

LFC Requester:	Allegra E. Hernandez
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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)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Bill Number: 03.07.25 *Check all that apply:*
SB120 Original Correction
 Amendment Substitute

Sponsor: Martin Hickey,
Jeff Steinborn **Agency Name and Code** New Mexico Retiree Health Care
Short No Behavioral Health Cost **Number:** Authority 34300
Title: Sharing **Person Writing** Mark Hayden
Phone: 505-377-9012 **Email** mark.hayden@rhca.nm.gov

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
Total	\$0	\$0	\$370	\$370	Recurring	RHCA Benefits Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The Bill amends sections of the Health Care Purchasing Act and the New Mexico Insurance Code to permanently eliminate behavioral health services cost sharing by removing the sunseting date of January 1, 2027.

FISCAL IMPLICATIONS

The proposed amendment provides clarification and intention of coverage under Substitute SB120 and modifies the impact expected to the New Mexico Retiree Health Care Authority (NMRHCA).

The results below are based upon actual NMRHCA FY 2023-24 data and utilization patterns. There is no impact for FY25 and FY26 as current law in place already provides this coverage leading to no additional impact. For FY27 projections, estimate using medical trend of 8% and pharmacy of 14% for the remaining, leaving all coverages the same for the remaining 6 months for the fiscal year leading to a cost increase as shown below:

Dollars in thousands:

	FY2025	FY2026	FY2027	3-Year Total
Total	\$0	\$0	\$370	\$370

However, NMRHCA claims experience below took into consideration projected industry cost trends for behavioral health services and medications as well as available resources for behavioral health prevalence, treatment rates and provider access. The estimated impact below reflects the projected additional plan spend due to SB120 and preceding legislation (i.e., SB317 effective January 1, 2022) compared to expected plan spend absent any of this legislation.

Dollars in thousands:

	FY2025	FY2026	FY2027	3-Year Total
Total	\$610	\$670	\$740	\$2,020

This analysis does not include any potential savings with a reduction in the total cost of care for members that are engaged in mental health services. The data is still not complete to provide the proper analysis. We have reviewed the cost of care for members engaged in behavioral health services. However, at this time, the data does not indicate enough savings to offset the additional costs for the benefits to be considered cost neutral. At this juncture, there isn't any analysis prepared as to the overall impact on enrollees' general health or offsetting reductions in total costs for members the cost-sharing restrictions mandated by SB 317. The removal of the sunset provision would make these cost-sharing restrictions permanent for NMRHCA.

Prescription drugs covered for behavioral health services are based upon a list of national drug codes (NDCs) deemed to treat mental health and/or substance use disorders as indicated by the pharmacy benefit provider in place when SB317 was passed. We assume utilization of these medications is for the treatment of behavioral health conditions and does not exclude medications attributable to off-label use. To the extent these medications are prescribed to treat other conditions, cost impacts may be lower.

SIGNIFICANT ISSUES

The agency will continue to provide coverage for utilization of coverage for both behavioral health and substance abuse which are covered in this benefit. The continued benefit and potential rise in the utilization of behavioral health and substance abuse services, necessitates monitoring to determine if the quality of care meets established standards.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

SB317 effective January 2022 would end December 31, 2026.

AMENDMENTS

None.