

LFC Requester:

Eric Chenier

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov) and email to billanalysis@dfa.nm.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}***Date Prepared:** 1/15/25*Check all that apply:***Bill Number:** HB53Original ☒ Correction ☐Amendment ☐ Substitute ☐**Agency Name****and Code**HCA 630**Number:****Sponsor:** Rep. Pamela Herndon**Short** Health Care Authority**Person Writing** Kresta Opperman**Title:** Reimbursements**Phone:** 505-231-8752 **Email** Kresta.opperman@hca**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$370.0	Recurring	General Fund
\$0	\$951.4	Recurring	Federal Funds
\$0	\$1,321.4	Recurring	Total

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	Recurring	Federal Funds

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0		Nonrecurring	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None
Duplicates/Relates to Appropriation in the General Appropriation Act: None

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 53 makes appropriations in the amount of \$370,000 from general funds to the Health Care Authority for expenditures during the fiscal year 2026 to ensure the providers are fully reimbursed for vagus nerve stimulation (VNS). Any unexpended or unencumbered balance shall revert back to the general funds.

FISCAL IMPLICATIONS

This appropriation would be eligible for federal fund matching with an estimated Federal Medical Assistance Percentage of 0.72. This would be estimated at \$951,429.00 additional funds for a total estimated budget of \$1,321,429.00 budget expenditures.

There are three FDA approved uses of vagal nerve stimulation: treatment resistant epilepsy, treatment resistant depression, add-on to rehabilitative therapy post stroke.

Currently New Mexico Medicaid covers a broad range of codes to include neurostimulators, implantation, analysis/programming, revisions and removal at a rate above the Medicare reimbursement rate. Additionally, New Mexico Medicaid will reimburse a provider for routine patient care services, which are those medically necessary services that would be covered if the MAP eligible recipient participating in qualified clinical trials which may include VNS for treatment that may be considered experimental or investigational treatment.

SIGNIFICANT ISSUES

It is not clear what “**fully reimbursed** for vagus nerve stimulation” means in House bill 53. Medicaid rates are established in the Fee Schedule. Codes such as 61885, 61886, 61888 64568 through 64570 are reimbursed at 150% of the Medicare Fee schedule. HB53 does not identify a specific rate or percentage rate increase to be applied.

Per NMAC 8.310.3.11.B General reimbursement: (1) reimbursement to professional service providers is made at the lesser of the following (a) the provider’s billed charge; or (b) the MAD fee schedule for the specific service or procedure.

To support ongoing reimbursement the funding would need to be recurring.

PERFORMANCE IMPLICATIONS

Increases in reimbursement may increase access to vagus nerve stimulation services for New Mexico Medicaid recipients. However, it is unclear that access to vagus nerve stimulation is an issue currently. We have no data to report a long waiting list, and no advocates or professional organizations have approached the Medicaid agency about vagus nerve stimulation access as a priority issue.

ADMINISTRATIVE IMPLICATIONS

Deviation for current reimbursement rates would require minor claims processing system edits.

Deviation from current reimbursement methodologies described in NMAC 8.310.3.11B would require a Medicaid State Plan Amendment to address the change in payment methodology, significant claims processing system edits, NMAC revisions, and managed care Letters of Direction.

This bill will require a system change in the financial services Information Technology (IT) system. This change will be part of maintenance and operations (M & O) and will be made at no additional cost. The specific requirements would need to be gathered before a timeline for completion could be estimated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

No known conflicts, duplications, companionship or relationship to other bills at this time.

TECHNICAL ISSUES

The language “fully reimbursed” must be clarified.

FMAP is calculated each federal fiscal year by the US Department of Health and Human Services (HHS) therefore is subject to change. This can impact the estimated total budget.

OTHER SUBSTANTIVE ISSUES

No known other substantive issues.

ALTERNATIVES

A percent increase to the current reimbursement rates is an alternative approach.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

No known amendments at this time.