

February 5, 2002

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

SENATE BILL 219

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

1. On page 2, line 20, after "to" insert "obtain an  
insurance policy or".

2. On page 3, line 19, after "to" insert "obtain an insurance  
policy or".

3. On page 3, line 21, insert the following three new  
sections:

"Section 3. Section 22-2-6.7 NMSA 1978 (being Laws 1986,  
Chapter 94, Section 7, as amended) is amended to read:

"22-2-6.7. AUTHORITY--DUTIES.--In order to effectuate the  
purposes of the Public School Insurance Authority Act, the  
authority has the power to:

A. employ the services of the state fiscal agent or  
select its own fiscal agent pursuant to regulations adopted by the  
board; provided that for the purposes of disbursing all money  
other than that in the fund, the secretary of finance and  
administration shall be the fiscal agent for the authority;

B. enter into professional services and consulting  
contracts or agreements as necessary;

C. collect, provide for the investment of and disburse  
money in the fund;

D. collect all current and historical claims and

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financial information necessary for effective procurement of lines of insurance coverage;

E. promulgate necessary rules, regulations and procedures for implementation of the Public School Insurance Authority Act;

F. negotiate new insurance policies covering additional or lesser benefits as determined appropriate by the authority, but the authority shall maintain all coverage levels required by federal and state law for each participating member. In the event it is practical to wholly self-insure a particular line of coverage, the authority may do so;

G. procure lines of insurance coverage in compliance with the provisions of the Health Care Purchasing Act, except as provided in Subsection H of Section 22-2-6.9 NMSA 1978, and the competitive sealed proposal process of the Procurement Code; provided that any group medical insurance plan offered pursuant to this section shall include effective cost-containment measures to control the growth of health care costs. The board shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection; and

H. purchase, renovate, equip and furnish a building for the board. "

Section 4. Section 22-2-6.9 NMSA 1978 (being Laws 1986, Chapter 94, Section 9, as amended) is amended to read:

"22-2-6.9. PARTICIPATION--WAIVERS--EXEMPTIONS.--

A. School districts and charter schools shall participate in the authority, unless the school district or charter school is granted a waiver by the board.

B. In determining whether a waiver should be granted, the

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board shall establish minimum benefit and financial standards for the desired line of coverage. These minimum benefit and financial standards and the proposed time schedule for responsive offers shall be sent to all school districts and charter schools at the time the request for proposals for the desired line of coverage is issued. Any school district or charter school seeking a waiver of coverage shall match the minimum benefit and financial standards set forth in the request for proposals for the desired line of coverage. School districts and charter schools shall submit documentation of their proposals matching the board's minimum benefit and financial requirements prior to the deadline established by the board. The authority has the power to approve or disapprove a waiver of participation based on the documentation submitted by the school district or charter school regarding the benefit and financial standards established by the board. The board shall grant a waiver to a school district or charter school that requests a waiver and that has met the minimum benefit and financial standards within the time schedule established by the board. Once the board awards the insurance contract, no school district or charter school shall be granted a waiver for the entire term of the contract.

C. Any school district or charter school granted a waiver of participation for health insurance shall be required to petition for participation in other kinds of group insurance coverage and shall be required to meet the requirements established by the authority prior to participation in other kinds of group insurance coverage. A school district or charter school [~~which~~] that has been granted a waiver shall be prohibited from participating in the coverage for which a waiver was granted for the entire term of the authority's insurance contract. Provided, however, that if the authority contracts for a line or lines of coverage for a period of eight years, the board may establish procedures and preconditions for authorizing a school district or charter school [~~which~~] that has been granted a waiver to again participate in the coverage after the expiration of the first four years of coverage.

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D. Any school district or charter school granted a waiver of participation for workers' compensation shall be required to petition for participation in other risk-related coverages and shall be required to meet the requirements established by the authority prior to participation in other kinds of risk-related coverages. A school district or charter school [~~which~~] that has been granted a waiver shall be prohibited from participating in the coverage for which a waiver was granted for the entire term of the authority's insurance contract.

E. Educational entities may petition the authority for permission to participate in the insurance coverage provided by the authority. To protect the stability of the fund, the authority shall establish reasonable terms and conditions for participation by educational entities.

F. A participating school district or charter school may separately provide for coverage additional to that offered by the authority.

G. The [~~local~~] school districts, charter schools or the authority, as appropriate, may provide for marketing and servicing to be done by licensed insurance agents or brokers who should receive reasonable compensation for their services.

H. The school district or charter school is exempt from mandatory participation in the dental care and eye care coverage programs approved by the authority, provided that the school district or charter school offers that coverage for its respective employees. The school district or charter school shall notify the authority of its decision to provide separate dental care or eye care coverage to allow appropriate, timely and permissible contract termination or execution."

Section 5. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2002."

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Respectfully submitted,

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Dede Feldman, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 5 For 0 Against  
Yes: 5  
No: 0  
Excused: Adair, Komadina, Romero, Sanchez, B.  
Absent: None

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