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FISCAL IMPACT REPORT

SPONSOR Lundstrom ORIGINAL DATE 2/10/15
LAST UPDATED _____ HB 289

SHORT TITLE Gallup Liver Institute SB _____

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$500.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 1 and HB 297

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

University of New Mexico Health Sciences Center (HSC)

SUMMARY

Synopsis of Bill

House Bill 289 appropriates \$500 thousand from the general fund to Legislative Finance Committee (LFC) to provide a fiscal review of options for establishing a liver institute in Gallup.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

The FY16 budget for LFC is appropriated in HB1 (Feed Bill). Other funding appropriated to LFC would need to be included in the General Appropriation Act.

SIGNIFICANT ISSUES

House Memorial 48 enacted in the 2013 Legislative Session, directed DOH and HSC to conduct a feasibility study and develop a memorandum of understanding with other health providers to create a liver transplant institute in New Mexico. According to HSC, at the time of the study the highest recommendation was to develop a national partnership/collaborative relationship with an out of state liver transplant program.

According to DOH, its Division of Health Improvement division, licenses certain health care facilities; however, it does not currently license liver transplant facilities and does not have regulations governing their licensure.

New Mexico has no liver transplant program, the University of New Mexico Hospital liver clinics coordinates care of such patients in collaboration with transplant centers in Arizona, Colorado, and Texas among others. UNM and Presbyterian hospitals have liver care teams that serve both the pre- and post-liver transplant populations. As reported in the DOH report titled, “NM State of Health 2013”, substance abuse is one of the state’s leading causes of death, New Mexico consistently ranks among the worst in the nation for death from drugs and alcohol. Chronic liver disease and cirrhosis can be a cause of substance abuse.

PERFORMANCE IMPLICATIONS

LFC shall undertake a study of the state’s options for funding the establishment and operation of a liver institute in Gallup. The study shall include provisions for:

1. Establishing a center that provides liver transplants, pre- and post-liver transplant services and the prevention and treatment of liver disease;
2. A fiscal analysis of the potential market for liver transplants, pre- and post-liver transplant services and the prevention and treatment of liver disease at such a facility;
3. A fiscal analysis of the funding required to establish a liver institute, including funding to support establishment and operations of the liver institute before it develops the capacity to bill private and third-party payers for its services;
4. An identification of institutional infrastructures in the state that may support a liver institute in Gallup and the financial feasibility of establishing cooperative relationships between these institutions and a liver institute in Gallup; and
5. An analysis of the capital expenditures necessary to establish a liver institute in Gallup, including an identification of any existing capital infrastructure that may be adapted for use by a liver institute.

LFC shall provide a written report and an oral presentation of its findings to the LFC and the interim Legislative Health and Human Services Committee by November 1, 2015.

RELATIONSHIP

House Bill 297 – Review Gallup Liver Institute

JLL/bb/je