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## FISCAL IMPACT REPORT

SPONSOR Sapien ORIGINAL DATE 2/17/17  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Penalties for False Insurance Claims SB 306

ANALYST Martinez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
NFI	NFI	NFI	NFI

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of Superintendent of Insurance (OSI)

### SUMMARY

#### Synopsis of Bill

Senate Bill 306 amends the Insurance Fraud Act of the New Mexico Insurance Code as follows:

- Expands the scope of the Insurance Fraud Act to cover false applications to include health care professionals and health care providers.
- Permits the aggregation of the amounts or potential losses to determine the penalty, if said individual knowingly or willfully:
  - for the purpose of obtaining money or benefit, presents or causes to be presented a false or fraudulent claim or proof in support of such claim for payment under a policy of insurance; or
  - prepares, makes or subscribes a false or fraudulent account, certificate, affidavit or proof of loss or other document with intent that the same may be presented or used in support of such a claim; and
  - Commits six or more of the foregoing violations within any consecutive 18-month period.
- Provides that the time limitation for commencing prosecution begin when the last violation is committed.

This legislation will assist the Office of Superintendent of Insurance (OSI) in public awareness and community education to counter insurance fraud in New Mexico.

**FISCAL IMPLICATIONS**

At this time, the OSI does not foresee any additional funding requirement and can absorb costs within the current operating budget.

**SIGNIFICANT ISSUES**

The OSI states that SB306 will allow for more time to investigate significantly complicated financial and insurance fraud related schemes including complex medical cases.

**PERFORMANCE IMPLICATIONS**

The ultimate goal is to have a collaborative effort among agencies in New Mexico in recovering consumer dollars and to experience an overall decrease in criminal activity within the State.

**ADMINISTRATIVE IMPLICATIONS**

OSI is currently working to educate and curb insurance fraud in the medical community and statewide.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo

JM/sb