LFC Requester:	RubyAnn Esquibel

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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: *2/3/2026*
Bill Number: *SB 0189*

Check all that apply:
Original _ Correction __
Amendment ___ Substitute _X

Sponsor: Heather Berghmans
Short Title: REPRODUCTIVE HEALTH CARE COVERAGE

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	$330 – $548	$817 – $1,729	$2,168 – $3,327	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 189 amends the Health Care purchasing Act focusing on expanding coverage for preventive, reproductive, pregnancy-related, and gender-affirming health care services while limiting or eliminating certain cost-sharing and authorization barriers.

1. Preventive health care services. Cost-sharing provisions shall not apply to preventive services rated "A" or "B" by the U.S. Preventive Services Task Force, CDC-recommended immunizations, Health Resources and Services Administration supported preventative care and screenings for women and children.
2. Abortion. Mandates that group health plans cover the total cost of abortion care without cost sharing.
3. Gender-affirming care. Mandates that group health plans cover the total cost of GAC without cost sharing.
4. Contraception and reproductive care. Requires coverage of at least one product in each of the FDA approved contraceptive method categories. The $0 cost share provision may also apply to brand-name drugs or devices with at least one generic equivalent if the enrollee's provider determines that particular product to be medically necessary. Requires coverage of clinical services related to the use of contraception including but not limited to consultations, imaging and procedures. Prohibits cost-sharing, utilization review, prior authorization, step therapy requirements, and quantity limits. Adds expedited appeals and requires plans to cover a 12-month supply of contraception dispensed at one time, if prescribed.
5. Lactation support. Medical assistance coverage shall include coverage for lactation support services and equipment.
6. Allows for religious entities to be exempt from required contraceptive coverages and exempts high-deductible plans.

Additionally, SB 189 requires insurers to offer a special enrollment period to eligible, uninsured individuals who are pregnant and have provider certification. Coverages elected under this special enrollment period would be effective before the end of the month the pregnancy is certified on the first day of the following month at the enrollee's choice.

Several provisions of the Bill do not create new costs for NMPSIA, as they require coverage for services that NMPSIA already provides to members free of cost (e.g., under the Affordable Care Act). Only components of SB189 with new cost impacts to NMPSIA are analyzed below.

Effective January 1, 2027.

The Senate Tax Business and Transportation Committee Substitute for SB 189 (CS/STBT SB0189 (233817.3)) makes two substantive changes to the original bill. Section 19 establishes the "Reproductive Health Care Access Fund" and directs that the fund is "a non-reverting fund in the state treasury to be administered by the legislature for the purpose of funding programs and

initiatives that provide access to affordable reproductive healthcare. Expenditures from the fund shall be by waiver signed by the secretary of health care authority or the secretary's authorized representatives.

Section 20(b) adds a surcharge of up to five percent on certain accounts created under the federal Affordable Care Act, specifying that "the revenue from the surcharge shall be deposited into the reproductive health care access fund established in Section 19 of this act."

CS/STBT SB0189 (233817.3) also changes the definition of "gender affirming care" to align with CS/HHHC HB0279 definitions.

FISCAL IMPLICATIONS

The three major components of SB189 are discussed separately below. Their combined estimated cost impact is captured above.

Preventive Services and Contraception
Portions of the bill require coverage for services that NMPSIA provides to members free of charge under the Affordable Care Act or other relevant federal or state legislation. These include requirements for no-cost coverage of contraception, US Preventive Services Task Force – endorsed screenings, certain immunizations, and certain wellness services for women, children, and adolescents. NMPSIA may be obligated to expand its coverage of these services to capture removal of utilization management restrictions. The higher range figure below represents a 1.5% assumed increase in utilization.

Abortion Services
In its current form, SB189 does not distinguish between spontaneous abortions (miscarriages) and induced abortions (whether elective or for medical necessity). As such, the analysis includes all abortion-related services regardless of the reason for the procedure.

The abortion-related costs included in this analysis are for medical expenses related to abortion care only. However, research indicates that most abortions are performed using medications like mifepristone and misoprostol. The model includes the office visit consultations that are necessary to receive these medications, which often require imaging or pregnancy testing.

