

LFC Requester:

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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}*

Date Prepared: 2/6/25 *Check all that apply:*
Bill Number: SB295 Original Correction
 Amendment Substitute

Sponsor: Sen Steinborn **Agency Name and Code** HCA-630
Short Title: Practitioners Fees for Services Deductible **Number:** _____
Person Writing Paoze Her
Phone: 709-7656 **Email** Paozez.her@hca.nm.g

SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(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	\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Relate to Senate Bill 249.

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill (SB) 295 adds receipts from a patient to practitioner or an association of health care practitioners for health care services to the gross receipts tax deduction (Sect 1(c)) for health care practitioners as defined in Section 1(G)(6). Section 2 allows gross receipts tax deductions from receipts of sale of medical equipment and medical supplies and medical drugs to a health care practitioner or an association of health care practitioners, and for receipts of a health care practitioner or an association of health care practitioners for health care services, except Medicaid payments. And Section 3 requires the Medicaid program to reimburse health providers for all applicable gross receipts taxes. This bill is effective on July 1, 2025.

FISCAL IMPLICATIONS

The New Mexico Medicaid program currently pays gross receipts taxes to health care providers who are subject to the gross receipts tax. This bill has no fiscal impact to the Medicaid program. While allowing providers to deduct more services and supplies from gross receipts taxes could in theory result in reduced medical claims costs for the State Health Benefits (SHB) plan, it is unlikely that any of these savings would accrue to the plan, as providers would recoup the tax savings directly and not pass them back as savings to payers or patients. As such, there is no expected impact on SHB.

SIGNIFICANT ISSUES

None for Medicaid.

PERFORMANCE IMPLICATIONS

None for Medicaid or State Health Benefits.

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

None.

AMENDMENTS

None.