

LFC Requester:	RubyAnn Esquibel
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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: February 24, 2025 *Check all that apply:*
Bill Number: SB 477 Original Correction
Amendment Substitute

Sponsor:	<u>Senator Martin Hickey</u>	Agency Name and Code Number:	<u>University of New Mexico-952</u>
Short Title:	<u>No Prior Authorization for Certain Drugs</u>	Person Writing	<u>Kelly O'Donnell</u>
		Phone:	<u>505-659-5702</u> Email: <u>kodonnell@unm.edu</u>

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	\$1,000	\$23,000	\$23,700	\$47,700	Recurring	operating

(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:

SB 477 broadens the medications for which prior authorization and/or step therapy is prohibited to include drugs used to (1) treat or prevent cholesterol disorders; (2) prevent autoimmune disorders, cancer, and substance use disorders (current law already prohibits prior authorization for drugs used to treat these disorders); (3) glucagon-like peptide-1 agonists, glucose-dependent insulinotropic polypeptide, and glucagon-like peptide-1 receptor agonists (GLP-1s).

FISCAL IMPLICATIONS

The provisions of SB 477 could significantly increase pharmaceutical costs for the UNM-HSC, both in the self-insured health plan and in the UNM Care program.

UNMH's self-insured health plan does not currently cover GLP-1s for the prevention of cholesterol disorders. Adding this coverage would cost approximately \$11 million annually.

UNM Care covers the cost of care at UNMH for some low income New Mexicans. Approximately 5,000 patients are currently enrolled in UNM Care. If 20 percent of those patients were prescribed a GLP-1 to prevent high cholesterol, program costs would increase by \$12 million annually.

The fiscal impact estimate assumes 3% annual inflation

SIGNIFICANT ISSUES

The legislation removes the requirement of a medical necessity determination in the section prohibiting prior authorization but retains it in the section prohibiting step therapy

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS