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## **FISCAL IMPACT REPORT**

SPONSOR: Sanchez, M. DATE TYPED: 2/11/03 HB \_\_\_\_\_

SHORT TITLE: Recognition of Doctors of Oriental Medicine SB 371/aSJC

ANALYST: Wilson

### APPROPRIATION

<b>Appropriation Contained</b>		<b>Estimated Additional Impact</b>		<b>Recurring or Non-Rec</b>	<b>Fund Affected</b>
<b>FY03</b>	<b>FY04</b>	<b>FY03</b>	<b>FY04</b>		
			See Narrative		

Duplicates HB 265  
Relates to HB 266 & SB 274

### **SOURCES OF INFORMATION**

#### Responses Received From

Retiree Health Care Authority (RHCA)  
Department of Health (DOH)  
Health Policy Commission (HPC)  
Public Regulation Commission (PRC)

### **SUMMARY**

#### Synopsis of SJC Amendment

The Senate Judiciary Committee amendment removes the requirement that Health Maintenance Organizations (HMO) cannot discriminate against Doctors of Oriental Medicine (acupuncturists) relative to other providers regarding reimbursement levels. This will mean that HMOs will not be forced to pay acupuncturists the same amounts as Doctors with Medical Degrees.

#### Synopsis of Original Bill

Senate Bill 371 amends the Health Maintenance Law of the New Mexico Insurance Code, NMSA 1978, §59A-46-36. SB 371 prohibits Health Maintenance Organizations (HMO) from discriminating against Doctors of Oriental Medicine (acupuncturists) relative to other providers regarding reimbursement levels and services provided within the scope of their practice.

Significant Issues

DOH states that SB 371 requires reimbursement parity on the basis of the title, Doctor of Oriental Medicine without regard to the nature, duration or extent of training or experience.

Opponents of SB 371 claim that most HMOs already cover acupuncture treatment and that it is not appropriate for the state to limit the contractual negotiations between a health plan and a provider.

Proponents of SB 371 argue that New Mexico patients should be able to take full advantage of alternative and complimentary treatment options.

**FISCAL IMPLICATIONS**

There is no direct fiscal implication, but opponents from the insurance industry believe that the requirements of SB 371 will cause premiums to rise since acupuncturist fees will increase. This will impact the state's health plans for the state employees, the public school employees and the retirees. Currently acupuncture is covered by these plans, but there is a \$1500 cap that will be removed by the non-discrimination provisions of SB 371.

**ADMINISTRATIVE IMPLICATIONS**

SB 371 will require the Form Filing Unit of the Life & Health Bureau of the PRC to review and process amended filings by insurers requiring acupuncture coverage. The Form Filing Unit will also have to ensure that the industry is aware of this new mandated benefit and ensure compliance with the provisions of SB 371.

The Risk Management Division of the General Services Department, the Public School Insurance Authority and the RHCA will have to amend their existing health plans, but this will not require any additional resources.

**DUPLICATION/RELATIONSHIP**

Duplicates HB 265.

Relates to duplicate bills, HB 266 and SB 274, Reimbursement of Doctors of Oriental Medicine, that provide for Doctors of Oriental Medicine to be recognized as providers in the Medicaid program and that reimbursement rates be established.

**DW/prr**