

<b>LFC Requester:</b>	<b>CHENIER, ERIC</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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}*

**Date Prepared:** Feb 14 *Check all that apply:*  
**Bill Number:** SB376 Original  Correction   
 Amendment  Substitute

**Sponsor:** E. Stefanics, G. Munoz **Agency Name and Code** State Personnel Office 378  
**Short Title:** Share of Employee Benefits **Number:** \_\_\_\_\_  
Group Insurance Cost **Person Writing** Dylan K. Lange  
**Title:** \_\_\_\_\_ **Phone:** 505-476-7742 **Email** Dylan.Lange@spo.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	N/A	N/A			

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

#### **Synopsis:**

Starting July 1, 2025, sets the state share in the cost of group (term life, medical or disability income) insurance for employees at 80%. Prohibits certain hospitals from charging or collecting an amount higher than the maximum allowed by an employee's plan.

Requires the Secretary of the Health Care Authority agency to base its budget request for employee health benefits on actuarially sound rate adjustments and establish a program to make health benefits more affordable for certain employees using appropriations from the Health Care Affordability Fund and expands the purposes of the Health Care Affordability Fund.

Applies the cap on charging more than set for an employee's plan when an agency has established a reference-based pricing program for in-network or out-of-network hospital services under the Health Care Purchasing Act.

### **FISCAL IMPLICATIONS**

As group insurance premiums continue to increase, this will potentially help current state employees retain more take home pay.

### **SIGNIFICANT ISSUES**

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

The state share now of group insurance premiums ranges from 60 to 80 percent, depending on the employee's annual salary amount. Eliminating the tiered approach to premium payments for employees, is an important shift from when this bill was established more than 20 years ago.

Increasing the contribution of the state for employee benefits shows employees that they are valued. This could lead to greater rates of retention for current employees and be a value-added piece of the total compensation pie, making the state more appealing to prospective employees.

### **ALTERNATIVES**

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

Employees will continue to contribute to group health insurance at the old rate, impacting a significant portion of the workforce.

### **AMENDMENTS**