

LFC Requestor: Self Assigned

2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: House
Number: 233

Category: Bill
Type: Introduced

Date (of THIS analysis): 01/31/2025

Sponsor(s): Joshua N. Hernandez and Elizabeth "Liz" Thomson and Eleanor Chavez

Short Title: Diabetic Foot Ulcer Equipment Coverage

Reviewing Agency: Agency 665 - Department of Health

Analysis Contact Person: Arya Lamb

Phone Number: 505-470-4141

e-Mail: arya.lamb@doh.nm.gov

Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

House Bill 233 (HB233) proposes to modify the following Sections of the NM Insurance Code and other laws to address access to medically necessary treatment and management tools for type 1, type 2, and gestational diabetes for insured individuals. HB233 proposes to increase access to certain durable medical equipment (DME) for the treatment of active diabetic foot ulcers by amending sections 59A-22-41 NMSA 1978, 59A-23-7.17 NMSA 1978, and Section 59A-46-43 NMSA 1978 of the New Mexico insurance code, the health maintenance organization law, and the nonprofit healthcare plan law to require durable medical equipment for the treatment of active diabetic foot ulcers, including topical oxygen therapy.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

Approximately 217,400 adults in New Mexico, or 13.1% of the adult population, have diagnosed diabetes. Every year, an estimated 9,800 adults in New Mexico are diagnosed with diabetes. Americans with diabetes have medical expenses approximately 2.6 times higher than those who do not have diabetes. The total estimated cost of diagnosed diabetes in the U.S. in 2022 was \$412.9 billion, including \$306.6 billion in direct medical costs and \$106.3 billion in reduced productivity attributable to diabetes. In 2017, it was estimated that: The total direct medical expenses for diagnosed diabetes in New Mexico was \$1.49 billion. The total indirect costs from lost productivity due to diabetes was \$475 million, and the total cost of diabetes was \$1.9 billion ([adv 2024 state fact new mexico.pdf](#))

Diabetic foot ulcers (DFU) are a major source of preventable morbidity in adults with diabetes. Oxygen is a critical component of many biological processes and is essential for wound healing. Diabetic foot ulcers (DFU) are notoriously difficult to heal with studies suggesting over half fail to heal within the first 12 weeks. Topical oxygen therapy (TOT) is an advanced wound care technique which has been shown to improve healing potential

of DFU. Consequences of foot ulcers include decline in functional status, infection, hospitalization, lower-extremity amputation, and death. The lifetime risk of foot ulcers is 19% to 34%, and this number is rising with increased longevity and medical complexity of people with diabetes. Morbidity following incident ulceration is high, with recurrence rates of 65% at 3–5 years, lifetime lower-extremity amputation incidence of 20%, and 5-year mortality of 50–70%. New data suggest that overall amputation incidence has increased by as much as 50% in some regions over the past several years after a long period of decline, especially in young and racial and ethnic minority populations. ([Etiology, Epidemiology, and Disparities in the Burden of Diabetic Foot Ulcers | Diabetes Care | American Diabetes Association](#))

To prevent complications in people living with diabetes, Centers for Disease Control and Prevention (CDC) and its partners are working to expand access to and participation in diabetes self-management education and support (DSMES) services. Lifestyle management is critically important for managing diabetes and DSMES services reach over 1 million people with diabetes each year. DSMES services help people with diabetes effectively manage their blood sugar, blood pressure, and cholesterol and get preventive care. Keeping diabetes under control through effective disease management can lower risks of diabetes complications. For example: Health care services that include regular foot exams and patient education could prevent up to 85% of diabetes-related amputations. ([Health and Economic Benefits of Diabetes Interventions | National Center for Chronic Disease Prevention and Health Promotion \(NCCDPHP\) | CDC](#).)

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?

Yes No

If yes, describe how.

- Is this proposal related to the NMDOH Strategic Plan? Yes No

Goal 1: We expand equitable access to services for all New Mexicans

Goal 2: We ensure safety in New Mexico healthcare environments

Goal 3: We improve health status for all New Mexicans

Goal 4: We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?

Yes No N/A

- If there is an appropriation, is it included in the LFC Budget Request?

