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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 38

SHORT TITLE: Wheelchair Insurance Coverage

SPONSOR: Cates

LAST UPDATE: _____ **ORIGINAL DATE:** 1/29/2026 **ANALYST:** Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Medicaid		\$103.3	\$103.3	\$206.6	Recurring	General Fund
Medicaid		\$258.8	\$258.8	\$517.6	Recurring	Medicaid Federal Funds
Medicaid Admin		\$12.2	\$12.2	\$24.4	Recurring	General Fund, Federal Funds
State Health Benefits (Member+State)		\$39.0	\$84.4	\$123.4	Recurring	SHB (Member+State)
TOTAL		\$413.3	\$458.7	\$872.0	Recurring	Multiple

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Aging and Long-Term Services Department

Developmental Disabilities Council

Governor's Commission on Disability

Health Care Authority

Office of Superintendent of Insurance

SUMMARY

Synopsis of House Bill 38

House Bill 38 (HB38) amends the Health Care Purchasing Act to require health insurance carriers to cover wheelchairs and activity chairs if the item is for a permanent physical condition including limb loss, paralysis, or conditions that significantly limit a person's ability to independently and safely engage in necessary physical activity.

“Activity chair” is defined as a device designed specifically to enable a person with mobility

impairment to participate in physical activities by providing better speed, safety, stability, maneuverability, and balance than a standard wheelchair designed for activities of daily living.

HB38 describes conditions under which wheelchairs and activity chairs should be replaced. The bill also narrows insurers mandated coverage for all these devices by limiting the prohibition or denials to “a person with documented permanent physical conditions” and then lists examples of conditions presumptively considered to qualify as permanent physical conditions.

The effective date of this bill is January 1, 2027.

FISCAL IMPLICATIONS

The Health Care Authority (HCA) reports the bill would have fiscal implications for both the Medicaid program and the State Health Benefits program. HCA estimates to fund the additional wheelchair and activity chair benefit it would cost the Medicaid program a total of \$748.6 thousand in state and federal funds, and \$123.4 thousand for the State Health Benefits program in both member and state costs.

SIGNIFICANT ISSUES

The Health Care Authority notes the bill does not amend Chapter 27 which pertains to Medicaid, so it is unclear if the bill is intended to apply to Medicaid. Coverage of wheelchairs, seating systems, prosthetic devices, and custom orthotics are part of an existing benefit described in NMAC 8.324.5. Currently, Medicaid covers one wheelchair and activity chair every three years unless there is a change in medical necessity.

ADMINISTRATIVE IMPLICATIONS

Carriers may need to expand contracts with DME suppliers and specialty providers.

TECHNICAL ISSUES

The Office of Superintendent of Insurance (OSI) suggests the following:

Specify a dollar amount for cost containment and operational purposes. For example, “for the full cost of one activity chair per member up to five thousand dollars (\$5,000) no more than frequently than every thirty-six months.”

Insert a comma, after wheelchair or change language to read “a wheelchair and activity chair” to clarify that members are subject to more than one device.

Update the definition of “activity chair” to “mean a device that is used to support physical activity to maintaining or improving whole body health and designed specifically to enable a person with mobility impairment to participate in physical activities by providing better speed, safety, stability, maneuverability and balance than a standard wheelchair that is designed for activities of daily living.”