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FISCAL IMPACT REPORT

SPONSOR Armstrong **ORIGINAL DATE** 03/06/15
LAST UPDATED 03/09/15 **HB** 504

SHORT TITLE Women's Health Insurance Coverage **SB** _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

Attorney General's Office (AGO)

SUMMARY

House Bill 504 would amend and add new sections to various laws governing health insurance and health care. Among them are the Public Assistance Act (Medicaid services); the Health Care Purchasing Act; the Preferred Provider Arrangement Law; the New Mexico Insurance Code; the Health Maintenance Organization Law; and the Non Profit Health Care Plan Law. The primary aim of these amendments and new sections would be to ensure coverage of and access to women's health services - breast and cervical cancer screening, family planning services, gynecological services and pregnancy-related services.

HB 504 would enact a new section of the New Mexico Insurance Code to provide an option for confidentiality of health care services. It would also add definitions for specific services to the Preferred Provider Arrangement Law (59A-22A-3):

- Contraceptive procedures
- Family planning services
- Gynecological services
- Pregnancy related services

The Health Insurance Contracts provisions of the Insurance Code, the Health Care Purchasing

Act, the Group and Blanket Insurance Contracts, the Nonprofit Health Care Plan Law and the Health Maintenance Organization Law would be amended to redefine and expand the service coverage requirements to include patient education and counseling on contraception, voluntary sterilization procedures, breast and cervical cancer screening, several diagnostic and treatment services, prenatal care, and services arising out of the pregnancy. The coverage of drugs and devices related to contraception is specified in detail.

The bill would add a new section to the Public Assistance Act to provide family planning coverage on the basis of household income as determined in accordance with the same financial eligibility criteria as that promulgated for Medicaid pregnancy services coverage. Coverage requirements are essentially the same as provisions for coverage that are included in the bill under the Insurance Code and other statutes as described above.

Copayments and other forms of cost sharing would be prohibited on these services.

The bill would add a new section to the Insurance Code that would allow the member to notify the insurance carrier that no health care information can be disclosed to a third party, except for communications allowed under the Public Assistance Act and the Children's Code.

FISCAL IMPLICATIONS

None noted.

HSD points out the Medicaid program currently covers the services specified in the bill and that copayments and cost sharing does not apply.

SIGNIFICANT ISSUES

The AGO notes most of the proposed amendments are consistent with the Affordable Care Act's requirements to provide coverage for women's preventive services.

However, the AGO notes also that the new material allowing unconditional confidentiality may contradict certain provisions of HIPAA and other contractual and federal requirements to provide health care information pursuant to court proceedings or special health care oversight authority.

HSD notes the Medicaid program has a category of eligibility that is specific to family planning services only which current meets the requirements specified in the bill. However, this category would not be considered to meet the minimum essential coverage requirements for health insurance as it is limited to family planning services.

DOH points out the DOH Family Planning Program provides contraceptive drugs, devices, and other products approved by the U.S. Federal Drug Administration to low-income clients, most of whom are eligible for and insured through the New Mexico Medicaid insurance program. New Mexico's Medicaid rule promulgation and adoption is the responsibility of the HSD. DOH coordinates with HSD in relation to details of Medicaid funded family planning.

DOH also provided the following background information:

According to the Pregnancy Risk Assessment and Monitoring System (PRAMS) data, in New Mexico there are disparities observed among women whose unintended pregnancy results in a

live birth. Minority (Native American and Hispanic), less-educated, unmarried women who live in rural areas and depend on public assistance and Medicaid are more likely to give birth resulting from unintended pregnancy. Between 2006 and 2011, more than half (54%) of Native American mothers wanted a pregnancy later or never, compared to 47% of Hispanic White mothers and 39% of non-Hispanic White mothers. Between 2006 and 2011, more than half of New Mexico mothers on Medicaid wanted a pregnancy later or never (56%), compared to 44% of New Mexico mothers on Medicaid who wanted a pregnancy earlier. Between 2006 and 2011, a majority (59%) of New Mexico mothers who were between 15-23 years wanted a pregnancy later or never.

RELATIONSHIP

HB 504 relates to many bills introduced this session regarding health insurance availability and coverage, such as:

- HB37, proposes to create additional protections for pregnant workers;
- SB 292 would appropriate \$500 thousand general fund to DOH for a women's health services program in Santa Fe; and
- SJM 3, would request the New Mexico Legislative Council convene a Basic Health Program Task Force to explore the feasibility of implementing a basic health program to cover individuals with low incomes who are not eligible for Medicaid.

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