# **AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

<u>AgencyAnalysis.nmlegis.gov</u> and email to <u>billanalysis@dfa.nm.gov</u> (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:	February 11, 2025	Check all that apply:		
<b>Bill Number:</b>	SB 207	Original X	Correction	
		Amendment	Substitute	

Sponsor:	Sens. Stefanics and Hickey, and Reps. Thomson and Szczepanski	Agency Name and Code U Number:		University of New Mexico-952		
Short	Add Classes to Prior	<b>Person Writing</b>		Kelly O'Donnell		
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#### SECTION II: FISCAL IMPACT

# **APPROPRIATION** (dollars in thousands)

Appropr	iation	Recurring	Fund Affected		
FY25	FY26	or Nonrecurring			

(Parenthesis () indicate expenditure decreases)

#### **REVENUE** (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected

(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						

(Parenthesis () Indicate Expenditure Decreases)

#### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

#### Synopsis:

The Prior Authorization Act prohibits health insurers from requiring prior authorization or step therapy for drugs prescribed for certain conditions. SB 207 amends the Prior Authorization Act to clarify that the drugs for which prior authorization and/or step therapy are prohibited may be prescribed for "on-label or off-label use" and adds rare diseases, defined as diseases or medical conditions that affect fewer than 200,000 people in the United States, to the list of conditions for which prior authorization or step therapy may be prohibited.

# **FISCAL IMPLICATIONS**

# **SIGNIFICANT ISSUES**

The burden of prior authorization is significant and growing. Prior authorization requirements often delay patient care, which can negatively affect clinical outcomes. Limiting step programs for vulnerable patients, such as those with cancer or autoimmune diseases, can:

- Ensure timely care that may prevent long-term complications and/or increase morbidity
- Remove unnecessary barriers to accessing care
- Prevent adverse effects, such as reduced quality of life, disruption of work, and increased risk of worsening conditions due to treatment delays.

Reduced prior authorization requirements can also improve the efficiency of pharmacy operations.

# PERFORMANCE IMPLICATIONS

# **ADMINISTRATIVE IMPLICATIONS**

# CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

# **TECHNICAL ISSUES**

# **OTHER SUBSTANTIVE ISSUES**

# ALTERNATIVES

# WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS