

LFC Requester:

RubyAnn Esquibel

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: 02/13/2026

Check all that apply:

Bill Number: SB 189Original Correction Amendment Substitute

Sponsor:	Heather Berghmans, Carrie	Agency Name and Code Number:	New Mexico Retiree Health Care Authority 34300
	<u>Hamblen, Mimi Stewart</u>		
Short Title:	<u>REPRODUCTIVE HEALTH CARE COVERAGE</u>	Person Writing	<u>Linda Atencio</u>
		Phone: <u>505-222-6416</u>	Email: <u>Linda.Atencio@rhca.nm.gov</u>

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		Indeterminate	Indeterminate	Indeterminate	Recurring	RHCA Benefits Fund

(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 189 amends multiple provisions of New Mexico insurance law, the Health Care Purchasing Act, and the Public Assistance Act to expand coverage requirements and reduce financial and administrative barriers for certain sexual, reproductive, and gender-affirming health care services. The bill requires most group health plans, including self-insured plans subject to the Health Care Purchasing Act, to provide coverage for specified preventive services, contraception, abortion care, pregnancy-related enrollment protections, lactation support, and gender-affirming care without enrollee cost sharing and, in many cases, without prior authorization or utilization review. The legislation also establishes special enrollment periods for individuals who are pregnant and clarifies reimbursement standards for family planning and related services. Certain plan types, including high-deductible health plans until deductibles are met and limited-benefit plans, are expressly exempted.

Amendment in Context – 12/11/26:

The Senate Tax, Business and Transportation Committee Substitute for Senate Bill 189 amends the definition of gender-affirming health care, updates on exclusive state funding for certain entities (excluding NMRHCA), and the addition of a new section to the New Mexico Health Insurance Exchange Act establishing the Reproductive Health Care Access Fund and the Abortion Services Segregated Account—are acknowledged.

FISCAL IMPLICATIONS

Amendment in Context – 12/11/26

The definition of gender-affirming care is now more explicit: “gender-affirming health care” encompasses psychological, behavioral, surgical, pharmaceutical, and medical services. This broadened definition expands the range of services covered and is expected to increase costs, as the bill requires the plan to cover these services in full with no member cost sharing. We anticipate some impact, though it is likely to be limited given the relatively small size of the affected population.

Original

The fiscal impact of Senate Bill 189 on the New Mexico Retiree Health Care Authority (NMRHCA) is indeterminant at this time. The bill would primarily affect NMRHCA’s pre-Medicare population enrolled in self-insured group health plans subject to the Health Care Purchasing Act. Medicare-eligible retirees enrolled in Medicare Advantage, Medicare Supplement, or Part D Employer Group Waiver Plans are largely governed by federal Medicare requirements, and state benefit mandates generally do not apply to those plans.

Many of the preventive service provisions included in SB 189 align with existing Affordable Care Act (ACA) requirements, which already mandate coverage of United States Preventive Services Task Force (USPSTF) “A” and “B” rated services, Advisory Committee on Immunization Practices (ACIP) recommended immunizations, and Health Resources and Services Administration (HRSA) preventive guidelines without cost sharing. To the extent NMRHCA’s

pre-Medicare plans are already compliant with these federal requirements, the bill largely codifies existing preventive coverage standards into state statute and may result in limited incremental fiscal impact for those services.

However, the bill expands beyond ACA requirements by eliminating cost sharing and utilization management for additional services not uniformly required under federal law, including expanded contraception coverage, abortion care, gender-affirming care, lactation support, and pregnancy-related special enrollment periods. The combination of expanded covered services, first-dollar coverage requirements, and restrictions on prior authorization may increase claims costs and administrative expenses for applicable pre-Medicare plans. These changes may contribute to upward cost pressure and could be reflected in future premium adjustments, although the overall impact is expected to be limited due to the relatively small size of the affected population.

SIGNIFICANT ISSUES

Current NMRHCA pre-Medicare plan designs do not uniformly provide all services required under SB 189 without cost sharing or utilization management. If enacted, the bill would require contracted carriers to modify benefit designs, claims adjudication systems, and utilization management protocols to ensure compliance. While many preventive services are already covered at 100 percent under the ACA, the bill's broader prohibitions on prior authorization and cost sharing for additional services represent a substantive expansion in requirements.

PERFORMANCE IMPLICATIONS

NMRHCA would be required to coordinate closely with its contracted carriers to implement benefit design and administrative changes necessary to comply with SB 189. This would include ensuring that coverage changes are correctly applied to applicable pre-Medicare plans while maintaining compliance with federal Medicare requirements for Medicare-eligible retirees.

ADMINISTRATIVE IMPLICATIONS

If enacted, SB 189 would require NMRHCA to work with its contracted carriers to update plan designs, coverage rules, cost-sharing structures, and utilization management processes. The Authority would also need to revise member-facing materials and internal administrative systems to reflect the mandated coverage changes. These activities would increase administrative workload but are consistent with standard benefits administration practices.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None identified

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

Pre-Medicare retirees and dependents enrolled in NMRHCA plans may experience improved access to certain preventive, reproductive, and gender-affirming health care services as a result of reduced cost sharing and fewer administrative barriers. Although utilization of some services may be limited within an older retiree population, the bill may provide meaningful benefits for applicable members and covered dependents.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 189 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