

<b>LFC Requester:</b>	<b>Ismael Torres</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

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*{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}*

Check all that apply:  
**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** 1/17/2024  
**Bill No:** SB25

**Sponsor:** Mark Moores  
**Short Title:** GRT Deductions for FFS and Individual Payments

**Agency Name and Code**    HSD-630  
**Number:** \_\_\_\_\_  
**Person Writing**    Annabelle Martinez  
**Phone:** 505-690-2439    **Email** Annabellem.martinez

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$0	\$0	N/A	N/A
\$0	\$0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
\$0	\$0	\$0	N/A	N/A
\$0	\$0	\$0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0	\$0	\$0	\$0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Not known  
Duplicates/Relates to Appropriation in the General Appropriation Act: Not known

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: Senate Bill 25 (SB25) amends Section 7-9-93 to allow fee-for-service (FFS) payments by a health care insurer and payments received from individual for necessary medical services by health care practitioners to be deducted from the gross receipts tax (GRT). SB25 also amends the definition of fee-for-service payment to mean payment by a health care insurer to a health care practitioner for each health care service performed.

Licensed health care practitioners who can take this deduction are listed on Section 1(G)(6) as chiropractic physician, dentist or dental hygienist, doctor of oriental medicine, optometrist, osteopathic physician, physical therapist, physician or physician assistant, podiatric physician, psychologist, registered midwife, registered nurse or nurse practitioner, respiratory care practitioner, speech-language pathologist or audiologist, professional clinical mental health counselor, marriage and family therapist, or professional art therapist, independent social worker, and clinical laboratory that is accredited pursuant to 42 USC Section 263a, but not in a physician’s office or in a hospital.

The Secretary of Taxation and Revenue Department (TRD) would be required to compile an annual report of this deduction and present to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deduction.

The effective date of SB25 would be July 1,2024.

**FISCAL IMPLICATIONS**

SB24 would not have a fiscal impact to the New Mexico Medicaid program. Medicaid fee-for-service payments are limited to health care insurer which is defined as a person that has a valid certificate of authority in good standing pursuant to the New Mexico Insurance Code to act as an insurer, health maintenance organization or nonprofit health care plan or prepaid dental plan and reimburses licensed health care practitioners for providing basic health services to enrollees (Section 1(G)(5). As for payment made by individual, Medicaid payment is a payment in full under fee-for-service per federal regulations; New Mexico Medicaid enrollees do not pay health care practitioners for services rendered to them.

**SIGNIFICANT ISSUES**

None

**PERFORMANCE IMPLICATIONS**

Tax deductions for health care providers can be important for attracting and retaining providers to New Mexico, resulting in potential improvements to access to care.

**ADMINISTRATIVE IMPLICATIONS**

None

No IT impact.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

**TECHNICAL ISSUES**

None

**OTHER SUBSTANTIVE ISSUES**

None

**ALTERNATIVES**

None

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

Status quo

**AMENDMENTS**

None