

**LFC Requester:****Julisa Rodriguez****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}*

**Date Prepared:** February 25, 2025 *Check all that apply:*  
**Bill Number:** SB 503 Original  Correction   
 Amendment  Substitute

**Sponsor:** Sen. Larry R. Scott **Agency Name and Code Number:** Regulation and Licensing Department - 420  
**Short Title:** Prohibits Certain Pharmacy Benefits Manager Practices **Person Writing:** Kevin Graham  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
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		

(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>	N/A	N/A	N/A	N/A		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: 2025 Senate Bill 62 (SB62).

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: Senate Bill 503 (SB 503)

SB 503 prohibits “patient steering” whereby a pharmacy benefits manager (PBM) directs patients to use a preferred pharmacy by mandating mail order requirements, use of a restricted network of PBM-approved pharmacies, or copay differentials.

SB 503 also prohibits “spread pricing” whereby a PBM reimburses a pharmacy less for a prescription than it bills an insurer or employer for reimbursement of the same.

Clerical or recordkeeping errors, such as typographical or computer mistakes, are not considered fraud or intentional misrepresentation on their own and shall not justify recoupment unless due to resultant overpayment or dispensing the wrong medication to the patient.

The effective date of the legislation is June 20, 2025.

### **FISCAL IMPLICATIONS**

There are no anticipated direct fiscal or operational impacts to the Regulation and Licensing Department (RLD) if SB 503 is enacted.

### **SIGNIFICANT ISSUES**

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

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

SB 503 relates to 2025 SB 62 – Pharmacy Benefits Manager Fees.

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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

### **AMENDMENTS**