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## FISCAL IMPACT REPORT

SPONSOR: Park DATE TYPED: 02/23/01 HB 638  
 SHORT TITLE: Amend Patient Protection Act SB \_\_\_\_\_  
 ANALYST: Wilson

### APPROPRIATION

| Appropriation Contained |               | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|---------------|-----------------------------|------|----------------------|---------------|
| FY01                    | FY02          | FY01                        | FY02 |                      |               |
|                         | See Narrative |                             |      |                      |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Public Regulation Commission (PRC)  
 Retiree Health Care Authority (RHCA)  
 Attorney General's Office (AG)  
 Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

HB 638 weakens the Patient Protection Act by limiting private civil claims for relief to proven actual damages rather than guaranteeing at least a minimum recovery of \$100 for violations as currently provided.

#### Significant Issues

The AG states that HB 638 leaves consumers with no economically viable civil remedy for small dollar violations of the Patient Protection Act.

### FISCAL IMPLICATIONS

There is no agreement about whether HB 638 will cause claim damage awards to go up or down. If they rise there could be a slight rise in premiums and the State as the employer of the public school employees, the state employees and retirees would be affected.

**OTHER SUBSTANTIVE ISSUES**

The HPC provided the following:

- c In New Mexico and across the nation, publicity, lawsuits, and concerns have been raised regarding denials of claims, consumer rights, limited access to health care, and barriers in traditional physician/patient relations. While many of the issues have been escalated by managed care shifting incentives; more traditional plans are using similar cost containment strategies employed by managed care organizations.
- The provisions of the amendment may increase premium costs. The right to claim damages should be balanced with potential cost increases. Increased premiums nationally have been associated with decreased health insurance coverage and increasing numbers of uninsured people.

DW/ar