

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

**July 1, 2016
UNM Comprehensive Cancer Center
Albuquerque**

The second meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Representative John L. Zimmerman, co-chair, on July 1, 2016 at 9:36 a.m. at the University of New Mexico Comprehensive Cancer Center (UNMCCC) in Albuquerque.

Present

Sen. Cisco McSorley, Co-Chair
Rep. John L. Zimmerman, Co-Chair
Rep. Gail Chasey
Sen. John C. Ryan

Absent

Sen. John Arthur Smith
Rep. Monica Youngblood

Advisory Members

Sen. Linda M. Lopez
Rep. Jim R. Trujillo

Sen. Mary Kay Papen
Rep. Patricio Ruiloba
Rep. Don L. Tripp

Staff

Celia A. Ludi, Staff Attorney, Legislative Council Service (LCS)
Jeff Eaton, Research and Fiscal Policy Analyst, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are on the website and in the meeting file.

Friday, July 1

Welcome and Introductions

Representative Zimmerman welcomed everyone and asked members and staff to introduce themselves.

UNMCCC Update

Dr. Cheryl Willman, director and chief executive officer, UNMCCC, referring to a handout at Item 1, presented a review of the work at the UNMCCC. She reminded the

committee that, in 2015, the UNMCCC was designated as a comprehensive cancer center, one of only 45, or the top three percent, in the nation. She explained that "comprehensive cancer center" is a designation by the National Cancer Institute (NCI) for institutions that do outstanding cancer research and provide treatment services directly to cancer patients. [The 69 NCI-designated cancer centers in 2015 include 45 comprehensive cancer centers and 24 cancer centers, located in 35 states and the District of Columbia.] Scientists and doctors at these centers perform laboratory research studying the patterns, causes and control of cancer in groups of people and participate in multicenter clinical trials that enroll patients from many parts of the country. The UNMCCC also provides specialized training to physicians and other health care professionals and provides cancer information to the public. The designation as a comprehensive cancer center supports the recruitment of ever better physicians and scientists.

Referring to Slide 2, Dr. Willman noted that New Mexico has the only state tumor registry that tracks 98 percent of cancers in women and girls; the registry is considered a national model.

Referring to Slides 7 and 8, Dr. Willman informed the committee that the 2015 NCI critique of the UNMCCC strengths include the assessment that the "UNMCCC is a superb model for addressing the cancer health care delivery research and cancer disparities in underserved populations", one reason that the UNMCCC was recently recruited to U.S. Vice President Joe Biden's Cancer Moonshot Task Force team. The NCI reviewers also put strong emphasis on the state's support for the UNMCCC (Slide 8).

Dr. Willman outlined the strategic goals of the UNMCCC (Slides 9-12, 15 and 23), which include addressing the disparities in screening, incidence and outcomes of various cancers; developing a Total Cancer Care protocol that would allow consenting cancer patient cohorts to be followed from diagnosis through their lifetime; and continuing to focus on New Mexico's tribal communities, addressing the unique genetic ancestry factors of New Mexico's Native American population and developing novel therapeutic opportunities for this population. Dr. Willman noted that only four percent of the Native American population in New Mexico has been screened for colorectal cancer; the UNMCCC has recently received new federal grants to increase screening efforts in tribal communities (Slide 10).

Referring to Slide 11, Dr. Willman said that the UNMCCC has received a \$250,000 appropriation for 3D mammography that it had not asked for but that some community organizations had worked for, and the UNMCCC was happy to receive it. She said that 3D mammography may improve cancer detection rates and reduce call-backs. Often, women, especially in rural areas, cannot return for a call-back because of a lack of transportation and the expense, so cancers may grow instead of being treated early. Early treatment is easier on the patient and has a higher likelihood of a positive outcome, and it is less expensive. She also commented that 3D is slightly more expensive than 2D imaging. She said that there are no large national studies comparing and quantifying the efficacy of 2D and 3D imaging, so the UNMCCC instituted a clinical trial called the "New Mexico LOVE Study" to do that. She said that the

UNMCCC used the money appropriated and added \$250,000 out of its clinical budget to set up a clinical trial with 1,000 medically underserved, income-eligible women; 842 women have been screened to date, and the UNMCCC will complete the trial and then do the data analysis.

