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AN ACT

RELATING TO HEALTH INSURANCE; AMENDING THE MEDICAL INSURANCE
POOL ACT TO PROVIDE FOR PREMIUM ASSISTANCE FOR LOW-INCOME
HOUSEHOLDS.

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

Section 1. Section 59A-54-19 NMSA 1978 (being Laws
1987, Chapter 154, Section 19, as amended) is amended to
read:

"59A-54-19. RATES--STANDARD RISK RATE.--

A. The pool shall determine a standard risk rate
by actuarially calculating the individual rate that an
insurer would charge for an individual policy with the pool
benefits issued to a person who was a standard risk.
Separate schedules of standard risk rates based on age and
other appropriate demographic characteristics may be used.
In determining the standard risk rate, the pool shall
consider the benefits provided, the standard risk experience
and the anticipated expenses for a standard risk for the
coverage provided. The rates charged for pool coverage shall
be no more than one hundred fifty percent of the standard
risk rate for each class of insureds.

B. The board shall adopt a low-income premium
schedule that provides coverage at lower rates for those
persons with an income less than four hundred percent of the

1 current federal poverty level guidelines applicable to New
2 Mexico, published by the United States department of health
3 and human services. For individuals with household incomes
4 of one hundred ninety-nine percent of the federal poverty
5 level or lower, the premium reduction shall be seventy-five
6 percent. For individuals with household incomes of two
7 hundred percent to two hundred ninety-nine percent of the
8 federal poverty level, the premium reduction shall be fifty
9 percent. For individuals with household incomes of three
10 hundred percent to three hundred ninety-nine percent of the
11 federal poverty level, the premium reduction shall be
12 twenty-five percent, with the exception of those individuals
13 in this category who were enrolled and receiving a fifty
14 percent reduction in premium prior to January 1, 2009, who
15 shall be phased down to a twenty-five percent premium
16 reduction over a two-year period, provided that they continue
17 to re-qualify annually for a premium reduction in the three
18 hundred percent to three hundred ninety-nine percent of the
19 federal poverty level category. The board shall determine
20 income based on the preceding taxable year. No person shall
21 be eligible for a low-income premium reduction if that
22 person's premium is paid by a third party who is not a family
23 member.

24 C. All rates and rate schedules shall be submitted
25 to the superintendent for approval."