It should be noted that pharmacy-based dispensing of abortifacients was only permitted by the FDA beginning in January 2023; many abortion medications are still paid for under the medical benefit. Of course, there may be some medication abortion claims that are paid out of pocket and excluded from reported claims altogether. This nuance is difficult to track in claims experience and NMPSIA cannot say with certainty whether this is accounted for in our projection.

To model abortion-related costs, we considered the number of childbearing-age women in NMPSIA's population and estimated the percentage of these women who might become pregnant in a given year, and then the percentage of these pregnancies that might end in termination. Based on recent enrollment trends, we assumed that this population would increase by about 2% annually. The assumed pregnancy rate used, 75 per 1,000 childbearing-age women, is based on the base birth rate in New Mexico, which we then adjusted to reflect the fact that a percentage of pregnancies will not result in birth: a range of about 10% up to one-third, 33%.

The annual cost trend used in this analysis was 7%, which is consistent with trends used in other projections and includes an adjustment both for cost and utilization. NMPSIA currently covers abortion services according to existing plan provisions. The change required by SB189 is that these services be provided without cost sharing. As a result, any future costs that members would have paid would revert to the Plan.

SB189 Component Cost: No Cost-Sharing for Abortion Services Fiscal Year	Projected Plan Costs
FY27	$10,000 - $30,000
FY28	$20,000 - $60,000
Total	$30,000 - $90,000

Gender Affirming Care

Cost impact for gender-affirming care is based on utilization and costs from the three most recent complete fiscal years of data (FY 2023 - 2025). For certain services, including therapy and surgeries, FY 2025 utilization was noticeably down compared to prior years. This reduced utilization is reflected in the lower end estimates. If utilization rebounds to earlier levels, the higher range projections are estimated to capture the amount of cost that could shift to the Plan in this scenario. Additionally, the availability of gender-affirming care may change depending on the providers who are able to offer these services in NMPSIA's service area, which may change utilization in future years.

	FY 2026 Impact - July 2026-June 2027*		FY 2027 Impact - July 2027-June 2028		FY 2028 Impact - July 2028-June 2029	
	Estimated Cost Impact - Flat Utilization	Estimate With Increased Utilization**	Estimated Cost Impact - Flat Utilization	Estimate With Increased Utilization**	Estimated Cost Impact - Flat Utilization	Estimate With Increased Utilization**
Removing PA	$140,000.00	$142,000.00	$280,000.00	$284,200.00	$280,000.00	$288,463.00
$0 Member Cost share	$105,000.00	$106,575.00	$212,000.00	$215,180.00	$212,000.00	$219,483.60
Total Impact to NMPSIA	$245,000.00	$248,575.00	$492,000.00	$499,380.00	$492,000.00	$507,946.60

SIGNIFICANT ISSUES

The Bill waives cost-sharing requirements for abortion services and gender-affirming care but does not explicitly restrict this full coverage to in-network services only. As a result, members would be able to receive these services from in- or out-of-network providers. To the extent that out-of-network utilization is higher (which may be the case if the in-network availability of certain services declines), NMPSIA may be exposed to higher costs if it absorbs the full amount of providers' billed charges.

The special enrollment for pregnancy analysis is based on the number of eligible but non-participating employees. The Bill also permits eligible spouses and dependents to enroll upon becoming pregnant. The actual number of dependents who could enroll upon becoming pregnant may be higher, but we are unable to estimate by how much. The use of unenrolled, eligible employees serves as a reasonable proxy.

We did not consider the impact of any costs, taxes, or legal implications associated with implementing health benefits that are different than those required by federal mandate.

PERFORMANCE IMPLICATIONS

NMPSIA is able to implement the changes in CS/STBT/SB0189 by the deadline of January 1, 2027.

