

LFC Requester:

Eric Chenier

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1-29-2025

Bill No: HB 174

Sponsor: Rep. Gail Armstrong
Short Title: PHARMACY PROVIDER REIMBURSEMENT

Agency Name and Code Number: Regulation and Licensing Department - 420
Person Writing: Jen Rodriguez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 174 (HB174)

HB174 amends the Health Care Purchasing Act, §§ 13-7-1 through 47 NMSA 1978 (Act) to include a new section requiring group health coverage that offers a prescription drug benefit to reimburse community-based pharmacy providers for the ingredient or wholesale acquisition cost of prescription drugs plus a dispensing fee. The ingredient cost must at least equal the national average drug acquisition cost for the drug at the time administered or dispensed. If this data is unavailable, the wholesale acquisition cost of the drug is to be the basis for reimbursement.

HB174 sets the dispensing fee at a value at least equal to the professional dispensing fee reimbursed to community-based pharmacy providers for covered outpatient drugs in the Medicaid fee-for-service program.

A “community-based pharmacy provider” is defined as follows: (1) open to the public, regardless of where the prescription was written; (2) located in the state or near the state border if the border town is a primary source of prescription drugs for Medicaid recipients; (3) not government-owned; (4) not hospital-owned; (5) not an extension of a medical practice or facility; (6) not owned by a corporate chain of pharmacies with stores outside of the state; and (7) not a mail-order pharmacy.

The effective date of the legislation is January 1, 2026.

FISCAL IMPLICATIONS

The Regulation and Licensing Department does not anticipate any significant fiscal impact to the Department if HB 174 is enacted.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS