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FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/18

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE UNM Project Echo Health Program SB 236

ANALYST Dulany

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act
Relates to HB 162 and SB 131

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM) Health Sciences Center (HSC)
Higher Education Department (HED)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 236 appropriates \$1 million from the general fund to the UNM School of Medicine to maintain and expand the extension for community healthcare outcomes (Project ECHO) to improve health outcomes for rural and underserved New Mexicans.

FISCAL IMPLICATIONS

The appropriation contained in SB 236 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

Project ECHO receives about \$2 million is annual general fund support through a research and public service project appropriation to UNM HSC. As noted by HED, UNM HSC's FY17 report of actuals indicates 70 percent of the FY17 GAA line item appropriation covered salaries and

fringe benefits for 21.6 FTE employed under Project ECHO. Other actual expenditures include supplies (17 percent), travel (1 percent), equipment (1 percent), other expenses (1 percent), and transfers (10 percent). Reports of actuals provided to HED do not show other sources of revenue; however, Project ECHO has benefited from multiple grants and contracts in recent years, such as a \$10 million grant from the Bristol-Myers Squibb Foundation in early 2017 to bring top-quality care to cancer patients living in rural and underserved areas in the U.S. and Africa or a \$14 million grant from the GE Foundation in 2015.

For FY19, Project ECHO requested an additional \$126.6 thousand to restore its FY16 general fund support level. The executive and LFC recommended flat funding for the program.

According to UNM HSC, the funding contained in SB 236 will:

- Enable Project ECHO to continue to serve hundreds of thousands of New Mexican's in their local communities by providers who have received training via the ECHO model to date. Currently a significant part of this work has been done with outside grant support. With funding from the New Mexico Legislature, Project ECHO will continue to provide educational events, and further develop new best practice protocols for the multiple disease areas that are currently covered.
- Allow continued work to provide best practice health care for diseases and conditions such as rheumatoid arthritis, HCV, HIV, and chronic pain. The funding will also enable Project ECHO to provide more than 6,500 continuing medical education credits free of charge to New Mexico clinicians over the next 12 months. Many primary care clinicians pay hundreds and sometimes even thousands of dollars to obtain the continuing medical education credits required to maintain licensure. This can be a tremendous burden for those in rural areas, where continuing medical education (CME) offerings are often not readily available, thus requiring additional time away from the clinic, expensive trips and further decreased access to care for those in rural areas.

SIGNIFICANT ISSUES

According to DOH, the Infectious Disease Bureau makes extensive use of Project ECHO as part of its mission to treat and prevent the spread of infectious disease. Three programs – HIV treatment, Hepatitis C and Tuberculosis – use Project ECHO to disseminate knowledge about treatment of these diseases to mainly rural health care providers using didactic and case-based learning.

DOH further notes, ECHO clinics improve direct patient care in rural areas that would be unlikely to get the same caliber of treatment without it. They improve knowledge and skills of doctors, nurses, pharmacists and other health care providers, which improves the level of care for future patients. Project ECHO provides the technology for video tele-conferencing, and subject matter expertise in the form of medical specialists who share knowledge with rural providers. There are 20-30 different types of ECHO clinics that are active

Finally, DOH states the three infectious disease programs in DOH contribute just over \$100 thousand in contractual funding annually to Project ECHO (a decrease from previous funding levels). However, the total value of the services received far exceeds current contract amounts, so Project ECHO is continuing to support DOH initiatives as in-kind services. Other Public Health Division programs, including Family Planning and Children's Medical Services, also utilize ECHO services with in-kind arrangements. SB236 would enable Project ECHO to

continue to serve patients and providers who may not otherwise be able to access these services.

OTHER SUBSTANTIVE ISSUES

The following information is provided by UNM HSC:

Project ECHO dramatically improves both capacity and access to specialty care for rural and underserved populations. This low-cost, high-impact intervention is accomplished by linking expert inter-disciplinary specialist teams with primary care clinicians through teleECHO programs, in which the experts mentor primary care clinicians and share their expertise via mentoring, guidance, feedback and didactic education. This enables primary care clinicians to develop the skills and knowledge to treat patients with common, complex conditions in their own communities which reduces travel costs, wait times, and avoidable complications. Technology is used to leverage scarce healthcare resources, and the specialists at academic medical centers are better able to attend the most complex, high-risk patients. The ECHO model is not “telemedicine” where the specialist assumes the care of the patient, but instead a guided practice model where the primary care clinician retains responsibility for managing the patient, operating with increasing independence as their skills and self-efficacy grow.

Project ECHO is a tremendous resource for the State of New Mexico that can address and improve issues related to healthcare access, overcoming healthcare disparities, strengthening and expanding the existing healthcare workforce trained to provide specialty care, decreasing professional isolation and increasing professional satisfaction among rural providers throughout our State. Since its first pilot in June 2003, Project ECHO has helped to create many new jobs and is helping to improve our local economy and local healthcare. Project ECHO has provided more than 76,000 no-cost CME credits to New Mexico community clinicians, enabling these clinicians to receive continuing medical education in their own communities, thus helping to reduce travel costs and enabling them to spend more time in direct patient care. We have trained more than 800 community health worker specialists, including more than 500 prisoner peer educators, in addiction and diabetes care, and have provided mentoring and education to more than 5,000 New Mexico community provider partners and participants. Patient costs for specialty care have been reduced through Project ECHO, and per a previous report resulted in over \$60 million in savings for New Mexicans.

The value equation for ECHO is complex, but in addition to the professional development achieved through CME, there are several positive impacts that Project ECHO provides, including:

- The benefit of well-trained and supported community clinicians supplying the right medical care in the right place at the right time, freeing specialists to see the most complicated patients, saving money and improving access for the majority of patients seen in the community setting.
- Integration of public health and a multidisciplinary team into a single care model for disease prevention.
- Downstream cost savings that result when best practice care is provided in a timely, coordinated fashion.
- Workforce development for our State, which is facing a severe shortage of trained providers at all levels.
- Teaching, research and visibility enhancement for our State, as we serve as the flagship

ECHO for the nation and the world, and as an innovation laboratory for system improvements.

- A vehicle for economic development and self-sufficiency, as participating clinics are better able to retain their medical providers and serve patients locally, keeping those revenues local and avoiding wasting of productive time for the workforce.

By fully funding Project ECHO, New Mexico will continue to enhance and expand the healthcare workforce and specialty care available to New Mexicans in rural and underserved areas throughout the State. Full funding will enable Project ECHO to provide a system of support for healthcare workforce to decrease turnover and increase job satisfaction, increase the number of providers trained in the diagnosis and treatment of mental health, allow for the development of diabetes and obesity programs, continue to grow the existing successful community health worker (CHW) initiatives, and build a system of support for the healthcare workforce in New Mexico.

Project ECHO will continue to make significant contributions to the health of New Mexicans by improving access to specialty care while simultaneously improving the overall healthcare capacity in rural and underserved communities. Patient costs for specialty care will continue to be reduced through Project ECHO. This will be achieved through:

1. Improved mental and behavioral health
2. Improved care for diabetes and obesity
3. Improved care for substance abuse disorders
4. Improved care and opioid management for patients with chronic pain
5. Improved care for chronic complex conditions such as cardiology, epilepsy, HCV, HIV, rheumatology, bone health, and TB
6. Building and supporting CHW training programs including those in prisons
7. Building and supporting a program for antimicrobial stewardship
8. Building a system of support for healthcare workforce (primary care physicians, nurse practitioners, physician assistants, nurses, pharmacists, counselors, social workers, medical assistants and CHWs)

TD/jle