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## FISCAL IMPACT REPORT

<b>SPONSOR</b>	<u>Pirtle/Hernandez</u>	<b>LAST UPDATED</b>	<u>03/10/2023</u>
		<b>ORIGINAL DATE</b>	<u>02/06/2023</u>
<b>SHORT TITLE</b>	<u>Health Insurer Provider Info and Reimbursement</u>	<b>BILL NUMBER</b>	<u>Senate Bill 232/aSHPAC/aSFI#1</u>
		<b>ANALYST</b>	<u>Chilton</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent version of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Office of the Attorney General (NMAG)  
Office of the Superintendent of Insurance (OSI)

## SUMMARY

### Synopsis of Senate Floor Amendment to Senate Bill 232

The Senate Floor amendment to Senate Bill 232 makes grammatical changes to several sections of the bill but does not change the substance of the bill.

### Synopsis of SHPAC Amendment to Senate Bill 232

The Senate Health and Public Affairs Committee amendment to Senate Bill 232 specifies, in each location of the bill where 30 days is the limit before insurers must decide on provider credentials, that an additional 15 days can be added to that 30-day limit in the case of a need to further investigate circumstances of concern in the application.

### Synopsis of Original Senate Bill 232

Senate Bill 232 amends statutes regarding credentialing of healthcare providers, establishing an upper limit of 30 days, after which, if the insurance carrier has not made a decision on credentialing and loaded the provider's information into its payment system, a provider would have to be paid for services rendered.

Each section of the bill amends a different part of Section 59A NMSA 1978, entitled "Provider Credentialing," changing the credentialing deadline from 45 to 30 days after the time the carrier has received a complete file on a given provider. After that time, carriers would be required to have loaded the necessary information into their payment systems to reimburse the new applicant for services. If that has not occurred in the stipulated time, reimbursement of the provider is

mandated.

Sections of the bill, of current state statute and their applications are included in the following table:

Section of Senate Bill 232	State Law section modified	Affects this type of insurance
1	§ 59A-22	Individual health insurance
2	§ 59A-23	Group and blanket insurance contracts
3	§ 59A-46	Health maintenance organizations
4	§ 59A-47	Non-profit health plans

## FISCAL IMPLICATIONS

There is no appropriation in Senate Bill 232. The agencies queried did not identify a fiscal impact to those agencies or others.

## SIGNIFICANT ISSUES

New Mexico has a deficit in the number of primary care physicians and other providers and specialists, which is likely to worsen as New Mexico physicians, currently among the oldest in the nation on average, decide to retire. One factor in recruiting and retaining providers is inadequate and slow reimbursement. This bill would address one aspect of the problem, slow provider credentialing by insurance carriers.

## PERFORMANCE IMPLICATIONS

OSI comments on its role in enforcing this newly revised provision:

The proposed legislation does not appropriate funding for staff or third-party contractors to verify insurer compliance. As such, OSI's expectation is that any enforcement would occur through the receipt of individual complaints filed by providers when insurance carriers do not adhere to the statutory timelines and processes. OSI's jurisdiction over complaints is restricted to insurance plans subject to the Insurance Code and would not include complaints from providers regarding health plans issued pursuant to the Health Care Purchasing Act.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to a recent survey of insurance carriers by OSI,

Some insurers self-reported that as many as 30 percent of providers are not loaded into their reimbursement systems and provider directories within 30 days after approval of a provider's credentialing application. Without this legislation, OSI will not have the authority to hold insurers accountable for these delays in ensuring network participation of providers.

## TECHNICAL ISSUES

In the amended form of the bill, it is not clear what documentation might be needed to justify adding the extra 15 days to the thirty already provided, or to whom that justification must be made.

LAC/al/ne/rl/hg