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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/09

SPONSOR Wirth LAST UPDATED _____ HB _____

SHORT TITLE Domestic Partner Health Insurance SB 439

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 12, HB 21

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Attorney General (AGO)

Department of Workforce Solutions (DWS)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 439 requires group health insurance providers to provide coverage for the domestic partners of employees who work at least part time (an average of 20 hours per week over a 6 month period), if they are asked to do so by an employer. It does not require employers to make such requests or to provide domestic partner coverage. The bill provides that the insurers must provide the coverage if employers request it prior to issuance, delivery or renewal. These requirements are applicable to group health insurance providers, health maintenance organizations and Non Profit Health Care Plans that operate pursuant to New Mexico laws. The bill sets 4 mandatory criteria for domestic partnership: exclusive relationship, shared primary residence for 12 or more consecutive months; joint responsibility for common welfare of each other and shared financial obligations.

FISCAL IMPLICATIONS

Senate Bill 439 has no direct fiscal impact. The impact from potentially reducing the number of persons without health insurance is indeterminate.

The HPC notes that according to a July 2007 study by Research & Polling, Inc., commissioned by the General Services Department and Human Services Department, on employee insurance coverage rates among vendors doing business with the State of New Mexico, cost was the primary barrier to those state vendors that did not offer health insurance to their employees.

SIGNIFICANT ISSUES

The PRC comments that insurers already are required to provide coverage for domestic partners of state and local government employees pursuant to Governor Richardson's Executive Order No. 2003-010, and to employees covered under the New Mexico State Insurance Authority, per statute.

The HPC states that:

SB439 is part of Governor Richardson's 2009 Legislative Health Reform package. The bill is part of the effort to give more options for employees to help pay for coverage as well as providing for domestic coverage.

In addition, SB439 is consistent with the *Insure New Mexico!* the Council's recommendations to insure more New Mexicans. According to the Council, the opportunity to offer employer-sponsored health insurance for employees' domestic partners will help address New Mexico's high rate of uninsured.

ADMINISTRATIVE IMPLICATIONS

The AGO notes that the bill does not set out any formal requirement for an affidavit or other document establishing that the criteria have been met and it does not provide a method of dissolution. Absent legislation or regulation of such details, the insurance providers may develop their own administrative methods which would not necessarily be uniform.

RELATIONSHIP

Senate Bill 439 is related to Senate Bill 12 and House Bill 21 which provide that state rights and responsibilities guaranteed to married couples shall be equally available to domestic partners. These bills set out requirements for an affidavit of domestic partnership that must be recorded and provide a method for dissolution of such partnerships.

GH/svb