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## FISCAL IMPACT REPORT

SPONSOR Feldman DATE TYPED 2/08/04 HB \_\_\_\_\_

SHORT TITLE Private Purchase of Health Insurance SB SJM 8/aSFL#2

ANALYST Geisler

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		See Narrative			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates: HJM 3

Relates to: HB 87 and SB 101

### SOURCES OF INFORMATION

Human Services Department

Health Policy Commission

PRC-Insurance Division

### SUMMARY

#### Synopsis of Senate Floor Amendment #2

The amendment provides for the participation of a representative from every insurance company that does business in New Mexico in the study on the potential effects and methods of authorizing private businesses and individuals to join a public health insurance purchasing collaborative.

#### Synopsis of Senate Floor Amendment #1

The amendment to page 2, line 10 strikes “incomes” and inserts in lieu thereof “expenses.” This clarifies that health care insurance and health care costs make up a increasing share of employee and employer expenses.

#### Synopsis of Original Bill

The memorial calls for the Human Services Department and the Health Policy Commission, with the cooperation of the Insurance Division and the Risk Management Division, to “study the po-

tential effects and methods of authorizing private businesses and individuals to join a public health insurance purchasing collaborative.” The study is to address the effect on the number of uninsured, the growth in health insurance costs, the effects on the business community and the effects on the private group and individual insurance markets. The analysis is to include input from key stakeholders and a final report with legislative recommendations would be due by December 2004.

### Significant Issues

The analysis called for by this memorial was one of the recommendations of the Governor’s Health Care Coverage and Access Task Force.

### **FISCAL IMPLICATIONS**

The Human Services Department states that it has received federal grant money to study the uninsured. Part of these funds would be used to perform this analysis and produce this report.

### **DUPLICATION AND RELATIONSHIP**

Duplicates HJM 3. Relates to SB 101 and HB 87 that would establish an expanded public agency purchasing pool for health care benefits initially to public employees and retirees, but potentially could be expanded to private companies and citizens.

### **OTHER SUBSTANTIVE ISSUES**

HPC provides that the potential ability of the private sector and individuals to increase their purchase power by enabling this segment of the New Mexican Population to join a public purchasing cooperative has enormous economic effects. It could:

- Lower the cost of insurance.
- Reduce the number of working uninsured.
- Allow economic growth in the small business sector through the ability to reducing employee turnover. (Small businesses lose employees to larger employers who can offer benefits. Therefore, the added cost of retraining is enormous).

**GG/prr:njw:dm**