

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 Vigil LAST UPDATED _____ HB 706

SHORT TITLE San Miguel Health Insurance Program SB _____

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 706 appropriates \$100.0 to the Local Government Division of the Department of Finance and Administration for premiums for a statewide health insurance program for persons in San Miguel County whose family or household income is less than 200% of the federal poverty level

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

DFA notes the following regarding HB 706; the bill is silent on what health insurance program or programs the named residents of San Miguel County will participate in. The amount of money may not be enough. Health insurance premiums can range from \$7,000 to \$15,000 per year when they are not group rates or not subsidized. The amount of money in the bill may not cover more than 15 families when working with this range of health insurance premiums. To subsidize the premiums may not be enough for a San Miguel County resident who falls within the income range described in HB706. The risk pool would be small and may make affected San Miguel County residents hard to cover at an economical cost.

ADMINISTRATIVE IMPLICATIONS

The Local Government Division of the Department of Finance and Administration is asked to administer the payment of money for health insurance premiums. This would be a first for the division, which unlike the Health Department, is not in the practice of administering such payments. DFA suggest that the program be administered by the Department of Health.

WEP/nt