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FISCAL IMPACT REPORT

ORIGINAL DATE 3/05/19

SPONSOR Sedillo Lopez LAST UPDATED _____ HB _____

SHORT TITLE Oriental Medicine Cost Sharing Limits SB 633

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$61.1	\$122.3	\$122.3	\$305.7	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Retiree Health Care Authority (RHCA)
 Public School Insurance Authority (PSIA)
 Regulation and Licensing Department (RLD)

Responses Not Received From

Department of Health (DOH)
 Office of the Superintendent of Insurance (OSI)
 General Services Department (GSD)

SUMMARY

Synopsis of Bill

Senate Bill 633 adds provisions to regulations on each type of health insurance, in each case to require that cost-sharing for coverage of oriental medicine (if it is covered by the policy) be no greater than cost-sharing for primary care. In each section, the bill makes this same requirement and defines primary care as “the first level of basic or general health care for a person’s health needs...”

The sections of the bill refer to the following types of insurance and sections of the Health Insurance Code:

Section of SB 633	Section of NMSA 1978	Types of insurance covered
1	Section 13-7	State-funded group health coverage, including self-insurance
2	Section 59A-22	Individual or group health insurance
3	Section 59A-23	Group or blanket health insurance
4	Section 59A-46	Individual or group health maintenance contracts
5	Section 59A-47	Non-profit health plans

FISCAL IMPLICATIONS

PSIA states that its Medical Group Plan “currently applies a specialty copay and coinsurance for services provided by doctors of oriental medicine. The annual cost to change the copays and coinsurance to be the same as those of primary care visits would cost the PSIA Benefits Fund approx. \$122,260 annually.”

RHCA states that most services of oriental medicine physicians are not covered by the plans offered its members, with the exception of acupuncture “for its pre-Medicare plan participants which is subject to coinsurance requirements (25 percent/30 percent depending on the plan), as compared to a flat copay (\$30 or \$35 depending on the plan) for primary care services. Reducing the member share to a flat copay would increase NMRHCA’s contribution toward covering the cost of acupuncture services, which would result in a minimal fiscal impact.”

SIGNIFICANT ISSUES

RHCA notes that “According to the National University of Health Sciences, oriental medicine is the oldest codified system of medicine in the world. The five major branches of oriental medicine include acupuncture, herbal medicine, nutrition and diet therapy, tuina or oriental bodywork, as well as tai chi and qi gong. The majority of NMRHCA members participate in a Medicare Plan. Medicare does not cover the services listed above, other than acupuncture, therefore we do not cover those services either.”

LAC/sb