

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.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:** 2/18/25*Check all that apply:***Bill Number:** HB76SubOriginal ☐ Correction ☐Amendment ☐ Substitute ☒**Agency Name****and Code**HCA 630**Number:****Sponsor:** Rep. Liz Thomson**Short** Congenital Heart Disease Tests**Person Writing** Kresta Opperman**Title:** for Infants**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	\$0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Medicaid	\$674.5	\$1,360.5	\$1,360.5	\$3,395.5	Recurring	General Fund (MAD)

Medicaid	\$1,726.7	\$3,441.8	\$3,441.8	\$8,610.3	Recurring	Federal Funds (MAD)
Total Medicaid	\$2,401.2	\$4,802.3	\$4,802.3	\$12,005.80	Recurring	Total MAD
State Health Benefits Employer	\$0	\$65.0	\$65.0	\$130.0	Recurring	General Fund (SHB)
State Health Benefits Employee	\$0	\$45.0	\$45.0	\$90.0	Recurring	Cost to Employees (premiums)
State Health Benefits Employee	\$0	\$0	\$0	\$0	N/A	Cost to Employees (cost-sharing)
State Health Benefits Total	\$0	\$110.0	\$110.0	\$220.00	Recurring	Total SHB
Agency Total (SHB Total + Medicaid Total)	\$2,401.20	\$4,912.30	\$4,912.30	\$12,225.80	Recurring	TOTAL COST

(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

Medicaid

Synopsis:

This bill adds creating additional congenital heart disease screening for newborn infants echocardiogram and electrocardiogram to the tests required for newborn infants who are at a high risk of congenital heart disease (CHD) prior to discharge. If a facility lacks the equipment or staff to perform these tests, the facility shall provide the newborn parents with a referral to receive an echocardiogram and electrocardiogram upon discharge.

The bill would mandate performing an echocardiogram and electrocardiogram if a newborn infant has a familial history of congenital heart disease or if either of the newborn infant's biological parents report that they:

- 1) have ever fainted, passed out or had an unexplained seizure suddenly and without warning, especially during exercise.
- 2) have ever had exercise related chest pain or shortness of breath.
- 3) are related to someone who has died of a heart problem or with an unexpected sudden death before the age of fifty, including a death from drowning, an unexplained car accident or sudden infant death syndrome; or
- 4) are related to someone with heart related issues or related to anyone younger than fifty years old who has a pacemaker or implantable defibrillator.

HB 76 Substitute expands the screening requirements to include additional congenital heart disease screening tests. It requires further evaluation based on a standard questionnaire developed by the department to assess the newborn's risk factors and includes a broader range of conditions and

family history factors that necessitate further evaluation. HB 76 Substitute removes requirements for echocardiograms and electrocardiograms in newborns whose risk for cardiac disease is elevated based on the previously mentioned screening. Despite removing the mandate there is some expectation that these selected cases will go on to receive echocardiogram or electrocardiograms.

State Health Benefits

1. **Provisions for Resource-Limited Facilities:** If a facility lacks the necessary equipment or staff to conduct echocardiograms and EKGs, it must refer the newborn's parents to an appropriate facility upon discharge.
2. **Educational Programs and Screening Services:** The Department of Health is tasked with ensuring facilities perform these tests, implement educational programs for healthcare providers and the public, and maintain services to detect congenital diseases or have the ability to contract out.

FISCAL IMPLICATIONS

Medicaid

Implementation of this bill may increase utilization of these services. It is unclear to what extent utilization will increase under the new criteria listed in the substitution as the screening criteria is more intensive than the current clinical standard of care. To assess impact HCA estimates utilization, increase at three different levels; low impact (15% increase in utilization), moderate (50% increase in utilization), and high impact (85% increase in utilization).

Low Impact:

HCA estimates a fifteen percent increase in utilization year over year. Based on current utilization, an additional of fifteen percent would require an estimated general funds appropriation of \$204,075.25. This appropriation would be eligible to receive federal matching with an estimated Federal Medical Assistance Percentage of 0.7167 resulting in \$516,275.09. The total amount of spending given the federal match is approximately \$720,350.34 for fiscal year 2025.

For fiscal year 2026 and 2027, it is estimated that the fifteen percent increase in utilization will continue therefore requiring an estimated appropriation of \$408,150 from general funds. This appropriation would be eligible to receive federal matching with an estimated Federal Medical Assistance Percentage of 0.7167 resulting in \$1,032,550 The total amount of spending given the federal match is approximately \$1,440,700 for fiscal year 2026.

