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## FISCAL IMPACT REPORT



SPONSOR: Lujan DATE TYPED: 02/03/02 HB 270

SHORT TITLE: Tricare Program Gross Receipts Deduction SB \_\_\_\_\_

ANALYST: Smith

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$257.0)		Recurring	General Fund
	(\$204.0)		Recurring	Local Funds

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department

### SUMMARY

#### Synopsis of Bill

This bill amends Section 7-9-77.1 NMSA 1978 to provide doctors and osteopathic physicians a gross receipts tax deduction for receipts from third-party administrators of the Federal Military TRICARE program. TRICARE is a managed care health insurance program similar to various managed care private insurance programs.

### FISCAL IMPLICATIONS

TRD notes that roughly 3.9% of the state's population is covered by TRICARE. However, veterans themselves, apparently, continue to elect treatment at military treatment facilities. The program administrator reported paying \$7.5 million in claims in fiscal year 2000 for all professional services. An assumed 6% average rate of growth was used to produce the base on which the fiscal impact is based.

SS/prr:ar