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FISCAL IMPACT REPORT

	LAST UPDATED <u>01/31/2025</u>
SPONSOR <u>Sen. Sedillo Lopez/Rep. Torres-Velásquez</u>	ORIGINAL DATE <u>01/29/2025</u>
BILL	
SHORT TITLE <u>Out-of-State Telehealth Providers</u>	NUMBER <u>Senate Bill 12</u>
ANALYST <u>Chilton</u>	

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
NMMB	(\$55.0)	(\$55.0)	(\$55.0)	(\$55.0)	(\$55.0)	Recurring	General Fund

Parenttheses () indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 46

Sources of Information

LFC Files

Agency Analysis Received From

University of New Mexico Health Sciences Center (UNM-HSC)
New Mexico Medical Board (NMMB)
Health Care Authority (HCA)

SUMMARY

Synopsis Senate Bill 12

Senate Bill 12 (SB12) modifies the New Mexico Telehealth Act (Section 25-23 NMSA 1978) to specify that medical providers not licensed in New Mexico are permitted to provide telehealth consultations to New Mexico residents for second opinions (the first opinion would have to be provided by a New Mexico-licensed practitioner) and for consultations that relate to the possibility that the patient would travel to the jurisdiction where the practitioner is licensed for further treatment or services.

Aside from defining “consultation for prospective treatment” as indicated above, changes to the definition of “health care provider” include allowing for certified or registered (in addition to licensed) providers to give telehealth consultations and the inclusion in a long list of types of practitioners able to provide telehealth services.

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

There is no appropriation in Senate Bill 12.

The Medical Board (NMMB) estimates the bill would result in an annual \$55 thousand decrease in licensing fees from out-of-state providers who now would not seek licenses to provide telehealth services in New Mexico.

The Health Care Authority (HCA) anticipates little change in Medicaid costs or state health benefits, stating that “Any increase in utilization is likely marginal and offset by potential savings from timely care or avoided higher-cost interventions.”

SIGNIFICANT ISSUES

New Mexico has a documented healthcare provider shortage, which might lead to some residents seeking healthcare from out of state. Existing language in the Telehealth Act “encourages” healthcare insurers and the state’s Medicaid program to pay for existing telehealth services. HCA notes, “SB12 seeks to address access to health care in New Mexico by leveraging telehealth services. Allowing out-of-state providers to offer second opinions and consultations can increase access to specialists for patients in remote or underserved areas.”

However, HCA notes that there may be issues with the bill.

SB12 introduces greater flexibility by allowing out-of-state providers to deliver specific services without a New Mexico telehealth license. While this could enhance access, it may raise concerns about regulatory oversight, quality assurance, and accountability for out-of-state providers. For telehealth to be effective, patients must have access to reliable technology and internet connectivity. The bill does not address these potential barriers, which may limit its impact in rural or lower-income areas lacking adequate infrastructure.

HCA also notes:

Certified peer support worker services are a Medicaid paid service; however, certified peer support workers are not individually enrolled in Medicaid as a provider type. Services are billed through the behavioral health agency in which they are employed. Each individual would have to obtain a business license to enroll as an independent provider. The current Medicaid and Managed Care Organization enrollment process does not have the structure in place to enroll certified peer support workers as a provider type. This may result in an additional administrative burden for certified peer support workers both in state and out of state.

NMMB and the University of New Mexico Health Sciences Center (UNM-HSC) concur in indicating concerns about the quality of unlicensed providers’ telehealth services. From UNM-HSC:

- The bill does not require that the provider of the second opinion be of the same specialty as the first opinion. Therefore, a physical therapist or chiropractor can give the second opinion for back pain that was initially diagnosed by a physician.
- The lack of a NM license for practitioners issuing a second opinion means that there is no way to guarantee that the of the out-of-state practitioners meet New Mexico’s training and continuous learning requirements. For example, some states are license individuals who have not trained in the United States or have only one year of residency training.

UNM-HSC also points out two advantages that would be delivered by the provisions of this bill:

- Opportunities for patients to assess the benefit that might accrue from traveling to a specialist out of New Mexico, and
- Allowing Medicaid-authorized providers to treat patients out of state via telehealth may improve access for those patients.

PERFORMANCE IMPLICATIONS

NMMB states it would “lose quality control with the inability to protect patients from incompetent, fraudulent or unethical medical practices” and would lack prosecutorial authority to respond to patient complaints against unlicensed telehealth healthcare practitioners from other states.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB12 relates to Senate Bill 46, which provides for New Mexico to join the interstate health providers compact.

TECHNICAL ISSUES

The bill does not specify whether second opinions and consultations regarding possible travel to the consultant’s state would occur only once, or whether the consultant, unlicensed or certified in New Mexico, could offer continuing services under the revised law.

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