

LFC Requester:	Rodriguez
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.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}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/19/2024

Bill No: HB33

Sponsor: <u>Pamelya Herndon</u>	Agency Name and Code <u>General Services Department - 350</u>
Short Title: <u>Prescription Drug Price Pharmacy Act</u>	Number: _____
	Person Writing <u>Markita Sanchez</u>
	Phone: _____ Email _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$100.0	Recurring (FY25 and FY26)	General

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
	Unknown	Unknown		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Unknown	Unknown			

(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: This bill requires the Office of Superintendent of Insurance to collect detailed prescription drug price information from drug manufacturers, health insurers, and pharmacy benefits managers and to use that information to make annual reports to the public and legislature presenting analyses of market trends in prescription drug pricing.

FISCAL IMPLICATIONS

No fiscal implications for the General Services Department (GSD).

SIGNIFICANT ISSUES

- Possible disputes may arise between OSI and drug manufactures over whether certain information is proprietary or confidential for purposes of the OSI’s public report required under Section 7.
- Possible conflict between OSI and health insurers and benefits managers over information privileges and protection of HIPPA material
- OSI is potentially exposed to liability if proprietary or confidential information is improperly disclosed in public reports.
- OSI will need to be ready to enforce civil penalties against manufacturers, insurers, and benefits managers in accordance with NMSA 1978, Section 59A-1-18 in the event of non-compliance with reporting requirements.
- The fiscal/legal impact to the current PBM contract currently in the Employee Health Benefits Bureau in GSD is unknown. The contract will be transferred to the Health Care Authority in FY25 and is subject to change.

PERFORMANCE IMPLICATIONS

No performance implications for the GSD since the current PBM contract will be transferred to the Health Care Authority in FY25.

ADMINISTRATIVE IMPLICATIONS

None for GSD

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS