LFC Requester:	

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.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: *02/02/2026* *Check all that apply:*
Bill Number: *SB 15* Original *X* Correction __
Amendment __ Substitute __

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Agency Name and Code Number: New Mexico Retiree Health Care Authority 34300
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

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
Total	0	Indeterminate	Indeterminate	Indeterminate		

(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:

Senate Bill 15 amends the Health Care Purchasing Act, the New Mexico Insurance Code, the Health Maintenance Organization Law, and the Nonprofit Health Care Plan Law to require that health coverage include, "with respect to participation," any type of health care provider acting within the scope of the provider's license, certification, or other legal authority to practice in New Mexico. The bill specifies that health plans are not required to contract with every provider and permits variation in reimbursement based on quality or performance measures.

The bill applies to individual and group policies, including self-insured plans offered under the Health Care Purchasing Act, entered into, renewed, or amended on or after July 1, 2026.

FISCAL IMPLICATIONS

The fiscal impact of SB 15 on the New Mexico Retiree Health Care Authority is indeterminate but potentially significant, particularly for the Authority's self-funded, pre-Medicare retiree health plans. Because these plans are self-insured, any increase in utilization, expansion of reimbursable provider categories, or growth in out-of-network claims would be borne directly by the plan and its members rather than absorbed by a fully insured carrier.

While SB 15 does not mandate specific benefits or require health plans to directly contract with additional providers, the bill establishes a broad provider inclusion standard without defining service parameters, reimbursement methodologies, or credentialing requirements. As a result, the fiscal impact to NMRHCA cannot be reliably quantified in advance.

- The Authority anticipates increased costs associated with:
- Expansion of reimbursable provider categories beyond those currently contracted or credentialed;
- Increased out-of-network claims submitted by non-contracted providers;
- Administrative and third-party administrator costs related to claims review, credential verification, utilization management, appeals, and benefit determinations; and
- Potential balance-billing exposure for members when services are rendered by non-contracted providers.

The impact of SB 15 would be most pronounced within NMRHCA's pre-Medicare retiree population, which is covered under self-funded plans. Even modest increases in utilization associated with newly included provider types could result in upward pressure on premiums and member cost-sharing. Many pre-Medicare retirees are on fixed incomes, making affordability a significant consideration.

SIGNIFICANT ISSUES

SB 15 establishes a non-discrimination framework for providers acting within the scope of their

license, certification, or other legal authority to practice. However, the bill does not clarify whether such authority must be issued or recognized by the State of New Mexico, nor does it define minimum credentialing or oversight standards.

The bill also does not specify the services intended to be expanded or included. The broad provider definition could result in pressure to cover services delivered by alternative or non-traditional providers, including but not limited to counseling, acupuncture, chiropractic services, aromatherapy, massage therapy, naturopathic and naprapathic medicine, art and music therapy, herbalists, and peer support workers.

While some of these services may provide value for certain conditions or populations, many lack uniform clinical standards, established evidence bases, or consistent reimbursement methodologies. Absent statutory guidance, health plans may be required to evaluate clinical efficacy, safety, and cost-effectiveness on a case-by-case basis, increasing financial and operational risk for self-funded public plans.

For members SB 15 may provide meaningful benefits for some pre-Medicare retirees by expanding access to a broader range of licensed or authorized providers, particularly in the areas of behavioral health, chronic pain management, and supportive or complementary care. Increased provider diversity may improve care options, patient choice, and cultural responsiveness for certain members.

For specific services, earlier access to alternative or complementary modalities could support improved functional outcomes and potentially reduce reliance on higher-cost interventions, provided such services demonstrate clinical effectiveness.

These potential benefits must be balanced against the likelihood of increased premiums and cost-sharing for the broader retiree population, including members who may not utilize expanded provider types.

PERFORMANCE IMPLICATIONS

The bill's intent to broaden provider access may not result in equitable outcomes across geographic regions. Many alternative or specialized providers are concentrated in metropolitan areas, which could exacerbate access disparities for rural retirees while still increasing system-wide costs.

ADMINISTRATIVE IMPLICATIONS

Although SB 15 does not require health plans to contract with all providers, the requirement for inclusion "with respect to participation" may necessitate operational changes. NMRHCA anticipates increased administrative burden related to:

- Development of policies to interpret and apply the provider inclusion standard;
- Coordination with third-party administrators and carriers to ensure consistent claims handling;
- Increased member inquiries, appeals, and disputes regarding coverage determinations;
- Monitoring quality and performance metrics for provider types lacking standardized benchmarks; and
- Development of evidence-based review processes to assess clinical efficacy, utilization standards, and appropriate reimbursement for newly included services or provider types.

These impacts would require staff and vendor resources without accompanying funding.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP
None identified.

TECHNICAL ISSUES
The bill does not address how services will be billed when established CPT codes do not exist, raising the risk of denied claims, inconsistent payment practices, or balance billing to members. Additional clarification may be needed to align provider inclusion requirements with existing claims and reimbursement systems.
The bill creates ambiguity in defining health plan obligations by requiring provider inclusion under self-insured group coverage while simultaneously stating that health plans are not required to contract with willing providers. This distinction may lead to inconsistent interpretation and implementation.

OTHER SUBSTANTIVE ISSUES
Physicians and other traditionally licensed providers are subject to oversight, discipline, and enforcement by state licensing boards, such as the New Mexico Medical Board. Senate Bill 15 does not identify a comparable regulatory framework for providers who are "certified" or who practice under "other legal authority."

The bill does not specify how such authority is determined, whether certification must be state-issued or state-recognized, or which entity is responsible for oversight, complaint investigation, or enforcement. This creates ambiguity regarding accountability, quality standards, and consumer protection, particularly for self-funded public plans that would bear financial and operational risk without corresponding regulatory clarity.

ALTERNATIVES
The Legislature may wish to consider amendments that:

- Clarify the specific provider categories or services intended to be included;
- Limit "other legal authority to practice" to providers licensed or certified by the State of New Mexico;
- Allow self-funded public plans to apply evidence-based clinical review and medical-necessity standards prior to expanding coverage; and
- Permit phased implementation, pilot programs, or utilization monitoring for newly included provider types to assess cost and outcomes before full integration.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
If SB 15 is not enacted, existing plan design authority would remain in place, allowing NMRHCA to continue balancing access, affordability, and long-term sustainability for retirees through evidence-based contracting and benefit design.

AMENDMENTS
None recommended beyond those noted in the alternatives section.