

LFC Requestor: CHENIER, Eric

**2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS**

Section I: General

Chamber: House **Category:** Bill
Number: 349 **Type:** Introduced

Date (of THIS analysis): 02/11/2025
Sponsor(s): Eleanor Chávez and Elizabeth "Liz" Thomson
Short Title: Health Care Expenditure Database

Reviewing Agency: Agency 665 – Department of Health
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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$0	\$500.0	Nonrecurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$132.5	\$132.5	\$265	Nonrecurring	General Fund

- Change to the APCD Rule \$ 25,000
- Database Contractor \$160,000
- Travel \$15,000
- Technical Assistance Consultant \$65,000

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

House Bill 349 (HB349) proposes to appropriate funds to the Department of Health to develop a total health care expenditure database as part of the health information system. The Department of Health would be required to contract with an entity to create a health care expenditure database that would collect information on health care claim payments across all payers, including private payers, public programs, commercial carriers, and self-insured payers. The healthcare expenditure database would also include data on nonclaim payments and nonmedical drivers of health care costs.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

Self-Insured Employer Data:

The 2016 U.S. Supreme Court decision, *Gobeille vs. Liberty Mutual*, decided All Payer Claims Databases cannot mandate or require submission of health care claims data from self-insured health plans regulated under the federal Employee Retirement Income Security Act (ERISA) of 1974. It is therefore unlikely that the Total Health Care Expenditure Database would be able to collect complete expenditure and cost data from self-insured health plans <https://www.apcdouncil.org/resources/public-comments/scotus-gobeille-v-liberty-mutual-insurance-company-decision>.

House Bill 349 would require data from the All Payer Claims Database support a total health care expenditure database. The All Payer Claims Database is governed by the Health Information System Act and the All Payer Claims Database Rule. The Health Information System Act clearly identifies the Health Care Authority and the Department of Health as the only entities with direct access to healthcare data collected, but the All Payer Claims Database Rule would need to be amended to provide claims data for the proposed health care expenditure database.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

The estimated additional cost to DOH is \$265,000. This includes the average cost of a health care database contractor, the cost to make an adjustment to the All Payer Claims Database Rule, the cost of a technical consultant and travel for NMDOH personnel.

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

Due to the 2016 U.S. Supreme Court decision in *Gobeille vs. Liberty Mutual*, state All Payer Claims Databases cannot mandate or require submission of health care claims data from self-insured health plans regulated under the federal Employee Retirement Income Security Act (ERISA) of 1974. It is therefore unlikely that the Total Health Care Expenditure Database would be able to collect complete expenditure and cost data from self-insured health plans.

<https://www.apcdouncil.org/resources/public-comments/scotus-gobeille-v-liberty-mutual-insurance-company-decision>

8. DISPARITIES ISSUES

None

9. HEALTH IMPACT(S)

- Access to health care data on rural health and cost of transportation to and from health care providers can provide insight to the impact of those barriers.
<https://pubmed.ncbi.nlm.nih.gov/32298170/>
- Health care price transparency increases competition in the marketplace and could lower health care costs for the population. Providers and clinics will be able to come up with fair pricing based on competitors' health care costs.
<https://pmc.ncbi.nlm.nih.gov/articles/PMC11129567/>

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB349 is not enacted then NMDOH will not issue a request for proposals to develop a health care expenditure database containing health care claims, nonclaim payments, and nonmedical drivers.

12. AMENDMENTS

None