

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 120

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO HEALTH; AMENDING SECTIONS OF THE HEALTH CARE
PURCHASING ACT AND NEW MEXICO INSURANCE CODE TO PERMANENTLY
ELIMINATE BEHAVIORAL HEALTH SERVICES COST SHARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 13-7-26 NMSA 1978 (being Laws 2021,
Chapter 136, Section 3) is amended to read:

"13-7-26. BEHAVIORAL HEALTH SERVICES--ELIMINATION OF COST
SHARING.--

A. [~~Until January 1, 2027~~] Group health coverage,
including any form of self-insurance, offered, issued or
renewed under the Health Care Purchasing Act that offers
coverage of behavioral health services shall not impose cost
sharing on those behavioral health services.

B. For the purposes of this section:

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underscored material = new
~~[bracketed material] = delete~~

1 (1) "behavioral health services" means
2 professional and ancillary services for the treatment,
3 habilitation, prevention and identification of mental
4 illnesses, substance abuse disorders and trauma spectrum
5 disorders, including inpatient, detoxification, residential
6 treatment and partial hospitalization, intensive outpatient
7 therapy, outpatient therapy, emergency department visits,
8 urgent care visits and all medications, including brand-name
9 pharmacy drugs when generics are unavailable;

10 (2) "coinsurance" means a cost-sharing method
11 that requires an enrollee to pay a stated percentage of medical
12 expenses after any deductible amount is paid; provided that
13 coinsurance rates may differ for different types of services
14 under the same group health plan;

15 (3) "copayment" means a cost-sharing method
16 that requires an enrollee to pay a fixed dollar amount when
17 health care services are received, with the plan administrator
18 paying the balance of the allowable amount; provided that there
19 may be different copayment requirements for different types of
20 services under the same group health plan; and

21 (4) "cost sharing" means a copayment,
22 coinsurance, deductible or any other form of financial
23 obligation of an enrollee other than a premium or a share of a
24 premium, or any combination of any of these financial
25 obligations, as defined by the terms of a group health plan.

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1 C. The provisions of this section do not apply to
2 excepted benefit plans as provided under the Short-Term Health
3 Plan and Excepted Benefit Act, catastrophic plans as defined
4 under 42 USCA Section 18022(e) or high-deductible health plans
5 with health savings accounts until an enrollee's deductible has
6 been met, unless otherwise permitted by federal law."

7 **SECTION 2.** Section 59A-22-57 NMSA 1978 (being Laws 2021,
8 Chapter 136, Section 6) is amended to read:

9 "59A-22-57. BEHAVIORAL HEALTH SERVICES--ELIMINATION OF
10 COST SHARING.--

11 A. [~~Until January 1, 2027~~] An individual or group
12 health insurance policy, health care plan or certificate of
13 health insurance that is delivered, issued for delivery or
14 renewed in this state that offers coverage of behavioral health
15 services shall not impose cost sharing on those behavioral
16 health services.

17 B. For the purposes of this section:

18 (1) "behavioral health services" means
19 professional and ancillary services for the treatment,
20 habilitation, prevention and identification of mental
21 illnesses, substance abuse disorders and trauma spectrum
22 disorders, including inpatient, detoxification, residential
23 treatment and partial hospitalization, intensive outpatient
24 therapy, outpatient therapy, emergency department visits,
25 urgent care visits and all medications, including brand-name

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1 pharmacy drugs when generics are unavailable;

2 (2) "coinsurance" means a cost-sharing method
3 that requires the insured to pay a stated percentage of medical
4 expenses after any deductible amount is paid; provided that
5 coinsurance rates may differ for different types of services
6 under the same individual or group health insurance policy,
7 health care plan or certificate of health insurance;

8 (3) "copayment" means a cost-sharing method
9 that requires the insured to pay a fixed dollar amount when
10 health care services are received, with the insurer paying the
11 balance of the allowable amount; provided that there may be
12 different copayment requirements for different types of
13 services under the same individual or group health insurance
14 policy, health care plan or certificate of health insurance;
15 and

16 (4) "cost sharing" means a copayment,
17 coinsurance, deductible or any other form of financial
18 obligation of the insured other than a premium or a share of a
19 premium, or any combination of any of these financial
20 obligations, as defined by the terms of an individual or group
21 health insurance policy, health care plan or certificate of
22 health insurance.

23 C. The provisions of this section do not apply to
24 excepted benefit plans as provided under the Short-Term Health
25 Plan and Excepted Benefit Act, catastrophic plans as defined

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1 under 42 USCA Section 18022(e) or high-deductible health plans
2 with health savings accounts until an insured's deductible has
3 been met, unless otherwise permitted by federal law."

4 SECTION 3. Section 59A-23-16 NMSA 1978 (being Laws 2021,
5 Chapter 136, Section 7) is amended to read:

6 "59A-23-16. BEHAVIORAL HEALTH SERVICES--ELIMINATION OF
7 COST SHARING.--

8 A. [~~Until January 1, 2027~~] A group or blanket
9 health insurance policy, health care plan or certificate of
10 health insurance that is delivered, issued for delivery or
11 renewed in this state that offers coverage of behavioral health
12 services shall not impose cost sharing on those behavioral
13 health services.

