherosclerosis



Changes Over the Last Decade



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

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 2013

- Area Health Education Centers
- Los Pasos
- Center for Telemedicine

Benefit of Sustained Programs

	Benefit	Use of Funds
NM Poison & Drug Information Center	<ul style="list-style-type: none"> The only poison center in New Mexico Improves the health of citizens by reducing morbidity & mortality associated with poisoning and by encouraging proper use of medications 	<ul style="list-style-type: none"> Provides outreach to New Mexicans Saved ~\$18.2 M in FY11-12 in health care costs Receives ~42,000 calls per year Provides professional education to rural hospitals
Biomedical Research	<ul style="list-style-type: none"> Supports novel medical research & healthcare innovations that will benefit New Mexicans so that they will have access to state-of-the-art medical technologies & care 	<ul style="list-style-type: none"> Pilot and seed funding is leveraged to bring in \$7-\$20 from federal government or private industry for every \$1 the state invests Core facilities
Pediatric Oncology Center	<ul style="list-style-type: none"> The only provider of care for children with cancer in New Mexico The program evaluates & provides multidisciplinary treatment for blood or solid tumor malignancies in children & adolescents up to age 18 	<ul style="list-style-type: none"> Provides support to the patient and their family via counseling Faculty positions are supported as well

I&G Replacement Programs

Specialty Education in Pediatrics	<ul style="list-style-type: none"> Supports additional faculty positions in pediatric emergency medicine, pediatric surgery and pediatric anesthesiology
Specialty Education in Trauma	<ul style="list-style-type: none"> Supports additional faculty position in trauma medicine Only Level I Trauma Center & Teaching hospital in New Mexico



History of I&G Supplement

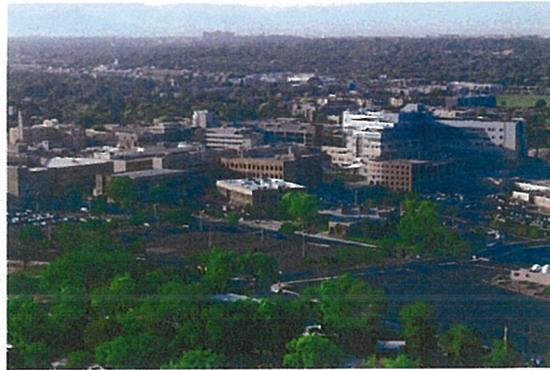
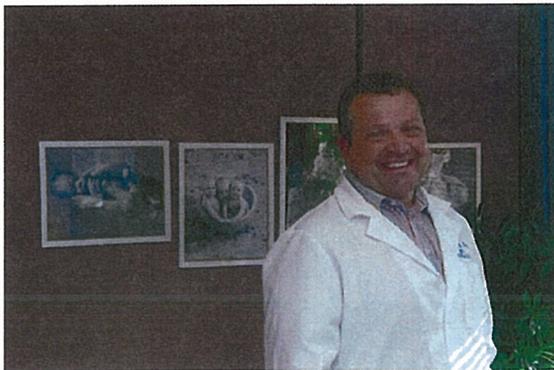
- Additional I&G supplement began in 2007
- Legislature funded I&G requests to General Fund from TSF
- Supports trauma, primary care, and faculty retention

With faculty compensation rates below the national average, the School of Medicine (SOM) cannot attract faculty Physicians. The SOM must be able to hire quality faculty physicians as they are the key to educating our medical students, while simultaneously providing care to New Mexicans.



Efficiencies and Modifications

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



Effect of Continued Cuts on Core Programs

FY10 & FY11

Core Programs **absorbed** progressive reductions in funding
Adapted and modified to **gain efficiencies**



FY12

No additional **efficiencies** possible
Through the single appropriation, the HSC was granted **flexibility** to allocate among historic Tobacco Settlement Programs

