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FISCAL IMPACT REPORT

SPONSOR <u>House Government, Elections and Indian Affairs Committee</u>	LAST UPDATED <u>3/7/2025</u>
	ORIGINAL DATE <u>2/27/2025</u>
SHORT TITLE <u>Health Insurance Provider Info Loading</u>	BILL NUMBER <u>CS/House Bill 402/HGEICS</u>
	ANALYST <u>Rommel</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OSI	\$0	\$102.2	\$102.2	\$204.4	Recurring	Other state funds

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

Sources of Information

LFC Files

Agency Analysis Received From
 Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From
 Office of the Superintendent of Insurance (OSI)

SUMMARY

Synopsis of HGEIC Substitute of House Bill 402

The House Government, Elections and Indian Affairs Committee substitute of House Bill 402 (HB402) adds a new section to 59A-23G-1 NMSA 1978, the Short-Term Health Plan and Excepted Benefit Act. HB402 requires timely loading of dental provider hygienist information into payment systems and mandates reimbursement when delays occur.

Subsections A through D establish uniform credentialing rules that must be promulgated by the Office of the Superintendent of Insurance (OSI). Primary credential verification is limited to once every three years, with one-year provisional credentialing as an option.

Subsection F establishes the time frame for credentialing and notification. Carriers must assess and verify dentist or dental hygienist qualifications within 30 days of receiving a complete application. If additional review is needed (e.g., due to sanctions or past felony convictions), an extension of 15 days is permitted. Carriers have 30 to 45 days to load the dentist or dental hygienist's information into their payment system.

Subsection G provides for reimbursement for delayed credentialing. If a carrier fails to load a dentist or dental hygienist's information within 30 days, it must retroactively reimburse the dentist or dental hygienist for services rendered. Reimbursement is contingent on a complete

application submission, the dentist or dental hygienist having no license sanctions or malpractice issues, and the dentist or dental hygienist maintaining professional liability insurance. The carrier must reimburse the dentist or dental hygienist until the application is approved/denied or for a maximum of three years.

Subsections H through I set payment terms. Noncontracted dentists or dental hygienists not employed by a contracted group shall be paid by the health insurance carrier in accordance with the health insurance carrier's standard reimbursement rate. Dentists or dental hygienists employed by a contracted group will be reimbursed based on the negotiated contract rates.

Subsection J covers dispute resolution. The Superintendent of Insurance must create rules for resolving disputes where credentialing delays exceed 30 days.

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

HB402 contains no appropriation.

Additional budget impact is estimated of one FTE (compliance officer) housed at OSI to promulgate rules and enforce the provisions of the legislation.

SIGNIFICANT ISSUES

HB402 creates a uniform insurance credentialing framework for dentists and charges OSI with enforcing the provisions of the legislation. Establishing conditions for insurance reimbursement consists of two phases, credentialing and contracting. Insurance companies will verify education, training, and professional history during credentialing to ensure dentists meet the necessary requirements. The insurance company then issues a participating provider agreement outlining specific terms for participation and receiving claim reimbursement.

New Mexico continues to experience a critical shortage of dental health services. Data from the U.S. Department of Health and Human Services identifies 105 dental health professional shortage areas in the categories of geographic area, population group, or facilities in 32 of 33 New Mexico counties.¹ The federal Health Resources and Services Administration estimates the state only has capacity to meet 20.6 percent of the statewide need for dental care and that 171 additional dental health practitioners are needed throughout the state to satisfy current demand.

ADMINISTRATIVE IMPLICATIONS

OSI will promulgate rules pursuant to the provisions of HB402.

¹ <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Laws 2023, Chapter 175 which enacted similar credentialing legislation for physicians.

HR/hj/hg/sgs