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FISCAL IMPACT REPORT

ORIGINAL DATE 2/02/09
 LAST UPDATED 3/09/09 HB 267/aHBIC/aHFL#1

SPONSOR Stewart

SHORT TITLE Health Care Authority Act SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1 see narrative	\$0.1 see narrative		Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Health Policy Commission (HPC)
 Human Services Department (HSD)

SUMMARY

Synopsis of HFL Amendment #1

The House Floor Amendment rewords previous amendments placed by HBIC without changing the intent; requires that all voting members of the board be appointed by September 30, 2009; and further requires that the board convene its first meeting by November 1, 2009.

Synopsis of HBIC Amendment

The House Business and Industry Committee Amendment provides that the voting members appointed by the Governor and the New Mexico Legislative Council have experience in key areas as defined in the bill, and **each area of expertise be represented**; reduces the number of voting members that constitute a quorum to **seven**, from eleven; and forbids the appointment of a board member or any member of a board member's immediate household who has derived any income from the health care sector (private or public) either while serving or for twelve months preceding an appointment to the board. The Amendment removes the word "private" in describing "health care sector".

SIGNIFICANT ISSUES

The Amendment forbids board members to be deriving any income or having derived any income from the private or public health care sectors. DOH and HSD secretaries are non-voting members of the board and the Superintendent of Insurance is a voting member of the board.

Synopsis of Original Bill

House Bill 267 establishes the “Health Care Authority”, an adjunct agency to develop and present to the governor and the legislature a comprehensive action plan for accessible and affordable health care for all people living in New Mexico.

An adjunct agency is defined in statute as:

- "Adjunct agencies" are those agencies, boards, commissions, offices or other instrumentalities of the executive branch, not assigned to the elected constitutional officers, which are excluded from any direct or administrative attachment to a department, which retain policymaking and administrative autonomy separate from any other instrumentality of state government.

Section 1 cites the title, “Health Care Authority Act”.

Section 2 defines words and phrases as used in the act.

Section 3 creates the health care authority and defines the membership of the board as:

- five voting members, to be appointed by the governor;
- five voting members, one from each of five public regulation commission districts to be appointed by the New Mexico Legislative Council;
- the superintendent of insurance as a voting member;
- two nonvoting members, that being the secretaries from DOH and HSD;
- voting members to include a physician, nurse and Native American;
- establishes qualifications for the board members;
- establishes terms for the members;
- sets forth other general rules; and
- creates councils to provide the board with analyses and expert policy and program recommendations.

Section 4 outlines the authority and duties within the act. By September 1, 2010 the authority will be required to have developed a comprehensive action plan for accessible and affordable health care for all New Mexicans. The plan shall include:

- financing a health care system that incorporates strategies from the public and private sectors;
- the evaluation of insurance reforms, including guaranteed issue, community rating, and measure that increase portability measures;
- the definition of standards for a set of essential health care services;
- the administrative reorganization or consolidation of public sector programs and products;
- the assessment of the impact of state and federal laws and regulations or federal changes in the structure of health coverage or policies;

- the evaluation of statutory and regulatory initiatives to provide cost-effective health care services;
- the restructuring of the current health care delivery system;
- the setting of affordability standards for individuals and families for essential health services; and
- the assessment of strategies for reducing racial and ethnic health care disparities and identifying underserved populations.

Section 5 describes health care authority staff that will include an executive director exempt from the Personnel Act who will employ or contract with persons necessary to administer and implement the powers and duties of the authority;

Section 6 is a sunset clause terminating the authority July 1 2014 but will continue to operate until July 1, 2015 under the provision of the Sunset Act.

Section 7 transfers the New Mexico Health Policy Commission to the new health care authority on July 1, 2009.

FISCAL IMPLICATIONS

The 11 member board may receive per diem and mileage in accordance with the Per Diem and Mileage Act for each of 10 meetings.

The bill will require that all personnel, property, contracts and references in law of HPC be transferred to the health care authority.

SIGNIFICANT ISSUES

The cost of this new policy making body is unknown, as is the extent of authority to create guidelines and standards to implement policy.

PERFORMANCE IMPLICATIONS

The board will be required to meet at least 10 times between July 2009 through September 2010. A majority of the eleven voting members shall constitute a quorum. The board may allow members' participation in meetings by an electronic medium.

ADMINISTRATIVE IMPLICATIONS

The purpose of the transfer of the HPC to the Authority is unclear but presumed to be resources to perform the duties of the Authority. This may require other statutory changes to redefine the mission of HPC.

HSD and DOH are not in favor of creating a new authority without the enactment of other health reforms.

CONFLICT

The bill conflicts with the Governor's health reform agenda which provides for consolidation of HPC within DOH.

TECHNICAL ISSUES

There does not appear to be any provisions in the bill to address the confidential nature of individual health care information made private by state and federal law.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A Health Care Authority to create an action plan to address accessible and affordable health care will not be enacted through this legislation.

AHO/mc:mt