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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/08

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Post-Secondary Student Health Care SB 503

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$35.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 37, SB 38, SB 40

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Department of Health (DOH)

New Mexico Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 503 appropriates \$35.0 from the general fund for expenditure in Fiscal Years 2008 and 2009 to the Higher Education Department to study post-secondary student health care and factors incident to providing that health care, including determining:

- (1) the number of students with and without health care coverage;
- (2) the sources of health care coverage for students who have health care coverage;
- (3) the cost of coverage for all of the students and the cost of coverage for those not currently covered;
- (4) the current role of student health care services and what expanded services can be offered through student health care programs;
- (5) the cost of expanding student health care services;
- (6) the effect that mandatory assessment of health care coverage fees would have on student enrollment or attendance; and
- (7) possible funding mechanisms for coverage for student health care, such as institutional scholarship funding, funding from the College Affordability Act or funding from other state resources.

Senate Bill 503 requires that the higher education department shall report to the legislative finance committee, the legislative education study committee and any other appropriate interim committees on the study findings by October 30, 2008.

Senate Bill 503 contains an emergency clause taking effect immediately.

FISCAL IMPLICATIONS

The appropriation of \$35.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED states that NMHED and New Mexico's public postsecondary institutions would need to collect data for the metrics requested in SB503. While the legislation requests for the act to take effect immediately and for NMHED to report the study findings by October 30, 2008, it is unlikely that the necessary data could be collected until the 2008-2009 academic year, for student health care data that is not currently captured at the institution level.

The HPC notes that In November of 2005, the Texas Department of Insurance (TDI) published the *Insurance Options for College Students in Texas: A Study of Student Health Insurance Plans*, and found that college students are disproportionately at risk of lacking insurance coverage when compared to the population in general.

According to the DOH, The New Mexico Medicaid program provides coverage for eligible youth up the age of 18. Medicaid furnishes extended coverage to recipients over 18 year of age but under 21 years of age who are receiving Chafee independent living assistance. A nationwide study funded by the Heinz Family Philanthropies and the Chickering Group in 2002 found that 30% of college students don't have any type of health insurance, requiring more than 4 million students to pay for their health care needs out-of-pocket. The same study also discovered that those students without health insurance were also less likely to finish college than those who had insurance coverage, with many of these students having to drop out of school and work to pay off their medical bills. A simple illness that could quickly and easily be treated with antibiotics may cause an uninsured student on a limited budget to miss several days of classes and fall behind in schoolwork, simply because he or she could not afford to visit the doctor.

RELATIONSHIP

Senate Bill 503 relates to:

SB37: Require College Student Health Insurance

SB38: Non-resident College Student Health Insurance

SB40: Health Insurance in College Scholarships

GH/mt