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SENATE BILL 534

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Ramsay L. Gorham

AN ACT

RELATING TO HEALTH INSURANCE; AUTHORIZING INSURERS TO OFFER
CATASTROPHIC GROUP HEALTH INSURANCE POLICIES TO EMPLOYERS FOR
THEIR EMPLOYEES; ENACTING A SECTION OF CHAPTER 59A, ARTICLE 23
NMSA 1978.

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

Section 1. A new section of Chapter 59A, Article 23 NMSA
1978 is enacted to read:

"[NEW MATERIAL] SMALL EMPLOYER OPTION--CATASTROPHIC GROUP
HEALTH INSURANCE. --

A. Notwithstanding any other provision of law, an
insurer may issue a catastrophic group health insurance policy
to a small employer for the benefit of the small employer's
employees.

B. As used in this section, "catastrophic group

underscored material = new
[bracketed material] = delete

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[bracketed material] = delete

1 health insurance policy" means a policy for group health
2 insurance:

3 (1) to which the following provisions are not
4 applicable:

- 5 (a) Section 59A-16-13.1 NMSA 1978;
- 6 (b) Section 59A-22-33 NMSA 1978;
- 7 (c) Section 59A-22-34 NMSA 1978;
- 8 (d) Section 59A-22-34.1 NMSA 1978;
- 9 (e) Section 59A-22-34.3 NMSA 1978;
- 10 (f) Section 59A-22-35 NMSA 1978;
- 11 (g) Section 59A-22-36 NMSA 1978;
- 12 (h) Section 59A-22-39 NMSA 1978;
- 13 (i) Section 59A-22-39.1 NMSA 1978;
- 14 (j) Section 59A-22-40 NMSA 1978;
- 15 (k) Section 59A-22-41 NMSA 1978;
- 16 (l) Section 59A-22-41.1 NMSA 1978;
- 17 (m) Section 59A-22-42 NMSA 1978;
- 18 (n) Section 59A-22-43 NMSA 1978;
- 19 (o) Section 59A-22-44 NMSA 1978;
- 20 (p) Section 59A-23-6 NMSA 1978;
- 21 (q) Section 59A-23E-18 NMSA 1978; and
- 22 (r) any other provision of law that
- 23 mandates coverage of specific health care services; and

24 (2) that contains the following deductible
25 provisions:

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underscored material = new
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1 (a) self-only coverage with an annual
2 deductible of not less than seven hundred dollars (\$700); and

3 (b) family coverage with an annual
4 deductible of not less than one thousand five hundred dollars
5 (\$1,500).

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

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

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

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