# FISCAL IMPACT REPORT

**SPONSOR** STBTC **LAST UPDATED** 2/28/2023
**ORIGINAL DATE** 2/22/2023
**SHORT TITLE** STI Prevention and Treatment **BILL NUMBER** CS/CS/Senate Bill 132/SHPACS/STB TCS/aSFl#1
**ANALYST** Chilton

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*. ****
**(dollars in thousands)**

| | FY23 | FY24 | FY25 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|---|---|---|---|---|---|---|
| RHCA Projection | | $50.0 | $50.0 | $100.0 | Recurring | General Fund |
| PSIA Projection | | $65.0 | $185.0 | $250.0 | Recurring | General Fund |
| **Total** | | **$115.0** | **$235.0** | **$350.0** | **Recurring** | **General Fund** |

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

## Sources of Information

LFC Files

Responses Received From
New Mexico Attorney General (NMAG)
Office of the Superintendent of Insurance (OSI; revised after substitutes adopted)
Public School Insurance Authority (NMPSIA; revised after substitutes adopted)
Human Services Department (HSD)
Department of Health (DOH)
General Services Department (GSD)
Retiree Health Care Authority (RHCA; revised after substitutes adopted)

No Response Received
Albuquerque Public Schools (APS)

## SUMMARY

### Synopsis of SFl#1 Amendment to Senate Bill 132

The Senate floor amendment to Senate Bill 132 makes the same clarifying language substitution five times in the bill, changing language in each section C, which excludes high deductible plans

from the requirements of eliminating co-payments or other coinsurance for prevention and treatment of sexually-transmitted infections.

### Synopsis of STBTC Substitute for SHPAC Substitute for Senate Bill 132

The Senate Tax, Business and Transportation Committee substitute for the Senate Health and Public Affairs Committee substitute for Senate Bill 132 (SB132) applies to each type of health insurance product the requirement that prevention and treatment of sexually transmitted infections (STIs, defined in the substitute as a contagious infectious disease usually transmitted through sexual activity, but regardless of it mode of transmission to a given person) be available to those covered without coinsurance (defined as including policy deductibles, copayments or coinsurance). The coverage and lack of cost-sharing applies whatever the person's gender identity. Unless federal law specifies otherwise, coverage for treatment of sexually transmitted infections provided according to the previous parts of the bill is to be excluded for high-deductible health care plans with health savings accounts until a covered person's deductible has been met.

In addition, the bill as substituted specifies that persons of any age can consent to examination, preventive care, and treatment for STIs.

SB132 applies these requirements to the Health Care Purchasing Act; individual or group health insurance policies, healthcare plans, or certificates of health insurance that are delivered, issued for delivery, or renewed in New Mexico; blanket or group health insurance policies, healthcare plans, or certificates of health insurance; individual or group health maintenance organization contracts; and individual or group healthcare plans that are part of nonprofit healthcare plans.

Section 6 amends Section 24-1-9 NMSA 1978 to add the requirement that people of all ages can seek and consent to preventive measures, as well as examination and treatment of STIs.

Section 7 makes the effective date of this bill January 1, 2024, and applies it to insurance products delivered or renewed on or after that date.

## FISCAL IMPLICATIONS

There is no appropriation in Senate Bill 132.

NMPSIA noted the following with regard to the original bill:

> Costs for other screening, testing, examination, or counseling and for treatment associated with the management of an existing sexually transmitted infection is covered under the PSIA group plan when medically necessary. Cost-sharing is based on the place of service and type of care, consistent with PSIA's schedule of benefits.
>
> Eliminating the cost-sharing for sexually transmitted infection coverage for preventive care or treatment of sexually transmitted diseases on all gender-eligible insured members is estimated to result in a modest increase in utilization, due to the richer benefit since cost-sharing would no longer present a barrier to care.
>
> Based on an effective date of January 1, 2024, the bill is not expected to have any impact on PSIA costs during the remainder of FY23. The estimated impact in FY24 represents a

partial year impact of approximately $65 thousand, with the impact in FY25 and beyond increasing to roughly $185 thousand annually.

In response to the original bill, RHCA also anticipated an increase in utilization of preventive procedures for STIs, estimating an annual increase in costs to that agency of $50 thousand per 12-month period and $25 thousand for the half year between the bill becoming effective and the end of FY24.

HSD indicated that all care for STIs is already covered for all Medicaid recipients.

GSD indicated that there would not be a significant cost to that agency because screening for STIs is already covered without cost-sharing by their insurance product.

