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FISCAL IMPACT REPORT

SPONSOR	House Health and Human Services	LAST UPDATED	3/13/25
	Committee	ORIGINAL DATE	3/6/2025
SHORT TITLE	HMO & Contract Provider Exam Time	BILL	CS/House Bill
	Lines	NUMBER	398/HHHCS
		ANALYST	Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OSI		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From
New Mexico Health Insurance Exchange, BeWellNM
Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of HHC Substitute for House Bill 398

The House Health and Human Services Committee substitute for House Bill 398 (HB398) would amend the insurance holding company law to allow for group capital calculation reports and liquidity stress tests. The bill also proposes to amend the health maintenance organization law to modify the timeline for examinations of health maintenance organizations and contract providers from every three years to no less frequently than every five years.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The substitute bill does not include an appropriation. The substitute bill adds group capital calculation reporting and liquidity stress testing which would require additional staff resources at the Office of Superintendent of Insurance (OSI).

SIGNIFICANT ISSUES

The Health Care Authority notes, according to a model law produced by the National Association of Insurance Commissioners, that financial examinations should take place no less frequently than every five years.

RAE/hj/hg