

LFC Requester:

Harry Rommel

**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:** February 6, 2026 Check all that apply:  
**Bill Number:** HB 302 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Gallegos **Agency Name and Code** University of New Mexico-952  
**Short** Insurance Prior **Number:** \_\_\_\_\_  
**Title:** Authorization Exemptions **Person Writing** Kelly O'Donnell  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

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

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

(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**

#### **Synopsis:**

House Bill 302 amends New Mexico's Prior Authorization Act to require health insurers to create a formal process allowing certain health care professionals to obtain exemptions from prior authorization requirements for outpatient health care services. A provider may apply for an exemption after each six-month evaluation period if at least 90 percent of ten or more prior authorization requests for a specific outpatient service were approved during the preceding period. Insurers must issue a written decision on an exemption request within ten business days and explain any denial with supporting data.

The bill limits when and how insurers may rescind an exemption, generally allowing review only once per evaluation period and requiring notice and sampling standards, except in cases of fraud or abuse, where immediate rescission is permitted. It establishes a right to independent review of rescission decisions by a New Mexico-licensed physician, prohibits insurers from requiring internal appeals before independent review, and makes the insurer responsible for the costs of that review. The superintendent of insurance is directed to adopt implementing rules by December 31, 2026.

### **FISCAL IMPLICATIONS**

### **SIGNIFICANT ISSUES**

HB 302 does not address prior authorization for prescription drugs.

Prior authorization is a time-consuming process utilized by health insurers to control costs. By reducing the need for prior authorizations by clinicians whose requests are routinely approved, this legislation has the potential to reduce administrative burden, expedite access to care and ultimately reduce healthcare costs, albeit modestly.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

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

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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

### **AMENDMENTS**