Yes No N/A

- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

Responsibilities proposed through HB233 include work currently conducted by the Population Community Health Bureau, Diabetes Prevention and Control Program (DPCP). Duties include

the facilitation of diabetes education by certified, registered or licensed health care professionals. Medical nutrition therapy related to diabetes management is currently facilitated by DPCP staff and current contractors.

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None.

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?

Yes No

- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

HB233 will serve insured persons who have been diagnosed with type 1, type 2, or gestational diabetes with an active diabetic foot ulcer.

In 2021, 38.4 million Americans, or 11.6% of the population, had diabetes. Of the 38.4 million adults with diabetes, 29.7 million were diagnosed, and 8.7 million were undiagnosed. The percentage of Americans aged 65 and older remains high, at 29.2%, or 16.5 million seniors (diagnosed and undiagnosed). 1.2 million Americans are diagnosed with diabetes every year. ([Statistics About Diabetes | ADA](#)) The lifetime risk of foot ulcer is 19% to 34%.

The rates of diagnosed diabetes in adults by race/ethnic background are:

- 13.6% of American Indians/Alaskan Native adults
- 12.1% of non-Hispanic Black adults
- 11.7% of Hispanic adults
- 9.1% of Asian American adults
- 6.9% of non-Hispanic White adults

The total estimated cost of diagnosed diabetes in the U.S. in 2022 was \$412.9 billion, including \$306.6 billion in direct medical costs and \$106.3 billion in reduced productivity attributable to diabetes. In 2017 it was estimated that: The total direct medical expenses for diagnosed diabetes in New Mexico was \$1.49 billion. The total indirect costs from lost productivity due to diabetes was \$475 million, and the total cost of diabetes was \$1.9 billion ([adv 2024 state fact new mexico.pdf](#)). This estimate highlights the substantial burden diabetes imposes on society. Additional components of societal burden omitted from this study include intangibles from pain and suffering, resources from care provided by non-paid caregivers, and the burden associated with undiagnosed diabetes.

HB233 serves to increase access to diabetes management and treatment for individuals who are insured and have access to health care; however, it does not increase access for those individuals who are uninsured. People with diabetes who do not have health insurance have 60% fewer physician office visits and are prescribed 52% fewer medications than people with

insurance coverage—but they also have 168% more emergency department visits than people who have insurance. (<https://doi.org/10.2337/dci18-0007>)

9. HEALTH IMPACT(S)

HB233 will serve insured New Mexicans who have been diagnosed with type 1, type 2, or gestational diabetes with an active diabetic foot ulcer by ensuring coverage and access to necessary durable medical equipment are available to persons with diabetes and persons with active diabetic foot ulcers receive reimbursement for out-of-pocket expenses in a timely manner. To prevent acute and chronic complications of diabetic foot ulcers, including amputation and death, patients with diabetic foot ulcers often require multiple medications and durable medical equipment to enable effective, safe, and evidence-based treatment of diabetic foot ulcers. This equipment may include, but not be limited to, offloading footwear, pressure relief shoes, insole products, and topical oxygen therapy. Topical oxygen therapy (TOT) is an intervention that can be used to improve oxygen saturation in the wound bed and support healing, especially in the management of hard-to-heal wounds, such as diabetic foot ulcers. ([Excellence in diabetic foot ulcer management: accelerate healing with topical oxygen therapy – Wounds International](#)).

Diabetic foot ulcers are notoriously difficult to manage and now represent a leading cause of global disease burden and disability. The United Kingdom National Diabetic Foot Audit has consistently found that over half of all new DFU's (52%) fail to heal by 12 weeks. The presence of non-healing DFU's increases the risk of infection, hospitalization, and amputation. There is an increased mortality risk, higher than many common cancers alongside a substantial economic burden to patients and healthcare systems. TOT significantly improved the healing of DFU's by approximately 60% at 12 weeks compared to standard care alone. ([Topical oxygen therapy for healing diabetic foot ulcers: A systematic review and meta-analysis of randomised control trials - ScienceDirect](#))

10. ALTERNATIVES

None.

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB233 is not enacted, Sections 59A-22-41 NMSA 1978, 59A-23-7.17 NMSA 1978, and 59A-46-43 NMSA 1978 of the New Mexico insurance code, the health maintenance organization law, and the nonprofit healthcare plan law will not be modified to require durable medical equipment for the treatment of active diabetic foot ulcers, including topical oxygen therapy.

12. AMENDMENTS

None