

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/09

SPONSOR Feldman LAST UPDATED _____ HB _____

SHORT TITLE Health Care Services Common Interest Meeting SJM 1

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1 Indeterminate	\$0.1 Indeterminate		Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

Public Schools Insurance Authority (PSIA)

New Mexico Medical Insurance Pool (NMMIP)

General Services Department/Risk Management Division (GSD/RMD)

Medical Assistance Department (MAD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 1 requests HPC to convene a meeting of public entities engaged in the administration, delivery and payment of health care services in New Mexico to elicit their cooperation in identifying areas of common interest and opportunities for consolidation.

FISCAL IMPLICATIONS

There is optimism that any recommendations from this meeting result in fiscal savings to the state.

Meeting members may be entitled to per diem and mileage as provided in the Per Diem and Mileage Act. Any additional fiscal impact to state entities will be dependent upon what findings and recommendations are ultimately implemented.

SIGNIFICANT ISSUES

The memorial resolves the following:

- HPC is statutorily charged with developing a plan for and monitoring the implementation of the state's health policy;
- the Health Care Purchasing Act requires consolidated purchasing of publicly financed health insurance benefits for public employees, public school employees and the retirees of public employment and public schools;
- the New Mexico Health Insurance Alliance is a nonprofit, public corporation created for the purpose of increasing access to health insurance in the state, and all health insurance companies authorized to transact health insurance business in the state are required to be members of the alliance;
- the Medical Insurance Pool Act serves to provide access to health insurance for all New Mexicans who are denied adequate health insurance and are considered uninsurable, and all health insurance companies authorized to transact health insurance business in the state are required to be members of the New Mexico Medical Insurance Pool;
- the State Coverage Insurance Program is a public-private venture designed to extend health insurance coverage to the working poor who are at or below two hundred percent of the federal poverty level;
- New Mexico funds two premium assistance programs designed to subsidize the cost of insurance coverage for children and pregnant women;
- these and other plans and programs exist to address the overall health care needs of the residents of New Mexico;
- although the specific purposes of each plan and program may differ, and the populations served by each plan and program may have unique needs, there are many elements that are similar among the plans and programs that would benefit from a more consolidated and efficient approach to administration;
- ideas regarding consolidation of public health care programs and plans have been considered in numerous previous legislative proposals to reform the system of health care in New Mexico and have generally been opposed by the public entities that would be affected by such consolidation;
- the current organization of publicly funded plans and programs results in silos of administration, delivery and payment for health care services; and
- an emphasis on cooperation and collaboration can lead to creative solutions that will benefit all New Mexicans.

PERFORMANCE IMPLICATIONS

The memorial will require the HPC to report on recommendations for implementing collaborative efforts to the interim legislative health and human services committee in November of 2009.

ADMINISTRATIVE IMPLICATIONS

HPC will be required to convene a meeting of various public entities engaged in the administration, delivery and payment of health care services to elicit their cooperation in identifying areas of common interest and opportunities for consolidation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HSD reports that this memorial may conflict with the Governor's reorganization efforts namely The Health Insurance Alliance Reorganization Bill and the Public Sector Program Consolidation Bill.

TECHNICAL ISSUES

There is no mandatory provision that public entities participate.

OTHER SUBSTANTIVE ISSUES

PSIA reports that the four agencies covered by the Health Care Purchasing Act (PSIA, RHCA, GSD, APS) have collectively issued requests for proposals since 1999. Better administrative service fees and stabilized premiums for employees have resulted due to this combined purchasing power.

ALTERNATIVES

The Mathematica Policy Research study of 2008 examined different models of health care reform that included consolidation of administrative, delivery and payment of health care services in New Mexico.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A meeting to document to the legislature the implications for consolidating administrative, delivery and payment of health care services for various public entities will not occur.

AHO/svb