

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: 02/05/2025

Check all that apply:

Bill Number: SB278

Original Correction

Amendment Substitute

**Agency Name
and Code**

Sponsor: Senator Martin Hickey

Number: Office of Superintendent of Insurance - 440

Short Coronary Artery Calcium

Person Writing Viara Ianakieva

Title: Screening Insurance

Phone: 505-508-9073 **Email** Viara.ianakieva@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						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None.
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 278 (SB278) amends the Health Care Purchasing Act, the Public Assistance Act and the Insurance Code to eliminate cost sharing for coronary artery calcium screening for covered members in a health care plan. SB278 expands the eligibility requirements for screening.

FISCAL IMPLICATIONS

The proposed legislation does not create a new coverage mandate, and as such, does not trigger any possible cost defrayal for the statute under the Affordable Care Act.

SIGNIFICANT ISSUES

The cost-sharing elimination and change in the frequency of the screening from five years to four years may impact premiums in the large group market. OSI is unable to predict the fiscal impact but suspects that the change in law may increase utilization and have a significant premium impact in the large group market.

Federal law permits the offering of high deductible plans in conjunction with Health Savings Accounts (HSAs). IRS rules prohibit any benefits other than ACA mandated cost-sharing free preventive care benefits from being offered at the copay level before an insured has paid their deductible. See

<https://www.irs.gov/publications/p969#:~:text=Contributions%20to%20your%20HSA%20made,the%20account%20are%20tax%20free.>

The way this legislation has been drafted does not take into account Catastrophic, High Deductible Plans (HDHP) and High Deductible Health Plans with HSA eligibility (HDHP/HSA).

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

SB278 indicates that coronary artery calcium screening shall be provided at the discretion of a health care provider to be used as a clinical management tool. OSI recommends basing coverage on medical necessity pursuant to generally recognized standards of care.

OTHER SUBSTANTIVE ISSUES

This legislation does not take into consideration federal rules on pre-deductible cost-sharing for high deductible plans that are not HSA eligible, or Catastrophic plans that are available through the individual market to individuals that are less than 30 years old. Passage of this legislation without an exemption for HDHP/HSA plans would invalidate these plans' HSA eligibility per IRS rules. While OSI has addressed this issue via regulatory bulletin in the past, this is a fix that is

without the force of legislation. OSI recommends that the bill be amended to exempt HDHP/HSA plans. Approximately 8,000 New Mexicans a year enroll in HDHP/HSA eligible plans.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Coronary artery calcium screening will be covered every 5 years instead of 4 and subject to cost-sharing.

AMENDMENTS

Proposed amended language:

Include language, as applicable, that is consistent with other sections of the Insurance Code related to cost-sharing elimination in major medical plans as follows:

“The provisions of this section do not apply to excepted benefit plans as provided pursuant to the Short-Term Health Plan and Excepted Benefit Act [Chapter [59A](#), Article [23G](#) NMSA 1978], catastrophic plans as defined pursuant to 42 USCA Section 18022(e) or high deductible health plans with health savings accounts until an eligible insured's deductible has been met, unless otherwise allowed pursuant to federal law.”

Include language, as applicable, to ensure coverage is provided pursuant to generally recognized standards of care.

B. Coverage provided pursuant to this section shall:

(1) be limited to the provision of a coronary artery calcium screening to an eligible insured at the discretion of a health care provider pursuant to generally recognized standards of care to be used as a clinical management tool.