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## FISCAL IMPACT REPORT

SPONSOR: SCORC DATE TYPED: 03/16/01 HB \_\_\_\_\_  
 SHORT TITLE: Health Care Coverage of Unmarried Dependents SB 413/SCORCS/aHBIC  
 ANALYST: Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Health Policy Commission (HPC)  
 Retiree Health Care Authority (RHCA)  
 Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of HBIC Amendment

House Business and Industry Committee amends SCORC substitute for SB 413 by:

- Including a Definitions Section “59A-23D-2”. This section contains language used in the Medical Care Savings Account Act.
- Including a Definitions Section “59A-56-3”. This section contains language used in the Health Insurance Alliance Act

The new amended language tracks with Sections 1,2,3, and 4 of the bill.

#### Synopsis of Substitute Bill

SB 413/SCORCS requires that unmarried dependent childrens’ group health care coverage be continued until the dependent’s 25<sup>th</sup> birthday without exception. The bill does not require this coverage for individual policies.

#### Significant Issues

Health care coverage for dependents generally permits coverage for unmarried dependents who live at home until their 21st birthday or are full time students age 25 or less. When college students are

home for the summer they are not enrolled as full time students. While for most carriers this does not create a problem, some health plans require that parents file affidavits or certifications concerning whether or not the student intends to enroll full time in the fall. This bill would eliminate this requirement and would extend coverage to dependents that are not students.

## **RELATIONSHIP**

Relates to:

HB 491, Coverage for chronically Ill Children  
SB 375, Medical Insurance Pool Act

## **OTHER SUBSTANTIVE ISSUES**

The HPC has provided the following:

- c New Mexico's uninsured rate is about 26percent. Approximately 40 percent of young adults in NM between the ages of 19 to 24 do not have health coverage. This trend is found nationally as well.
- c Non-elderly adults, ages 19 to 64 had an uninsured rate of 29 percent in 1998, about 457, 000 New Mexicans.
- c The percentage of all New Mexicans with employment based insurance coverage is about 50percent, with non-employment based coverage about 6 percent.
- c Statistically, young adults are living at home with their parents longer and marrying at a later age.
- c Young adults, even those living on their own, may have only part-time jobs that do not qualify them for employer based insurance. In addition young adults with typical household incomes of less than \$20,000, are more than likely, to be unable to afford health insurance. This amounts to about 50 percent of those in New Mexico making less than \$20,000.
- c Young adults, who live at home and work to save money for college may not qualify for dependent coverage or be able to afford health insurance.
- c County Indigent Fund (CIF) revenues have remained constant for the last several years, with expenditures from the fund approximately equal to revenues. Providing healthcare coverage to a group of people that may qualify for indigent care, may reduce the number of people seeking CIF funds.

DW/ar/njw