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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/08  
LAST UPDATED 02/04/08

SPONSOR Jennings HB \_\_\_\_\_

SHORT TITLE Revise Medical Insurance Pool Act SB 391/aSJC

ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
NM MIP		\$.01			Recurring	

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Medical Insurance Pool (MIP)

Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of SJC Amendment

The Senate Judiciary Committee Amendment strikes the term “prohibiting” and replaces with the term “clarifying” in the title of the Act, as it relates to lifetime maximum benefit levels for pool policies.

#### SIGNIFICANT ISSUES

The title of the act allows for content in the bill that further clarifies a health insurance policy issued by the pool shall not include a lifetime maximum benefit.

#### Synopsis of Original Bill

Senate Bill 391 amends the Medical Insurance Pool Act by revising definitions and eligibility criteria, prohibiting lifetime maximum benefit levels in New Mexico insurance pool policies, and clarifying small group policies.

### FISCAL IMPLICATIONS

The changes proposed within the bill may increase consumer protections that may result in additional claims.

## **SIGNIFICANT ISSUES**

Section 59-A-54-3 is amended within definitions:

- Removes medical care programs of the Indian Health Service from the definition of “creditable coverage” relating to coverage of a person under plans pursuant to the Medical Insurance Pool Act; thereby, allowing an insure to continue to receive health care services from the IHS.
- Creditable coverage for a “federally defined individual” is as defined by the Health Insurance Portability Act.
- Within the definition of “preexisting condition”, clarifies that pregnancy is not considered a preexisting condition for a federally defined eligible individual.

Section 59A-54-12 is amended within eligibility:

- With respect to enrolling any person under a pool policy; extends the period of “creditable coverage” to a 95 day continuous period (from 63 days) during which the individual was not covered thereby increasing portability.
- Allows for a person, whose health insurance coverage from another state’s high risk pool policy is terminated because of non-residency, to apply for coverage under the pool as long as within 95 days (from 31 days).

Section 59A-54-13 is amended within benefits:

- Adds language to confirm that a pool health insurance policy shall not include a lifetime maximum benefit.
- In the case of a small group policy offered by the pool, covered family members shall have the right to continue the policy upon the death of the named insured or upon divorce, annulment, dissolution of marriage or upon legal separation.

## **OTHER SUBSTANTIVE ISSUES**

The New Mexico Medical Insurance Pool (NMMIP) was established by the 1987 New Mexico State Legislature. The Pool was created to provide access to health insurance coverage to residents of New Mexico who are denied health insurance and considered uninsurable. NMMIP also provides health benefit portability coverage to New Mexicans who have exhausted COBRA benefits and have no other portability options available to them. NMMIP is administered by Blue Cross and Blue Shield of New Mexico who handles eligibility, enrollment, member services and claims processing.

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

The MIP reflects that there will continue to be lack of clarity on issues of eligibility.

ANA/mt