

LFC Requester:	Harry Rommel
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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}

Date Prepared: 3/9/2025 *Check all that apply:*
Bill Number: SB443 Original Correction
 Amendment Substitute

Sponsor: Martin Hickey **Agency Name and Code:** New Mexico Public Schools Insurance Authority 34200
Short Title: No Cholesterol-Lowering Drug Cost Sharing **Number:** _____
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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	\$0	\$90-\$2,550	\$190-\$5,750	\$280-\$8,300	Recurring	NMPSIA Benefits

(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

SB443 amends the Health Care Purchasing Act and various sections of the New Mexico Insurance Code to prohibit cost sharing for cholesterol-lowering drugs. Under this Act, health coverage plans that provide coverage for cholesterol-lowering drugs shall not impose cost-sharing obligations on such drugs.

Pursuant to the amendments to the Health Care Purchasing Act, any group health coverage plan, including any form of self-insurance, that is offered, issued, or renewed under the Health Care Purchasing Act and provides coverage for cholesterol-lowering drugs shall not impose cost sharing on those drugs.

The New Mexico Insurance Code is amended to require that individual or group health insurance policies, health care plans, or certificates of health insurance that are delivered, issued for delivery, or renewed in New Mexico and that provide coverage for cholesterol-lowering drugs shall not impose cost sharing on those drugs. Additionally, group or blanket health insurance policies, health care plans, or certificates of health insurance that are delivered, issued for delivery, or renewed in New Mexico and that provide coverage for cholesterol-lowering drugs shall not impose cost sharing on those drugs.

The Health Maintenance Organization Law is amended to prohibit cost sharing for cholesterol-lowering drugs in individual or group health maintenance organization contracts delivered, issued for delivery, or renewed in New Mexico. Similarly, amendments to the Nonprofit Health Care Plan Law mandate that individual or group health care plans delivered, issued for delivery, or renewed in New Mexico that provide coverage for cholesterol-lowering drugs shall not impose cost sharing on those drugs.

For the purposes of this Act, "cost sharing" is defined as a copayment, coinsurance, a deductible, or any other form of financial obligation required of an enrollee, insured, covered person, or subscriber, excluding a premium or a share of a premium, as defined by the terms of the respective health plan.

Effective on January 1, 2026.

Committee Substitute:

Proposed a substitute for SB 443, the following introduce modifications.

1. Terminology Adjustments

- Original: Used the term "cholesterol-lowering drugs."
- Substitute: Replaces this phrase with "medications used for the treatment of cholesterol disorder".

2. Exemptions for Certain Insurance Plans

- Original: Did not specify any exemptions.

- Substitute: Introduces exemptions to align with federal regulations, specifying that the bill does not apply to:
 - a. Excepted benefit plans as defined by the Short-Term Health Plan and Excepted Benefit Act.
 - b. Catastrophic health plans as defined under 42 U.S.C. Section 18022(e).
 - c. High-deductible health plans with health savings accounts (hsas), unless the deductible has been met or federal law allows a waiver.

3. Section Title Modifications

- Original: Titled sections as "Coverage for Cholesterol-Lowering Drugs."
- Substitute: Modifies these titles to "Coverage for Medications Used for the Treatment of Cholesterol Disorder".

FISCAL IMPLICATIONS

Over a 3-year period the cumulative estimated fiscal impact ranges between \$280,000 and \$8.3 million. The wide range of projections reflects uncertainties in drug utilization patterns, potential shifts to brand-name medications, and broader pharmaceutical market trends affecting cholesterol-lowering drugs.

For FY26, the estimated financial impact ranges from \$90,000 to \$2.5 million, reflecting the full absorption of member contributions for generic cholesterol-lowering drugs by NMPSIA. This estimate assumes that generic drugs continue to account for approximately 98% of total prescriptions within this drug category. However, if 25% of utilization shifts from generics to brand drugs, costs could increase toward the higher end of the estimate.

In FY27, projected costs rise to a range of \$190,000 to \$5.7 million, incorporating a 14% annual trend for allowed costs, which accounts for both drug cost increases and utilization growth. Additionally, cost estimates consider the potential for new brand drugs entering the market, as well as the expiration of brand exclusivity for some existing drugs, which may lead to the introduction of lower-cost generic alternatives.

This analysis does not account for potential off-label use of these medications for conditions other than high cholesterol. While the included drugs are primarily prescribed for cholesterol management, some prescriptions may serve other medical purposes, which could marginally impact cost projections. In addition, this analysis excludes other types of medications (e.g. calcium channel blockers, anti-platelet and/or anticoagulants) that may be used to treat other circulatory conditions (where cholesterol disorders are contributing factors) as those medications are not targeted to address cholesterol.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

In addition to direct cost implications, changes may necessitate targeted communication strategies to effectively inform members of this legislative change. The anticipated costs associated with notifying members via mailed letters are estimated at \$6,275, based on a contractual rate of \$1.75 per letter. These communication efforts will be helpful to ensure that affected individuals understand the changes in cost-sharing responsibilities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS