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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/22

SPONSOR Hickey/Hernandez LAST UPDATED _____ HB _____

SHORT TITLE Insurance Approved Provider Info SB 182

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)
 Administrative Office of the Courts (AOC)
 Human Services Department (HSD)

No Response Received

Office of the Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Bill

Senate Bill 182 establishes deadlines for health insurance companies handling claims from medical providers new to their panels, as well as for credentialing decisions regarding their applications to be parts of their panels of providers.

The bill's sections and the sections of statute modified are as follows:

Section of SB182	Section of Statute	Title of Statute Section
1	59A-22-54, NMSA 1978	Health Insurance Contracts
2	59A-23-14, NMSA 1978	Group and Blanket Health Insurance Contracts
3	59A-46-54, NMSA 1978	Health Maintenance Organizations
4	59A-47-49, NMSA 1978	Non-Profit Health Care Plans

The provisions of changes made by the bill, identical in each section applying to a different type of insurance, are as follows:

F(3): No more than 45 days after the insurer receives a completed credentialing application, that provider must have his/her information loaded into the payor's payment system, and the provider must be listed in the insurer's provider directory within the same 45 day period.

G: Providers must be reimbursed if their applications have not been acted on within 45 days of receipt by the insurer, and other conditions, such as licensing, have been dealt with and the insurer has not complied with the provisions of F(3) above.

Other aspects of the sections of statute have remained unchanged.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

There is no appropriation in Senate Bill 182, and none of the responding agencies indicates a cost to that agency in making insurers comply with the law.

SIGNIFICANT ISSUES

Unexplained and unjustified delays in the inclusion of and payment to medical providers is frustrating and financially damaging to medical providers, and may be so to patients as well, if providers were to request payment for covered services from the patients in the absence of a prompt response from the insurer.

When establishing medical care is difficult to obtain, as it is in many parts of New Mexico, the lack of timely posting information about newly available providers within a given insurer's network becomes an added deterrent to obtaining timely care.

It is to be noted that the bill does not change the statement (in each section of the statutes) that nothing in the bill is intended to coerce insurers into including given providers in their panels, just to make the decision in a defined, timely manner.

ADMINISTRATIVE IMPLICATIONS

HSD would need to modify the Centennial Care Manage Care Organization (MCO) contracts to make sure they reflect the new timeframes and requirements set forth in SB182.

TECHNICAL ISSUES

HSD points out that the existing statutes in each section require that "health insurers must send written notification, via United States certified mail, to providers within 10 working days after receipt of a credentialing application requesting any information or supporting documentation that the health insurer requires to approve or deny the credentialing application. HSD recommends modifying the language in the bill to allow for other methods of documented communication, such as e-mail, that are quicker methods of delivery for communication to providers."

It does not appear that these changes would be applied to Medicaid intermediaries.