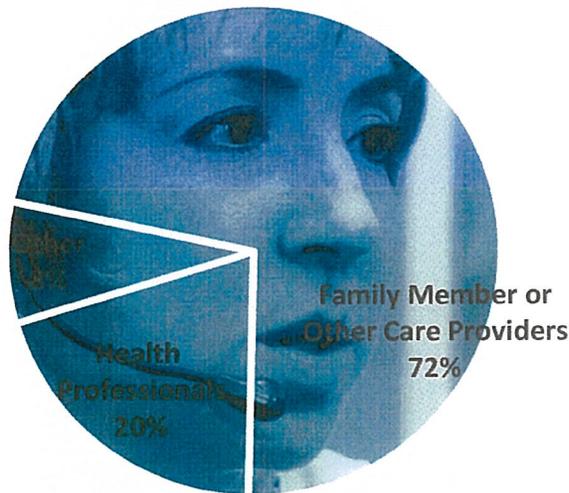
FY13

No flexibility granted to HSC
Direct allocations made by legislature

NM Poison & Drug Information Center

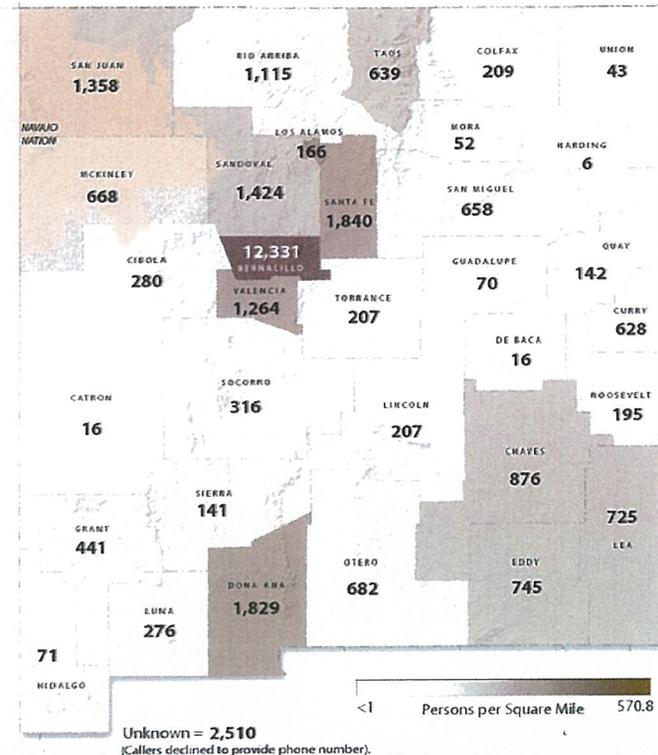
Thank you for bringing this vital state-run center back from crisis!

Percentage of Calls by Relationship to Patient



Health Professional= Registered Nurse, Medical Doctor, DVM, RPh, OHP
Family Member of Other Care Provider= Spouse, Parent, Grandparent, Other Relative, Babysitter, Same Address

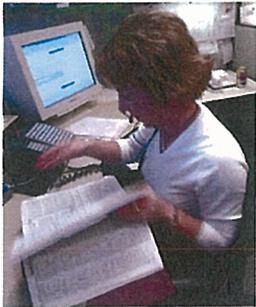
Number of calls by county, FY12



NM Poison & Drug Information Center

Improves the health of citizens of New Mexico by

- Reducing morbidity and mortality associated with poisoning
- Reduces healthcare costs by treating 67% of poisoning at home for a **cost savings of \$18.2M** in FY11-FY12
- Encouraging proper use of medications
- Operates 24 hours a day, 7 days a week, 365 days a year



Effect of FY09-11 Reductions

- Threatened the survival of this vital state-run center
- Funding did not cover true operational expenses
- **Tobacco Settlement Funds had been appropriated to NMPDIC in lieu of increased General Fund**



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
- Over 300 active patients with 6,300 combined inpatient and outpatient visits every year



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
- Loss of 1.8 physician FTE
- Unable to hire needed RN's and Nurse Practitioners



Funds Committed to I&G Supplement

Programs

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



Benefit

- Support additional faculty positions in pediatrics and trauma medicine
- Ensure that faculty members have sufficient time to continue teaching despite and 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

UNM HSC Biomedical Research

Benefit

- 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)

Core Facilities

- Shared facilities that provide service to entire HSC community (genomics, bioinformatics, epidemiology, laboratory science)
- Provide access to equipment that is otherwise unavailable
 - **Research that would otherwise be impossible**

