

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:** February 28, 2025 *Check all that apply:***Bill Number:** HB 78 HJC Sub Original ☐ Correction ☐
Amendment ☐ Substitute ☒**Sponsor:** Rep. Elizabeth "Liz"
Thomson and Sen. Elizabeth
"Liz" Stefanics**Agency Name
and Code
Number:** University of New Mexico-952**Short
Title:** Prohibit Discrimination
Against 340B Entities**Person Writing
Phone:** Kelly O'Donnell
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Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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 of Substitute:

The House Judiciary Committee Substitute for HB 78 removes the definition of “covered entity” and inserts a definition of “applicable entity.” A covered entity was defined as any “entity participating in the 340B program,” whereas an applicable entity is defined as an organization that is a certified 340B entity that is also one or more of the following:

- a. Organization that receives federal grant funding **and** is a:
- 1) Federally qualified health center (FQHC);
 - 2) Title X Family Planning Project
 - 3) HIV outpatient early intervention program funded by the federal Title XXVI HIV Healthcare Services Program
 - 4) HIV drug purchasing assistance program operated by the state;
 - 5) Comprehensive hemophilia diagnostic treatment center;
 - 6) Sexually transmitted disease clinic; or
 - 7) Tuberculosis clinic;
- (b) FQHC lookalike;
- (c) State or local government unit providing outpatient pharmacy treatment or services;
- (d) Critical access hospital;
- (e) Sole community hospital;
- (f) Urban Indian health organization;
- (g) University of New Mexico Hospitals

This extensive list excludes 340B pharmacies owned by PBMs.

The substitute also adds extensive reporting requirements for Applicable Entities. Applicable entities must submit annual reports to the Department of Health that include:

- Operational costs related to participation in and compliance with the 340B program, including costs paid to outside vendors; and
- Use of any savings from participating in the 340B program, including the amount of savings used for the provision of charity care, discounted care, community benefits or discounted health care to the indigent;
- Aggregate acquisition costs for all prescription drugs obtained under the 340B program;
- Aggregate payment amount received for all drugs obtained, dispensed and administered under the 340B program;
- Number and percentage of the applicable entity's patients who received a discount on either a prescription drug dispensed or administered under the 340B program, or another service provided by the applicable entity;
- Financial demographics of the applicable entity's patients, including the percentage of:
 - (a) uninsured patients;
 - (b) patients who are Medicaid beneficiaries; and
 - (c) patients who are beneficiaries of the children's health insurance program.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

The HJC committee substitute for HB 78 introduces extensive reporting requirements that would impose additional costs on applicable entities and the Department of Health. These provisions weaken the bill and diminish its potential benefits.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS