

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/07
 SPONSOR M. P. Garcia LAST UPDATED 2/09/07 HB 695/aHLC
 SHORT TITLE Small Employer Insurance for Contractors SB _____
 ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Companion to SB 676
 Relates to SB 428

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 General Services Department (GSD)

SUMMARY

Synopsis of HLC Amendment

The House Labor and Human Resources Committee amendment changed the definition of small employer to include: “a person that has a current contract for state business specific to health and human services programs and employs fewer than an average of six hundred persons over a twelve-month period.”

Synopsis of Original Bill

House Bill 695 adds a definition of small employer that includes: “a person that has a current contract for state business specific to health and human services programs and employs fewer than an average of five hundred persons over a twelve-month period.”

SIGNIFICANT ISSUES

HSD reports that the health care insurance marketplace treats employers with less than 50 employees (small employers) less favorably than employers with greater than 50 employees (large employers). The intent of the legislation is to assist small employers who have less clout in the marketplace and not to interfere with the private market for health insurance for large employers who had more viable options for obtaining commercial health insurance.

PERFORMANCE IMPLICATIONS

HSD reports no performance or administration implications.

OTHER SUBSTANTIVE ISSUES

GSD has been designated as lead agency to study options for state contractors to provide health care coverage for their employees. The study and a proposed plan are anticipated for completion by July 2007.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 695, SB 428 and SB 676 expand health care insurance eligibility through SEIP to private sector employers:

- HB 695 to health/human services contractors employing an average of less than 500 people, regardless of whether the employer has previously provided health care coverage.
- SB 428 waives the 12-month waiting period for non-profit employers with an average of fewer than 50 employees.
- SB 676 to employers with an average of less than 500 employees who have contracted with the state within the previous three years.

WEP/csd