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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/07

SPONSOR Wirth LAST UPDATED _____ HB 15

SHORT TITLE Domestic Partner Health Care Coverage SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicate of Senate Bill 182

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Resources Department (HSD)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

House Bill 15 requires insurers to offer health insurance coverage for those small employers who elect to offer this coverage for the domestic partners of their full- and part-time employees. Domestic partners are defined as “unmarried partners over eighteen years of age who: (1) are in a mutually exclusive, committed relationship; (2) have shared a primary residence for twelve or more consecutive months; (3) are jointly responsible for the common welfare of each other; and (4) share financial obligations.”

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

According to PRC, many insurers offer health insurance coverage for domestic partners as part of a group health insurance plan when the employer wants to offer such coverage to their employees, but some insurers don't. This creates an un-level playing field in the market place and creates confusion for employers. While many large employers have the clout to negotiate for this coverage, small employers may have more difficulty in finding domestic partner coverage for their employees.

According to HSD:

- The bill was recommended by the *Insure New Mexico!* Council as a method to insure more people in New Mexico.
 - The Council consisted of large and small employers, insurance companies, brokers, labor representatives and advocates.
- The opportunity to offer employer-sponsored health insurance for full- and part-time employees' domestic partners in the small group market will help address New Mexico's high rate of uninsured.
- Offering coverage to employees' domestic partners helps companies recruit candidates by providing them the option of choosing their own or their partner's health insurance plan.
- Employers would be able to shop around to provide the most affordable coverage through competition among insurance carriers.
- The bill does not require all small employers to offer coverage for the domestic partners of their full- and part-time employees.

ADMINISTRATIVE IMPLICATIONS

HB 15 may require insurers to re-file certain group contracts with the PRC's Insurance Division. While this could result in increased workloads, the Insurance Division believes that this additional review can be accomplished with existing staff without fiscal or performance implications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates Senate Bill 182.

OTHER SUBSTANTIVE ISSUES

Data Shows Many Do Not Have Health Care Coverage in New Mexico

- Approximately 401,000 New Mexicans (21.1% of the state's population) do not have health insurance (Census Current Population Survey, 2005).
- New Mexico has one of the highest rates of uninsured in the country.
- Among uninsured adults in New Mexico, 25% work one part-time job and 41% report working multiple part-time jobs (HRSA Household Survey, 2004).
- The largest percent of the uninsured (approximately 60%) are between the ages of 18-34, when they are most likely to be establishing a career (HRSA Household Survey, 2004).

State Employees Have Coverage for Domestic Partners

- Of the 20,318 state employees enrolled in group medical coverage, 1,077 (5.3%) are enrolled in domestic partner coverage.

Health and Insurance Companies Provide Domestic Partner Coverage to Their Employees

- Large insurance companies such as Blue Cross and Blue Shield of New Mexico, Lovelace Health System and Presbyterian Health Services provide domestic partner health insurance coverage for their own employees.
 - Insurance companies understand there is no actuarial risk to their own organizations.
 - As large employers, they want to be competitive and not bound by antiquated underwriting guidelines.
 - They support getting more New Mexicans insured.

BE/mt