



**Presentation to the New Mexico Legislative  
Health and Human Services Interim Committee  
November 6, 2025**

## **Implementation Updates on Life and Health Recent Laws**

**NEW MEXICO** | OFFICE OF  
SUPERINTENDENT  
OF INSURANCE

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# Summary of Presentation

- **Rate Review**
- **Health Insurance Mental Health Coverage**
- **Prior Authorization Act**
- **Drug Price Transparency Act**



# 2026 Rate Review

- Rates for the 2026 individual Qualified Health Plans increased both in New Mexico and nationwide. In the individual market in New Mexico, the average rate increase was 35.7%, due to:
  - Carriers saw higher-than-expected claims in 2024, which raised projected costs for 2025;
  - Ongoing rise in medical and pharmaceutical costs continues to push premiums upward;
  - Medicaid redeterminations moving many people from Medicaid into commercial coverage, which tends to be more expensive;
  - Overall sicker population with more complex health needs; and
  - Adverse selection—when healthier individuals leave the market—creates a risk pool that’s older and more costly.
- In the small group market, the average rate increase was 16.8%, due to:
  - Higher than expected 2024 claims experienced by some health insurers, which the 2026 rates are based on;
  - Increased use of medical services; and
  - Increased pharmaceutical drug costs.

# Mental Health Coverage: Issues and Interventions

## OSI pioneered new audit process:

- Carriers faced initial challenges with analytic systems to extract data in the format required by the OSI templates
  - OSI improved data quality through revised templates, updated guidance, and detailed instructions
  - OSI purchased analytical software to process large volumes of data in-house, improving audit capacity and reducing costs

## OSI compliance reviews:

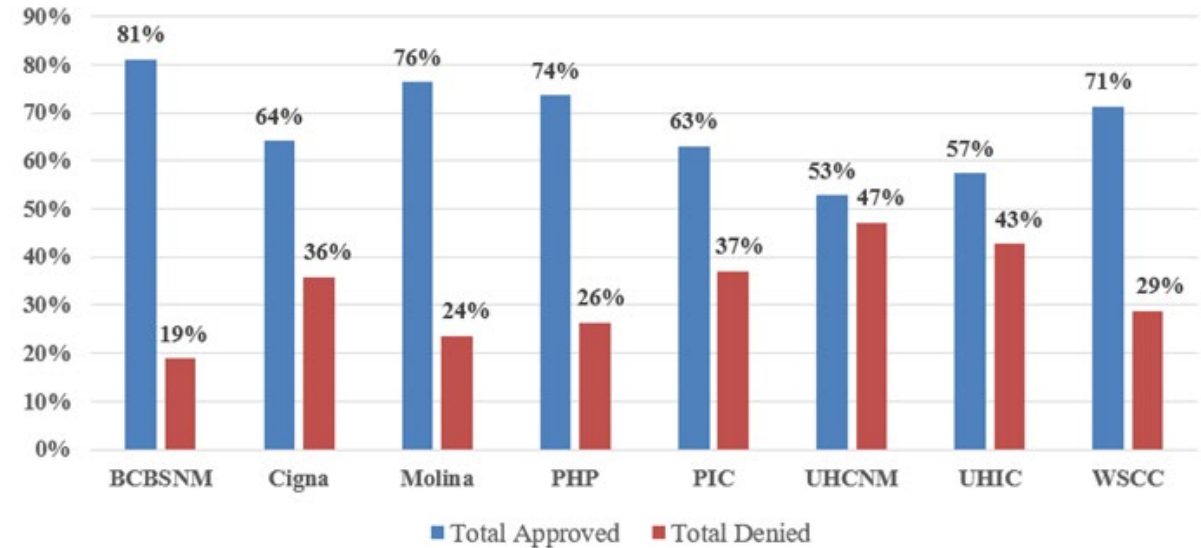
- OSI found 537 compliance issues and made 131 material objections:
  - Six carriers initiated voluntary self-corrections by raising provider reimbursement amounts
  - 100+ claims reprocessed totaling over \$6000 in provider reimbursements
- QHP reviews resulted in BH parity language changes in member handbooks for consumer transparency
- Four insurer Corrective Action Plans are being considered by OSI encompassing 14 different BH parity areas

