



related to implementation of the bill.

## **FISCAL IMPLICATIONS**

NMHIX reports this bill would have substantial fiscal impact on its operating budget. Currently, it receives no state appropriations, but is funded by federal grant monies, which funding is specific for implementation of the exchange. Soon it will be obligated by federal law to be self-funded. It is authorized by state and federal law to generate funding to cover administrative fees through various mechanisms, and recently adopted a financial sustainability plan by imposing assessments on health insurance issuers.

NMHIX estimates that implementation of SB 13 would cost approximately \$785,600-\$1,285,600 in the first year alone. That cost includes 4 FTEs (1 compliance specialist, 2 data/business analysts and 1 IT specialist) at \$71,400 each (salary, overhead and benefits), as well as \$550 thousand to \$1 million for the development, implementation and maintenance of a database that would be used for data storage, tracking and reporting that would require multiple simultaneous users at any given time at different locations. The numbers contained in the table above reflect these first-year costs, and LFC staff projection for year 2, assuming the need for these additional employees is a continuing, year-over-year expense to the agency, at a minimum.

## **SIGNIFICANT ISSUES**

The AGO reports that this bill fashioned after existing law allowing people applying for a driver's license to register to vote at the same time and requiring state agencies providing public assistance or services to people with disabilities to make voter registration available. See Section 1-4-47 and Section 1-4-48, NMSA 1978.

However, NMHIX comments that the requirements of SB 13 and the VRA, which requires public assistance agencies within the state to make voter registration available, are not exactly the same. Accordingly, it reports that SB 13 risks establishing an inconsistent set of voter registration obligations on the different agencies.

SOS cautions that the phrase "shall be simultaneously registered to vote" suggests NMHIX would be determining whether a person is qualified to register to vote, which involves decisions that can be made only by the county clerk. Instead, the role of NMHIX should be limited to assistance in completing a voter registration application, which is then subject to acceptance by the county clerk before a person is actually registered to vote.

HSD reports NMHIX already provides the option of voter registration through the Yes New Mexico streamlined application that HSD provides and who reports such information to SOS. HSD advises NMHIX is the result of a partnership between the state and private sector, and does not provide public assistance enrollment itself. All cases where a recipient is eligible for Medicaid are transferred to the HSD eligibility system – ASPEN. Therefore, HSD advises NMHIX is not required under the federal National Voter Registration Act of 1993 to provide voter registration. Similar conclusions have been drawn in other state-run health insurance exchanges including Hawaii, Colorado and Connecticut.

OSI notes that it seems unlikely that address change information submitted to the Secretary of State would be easily available to NMHIX. Additionally, if NMHIX continues to use the federal

platform, the option to register to vote may not be available through online enrollment.

The League reports that when NMHIX becomes a State Based Exchange (SBE) it will be required to provide voter registration assistance in conformance with the NVRA. According to the League, the California Exchange, after a legal challenge, had to remedy its failure to provide voter registration assistance, which was quite costly for the Exchange. The League states that it recognizes that SB 13 goes beyond the requirements of the NVRA, but it wants to be clear that the NMHIX is required to offer the opportunity to register to vote once it becomes a SBE. The League contends that since the NMHIX is in the process of developing software for becoming an SBE, it would be far less costly if they were to incorporate voter registration assistance into that system rather than having to integrate it as a result of a legal challenge.

### **ADMINISTRATIVE IMPLICATIONS**

NMHIX expresses concern that if it does not receive an appropriation to meet its obligations under this bill, it expects that its performance of its core mission would be negatively impacted. Additionally, it would need to reassess its organizational structure and engage additional personnel with the relevant expertise to comply with the dictates of SB 13.

SOS reports that part that the NMHIX's system and process will need to interface with the SOS voter registration system (VREMS), as well as capture and transmit an electronic signature and PFD image of the voter registration form. Additionally, it advises that this bill mirrors the electronic voter registration process under development by Motor Vehicle Division of Taxation & Revenue Department, and that MVD has spent significant time and funding to develop a system that can be integrated into in-person MVD transactions. SOS adds that MVD is currently one year behind schedule and anticipates implementing its system in June, 2015.

### **OTHER SUBSTANTIVE ISSUES**

NMHIX reports it has only one walk-in center located in Bernalillo County. It is authorized, but not obligated to, establish additional walk-in centers. Because of the limited number of locations for in-person customer service, NMHIX is also concerned about its ability to “ensure consistent implementation in the various counties, based on county classification and developing technology,” as required in Section 1.

MD/bb/je/aml