

**MINUTES
of the
SECOND MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**July 8, 2015
Room 321, State Capitol
Santa Fe**

The second meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Representative John L. Zimmerman, co-chair, on July 8, 2015 at 9:12 a.m. in Room 321 of the State Capitol in Santa Fe.

Present

Sen. Cisco McSorley, Co-Chair
Rep. John L. Zimmerman, Co-Chair
Sen. John Arthur Smith
Rep. Monica Youngblood

Absent

Rep. Gail Chasey
Sen. John C. Ryan

Advisory Members

Rep. Patricio Ruiloba
Rep. Jim R. Trujillo

Sen. Linda M. Lopez
Sen. Mary Kay Papen
Rep. Don L. Tripp

Guest Legislator

Sen. Nancy Rodriguez

Staff

Caela Baker, Staff Attorney, Legislative Council Service (LCS)
Douglas Carver, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Wednesday, July 8

Welcome and Introduction

Representative Zimmerman welcomed those in attendance and conducted introductions.

New Mexico Health System Innovation Design Project Overview

Shannon Barnes, state innovation coordinator with the Department of Health (DOH), discussed the State Innovation Model (SIM) Initiative, working through a PowerPoint presentation provided to the committee. She noted that the SIM was created through the federal Patient Protection and Affordable Care Act and was developed to test innovative health care delivery and payment models that reduce spending, enhance the quality of care and improve population health. There are two phases to the SIM: 1) the design phase, which takes one to two years to develop the proposed design model; and 2) the test phase, which is a three-year period to test the approved design model.

The DOH, in partnership with the Human Services Department (HSD), was awarded funds from the federal Centers for Medicare and Medicaid Services Innovation Center to develop a design to innovate the state's health care system, with the aims of: 1) improving population health and health outcomes; 2) reducing health care costs and investing in health promotion; and 3) enhancing the experience of care. The priority measures on which the SIM is focusing are obesity, diabetes and tobacco use, areas that were chosen due to their high social cost. Ms. Barnes gave an overview of the engagement structure for the initiative and noted that the design vision was intended to build on and innovate current transformation initiatives that already exist in the state.

Members of the committee asked Ms. Barnes about engagement with stakeholders, funding of the SIM and collaboration between the DOH and HSD. In response to a query from a member of the committee, David Abbey, director, Legislative Finance Committee (LFC), noted that there was a concern with a duplication of effort between the SIM and the Centennial Care waiver effort at the HSD. Mr. Abbey told the committee that he would get someone from his staff to report to the committee on this subject by the end of the meeting.

Update on Harm Reduction Program

Dominick V. Zurlo, program manager for the DOH's Harm Reduction Program, spoke to the committee about hepatitis and harm reduction, working through a PowerPoint presentation provided to the committee. He noted that the hepatitis program received \$43,400 in support from tobacco settlement revenue in fiscal year (FY) 2015 and the same amount in FY 2016. The Harm Reduction Program received \$249,600 in each of those years. These figures amount to 11 percent of the total contractual dollars for the hepatitis program and 34 percent for the Harm Reduction Program. Mr. Zurlo gave an overview of the accomplishments of both programs in FY 2015, with particular focus on the Syringe Services Program (SSP). Members of the committee asked for further details of the SSP, including questions about liability and the involvement of law enforcement officers. Members also asked about outreach efforts, particularly in rural areas, the progress on developing hepatitis vaccines and hepatitis in the state's prisons and jails; and they questioned whether these programs, while admirable, are an approved use of funds under the Master Settlement Agreement.

Update on the Tobacco Use Prevention and Control (TUPAC) Program

Benjamin Jacquez, program manager for the DOH's TUPAC Program, discussed tobacco control in the state, working through a PowerPoint presentation provided to the committee. He noted the negative effects on New Mexicans from tobacco, including 2,600 people in the state who die each year from smoking and 42,000 people who suffer from smoking-related diseases. He discussed how TUPAC is an evidence-based statewide tobacco control program meant to prevent the start of tobacco use by youths, promote quitting tobacco use, eliminate exposure to secondhand smoke and identify and eliminate tobacco-related health disparities among population groups. Mr. Jacquez discussed how TUPAC mirrors the Centers for Disease Control and Prevention (CDC) guidelines for tobacco prevention and control efforts. He also mentioned steps that have already been taken in the state to reduce tobacco use, including passage of the Dee Johnson Clear Indoor Air Act in 2007, an increase in the price of tobacco products and use of Master Settlement Agreement funds for tobacco prevention and control. FY 2015 funding for TUPAC included \$5,682,000 from the tobacco settlement funds and \$1,141,221 from a CDC cooperative agreement; in FY 2016, TUPAC received a \$206,000 budget cut due to CDC cutbacks. Mr. Jacquez then detailed the TUPAC outcomes, giving an overview of the Quit Now cessation services, engagement with health care providers, leveraging of CDC resources, outreach to new audiences, protecting people from secondhand smoke and prevention of youth tobacco-use initiation. He noted that trends in youth tobacco use are encouraging, with declines noted in all categories, except for a worrying increase in hookah use, and that adults show a slower rate of decline but still reflect progress. He then briefly discussed continuing challenges, including a large population of people who use tobacco products and disparities in smoking rates among certain population groups.

