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## FISCAL IMPACT REPORT

SPONSOR Grubestic DATE TYPED 02/09/05 HB \_\_\_\_\_

SHORT TITLE Amend Retiree Health Care Act SB 340

ANALYST Geisler

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		See Narrative		

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files  
New Mexico Retiree Health Care Authority (RHCA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 340 would add “domestic partner” as a new class of eligible retirees, with the same rights and benefits as a spouse, and defines domestic partnership. Persons enrolling under this class would be required to execute an affidavit of domestic partnership.

Significant Issues

Other employer sponsors such as the State of New Mexico and the City of Albuquerque currently cover domestic partners, but when those employees retire, they must drop their partners from coverage under the RHCA. This would allow them to continue coverage.

**FISCAL IMPLICATIONS**

RHCA estimates a total net cost of \$1.5 million in FY 06 to the retiree health care fund from adding domestic partners to the RHCA program. Adding additional members would cause a 1-2% increase in medical claims at a cost of approximately \$3 million, but this cost would be offset by increase premium revenue from retired members of approximately \$1.5 million. These costs and revenues are recurring and would increase over time.

**ADMINISTRATIVE IMPLICATIONS**

Adding more members would require a slight increase in staff time for enrollments and other services

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Domestic partners will continue to have to find coverage outside of a state sponsored plan when their partner retires from the state.

**GG/njw**