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HOUSE JOINT MEMORIAL 26
42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
1996

INTRODUCED BY
MAX COLL

FOR THE HEALTH CARE TASK FORCE

A JOINT MEMORIAL
REQUESTING THE NEW MEXICO HEALTH POLICY COMMISSION TO CONDUCT A
STUDY ON THE CONSOLIDATION OF PUBLICLY FUNDED OR SUBSIDIZED
HEALTH INSURANCE FINANCING PROGRAMS.

WHEREAS, the state currently subsidizes three publicly
funded health insurance purchasing pools, namely the state
employees pool, the public employee retirees pool and the public
school employees pool; and

WHEREAS, the three publicly funded health insurance
programs have their own administrations, benefit packages and
premium standards; and

WHEREAS, the department of insurance conducted a study in
1994 as directed by Laws 1994, Chapter 62 to identify the
benefits of forming one pool to purchase health insurance or

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1 health services coverage for employees receiving health benefits
2 from the risk management division of the general services
3 department, the public school insurance authority and the
4 retiree health care authority; and

5 WHEREAS, the department of insurance study assumed one plan
6 design, one insurance carrier and one third-party administrator
7 for all three programs and found a preliminary estimation of two
8 million two hundred thousand dollars (\$2,200,000) in savings in
9 the first year for health services and no projected savings in
10 administration in the first year if one public health insurance
11 pool were created. In the second or third year of the pool, an
12 estimated one hundred thirty-four thousand dollars (\$134,000)
13 was projected for administrative savings; and

14 WHEREAS, the department of insurance study addressed a
15 number of other questions such as recommendations on how one
16 publicly funded health insurance pool should be governed and
17 administered; recommendations on how to design a common benefit
18 package for state and public school employees; avenues of cost
19 containment in all areas of the provision of health care
20 purchased through the pool and the administration of health
21 plans, while preserving, to the maximum extent possible, the
22 individual's choice of health care provider; whether and when
23 the pool could be opened to private sector businesses and
24 individuals; and the identification and analyses of barriers to
25 the development and implementation of the pool and the inclusion

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1 of private sector participants; and

2 WHEREAS, the study initiated by the department of insurance
3 analyzed the possible introduction of the medicaid population
4 into one publicly funded health insurance pool, as well as the
5 introduction of Farmington municipal schools and Albuquerque
6 public schools into the pool; and

7 WHEREAS, the study by the department of insurance examined
8 the question of revenue sources and financing options to provide
9 increased access to health care for New Mexicans to join the
10 publicly funded health insurance pool considered in the study;
11 and

12 WHEREAS, the New Mexico health policy commission, as part
13 of its 1995 Robert Wood Johnson foundation grant, is studying
14 the consolidation of the three publicly funded health insurance
15 pools, namely state employees through the risk management
16 division of the general services department, public school
17 personnel through the public school insurance authority and
18 state retirees through the retiree health care authority; and

19 WHEREAS, the New Mexico health policy commission is
20 prepared to develop plans for administrative consolidation of
21 the three publicly funded health insurance pools, as well as to
22 analyze the cost savings of merging the three programs by
23 studying administrative costs, benefit structures, utilization
24 expectations and premium charges; and

25 WHEREAS, the New Mexico health policy commission plans to

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1 provide research and analysis on the potential of consolidating
2 the New Mexico health insurance alliance and the medicaid
3 program with the three publicly funded health insurance pools
4 and to assess the feasibility of realigning the administrative
5 structures to create one health insurance plan for all the
6 agencies and individuals enrolled in the programs;

7 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
8 STATE OF NEW MEXICO that the New Mexico health policy commission
9 study and report to the appropriate interim legislative
10 committee by October 1, 1996 on the feasibility of consolidating
11 the three publicly funded health insurance pools with the
12 possibility of including the New Mexico health insurance
13 alliance, Albuquerque public schools and the medicaid program
14 into the pool, as well as arranging for the following:

15 A. a study to determine how the restructuring of
16 publicly funded health insurance programs can increase the value
17 of the money spent to insure the individuals participating in
18 the programs, enhance the quality of health care delivery and
19 improve access to health care insurance to a larger New Mexico
20 population;

21 B. follow-up of the 1994 study conducted by the
22 department of insurance on the consolidation of publicly funded
23 health insurance pools to eliminate duplication and to utilize
24 the research and analysis completed by the department;

25 C. further study of compatibility of benefit

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1 packages, utilization expectations of the respective memberships
2 in each publicly funded health insurance program, integration of
3 administration and operation of each program and an assessment
4 of the economic impact of consolidation on premiums from each
5 program;

6 D. examination of how the state can use the
7 consolidation of publicly funded health insurance programs to
8 design options for alternative health care delivery and
9 financing for the population of individuals served by the
10 programs; and

11 E. involvement in the consolidation study of the
12 insurance industry, current enrollees in the public health
13 insurance programs, union representatives and the business
14 community; and

15 BE IT FURTHER RESOLVED that a copy of this memorial be sent
16 to the superintendent of insurance, the secretary of general
17 services, the superintendent of public instruction, the
18 executive director of the public school insurance authority, the
19 executive director of the retiree health care authority, the
20 secretary of human services, the executive director of the New
21 Mexico health insurance alliance and the executive director of
22 the New Mexico health policy commission.

State of New Mexico
House of Representatives

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FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

January 25, 1996

Mr. Speaker:

Your RULES AND ORDER OF BUSINESS COMMITTEE, to
whom has been referred

HOUSE JOINT MEMORIAL 26

has had it under consideration and finds same to be
GERMANE in accordance with constitutional provisions.

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Respectfully submitted,

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Barbara A. Perea Casey,

Chairperson

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 1 Against

Yes: 9

No: Nicely

Excused: Luna, Pederson, Rodella, R. G. Sanchez, J. G. Taylor

Absent: None

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State of New Mexico
House of Representatives

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FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

February 6, 1996

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred

HOUSE JOINT MEMORIAL 26

has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

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**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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Respectfully submitted,

Fred Luna, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12
Excused: None
Absent: None

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State of New Mexico House of Representatives

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

February 8, 1996

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred**

HOUSE JOINT MEMORIAL 26

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chairman

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 2 Against

Yes: 11

No: Bird, Buffett

Excused: Gentry, Martinez, Reyes, Varela, Watchman

Absent: none

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

February 13, 1996

Mr. President:

Your RULES COMMITTEE, to whom has been referred

HOUSE JOINT MEMORIAL 26

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Gloria Howes, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

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FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

1 HJM26

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Date _____

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The roll call vote was 6 For 0 Against

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Yes: 6

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No: 0

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Excused: EJennings, Aragon, Doni sthorpe

11

Absent: 0

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