February 10, 2011

Mr. President:

Your **PUBLIC AFFAIRS COMMITTEE**, to whom has been referred

SENATE BILL 370

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 4, lines 6 and 7, strike "superintendent has certified as meeting the requirements in state and" and insert in lieu thereof "board has determined as meeting the requirements in".

2. On page 6, line 11, before the period, insert "or the division's successor in interest".

3. On page 7, line 6, strike "appointed members" and insert in lieu thereof:

"managerial and full-time employees of the exchange and appointed members, except those whom the superintendent appoints from the New Mexico medical insurance pool and those whom the governor appoints from the New Mexico health insurance alliance boards of directors, who shall not be considered to have a conflict of interest with respect to their association with those entities,".

4. On page 9, line 10, after "The", insert "exchange and the".

5. On page 11, line 6, after "Americans", insert ", some of whom live on a reservation and some of whom do not live on a reservation,".

6. On page 12, line 4, after the semicolon, insert "provided that no contractor shall be a carrier;".

7. On page 12, line 7, strike "provided that no contractor shall be a carrier;".

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8. On page 14, between lines 24 and 25, insert the following new subsection:

"B. by January 1, 2012:

(1) report findings and submit recommendations to the legislative health and human services committee, the legislative finance committee and the superintendent on how to avoid adverse selection; and

(2) provide legislative recommendations to the legislative health and human services committee and the legislative finance committee on whether to change the number of full-timeequivalent employees in the definition of "small employer" from fifty to one hundred before January 1, 2016. The board shall recommend a transition plan for the exchange and carriers to follow when changing the definition of "small employer", whether the change occurs prior to or on January 1, 2016;".

9. Reletter the succeeding subsections accordingly.

10. On page 15, between lines 4 and 5, insert the following new subsection:

"D. by July 1, 2016, provide legislative recommendations to the legislative health and human services committee and the legislative finance committee on whether to:

(1) continue limiting qualified employer status to small employers and, if qualified employer status is extended to large employers, whether to combine the large employer risk pool with the small group market;

(2) combine the individual, small group and the large employer markets into a single risk pool; and

(3) enter into an exchange with other states or share

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resources or responsibilities to enhance the affordability of operating the exchange;".

11. Reletter the succeeding subsections accordingly.

12. On page 16, line 11, after the dash, strike the remainder of the line and strike line 12 up to "federal" and insert in lieu thereof:

"A. To fund the planning, implementation and operation of the exchange, the board shall contract with the human services department or any other state agency that receives".

13. On page 16, between lines 15 and 16, insert the following new subsection:

"B. The human services department or any other state agency that receives federal funds allocated, appropriated or granted to the state for purposes of funding the planning, implementation or operation of a health insurance exchange shall contract with the board to provide those funds to the exchange in consideration for its planning, implementation or operation.".

14. On page 16, between lines 23 and 24, insert the following new section:

"SECTION 11. A new section of the New Mexico Insurance Code is enacted to read:

"[<u>NEW MATERIAL</u>] INSURANCE DIVISION--COOPERATION WITH NEW MEXICO HEALTH INSURANCE EXCHANGE.--The insurance division, or its successor in interest, shall cooperate with the New Mexico health insurance exchange to share information and assist in the implementation of the functions of the exchange."".

15. Renumber the succeeding sections accordingly.,

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and thence referred to the CORPORATIONS AND TRANSPORTATION COMMITTEE.

Respectfully submitted,

Dede Feldman, Chairman

Adopted_____ Not Adopted_____(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was <u>5</u> For <u>0</u> Against Yes: 5 0 No: Excused: Asbill, Eichenberg, Nava Absent: None

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