# Mental Health Parity Top 10 Concerns

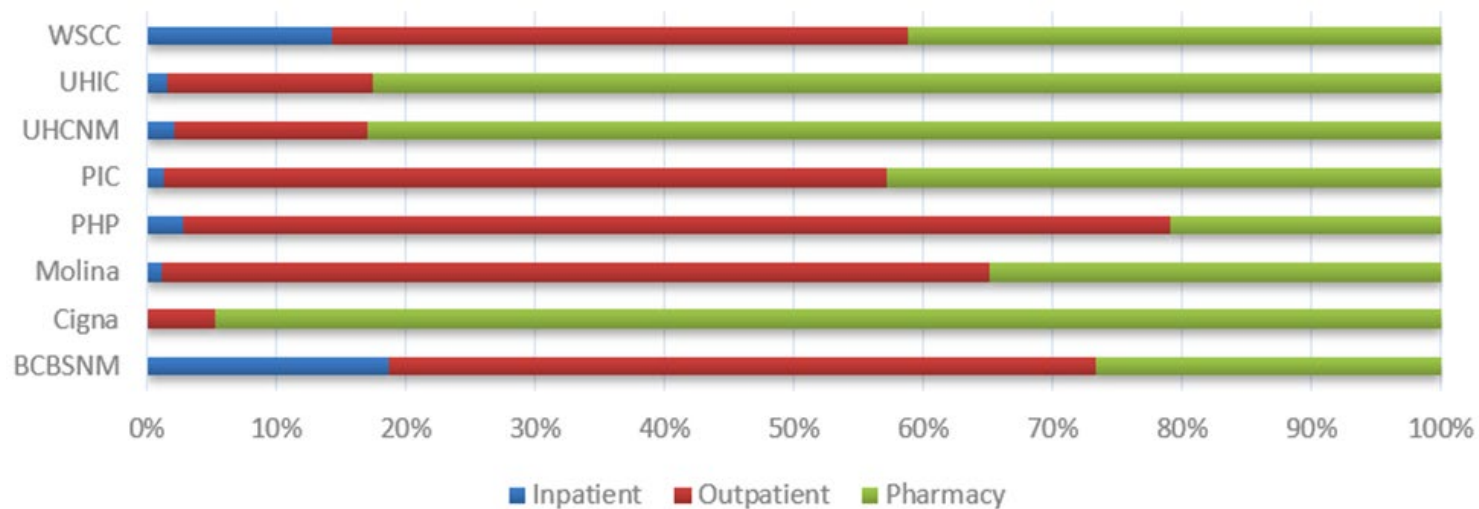
#	Issue Type	Description of MH/SUD Parity Issue	# of insurers with the issue
1	Incorrect submissions	Incorrect or incomplete submissions, especially with regards to data	All 7 insurers
2	Medical Claim Denials	Denials, such as for non-covered services and provider issues, at a higher frequency for MH/SUD benefits than for Med/Surg benefits	4 insurers
3	Medical Claim Denials	Higher denial rate overall for MH/SUD medical claims than for Med/Surg claims	3 insurers
4	Pharmacy Claim Denials	Higher denial rate overall for MH/SUD pharmacy claims than for Med/Surg claims	2 insurers
5	Provider Reimbursement	OSI observed disparities in reimbursement rates for MH/SUD services compared to Med/Surg services	5 insurers
6	Prior-Authorization	Data analytics showing higher denial rate for PA for MH/SUD benefits than for Med/Surg benefits	2 insurers
7	Provider Reimbursement	Insurer rates did not demonstrate sufficient comparability analysis of reimbursement rates with surrounding states or rates between MH/SUD providers and Med/Surg providers	4 insurers
8	OON Utilization	MH/SUD claims had a higher utilization for Out-of-Network (OON) claims than for Med/Surg OON claims	5 insurers
9	OON Denials	MH/SUD claims had a higher denial rate for Out-of-Network (OON) claims than for Med/Surg OON claims	All 7 insurers
10	Methadone Denials	Methadone for Opioid Use Disorder not previously covered for fully insured plans, currently being updated to add Opioid Treatment Program (for dispensing of methadone) to the plan designs	2 insurers

# 2023 Prior Authorizations (PA) Key Findings and Enforcement

Approval and Denial Rates by Insurer  
Calendar Year 2023



Prior Authorizations by Type of Service  
Calendar Year 2023



## PA Key Findings and Enforcement (Continued)

- Most insurers met timeliness standards for standard medical and pharmacy requests.
- Molina, BCBSNM, PHP, and PIC exceeded 95% compliance for standard (non-urgent) requests.
- Urgent request compliance varied significantly across carriers:
  - WSCC had the lowest urgent medical compliance (58.5%), followed by UHIC (77.4%);
  - BCBSNM (92.2%) and PHP (95.5%) maintained strong urgent case performance.
- Cigna was a notable outlier in pharmacy PA, with low compliance for both standard (69.9%) and urgent (63.5%).
- Timely PA decisions are critical to ensuring patients do not face unnecessary delays in accessing medically necessary care.
- Eight enforcement letters were issued to all carriers for failure to meet PA statutory timeframes.

# **PRESCRIPTION DRUG PRICE TRANSPARENCY ACT IMPLEMENTATION UPDATE**

- Rising prescription costs impact affordability and accessibility;
- Lack of visibility into pricing contributes to disparities in healthcare costs; and
- HB33 (2024) is part of a national trend toward addressing pharmaceutical pricing challenges.

