

LFC Requester:	Eric Chenier
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Bill Number: 03.05.25 *Check all that apply:*
SB376 Original Correction
Amendment X Substitute

Sponsor:	<u>Elizabeth "Liz" Stefanics</u>	Agency Name and Code	<u>New Mexico Retiree Health Care Authority 34300</u>
Short Title:	<u>State Employee Health Benefit Contributions</u>	Person Writing	<u>Mark Hayden</u>
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	RHCA Benefits Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This Bill amends the contribution percentages for state employee health benefits and authorizes the Cabinet Secretary of the Health Care Authority to use health care affordability funds to reduce or eliminate premiums paid by certain government employees. As proposed in the Bill, effective July 1, 2025, contributions for group health insurance for the state or executive, judicial, or legislative departments, including agencies, boards, or commissions, would pay eighty percent. The Secretary of Health Care Authority would make health benefit premiums more affordable using appropriations from the health care affordability fund to now include covering a portion or all of net premiums for: 1) state employees who do not qualify for Medicaid and have a modified adjusted gross income up to two hundred fifty percent of the federal poverty level; 2) members of the New Mexico National Guard who qualify for federal Tricare reserve select policy. In addition, the Bill would include if a state agency responsible for providing state employee health benefits under the Health Care Purchasing Act establishes a reference-based pricing program for in-network and out-of-network hospital services to have set maximum amounts as established by the Secretary of Health Care Authority.

Amendment in Context -03/05/25 – modifying language as follows:

G. The state shall ~~not~~ make ~~any~~ group insurance contributions for legislators who make less than one hundred fifty thousand dollars (\$150,000) per year in an amount equal to eighty percent of the cost of insurance. A legislator who makes more than one hundred fifty thousand dollars (\$150,000) per year shall be eligible for group benefits only if the legislator contributes one hundred percent of the cost of the insurance.

M. When the secretary of health care authority submits the health care authority's annual budget request to the legislature, the secretary shall include a budget request for purchasing state employee health benefits that reflects actuarially sound rate adjustmentshas actuarially sound rates for the following fiscal year. Beginning July 1, 2025, the secretary shall set actuarially sound rates sufficient to cover projected claims, subject to legislative appropriation. By September 1 of each year, the projected actuarially sound rate adjustment for the following fiscal year, subject to legislative appropriation, shall be communicated to the local public bodies that are part of the state employee health benefit program.

FISCAL IMPLICATIONS

Senate Bill 376 (SB376) 03/05/25 - amendment does not have additional impact to the New Mexico Retiree Health Care Authority.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

Amendment dated 022720205

Deleted:

STBTC⁽⁵⁾ cover a portion or all of the net premium health benefit contributions for state employees enrolled in health benefit plans covered by the Health Care Purchasing Act who do not qualify for medicaid and have a modified adjusted gross income up to two hundred fifty percent of the federal poverty level; and»STBTC

New:

STBTC⁽⁵⁾ cover a portion or all of the net premium health benefit contributions for state employees enrolled in health benefit plans covered by the Health Care Purchasing Act who do not qualify for medicaid and:

(a) have a modified adjusted gross

income up to two hundred fifty percent of the federal poverty level; or

(b) purchase employee-only coverage and

receive an annual salary from the state of fifty thousand dollars (\$50,000) or less; and»STBTC