

A JOINT MEMORIAL

REQUESTING THE INSURANCE DIVISION OF THE PUBLIC REGULATION COMMISSION TO FORM A TASK FORCE TO STUDY A VOLUNTARY HEALTH INSURANCE EXCHANGE TO PROVIDE INDIVIDUALS AND EMPLOYERS WITH GREATER ACCESS TO AND GREATER CHOICE, PORTABILITY AND AFFORDABILITY OF HEALTH INSURANCE PRODUCTS.

WHEREAS, a health insurance exchange is a mechanism to facilitate the purchase of health insurance by individuals and families that functions as a clearinghouse, but not a regulator or purchaser, for approved health insurance products offered by private insurance companies; and

WHEREAS, an exchange collects and consolidates premium payments and forwards them to insurance companies on behalf of individuals, families and participating employers; and

WHEREAS, in an exchange model, employers participate on a voluntary basis and can designate the exchange as their group health benefit plan administrator, thereby ensuring that all defined contributions to the exchange will extend to individual employees the federal and state tax benefits that are currently limited to employers; and

WHEREAS, employers can also extend the opportunity to purchase health insurance coverage to all of their employees, including part-time and contract employees, through a Section 125 plan; and

WHEREAS, Section 125 plans enable employees to purchase health insurance using pre-tax contributions; and

WHEREAS, insurance plans sold through an exchange are portable, allowing individual participants the opportunity to retain the same health plan if they change jobs or lose their jobs; and

WHEREAS, a well-designed health insurance exchange functions like a single, centralized market in which individuals can purchase a variety of health insurance products, including traditional health insurance plans, health maintenance organizations, health savings accounts and other coverage options that may emerge in response to consumer demand; and

WHEREAS, an exchange reduces the administrative burden on employers who choose to participate by removing the responsibility of selecting group coverage for their workers and administering health benefit plans; and

WHEREAS, a health insurance exchange can contract with publicly funded or subsidized health care agencies to provide health care benefits for the eligible participants of those agencies; and

WHEREAS, a health insurance exchange would provide greater access to and greater choice, portability and affordability of health insurance coverage in New Mexico; and

WHEREAS, an exchange offers to individuals and small

businesses many of the same advantages that currently are only available to large businesses, and an exchange potentially increases access to health insurance coverage, has the potential to lower or contain individual health insurance premium costs and provides flexibility to employers in offering health insurance benefits to their employees; and

WHEREAS, the insurance industry has in place a system of plans and experts, agents and brokers who are trained and experienced in the business of health insurance; and

WHEREAS, the health insurance industry has the potential voluntarily to organize a health insurance exchange without a legislative mandate;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the insurance division of the public regulation commission be requested to form a task force to study a voluntary health insurance exchange to provide individuals and employers with greater access to, and greater choice, portability and affordability of, health insurance products; and

BE IT FURTHER RESOLVED that the task force investigate the potential for and limitations of pretax benefits and tax deductions with the establishment of a health insurance exchange; and

BE IT FURTHER RESOLVED that the task force explore administrative structures appropriate to administer a health

insurance exchange, including a nonprofit public corporation separate and apart from the state; and

BE IT FURTHER RESOLVED that the task force examine the potential of a health insurance exchange to lower or contain the cost of health insurance premiums, particularly in the individual market; and

BE IT FURTHER RESOLVED that the insurance division of the public regulation commission collaborate with the New Mexico health policy commission, the human services department, the New Mexico health insurance alliance, the New Mexico medical insurance pool and other agencies that have expertise and interest in the topic; and

BE IT FURTHER RESOLVED that the findings and recommendations of the task force be presented to the interim legislative health and human services committee by November 1, 2009; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the insurance division of the public regulation commission.