In concluding the new requirements would not cause an additional fiscal impact for the state, OSI indicates the following: "OSI's current benchmark plan covers screening for sexually transmitted infections and treatment, mainly through counseling and medications. Additionally, the drafting of this legislation is careful not to create a new mandate by stating that this new cost-sharing provision only applies to health plans that happen to cover sexually transmitted screening and treatment services. There is no coverage mandate. As a result, the state would not have to defray the cost of ensuring that insureds are not charged cost-sharing for screening and treatment of sexually transmitted infections.

It should also be noted that prevention and treatment of STIs is very likely to be cost saving for health insurance plans, including the Health Purchasing Act plans. The lifetime costs of treating congenital syphilis patients are often very high.

These cost estimates have not changed through two committee substitutes and one floor amendment.

## SIGNIFICANT ISSUES

STIs continue to be an increasing concern in New Mexico. Although there are many sexually transmitted infections, those of most concern are syphilis, gonorrhea, and chlamydia. Among those, the most concerning is probably the rapid recent rise in congenital syphilis—syphilis transmitted from mother to unborn child and resulting in severe consequences, including pregnancy loss or deformed bones, liver and spleen problems, blindness or deafness, cognitive deficiency, or meningitis.

According to DOH, "New Mexico and the entire nation have seen stark increases in the rates of the three reportable sexually transmitted infections (STI) over the past decade. These are syphilis, gonorrhea and chlamydia. This bill can increase preventive care and treatment, thereby breaking the cycle of infections and helping reduce rates over time." Preventive measures against STIs include pre- and post-exposure prophylaxis for human immunodeficiency virus (HIV) and immunizations for hepatitis B and human papillomavirus (HPV) infection.

DOH data indicate that:

> Syphilis during pregnancy can lead to serious birth defects and infant death—and is entirely preventable with timely testing and treatment of pregnant mothers. In New Mexico, cases of congenital syphilis—meaning syphilis among newborns—have

> increased sharply in recent years, from just six cases in 2017 to an alarming 26 cases in 2019. This follows national trends, with far more syphilis cases among heterosexual women of child-bearing age over the past five years.

DOH data from 2020 indicate a year-over-year rise in chlamydia infections almost every year since 2020. Both chlamydia and gonorrhea have their highest rates in those between 15 and 29 and among African American and Native American young people. Primary and secondary syphilis have both increased since 2000, with marked increases in New Mexico beginning in 2017, making New Mexico's rate almost twice that of the rest of the United States, which has also seen a rise. African American, Native American, and Hispanic patients have a significantly higher rate than white and Asian and Pacific Islander patients. As noted above, congenital syphilis has been rising markedly since 2017, with once case in 2017 and 42 in 2020.

DOH also makes the point that cost sharing may especially discourage young people and those with low resources:

> Cost sharing such as co-pays for medical visits are a particularly strong disincentive for younger persons, who might skip a physical exam or other medical appointment even due to a $10 or $20 co-pay. Similarly, many low-income and younger persons might decline recommended STI testing if they are asymptomatic, due to cost sharing for laboratory services that can be 20 percent or higher with many health plans. Co-pays and other cost sharing can be a disincentive for persons under age 26 who are still on their parents' health insurance plans, as an Explanation of Benefits (EOB) sent to their parents can identify the services they received.
>
> Given that chlamydia, the most common reportable STI, is often asymptomatic, this can be a further disincentive to make visits or get tested if there are any fears related to cost or privacy.
>
> Elimination of cost sharing for preventive services has been shown effective at increasing utilization. For example, when the United States Preventive Services Task Force (USPSTF) graded HIV pre-exposure prophylaxis (PrEP) as an "A" grade service two years ago, that eliminated cost sharing for medical visits and prescriptions, leading to a sharp uptick in utilization. Allowing persons of any age to consent to services will increase utilization for those who cannot safely or comfortably engage their parents or guardians in discussions of sexual activity, which will likely have a significant impact on improving access to STI care, particularly for chlamydia.

## OTHER SUBSTANTIVE ISSUES

OSI made the following comments with respect to the substitute bill:

> The committee substitute addresses most of the substantive issues noted by OSI in the prior FIR. This legislation does not take into consideration federal rules on pre-deductible cost-sharing for Catastrophic plans that are available through the individual market to individuals that are less than 30 years old. While OSI has addressed this issue via regulatory bulletin in the past, this is a fix that is without the force of legislation. OSI recommends that the bill be amended to also exempt catastrophic plans.
>
> As written, this legislation may apply to excepted benefit plans.

This may be an especially important legislative action in light of *Braidwood Management Inc. v. Becerra,* a federal court case currently challenging the legality of the ACA's preventive care mandates, including coverage for preexposure prophylaxis (PrEP), the medication which reduces chance of HIV transmission following exposure.

LAC/al/ne/rl