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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Chávez, E./Thomson **ORIGINAL DATE** 2/13/2025

BILL

SHORT TITLE Health Care Expenditure Database **NUMBER** House Bill 349

ANALYST Chenier

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$500.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DOH	No fiscal impact	\$132.5	\$132.5	\$265	Recurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Department of Health (DOH)

SUMMARY

Synopsis of House Bill 349

House Bill 349 appropriates \$500 thousand from the general fund to the Department of Health (DOH) to contract with an entity or multiple entities to develop a total health care expenditure database as part of the health information system. The health care expenditure database would collect information on healthcare claim payments across all payers, including private payers, public programs, commercial carriers, and self-insured payers. The healthcare expenditure database would also include data on nonclaim payments and nonmedical drivers of healthcare costs.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

DOH said the estimated additional operational cost to DOH over two years is \$265 thousand. This includes the average cost of a healthcare database contractor, the cost to make an adjustment to the All Payer Claims Database Rule, the cost of a technical consultant and travel for NMDOH personnel:

- Change to the All Payer Claims Database Rule Rule \$ 25,000,
- Database Contractor \$160,000,
- Travel \$15,000, and
- Technical Assistance Consultant \$65,000;

SIGNIFICANT ISSUES

House Bill 349 would require data from the All Payer Claims Database to support a total health care expenditure database. The All Payer Claims Database is governed by the Health Information System Act and the All Payer Claims Database Rule. The Health Information System Act clearly identifies the Health Care Authority and the Department of Health as the only entities with direct access to healthcare data collected, but the All Payer Claims Database Rule would need to be amended to provide claims data for the proposed health care expenditure database.

DOH notes that the 2016 U.S. Supreme Court decision, *Gobeille vs. Liberty Mutual*, decided All Payer Claims Databases cannot mandate or require submission of healthcare claims data from self-insured health plans regulated under the federal Employee Retirement Income Security Act (ERISA) of 1974. It is therefore unlikely that the total health care expenditure database would be able to collect complete expenditure and cost data from self-insured health plans (<https://www.apcdouncil.org/resources/public-comments/scotus-gobeille-v-liberty-mutual-insurance-company-decision>).

Access to healthcare data on rural health and cost of transportation to and from healthcare providers can provide insight to the impact of those barriers. <https://pubmed.ncbi.nlm.nih.gov/32298170/>. Additionally, healthcare price transparency increases competition in the marketplace and could lower healthcare costs for the population. Providers and clinics will be able to come up with fair pricing based on competitors' healthcare costs. <https://pmc.ncbi.nlm.nih.gov/articles/PMC11129567/>.

EC/rl