Dr. Willman said that the UNMCCC has a human papillomavirus (HPV) patient registry that began in 1970. Currently, 98 percent of New Mexico women are tracked in this database. This rate is among the best in the nation and is a model for other states. Dr. Willman said that the UNMCCC would like to translate the successes of the database to other cancers, liver cancer in particular, and would like the legislature to consider expanding authority of the UNMCCC to do that.

Dr. Willman informed the committee that the UNMCCC may need additional legislative support to qualify for federal matching funds to achieve the strategic goals described in Slide 12. She said that the UNMCCC would work with the University of New Mexico's (UNM's) attorneys and the LCS to develop proposed legislation, and it would have legislation ready to present at the November 21 meeting.

Referring to Slide 13, Dr. Willman informed the committee that the UNMCCC is a member of the Oncology Research Information Exchange Network (ORIEN), a research partnership among North America's top cancer centers that recognizes that collaboration and access to data are the keys to cancer discovery. The ORIEN allows partners to share and access data sources from all partners and match patients to targeted treatments. ORIEN partners share a common protocol, called "Total Cancer Care". Total Cancer Care provides a standard system for tracking patient molecular, clinical and epidemiological data and follows the patient throughout his or her lifetime. ORIEN partners have access to one of the world's largest clinically annotated cancer-tissue repositories and data from more than 100,000 patients who have consented to the donation for research. Building the database is one of the most important features of the ORIEN. Dr. Willman is working on having the U.S. Department of Veterans Affairs (VA) Hospital in Albuquerque enrolled as one of five VA hospitals nationwide that are ORIEN partners. Dr. Richard Larson, executive vice chancellor and vice chancellor for research, UNM Health Sciences Center (HSC), commented that the VA has a network of clinics throughout the state that would be a unique asset to the ORIEN project because it would provide access to medically underserved, particularly Hispanic and Native American, populations. In response to a question from a committee member, Dr. Willman said that she would very much appreciate a letter of support from the committee to be provided to the ORIEN. It was moved and seconded that the committee will provide Dr. Willman with a letter of support for the VA application.

Dr. Willman further informed the committee that the UNMCCC was selected in 2015 to oversee the NCI's Geographic Management of Cancer Health Disparities Program for Region 3 (Slide 14).

Dr. Willman stated that the UNMCCC is working with tribal communities to identify and address concerns about environmental toxins that cause cancer (Slides 15 and 16).

The UNMCCC continues to work with Los Alamos National Laboratory on a "big data" project on gene sequencing (Slides 17-22).

Finally, Dr. Willman showed a video clip of an NBC News program on the Cancer Moonshot Task Force, which highlighted work done at the UNMCCC. A link to the video is at Item 1.

In response to a question from a committee member, Dr. Willman said that the UNMCCC would be very enthusiastic about partnering with New Mexico State University (NMSU) on cancer research; Dr. Larson added that UNM was disappointed when NMSU partnered with Washington State University on clinical research instead of with the UNMCCC. Dr. Willman said she has reached out to the new Burrell College of Osteopathic Medicine (BCOM) and noted that the BCOM is just opening this year and that its research capacity is not developed yet.

UNMHSC Tobacco Settlement Revenue Program Overview; Research, Genomics, Biocomputing and Environmental Health; Specialty Education in Trauma; Specialty Education in Pediatrics; Instruction and General Purposes

Dr. Larson, referring to his handout at Item 2, Slide 1, commented that the UNMHSC is a major contributor to New Mexico's economy, employing more than 10,000 people who deliver health care services and train health care professionals in 246 communities across the state. He explained, referring to Slide 2, that the UNMHSC is a hybrid organization, an academic health center that is neither a purely academic institution nor health care provider but that provides patient care, education and research.

