

LFC Requester:

Austin Davidson

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/19/24

Bill No: SJR5

Sponsor: Sen. Gonzales
Short Title: Retiree Health Care Trust

Agency Name and Code HSD-630
Number: _____

Person Writing Carolee Graham
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$0	\$0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
\$0	\$0	\$0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$0	\$0	\$0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO ARTICLE 20 OF THE CONSTITUTION BY ADDING A NEW SECTION TO PROHIBIT THE EXPENDITURE OR ENCUMBRANCE OF TRUST FUNDS CREATED FOR PUBLIC EMPLOYEES RETIREE HEALTH CARE FOR ANY PURPOSE EXCEPT FOR THE SOLE AND EXCLUSIVE BENEFIT OF THE TRUST BENEFICIARIES; PROVIDING FOR THE ADMINISTRATION OF THE TRUST FUNDS; AFFIRMING CERTAIN PROPERTY RIGHTS

FISCAL IMPLICATIONS

No fiscal impacts

SIGNIFICANT ISSUES

As the Human Services Department reorganizes to become the Health Care Authority per [2023 SB 16](#), the Governor envisions the HCA as agency that prioritizes the health and well-being of every New Mexican by creating a single agency for health care purchasing, policy, and regulation. The HCA will transform how NM purchases health care, leveraging the purchasing power of Medicaid to improve cost, quality, and outcomes. The HCA will leverage expertise, optimize data analytics, and drive accountability to achieve improvements in health care system.

The [final HCA transition plan](#) submitted to the Legislature on 1/2/24 does not administratively tie the Retiree Health Care Trust to the HCA.

PERFORMANCE IMPLICATIONS

A pending Executive Order will request the HCA, the NM Public Schools Insurance Authority (NMPISA), the NM Retiree Health Care Authority (RHCA), and other Interagency Benefits Advisory Committee (IBAC) agencies work together to develop a coordinated and comprehensive purchasing plan for health care benefits for public employees and retirees that can be implemented by 7/1/25. The Resolution as currently drafted may conflict with the Executive Order.

ADMINISTRATIVE IMPLICATIONS

No IT impact.

Pending 2023 legislation will require the IBAC to make purchasing recommendations to the Secretary of the HCA for final decision-making; and require the IBAC agencies to engage in joint contracting for health benefits effective July 1, 2025. The Resolution as currently drafted may conflict with the forthcoming legislation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

The HCA, by leveraging its health care insurance coverage purchasing power, aims to drive down healthcare costs for state employees over the long-term.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None