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SENATE BILL 355

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Don Kidd

AN ACT

RELATING TO GROUP HEALTH INSURANCE; AMENDING THE NEW MEXICO
INSURANCE CODE TO AUTHORIZE CATASTROPHIC GROUP HEALTH
INSURANCE POLICIES TO BE ISSUED TO SMALL EMPLOYERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-16-13.1 NMSA 1978 (being Laws
1989, Chapter 304, Section 1, as amended) is amended to read:

"59A-16-13.1. CRANIOMANDIBULAR AND TEMPOROMANDIBULAR
JOINT DISORDERS.--Except as provided in Section 59A-23-4.1
NMSA 1978, no insurer or other provider of health care
benefits regulated under Articles 22, 23, 24A, 44, 46, 47 or
54 of the Insurance Code shall, after July 1, 1989, issue,
deliver or execute in this state any policy, plan, contract
or certificate of health, medical, hospitalization, accident
or sickness coverage unless the policy, plan, contract,
certificate or other evidence of coverage provides for

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1 surgical and nonsurgical treatment of temporomandibular joint
2 disorders and craniomandibular disorders, subject to the same
3 conditions, limitations, prior review and referral procedures
4 as are applicable to treatment of any other joint in the body
5 and treatable by any practitioner of the healing arts as
6 defined in Section 59A-22-32 NMSA 1978. The health care
7 coverage for craniomandibular and temporomandibular joint
8 disorders required by this section may be subject to
9 reasonable copayments or coinsurance provisions and need not
10 include coverage for orthodontic appliances and treatment,
11 crowns, bridges and dentures unless the disorder is trauma
12 related."

13 Section 2. Section 59A-23-4 NMSA 1978 (being Laws 1984,
14 Chapter 127, Section 463, as amended by Laws 1997, Chapter 7,
15 Section 2 and by Laws 1997, Chapter 249, Section 2 and by
16 Laws 1997, Chapter 250, Section 2 and also by Laws 1997,
17 Chapter 255, Section 2) is amended to read:

18 "59A-23-4. OTHER PROVISIONS APPLICABLE.--

19 A. No blanket or group health insurance policy or
20 contract shall contain any provision relative to notice or
21 proof of loss or the time for paying benefits or the time
22 within which suit may be brought upon the policy that in the
23 superintendent's opinion is less favorable to the insured
24 than would be permitted in the required or optional
25 provisions for individual health insurance policies as set
forth in Chapter 59A, Article 22 NMSA 1978.

B. The following provisions of Chapter 59A,

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1 Article 22 NMSA 1978 shall also apply as to Chapter 59A,
2 Article 23 NMSA 1978 and blanket and group health insurance
3 contracts:

4 (1) Section 59A-22-1 NMSA 1978, except
5 Subsection C of that section; and

6 (2) Section 59A-22-32 NMSA 1978.

7 C. Except as provided in Section 59A-23-4.1 NMSA
8 1978, the following provisions of Chapter 59A, Article 22
9 NMSA 1978 shall also apply as to group health insurance
10 contracts:

11 (1) Section 59A-22-33 NMSA 1978;

12 (2) Section 59A-22-34 NMSA 1978;

13 (3) Section 59A-22-34.1 NMSA 1978;

14 (4) Section 59A-22-35 NMSA 1978;

15 (5) Section 59A-22-36 NMSA 1978;

16 (6) Section 59A-22-39 NMSA 1978;

17 (7) Section 59A-22-34.3 NMSA 1978;

18 (8) Section 59A-22-39.1 NMSA 1978;

19 [+7] (9) Section 59A-22-40 NMSA 1978; and

20 [+8] (10) Section 59A-22-41 NMSA 1978."

21 Section 3. A new section of the New Mexico Insurance
22 Code, Section 59A-23-4.1 NMSA 1978, is enacted to read:

23 "59A-23-4.1. [NEW MATERIAL] SMALL EMPLOYER OPTION--
24 CATASTROPHIC GROUP HEALTH INSURANCE.--

25 A. In lieu of a group health insurance policy
containing those provisions otherwise required under the
Insurance Code, an insurer may issue a catastrophic group

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1 health insurance policy to a small employer for the benefit
2 of the small employer's employees.

3 B. As used in this section, "catastrophic group
4 health insurance policy" means a policy for group health
5 insurance:

6 (1) to which the following provisions are
7 not applicable:

- 8 (a) Section 59A-16-13.1 NMSA 1978;
- 9 (b) Section 59A-22-33 NMSA 1978;
- 10 (c) Section 59A-22-34 NMSA 1978;
- 11 (d) Section 59A-22-34.1 NMSA 1978;
- 12 (e) Section 59A-22-35 NMSA 1978;
- 13 (f) Section 59A-22-36 NMSA 1978;
- 14 (g) Section 59A-22-39 NMSA 1978;
- 15 (h) Section 59A-22-34.3 NMSA 1978;
- 16 (i) Section 59A-22-39.1 NMSA 1978;
- 17 (j) Section 59A-22-40 NMSA 1978;
- 18 (k) Section 59A-22-41 NMSA 1978; and
- 19 (l) any other provision of law that

20 mandates coverage of specific health care services; and

21 (2) that contains the following deductible
22 provisions:

- 23 (a) self only coverage with an annual
24 deductible of not less than six hundred dollars (\$600); and
- 25 (b) family coverage with an annual
deductible of not less than one thousand two hundred dollars
(\$1,200).

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C. As used in this section, "small employer" means any person, firm, corporation, partnership or association actively engaged in business who, on at least fifty percent of its working days during either of the two preceding years, employed no less than two and no more than fifty eligible employees; provided that:

(1) in determining the number of eligible employees, the spouse or dependent of an employee may, at the employer's discretion, be counted as a separate employee;

(2) companies that are affiliated companies or that are eligible to file a combined tax return for purposes of state income taxation shall be considered one employer; and

(3) in the case of an employer that was not in existence throughout a preceding calendar year, the determination of whether the employer is a small or large employer shall be based on the average number of employees that it is reasonably expected to employ on working days in the current calendar year."