

LFC Requester:	Jeannae
-----------------------	----------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: 2/6/25 *Check all that apply:*
Bill Number: HB279 Original Correction
 Amendment Substitute

Sponsor: Rep. Nicole Chaves **Agency Name and Code** HCA 630
Short Title: Actuarial Review of Certain Legislation **Number:** _____
Person Writing Carlos Ulibarri
Phone: _____ **Email** Carlos.ulibarri@hca.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$100.0	Nonrecurring	GF to LCS

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	Recurring	

(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: HB279 directs the Legislative Council Service (LCS) to retain contractors to perform actuarial reviews of legislative proposals which may change the coverage requirements for health insurance plans. The Bill provides a process for such review and details factors to be considered in a review.

FISCAL IMPLICATIONS

The bill provides LCS an appropriation of \$100,000 (GF) in FY 2026 for procuring the services of at least one contractor that is capable of performing actuarial reviews of legislative proposals that may change the coverage or compliance requirements of health insurance or health plans. There is no fiscal impact on the Medicaid program.

No State Health Benefits (SHB) impact.

SIGNIFICANT ISSUES

The appropriation amount may not be commensurate with the scope-of-work described in the performance/administrative implications, and current contractor reimbursement experience described in the technical issues.

None from SHB not noted by lead division.

PERFORMANCE IMPLICATIONS

HB 279 stipulates the performance of eleven factors in the scope of actuarial work on legislative proposals: (1) the number of New Mexico residents directly impacted; (2) changes in specific health care service utilization; (3,4,5,6) impacts on consumer cost sharing, health insurance premiums, out-of-pocket health care costs, or long-term health care costs; (7) potential health benefits for individuals/communities; (8) to the extent practicable, an estimate of the social and economic impacts to health care providers, provider networks and other health insurance markets; (9) an estimate of the impact on state spending related to programs administered pursuant to the Health Care Purchasing Act and the Public Assistance Act; (10) an evaluation of whether coverage for any health care services included in the legislative proposal is or could be available without passage of the legislative proposal; and (11) an analysis on whether the legislative proposal is supported by: (a) determinations made by the United States food and drug administration; (b) coverage determinations made by the federal centers for medicare and medicaid services; (c) determinations made by the United States preventive services task force; and (d) nationally recognized clinical practice guidelines.

None from SHB.

ADMINISTRATIVE IMPLICATIONS

HB 279 permits no more than 4 proposals for actuarial review in a given year which must be submitted to LCS by October 1. Each legislative member is allowed to request an actuarial review of one piece of legislation impacting the coverage requirements for health insurers. For each regular legislative session, LCS would provide actuarial reviews of proposed legislation for up to two members of the majority party of the house of representatives and up to two members of the minority party of the house of representatives.

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

The appropriation amount for performing 4 actuarial reviews may not be commensurate with the scope-of-work requirements. The contractual costs for the scope-of-work requirements would reflect an hourly rate. Current pay-band information on actuarial work performed by HCA-MAD's actuarial contract may be a useful point of reference. Hypothetically, a simple analytical review requiring 1-hour could cost between \$215 and \$400, with the lower end of the range reflecting work performed by an 'actuarial analyst' and the higher-end reflecting work performed by a 'senior-level actuary.' An estimate of \$329 per hour would reflect work performed by a mid-level 'actuarial consultant.' Based on the appropriation amount, procuring a mid-level consultant would reimburse 304 hours of actuarial analysis, providing for an average of 76 hours of work per legislative proposal under study.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

SHB recommends consideration of hiring a full-time health insurance actuary at LCS to provide the services described in the bill, as the cost of consulting actuaries is considerably high. This would also allow the actuary to gain knowledge of New Mexico's needs, the methodologies used by state agencies to review proposals, legislative and executive priorities, and the context of requests for actuarial review. [According](#) to Glassdoor.com, the salary range for a health care actuary is between \$134,000 and \$246,000 per year. While this would require a larger appropriation than provided by the bill, it could provide LCS with an expert who could weigh in on a greater number of proposals than a contracted actuary.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None