Members of the committee asked about how New Mexico's tobacco taxation rates compare with other states, how the state tracks cessation and how the state is tracking the return on investment for these programs.

Update on Diabetes Prevention and Control Program

Judith Gabriele, program manager for the DOH's Diabetes Prevention and Control Program, gave an update on the program, working through a PowerPoint presentation provided to the committee. She noted the slow growth of diabetes cases in the state and that New Mexico's numbers are statistically similar to the rest of the United States. She discussed the growing problem with prediabetes, noting that the prediabetes rate could be as much as 35 percent, which would translate to 500,000 prediabetes cases in New Mexico, with rates higher for Hispanic and Native American communities. This could mean close to 720,000 cases of diabetes and prediabetes in the state. She discussed the diabetes death rates in the state, with the northwest region of the state having the highest rate, and spent time covering the massive economic burden that diabetes imposes on the state. After giving an overview of the Diabetes Prevention and Control Program budget, which includes \$621,100 from state tobacco settlement funds, she gave an overview of what measures work for diabetes prevention and control, including the National Diabetes Prevention Program, an evidence-based lifestyle change program; diabetes management, especially focusing on glucose control; and controlling the ABCs of diabetes — the

A1c glucose test, blood pressure, cholesterol and smoking cessation. Ms. Gabriele then gave an overview of how tobacco settlement funds were spent and discussed some of the details concerning the implementation of the National Diabetes Prevention Program, the Kitchen Creations cooking school, the Manage Your Chronic Disease Program and professional development for providers.

Members of the committee asked questions concerning the connections between diabetes and smoking, how to disseminate information concerning the Diabetes Prevention and Control Program to constituents and the relation of exercise to diabetes prevention.

Update on Breast and Cervical Cancer Early Detection Program

Beth Pinkerton from the DOH's Breast and Cervical Cancer Early Detection Program spoke to the committee about issues surrounding breast cancer in New Mexico, working through a PowerPoint presentation provided to the committee. She noted that approximately 1,322 women in the state are diagnosed with breast cancer each year, and approximately 247 women in the state die each year from breast cancer. The most effective strategy for detecting early-stage breast cancer is undergoing a screening mammogram, but she noted that there are disparities between communities in the frequency of mammogram screening. In particular, Native American women are two times more likely not to have had a mammogram, and women in families with under \$50,000 in annual income are more likely not to have had the screening. Ms. Pinkerton addressed how the tobacco settlement revenue funds are allocated for the provision of mammograms, and she gave an overview of how the Breast and Cervical Cancer Early Detection Program serves communities throughout the state by region and by racial and ethnic background. She discussed the funding for the program and gave the numbers of women treated for the past six fiscal years, noting that all of the tobacco settlement revenue funds that the program receives are used for direct clinical care. Ms. Pinkerton reviewed the eligibility requirements for the program and informed the committee that since it was established in 1991, the Breast and Cervical Cancer Early Detection Program has provided screening and diagnostic services to more than 150,700 underserved women.

LFC Presentation on the HSD Centennial Care Waiver and Medicaid Managed Care Costs Report

As promised during the "New Mexico Health System Innovation Design Project Overview" presentation, members of the LFC staff made a presentation to the committee about their report on the HSD Centennial Care waiver. Charles Sallee, deputy director, LFC, and Maria Griego, program evaluator, LFC, presented the committee with copies of the LFC's *Human Services Department Centennial Care Waiver and Medicaid Managed Care Costs* report, published June 24, 2015. They gave an overview of the executive summary to the report, noting the doubling of Medicaid enrollment and spending since FY 2005. Much of the increased growth is attributable to the expansion of Medicaid in the state, with the state assuming 10 percent of the share of costs for the expansion. Centennial Care was a significant change, consolidating existing programs and Medicaid expansion into a single managed care program.

The evaluation presented in the report has three themes: 1) cost growth; 2) the inability to track trends in the amount of care that enrollees are receiving; and 3) the need for additional controls on the Medicaid budget. The projected cost savings of Centennial Care were \$453 million; the final projections, however, are \$253 million in cost savings. They noted that cost drivers include new populations coming into Medicaid; programmatic changes that are not explicit in budgeting, such as hepatitis C screening; and coordination of care. They recommended that the Medicaid budget, now currently two line items, should be broken up in order that the legislature might prioritize spending and exert better control. They noted that there are many benefits to the Medicaid expansion and the leveraging of the expansion, but these present budget challenges and opportunities. An examination of the overall health system for the state is warranted, as it is antiquated, and the legislature needs to ensure that the state is investing in what works and to look at how Medicaid can be invested in particular health needs, as was shown with the tobacco cessation program.

Members of the committee asked about how the report's findings mesh with the SIM initiative. Mr. Sallee and Ms. Griego noted that the LFC has begun a new project to look at how stand-alone budget items would work with Medicaid. The LFC report on this issue should be completed in October. The committee requested that the LFC present its findings at the committee's final meeting of the interim.

Public Comment

Sandra Adondakis, New Mexico government relations director for the Cancer Action Network, informed the committee that she has extensively researched the use of federal dollars and supports implementation of a quitline in the state.

Adjournment

There being no further business before the committee, the committee adjourned at 12:44 p.m.