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FISCAL IMPACT REPORT

SPONSOR Smith **ORIGINAL DATE** 03/15/11 **LAST UPDATED** _____ **HB** 593
SHORT TITLE Repeal Medical Marijuana Acts **SB** _____
ANALYST Esquibel

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	(\$300.0)	(\$550.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 593 (HB593) would repeal the Controlled Substances Therapeutic Research Act and the Lynn and Erin Compassionate Use Act.

FISCAL IMPLICATIONS

The Department of Health indicates enactment of HB593 would result in the loss of \$300,000 revenue in FY12 from renewal fees of licensed non-profit producers. An estimated loss of \$550,000 revenue would occur in FY13. Currently there is no budget for the Medical Cannabis Program--costs for staff, phones, email, supplies, etc--have been covered by other Infectious Disease Bureau programs. In FY10, the total program cost was \$79,000. The additional revenue slated to begin December 2011 from the producer renewal fees will give the department the ability to carry out the responsibilities outlined in the regulations.

SIGNIFICANT ISSUES

The Department of Health writes, "In 1997, the White House Office of National Drug Control Policy (ONDCP) commissioned the Institute of Medicine of the National Academy of Sciences

to review the scientific evidence regarding the medical use of marijuana. The findings were published in 1999: “Marijuana and Medicine: Assessing the Science Base” (Joy JE, Watson SJ Jr., and Benson JA Jr., eds, National Academy Press, Washington, D.C., 1999) (<http://www.nap.edu/readingroom/books/marimed/>). This report concluded that “The accumulated data indicate a potential therapeutic value for cannabinoid drugs, particularly for symptoms such as pain relief, control of nausea and vomiting, and appetite stimulation. People vary in their responses to medications, and there will likely always be a subpopulation of patients who do not respond well to other medication. The combination of cannabinoid drug effects (anxiety reduction, appetite stimulation, nausea reduction, and pain relief) suggests that cannabinoids would be moderately well suited for particular conditions, such as chemotherapy-induced nausea and vomiting and AIDS wasting.”

A growing body of clinical and scientific evidence supports the role of cannabinoids as pharmacologic agents for the relief of symptoms associated with a broad range of medical conditions including chronic pain, anorexia, multiple sclerosis, autoimmune mediated illness and central nervous system disease. (Pacher P, Bátkai S & Kunos G. “The Endocannabinoid System as an Emerging Target of Pharmacotherapy”, *Pharmacological Reviews* 2006: 58: 389-462; Straus SE. “Immunoactive Cannabinoids: Therapeutic Prospects for Marijuana Constituents”, *Proceedings of the National Academy of Science* 2000: 97:9363-9364; Croxford JL, “Therapeutic Potential of Cannabinoids in CNS Disease”, *CNS Drugs* 2003: 17:179-202.)

In addition, randomized placebo controlled trials have demonstrated a benefit of cannabis for relief of neuropathic pain. (Abrams DI et al., “Cannabis in Painful HIV-Associated Sensory Neuropathy: a Randomized Placebo-controlled Trial”, *Neurology* 68:515-521, 2007; Ellis RJ et al. ,“Smoked Medical Cannabis for Neuropathic Pain in HIV: a Randomized, Crossover Clinical Trial”, *Neuropsychopharmacology* 34:672-680, 2009; Berman JS et al., “Efficacy of Two Cannabis Based Medicinal Extracts for Relief of Central Neuropathic Pain from Brachial Plexus Avulsion: Results of a Randomized Controlled Trial”, *Pain* 112: 299-306.)

In some instances, the suffering associated with serious medical illnesses or their treatment cannot be adequately controlled by the use of available prescription medications, or the side effects of the prescription medications are intolerable. Many patients have found that their symptoms are well controlled by the use of medical cannabis when relief is not provided by prescription medications, and as is stated in the preceding two paragraphs scientific evidence provides reasonable support for the contention that cannabis can play a therapeutic role in the treatment of serious medical conditions.

The New Mexico Medical Cannabis Program currently serves eligible patients who have unrelieved symptoms related to the following medical illnesses: cancer, multiple sclerosis, HIV/AIDS, spinal cord injury with intractable spasticity, painful peripheral neuropathy, intractable nausea/vomiting, severe anorexia/cachexia, hepatitis C infection currently receiving antiviral treatment, Crohn’s disease, Post-traumatic Stress Disorder, Inflammatory Autoimmune-mediated Arthritis, Amyotrophic Lateral Sclerosis (Lou Gehrig’s disease), glaucoma, epilepsy, severe chronic pain, and hospice patients. As of February 16, 2011, a total of 3,779 patients have enrolled in the NM Medical Cannabis Program, including 452 persons with cancer, 213 with HIV/AIDS, 173 with multiple sclerosis, and 794 with severe unrelieved chronic pain.

Approximately 8,600 New Mexicans are diagnosed with cancer each year, nearly 3,000 cancer patients die each year, and 3,800 New Mexicans are currently living with HIV/AIDS (“New

Mexico Cancer Facts and Figures, 2007”, NM Dept. of Health; NM HIV and Hepatitis Epidemiology Program, “Summary of HIV/AIDS in New Mexico, November 2009”, NM Dept. of Health). Based on enrollment figures and the burden of debilitating and chronic diseases in New Mexico, the NM Medical Cannabis Program anticipates an ongoing need for its services to provide relief to patients when all else has failed. The Medical Cannabis program also results in 80-100 job positions within the small business/non-profit producer sector.”

OTHER SUBSTANTIVE ISSUES

See attachment from Drug Policy Alliance New Mexico.

RAE/bym