

LFC Requester:

Jeannae Leger

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: 2/6/2025

Check all that apply:

Bill Number: HB279Original Correction Amendment Substitute

Sponsor: Nicole Chavez
Gail Armstrong
Elaine Sena Cortez

Short Title: ACTUARIAL REVIEW OF
PROPOSED LEGISLATION

Agency Name and Code: Office of Superintendent of Insurance - 440

Number: _____

Person Writing: Viara Ianakieva

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	NA	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(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	NA	NA	NA	NA	NA	NA

(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

Directs the Legislative Council Service to retain contractors to perform actuarial reviews of legislative proposals that may change the coverage requirements for health insurance plans. Provides a process for such review and details factors to be considered in a review. Appropriates \$100,000 (GF) to the Legislative Council Service for use in FY 2026 to procure contractors to perform actuarial reviews.

FISCAL IMPLICATIONS

None, as long as long as the Office of Superintendent of Insurance is not required to collect and provide plan data.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

Section 1E of the bill states that “the actuarial review shall rely on health data collected pursuant to the Health Information System Act whenever practicable.” Given the scope of the analyses that may be performed under this bill, it is likely that additional data sources may be needed. The integration of different data sources could be challenging and may delay the completion of the analyses in a timely manner.

The three-month time period allotted for the completion of all actuarial analyses may be a challenge unless several contractors are engaged. Actuarial analyses depend heavily on access to reliable, and credible data sources. Depending on the nature of the analyses, recent information may need to be collected, which is at best a 6-to-8-week process. Additionally, the data validation process may extend the amount of time needed to ensure the accuracy and appropriateness of the data used. Apart from the data access issues, actuarial analysis may require the development, refinement and validation of quantitative models. This process is time consuming and involves the generous application of actuarial judgment from experienced actuaries with a deep understanding of the drivers of healthcare costs in the state. Rushing this process may compromise the quality of results.

The potential scope of each analysis is broad and include “the social and economic impacts of the legislative proposal, including potential impacts to health care providers, provider networks and other health insurance markets”. This would require the collection and integration of data from various sources, and potential collaboration with non-actuarial professionals and community leaders, exacerbating the timing, data validation and budget issues identified above.

OTHER SUBSTANTIVE ISSUES

An actuarial analysis of proposed health legislation may provide important information related to the health insurance market. This would help legislators to evaluate the implications of policy changes. It may be prudent to get input from the agencies impacted by the proposed legislation to ensure that the analysis will produce meaningful results.

Currently, the Legislative Council Service does not have access to unbiased objective actuarial analysis, which could help legislators make informed decisions.

ALTERNATIVES

Limit the number of legislative proposals to be analyzed, narrow the scope and/or increase the budget.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None

AMENDMENTS

None.