LFC Requester:	RubyAnn Esquibel

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: February 24, 2025 *Check all that apply:*
Bill Number: SB 477 Original _x_ Correction __
Amendment __ Substitute __

Sponsor: Martin Hickey
Short Title: No Prior Authorization for Certain Drugs

Agency Name and Code Number: Regulation and Licensing - 420
Person Writing Cheranne McCracken
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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

Synopsis: Senate Bill 477 (SB 477)

Prohibition of prior authorization or step therapy for insurance coverage is expanded to include prevention of additional enumerated conditions, including: (1) cholesterol disorder; (2) glucagon-like peptide-1 agonists; (3) glucose-dependent insulinotropic polypeptide; or (4) glucagon-like peptide-1 receptor agonists, unless a biosimilar, interchangeable biologic or generic version is available. Strikes the current requirement in law for a medical necessity determination.

The effective date of the legislation is June 20, 2026.

FISCAL IMPLICATIONS

The Regulation and Licensing Department (RLD) does not anticipate any significant fiscal impact from the enactment of SB 477.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES:
Compounded drugs are not FDA-approved. To avoid potential unintended consequences of incentivizing compounding of said medications, please see below.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Page 2, sections B and D

Change "…coverage for medication approved by the federal food and drug administration…" to "coverage for federal food and drug administration approved medication…"