

LFC Requester:

RubyAnn Esqibel

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov) and email to billanalysis@dfa.nm.gov*****(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}***Date Prepared:** 1/23/25*Check all that apply:***Bill Number:** HB95Original ☐ Correction ☐Amendment ☐ Substitute ☐**Agency Name****and Code**HCA 630**Number:****Sponsor:** Rep. Pamela Herndon**Short** Coverage for Fertility**Title:** Preservation Services**Person Writing** Kresta Opperman**Phone:** (505)231-**Email** Kresta.opperman@hca**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	\$300.0	\$6,403.8	\$12,758.8	\$19,462.6	Recurring	General Fund (Medicaid Program)
	\$300.0	\$24,815.5	\$49,582.4	\$74,697.9	Recurring	Federal Funds (Medicaid Program)
	\$0.0	Range \$97.5 to \$325.0	Range \$195.0 to \$650.0	Range \$292.5 to \$975.0	Recurring	General Fund (Employer share of State Employee Health Benefit premiums)
	\$0.0	Range \$67.5 to \$225.0	Range \$135.0 to \$450.0	Range \$202.5 to \$675.0	Recurring	Cost to State Employees (Employee share of State Employee Health Benefit premiums)
		RANGE:	RANGE:	RANGE:		
Low	\$600.0	\$31,384.3	\$62,671.3	\$94,655.6	Recurring	TOTAL (Low)
High	\$600.0	\$31,769.3	\$63,441.3	\$95,810.6		TOTAL (High)

(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: House Bill 95 (HB 95) would enact new sections of the **Public Assistance Act**, Health Care Purchasing Act and the New Mexico Insurance Code to require fertility preservation services for enrollees whose disease or medically necessary disease treatment, as determined by the enrollee's health care provider, may lead to infertility. These new sections would be effective January 1, 2026. HB95 does not include an appropriation to pay for the cost of these new benefits.

HB 95 substitute adds the definition "**iatrogenic infertility**" means an impairment of fertility caused directly or indirectly by surgery, chemotherapy, radiation or other medical treatment.

HB 95a adds **Section 1 A-D Public Assistance Act**,

HB 95 substitute Section 1-6 changes, B. Group health coverage, including any form of self-insurance, that is offered, issued or renewed under the Health Care Purchasing Act shall ~~provide~~ **include** coverage for **medically necessary expenses** for fertility preservation services ~~or enrollees whose disease or medically necessary disease treatment, may lead to infertility~~ when treatment may directly or indirectly cause iatrogenic infertility as determined by the insured's ~~enrollee's~~ health care provider.

HB95 substitute in Section 1-6 adds C. **Group health coverage, including any form of self-insurance, that is offered, issued or renewed under the Health Care Purchasing Act shall not establish a separate deductible for fertility-related services or any other separate cost-sharing requirement, except that a plan may require cost sharing in amounts that are similar to and do not exceed those required by the plan for comparable medical services.**

FISCAL IMPLICATIONS

HB 95 substitute does not change the previous analysis

Medicaid Fiscal Implications

Medicaid Programmatic Impact: The total computable cost of fertility preservation services that would be required under HB 95 would be \$62,244.0 thousands based on a population sample of 1,375 individuals. HB 95 would cost \$49,533.8 thousands in federal funds and \$12,710.1 thousands in state funds. This estimate reflects a blended federal match percentage of 79.6%, reflecting 421 individuals receiving a 90% match and 954 individuals receiving 71.66% match. The impact in FY26 is half a year.

Medicaid System Impact: The total computable cost to establish a new service type in the provider enrollment system would be \$500.0 thousands. It would also require configuration in the claims system at the cost of \$100.0 thousands.

FY27 Medicaid Total Annual Fiscal Impact (program and administrative costs): \$62,341.3 thousands total computable; \$49,582.4 thousands federal funds; \$12,758.8 thousands state funds. (SHB costs are not included in this Medicaid only cost)

State Health Benefits Fiscal Implications

Initial estimates of the fiscal impact on State Employee Health Benefits (SHB) are between \$10,000 to \$20,000 per service (depending on whether freezing eggs, embryos or ovarian tissue) plus \$300 to \$600 a year for storage costs, based on data from the [Alliance for Fertility Preservation](#). Typically, fertility preservation is used when there is a cancer diagnosis, and not all women choose to undergo the procedure.

The annual cost impact is estimated to be between \$300,000 and \$1,000,000 depending on the prevalence of cancer and other conditions and treatments that may result in infertility and the level of interest in members to undergo the preservation procedure. If these costs are absorbed by the plan, they will result in premium increases or will increase the SHB Fund deficit.

