

HOUSE JOINT MEMORIAL 69

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Ron Godbey

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

A JOINT MEMORIAL

REQUESTING THE NEW MEXICO HEALTH POLICY COMMISSION TO EXPLORE
THE BENEFIT AND COST OF STATE-SPONSORED REINSURANCE FOR CERTAIN
HEALTH INSURANCE LOSSES FOR SMALL BUSINESSES.

WHEREAS, the cost of health insurance is skyrocketing,
rising by double-digit percentages every year for most New
Mexicans; and

WHEREAS, small businesses are heavily impacted by the
rising cost of health insurance, and are finding it
increasingly difficult to offer health insurance benefits to
their employees; and

WHEREAS, New Mexico has one of the highest rates of
uninsured in the nation, estimated at twenty-two percent of the
population of the state, or in excess of four hundred thousand
New Mexicans; and

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1 WHEREAS, one factor contributing to the high cost of
2 health insurance is the possibility of catastrophic health
3 events, or long-term, chronic events that exceed the amount
4 collected in premiums for that group or individual; and

5 WHEREAS, small businesses are more vulnerable to this type
6 of risk since they have too few employees to offset potential
7 losses should one employee experience excessively high medical
8 costs; and

9 WHEREAS, small businesses lack the ability to self-insure,
10 due to size; and

11 WHEREAS, health insurance companies might be more willing
12 to provide health insurance to small businesses at an
13 affordable premium if the risk of extraordinary loss was
14 adequately insured; and

15 WHEREAS, in New York state, where state-sponsored
16 reinsurance is provided under certain conditions, small
17 business insurance premiums have been reduced by up to thirty-
18 six percent on certain products sold;

19 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
20 STATE OF NEW MEXICO that the New Mexico health policy
21 commission, with the cooperation of the insurance division of
22 the public regulation commission, be requested to explore the
23 benefit and cost of state-sponsored reinsurance for
24 extraordinary health insurance losses for small businesses; and

25 BE IT FURTHER RESOLVED that the study examine the

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1 potential for increased access to New Mexico health policy
2 commission by small businesses in New Mexico, as well as the
3 overall impact on the uninsured; and

4 BE IT FURTHER RESOLVED that the New Mexico health policy
5 commission report its findings to the interim legislative
6 health and human services committee at its October 2004
7 meeting; and

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 transmitted to the New Mexico health policy commission and the
10 superintendent of insurance at the public regulation
11 commission.