FISCAL IMPACT REPORT

SPONSOR	Senate Tax, Business and Transportation Committee	**LAST UPDATED**	03/17/2025
		ORIGINAL DATE	03/04/2025
SHORT TITLE	No Cholesterol-Lowering Drug Cost Sharing	**BILL NUMBER**	CS/CS/Senate Bill 443/SHPACS/STB TCS
		ANALYST	Rommel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RHCA	**$0**	**$85.0-$1,100.0**	**$185.0-$2,500.0**	**$270.0-$3,600.0**	Recurring	**Other state funds**
NMPSIA	**$0**	**$90.0-$2,550.0**	**$190.0-$5,750.0**	**$280.0-$8,300.0**	Recurring	**Other state funds**
HCA	**$0**	**Up to $113.7**	**Up to $227.5**	**Up to $341.2**	Recurring	**General Fund**
Total	**$0**	**Up to $3,763.7**	**Up to $8,447.5**	**Up to 12,241.2**	Recurring	

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

Sources of Information

LFC Files

Agency Analysis Received From
Public School Insurance Authority (NMPSIA)
Office of the Superintendent of Insurance (OSI)
Health Care Authority (HCA)
Retiree Health Care Authority (RHCA)

SUMMARY

Synopsis of STBTC Substitute for Senate Bill 443

The Senate Tax, Business and Transportation Committee substitute for Senate Bill 443 (SB443) amends the Health Care Purchasing Act and the New Mexico Insurance Code to prohibit cost sharing for medications used for the treatment of cholesterol disorder. The bill defines "cost sharing" as a "copayment, coinsurance, a deductible or any other form of financial obligation of an enrollee other than a premium or a share of premium, or any combination of any of these financial obligations, as defined by the terms of a group health plan".

A group or blanket health insurance policy, healthcare plan or certificate of health insurance that is delivered, issued for delivery or renewed in this state that provides coverage for cholesterol-lowering medications shall not impose cost sharing on generic medications. If generic medications fail to lower cholesterol in the blood to below sixty milligrams per deciliter or generate adverse reactions not tolerated by the patient, as determined by the prescribing health care provider, cost sharing shall not be imposed on second-line step therapy medications.

The provisions of the bill do not apply to excepted benefit plans as provided pursuant to the Short-Term Health Plan and Excepted Benefit Act, catastrophic plans as defined pursuant to 42 USCA Section 18022(e) or high-deductible health plans with health savings accounts until an eligible insured's deductible has been met, unless otherwise allowed pursuant to federal law.

The effective date of this bill is January 1, 2026.

FISCAL IMPLICATIONS

SB443 contains no appropriation.

The Health Care Authority reports the proposed legislation is not expected to have a financial impact on Medicaid. Medicaid does not currently have any cost sharing for members. As such there will be no change in practice or incurred costs. For State Health Benefit members, the provision of SB443 only includes plan cost-sharing because member cost sharing is eliminated, resulting in an annual decrease in member cost-sharing of $341 thousand in FY26 and FY27. This expense impacts the general fund.

The Public School Insurance Authority (NMPSIA) estimates impact as follows:

> For FY26, the estimated financial impact ranges from $90 thousand to $2.5 million, reflecting the full absorption of member contributions for generic cholesterol-lowering drugs by NMPSIA. This estimate assumes that generic drugs continue to account for approximately 98 percent of total prescriptions within this drug category. However, if 25 percent of utilization shifts from generics to brand drugs, costs could increase toward the higher end of the estimate.
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> In FY27, projected costs rise to a range of $190 thousand to $5.7 million, incorporating a 14 percent annual trend for allowed costs, which accounts for both drug cost increases and utilization growth. Additionally, cost estimates consider the potential for new brand drugs entering the market, as well as the expiration of brand exclusivity for some existing drugs, which may lead to the introduction of lower-cost generic alternatives.
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> This analysis does not account for potential off-label use of these medications for conditions other than high cholesterol. While the included drugs are primarily prescribed for cholesterol management, some prescriptions may serve other medical purposes, which could marginally impact cost projections.

The Retiree Health Care Authority (RHCA) reports the legislation is expected to lead to an increase in pharmacy costs, as the plan will cover 100 percent of the charges for cholesterol-lowering medications. The authority estimates that the impact on RHCA's Pre-Medicare membership will equal the full amount that members currently pay for these medications, which the plan will have to cover. The low end of the cost range assumes that the 98 percent utilization rate of generic cholesterol drugs remains steady. The high end estimates a 25 percent shift to brand drugs, as there would be less incentive to choose generics.

SIGNIFICANT ISSUES

High cholesterol is a risk factor for cardiovascular disease (i.e., heart attack, heart failure, or stroke). If lifestyle changes aren't sufficient to bring cholesterol levels into a healthy range, the addition of medication can often lead to effective control.

HCA reports:

> Cholesterol lowering medications are a common intervention to prevent and/or treat various forms of cardiovascular disease. The most common cholesterol lowering class of medications are Hydroxymethylglutaryl-coenzyme A (HMG-CoA) reductase inhibitors, commonly known as statins. Since the classes approval in the late 1980s statins have become one of the most commonly prescribed medications in the United States. In addition to statins other newer agents have been approved, commonly referred to as PSK9s, that are every other week injections that help the body clear excess cholesterol. PSK9s are less commonly used than statin but are more expensive. Non-Medicaid plan members may have variable copays to access cholesterol lowering medications that could be substantial. PSK9s can cost up to $6,000/year. Per the American Heart Association/American College of Cardiology guidelines PSK9s are recommended only for patients at high risk of atherosclerotic cardiovascular disease who are already on maximum dosing of statin therapy, and another medication ezetimibe has also been started, and the patient's cholesterol is still not well controlled.

Expanding the availability and affordability of cholesterol medications could reduce the prevalence of cardiovascular disease and reduce the need for more serious medical interventions.

OTHER SUBSTANTIVE ISSUES

SB443 serves to increase access to cholesterol lowering medications for individuals who are insured and have access to health care. It does not increase access for those individuals who are uninsured. An estimated 7.3 million Americans with cardiovascular disease are currently uninsured. As a result, they are far less likely to receive appropriate and timely medical care and often suffer worse medical outcomes, including higher mortality rates.[1]

HR/rl/SL2/hj

[1] Access to Care | American Heart Association; https://www.heart.org/en/get-involved/advocate/federal-priorities/access-to-care