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## FISCAL IMPACT REPORT

SPONSOR Wirth DATE TYPED 1/27/05 HB 289

SHORT TITLE Part-time Employee Insurance Coverage SB \_\_\_\_\_

ANALYST Rosen

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI		Indeterminate	Recurring	Varies with agency funding sources

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB335

### SOURCES OF INFORMATION

Responses Received From

- Economic Development Department (EDD)
- Public Regulation Commission (PRC)
- Human Services Department (HSD)
- Corrections Department (CD)

No Responses Received From

- Labor Department (LD)

### SUMMARY

Synopsis of Bill

House Bill 289 requires insurers to offer health insurance companies with employees who work or are expected to work an average of at least 20 hours per week over a six-month period. Insurance carriers or employers are not mandated to provide health insurance coverage to part-time employees. However, if an employer chooses to provide health insurance coverage to its part-time workers then an insurance carrier must offer the product.

### Significant Issues

This bill is based on the recommendations of the Insure New Mexico Council to require insurers to offer health insurance to employees working 20 hours or more. Currently some insurers do not offer insurance for employees working less than 30 hours. Under this bill, if employers elect to offer health insurance to their part-time employees, insurance carriers shall be required to offer the insurance product.

HSD indicates the opportunity to provide employer-sponsored health insurance for part-time employees will help address New Mexico's high rate of uninsured. The bill allows more flexible work arrangements such as job-sharing, part-time salary status, etc., without sacrificing health insurance benefits.

### **PERFORMANCE IMPLICATIONS**

HSD indicates this bill targets several performance measures the governor has identified to reduce the uninsured population and increase the rate of employer-sponsored health insurance in New Mexico, including decreasing the state uninsured rate by 10%. HSD estimates this bill could help up to 4,000 individuals and target a particularly difficult group of uninsured. The bill addresses the HSD goal of providing New Mexicans access to support and services so they may move toward self-sufficiency.

### **FISCAL IMPLICATIONS**

There is no fiscal impact associated with this bill. However, several executive agencies indicate they will need additional funding if required to offer part-time workers health care insurance coverage.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Duplicates SB335

### **OTHER SUBSTANTIVE ISSUES**

HSD indicates, according to the Census' 2003 Current Population Survey, New Mexico ranks second in the nation for the rate of uninsured at 22.1% or an estimated 414,000 individuals.

HSD indicates, in the 2004 HRSA Household Survey of the uninsured, 25% of uninsured adults worked one part-time job while 41% were working multiple part-time jobs. In addition, 62% of the uninsured are young, ages 18 to 34, the age group most likely to be working multiple part-time jobs as they try to establish a career or a work history.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

The status quo will be maintained with limited incentives available for employers electing to offer health insurance coverage to part-time employees.

JR/lg:yr