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HOUSE BILL 262
45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002
INTRODUCED BY
Patricia A. Lundstrom

AN ACT
RELATING TO THE PUBLIC SCHOOL INSURANCE AUTHORITY; EXEMPTING
DENTAL CARE AND EYE CARE COVERAGE FROM GROUP HEALTH INSURANCE;
AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 22-2-6.7 NMSA 1978 (being Laws 1986, Chapter 94, Section 7, as amended) is amended to read:

"22-2-6.7. AUTHORITY--DUTIES.--In order to effectuate the purposes of the Public School Insurance Authority Act, the authority has the power to:

- A. employ the services of the state fiscal agent or select its own fiscal agent pursuant to regulations adopted by the board; provided that for the purposes of disbursing all money other than that in the fund, the secretary of finance and administration shall be the fiscal agent for the

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1 authority;

2 B. enter into professional services and consulting
3 contracts or agreements as necessary;

4 C. collect, provide for the investment of and
5 disburse money in the fund;

6 D. collect all current and historical claims and
7 financial information necessary for effective procurement of
8 lines of insurance coverage;

9 E. promulgate necessary rules, regulations and
10 procedures for implementation of the Public School Insurance
11 Authority Act;

12 F. negotiate new insurance policies covering
13 additional or lesser benefits as determined appropriate by the
14 authority, but the authority shall maintain all coverage
15 levels required by federal and state law for each
16 participating member. In the event it is practical to wholly
17 self-insure a particular line of coverage, the authority may
18 do so;

19 G. procure lines of insurance coverage in
20 compliance with the provisions of the Health Care Purchasing
21 Act, except as provided in Subsection H of Section 22-2-6.9
22 NMSA 1978, and the competitive sealed proposal process of the
23 Procurement Code; provided that any group medical insurance
24 plan offered pursuant to this section shall include effective
25 cost-containment measures to control the growth of health care

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1 costs. The board shall report annually by September 1 to
2 appropriate interim legislative committees on the
3 effectiveness of the cost-containment measures required by
4 this subsection; and

5 H. purchase, renovate, equip and furnish a
6 building for the board. "

7 Section 2. Section 22-2-6.9 NMSA 1978 (being Laws 1986,
8 Chapter 94, Section 9, as amended) is amended to read:

9 "22-2-6.9. PARTICIPATION--~~WAIVERS--~~EXEMPTIONS. --

10 A. School districts and charter schools shall
11 participate in the authority, unless the school district or
12 charter school is granted a waiver by the board.

13 B. In determining whether a waiver should be
14 granted, the board shall establish minimum benefit and
15 financial standards for the desired line of coverage. These
16 minimum benefit and financial standards and the proposed time
17 schedule for responsive offers shall be sent to all school
18 districts and charter schools at the time the request for
19 proposals for the desired line of coverage is issued. Any
20 school district or charter school seeking a waiver of coverage
21 shall match the minimum benefit and financial standards set
22 forth in the request for proposals for the desired line of
23 coverage. School districts and charter schools shall submit
24 documentation of their proposals matching the board's minimum
25 benefit and financial requirements prior to the deadline

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1 established by the board. The authority has the power to
2 approve or disapprove a waiver of participation based on the
3 documentation submitted by the school district or charter
4 school regarding the benefit and financial standards
5 established by the board. The board shall grant a waiver to a
6 school district or charter school that requests a waiver and
7 that has met the minimum benefit and financial standards
8 within the time schedule established by the board. Once the
9 board awards the insurance contract, no school district or
10 charter school shall be granted a waiver for the entire term
11 of the contract.

12 C. Any school district or charter school granted a
13 waiver of participation for health insurance shall be required
14 to petition for participation in other kinds of group
15 insurance coverage and shall be required to meet the
16 requirements established by the authority prior to
17 participation in other kinds of group insurance coverage. A
18 school district or charter school [~~which~~] that has been
19 granted a waiver shall be prohibited from participating in the
20 coverage for which a waiver was granted for the entire term of
21 the authority's insurance contract. Provided, however, that
22 if the authority contracts for a line or lines of coverage for
23 a period of eight years, the board may establish procedures
24 and preconditions for authorizing a school district or charter
25 school [~~which~~] that has been granted a waiver to again

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1 participate in the coverage after the expiration of the first
2 four years of coverage.

3 D. Any school district or charter school granted a
4 waiver of participation for workers' compensation shall be
5 required to petition for participation in other risk-related
6 coverages and shall be required to meet the requirements
7 established by the authority prior to participation in other
8 kinds of risk-related coverages. A school district or charter
9 school ~~[which]~~ that has been granted a waiver shall be
10 prohibited from participating in the coverage for which a
11 waiver was granted for the entire term of the authority's
12 insurance contract.

13 E. Educational entities may petition the authority
14 for permission to participate in the insurance coverage
15 provided by the authority. To protect the stability of the
16 fund, the authority shall establish reasonable terms and
17 conditions for participation by educational entities.

18 F. A participating school district or charter
19 school may separately provide for coverage additional to that
20 offered by the authority.

21 G. The ~~[local]~~ school districts, charter schools
22 or the authority, as appropriate, may provide for marketing
23 and servicing to be done by licensed insurance agents or
24 brokers who should receive reasonable compensation for their
25 services.

1 H. The school district or charter school is exempt
2 from mandatory participation in the dental care and eye care
3 coverage programs approved by the authority, provided that the
4 school district or charter school offers that coverage for its
5 respective employees. The school district or charter school
6 shall notify the authority of its decision to provide separate
7 dental care or eye care coverage to allow appropriate, timely
8 and permissible contract termination or execution."

9 Section 3. EFFECTIVE DATE. --The effective date of the
10 provisions of this act is July 1, 2002.

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