## **Prescription Drug Transparency in 2025**

- OSI published a guidance document in January 2025.
- An electronic reporting tool was built and made available to reporting entities on the OSI website.
- Data was collected from Manufacturers, Wholesalers, Pharmacy Benefit Managers, Pharmacy Service Administration Organizations, and Health Insurance Carriers.
- Legislative findings report being prepared for statutory deadline of January 1, 2026.



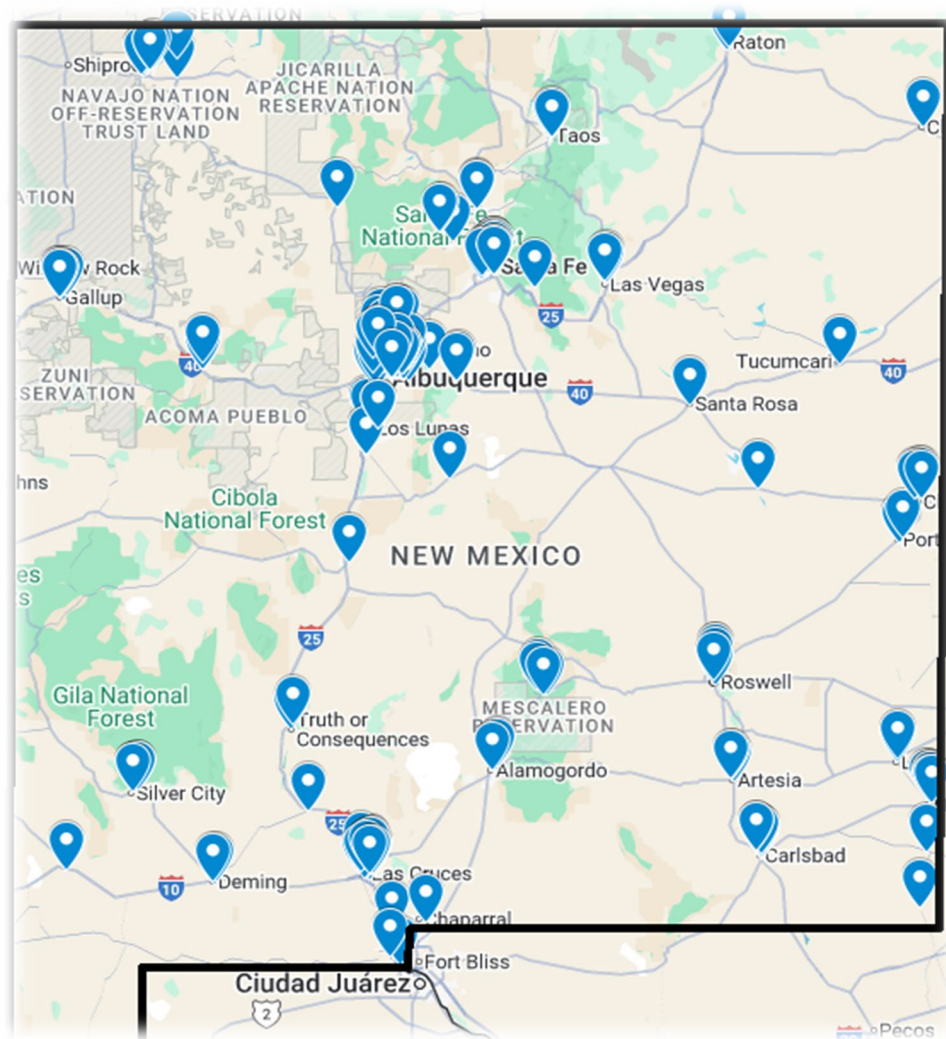
## **Prescription Drug Price Transparency, Potential issues to address in the future:**

- Manufacturers are not licensed by or registered with OSI;
- Many manufacturers wanted to be excluded from reporting requirements citing "trade secrets";
- Manufacturer means an entity licensed to manufacture or distribute prescription drugs pursuant to the Pharmacy Act;
- Data reported by PBM's is so general it removes the ability to draw meaningful conclusions about drug costs as they move through the supply chain; and
- Geographic and demographic data related to prescription drug costs difficult for rural counties.

## **The Future of Prescription Drug Transparency:**

- Electronic reporting of price increases within 1 day of change (currently a manual process);
- Outreach to licensed entities and more manufacturers as third-party validation tools are made available to OSI; and
- Validation of reported data via third-party tools.

## Pharmacies throughout the State



## A Preview of the Legislative Report:

- 92 unique manufacturers reported data. 107 entities registered as a manufacturer in New Mexico.
- Multiple insurers reported GLP-1's: Wegovy, Mounjaro, Ozempic, & Trulicity among the 25 most costly and highest increase in total spending:
  - Among the 4 GLP-1's reported only Ozempic appeared to have appeared on the 25 most frequently prescribed drugs;
  - 3 of the 4 drugs are not approved for weight loss, and Wegovy is by far the least reported drug on the top 25 lists; and
  - None of these 4 drugs were reported by manufacturers for price increases.

# Questions