Referring to Slides 7-15, Dr. Larson summarized the UNMHSC's use of tobacco settlement funds. He said that the tobacco settlement distribution to UNM supports tobacco-related research and clinical care programs across all of the UNMHSC. Dr. Larson reported that the amount to be distributed in fiscal year (FY) 2017 is \$2,859,100. Among the uses is to provide funding for pilot programs, which is the primary mechanism for obtaining federal support; Dr. Larson asserted that funding pilot projects returns between \$8.00 and \$20.00 for every \$1.00 invested. Referring to Slide 11, Dr. Larson reported that the core projects at the UNMHSC supported by the tobacco settlement revenue distribution are the New Mexico Poison and Drug Information Center (NMPDIC); the pediatric oncology program; biomedical research in genomics; biocomputing; and environmental health research. The distribution is also used for specialty education in trauma and pediatrics and instruction and general purposes. He noted that there will be separate presentations on the pediatric oncology program and the NMPDIC.

A committee member recounted testimony from a recent Revenue Stabilization and Tax Policy Committee meeting in which it was mentioned that the Tobacco Settlement Permanent Fund (TSPF) is at risk of being "swept" because it is part of the state operating reserve to address general fund deficiencies in the current budget year appropriations. The committee then engaged

in a short discussion regarding the status of the TSPF. In response to a question by a committee member, Mr. Eaton stated that he had discussed the matter with LCS Director Raúl E. Burciaga and understood that "tapping" the fund would require legislation and that it would be necessary for the governor or the legislature to call a special legislative session and enact a bill authorizing an appropriation from the TSPF.

Dr. Larson noted that much of the research done at the UNMHSC is in the form of clinical trials, which provide both research and patient treatment and offer an additional benefit to patients because all drugs administered in treatment through a clinical trial are provided free of charge. Other research programs — for example, research in pediatric diabetes; obesity; and mortality rates and interventions for prescription narcotic overdoses — are based in the various colleges at UNM.

Research is also being performed on the effect of vitamin D on immunity. He said that Australia has had a public sun awareness campaign for 30 years that encourages the use of sunscreen, but the apparent impact in the incidence of melanoma is zero, leading to a hypothesis that the use of sunscreen also reduces formation of vitamin D in the body, which negatively affects immunity. He observed that most kidney cancer and melanoma treatment includes supplementation with vitamin D to enhance immunity. He noted that vitamin D could be considered a hormone as much as a vitamin, as it regulates and affects immunity, bone density and even cognition, among others things.

In response to a committee member's question about whether there is a connection between posttraumatic stress disorder (PTSD) and cancer, Dr. Larson observed that there is a documented relationship between PTSD and substance abuse and addiction, including tobacco addiction, but it is not necessarily a cause-and-effect relationship. He noted that chronic marijuana users do not show an increase in lung cancer rates similar to tobacco smokers, although chronic marijuana users are more likely to have PTSD. There is also a relationship between cancer and other illnesses with environmental toxins, such as Agent Orange and asbestos used for insulation on ships, and often people with illnesses resulting from those causes also have PTSD. For PTSD alone, there is no apparent cancer link.

Dr. Larson stated that marijuana is one of the most genetically modified plant crops in the world, and federally funded and approved research does not reflect the current products because all marijuana used for federally sanctioned research and clinical studies comes from the same 20-year-old strain, which is all grown on one farm in Mississippi and which is very different from today's street supplies and crops being raised for use in states that allow sale of marijuana products for medical and recreational purposes. He said that there are at least 13 different cannabinoids, which are not well understood. He said that new marijuana-related diseases, including psychosis, are being seen in emergency rooms, but there is no doubt that there are medical benefits to controlled marijuana use; for instance, in pain reduction and to address movement disorders. He added that studies using non-federal marijuana crops are limited, but they are slowly growing.

A member asked if there would be a reduction in cancer deaths if the smoking age were raised from 18 years old to 21 years old. Dr. Larson replied that the medical community does not know for certain.

