

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) 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: 2/5/25 *Check all that apply:*
Bill Number: HB271 Original Correction
 Amendment Substitute

Sponsor: Rep. Rod Montoya **Agency Name and Code** HCA 630
Short Title: Health Care Sharing Ministries & Insurers **Number:** _____
Person Writing Jess Rosenthal
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
Unknown	Unknown	Unknown	Health Care Affordability Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	N/A	Health Care Affordability Fund

(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	Unknown	Unknown	Unknown	Unknown	Unknown	Health Care Affordability

						Fund
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(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: HB 271 enters the definition of health care sharing ministries (HCSMs) into the New Mexico Insurance Code to clarify that these entities are not insurers. The definition clarifies that health care sharing ministries are not insurance and that they are not required by law to pay the claims of their participants. The bill also clarifies the responsibilities of the health care sharing ministry, including monthly statements to participants and disclaimer language that should be included with all applications and guideline materials.

FISCAL IMPLICATIONS

The fiscal impact of HB 217 on the Health Care Affordability Fund (HCAF) is unknown. The impact will depend on the extent to which those who are eligible for HCAF programs opt for HCSM arrangements instead. One HCSM [survey of its members](#) in a report published in 2023 found that 42% had incomes under 200% of the Federal Poverty Level (FPL), which was approximately \$50,000 annually for a family of three. Individuals and families below this income level are likely to qualify for low- or no-cost coverage through the Marketplace or Medicaid. If HCSM arrangements are expanded in New Mexico, it could result in increased efforts to draw those who qualify for comprehensive coverage and financial assistance through the Affordable Care Act (ACA) and HCAF programs into other arrangements that have no consumer protections or solvency requirements. According to research [commissioned](#) by Consumer Representatives to the National Association of Insurance Commissioners (NAIC), HCSM arrangements could contribute to market segmentation. The disclaimer language proposed in HB271 would clarify for consumers in various materials associated with HCSMs that the coverage was not comprehensive health insurance coverage.

SIGNIFICANT ISSUES

According to a 2023 study by the [Commonwealth Fund](#), 1.7 million people in the United States are enrolled in HCSMs. Colorado, after creating a [requirement](#) that all HCSMs enrolling Coloradans provide comprehensive data, found that at least 68,000 individuals were enrolled in HCSMs, or approximately 30% of their Marketplace enrollment. Since HCSMs can limit benefits, exclude individuals with pre-existing conditions, and refuse to pay claims with no recourse for consumers, healthier individuals are more likely to be enrollees in HCSMs.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

Per the Colorado report referenced above, HCSM members submitted approximately \$362 million in claims during the reporting period. The HCSMs stated that only approximately one-third of this amount (\$132 million) was eligible for payment. During the same timeframe, HCSMs brought in about \$97 million, resulting in an apparent shortfall of \$35 million. The low share of eligible claims is partially due to the HCSMs' strict rules that do not allow reimbursement for certain types of care. Further, HCSMs have broad flexibility to refuse payment of claims. For example, HCSMs frequently require members access charity care through providers or negotiate other types of provider discounts prior to claims being paid by the HCSM.

HCSMs reported they do not cover costs associated with certain essential health care, including preventive care, mental health care, and substance use disorders, and exclude coverage for many preexisting conditions, including asthma, autism, cancer, diabetes, and hypertension. Alternatively, comprehensive insurance under the ACA must cover essential health benefits and all pre-existing conditions.

The New Mexico Office of Superintendent of Insurance (OSI) has taken enforcement action against several HCSMs in recent years after receiving consumer complaints. Several lawsuits have been filed against OSI related to these actions. In December 2024, a lawsuit against the agency was [dismissed](#) without prejudice by a United States District Judge. At this time, there may be HCSMs operating in New Mexico, but because they are not registered with OSI, is not clear how many are currently operating.

ALTERNATIVES

Guide consumers to the Health Insurance Marketplace to ensure comprehensive coverage options and financial assistance are considered.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None.