

LFC Requester:

Eric Chenier

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/26 **Bill Number:** H137 **Original**  **Amendment**  **Substitute**

**Short Title:** STOCKING OF CERTAIN DRUGS IN PHARMACIES

**Sponsor:** Rep Liz Thompson.

**Name and Code Number:** HCA 630

**Person Writing:** Keenan Ryan

**Phone:** 505-396-0223 **Email:** Keenan.Ryan@hca.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$1,500.0	Recurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0	\$1,500.0	\$1,500.0	Recurring	General Fund

(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

This bill aims to improve access to medications that treat opioid use disorder by ensuring that retail pharmacies in New Mexico keep adequate supplies of buprenorphine, a key treatment drug. It requires pharmacies to regularly calculate how much buprenorphine they dispense and to maintain a minimum stock based on recent patient demand, with additional requirements depending on whether the pharmacy is community-based or not. Pharmacies are given limited flexibility if they temporarily fall below required stock levels, so long as they promptly reorder medication or seek higher distribution limits from wholesalers.

The bill also increases transparency and oversight of the drug supply chain by requiring wholesale drug distributors to report when they deny or delay pharmacy orders for buprenorphine or refuse to raise a pharmacy’s ordering threshold. These reports must include reasons for the denial or delay and are submitted monthly to the state board, which then shares the data with the Department of Health. The Department of Health must analyze this information and publish a public, twice-yearly report on statewide access to buprenorphine, while protecting pharmacy identities and complying with privacy laws.

To enforce compliance, the bill establishes graduated penalties for both pharmacies and wholesale distributors, beginning with notices and escalating to corrective plans and fines for repeated violations. Pharmacies are protected from penalties when shortages are caused solely by distributor actions, provided they can show they followed required procedures.

Finally, the bill appropriates \$1.5 million from the state general fund to increase Medicaid reimbursement rates for buprenorphine prescriptions in fiscal year 2027.

The House Health and Human Services Committee Substitute for HB 137 significantly narrows and refines the original bill by differentiating pharmacy types, easing stocking requirements for community-based pharmacies while imposing clearer, more specific minimum stocking rules on other retail pharmacies; it also expands and formalizes reporting by wholesale distributors and the Department of Health, requiring more detailed data (such as ZIP code-level, de-identified information, reasons for delays or denials, and biannual public reports) with added privacy

protections. The substitute removes monetary fines for retail pharmacy stocking violations, relying instead on notices and corrective plans, while largely retaining penalties for wholesalers.

## FISCAL IMPLICATIONS

The Act appropriates HCA \$1.5 million to increase buprenorphine rates at pharmacies but does not indicate how much the rate increase must be.

## SIGNIFICANT ISSUES

Currently Medicaid reimburses for medications using a standardized algorithm, largely established by federal regulations, that pays at the lowest reference price (based on industry standards) plus a dispensing fee of \$10.30. Federal approval would be required to revise the reimbursement methodology for buprenorphine; **however, it is unlikely that the federal Centers for Medicare and Medicaid Services would allow HCA to reimburse for buprenorphine prescriptions in this fashion.** An alternative model that incentivizes data reporting by pharmacies may be easier to implement.

Research demonstrates that increased availability of buprenorphine at local pharmacies is a critical component of overdose prevention. Studies show that limited availability of certain dosages or formulations of buprenorphine may obstruct patient access. [Demographic and socioeconomic correlates to buprenorphine access in pharmacies - PMC](#)

Furthermore, insufficient stock of buprenorphine is identified as one of the highest barriers to care for patients receiving telehealth. Maintaining adequate pharmacy stocking of buprenorphine can help bridge gaps in access to care and may lead to significant overdose prevention. [Pharmacy Barriers to Receiving Buprenorphine Among Patients Undergoing Telemedicine Addiction Treatment | Pharmacy and Clinical Pharmacology | JAMA Network Open | JAMA Network](#)

## PERFORMANCE IMPLICATIONS

See Significant Issues above. It is unlikely that the federal government would approve a carve-out to the approved Medicaid reimbursement methodology specifically for buprenorphine.

## ADMINISTRATIVE IMPLICATIONS

To implement this bill MAD would need to change the Medicaid state plan amendment, NMAC, Managed Care contracts, and make updates to the point-of-sale system. **The HCA has concerns that the proposed rate increase is not approvable under federal regulations, so it may not be possible to implement as set forth in the bill.**

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is similar to HB505 (2025)

## TECHNICAL ISSUES

None

**OTHER SUBSTANTIVE ISSUES**

None

**ALTERNATIVES**

None

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

Status Quo

**AMENDMENTS**

None