Pediatric Oncology Program

Dr. John Kuttesch, division chief, Pediatric Hematology/Oncology, UNM, informed the committee that tobacco settlement funding (\$250,000 in FY 2017) is used to deliver care, support access to available therapies and support survivorship, education and outreach. He reported that cancer is the leading cause of nonaccidental death in children, and that 80 percent to 85 percent of pediatric oncology patients survive cancer. He explained that UNM, as New Mexico's only tertiary care provider of comprehensive oncology services for children, conducts research and provides direct patient treatment and care. ["Tertiary care" is specialized consultative care, usually on referral from primary or secondary medical care personnel, by specialists working in a center that has personnel and facilities for special investigation and treatment.] Dr. Kuttesch reported that in the last fiscal year, UNM's Pediatric Oncology Division had received referrals from all parts of the state and had more than 450 active patients and 4,900 clinic and inpatient visits. Referring to his handout at Item 4, Slide 6, he summarized the clinical services provided by the Pediatric Hematology/Oncology Division of the UNMHSC, highlighting the biweekly tumor board review meetings where multidisciplinary staff review and discuss unusual cases and the groundbreaking work performed by Dr. Jodi Mayfield and Dr. Stuart Winter in treating childhood leukemia and discovering new identification techniques and treatment therapies using genomic sequencing analysis. The UNMCCC is one of only a few institutions in the country with access to focused clinical trial treatments for children.

Dr. Kuttesch noted that accessing care is a challenge for children, and poor children in particular. In answer to questions by committee members, Dr. Kuttesch said that UNM had never turned away a child who needed oncology treatment, but distances in New Mexico are a constant problem because UNM cannot provide telemedicine support to health care providers in rural areas for all patients, so some patients who live outside the Albuquerque area must be treated in Albuquerque, which often strains family resources. He added that there are some nonprofit organizations that provide monetary and other support to families that have children being treated for cancer and other illnesses at the UNMHSC. He also noted that UNM does not provide some kinds of treatment; for example, bone marrow transplants, so patients who need that kind of treatment must go out of state, usually to Colorado. Some other out-of-state institutions do not do the work that UNM does; for example, blood work and genetic sequencing, so those institutions rely on UNM. He said that UNM has cooperative relationships with Colorado and with other institutions to support and supplement patient treatment and care. Dr. Kuttesch informed the committee that over 90 percent of pediatric oncology patients treated at UNM are enrolled in clinical trials, so all treatment provided for those patients is free of charge. He summarized UNM's 65 current clinical trials in his handout at Slide 10.

A member asked if the work done by the UNMCCC and Dr. Mayfield has had an impact in the field. Dr. Willman responded that the collaboration across institutions and science

laboratories nationally and internationally shows the medical world that genetic sequencing and gene therapies being developed at the UNMCCC make it possible to fix "broken" genes. The UNMCCC leads the world in this type of gene therapy and research.

A member asked how an institution decides whether to be "well-rounded" or "specialized". Dr. Kuttesch responded that there is a balance in the clinical area but that the UNMCCC leads in several clinical areas as well. Collaboration and clinical trial development are ways to access expertise that is greater than within the UNMCCC. The member commented that one then just needs to know which institution is strong in which area, to which Dr. Kuttesch agreed.

Dr. Kuttesch described several ongoing research programs, including one addressing promising ways to successfully treat Native American and Hispanic children with childhood leukemia; Native Americans and Hispanics often have a genetic marker that makes treatment less successful. Dr. Kuttesch related that UNM shares information and resources with other research and treatment institutions worldwide, which benefits everyone. In addition to research and treatment of pediatric cancer, UNM provides education and outreach programs. Dr. Kuttesch concluded his presentation with Slide 18, where he noted that the UNMCCC wants to develop a pediatric brain tumor program and will have a pediatric neurosurgeon on the faculty beginning in August 2016.

Dr. Kuttesch's handout is at Item 4.

NMPDIC; E-Cigarette Research

Dr. Susan Smolinske, director, NMPDIC, explained that the NMPDIC is part of the UNM College of Pharmacy and has teaching responsibilities in addition to providing poison and drug information to the general public and to emergency and medical personnel. Working through her handout at Item 5, Dr. Smolinske provided itemized information about the life- and cost-saving impacts of the NMPDIC. She reported that in FY 2017 the tobacco settlement funds contributed \$590,300 to the NMPDIC's budget of \$2.2 million, providing direct support to approximately 6,700 callers in FY 2016; providing education and outreach to an estimated 630,000 New Mexicans; and reducing health care expenses. She added that it is hard to quantify the total amount of Medicaid dollars saved by the NMPDIC, but she noted that because half the state's population is covered by Medicaid, there is an estimated savings of \$12 million, primarily in Medicaid, statewide. The NMPDIC also consults with health care teams on admitted patients, with 5,212 consults in FY 2015. The NMPDIC estimates that these consults reduce the average hospital stay by 3.2 days, translating into a savings of \$36 million in FY 2014. Dr. Smolinske said that 100 percent of calls to the poison and drug information hotline (1-800-222-1222) are handled within five minutes by a pharmacist certified in poison information, and most calls are completed in less time. The center also does follow-up calls to at-home cases, resulting in a savings of about \$13.5 million in emergency room visits rendered unnecessary because of the availability of the NMPDIC.

