

LFC Requester:	Joseph Simon
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/24/2025 *Check all that apply:*
Bill Number: HB119 Original Correction
 Amendment Substitute

Sponsor: Kathleen Cates **Agency Name and Code:** New Mexico Public Schools Insurance Authority 34200
Short Title: CONTRACT ADJUSTMENTS UNDER PROCUREMENT CODE **Person Writing:** Dominique Williams
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						No fiscal impact

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB119 proposes to amend the procurement code to provide for contract adjustments, requiring the state to request adjustments in reimbursement rates for health care.

When a contract with a state agency provides for a contractor to employ people whose benefits and compensation are subject to adjustment, due to changes in state statutes, the contractor may request the state agency to amend the terms of the contract to accommodate any increase to the contractor's expenses due to statutory adjustments in employee compensation and benefits. When Medicaid providers employ people whose benefits and compensation are subject to adjustment due to changes in state statutes, the state agency responsible for providing payment to such Medicaid providers shall request the federal centers for Medicare and Medicaid services to amend Medicaid reimbursement rates to accommodate any increase to the Medicaid provider's expenses due to statutory adjustments in employee compensation and benefits. Any such request shall be made to the state agency within forty-five days of the date on which the relevant changes in state statutes become law. The state agency shall respond in writing to any such contract request.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

Section 2 and 3 do not apply to the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA takes all contracts and contract amendments to be approved by the NMPSIA Board of Directors prior to the inception of services beginning. Forty-five days may not be sufficient time to get an amendment approved. NMPSIA would prefer to have the days in section one changed to sixty days.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS