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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/11

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE CONTINUE HEALTH CARE REFORM WORKING GROUP SJM 1

ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$5.0 - \$25.0	\$5.0 - \$25.0	\$10.0 - \$50.00	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation Commission (PRC)  
Human Services Department (HSD)  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 1 requests the continuation of the Health Care Reform working group (WG) convened to make recommendations regarding implementation of the Patient Protection and Affordable Care Act (PPACA). It tasks the WG with providing recommendations regarding initiatives to implement federal health care reform.

SJM 1 proposes that the WG: meet on a quarterly basis through December 2014 with staff support by the Legislative Council Service, Legislative Finance Committee (LFC) and state agencies; receive input from public stakeholders; and, make recommendations regarding initiatives needed to implement federal reform.

SJM 1 requests that the WG make recommendations on an annual basis to the Governor's Office, the Health Policy Commission, the LFC, LHHS, the co-chairs of the New Mexico Legislative Council, the Superintendent of Insurance and the Secretaries of the Human Services and Health Departments.

### FISCAL IMPLICATIONS

PRC notes that health care reform is both critical to the public welfare and highly complex, with

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many stakeholders in the medical, insurance and regulatory communities. The passage of federal health care reform provides many requirements, decisions and opportunities for individual states regarding its implementation.

There will be a limited fiscal impact to the various agencies for participation in the workgroup.

### **SIGNIFICANT ISSUES**

The WG was convened as a result of SJM 1 in 2010 asking that the Superintendent of Insurance establish a group to guide and recommend initiatives to help the state realize benefits from implementing PPACA.

### **PERFORMANCE IMPLICATIONS**

In March 2010, Congress enacted PPACA. The legislation aims to extend health insurance to more citizens; stabilize health insurance markets by requiring broader participation, enhanced consumer protections; and improving the affordability and quality of health care. The legislation has staggered rollout dates from now until 2014 for its various provisions. Although health reform was enacted through federal legislation, much of the responsibility for implementing its provisions has been delegated to states.

### **ADMINISTRATIVE IMPLICATIONS**

The memorial will support the work of the Leadership Team and the Office of Health Care Reform. The memorial also requires staff assistance from relevant state agencies.

### **TECHNICAL ISSUES**

It is unclear how public stakeholders and advisory groups will contribute to the WG.

### **OTHER SUBSTANTIVE ISSUES**

A synopsis of HSD comments:

On April 20, 2010, the Governor established the Health Care Reform Leadership Team in response to passage of the PPACA. The Leadership Team was charged with creating a strategic plan across state agencies to oversee planning, development and implementation of federal health care reform in New Mexico. On July 1, 2010, the Leadership Team sent to the Governor its report “Implementing Federal Health Care Reform – A Roadmap for New Mexico.” Based on the report, on July 19, 2010, the Governor, by Executive Order 2010-032:

- charged the Leadership Team to continue in its mission to oversee the planning, development and implementation of health care reform in New Mexico;
- expanded the membership of the Health Care Reform Leadership Team to include representation from the New Mexico Higher Education Department; Public Education Department; Department of Finance and Administration; General Services Department, Risk Management Division; Office of the Governor’s Council on Women’s Health; and the Workers’ Compensation Administration;

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- created a New Mexico Office of Health Care Reform – administratively attached to HSD- authorized with decision-making authority and dedicated existing staff, to plan, coordinate, and administer implementation of federal health care reform;
- conducted tribal consultation regarding health care reform initiatives and policies that will impact American Indians; and
- maintained involvement of, and coordination with, New Mexico’s Congressional delegation; providers; insurers; health plans; consumers; advocacy groups; tribes, tribal organizations, and urban Indians; and other members of the public.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The work of the SJM 1 WG may come to an end.

AHO/bym