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### **FISCAL IMPACT REPORT**

SPONSOR:	Russell	DATE TYPED:	02/08/00	HB	326
SHORT TITLE:	Catastrophic Group Health Insurance			SB	
				ANALYST:	Valenzuela

### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NFI		NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

### **SOURCES OF INFORMATION**

LFC Files

Public Regulation Commission (PRC)

Health Policy Commission (HPC)

## SUMMARY

### Synopsis of Bill

House Bill 326 amends the New Mexico Insurance Code to provide for a catastrophic group health insurance policy for small employers. The catastrophic health plan would have a deductible of \$600.00 for individuals and \$1,200.00 for families. These policies would be exempt from numerous provisions found throughout the Insurance Code, and as a consequence, would not be required to provide coverage for certain mandated benefits.

### Significant Issues

Large employers can self-insure and avoid mandated benefits and associated costs. House Bill 326 would permit small employers who are too small to self-insure to accomplish the same thing. The two uncertainties that surround this issue are how many mandated benefits and which ones are not covered by self-insured employers. Without this information, it is difficult to assess the impact of the legislation, other than to simply suggest that when health plans are mandated to provide coverage, the premiums increase. The Health Policy Commission (HPC) notes that New Mexico employer premiums are among the lowest in the nation.

## FISCAL IMPLICATIONS

House Bill 326 does not contain an appropriation and would not have an administrative or fiscal impact on the Public Regulation Commission.

MFV/gm