

LFC Requester:

Eric Chenier

**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}*

**Date Prepared:** 1/25/2024

*Check all that apply:*

**Bill Number:** SB 120

Original  Correction

Amendment  Substitute

**Sponsor:** Senators Martin Hickey and Jeff Steinborn

**Agency Name and Code Number:**

Office of Superintendent of Insurance - 440

**Short Title:**

**Person Writing** Viara Ianakieva

**Phone:** 505-508-9073 **Email** viara.ianakieva@osi.n

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(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>	N/A	N/A	N/A	N/A	N/A	N/A

(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**

Senate Bill 120 (SB120) amends the Health Care Purchasing Act and the New Mexico Insurance Code to permanently eliminate cost sharing for behavioral health services.

## **FISCAL IMPLICATIONS**

None at this time.

## **SIGNIFICANT ISSUES**

A 2024 research study published by Project HOPE (The People-to-People Health Foundation, Inc.) written by Samantha J. Harris, Ezra Golberstein, Johanna Catherin Maclean, Bradley D. Setin, Susan L. Ettner, and Brendan Saloner titled, [Implementation of New Mexico's 'No Behavioral Health Cost Sharing' Law: A Qualitative Study](#), sheds light on behavior health cost sharing elimination effects on spending and access. The study concludes, "The law provides a potential model for states to improve access to behavioral health care, but impacts may be limited by factors such as workforce, awareness, and federal ERISA constraints".

SB120 removes the Behavior Health Cost Sharing Elimination Act discontinuation date of January 1, 2027. The implementation of the cost sharing eliminations continues to work smoothly with significant health care cost savings for New Mexicans. Pursuant to data collected by the Office of Superintendent of Insurance (OSI), members who received behavioral health services avoided spending \$7,156,200 in FY23 (from July 1, 2022 to June 30, 2023) and \$8,163,602 in FY24 (from July 1, 2023 to June 30, 2024). Pursuant to the same data, the average membership of unique individuals who received a behavioral health service increased from 27.90% in FY23 to 36.08% in FY24.

There have been some concerns expressed that behavioral health cost-sharing prohibition will cause insurance premiums to increase. Among many inputs, insurers develop their premiums based on prior years' claims experience, service utilization trends and cost trends, as well as legislative mandates. The average rate increase for 2025 Plan Year (PY) was 10.2% in the individual and 9% in the small group commercial markets. Beginning with 2025PY Qualified Health Plan Review, OSI required carriers to provide details on the rate impact of behavior health cost sharing elimination implementation and only one carrier indicated a minimal rate impact of the no-cost sharing on behavioral health services for 2025. All other carriers indicated that behavioral health cost sharing elimination had no impact on rates. Therefore, there is no indication that behavior health cost sharing elimination had a significant impact on commercial rates. Note that OSI does not have data from the prior year for comparison and is unsure if behavioral health cost sharing elimination had the same impact in prior years.

## **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**

Individuals will continue to incur some amount of cost-sharing when accessing behavioral health services after January 1, 2027.

**AMENDMENTS**

None.