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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 259

SHORT TITLE: Actuarial Review of Health Legislation

SPONSOR: Chavez, N/Sena Cortez

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/5/2026 **ANALYST:** Chenier

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$100.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	See "Fiscal Implications"	See Fiscal Implications				

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Health Care Authority

SUMMARY

Synopsis of House Bill 259

House Bill 259 (HB259) appropriates \$100 thousand from the general fund to the LFC to procure contractors to perform actuarial reviews of legislative proposals that may change the coverage requirements for health insurance plans.

The bill establishes an optional process for actuarial review of proposed legislation that would modify health insurance coverage or compliance requirements. The bill authorizes the LFC, subject to appropriation, to contract with qualified actuarial experts to conduct actuarial analyses of health-related legislative proposals prior to the regular legislative session. Requests for actuarial review are limited to two members of the House majority party, two members of the House minority party, two members of the Senate majority party, and two members of the Senate minority party, with requests required to be submitted by October 1 to be eligible for review in

the following session.

The bill specifies minimum content requirements for actuarial reviews, including analysis of affected populations, utilization changes, impacts on premiums and consumer cost sharing, long-term health care cost effects, potential health benefits, and impacts on state spending under the Health Care Purchasing Act and the Public Assistance Act. The LFC is required to publish an annual report summarizing completed actuarial reviews by January 1 of each year. An appropriation of \$100 thousand is included for fiscal year 2027. HB259 does not mandate actuarial review for all health-related legislation or limit legislative authority, but instead provides an optional, standardized tool to inform policymaking through independent, data-driven analysis.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

At an average actuarial consulting rate of \$359 per hour, the \$100 thousand appropriation outlined in HB259 would fund approximately 278.6 hours of actuarial services. This equates to roughly 6.5 weeks of full-time work at 40 hours per week. Given the bill's requirements for comprehensive actuarial reviews—including analyses of affected populations, utilization rates, cost-sharing impacts, and premium effects—this funding may be insufficient, especially if multiple health care bills require evaluation within a single fiscal year.

The Health Care Authority (HCA) stated that the appropriation amount for performing 8 actuarial reviews may not be sufficient to conduct several studies. The contractual costs for the scope-of-work requirements would reflect an hourly rate. For example, a simple analytical review requiring 1-hour could cost between \$215 and \$450, with the lower end of the range reflecting work performed by an ‘actuarial analyst’ and the higher-end reflecting work performed by a ‘senior-level actuary.’ An estimate of \$359 per hour would reflect work performed by a mid-level ‘actuarial consultant.’ Based on the appropriation amount, procuring a mid-level consultant would reimburse 278 hours of actuarial analysis, providing for an average of 35 hours of work per legislative proposal under study.

SIGNIFICANT ISSUES

The proposes the establishment of an optional process for actuarial reviews of proposed health care legislation that may alter coverage requirements for health insurers. LFC would be responsible for ensuring that these actuarial analyses are comprehensive, covering aspects such as the estimated number of affected New Mexico residents, changes in health care service utilization rates, consumer cost-sharing alterations, and impacts on health insurance premiums. Additionally, the bill stipulates that the LFC must prepare and publish a written report containing the results of these reviews by January 1 each year, which could necessitate adjustments in the committee's workflow and resource allocation to meet these new requirements.