

<b>LFC Requester:</b>	<b>Eric Chenier</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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}*

**Bill Number:** 2.20.25 *Check all that apply:*  
HB461 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b>	<u>Doreen Y. Gallegos, Meredith A. Dixon, Linda Serrato</u>	<b>Agency Name and Code Number:</b>	<u>New Mexico Retiree Health Care Authority 34300</u>
<b>Short Title:</b>	<u>Prior Authorization Process Exemptions</u>	<b>Person Writing</b>	<u>Mark Hayden</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

**Synopsis:** The Bill enacts a new section to the Prior Authorization Act to require health insurers to establish procedures to grant exemptions from their prior authorization process for health care professionals that meet certain criteria. The new procedures for health care professionals to receive an exemption are applying no sooner than 30 days after an evaluation period with a 90% approval of their prior authorization requests during that time frame. Health insurers shall provide a written approval or denial with explanation of the prior authorization exemption request no later than ten business days after receipt of the request. A prior exemption rescission is allowed as outlined in the legislation including an independent review. The effective date for the provisions of this act is January 1, 2026.

### **FISCAL IMPLICATIONS**

HB461 is expected to have minimal to no impact on New Mexico Retiree Health Care Authority (NMRHCA) as long as cost containment efforts that the insurers use like clinical guidelines, medical necessity determinations and utilization management are not completely bypassed. If a higher percentage of requests are approved without prior authorization, it may lead to increased utilization of certain services, which could raise overall healthcare costs. Currently, there are certain insurers who have already established “gold card” programs for health care professionals which already grant the “exemption process.”

### **SIGNIFICANT ISSUES**

It is critical to continue authorization standards and guidelines that help determine the appropriateness of a specific treatment or service to protect the patients. In addition, the bill does not speak to contracted versus non-contracted providers, as this mandate should clarify if the intent is to be made available for contracted in-network providers.

### **PERFORMANCE IMPLICATIONS**

With an increase to the exemption process close monitoring will be critical with set standards and measures to evaluate the positive and negative impacts to patient care. The ability to exempt health care professionals from prior authorizations might expedite patient care and potentially improve outcomes or it could also lead to inappropriate service utilization.

### **ADMINISTRATIVE IMPLICATIONS**

The criteria used to administer this program should be “universal” to assist the providers from additional barriers in getting authorizations and to avoid confusion of different processes or potential inequities in access to care for patients.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB263, SB207 and SB39 – are all requesting amendments to removing prior authorizations

### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

None.

### **ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The current processes would stay in place.

**AMENDMENTS**

None.