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## FISCAL IMPACT REPORT

SPONSOR Senate Floor DATE TYPED 3/17/05 HB \_\_\_\_\_

SHORT TITLE Insurance Tax Credit & Eligibility SB 393/SFIS

ANALYST Wilson

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		\$0.1	Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

The Senate Floor Committee Substitute provides for small group coverage in the Medical Insurance Pool (Pool). The substitute gives the Pool board the authority to issue a policy of insurance, for a small group that is formed voluntarily through an employer, association, cooperative, mutual alliance or other organization; provided, however, that an employer group may not have more than fifty persons.

The group must be uninsurable as defined in the Medical Insurance Pool Act

#### Significant Issues

Currently the Pool cannot take high risk groups, but the Alliance can. The Pool insurance is more comprehensive for groups with disabled member or persons with high prescription drug usage.

### FISCAL IMPLICATIONS

Since the Pool assesses insurers who provide Medicaid coverage through the salud program and the alliance only assesses private insurers, it is to the State's financial advantage to put high risk small groups into the Pool.

**OTHER SUBSTANTIVE ISSUES**

- The Pool was created in 1987 by the legislature to offer insurance coverage to individuals who are unable to purchase coverage due to their health status in either the private or public markets. These individuals have health conditions such as heart disease, cancer, diabetes, disabilities, asthma, obesity or arthritis.
- The Pool actuarially calculates premiums based on the private individual market. The Pool is able to charge up to 150% of what our policy would cost if sold by an insurance company. The Pool currently charges 10% over what the policy would cost in the private market.
- Only 1400 people in New Mexico are currently enrolled in the Pool. .

**DW/sb:yr:lg**