

LFC Requester:	Eric Chenier
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@DFA.NM.GOV

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

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 January 20, 2024
Bill No: HB 165

Sponsor: Gail Armstrong and Tara Jaramillo
Short Title: Pharmacy Provider Reimbursement

Agency Name and Code Regulation and Licensing - 420
Number: _____
Person Writing Cheranne McCracken
Phone: 505-222-9841 **Email** Cheranne.mccracken@rld.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
7,500		nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0	0	0	N/A	N/A

(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	N/A	N/A	N/A	N/A		

(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: House Bill 165 (HB 165)

Adds a new section to the Public Assistance Act requiring reimbursement by Medicaid managed care organizations to community-based pharmacies of the national average drug acquisition cost plus a professional dispensing fee, to be determined by study of the health care authority department (HCAD). Until the reasonable dispensing fee is set, it will be equal to that for covered outpatient drugs in the Medicaid fee-for-service program.

FISCAL IMPLICATIONS

Appropriates \$7.5 million from the general fund to HCAD for FY25 to increase reimbursement for community-based pharmacy provider services and to conduct a study to determine reasonable professional dispensing fee for pharmacy providers.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

A time limitation for HCAD to set the reasonable dispensing fee may be appropriate, given that funding is limited to FY25.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Insufficient reimbursement of drug acquisition cost and dispensing fee contributes to difficulties faced by community pharmacies to remain in business, which can negatively impact patient's access to prescribed drugs, and pharmacist services.

AMENDMENTS