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FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/13
 SPONSOR HJC LAST UPDATED 02/26/13 HB CS/CS/66/aHFI#1
 SHORT TITLE Health Care Coverage I.D. Cards SB _____
 ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications			Recurring	

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

SUMMARY

Synopsis of HFI#1 Amendment

1. On page 4, line 2, strike "group health" and strike line 3 in its entirety and insert in lieu thereof "card on which the group health plan information that is required pursuant to this section is printed; provided that the secretary of general services may adopt and promulgate rules as technology develops to establish an "identification card" as a block of information that conforms to the requirements of this section to be provided in a medium that the secretary deems optimal for providing this information; and".

2. On page 7, line 9, strike "health" and strike lines 10 and 11 in their entirety and insert in lieu thereof "card on which the information regarding a health insurance policy, plan or certificate that is required pursuant to this section is printed; provided that the superintendent may adopt and promulgate rules as technology develops to establish an "identification card" as a block of information that conforms to the requirements of this section to be provided in a medium that the superintendent deems optimal for providing this information; and".

3. On page 10, line 17, strike "health" and strike lines 18 and 19 in their entirety and insert in lieu thereof "card on which the information regarding a health insurance policy, plan or certificate that is required pursuant to this section is printed; provided that the superintendent may adopt and promulgate rules as technology develops to establish an "identification card" as a block of

information that conforms to the requirements of this section to be provided in a medium that the superintendent deems optimal for providing this information; and".

4. On page 13, line 20, strike "health" and strike line 21 in its entirety and insert in lieu thereof "card on which the information regarding a health maintenance organization contract that is required pursuant to this section is printed; provided that the superintendent may adopt and promulgate rules as technology develops to establish an "identification card" as a block of information that conforms to the requirements of this section to be provided in a medium that the superintendent deems optimal for providing this information; and".

5. On page 16, line 22, strike "health care" and strike line 23 in its entirety and insert in lieu thereof "card on which the information regarding a health care plan that is required pursuant to this section is printed; provided that the superintendent may adopt and promulgate rules as technology develops to establish an "identification card" as a block of information that conforms to the requirements of this section to be provided in a medium that the superintendent deems optimal for providing this information; and".

Each change adopts the phrase “services may adopt and promulgate rules as technology develops to establish an "identification card" as a block of information that conforms to the requirements of this section to be provided in a medium that the secretary deems optimal for providing this information; and" which allows for technological improvements in delivering the card information.

Synopsis of Original Bill

The House Judiciary Committee substitute for the House Health, Government and Indian Affairs Committee substitute for House Bill 66 defines required information to be included in all health plan member cards. The information required is:

For a group health plan:

1. the name of the insured;
2. the identification number of the insured;
3. the group health plan or contract number;
4. a telephone number or electronic address at which authorization or admission certification may be obtained, if authorization or admission certification is required; and

For an insurer that delivers, issues for delivery or renews an individual health insurance policy, health care plan or certificate of health insurance in this state shall issue an identification card to the primary insured. The insurer may also issue identification cards to individuals covered under the primary insured's coverage. The identification card shall contain the following information in a readily identifiable format on the face of the card and via electronic coding associated with the card:

1. the name of the insurer issuing the health insurance policy, health care plan or certificate of health insurance;
2. the name of the insured;
3. the insured's identification number;
4. the policy, plan or certificate number; and

5. a telephone number or electronic address at which authorization or admission certification may be obtained, if authorization or admission certification is required.

For an insurer that delivers, issues for delivery or renews a group or blanket health insurance policy, health care plan or certificate of health insurance in this state shall issue an identification card to the primary insured. The insurer may also issue identification cards to individuals covered under the primary insured's coverage. The identification card shall contain the following information in a readily identifiable format on the face of the card and via electronic coding associated with the card:

1. The same as above plus the group or blanket number, if applicable;

For a health maintenance organization it is the same as 1-5 above but the 6th is the group number.

The new identification card shall be issued to the primary insured according to the following schedule:

1. within thirty days of a group health plan's effective date;
2. within thirty days of the date that the group health plan receives the enrollment information of the primary insured, after the primary insured initially becomes eligible for coverage under an existing group health plan; and
3. no later than thirty days after the group health plan receives notice of a change in any information that an identification card is required to contain pursuant to Subsection A of this section.

By July 1, 2014, the Secretary of the General Services Department shall consult with and consider the recommendations of the superintendent of insurance and adopt and promulgate rules to establish machine readability standards for identification cards issued pursuant to this section. In adopting these rules, the secretary shall consider the following factors: (1) state and national industry standards for machine readability of identification cards; (2) the cost associated with issuing machine-readable identification cards; (3) the feasibility of issuing machine-readable identification cards; and (4) the projected utilization of the machine-readable portions of identification cards.

The bill applies to entities providing health insurance under (1) the Health Care Purchasing Act; (2) the New Mexico Insurance Code; (3) the Health Maintenance Organization Law; and (4) the Non-Profit Health Care Plan Law.

The effective date of the provisions is January 1, 2014.

FISCAL IMPLICATIONS

The bill does not include an appropriation. It is assumed the any additional cost related to the cards would be assumed by the issuer. Since cards are generally already issued to insured individuals it is not certain the financial impact would be substantial but ultimately would be passed on to the consumer.

MW/svb:blm