

<b>LFC Requester:</b>	<b>Eric Chenier</b>
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**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:** 2/21/2025 *Check all that apply:*  
**Bill Number:** SB 447 Original  Correction   
 Amendment  Substitute

**Sponsor:** Senator Martin Hickey **Agency Name and Code Number:** Office of Superintendent of Insurance - 440  
**Short Title:** No Prior Authorization for Certain Drugs **Person Writing:** Viara Ianakieva  
**Title:** Certain Drugs **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
<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: SB193 and SB443  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Senate Bill 477 (SB477) prohibits prior authorization and step therapy requirements for insurance coverage of certain drugs used to treat diabetes. SB477 also prohibits step therapy requirements for treatment or prevention of a cholesterol disorder unless a biosimilar, interchangeable biologic or generic version of the drug is available.

**FISCAL IMPLICATIONS**

None

**SIGNIFICANT ISSUES**

None

**PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS**

None.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Related to SB193 and SB443

**TECHNICAL ISSUES**

None

**OTHER SUBSTANTIVE ISSUES**

OSI is unable to determine if the prior authorization and step-therapy prohibition will have an impact on premiums because of the multiple uses of GLP-1s.

SB 477 prohibits glucagon-like peptide-1 agonists and glucose-dependent insulinotropic polypeptides from being subject to prior authorization or step therapy requirements. Neither of these classes of drugs are first line therapy for weight loss and have very limited scenarios where they are utilized as first line treatment for diabetes according to current practice guidelines. Prohibiting step therapy may lead to impudent prescribing practices such as adjunct or second line medications being prescribed as first-line options. In order to avoid increased risk of patient harm and avoid increased cost of care, it may be prudent to allow step therapy.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo. Glucagon-like peptide-1 agonists & glucose-dependent insulinotropic polypeptide may be subject to prior authorization and/or step therapy requirements as adjunct or second-line treatment options according to current practice guidelines.

**AMENDMENTS**

OSI recommends removing the step-therapy prohibition from the bill.