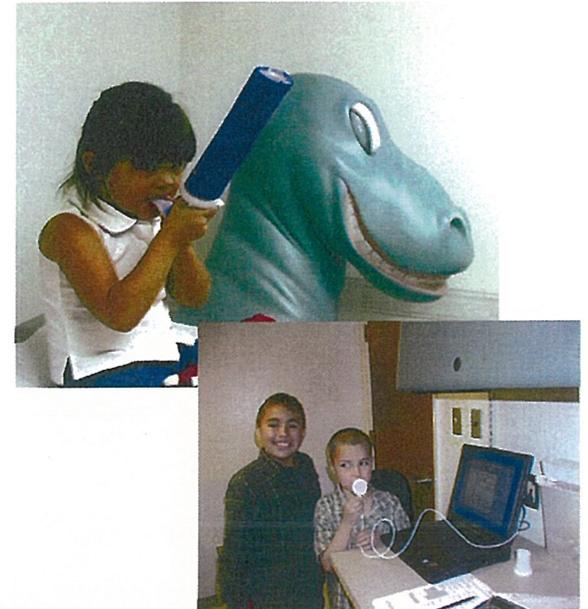


Clinical and Intervention Trials

- 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 181 trials and 93 investigators

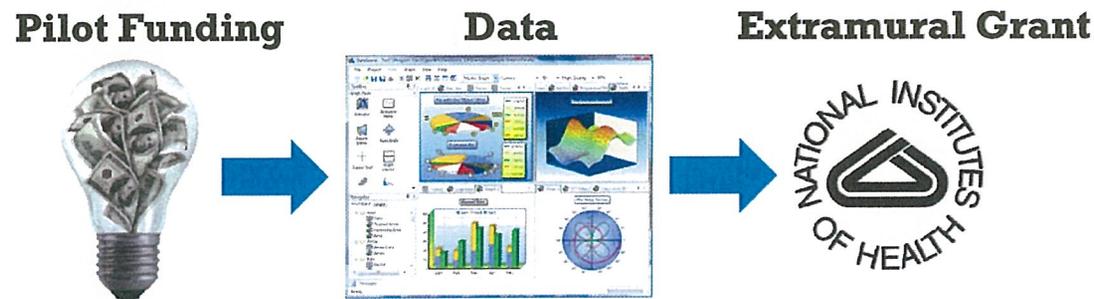
Examples in Clinical Trials Center

- 12 studies involving cystic fibrosis
- 24 studies involving heart/cardiovascular
- 35 studies involving diabetes
- 11 studies involving infectious disease
- 14 studies involving asthma
- 2 studies involving vitamins and their role in cardiovascular disease



Pilot Funding

- Pilot funding is the **primary mechanism** for obtaining federal support

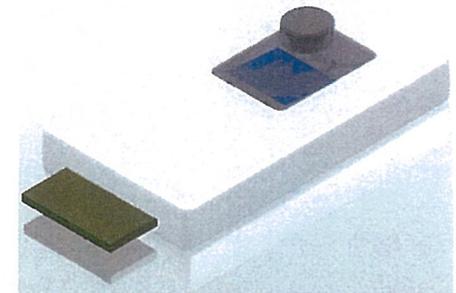
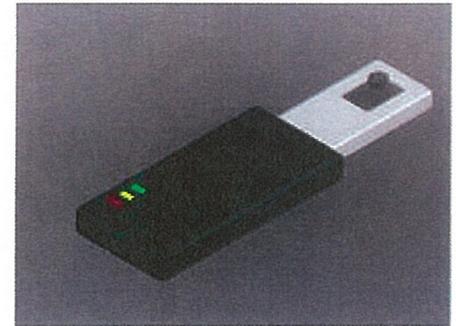


- Highly competitive process
 - Receive ~100 requests per year, able to fund ~35
 - Request ~\$1.9M per year, able to fund ~\$815,000

