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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 129

SHORT TITLE: Health Care Provider Coverage

SPONSOR: Herndon

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/16/2026 **ANALYST:** Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Agencies, premiums		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Multiple

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Board of Nursing

Health Care Authority

New Mexico Medical Board

Office of Superintendent of Insurance

Regulation and Licensing Department

SUMMARY

Synopsis of House Bill 129

House Bill 129 (HB129) amends the state's Insurance Code to direct health insurance coverage plans to include any type of licensed or certified healthcare provider who is acting within the scope of the provider's legal authority to practice in the state.

The effective date of this bill is July 1, 2026.

FISCAL IMPLICATIONS

Multiple agencies noted any fiscal impact would likely be minimal.

The Office of Superintendent of Insurance (OSI) notes the bill permits varying reimbursement rates based on quality or performance but does not specify what constitutes acceptable

performance measures. The bill is unclear if reimbursement rates may be adjusted based on provider qualifications, training, or scope of practice, which could lead to differing interpretations.

The Health Care Authority notes the bill would not apply to Medicaid.

SIGNIFICANT ISSUES

The Office of Superintendent of Insurance (OSI) notes the bill would require health insurance plans to include any healthcare provider who is acting within the scope of the provider's license, certification, or other legal authority to practice in the state. However, it is unclear if this requirement applies to licensed providers whose services are not associated with mandated benefits.

Additionally, the bill introduces a broader definition of "health care provider," which does not align with the existing definition in Section 59A-22B-2G of the Insurance Code, currently applicable to individual, group, HMO, and nonprofit health plans.

TECHNICAL ISSUES

OSI states that while the bill seeks to prevent categorical exclusion of provider types, it preserves carriers' discretion not to contract with every willing provider. This creates a potential conflict between Subsection A, which suggests inclusion, and Subsection B, which allows carriers to decline contracts. The language also refers to healthcare providers who are "acting within the scope of that provider's license, certification, or other legal authority to practice in the state." It is unclear what "other legal authority to practice in the state" is referencing.

OSI reports the bill may remove consumer protections by not explicitly incorporating them into the new language, possibly resulting in gaps in enforcement and interpretation. The repealed sections, which prohibit discrimination against providers and doctors of oriental medicine, appear to provide stronger non-discrimination provisions than the new language in the bill. If this legislation is intended to include an additional type of provider in the non-discrimination provisions, it is recommended that this provider type be added directly into the existing statute.

OTHER SUBSTANTIVE ISSUES

The Health Care Authority reported that regarding the State Health Benefits Plan, considering that all provider types are likely already covered within their legal scopes of practice currently, HB129 seems to modernize the language and approach.