14 B. For the purposes of this section:

15 (1) "behavioral health services" means
16 professional and ancillary services for the treatment,
17 habilitation, prevention and identification of mental
18 illnesses, substance abuse disorders and trauma spectrum
19 disorders, including inpatient, detoxification, residential
20 treatment and partial hospitalization, intensive outpatient
21 therapy, outpatient therapy, emergency department visits,
22 urgent care visits and all medications, including brand-name
23 pharmacy drugs when generics are unavailable;

24 (2) "coinsurance" means a cost-sharing method
25 that requires a covered person to pay a stated percentage of

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1 medical expenses after any deductible amount is paid; provided
2 that coinsurance rates may differ for different types of
3 services under the same group or blanket health insurance
4 policy, health care plan or certificate of health insurance;

5 (3) "copayment" means a cost-sharing method
6 that requires a covered person to pay a fixed dollar amount
7 when health care services are received, with the insurer paying
8 the balance of the allowable amount; provided that there may be
9 different copayment requirements for different types of
10 services under the same group or blanket health insurance
11 policy, health care plan or certificate of health insurance;
12 and

13 (4) "cost sharing" means a copayment,
14 coinsurance, deductible or any other form of financial
15 obligation of a covered person other than a premium or a share
16 of a premium, or any combination of any of these financial
17 obligations, as defined by the terms of a group or blanket
18 health insurance policy, health care plan or certificate of
19 health insurance.

20 C. The provisions of this section do not apply to
21 excepted benefit plans as provided under the Short-Term Health
22 Plan and Excepted Benefit Act, catastrophic plans as defined
23 under 42 USCA Section 18022(e) or high-deductible health plans
24 with health savings accounts until a covered person's
25 deductible has been met, unless otherwise permitted by federal

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1 law."

2 SECTION 4. Section 59A-46-57 NMSA 1978 (being Laws 2021,
3 Chapter 136, Section 8) is amended to read:

4 "59A-46-57. BEHAVIORAL HEALTH SERVICES--ELIMINATION OF
5 COST SHARING.--

6 A. [~~Until January 1, 2027~~] An individual or group
7 health maintenance organization contract that is delivered,
8 issued for delivery or renewed in this state that offers
9 coverage of behavioral health services shall not impose cost
10 sharing on those behavioral health services.

11 B. For the purposes of this section:

12 (1) "behavioral health services" means
13 professional and ancillary services for the treatment,
14 habilitation, prevention and identification of mental
15 illnesses, substance abuse disorders and trauma spectrum
16 disorders, including inpatient, detoxification, residential
17 treatment and partial hospitalization, intensive outpatient
18 therapy, outpatient therapy, emergency department visits,
19 urgent care visits and all medications, including brand-name
20 pharmacy drugs when generics are unavailable;

21 (2) "coinsurance" means a cost-sharing method
22 that requires an enrollee to pay a stated percentage of medical
23 expenses after any deductible amount is paid; provided that
24 coinsurance rates may differ for different types of services
25 under the same individual or group health maintenance

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1 organization contract;

2 (3) "copayment" means a cost-sharing method
3 that requires an enrollee to pay a fixed dollar amount when
4 health care services are received, with the carrier paying the
5 balance of the allowable amount; provided that there may be
6 different copayment requirements for different types of
7 services under the same individual or group health maintenance
8 organization contract; and

9 (4) "cost sharing" means a copayment,
10 coinsurance, deductible or any other form of financial
11 obligation of an enrollee other than a premium or a share of a
12 premium, or any combination of any of these financial
13 obligations, as defined by the terms of an individual or group
14 health maintenance organization contract.

15 C. The provisions of this section do not apply to
16 excepted benefit plans as provided under the Short-Term Health
17 Plan and Excepted Benefit Act, catastrophic plans as defined
18 under 42 USCA Section 18022(e) or high-deductible health plans
19 with health savings accounts until an enrollee's deductible has
20 been met, unless otherwise permitted by federal law."

21 SECTION 5. Section 59A-47-51 NMSA 1978 (being Laws 2021,
22 Chapter 136, Section 9) is amended to read:

23 "59A-47-51. BEHAVIORAL HEALTH SERVICES--ELIMINATION OF
24 COST SHARING.--

25 A. [~~Until January 1, 2027~~] An individual or group

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1 health care plan that is delivered, issued for delivery or
 2 renewed in this state that offers coverage of behavioral health
 3 services shall not impose cost sharing on those behavioral
 4 health services.

5 B. For the purposes of this section:

6 (1) "behavioral health services" means
 7 professional and ancillary services for the treatment,
 8 habilitation, prevention and identification of mental
 9 illnesses, substance abuse disorders and trauma spectrum
 10 disorders, including inpatient, detoxification, residential
 11 treatment and partial hospitalization, intensive outpatient
 12 therapy, outpatient therapy, emergency department visits,
 13 urgent care visits and all medications, including brand-name
 14 pharmacy drugs when generics are unavailable;

15 (2) "coinsurance" means a cost-sharing method
 16 that requires a subscriber to pay a stated percentage of
 17 medical expenses after any deductible amount is paid; provided
 18 that coinsurance rates may differ for different types of
 19 services under the same individual or group health care plan;

20 (3) "copayment" means a cost-sharing method
 21 that requires a subscriber to pay a fixed dollar amount when
 22 health care services are received, with the health care plan
 23 paying the balance of the allowable amount; provided that there
 24 may be different copayment requirements for different types of
 25 services under the same individual or group health care plan;

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underscored material = new
 [bracketed material] = delete

1 and

2 (4) "cost sharing" means a copayment,
3 coinsurance, deductible or any other form of financial
4 obligation of a subscriber other than a premium or a share of a
5 premium, or any combination of any of these financial
6 obligations, as defined by the terms of an individual or group
7 health care plan.

8 C. The provisions of this section do not apply to
9 excepted benefit plans as provided under the Short-Term Health
10 Plan and Excepted Benefit Act, catastrophic plans as defined
11 under 42 USCA Section 18022(e) or high-deductible health plans
12 with health savings accounts until a subscriber's deductible
13 has been met, unless otherwise permitted by federal law."

14 SECTION 6. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is January 1, 2026.