

HOUSE HEALTH, GOVERNMENT AND INDIAN AFFAIRS
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 654

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
MAKING CHANGES TO CERTAIN GROUP HEALTH PREMIUMS; INCLUDING THE
GROUP SELF-INSURANCE FUND AS ONE OF THE FUNDS AMONG WHICH THE
RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT MAY
TEMPORARILY TRANSFER.

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

SECTION 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all
political subdivisions of the state, excluding municipalities,
counties and political subdivisions of the state with twenty-
five employees or fewer, shall cooperate in providing group

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underscored material = new
[bracketed material] = delete

1 term life, medical or disability income insurance for the
2 benefit of eligible employees or salaried officers of the
3 respective departments, institutions and subdivisions.

4 B. The group insurance contributions of the state
5 or any of its departments or institutions, including
6 institutions of higher education and the public schools, shall
7 be made as follows:

8 (1) at least seventy-five percent of the cost
9 of the insurance of an employee whose annual salary is less
10 than fifteen thousand dollars (\$15,000);

11 (2) at least seventy percent of the cost of
12 the insurance of an employee whose annual salary is fifteen
13 thousand dollars (\$15,000) or more but less than twenty
14 thousand dollars (\$20,000);

15 (3) at least sixty-five percent of the cost of
16 the insurance of an employee whose annual salary is twenty
17 thousand dollars (\$20,000) or more but less than twenty-five
18 thousand dollars (\$25,000); ~~or~~ and

19 (4) at least sixty percent of the cost of the
20 insurance of an employee whose annual salary is twenty-five
21 thousand dollars (\$25,000) or more.

22 C. Effective July 1, 2004, the group insurance
23 contributions of the state or any of its executive, judicial or
24 legislative departments, including agencies, boards or
25 commissions, shall be made as follows; provided that the

1 contribution percentage shall be the same for all affected
2 public employees in a given salary bracket:

3 (1) up to eighty percent of the cost of the
4 insurance of an employee whose annual salary is less than
5 thirty thousand dollars (\$30,000);

6 (2) up to seventy percent of the cost of the
7 insurance of an employee whose annual salary is thirty thousand
8 dollars (\$30,000) or more but less than forty thousand dollars
9 (\$40,000); and

10 (3) up to sixty percent of the cost of the
11 insurance of an employee whose annual salary is forty thousand
12 dollars (\$40,000) or more.

13 D. Effective July 1, 2005, the group insurance
14 contributions of the state or any of its executive, judicial or
15 legislative departments, including agencies, boards or
16 commissions, shall be made as follows; provided that the
17 contribution percentage shall be the same for all affected
18 public employees in a given salary bracket:

19 (1) up to eighty percent of the cost of the
20 insurance of an employee whose annual salary is less than fifty
21 thousand dollars (\$50,000);

22 (2) up to seventy percent of the cost of the
23 insurance of an employee whose annual salary is fifty thousand
24 dollars (\$50,000) or more but less than sixty thousand dollars
25 (\$60,000); and

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1 (3) up to sixty percent of the cost of the
2 insurance of an employee whose annual salary is sixty thousand
3 dollars (\$60,000) or more.

4 E. Effective July 1, 2013, the employer shall pay
5 one hundred percent of basic life insurance premiums for
6 employees, and employees who choose to carry disability
7 insurance shall pay one hundred percent of the premium.

8 [~~E.~~] F. The state shall not make any group
9 insurance contributions for legislators. A legislator shall be
10 eligible for group benefits only if the legislator contributes
11 one hundred percent of the cost of the insurance.

12 [~~F.~~] G. As used in this section, "cost of the
13 insurance" means the premium required to be paid to provide
14 coverages. Any contributions of the political subdivisions of
15 the state, except the public schools and political subdivisions
16 of the state with twenty-five employees or fewer, shall not
17 exceed sixty percent of the cost of the insurance.

18 [~~G.~~] H. When a public employee elects to
19 participate in a cafeteria plan as authorized by the Cafeteria
20 Plan Act and enters into a salary reduction agreement with the
21 governmental employer, the provisions of Subsections B through
22 [~~D.~~] F. of this section with respect to the maximum contributions
23 that can be made by the employer are not violated and will
24 still apply. The employer percentage or dollar contributions
25 as provided in Subsections B through D of this section shall be

1 determined by the employee's gross salary prior to any salary
2 reduction agreement.

3 ~~[H.]~~ I. Any group medical insurance plan offered
4 pursuant to this section shall include effective cost-
5 containment measures to control the growth of health care
6 costs. The responsible public body that administers a plan
7 offered pursuant to this section shall report annually by
8 September 1 to appropriate interim legislative committees on
9 the effectiveness of the cost-containment measures required by
10 this subsection.

11 ~~[I.]~~ J. Within available revenue, school districts,
12 charter schools, participating entities pursuant to the Public
13 School Insurance Authority Act and institutions of higher
14 education may contribute up to eighty percent of the cost of
15 the insurance of all employees."

16 **SECTION 2.** Section 15-7-11 NMSA 1978 (being Laws 1983,
17 Chapter 292, Section 1, as amended) is amended to read:

18 "15-7-11. TEMPORARY TRANSFER OF MONEY AMONG FUNDS
19 ADMINISTERED BY RISK MANAGEMENT DIVISION.--

20 A. The director of the risk management division of
21 the general services department may transfer money in
22 accordance with this section among the following funds:

23 (1) the local public body unemployment
24 compensation reserve fund;

25 (2) the public liability fund;

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- 1 (3) the public property reserve fund;
- 2 (4) the state government unemployment
- 3 compensation reserve fund;
- 4 (5) the surety bond fund; [~~and~~]
- 5 (6) the workers' compensation retention fund;
- 6 and
- 7 (7) the group self-insurance fund.

8 B. Money may be transferred among the funds
9 specified in Subsection A of this section only upon the
10 director's written certification that:

- 11 (1) the money is required to maintain the
- 12 financial stability and liquidity of the fund to which the
- 13 money is to be transferred;
- 14 (2) the money is not required to maintain the
- 15 financial stability and liquidity of any fund from which the
- 16 money is to be transferred;
- 17 (3) the fund to which the money is to be
- 18 transferred can reasonably be expected to have sufficient
- 19 balances within one year of the date of the transfer to repay
- 20 the amount transferred in full plus interest; and
- 21 (4) all other requirements of this section
- 22 will be fulfilled prior to transfer.

23 C. The secretary of general services and the state
24 board of finance shall approve in advance any transfer of money
25 pursuant to this section.

