

LFC Requester:

Eric Chenier

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:** 3/4/25*Check all that apply:***Bill Number:** SB120Original ☐ Correction ☐Amendment ☐ Substitute ☒**Agency Name****and Code**HCA-630**Number:****Sponsor:** Sen. Hickey**Short** Eliminate BH Cost Sharing**Person Writing**Colin Baillio**Title:****Phone:** (505) 629-2684**Ema** Colin.Baillio@hca.nm**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0.0	0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0.0	0.0	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
State Premium	0.0	\$35.6	\$38.6	\$74.2	Recurring	GF via SHB Premium

						Increase
Member Premium	0.0	\$19.1	\$20.8	\$39.9	Recurring	SHB Member Premiums
Member Cost Sharing	0.0	(\$54.7)	(\$59.4)	(\$114.1)	Recurring	SHB Member Cost Sharing

(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: SB 120 makes permanent a state law passed in 2021 that eliminates patient out-of-pocket costs for behavioral health services that would otherwise be repealed on January 1, 2027. **The Committee Substitute clarifies certain services that must be covered.**

FISCAL IMPLICATIONS

Because any financial impacts are already built into SHB's baseline rates, extending current cost sharing requirements would result in ~~there are no~~ changes in the SHB budget compared to the current baseline. Even if the law were to sunset, SHB would likely maintain the policy because of its positive impacts on patients, providers, and the health system as a whole. **The Committee Substitute's addition of "therapy, emergency department visits, urgent care visits" will have a small fiscal impact on one of SHB's administrative service organizations (ASO). The other ASO already covers all of these services. The total fiscal impact is \$54,702.51. The member premium impact would be \$19,145.88 and the state GF impact would be \$35,556.63. As such, SB 120 has no direct fiscal impact on SHB.**

SIGNIFICANT ISSUES

The permanent elimination of cost-sharing ensures greater affordability for behavioral health services, especially for individuals managing chronic mental health or substance use issues. It removes barriers to accessing necessary care by alleviating out-of-pocket expenses. By eliminating financial obligations, more individuals may seek treatment, potentially improving public health outcomes. The bill aligns with broader state efforts to improve mental health care access. Easier access to behavioral health services could reduce costs associated with untreated mental health and substance abuse disorders, such as emergency care and productivity loss. Mental health cost-sharing disproportionately impacts lower-income individuals. This measure promotes equity by removing financial barriers.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Cost sharing will increase on patients, potentially disrupting access to care and creating financial hardship for individuals with mental health conditions and substance use disorders.

AMENDMENTS

None.