

LFC Requester:

Eric Chenier

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:** 2/21/2025*Check all that apply:***Bill Number:** SB443Original Correction Amendment Substitute **Sponsor:** Senator Hickey**Agency Name
and Code**Office of Superintendent of
Insurance - 440**Number:****Short**NO COST SHARING FOR CHOLESTEROL-
LOWERING DRUGS**Person Writing**Viara Ianakieva**Title:****Phone:** 505-508-9073**Email** [Viara.ianakieva@osi.n](mailto:Viara.ianakieva@osi.nm.gov)**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
Total	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 443 (SB443) provides new statute in the Health Care Purchasing Act and the New Mexico Insurance Code to prohibit cost sharing for cholesterol lowering drugs. The bill defines “cost sharing” as a “copayment, coinsurance, a deductible or any other form of financial obligation of an enrollee other than a premium or a share of premium, or any combination of any of these financial obligations, as defined by the terms of a group health plan.”

FISCAL IMPLICATIONS

None.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

The proposed legislation does not create a new coverage mandate, and as such, does not trigger any possible cost defrayal for the statute under the Affordable Care Act (ACA).

Currently all commercial plans provide coverage for cholesterol lowering drugs. While most of these medications are not of high cost, premiums may rise due to widespread use of these drugs brand name, second line and/or costly newer medications. Office of Superintendent of Insurance (OSI) is unable to estimate the premium impact but suspects that it will not be significant.

Federal law permits the offering of high deductible plans in conjunction with Health Savings Accounts (HSAs). IRS rules prohibit any benefits other than ACA mandated cost-sharing free preventive care benefits from being offered at the copay level before an insured has paid their deductible. See

<https://www.irs.gov/publications/p969#:~:text=Contributions%20to%20your%20HSA%20made,the%20account%20are%20tax%20free.>

The ACA eliminates cost-sharing requirements for preventive care services. However, it does not eliminate cost-sharing requirements for second line cholesterol lowering drugs. If cost-sharing elimination applies to second line cholesterol lowering drugs, covered persons will need to meet their deductible for Catastrophic, High Deductible Plans (HDHP) and High Deductible Health Plans with HSA eligibility (HDHP/HSA) before the drugs can be provided at no cost.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Cholesterol lowering drugs that are not listed on the Preventive Task Force A or B recommendation will be subject to cost-sharing.

AMENDMENTS

OSI recommends including the following language to apply to cholesterol lowering drugs that may not meet the zero-cost sharing preventive care criteria.

“The provisions of this section do not apply to excepted benefit plans as provided pursuant to the Short-Term Health Plan and Excepted Benefit Act, catastrophic plans as defined pursuant to 42 USCA Section 18022(e) or tax-favored plans as defined pursuant to 26 USC Section 223(c)(2).”