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SENATE BILL 37

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY  
Steve Komadina

AN ACT

RELATING TO HEALTH INSURANCE; PROVIDING UNIFORM CONTRIBUTIONS  
FOR PUBLIC SCHOOL EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,  
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS  
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all  
political subdivisions of the state, excluding municipalities,  
counties and political subdivisions of the state with twenty-  
five employees or fewer, shall cooperate in providing group  
term life, medical or disability income insurance for the  
benefit of eligible employees or salaried officers of the  
respective departments, institutions and subdivisions.

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1           B. The group insurance contributions of the state  
2 or any of its departments or institutions, including  
3 institutions of higher education [~~and the public schools~~],  
4 shall be made as follows:

5                   (1) at least seventy-five percent of the cost  
6 of the insurance of an employee whose annual salary is less  
7 than fifteen thousand dollars (\$15,000);

8                   (2) at least seventy percent of the cost of  
9 the insurance of an employee whose annual salary is fifteen  
10 thousand dollars (\$15,000) or more but less than twenty  
11 thousand dollars (\$20,000);

12                   (3) at least sixty-five percent of the cost of  
13 the insurance of an employee whose annual salary is twenty  
14 thousand dollars (\$20,000) or more but less than twenty-five  
15 thousand dollars (\$25,000); [~~or~~] and

16                   (4) at least sixty percent of the cost of the  
17 insurance of an employee whose annual salary is twenty-five  
18 thousand dollars (\$25,000) or more.

19           C. Effective July 1, 2004, the group insurance  
20 contributions of the state or any of its executive, judicial or  
21 legislative departments, including agencies, boards or  
22 commissions, shall be made as follows; provided that the  
23 contribution percentage shall be the same for all affected  
24 public employees in a given salary bracket:

25                   (1) up to eighty percent of the cost of the

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1 insurance of an employee whose annual salary is less than  
2 thirty thousand dollars (\$30,000);

3 (2) up to seventy percent of the cost of the  
4 insurance of an employee whose annual salary is thirty thousand  
5 dollars (\$30,000) or more but less than forty thousand dollars  
6 (\$40,000); and

7 (3) up to sixty percent of the cost of the  
8 insurance of an employee whose annual salary is forty thousand  
9 dollars (\$40,000) or more.

10 D. Effective July 1, 2005, the group insurance  
11 contributions of the state or any of its executive, judicial or  
12 legislative departments, including agencies, boards or  
13 commissions, shall be made as follows; provided that the  
14 contribution percentage shall be the same for all affected  
15 public employees in a given salary bracket:

16 (1) up to eighty percent of the cost of the  
17 insurance of an employee whose annual salary is less than fifty  
18 thousand dollars (\$50,000);

19 (2) up to seventy percent of the cost of the  
20 insurance of an employee whose annual salary is fifty thousand  
21 dollars (\$50,000) or more but less than sixty thousand dollars  
22 (\$60,000); and

23 (3) up to sixty percent of the cost of the  
24 insurance of an employee whose annual salary is sixty thousand  
25 dollars (\$60,000) or more.

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1           E. The state shall not make any group insurance  
2 contributions for legislators. A legislator shall be eligible  
3 for group benefits only if the legislator contributes one  
4 hundred percent of the cost of the insurance.

5           F. As used in this section, "cost of the insurance"  
6 means the premium required to be paid to provide coverages.  
7 Any contributions of the political subdivisions of the state,  
8 except [~~the public schools and~~] political subdivisions of the  
9 state with twenty-five employees or fewer, shall not exceed  
10 sixty percent of the cost of the insurance.

11           G. When a public employee elects to participate in  
12 a cafeteria plan as authorized by the Cafeteria Plan Act and  
13 enters into a salary reduction agreement with the governmental  
14 employer, the provisions of Subsections B through D of this  
15 section with respect to the maximum contributions that can be  
16 made by the employer are not violated and will still apply.  
17 The employer percentage or dollar contributions as provided in  
18 Subsections B through D of this section shall be determined by  
19 the employee's gross salary prior to any salary reduction  
20 agreement.

21           H. Any group medical insurance plan offered  
22 pursuant to this section shall include effective cost-  
23 containment measures to control the growth of health care  
24 costs. The responsible public body that administers a plan  
25 offered pursuant to this section shall report annually by

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1 September 1 to appropriate interim legislative committees on  
2 the effectiveness of the cost-containment measures required by  
3 this subsection.

4 I. Within available revenue, [~~school districts,~~  
5 ~~charter schools, participating entities pursuant to the Public~~  
6 ~~School Insurance Authority Act and~~] institutions of higher  
7 education may contribute up to eighty percent of the cost of  
8 the insurance of all employees."

9 Section 2. Section 22-29-10 NMSA 1978 (being Laws 1989,  
10 Chapter 373, Section 5, as amended) is amended to read:

11 "22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

12 A. Group insurance contributions for school  
13 districts, charter schools and participating entities in the  
14 authority shall be [~~made as follows:~~

15 (1) at least [~~seventy-five~~] eighty percent of  
16 the cost of the insurance of an employee [~~whose annual salary~~  
17 ~~is less than fifteen thousand dollars (\$15,000);~~

18 (2) ~~at least seventy percent of the cost of~~  
19 ~~the insurance of an employee whose annual salary is fifteen~~  
20 ~~thousand dollars (\$15,000) or more but less than twenty~~  
21 ~~thousand dollars (\$20,000);~~

22 (3) ~~at least sixty-five percent of the cost of~~  
23 ~~the insurance of an employee whose annual salary is twenty~~  
24 ~~thousand dollars (\$20,000) or more but less than twenty-five~~  
25 ~~thousand dollars (\$25,000); or~~

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1                   ~~(4) at least sixty percent of the cost of the~~  
2 ~~insurance of an employee whose annual salary is twenty five~~  
3 ~~thousand dollars (\$25,000) or more.~~

4                   ~~B. Within available revenue, school districts,~~  
5 ~~charter schools and participating entities in the authority may~~  
6 ~~contribute up to eighty percent of the cost of the insurance of~~  
7 ~~all employees.~~

8                   ~~G.]~~ B. Whenever a school district, charter school  
9 or participating entity in the authority offers to its  
10 employees alternative health plan benefit options, including  
11 health maintenance organizations, preferred provider  
12 organizations or panel doctor plans, the school district,  
13 charter school or participating entity may pay an amount on  
14 behalf of the employee and family member for the indemnity  
15 health insurance plan sufficient to result in equal employee  
16 monthly costs to the cost of the health maintenance  
17 organization plans, preferred provider organization plans or  
18 panel doctor plans, regardless of the percentage limitations in  
19 the Public School Insurance Authority Act. School districts,  
20 charter schools and participating entities in the authority may  
21 pay up to one hundred percent of the first fifty thousand  
22 dollars (\$50,000) of term life insurance."

23                   Section 3. A new section of the Public School Code is  
24 enacted to read:

25                   "[NEW MATERIAL] GROUP INSURANCE CONTRIBUTIONS FOR SCHOOL  
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1 DISTRICTS WITH STUDENT ENROLLMENT IN EXCESS OF SIXTY THOUSAND  
2 STUDENTS.--Group insurance contributions for school districts  
3 with student enrollment in excess of sixty thousand students,  
4 including the school districts' charter schools, shall be at  
5 least eighty percent of the cost of the insurance of an  
6 employee of the school district."

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