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FISCAL IMPACT REPORT

SPONSOR: Vigil DATE TYPED: 3/17/03 HB 731/aHBIC

SHORT TITLE: Health Care Coverage for Unmarried Dependents HB _____

ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

Relates to SB 457

SOURCES OF INFORMATION

- Responses Received From
 Attorney General’s Office (AGO)
 Human Services Department (HSD)
 Public Regulation Commission (PRC)
 Public School Insurance Authority (PIA)
 Retiree Health Care Authority (RHCA)
 Department of Health (DOH)
 General Services Department (GSD)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment makes it a requirement that a dependent meeting the provisions of this bill must be covered until the dependent’s twenty-fifth birthday instead of the dependent’s twenty-fourth birthday. The amendment also removes the requirement that the dependent must be a full-time student.

Synopsis of Original Bill

House Bill 731 requires individual and group health insurance policies, group health maintenance organization contracts, and group health coverages issued under the Health Care Purchasing Act offering coverage of an insured’s dependent to not terminate coverage of an unmarried dependent by reason of the dependent’s age before the dependent’s twenty-fourth birthday.

The requirements of HB 731 do not apply to ERISA plans or Medicaid.

Significant Issues

HB 731 does not require a dependent who is under 24 years old to be a full time student which differs from current practice in most health insurance policies which leaves many young adults without health insurance as a result. Often these young adults are on very limited incomes and away from home for the first time. They may be struggling to pay for necessities such as food and shelter. Personal health care becomes a low priority until costly emergency room treatment becomes a matter of life and death.

Young adults comprise a significant portion of New Mexico's uninsured. It is unclear how many of the uninsured would be affected by the provisions of HB 731. Nevertheless, the provisions of HB 731 will help some young adults, and will somewhat reduce the number of uninsured in New Mexico. This would clearly be a positive step since it is more likely for a person who is insured to receive adequate preventative care.

FISCAL IMPLICATIONS

Insurers would refile policy forms with the Insurance Division of the PRC. This would be a one time re-filing or filing of an endorsement and can be handled with existing staff. The fiscal impact is unknown but the PRC considers it minimal.

ADMINISTRATIVE IMPLICATIONS

There will be a one time re-filing or filing of an endorsement and can be handled with existing staff.

RELATIONSHIP

Relates to SB 457, Health Care Coverage for Unmarried Dependents

DW/sb