In response to a question from a committee member, Dr. Smolinske replied that federal funding received by all poison and drug information centers is distributed based on the populations served by each center, but the federal funding has decreased because a senator from Montana thought that there should be one national poison center instead of 55. She said that federal funds have decreased so much that 10 poison and drug information centers have closed. Dr. Smolinske reported that each state does not necessarily have a center, and some have more than one. For instance, one center in Colorado also serves Montana and Wyoming. Cost analysis has shown that no cost savings are achieved by consolidation. In any case, she said, federal funds only pay for a small portion of the total calls received by the NMPDIC. Dr. Smolinske advised the committee that if the NMPDIC closed, the closest place for the 62 pharmacy students at the UNM College of Pharmacy to get the training provided by the NMPDIC is in Denver. She added that the top snakebite expert in the country is at the NMPDIC, and he consults nationwide.

In response to the committee's prior request, Dr. Smolinske provided information about e-cigarettes, particularly regarding incidents of poisoning by the liquid nicotine used in them and injuries caused by exploding delivery systems, such as e-cigarettes. She reported that poison centers across the country are reporting an increase in calls about exposures to e-cigarettes and the liquid nicotine used in delivery devices, and calls to the NMPDIC regarding e-cigarettes have increased by 25 percent overall since 2014, even though the number of calls decreased after the passage of legislation in 2015 requiring child-resistant packaging of e-cigarette delivery. She commented that most of the calls were because children had been exposed to the liquid nicotine in vaping devices, resulting in moderate (requiring hospitalization) or major (life-threatening) effects because nicotine is highly toxic, particularly when ingested by a child. She noted that nicotine is a very effective pesticide and herbicide.

In response to a question by a committee member, Dr. Smolinske said that she is not aware of any credible studies regarding the health effects of secondhand vapors, but the tobacco company R.J. Reynolds has initiated an "enhanced data collection project" (Slide 13) regarding e-cigarettes in which the NMPDIC is participating, and she expects some information to come out of that. Dr. Smolinske said that research is still in the very early stages because of the relative newness of the products and because the federal Food and Drug Administration (FDA) has only in the past several weeks had the authority to regulate the products, adding that even if the FDA is able to control the contents of products manufactured in the United States, it has no authority over products made in other countries.

In response to a question by a committee member about whether there is evidence that use of e-cigarettes helps people quit smoking, Dr. Larson said that a survey of studies produced no evidence that use of vapor products is effective for that purpose.

A committee member asked if use of vaping devices is prohibited on airplanes, and Dr. Smolinske answered that there are no federal laws prohibiting it, so individual airlines have the discretion to permit it.

Dr. Smolinske, referring to Slides 19-41, provided a detailed explanation of the ways various vaping devices work, including e-cigarettes, e-hookahs, vaping pens, e-cigars, e-pipes and other personal vaporizers. She observed that there is no federal regulation of terminology or content, so standardized information is nonexistent. On Slide 42, she listed many constituents of e-cigarette liquids, and she summarized the health concerns presented by some of them, referring to Slides 43-49. She also described a new vapor delivery system, direct dripping, referring to Slides 51-53.

Dr. Smolinske reported that, in addition to injuries from nicotine poisoning, there have been a number of injuries caused when e-cigarettes exploded, and she described one such incident seen at the UNM Hospital Emergency Department (Slide 54).

