

LFC Requester:

Eric Chenier

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: 01/22/2025 *Check all that apply:*
Bill Number: SB 3 Original Correction
 Amendment Substitute

Sponsor: Senators Peter Wirth, Mimi Stewart, and William E. Sharer
Short Title: Behavioral Health Reform &
Agency Name and Code Number: Office of Superintendent of Insurance - 440
Person Writing: Viara Inakieva
Phone: 505-508-9073 **Email:** Viara.inakieva@osi.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(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	\$30	\$0	\$0	\$30	Nonrecurring	Ins Ops

(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

Senate Bill 3 (SB3) establishes the Behavioral Health Reform and Investment Act (Act). The Act directs the Administrative Office of the Courts (AOC) to create behavioral health geographical regions where an array of behavioral health services may be provided and that encompass one or more New Mexico counties or judicial districts. Section 4 of SB3 requires the Office of Superintendent of Insurance (OSI) to provide an initial set of generally recognized standards for behavioral health services for adoption and implement in regional plans, to the AOC by June 1, 2025. It also requires the AOC consult with the OSI and Health Care Authority to confirm whether or not each regional plan meets the behavioral health standards as set forth in the Act. The AOC is charged with designating health regions, coordinating regional meetings, completing resource mapping and coordinating development of regional plans.

SB3 includes an emergency clause.

FISCAL IMPLICATIONS

Based on the language in SB3, OSI would need to contract with a third party to meet the obligations of this proposed legislation, including staffing and expertise. The estimated additional budget impact section assumes a consultant fee to cover the cost of initial research. Recurring funding will be necessary to regularly evaluate generally recognized standards of care.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

NM OSI Bulletin [#2024-013](#) states that “OSI requires that “generally recognized standards” used in medical necessity determinations incorporate the most recent versions of clinical practice guidelines developed by nonprofit professional associations for the relevant clinical specialty.

For coverage determinations concerning service intensity, level of care placement, continued stay, transfer, and discharge, OSI considers acceptable examples of the most recent versions of the following nonprofit professional association guidelines compliant with SB273:

- For a primary diagnosis of a substance use disorder in adolescents and adults, The ASAM Criteria developed by the American Society of Addiction Medicine.
- For a primary diagnosis of a mental health condition in adults, the Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS) developed by the American Association for Community Psychiatry (AACP).

- For a primary diagnosis of a mental health condition in children ages 6-18, the Child and Adolescent Level of Care/Service Intensity Utilization System (CALOCUS-CASII) developed by AACAP and the American Academy of Child & Adolescent Psychiatry (AACAP).
- For a primary diagnosis of a mental health condition in children ages 5 and younger, the Early Childhood Service Intensity Instrument (ECSII) developed by AACAP.
- For coverage determinations involving services for gender dysphoria, OSI considers use of the most recent version of the Standards of Care for the Health of Transsexual, Transgender, and Gender Nonconforming People developed by The World Professional Association for Transgender Health compliant with SB273.”

If these standards are not adequate, OSI would need to contract with a third party to meet the obligations of this proposed legislation.

OTHER SUBSTANTIVE ISSUES

Lack of additional staffing may impact performance, as the existing staff is already stretched thin and struggling to keep up with current workloads.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.