LFC Requester:	Allegra Hernandez

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: *1/24/2026*
Bill Number: *SB 0130*

Check all that apply:
Original *X* Correction __
Amendment __ Substitute __

Sponsor: Martin Hickey
Short Title: NO COST-SHARING OF CERTAIN DRUGS

Agency Name and Code Number: New Mexico Public Schools Insurance Authority 34200

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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	$200.- $460.	$450-$1,000	$650.-$1,460	Recurring	NMPSIA Benefits

(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

SB 130 amends the Health Care Purchasing Act and related sections of the New Mexico Insurance Code to prohibit cost sharing for certain health care services and medications used in the treatment of cholesterol disorders and expands coverage requirements for diagnostic screenings and cholesterol lipid panels in group health plans. The bill amends Section 13-7-24 NMSA 1978 to revise coverage provisions for coronary artery calcium screening and cholesterol lipid panels, including modifications to cost-sharing provisions and definitions. The bill enacts a new section of the Health Care Purchasing Act prohibiting cost sharing on generic medications used for the treatment of cholesterol disorders and, if necessary, on second-line step therapy medications when generic medications are insufficient or not tolerated. The bill also amends Section 27-2-12.31 NMSA 1978 to align medical assistance coverage for coronary artery calcium screening and cholesterol lipid panels with the revised health plan requirements and enacts a new section of Chapter 59A, Article 22 NMSA 1978 to prohibit cost sharing on generic cholesterol-lowering medications and second-line step therapy medications under individual or group health insurance policies delivered in the state, with specified exceptions for certain plan types.

Effective January 1, 2027

FISCAL IMPLICATIONS

Projection Methodology: To estimate the potential fiscal impact of SB130, our benefit consultant modeled coverage of coronary calcium scans, lipid panels, and generic cholesterol-lowering drugs based on available claims data and population characteristics:

- Coronary Calcium Scans & Lipid Panels: Coverage would apply to all members age 50 and older, and to members under 50 with diagnosed coronary artery disease (CAD). We used disease prevalence and age data to estimate the number of potentially eligible members. Utilization was modeled under low and high scenarios, reflecting that not all eligible members would elect testing. Costs were based on historical claims and SHAPE data, with adjustments to reflect likely variations in service settings and pricing.

- Generic Cholesterol-Lowering Drugs: Using historical pharmacy claims, we estimated the cost shift to the Plan if member cost-sharing were eliminated. Assumptions included a 14% annual trend for drug costs and utilization. Only prescriptions classified as generic were included; a small portion may be for off-label use.

This approach provides a reasonable projection of potential costs under SB130 while acknowledging that actual utilization and costs may vary.

SIGNIFICANT ISSUES

The Bill contains a provision that allows members to transition to a second-line cholesterol therapy if statins are not successful at controlling their cholesterol. These second-line medications are often branded medications (e.g., Repatha, Praluent) that can be substantially more expensive. Since these would also be available to members at no cost, the Plan would absorb significantly more costs. However, brand drugs would be rebate-eligible, which could help to offset the difference in allowed costs, though the ultimate net cost of these second-line medications is not clear.

PERFORMANCE IMPLICATIONS

It should be noted some provisions will halt utilization management processes. More research is underway to better understand this implication.

ADMINISTRATIVE IMPLICATIONS

SB130 would modify the Plan's design by eliminating member cost-sharing for certain preventive screenings and generic cholesterol-lowering medications. Implementing these changes would require updates to plan documents, member communications, and other materials to reflect the new coverage, which could result in additional administrative costs for printing, mailing, and internal communication.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Revenue for the plan is primarily derived from premium collections which are affected by approved rate adjustments, which were developed based on the benefit design and legislative requirements in place at the time (FY26 at an increase of 9.95 percent). The plan committed to limiting rate increases to 9.95 percent for FY2027 and was fortunate to receive an appropriation last year to support operations on the road to becoming fiscally sound after suffering severe loss. However, neither the approved rate change nor prior budget assumptions fully reflect the financial impact of subsequent legislative changes, including provisions that eliminate cost-sharing under certain circumstances, such as those included in SB 130. While these provisions are not all-inclusive and include some criteria, they represent an expansion of covered benefits that was not originally budgeted. As a result, future funding considerations will need to account for these types of changes to ensure the plan remains able to meet its obligations without being constrained by assumptions that predate the changed scope of benefits. Actuarial projections and funding strategies will need to be revisited to ensure sustainability. Maintaining a balance between providing comprehensive coverage and preserving the long-term fiscal health of the plan will remain a key priority.

Our goal is to ensure the long-term sustainability of the plan while continuing to provide high-quality, accessible coverage for our members. Through careful tracking the agency has observed a nearly $13.9 million cumulative impact from a similar but more expansive no cost sharing legislative action from FY2020- FY2025. These legislative changes are designed to improve access and affordability, and NMPSIA is proud to support that mission. At the same time, it is important to recognize that these expansions carry financial implications that will need to be managed carefully to honor both the commitments made to members, the legislature and the

plan’s ability to remain fiscally sound into the future.

ALTERNATIVES

In regard to our pharmacy claims, our claims experience shows that more members are currently receiving $0 cost share towards generic and brand medications, than those who experience a cost share. For members aged 40-75 years old the ACA requires no sharing on generics, July-Dec 2025 data indicate 3,115 unique utilizers experienced zero cost share. For those receiving brand medications during the same time frame, SB 51 of the 2025 regular legislative session which directs point of sale rebates to the member cost share first is taking care of the cost share for 64 members. Our data indicates 48 brand utilizers, and 2,300 generic utilizers are experiencing a cost share which this bill will alleviate.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS