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FISCAL IMPACT REPORT

SPONSOR: Marquardt DATE TYPED: 03/09/01 HB HJM 81
 SHORT TITLE: Study Publicly funded Health Care Agency SB _____
 ANALYST: Carrillo

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act _____

SOURCES OF INFORMATION

General Services Department
 Public School Insurance Authority
 Retiree Health Care Authority
 Health Policy Commission

SUMMARY

Synopsis of Bill

House Joint Memorial requests the Legislative Finance Committee (LFC) study certain aspects of the operations of the publicly funded health care agency (Interagency Task Force -- ITF). The ITF members are: Risk Management Division (RMD); New Mexico Public School Insurance Authority (PSIA); Retiree Health Care Authority (RHCA); and the Albuquerque Public Schools (APS). The emphasis of the study is on the adequacy of coverage in relation to costs for all forms of benefits offered the various constituent memberships. The study should include a recommendation on whether the respective constituent members should be subject to the Patient Protection Act and the mental health parity statutes. The study is to be presented to the Legislative Council and the Legislative Health and Human Services Committee at their November 2002 meetings.

Significant Issues

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According to the ITF member agencies, the request for proposals (RFPs) solicited competitive bids on all products, including dental benefits. The publicly funded agencies who participated in consolidated purchasing have voluntarily undertaken to bring their plans into compliance with the Patient Protection Act and mental health parity statutes. There is no publicly funded health care agency, but rather a cooperative group of four agencies who have entered into a joint powers agreement while retaining their individual identities.

RHCA staff comments the agency does not yet use performance-based budgeting; however, they expect the results of the proposed study to show that given the fiscal restraints, the program is offering the highest level benefits for the least expense, in support of our agency program (providing high-quality, comprehensive group health insurance to eligible retirees and dependents).

The PSIA staff notes the introductory statements have been previously addressed in the ITF's response to the Attorney General's report. (Note: The Attorney General's report and the ITF's response are available in the LFC office.)

FISCAL IMPLICATIONS

It is unknown at this time if LFC will require assistance from consultants or the need to purchase publications or reports.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

HJM 81 relates to HB 878, Consolidated Purchasing.

WC/jsp