

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 94

50th Legislature, 1st Session, 2011

Tracking Number: .183689.1

Short Title: Health Policy & Finance Dept. Act

Sponsor(s): Representative Danice Picraux and Others

Analyst: Eilani Gerstner

Date: February 6, 2011 (corrected)

Bill Summary:

HB 94 creates a new section in law to create the *Health Policy and Finance Department Act*.

Among its provisions, HB 94:

- over a three-year period, consolidates the health care purchasing and planning functions of seven state agencies into a new unified cabinet department – the Health Policy and Finance Department (HPFD), headed by the Secretary of Health Policy and Finance;
 - the department would be responsible for Medicaid, behavioral health services, and purchase of health care services for state and other public employees, school district employees, and public retirees;
- changes the name of the Joint Interim Legislative Health and Human Service Committee to the Legislative Health Committee (LHC);
 - the LHC shall appoint a director, who shall hire staff, and the director and staff will provide year-round support to the LHC; and
- creates a health unit of the Legislative Council Service (LCS).

Fiscal Impact:

HB 94 does not make an appropriation.

Fiscal Issues (corrected):

A table in the Legislative Finance Committee's Fiscal Impact Report (FIR) for HB 94 indicates an FY 12 potential savings of approximately \$3.8 million (a combination of General Fund and federal dollars).

There may be an increase in the appropriations for legislative agencies in the annual *Feed Bill* because HB 94 creates a permanent staff for the new LHC, rather than the current arrangement of LCS staffing the Joint Interim Legislative Health and Human Service Committee.

Substantive Issues:

As it relates to public schools, the provisions of HB 94 provide for a study from July 1, 2011 to July 1, 2012 to analyze how to transfer to the Health Policy and Finance Department the health coverage functions of: the New Mexico Public Schools Insurance Authority (NMPSIA), the New Mexico Retiree Health Care Authority, any school district with a student enrollment in excess of 60,000 (Albuquerque Public Schools), and the Risk Management Division of the General Services Department.

On the analysis for a related bill, SB 15, *Health Policy & Finance Dept. Act*, which provides for an identical study, NMPSIA notes that, if the agencies listed above will be modified to one uniform set of benefits and one eligibility platform, the costs for IT consolidation will be significant.

Related Bills:

HB 37 *Legislative Human Services Committee*

SB 15 *Health Policy & Finance Dept. Act*