

1 SENATE BILL 297

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Nicole Tobiassen and Jay C. Block and Katy M. Duhigg
5 and Linda M. López
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10 AN ACT

11 RELATING TO HEALTH CARE; REQUIRING THE HEALTH CARE AUTHORITY TO
12 CONDUCT REGIONAL COMMERCIAL INSURANCE MARKET ASSESSMENTS;
13 REQUIRING INCREASED MEDICAID REIMBURSEMENT FOR HEALTH CARE
14 SERVICES.
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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. A new section of the Public Assistance Act is
18 enacted to read:

19 "[NEW MATERIAL] MARKET ASSESSMENTS REQUIRED.--

20 A. By July 1, 2026 and every two years thereafter,
21 the authority shall conduct a market assessment to determine
22 the regional average commercial insurance reimbursement rate
23 for all health care services provided in Arizona, Colorado,
24 Utah, Oklahoma and Texas that are covered by the New Mexico
25 medicaid program.

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1 B. The medicaid reimbursement rate for all health
2 care services that are covered by the New Mexico medicaid
3 program shall be the greater of:

4 (1) two hundred percent of the medicare
5 reimbursement rate for the equivalent service; or

6 (2) the regional average commercial insurance
7 reimbursement rate for the service.

8 C. Using the medicaid reimbursement rate for each
9 health care service as of July 1, 2024 as a baseline for
10 comparison, all health care entities that receive increases in
11 medicaid reimbursement pursuant to this section shall ensure
12 that at least seventy-five percent of the increase in
13 reimbursement revenue is used to:

14 (1) provide increased compensation to health
15 care workers and other employees who interact directly with
16 patients; or

17 (2) hire additional health care workers and
18 other employees who interact directly with patients.

19 D. For the purposes of this section:

20 (1) "health care entity" means an entity,
21 other than an individual, that is licensed to provide any form
22 of health care in the state, including a hospital, clinic,
23 hospice agency, home health agency, long-term care agency,
24 pharmacy, group medical practice, medical home or any similar
25 entity;

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(2) "medicaid" means the federal-state program administered by the authority pursuant to Title 19 or Title 21 of the federal Social Security Act; and

(3) "medicare" means coverage provided pursuant to part A or part B of Title 18 of the federal Social Security Act, as amended."