Moderate Impact:

HCA estimates a fifty percent increase in utilization year over year. Based on current utilization, an additional of fifty percent would require an estimated appropriation of \$674,488 from general funds. This appropriation would be eligible to receive federal matching with an estimated Federal Medical Assistance Percentage of 0.7167 resulting in \$1,726,679.76. The total amount of spending given the federal match is approximately \$2,401,167.79 for fiscal year 2025.

For fiscal year 2026 and 2027, it is estimated that the fifty percent increase in utilization will continue therefore requiring an estimated appropriation of \$1,360,501 from general funds. This appropriation would be eligible to receive federal matching with an estimated Federal Medical

Assistance Percentage of 0.7167 resulting in \$3,441,833 The total amount of spending given the federal match is approximately \$4,802,335 for fiscal year 2026.

High Impact:

HCA estimates an eight-five percent increase in utilization year over year. Based on current utilization, an additional of eighty-five percent would require an estimated appropriation of \$1,146,629.65 from general funds. This appropriation would be eligible to receive federal matching with an estimated Federal Medical Assistance Percentage of 0.7167 resulting in \$2,935,355.59. The total amount of spending given the federal match is approximately \$4,087,985.24 for fiscal year 2025.

For fiscal year 2026 and 2027, it is estimated that the eighty-five percent increase in utilization will continue therefore requiring an estimated appropriation of \$2,315,852.84 from general funds. This appropriation would be eligible to receive federal matching with an estimated Federal Medical Assistance Percentage of 0.7167 resulting in \$5,851,117.64. The total amount of spending given the federal match is approximately \$8,163,970.48 for fiscal year 2026.

State Health Benefits

There will be a fiscal impact on State Health Benefits costs to employers and employees as a result of this coverage expansion. This will contribute to the existing deficit of the State Health Benefits Fund.

SIGNIFICANT ISSUES

Medicaid & State Health Benefits

HCA Medicaid covers congenital heart disease based on practitioners' clinical assessment. Routine screening for congenital heart disease is recommended for all infants, but with pulse oximetry. This level of expansive surveillance based on history of syncope (fainting) in relatives, is not evidenced-based or recommended by the American Academy of Pediatrics (AAP).

The proposed legislation contradicts the most recent appropriate use criteria for echocardiograms, as jointly published by the American College of Cardiology, The American Academy of Pediatrics, The American Heart Association, and six other national organizations.

State Health Benefits

Challenges:

1. Resource Constraints:

- a. Facilities that lack the necessary equipment and personnel may face challenges implementing these screenings. Providing referrals may delay diagnosis and treatment, particularly in rural or underserved areas where medical transport may be needed.

2. Parental Objections:

- a. The bill respects parents' right to waive tests, which might result in missed diagnoses. Balancing public health goals with individual autonomy could present ethical dilemmas.

PERFORMANCE IMPLICATIONS

Medicaid

This bill could have a significant impact on network adequacy. There are insufficient pediatric cardiologists and imaging in the state. This bill no longer requires an echocardiogram with a positive screening test; however, it is reasonable to assume these tests would be performed in selected patients. would require testing that may be unnecessary for cardiac imaging for newborns. It is unclear if this increase of screening will mean that newborns who do have cardiac disease will have a harder time getting prompt echocardiograms and electrocardiograms. Advise closer alignment with American Academy of Pediatrics and more selective testing based on the clinical assessment of the hospital team. Currently sonographers with this level of pediatric expertise only work in Albuquerque and Las Cruces, meaning transportation (including potentially medical transportation) would be needed in select cases. to implement the bill successfully.

State Health Benefits

Potential Impacts:

- **Health Outcomes:** Early identification of CHDs is likely to improve infant survival rates and long-term outcomes by enabling timely medical intervention.
- **Healthcare System:** Increased screenings may place additional demands on healthcare infrastructure, especially in rural or resource-limited settings.

ADMINISTRATIVE IMPLICATIONS

Medicaid

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, managed care Letters of Direction and provider Supplements.

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

HB 76 original bill.

TECHNICAL ISSUES

None for HCA

OTHER SUBSTANTIVE ISSUES

HB 76 substitute does not define “department”

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

No known amendments at this time.