Pilot funding returns \$7-\$20 per \$1 invested

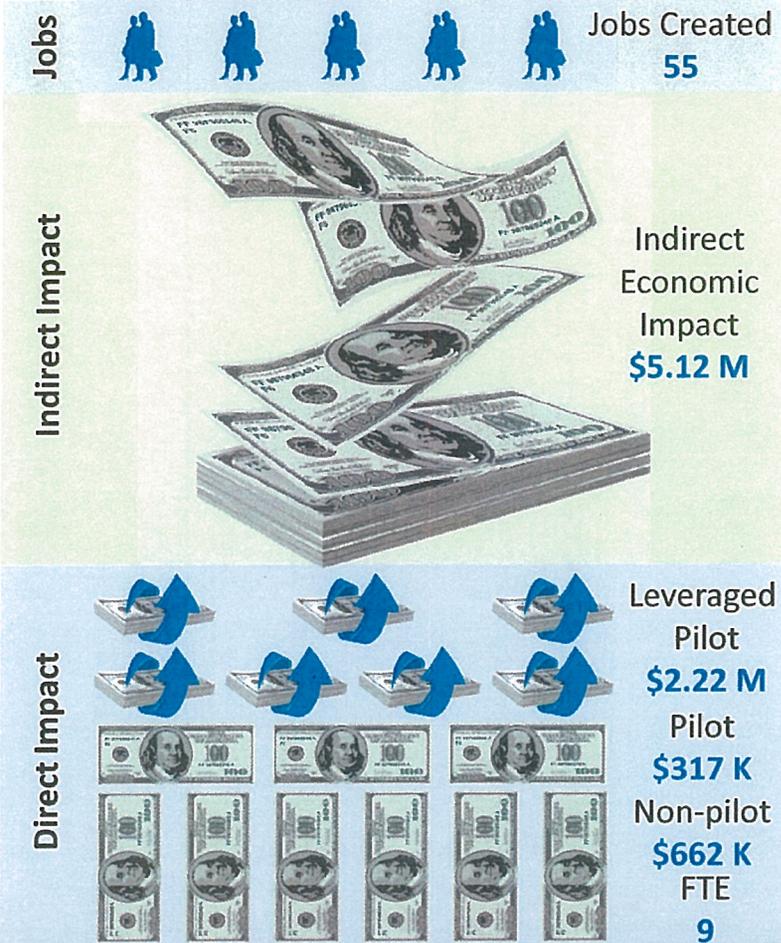
Example of Pilot Funding

- **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

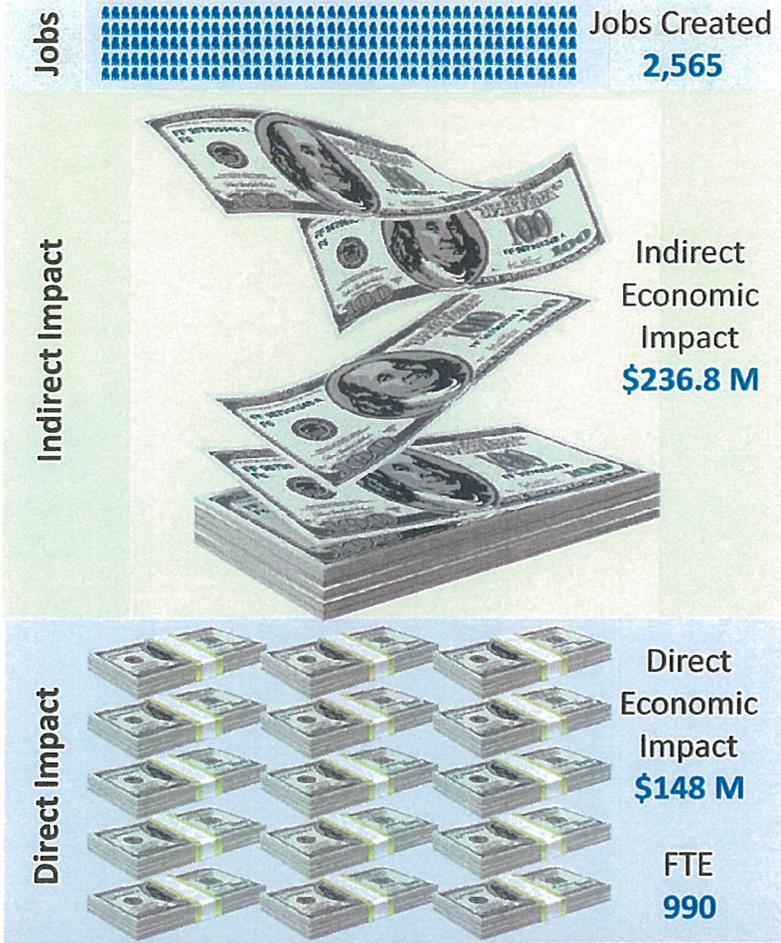


Economic Impact

Tobacco Settlement Funding

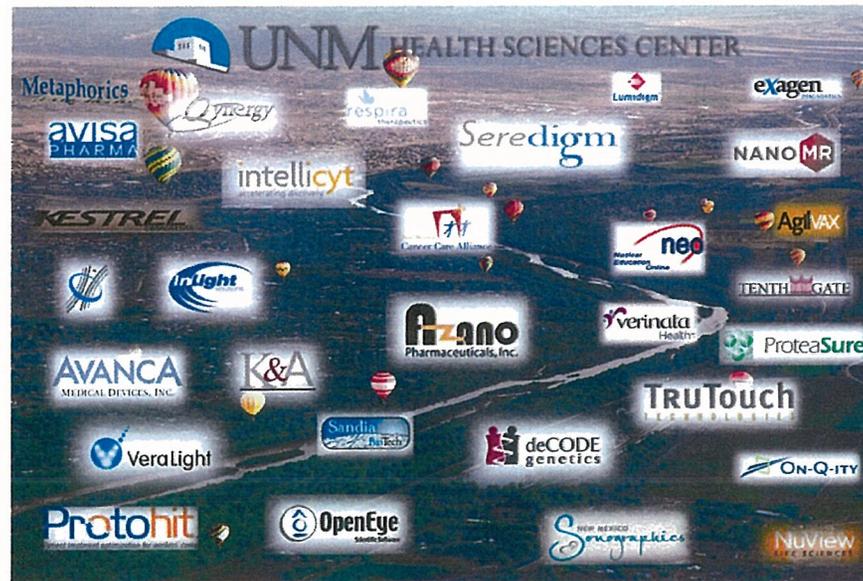


Total Research Funding

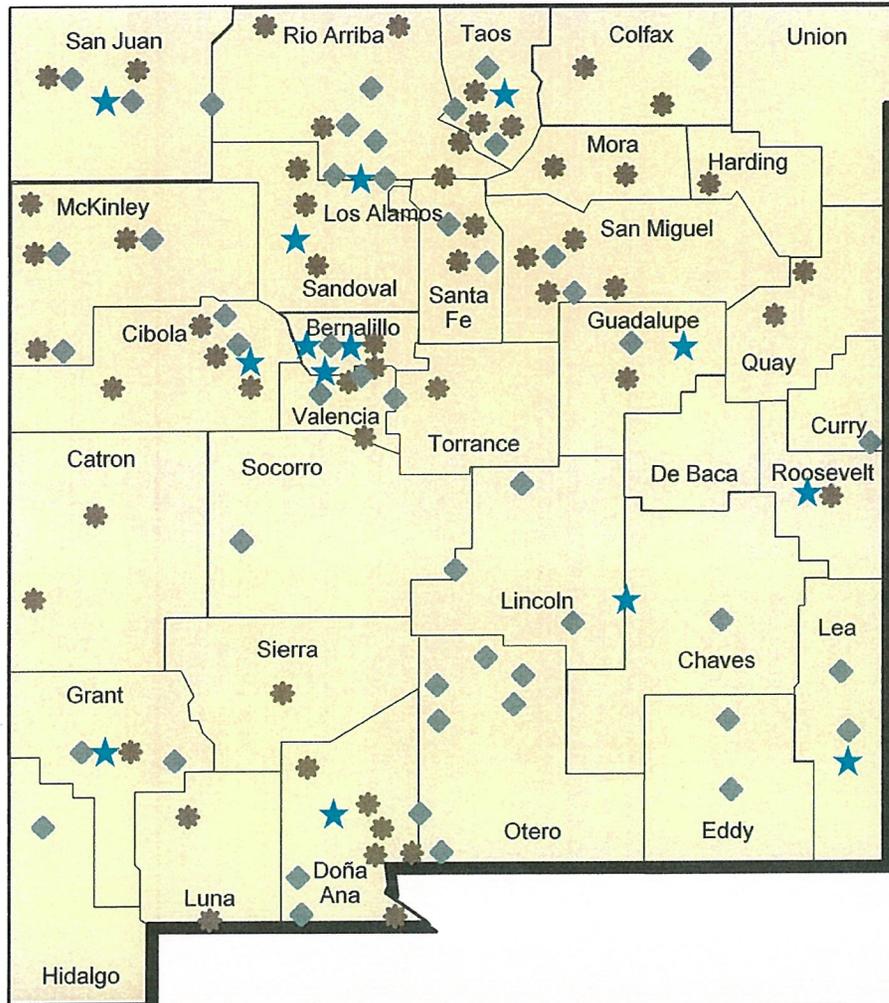


Economic Impact: Commercialization

- Since 2001, 34 new private companies were either spun off from the university or used university technology to start up
- Total employment impact: **1,272 new jobs in the private sector**



