

LFC Requester:	Eric Chenier
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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}

Bill Number: 2.17.25 *Check all that apply:*
SB404 Original Correction
 Amendment Substitute

Sponsor: Mimi Stewart **Agency Name and Code:** New Mexico Retiree Health Care Authority 34300
Short Title: Healthcare Privacy Protections **Person Writing:** Mark Hayden
Title: Healthcare Privacy Protections **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
Total		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	RHCA Benefits Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The Bill proposes strengthening privacy protections for patient records by requiring the segregation of certain health care information, prohibiting the disclosure of certain health care information, and Repealing Section 24-14-18 NMSA 1978 (Being Laws 1977, Chapter 206, Section 2, as amended) which requires the reporting of induced abortion. The effective date is July 1, 2025.

This Bill expands privacy protection for patient records. The key provisions are:

- Requires electronic health record systems and health information exchanges to segregate and limit access to sensitive health care information.
- Prohibits the disclosure of certain health care information.
- Repeals a previous law requiring the reporting of induced abortions.
- Includes reproductive health care, gender-affirming health care, mental health care, and substance use treatment.
- Establishes civil penalties for intentional violations and allows individuals to sue for damages.

FISCAL IMPLICATIONS

The fiscal impact of NM SB404 on the New Mexico Retiree Health Care Authority (NMRHCA) is expected to be minimal. The Bill primarily focuses on enhancing privacy protections on data for patient records and health care claims, which may require some adjustments to comply with the new proposed requirements related to electronic health care data.

SIGNIFICANT ISSUES

More information will be required to better understand the requirement of the segregating data for specific healthcare information once the Health Care Authority determines it to be compliant.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

Current policies and procedures maintained by the agency with insurers and those with access to such information will be required to update systems and administration of private information for items noted in the Bill. Strict guidelines are currently placed due to the Health Insurance Portability and Accountability Act, which requires the agency to follow electronic data interchange procedures and maintain the privacy and security of all electronic, written, or oral information.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The agency would continue to protect any data or information as required by the Health Insurance Portability and Accountability Act, and any other federal and state regulations for all protected health information.

AMENDMENTS

None.