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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/06

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE EXPAND HEALTH INSURANCE ALLIANCE SB _____

COVERAGE SB 381

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 24

Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)
 Department of Health (DOH)

SUMMARY

Senate Bill 381 proposes a technical amendment to the Health Insurance Alliance statute. The technical amendment allows an employer to take up health insurance coverage for its employees through both the Health Insurance Alliance and a state or federal agency offering health insurance coverage based on the employees' income.

FISCAL IMPLICATIONS

There are no direct fiscal implications of this bill. However, the effect should be to broaden the utilization of the State Coverage Insurance thus increasing the state's general fund requirement to support the program.

SIGNIFICANT ISSUES

The effect of the bill is to assure that an employer offering the State Coverage Insurance (SCI) Program, or some similar federal or state program, to its employees may also offer coverage through the Health Insurance Alliance (HIA). This bill simply codifies that an employer may take up health insurance for its employees from a federal and state income-tested plan as well as from the HIA, that is an employer may mix service plans.

The Health Insurance Alliance (HIA) increases access to health insurance coverage for small businesses, self-employed and qualified individuals. Currently, the HIA statute does not allow co-existence with another employer- based health insurance plan. SCI is a program administered by the state that allows employers to enroll low-income employees who are not currently insured. Affordable employer-sponsored health plans currently available through HIA may still not meet the needs of some low-income employees. Therefore, the Insure New Mexico! Council recommended to expand the ability of the HIA to allow enrollment of SCI members to co-exist in an employer group which purchases an HIA employer sponsored health plan.

MW/mt