LFC Requester:	Eric Chenier
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# **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)									
SECTIO:	N I: GENERAL IN analysis is on an origina	FORMATION al bill, amendment, s	ubstitute or	a correction of	<sup>c</sup> a previous bil	<i>l</i> }			
,		repared: February 20, 2025			Check all that apply: Original X Correction				
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Sponsor:	Reps. Gallegos, D Serrato	Name le U							
Short				Person Writing Kelly O'Donnell			ell		
Title:	Exemptions		Phone:	505-659-57	02 Email	kodon	nell@unm.edu		
APPROPRIATION (dollars in thousands)  Appropriation Recurring Fund									
FY25		FY26		or Nonrecurring		Affected			
(Parenthesi	s ( ) indicate expenditure	decreases)  REVENUE	(dollars	in thousan	ds)				
Estimated Revenue					Recurring		Fund		
F	FY25 FY26			FY27	Nonrecu	ırring	Affected		

(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						

(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 461 enacts a new section of the Prior Authorization Act (59A-22B-1 NMSA 1978) that requires health insurers to establish procedures to grant exemptions from their prior authorization processes to health care professionals that have received approval for 90 percent or more of their recent outpatient prior authorization requests. HB 461 also gives health care professionals the right to request an independent review by a person licensed to practice medicine in New Mexico of a determination to rescind a prior authorization exemption.

#### FISCAL IMPLICATIONS

#### SIGNIFICANT ISSUES

Prior authorization is the determination by a health insurer prior to the delivery of a healthcare service that an individual is eligible to receive that service based on the medical necessity of the service, the appropriateness of the site of service delivery, and individual's insurance coverage.

Prior authorization is a time-consuming process utilized by health insurers to control costs.

By reducing the need for prior authorizations by clinicians whose prior authorization requests are routinely approved, this legislation has the potential to reduce administrative burden, expedite access to care and ultimately reduce healthcare costs.

#### 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**