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FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/22

SPONSOR Hickey LAST UPDATED _____ HB _____

SHORT TITLE Behavioral Health Parity Legislation Impact SB 33/ec

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Recipient	Appropriation	Recurring or Nonrecurring	Fund Affected
	FY22-FY23		
Human Services Department	\$150.0	Nonrecurring	General Fund
Office of the Superintendent of Insurance	\$150.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22-FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Estimated deficiency in OSI funding	\$50.0			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to 2021 Senate Bill 319

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the Superintendent of Insurance (OSI)
 Public Schools Insurance Authority (PSIA)
 Retiree Health Care Authority (RHCA)
 General Services Department (GSD)
 Human Services Department (HSD)
 Albuquerque Public Schools (APS)

SUMMARY

Synopsis of Bill

Senate Bill 33, “Behavioral Health Parity Legislation Impact” appropriates \$150 thousand from the general fund to the Human Services Department and \$150 thousand from the general fund to the Office of the Superintendent of Insurance for the purpose of each agency conducting a study of the effect of state law congruent with federal legislation (mental health parity and addiction equity), including 2021 Senate Bill 317, No Behavioral Health Cost Sharing, and its impact on the availability of services covered by regulated insurers and Medicaid and rates of compensation paid to behavioral health providers.

The funds are to be expended by each agency in FY22 and FY23 for these purposes.

This bill contains an emergency clause and would become effective immediately upon signature by the governor.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2023 shall revert to the general fund.

OSI indicates it would be required to hire a consultant to perform its part of the study, at a cost of \$200 thousand rather than the \$150 thousand appropriated to it. DHS indicates that the appropriation will be sufficient to cover its costs for the study, providing that it will be able to access its 1:1 federal match.

SIGNIFICANT ISSUES

In 2021, Senate Bill 317 added new sections to the Health Care Purchasing Act and to the Insurance Code to prohibit the imposition of cost-sharing by health insurers on behavioral health services covered by an individual or group health insurance policy, health care plan, or certificate of health insurance.

The bill defined “behavioral health services” to include inpatient hospitalizations, partial hospitalizations, residential treatment, detoxification, treatment of substance use disorder, intensive outpatient therapy, outpatient treatment and all medications; essentially, the full array of behavioral health services currently delivered in the health system. The bill defined cost sharing as deductibles, coinsurance, and copayments.

New Mexico has experienced considerable volatility in behavioral health services over the past several years; the need, as indicated by substance abuse deaths and Covid-19-related anxiety and depression, have never been higher, and the availability of services has rarely met the need. Although eliminating cost-sharing cannot solve the deficit in health care providers available, it can help to lessen the unwillingness of New Mexicans suffering from behavioral health disorders to access available services.

RELATIONSHIP

Relates to Senate Bill 33 (2021), the effects of which would be studied using the appropriations contained in this bill.

TECHNICAL ISSUES

OSI notes, “The bill does not have a deadline for completion of the study. The bill does not require either agency to issue a report on the findings of their respective studies,” and also suggests “that the bill also require the agencies to include in the study how compliance with a state mental health statute is measured, and the costs involved in measuring and enforcing compliance.”

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