Collaborative Partnerships Statewide



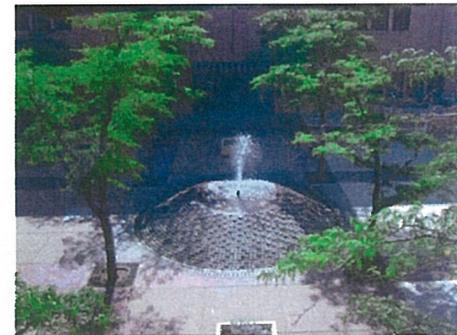
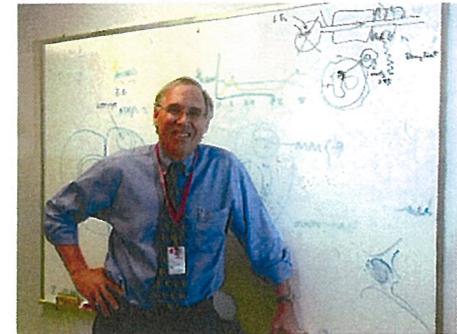
- ★ Health Extension Rural Offices
- ★ Practice-Based Research Network
- ◆ Investigator-led Community-based Programs
 - NM CARES HD
 - National Children's Study

Interactive map of research in New Mexico Communities:

https://hcssl.unm.edu/ctsc/ctscmap/community_map.cfm

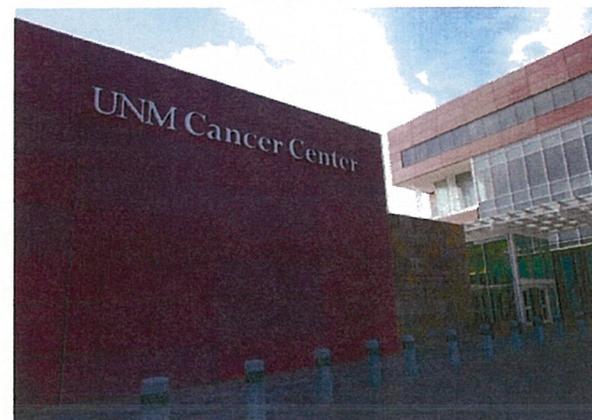
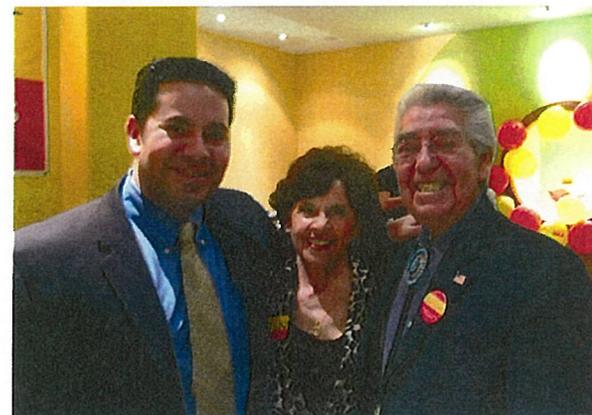
Evaluation

- 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



Ben & Carmen Lujan Lung Cancer Bill

- New request distinct from historic TSF
- The UNM Cancer Center is an important partner in the Ben and Carmen Lujan Lung Cancer Research program
- Bill identified TSF to fund program, but there were no funds
- Funding currently under discussion



What Loss of Tobacco Settlement Means to New Mexico

- Risk of pending litigation
- Loss of patient care services
- Loss of technology to provide services and conduct research
- Loss of jobs (leveraged)
- Loss of economic activity
- **Request: replacement of previously lost funds**

