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FISCAL IMPACT REPORT

ORIGINAL DATE 3/05/07

SPONSOR SCORC LAST UPDATED _____ HB _____

SHORT TITLE Dental Surgery Insurance Coverage SB 776/SCORCS

ANALYST Earnest

APPROPRIATION (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Public Regulation Commission (PRC)
 Human Services Department (HSD)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

The Senate Corporations and Transportation Committee (SCORC) substitute for Senate Bill 776 would add new sections to the Health Care Purchasing Act and the Insurance Code to require group health care coverage plans, certificates of health insurance, and group health maintenance organizations, including any form of self-insurance, to provide coverage for general anesthesia and hospitalization for dental surgery under certain conditions.

This provision would not apply to short-term travel, accident-only or limited or specified disease policies. Coverage could be subject to deductibles and coinsurance consistent with those imposed on other benefits.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

The bill lists five conditions for which insurers must cover general anesthesia and hospitalization

for dental surgery:

1. insured patients exhibiting physical, intellectual or medically compromising conditions for which dental treatment under local anesthesia cannot be expected to provide a successful result and for which dental treatment under general anesthesia can be expected to produce superior results;
2. insured patients for whom local anesthesia is ineffective because of acute infection, anatomic variation or allergy;
3. insured children or adolescents who are extremely uncooperative, fearful, anxious or uncommunicative with dental needs of such magnitude that treatment should not be postponed or deferred and for whom lack of treatment can be expected to result in dental or oral pain or infection, loss of teeth or other increased oral or dental morbidity;
4. insured patients with extensive oral-facial or dental trauma for which treatment under local anesthesia would be ineffective or compromised; or
5. other procedures for which hospitalization or general anesthesia in a hospital or ambulatory surgical center is medically necessary.

The State of New Mexico dental plan administered by Delta Dental covers general anesthesia. Hospitalization would be covered by the State of New Mexico's insurance plans.

PRC notes that the bill excludes short-term travel, accident-only or limited or specified disease policies, thus exempting dental-only plans from its provisions. In effect, dental plans would not have to comply with this mandate

ADMINISTRATIVE IMPLICATIONS

The bill may require some insurers to re-file policy forms and rates with the PRC's Insurance Division to comply with this law. The Insurance division believes that current staff can handle the additional work without fiscal or performance implications.

BE/mt