Dr. Smolinske advised the committee that more research is needed to assess the effects of vaping devices and the risks of secondhand and thirdhand exposure to the vapors. Dr. Larson provided copies of two recent academic journal articles: "Pediatric Exposure to E-Cigarettes, Nicotine, and Tobacco Products in the United States", published in *Pediatrics* in June 2016; and "Electronic Cigarettes for Smoking Cessation: A Systematic Review", published by Oxford University Press on behalf of the Society for Research on Nicotine and Tobacco in May 2016. These articles are available at Item 5.

Biotech Update

Dr. Larson summarized the economic challenges currently facing the U.S. economy as decreased manufacturing and increased global competition result in insecurity of job growth and insecurity of health care and social support systems. Referring to his handout at Item 6, he asserted that the bioscience industry, which is growing at a faster rate and pays wages 80 percent greater than the overall private sector, holds great promise of positive contributions to New Mexico's economic picture. Referring to Slides 4-8, Dr. Larson explained that the bioscience economic model starts with government-funded academic research that produces viable products and services that can be developed and marketed by the private sector. He mentioned some of the 38 new private companies that were either spun off from UNM or used UNM technology to start up, the latest of which is IntelliCyt, which was recently purchased by a German firm for a record \$90 million. On Slide 9, Dr. Larson listed the six industries that make up the bioscience sector. He highlighted the dramatic increase (650 percent) in extramural research funding brought in by the UNMHSC since 1993, and on Slide 13, he compared the patents awarded in New Mexico across five industries, including bioscience-related patents. Dr. Larson asserted that although New Mexico is growing a strong workforce in business and science, most New Mexico graduates do not stay in the state after graduating because of a lack of jobs in their fields. Slides 12-18 provide employment and revenue data for bioscience in New Mexico.

Dr. Larson recommended that the state focus on recruitment of out-of-state companies and top-level executives to start or transfer operations to New Mexico to employ the state's bioscience graduates and to enhance the science, technology, engineering and mathematics (STEM) pipeline programs in New Mexico high schools and community colleges. In addition,

he strongly recommended designating one or more funds tied to the State Investment Council to invest in bioscience companies originating in New Mexico in the middle of the "valley of death" stage of product development (Slide 5). His recommendations are on Slides 21 and 22.

UNM Funding/Budget Requests

Dr. Larson presented UNM's tobacco funding request form. He explained the different sources of funding for the various UNMHSC programs; funds are used primarily for research, outreach and faculty physician education, which helps the hospital recruit and retain faculty physicians. The discussion included the importance of job opportunities in the health sciences and economic development. A member asked if Dr. Larson has presented to the Jobs Council or Economic and Rural Development Committee. Dr. Larson said that he would welcome the opportunity to present to either entity, adding that he had been told that the Jobs Council did not have time for his presentation.

E-Cigarette Accident Experience

Virginia Trujillo described how e-cigarette batteries in her son's pocket spontaneously ignited while he was driving and caused severe third-degree burns over the lower half of his body. She noted that there are no laws governing e-cigarettes and asked the committee to increase regulation of e-cigarettes to make them safer so other people do not have similar accidents. She also spoke in support of increasing funding to UNM Hospital, asserting that the Emergency Department is too small to serve the population since it is the only Level 1 trauma center in the state. [A Level 1 trauma center is a comprehensive regional resource that is a tertiary care facility central to the trauma system. A Level 1 trauma center is capable of providing total care for every aspect of injury — from prevention through rehabilitation.]

Indoor Media Information

Ruben Garcia, owner of JohnnyBoards LLC, a small local business providing advertising boards located in public restrooms, informed the committee that 60 percent of his business is public health awareness campaigns, such as anti-DWI. Committee members suggested contacting the Department of Health, Children, Youth and Families Department, Human Services Department and schools to partner with them in providing outreach for their various information campaigns.

Public Comment

Paul Sanchez, executive director, New Mexico Cancer Center Foundation, noted that smoking puts a heavy burden on the state's Medicaid program. He said that one-third of Medicaid recipients smoke, but only 10 percent of smokers on Medicaid get treatment for smoking. He stressed that, in addition to increasing tobacco use cessation efforts, prevention is key, especially among young people.

Adjournment

There being no further business before the committee, the second meeting of the Tobacco Settlement Revenue Oversight Committee for the 2016 interim adjourned at 3:31 p.m.