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SENATE BILL 161

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO HEALTH INSURANCE; AMENDING THE MEDICAL INSURANCE
POOL ACT TO PROVIDE FOR PREMIUM ASSISTANCE FOR LOW-INCOME
HOUSEHOLDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-54-19 NMSA 1978 (being Laws 1987,
Chapter 154, Section 19, as amended) is amended to read:

"59A-54-19. RATES--STANDARD RISK RATE.--

A. The pool shall determine a standard risk rate by
actuarially calculating the individual rate that an insurer
would charge for an individual policy with the pool benefits
issued to a person who was a standard risk. Separate schedules
of standard risk rates based on age and other appropriate
demographic characteristics may be used. In determining the
standard risk rate, the pool shall consider the benefits

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1 provided, the standard risk experience and the anticipated
2 expenses for a standard risk for the coverage provided. The
3 rates charged for pool coverage shall be no more than one
4 hundred fifty percent of the standard risk rate for each class
5 of insureds.

6 B. The board shall adopt a low-income premium
7 schedule that provides coverage at lower rates for those
8 persons with an income less than ~~[an amount to be determined by~~
9 ~~the board]~~ four hundred percent of the current federal poverty
10 level guidelines applicable to New Mexico, published by the
11 United States department of health and human services. For
12 households with an income of one hundred ninety-nine percent of
13 the federal poverty level or lower, the premium reduction shall
14 be seventy-five percent. For households with income of two
15 hundred to two hundred ninety-nine percent of the federal
16 poverty level, the premium reduction shall be forty-five
17 percent. For households with income of three hundred to three
18 hundred ninety-nine percent of the federal poverty level, the
19 premium reduction shall be twenty-five percent or forty-five
20 percent of the household monthly income, whichever is greater.

21 The board shall adopt as many income categories as it finds
22 practical and shall determine income based on the preceding
23 taxable year. No person shall be eligible for a low-income
24 premium reduction if that person's premium is paid by a third
25 party who is not a family member.

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C. All rates and rate schedules shall be submitted
to the superintendent for approval."

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