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HOUSE BILL 523

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO HEALTH CARE; PROVIDING OPTIONS FOR SMALL EMPLOYERS  
TO INCREASE ACCESS TO VOLUNTARY HEALTH CARE COVERAGE.

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

Section 1. Section 10-7B-1 NMSA 1978 (being Laws 1989,  
Chapter 231, Section 1) is amended to read:

"10-7B-1. SHORT TITLE. -- [~~Sections 1 through 7 of this  
act~~] Chapter 10, Article 7B NMSA 1978 may be cited as the  
"Group Benefits Act". "

Section 2. Section 10-7B-2 NMSA 1978 (being Laws 1989,  
Chapter 231, Section 2, as amended) is amended to read:

"10-7B-2. DEFINITIONS. -- As used in the Group Benefits  
Act:

- A. "committee" means the group benefits committee;
- B. "director" means the director of the risk

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1 management division of the general services department;

2 C. "employee" means a salaried officer, employee or  
3 legislator of the state or a salaried officer or employee of a  
4 local public body;

5 D. "local public body" means any New Mexico  
6 incorporated municipality, county or school district;

7 E. "professional claims administrator" means any  
8 person or legal entity that has at least five years of  
9 experience handling group benefits claims, as well as such  
10 other qualifications as the director may determine from time to  
11 time with the committee's advice; [and]

12 F. "small employer" means a person having for-  
13 profit or nonprofit status that employs an average of fifty or  
14 fewer persons over a twelve-month period; and

15 [F.] G. "state" or "state agency" means the state  
16 of New Mexico or any of its branches, agencies, departments,  
17 boards, instrumentalities or institutions. "

18 Section 3. Section 10-7B-5 NMSA 1978 (being Laws 1989,  
19 Chapter 231, Section 5) is amended to read:

20 "10-7B-5. ADMINISTRATIVE COSTS. --The director, with the  
21 prior approval of the [group benefits] committee, may apportion  
22 the costs of employee benefits administration and other  
23 employee benefit costs to all participating state agencies and  
24 their employees, [and] participating local public bodies and  
25 their employees and participating small employers and persons

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1 and dependents eligible through the small employer, whether the  
2 plan is insured or self-insured. "

3 Section 4. A new section of the Group Benefits Act is  
4 enacted to read:

5 "[NEW MATERIAL] SMALL EMPLOYER HEALTH CARE COVERAGE. --

6 A. The director may enter into an agreement with a  
7 small employer to voluntarily purchase health care coverage  
8 offered pursuant to the Group Benefits Act for persons and  
9 dependents eligible through the small employer.

10 B. The director may enter into agreements with an  
11 association, cooperative or mutual alliance representing small  
12 employers to provide outreach and assistance for small  
13 employers to voluntarily purchase health care coverage offered  
14 pursuant to the Group Benefits Act for persons and dependents  
15 eligible through the small employer.

16 C. The director shall only permit voluntary  
17 purchase of health care coverage by small employers if the  
18 small employer has not offered health care coverage to persons  
19 and dependents eligible through a small employer for a period  
20 of at least twelve months prior to enrollment in the coverage  
21 offered pursuant to the Group Benefits Act.

22 D. A separate account shall be maintained for small  
23 employers that voluntarily elect to purchase health care  
24 coverage offered pursuant to the Group Benefits Act to provide  
25 separate accounting, payment and private funding of health care

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1 coverage for small employers. The funds in the small employers  
2 account shall be maintained separately in actuarially sound  
3 condition as evidenced by an annual written certification of a  
4 qualified actuary. "

5 Section 5. EFFECTIVE DATE. --The effective date of the  
6 provisions of this act is July 1, 2005.

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