

<b>LFC Requester:</b>	<b>Eric Chenier</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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}*

**Bill Number:** 2.17.25 *Check all that apply:*  
SB390 Original  Correction   
 Amendment  Substitute

**Sponsor:** Katy M. Duhigg **Agency Name and Code:** New Mexico Retiree Health Care Authority 34300  
**Short Title:** Health Services Reimbursement **Person Writing:** Mark Hayden  
**Title:** Health Services Reimbursement **Phone:** 505-377-9012 **Email:** mark.hayden@rhca.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	RHCA Benefits Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: The Bill requires Behavioral and Mental Health care providers to be reimbursed for all medically necessary services they provide regardless of the health care provider's designations as a behavioral or mental health care provider, provided the service is within the scope and limitations of the provider's license.

### **FISCAL IMPLICATIONS**

New Mexico Retiree Healthcare Authority will be financially impacted because more services would become reimbursable, which would lead to hire utilization and increased claim costs. Depending on how broad the interpretation of "Medically Necessary Services" is, it could include services that were previously denied or paid at lower contracted rates. The premium increases or adjustments to cost-sharing would need to be made if the plan expenses increased, adding additional financial hardship to retirees who are on fixed incomes.

SB390 overlaps with both federal and state parity mandates in mental health and substance disorders already in law. The bill seems to focus on reimbursement for medically necessary services regardless of provider designations. The bill is unclear which services it deems as medically necessary.

Provider designations in healthcare refer to the various titles and credentials that healthcare professionals hold, indicating their level of education, training, and scope of practice. The state licensing regulations define the specific duties, responsibilities and limitations that healthcare providers must adhere based on their credentials, education and training. Thus, it is unclear if the bill is seeking reimbursement for non-traditional therapies or alternative treatments as there is no definition of medical necessities or criteria that supports additional coverage.

### **SIGNIFICANT ISSUES**

The phrase "regardless of the health care provider's designation as a behavioral or mental health care provider" suggests that even if a provider isn't traditionally classified as a mental health provider, they could still get reimbursed if the service is within their license. This could broaden the pool of reimbursable providers, that diminishes the attractiveness of providers contracting with insurance companies and being part of the network (discounted rates). NMRHCA will need to ensure that it is aligned with Federal Laws such as the Mental Health Parity and Addiction Equity Act in addition to state insurance regulations.

### **PERFORMANCE IMPLICATIONS**

None.

### **ADMINISTRATIVE IMPLICATIONS**

None.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

### **TECHNICAL ISSUES**

None.

**OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

**AMENDMENTS**

None.