

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 275

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Judy Vanderstar Russell

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,

underscored material = new
[bracketed material] = delete

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

14 Section 2. Section 59A-23-4 NMSA 1978 (being Laws 1984,
15 Chapter 127, Section 463, as amended by Laws 1997, Chapter 7,
16 Section 2 and by Laws 1997, Chapter 249, Section 2 and by Laws
17 1997, Chapter 250, Section 2 and also by Laws 1997, Chapter
18 255, Section 2) is amended to read:

19 "59A-23-4. OTHER PROVISIONS APPLICABLE. --

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

. 134928. 1

underscored material = new
[bracketed material] = delete

1 individual health insurance policies as set forth in Chapter
2 59A, Article 22 NMSA 1978.

3 B. The following provisions of Chapter 59A,
4 Article 22 NMSA 1978 shall also apply as to Chapter 59A,
5 Article 23 NMSA 1978 and blanket and group health insurance
6 contracts:

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

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

10 C. Except as provided in Section 59A-23-4.1 NMSA
11 1978, the following provisions of Chapter 59A, Article 22 NMSA
12 1978 shall also apply as to group health insurance contracts:

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

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

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

16 (4) Section 59A-22-34.3 NMSA 1978;

17 [~~4~~] (5) Section 59A-22-35 NMSA 1978;

18 [~~5~~] (6) Section 59A-22-36 NMSA 1978;

19 [~~6~~] (7) Section 59A-22-39 NMSA 1978;

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

21 [~~7~~] (9) Section 59A-22-40 NMSA 1978; and

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

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

25 "59A-23-4.1. [NEW MATERIAL] SMALL EMPLOYER OPTION--

underscored material = new
[bracketed material] = delete

1 CATASTROPHIC GROUP HEALTH INSURANCE. --

2 A. In lieu of a group health insurance policy
3 containing those provisions otherwise required under the
4 Insurance Code, an insurer may issue a catastrophic group
5 health insurance policy to a small employer for the benefit of
6 the small employer's employees.

7 B. As used in this section, "catastrophic group
8 health insurance policy" means a policy for group health
9 insurance:

10 (1) to which the following provisions are not
11 applicable:

- 12 (a) Section 59A-16-13.1 NMSA 1978;
- 13 (b) Section 59A-22-33 NMSA 1978;
- 14 (c) Section 59A-22-34 NMSA 1978;
- 15 (d) Section 59A-22-34.1 NMSA 1978;
- 16 (e) Section 59A-22-34.3 NMSA 1978;
- 17 (f) Section 59A-22-35 NMSA 1978;
- 18 (g) Section 59A-22-36 NMSA 1978;
- 19 (h) Section 59A-22-39 NMSA 1978;
- 20 (i) Section 59A-22-39.1 NMSA 1978;
- 21 (j) Section 59A-22-40 NMSA 1978;
- 22 (k) Section 59A-22-41 NMSA 1978;
- 23 (l) Section 59A-23E-18 NMSA 1978; and
- 24 (m) any other provision of law that
25 mandates coverage of specific health care services; and

underscored material = new
[bracketed material] = delete

1 (2) that contains the following deductible
2 provisions:

3 (a) self only coverage with an annual
4 deductible of not less than six hundred dollars (\$600); and

5 (b) family coverage with an annual
6 deductible of not less than one thousand two hundred dollars
7 (\$1,200).

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

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

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

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

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

the current calendar year. "