

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)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 2/14/2025 *Check all that apply:*
Bill Number: SB390 Original Correction
 Amendment Substitute

Sponsor: Katy M. Duhigg **Agency Name and Code:** New Mexico Public Schools Insurance Authority 34200
Short Title: Health Services Reimbursement **Number:** _____
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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
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

SB390 proposes amendments to Sections 13-7-32, 59A-23-24, and 59A-46-63 NMSA 1978, as well as the enactment of a new section within Chapter 59A, Article 22 NMSA 1978. The bill mandates that insurers shall pay or reimburse behavioral or mental health care providers for all medically necessary services performed, irrespective of the provider's designation as a behavioral or mental health care provider, provided that such services are within the scope and limitations of the provider's license. Additionally, the legislation prohibits insurers from imposing quantitative treatment limitations, financial restrictions, or requirements on mental health or substance use disorder services that are more restrictive than those applied to other medical or surgical benefits. It also restricts the use of non-quantitative treatment limitations unless they are applied comparably and no more restrictively than those used for medical or surgical benefits. The Office of Superintendent of Insurance is tasked with ensuring compliance with applicable federal and state laws, rules, and regulations concerning coverage for mental health or substance use disorder services.

FISCAL IMPLICATIONS

While NMPSIA understands the intent is to enhance parity in mental health service reimbursement, the current language lacks the necessary specificity to provide an accurate quantification of its impact on our agency. The broad and somewhat ambiguous terminology used may inadvertently broaden the spectrum of services and providers eligible for reimbursement beyond traditional parameters. Consequently, the impact to NMPSIA remains undeterminable, but likely substantial.

SIGNIFICANT ISSUES

The term "medically necessary services" is not explicitly defined within the bill. This ambiguity could lead to varying interpretations, potentially encompassing a wider array of treatments and interventions than currently covered.

By stipulating reimbursement "regardless of the health care provider's designation as a behavioral or mental health care provider," the bill may permit a diverse range of practitioners to seek reimbursement. This inclusivity, while beneficial in increasing access to care, could complicate existing reimbursement frameworks and oversight mechanisms. The potential inclusion of a broader array of services and providers may lead to increased claims and, consequently, higher expenditures. However, due to the bill's vague language, accurately forecasting these financial impacts remains challenging at this juncture.

NMPSIA remains committed to supporting initiatives that enhance access to quality mental health services, while also advocating for a balanced approach that ensures such initiatives are thoughtfully constructed to avoid unintended financial or operational challenges. As stewards of a plan funded through the premiums of the educators, administrators, and support staff we serve, we have a critical responsibility to safeguard its financial stability and long-term sustainability.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

To ensure compliance NMPSIA may need to implement operational changes. These could include revising provider credentialing processes, updating reimbursement protocols, and enhancing monitoring systems to ensure compliance with the expanded definitions. Of which, fiscal impacts cannot be currently quantified.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

NMPSIA finds it highly concerning for this bill to mandate that insurers pay/reimburse “behavioral or mental health providers for all medically necessary services” **without** question as to the credentials of expertise in these fields of practice.

NMPSIA proposes adding a 30-90 day limit to the service to be offered by any provider regardless of their designation as a behavioral or mental health care provider; with a requirement to refer a patient to a specialty provider for further treatment.

Considering the potentially dangerous consequences of drug misuse, insurers must weigh the risks that pose to the body and mind. Research has shown that pain and mental health can contribute to subsequent misuse of prescription painkillers and sedatives. Substance use disorder has been on the rise, affecting people of all ages and genders.

The bill lacks the grounds that limit reimbursements to in-network providers. Left as is, the bill would permit out-of-network providers to be reimbursed which would lead to significant increases to plan costs incurred in the compliance of this bill.

A consideration should be made to define or include a specialty of practice “regardless of the provider's designation as a behavioral or mental health care provider” and a definition to expand on “within the scope and limitations of the provider's license”.

Currently, these statements imply that a behavioral health, mental health or substance use disorder provider can be anyone with a license to practice some kind of medicine or counseling/therapy and not trained to treat behavioral health, mental health or substance use disorders.