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FISCAL IMPACT REPORT



SPONSOR: Lopez DATE TYPED: 02/01/02 HB _____

SHORT TITLE: Health Care for Unmarried Dependents SB 274

ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	Minimal		

SOURCES OF INFORMATION

General Services Department (GSD)
 Health Policy Commission (CHE)
 Department of Health (DOH)
 Department of Labor (DOL)
 Public Regulation Commission (PRC)
 Attorney General's Office (AG)

SUMMARY

Synopsis of Bill

SB274 amends the Health Care Purchasing Act to require that health insurance plans issued or renewed on or after July 1, 2002 not terminate coverage of an insured's unmarried dependent who is a full-time student of an accredited educational institution by reason of the dependent's age before the dependent's twenty-sixth birthday.

Significant Issues

SB274 requires the following health care coverage for an unmarried dependent, who is a full-time student enrolled in an accredited educational institution, and who is under the age of twenty-six.

- Any group health care coverage, including any form of self-insurance, offered, issued or renewed on or after July, 1, 2002;
- Each blanket or group health policy or certificate of insurance delivered, issued for delivery or renewed in NM on or after July 1, 2002;

- Each group health maintenance organization contract offered, delivered, issued for delivery or renewed in NM on or after July 1, 2002;
- Any group subscriber contract offered, issued or renewed in NM on or after July 1, 2002.

FISCAL IMPLICATIONS

The cost of extending coverage for a year for dependent full-time students to state employees, public school employees or retirees would be minimal since that age group is a generally healthy population.

RELATIONSHIP

Relates to:

SB 274, Health Coverage for Unmarried Dependents

SJM 43, Health Care Insurance Tax Incentives

OTHER SUBSTANTIVE ISSUES

The provisions in SB 274 could increase the number of young adults who are covered by health insurance and allow full time students who attend an accredited educational institute up to age twenty-six (26) to maintain their health insurance coverage through their parents.

Census statistics for the year 2000 indicate that 23.8% of New Mexico's population was without health insurance. This was the highest rate in the nation. Similarly, for the three-year period 1998-2000, New Mexico had an average uninsured rate of 22.6%. This was the highest average rate in the nation for that period. Only one other state, Texas, had a rate greater than 20%.

Young adults compose a significant portion of New Mexico's uninsured. It is unclear how many of the uninsured are full-time students prematurely terminated from their parents' health plans. Nevertheless, it is reasonable to expect that the provisions of SB 274 would help some students to maintain health coverage throughout the period of their advanced education.

DW/njw:ar