

<b>LFC Requester:</b>	<b>Ruby Ann Esquivel</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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

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**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** February 21, 2025      *Check all that apply:*  
**Bill Number:** HB 527                  Original         Correction     \_\_\_  
    Amendment    \_\_\_    Substitute     \_\_\_

<b>Sponsor:</b> <u>Cristina Parajon</u>	<b>Agency Name and Code</b>	Regulation and Licensing Department – 420
<b>Short Title:</b> <u>Insurance Coverage for Medical Cannabis Costs</u>	<b>Number:</b>	
	<b>Person Writing</b>	<u>Bradford Borman</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	General fund

*(Parenthesis ( ) indicate expenditure decreases)*

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	General Fund

*(Parenthesis ( ) indicate revenue decreases)*

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	N/A	N/a	N/A	N/A	General Fund

*(Parenthesis ( ) Indicate Expenditure Decreases)*

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY** House Bill 527 (HB 527):

Section 1 creates a new section of the Health Care Purchasing Act, Chapter 13, Article 7 of the New Mexico Statutes Annotated, which adds a number of new definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 2 creates a new section of the Public Assistance Act, Chapter 27, Article 2 of the New Mexico Statutes Annotated, which adds a number of new definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 2 also requires medical assistance coverage provided pursuant to the Public Assistance Act to provide coverage for an adequate supply of medical cannabis that is consistent with the coverage provided for medication that would otherwise be prescribed in accordance with generally accepted standards to treat the eligible enrollee's debilitating medical condition. Medical assistance coverage is also required to provide reimbursement to eligible enrollees or direct payment to a cannabis retailer in accordance with processes established by the department of health.

Section 3 creates a new section of Chapter 59A, Article 22 that adds a number of definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 3 also states that an individual or group health insurance policy, health care plan or certificate of health insurance shall provide coverage for medical cannabis consistent with generally accepted standards and an adequate supply, provided that the insured is a qualified patient and obtains cannabis from a retailer approved by the insurer. An insurer is required to provide reimbursement to an eligible insured who submits a claim consistent with the insurer's plan and the Department of Health's rules, or direct payment to an authorized cannabis retailer after submission of a claim consistent with the insurer's plan and the Department of Health's rules.

Section 4 creates a new section of Chapter 59A, Article 23 that adds a number of definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 4 also states that a group or blanket health insurance policy or contract shall provide coverage for medical cannabis consistent with generally accepted standards and an adequate supply, provided that the insured is a qualified patient and obtains cannabis from a retailer approved by the insurer. An insurer is required to provide reimbursement to an eligible insured who submits a claim consistent with the insurer's plan and the Department of Health's rules, or direct payment to an authorized cannabis retailer after submission of a claim consistent with the insurer's plan and the Department of Health's rules.

Section 5 creates a new section of the Health Maintenance Organization Law, Chapter 59A, Article 46, that adds a number of definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 5 also states that an individual or group health maintenance organization contract that is delivered, issued for delivery or renewed in this state shall provide coverage for medical cannabis consistent with generally accepted standards and an adequate supply, provided that the insured is a qualified patient and obtains cannabis from a retailer approved by the insurer. An insurer is required to provide reimbursement to an eligible insured who submits a claim consistent with the insurer's plan and the Department of Health's rules, or direct payment to an authorized cannabis retailer after submission of a claim consistent with the insurer's plan and the Department of Health's rules.

Section 6 creates a new section of the Nonprofit Health Care Plan Law, Chapter 59A, Article 46 that adds a number of definitions, including definitions for adequate supply, cannabis, cannabis extract, cannabis product, cannabis retailer, coinsurance, copayment, cost sharing, debilitating medical condition, generally accepted standards, medical cannabis, and qualified patient.

Section 6 also states that an individual or group health care plan shall provide coverage for medical cannabis consistent with generally accepted standards and an adequate supply, provided that the insured is a qualified patient and obtains cannabis from a retailer approved by the insurer. An insurer is required to provide reimbursement to an eligible insured who submits a claim consistent with the insurer's plan and the Department of Health's rules, or direct payment to an authorized cannabis retailer after submission of a claim consistent with the insurer's plan and the Department of Health's rules.

#### **FISCAL IMPLICATIONS**

There are no anticipated direct fiscal or operational impacts to the Regulation and Licensing Department if HB 527 is enacted.

#### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The definitions set forth in this bill should be consistent with the definitions set forth in the Cannabis Regulation Act, NMSA 1978, section 26-2C-2.

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

There will be no requirement in New Mexico for insurance plans or other medical coverage to cover the costs of medical cannabis.

#### **AMENDMENTS**