ADMINISTRATIVE IMPLICATIONS

The proposed legislation suggests that eligible, uninsured women would be able to enter the plan mid-month, if so desired (subject to the receipt of certification of a pregnancy). Allowing enrollments mid-month would require a change to the NMPSIA NMAC Rule. Today, the following are true under the NMPSIA Rule pertaining to the enrollment process:

1. Newly acquired dependent child(ren) like newborn, placement, adoption, legal guardianship, foster children, or Qualified/National Medical Child Support Order, being added to an existing family plan with supportive documentation, can be added at any time. This would apply to an eligible dependent child (possibly spouse/partner) with a pregnancy diagnosis to be added to an existing family medical plan. This would require an NMAC Rule change to add new pregnancy diagnosis.
2. Newly acquired dependent child(ren) not being added to a family medical plan requires timely enrollment within 31 days from the qualifying event and 61 days to provide supportive documentation (effective 1st of the following month after supportive documents are received). This would apply to an eligible dependent child (possibly spouse/partner) with a pregnancy diagnosis to be added to an existing medical plan, but NMPSIA Rules would apply as described for the effective date after supportive documents are received. This would require an NMAC Rule change to add new pregnancy diagnosis and to be effective on date of pregnancy diagnosis with timely enrollment and supportive documents prior to the end of the diagnosis month.
3. An eligible employee newly diagnosed with a pregnancy or employee's child (possible spouse/partner) newly diagnosed with a pregnancy, with supportive documentation, with no current NMPSIA medical enrollment would require:
    a. NMAC Rule change.
        i. Timely enrollment/supportive documents before the end of the month from diagnosis provided with an effective date of either
            1. 1st of the month of the pregnancy diagnosis or;
            2. 1st of the following month of the pregnancy diagnosis or;
            3. Follow the 61 days and effective date rules pending supportive documentation.

NMPSIA also has a provision in our rules which limits dependent eligibility to enroll in the lines of coverage carried by the employee. In order to comply with the provision of the bill, NMPSIA may need to extend the special enrollment period to the entire family, creating some unpredictability in the anticipated implications to enrollments under this special enrollment. It is important to keep in mind that receiving a pregnancy diagnosis is not a Special Enrollment Event defined under Federal Affordable Care Act (ACA) Guidelines. Allowing said enrollment period will likely pose contradiction to the Federal Guidelines. These implications were not taken into consideration at this time.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to HB 279, Healthcare Privacy & Safety Protections

TECHNICAL ISSUES
NMPSIA will need to engage in rulemaking to align existing rules with the requirements in this Bill.

OTHER SUBSTANTIVE ISSUES

Section 19 creates the "reproductive health care access fund" to be administered by the health care authority and appropriated by the legislature "for the purpose of funding programs and initiatives that provide access to affordable reproductive health care." The bill does not specify what programs or initiatives would qualify, what standards or waiver requirements would govern use of the fund. As written, the fund could support activities beyond compliance with the coverage requirements in the bill, potentially including outreach, service delivery, or other access-related efforts that are not defined in statute. The lack of statutory criteria for eligibility, allowable uses, or distribution methodology raises concerns regarding how funds would be allocated, how recipients would be selected, and how equity and neutrality would be ensured across potentially competing policy priorities. Without clear parameters, it would be a concern if implementation did not require development of new administrative processes and safeguards to ensure consistent application and avoid the perception or risk of funding decisions driven by programmatic agendas rather than objective access needs.

Additionally, section 19 does not establish statutory criteria for how funds would be allocated to improve "access," leaving unresolved whether priority would be given to rural populations, low-income, or the uninsured. Without defined eligibility or distribution standards, funding decisions could change from year to year based on administrative or leadership priorities, creating instability for both programs and agency operations. Although the fund may receive gifts, grants, and surcharge revenue, the bill does not guarantee a stable or predictable funding level.

Additionally, the bill does not link use of the fund to implementation of the coverage requirements in SB189, raising concerns use of funds for purposes not directly tied to the bill's mandates or to become compliant and maintain compliance with the requirements of the bill which would most likely be unsustainable for the fund, considering the cost impact to NMPSIA and likely other entities.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
New Mexicans, and for NMPSIA, teachers and public educational staff will be subject to ongoing Federal instability and unpredictability of coverage, access and costs of reproductive and family health care.

AMENDMENTS
None at this time.