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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/19  
 SPONSOR Alcon LAST UPDATED 3/07/19 HB 81/aHFI#1/aSPAC  
 SHORT TITLE Physical Rehab Cost Sharing Limits SB \_\_\_\_\_  
 ANALYST Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Indeterminate but Minimal	Indeterminate but Minimal	Indeterminate but Minimal	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Almost identical to 2015 HB388, which did not pass.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)  
 Office of Superintendent of Insurance (OSI)  
 Public Schools Insurance Authority (PSIA)

### SUMMARY

#### Summary of SPAC Amendment

The Senate Public Affairs Committee Amendment adds a new Section 6, which would establish the effective date of the provisions of this act as January 1, 2020, and makes no other changes.

#### Summary of HFI#1 Amendment

The House Floor Amendment #1 to House Bill 81 removes two unneeded commas in separate sentences. The change does not affect the meaning of either sentence.

#### Summary of Original Bill

House Bill 81 would amend sections of the Health Care Purchasing Act, the New Mexico Insurance Code, the Health Maintenance Organization Law, and the Nonprofit Health Care Plan Law to establish limits on cost sharing for physical rehabilitation services.

New material would be added to state that the healthcare insurer or payer could not impose a copayment or coinsurance on physical rehabilitation services that exceeds the rate that a

consumer would pay for primary care services, whether that is in the form of a percentage of total cost (coinsurance) or a dollar amount (a co-payment).

Appropriate definitions are provided for “physical rehabilitation services” and for “primary care services.”

## **FISCAL IMPLICATIONS**

HSD notes the sections being amended would not affect the Medicaid program: “there are no co-payments and coinsurance requirements for Medicaid patients.”

The bill does not affect how many visits are allowed or prior authorization requirements. The bill only affects the commercial side of Medicaid managed care organizations (MCOs) and does not extend to the MCOs’ role as Medicaid managed care organizations.

Public School Insurance Authority reports for a similar bill that its copy structure is \$20 for primary care, \$30 for a specialist, and \$30 for physical therapy and the fiscal impact, if any, would be minimal.

PSIA indicates that there would be no fiscal implication for that agency.

OSI also is reassuring about lack of major fiscal impact from this bill, stating that Medicaid and Medicare would not consider the provisions in House Bill 81 to be “seeking coverage for a new service that is already defined as an essential health benefit. Physical therapy is included in the standard definition of habilitative and rehabilitative services, and therefore would not be a new mandate. The state is permitted to dictate cost-sharing structures for benefits.”

## **SIGNIFICANT ISSUES**

HB 81 adds statutory language to various sections of law to set limits insurance carriers can charge their covered members for coinsurance/copayments for physical rehabilitative services. The bill defines “physical rehabilitation services” as services maximizing an individual’s level of function or returning to a prior level of function provided by a licensed physical therapist, occupational therapist or chiropractic physician or other person licensed to provide this service. The bill defines “primary care services” as basic health care for an individual’s health needs.

OSI points out that “This legislation may help control health care costs because timely access to routine physical therapy services can prevent the need for more expensive care, such as surgery or pain management, including opiates and resulting addictions.”

LAC/gb/sb