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FISCAL IMPACT REPORT

ORIGINAL DATE 1-27-06

SPONSOR Ortiz Y Pino LAST UPDATED _____ HB _____

SHORT TITLE NM Stroke Care System SB 249

ANALYST Collard

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	NA	\$114.0	\$114.0	\$228.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

SUMMARY

Senate Bill 249 appropriates \$150 thousand from the general fund to the Department of Health (DOH) for the purpose of developing and maintaining stroke centers in hospitals statewide, developing and maintaining stroke prevention and treatment protocols, maintaining a stroke registry and implementing a public education campaign.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

DOH indicates information technology and personnel costs to establish a stroke registry have not been included in this bill.

SIGNIFICANT ISSUES

DOH notes this bill is the result of a recommendation by the New Mexico Stroke Task Force report dated September 2004, prepared in response to Senate Joint Memorial 31 that was passed in the 2003 Legislative session.

Stroke is a devastating disease that can result in death or life altering disabilities. Every day, two New Mexicans die from stroke and eight more become stroke survivors. Data on stroke care needs to be collected, compiled and evaluated in order to make the necessary changes in the system to improve outcomes. Registries often play an important role in helping researchers understand the burden of disease and identify related health disparities and prevention strategies. Stroke Registries measure and improve hospital delivery of emergency care for stroke victims in order to reduce death and disabilities from stroke.

The department currently administers the FY06 one-time appropriation from Senate Bill 190 (2005 Legislative Session) and has established a Stroke Advisory Committee to meet on a regular basis, has purchased stroke detection equipment (\$95 thousand appropriated in Senate Bill 190), and has employed a 180-day temporary employee to assist coordinate the efforts to implement the stroke program out of the department's operating budget.

ADMINISTRATIVE IMPLICATIONS

DOH indicates current staff cannot absorb the proposed activities. DOH currently administers the FY06 one-time appropriation from Senate Bill 190 (2005 Legislative Session) without dedicated personnel. In order for stroke system development to be successful a minimum of a coordinator FTE and ideally, an additional FTE as a Stroke Educator/Registrar would be needed.

OTHER SUBSTANTIVE ISSUES

HPC research indicates according to the 2006 Quick Facts report, stroke is the third most common fatal disease in New Mexico as well as in the U.S. and stroke is also one of the leading causes of severe, long-term disability. It is estimated that two New Mexicans die each day from stroke.

HPC also notes, according to the Henry J. Kaiser Family Foundation, in 2002, the stroke death rate in New Mexico per 100,000 population was 41.7.

In 2004, the Stroke Task Force reported in SJM31 the following information regarding stroke: stroke and cardiovascular disease have not been identified as a priority within the DOH. Twenty-one states including New Mexico do not have Centers for Disease Control funding for heart disease and stroke prevention programs.

HPC notes DOH spends an estimated \$16 million on chronic disease, which is over 3 percent of the department's budget, yet specific programs to address cardiovascular disease or stroke do not exist.

The lack of a cohesive system of stroke care results in loss of life and disabilities for New Mexicans. Protocols do not exist in most settings to define the necessary stroke assessment and treatment needed in emergency medical systems or in most hospitals.

With regard to the economic costs of stroke, HPC reports, in 2004, \$53 billion was estimated to be spent on direct and indirect costs of stroke in the US. Based on the number of stroke occurrences in New Mexico, an estimated \$65.4 million was spent on hospital care in 2002; however, this figure does not include physician charges or the cost of rehabilitation.

POSSIBLE QUESTIONS

What assumptions and calculations does DOH use to determine additional operating expenses?

KBC/yr