

LFC Requester:**Jennifer Faubion****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:** 2/10/25*Check all that apply:***Bill Number:** HB344Original Correction Amendment Substitute **Sponsor:** Reps. Hochman-Vigil and Dixon**Agency Name****and Code** HCA 630**Number:** _____**Short Title:** Healthcare Equipment Gross**Person Writing** Robert KenneyReceipts**Phone:** _____ **Email** Robert.kenney@hca.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(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	NA	NA

(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: HB 344 provides a gross receipts tax (GRT) deduction for the sale of medical equipment, supplies and drugs and certain health care services, except for those for Medicaid patients. The bill removes the sunset date of a GRT deduction for receipts from copayments or deductibles, paid by an insured or enrollee to a health care practitioner or an association of health care practitioners. The bill also extends a GRT deduction to receipts from a patient paid to a health care practitioner or an association of health care practitioners for health care services that are not performed pursuant to a contract with a managed care organization or health care insurer. The bill also calls for reimbursing Medicaid health care providers for all GRT that the provider is required to pay.

FISCAL IMPLICATIONS

The fiscal impacts of HB 344 relate to the general deduction of GRT to health care providers in New Mexico. The GRT is recognized in the Medicaid program as a 'cost-of-goods' and as a non-medical expense. HB 344 does not have a direct fiscal impact on the Medicaid program because Medicaid currently reimburses its health care providers for the GRT they are required to pay. Consequently, GRT deductions to health care providers do not apply to goods and services rendered on behalf of Medicaid beneficiaries.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None