Premium increases impact both state contributions and employee contributions. The annual

premium impact on the state is projected to be between \$195.0 thousands and \$650.0 thousands and the impact on employees is projected to be between \$135,000 and \$450.0 thousands. In FY26, the fiscal impact will be half as much because the Act does not go into effect until the second half of the fiscal year. The maximum premium impact based on these projections would be 0.23% over FY25 premiums.

SIGNIFICANT ISSUES

Medicaid Significant Issues

The agency requires an appropriation to cover the cost of the benefit.

As currently written, HB95 does not specify or identify specific populations which are likely to receive fertility preservation services, making it difficult to properly determine fiscal impact. The cost of fertility preservation can vary widely depending on the type of preservation and the location. Cost estimates were based on an overview from the Alliance for Fertility Preservation.

State Health Benefits Significant Issues

Expanding mandated coverage would increase insurance premium costs for employers and patients. The legislation does not specify funding mechanisms or address potential financial impacts on state-funded health programs. The legislation presumes the availability of medical providers and facilities equipped to offer fertility preservation services. Any gaps in provider availability could hinder access, particularly in rural areas. The bill does not explicitly address:

- a. Whether there are limitations on storage durations for cryopreserved materials.
- b. The scope of diseases or treatments covered (e.g., whether this applies beyond cancer treatments).
- c. The extent of cost-sharing responsibilities for patients.

PERFORMANCE IMPLICATIONS

See Significant Issues and Administrative Implications

ADMINISTRATIVE IMPLICATIONS

Medicaid Administrative Implications

The implementation of fertility preservation services would require federal approval of the Medicaid State Plan to receive federal match, NMAC revisions, Managed Care Letter of Direction and/or changes to contracts, establishing a new provider type, moderate level of claims processing system edits and development of ongoing monitoring/quality assurance procedures.

Medicaid would need to obtain federal authority to draw down the federal match. If this authority is not received Medicaid would be required to pay 100% out of state general fund.

The implementation of fertility preservation services would require one full-time HCA/MAD employee and claims processing system edits. One (1) Full Time Employee (FTE) will be needed to implement, monitor and enforce HB95. One (1) FTE at pay-band 70 would cost \$97.3 thousands: this includes \$48.7 thousands in state funds and \$48.6 thousands in federal funds. HB95 claims processing system edits would cost \$600.0 thousands: this includes \$300.0 thousands in state funds and \$300.0 thousands in federal funds.

State Health Benefits Administrative Implications

SHB would need to factor the cost of the new benefit into state employee health premiums and implement the required increase.

SHB's health plan administrators would need to update coverage policies and billing processes to accommodate the new requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 95 makes no apparent consideration in language or costs for the other side of fertility treatment, the IVF and associated processes to complete propagation. Consideration might also be necessary for alternative disposal of oocytes and possible associated rule making and litigation.

TECHNICAL ISSUES

Medicaid Technical Issues

As currently written, HB95 does not specify populations which are likely to receive fertility preservation services. Based on the current broad language in the bill, the fertility preservation services would cover 706,322 distinct Medicaid/CHIP individuals. HCA-MAD analysts considered a more focused population count of 1,375 individuals, applying the following selection criteria: age restriction 12 to 50 years of age; selected diagnosis codes; gender and categories of eligibility. The population sample includes 1,068 females and 307 males. Based on data from Alliance for Fertility Preservation, the average cost of fertility preservation services for females is \$80,000 for 4 cycles. The average cost of fertility preservation for males is \$12,000.

State Health Benefits Technical Issues

In HB 95 in SECTION 4. A new section of the Health Maintenance Organization Law is enacted to read:

B. An individual or group health maintenance organization contract that is offered, issued for delivery or renewed in this state shall provide coverage for fertility preservation services for eligible enrollees whose **disease or medically necessary disease treatment, as determined by the eligible enrollee's health care provider, may lead to infertility.**

HCA recommends including specific coverage and limitations in the same manner as other states. This would assist with cost analysis projections, budget projections and help with monitoring following implementation if HB 95 is enacted.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

HCA recommends including specific coverage criteria and benefit limitations in the same manner as other states implementing Medicaid covered fertility preservation services. This specificity would assist with cost analysis projections, budget projections, implementation and monitoring of fertility preservation services if HB 95 is enacted.

An effective date of July 1, 2026, is recommended to allow for thorough implementation, including State Plan Amendment approval timelines, and alignment with fiscal year budget cycles.

The agency requires an appropriation to cover the cost of the benefit.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

Referred to the COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE.