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FISCAL IMPACT REPORT

SPONSOR Altamirano DATE TYPED 2-7-05 HB _____

SHORT TITLE Coordinated Diabetes Education Network SB 355

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$825.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 339
Relates to SB 82

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)
Department of Finance and Administration (DFA)
Department of Health (DOH)
New Mexico Health Care Takes on Diabetes

SUMMARY

Synopsis of Bill

Senate Bill 355 appropriates \$825 thousand from the general fund to the Department of Health for the purpose of contracting with a nonprofit organization that provides diabetes education and prevention education. The money will be used to develop a statewide network of diabetes organizations and facilitate planning, implementation and evaluation for coordinated education, prevention and management. This bill contains an emergency clause.

Significant Issues

According to DFA, in an effort to improve diabetes treatment and prevention services, the diabetes prevention and control program at DOH conducted an assessment of current service delivery.

One of the findings was a lack of collaborative planning among service providers and other entities. To address this problem, the assessment recommended "an independent body to facilitate collaborative planning and financing for the New Mexico diabetes system in these areas: communication; data collection and management; information gathering and dissemination; grant-writing; and legislative advocacy; with the goal of acknowledging the diabetes epidemic and working towards a coordinated statewide response."

FISCAL IMPLICATIONS

The appropriation of \$825 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

This bill would allow significant expansion of DOH's diabetes education efforts. The department notes that continued funding of the program would then become an issue.

ADMINISTRATIVE IMPLICATIONS

All funds expended through DOH are subject to the procurement code. The proposed seventeen month timeline (from January 05 to June 06) is not sufficient to contract for and implement activities.

The department also notes the bill does not include permissive language for coverage of administrative costs.

DUPLICATION, RELATIONSHIP

Senate Bill 355 duplicates House Bill 339. Additionally, Senate Bill 355 relates to Senate Bill 82 in that Senate Bill 82 would appropriate \$825 thousand from the general fund for expenditure in FY05 and FY06 for DOH to contract with a statewide nonprofit organization involved in diabetes education and prevention efforts to develop a coordinated network of diabetes providers to facilitate planning, implementation and evaluation for diabetes education, prevention, treatment and management, including a web site and toll-free telephone resource line.

OTHER SUBSTANTIVE ISSUES

According to New Mexico Health Care Takes on Diabetes, a statewide coalition of diabetes-related health care organizations, 9 percent of New Mexicans currently have diabetes. Over 85 thousand people have been diagnosed with diabetes and 37 thousand are not aware they have the disease.

Additionally, DOH notes in some Native American communities the rate is as high as 20 percent. Those with diabetes are at risk for limb amputations, blindness, end-stage kidney disease and cardiovascular disease. Children are at increasing risk for Type 2 diabetes due to obesity, poor nutrition, and lack of physical exercise.

In August 2004 DOH conducted the New Mexico Diabetes Assessment with input from a wide range of organizations and individuals that make up New Mexico's informal diabetes system. Participants included representatives of health care providers, diabetes-related associations, Na-

tive American programs, universities and colleges, the community (including People with Diabetes), the insurance and pharmaceutical industries, the border community, and the Legislature. The assessment was funded by the United States Centers for Disease Control and Prevention.

A principal finding of the assessment is that New Mexico has many diverse diabetes services and programs; however, the workforce is overwhelmed, there are gaps in services, and little coordinated statewide response to address the epidemic. An urgent need was identified for providers and programs to work together in a more effective way.

The mechanism recommended to remedy this situation is the formation of a New Mexico Diabetes Network, housed within an independent nonprofit organization, to facilitate comprehensive collaboration in the areas of policy, information-sharing, program standards, data collection and management, grant-writing, and legislative advocacy.

In the assessment, which, among other participants included New Mexico Health Care Takes on Diabetes, it was found that medical care and lost productivity for a person with diabetes averages over \$13 thousand per year, totaling in excess of \$1 billion a year for the state. With diabetes on the rise, especially among children, these costs are increasing. In addition, over 50 percent of adults in New Mexico are overweight or obese, putting them at risk for diabetes. However, with additional funds supporting coordination of prevention services, money could be saved. A New England Journal of Medicine study indicated that one case of diabetes out of 7 could be prevented in at-risk populations through exercise and diet. This could save New Mexico an estimated \$128 million (based on 11,997 cases of diabetes prevented).

KBC/njw