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SENATE BILL 540

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

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO INSURANCE; IMPOSING A RISK ADMINISTRATION FEE ON
CERTAIN THIRD PARTY ADMINISTRATORS.

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

Section 1. A new section of Chapter 59A, Article 12A NMSA
1978 is enacted to read:

"[NEW MATERIAL] RISK ADMINISTRATION FEE--IMPOSITION--
PAYMENT.--

A. A "risk administration fee" is imposed on each
third party administrator that performs services for any person
that self insures against health risks. The rate of the fee
is:

(1) for the fiscal year beginning July 1,
2004:

(a) ten dollars forty cents (\$10.40) per
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1 month for each individual covered during any day of that month
2 under the single coverage portion of the self-insurance
3 program;

4 (b) twenty-four dollars twenty-seven
5 cents (\$24.27) per month for each couple covered during any day
6 of that month under the couple coverage portion of the self-
7 insurance program; and

8 (c) twenty-eight dollars seventy-seven
9 cents (\$28.77) per month for each family covered during any day
10 of that month under the family coverage portion of the self-
11 insurance program; and

12 (2) for any subsequent fiscal year, the
13 applicable rate for the previous fiscal year adjusted by the
14 percentage change, during the immediately preceding calendar
15 year, in the consumer price index for medical care services, as
16 published by the United States department of labor.

17 B. The superintendent shall collect the risk
18 administration fee and may adopt such rules as are necessary to
19 ensure the proper collection and accounting of the fee.

20 C. The risk administration fee shall be paid to the
21 insurance department no later than April 15 for all fees due
22 for the first quarter of each calendar year, July 15 for all
23 fees due for the second quarter, October 15 for all fees due
24 for the third quarter and January 15 for all fees due for the
25 fourth quarter."

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1 Section 2. EFFECTIVE DATE.--The effective date of the
2 provisions of this act is July 1, 2004.

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