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HOUSE BILL 102

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Raymundo Lara

AN ACT

RELATING TO STATE INSURANCE BENEFITS; INCREASING THE EMPLOYER SHARE FOR EMPLOYEES COVERED BY THE PUBLIC SCHOOL INSURANCE AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-7-4 NMSA 1978 (being Laws 1941, Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS FROM PUBLIC FUNDS.--

A. All state departments and institutions and all political subdivisions of the state, excluding municipalities, counties and political subdivisions of the state with twenty-five employees or fewer, shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the

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1 respective departments, institutions and political
2 subdivisions.

3 B. The group insurance contributions of the state
4 or any of its departments or institutions, including
5 institutions of higher education [~~and the public schools~~],
6 shall be made as follows:

7 (1) at least seventy-five percent of the cost
8 of the insurance of an employee whose annual salary is less
9 than fifteen thousand dollars (\$15,000);

10 (2) at least seventy percent of the cost of
11 the insurance of an employee whose annual salary is fifteen
12 thousand dollars (\$15,000) or more but less than twenty
13 thousand dollars (\$20,000);

14 (3) at least sixty-five percent of the cost of
15 the insurance of an employee whose annual salary is twenty
16 thousand dollars (\$20,000) or more but less than twenty-five
17 thousand dollars (\$25,000); and

18 (4) at least sixty percent of the cost of the
19 insurance of an employee whose annual salary is twenty-five
20 thousand dollars (\$25,000) or more.

21 C. The group insurance contributions for school
22 districts, charter schools and participating entities in the
23 public school insurance authority shall be made as follows:

24 (1) one hundred percent of the first ten
25 thousand dollars (\$10,000) of the insurance costs of all

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1 employees; and

2 (2) at least sixty percent of the insurance
3 costs greater than ten thousand dollars (\$10,000) for all
4 employees.

5 ~~[G.]~~ D. Effective July 1, 2004, the group insurance
6 contributions of the state or any of its executive, judicial or
7 legislative departments, including agencies, boards or
8 commissions, shall be made as follows; provided that the
9 contribution percentage shall be the same for all affected
10 public employees in a given salary bracket:

11 (1) up to eighty percent of the cost of the
12 insurance of an employee whose annual salary is less than
13 thirty thousand dollars (\$30,000);

14 (2) up to seventy percent of the cost of the
15 insurance of an employee whose annual salary is thirty thousand
16 dollars (\$30,000) or more but less than forty thousand dollars
17 (\$40,000); and

18 (3) up to sixty percent of the cost of the
19 insurance of an employee whose annual salary is forty thousand
20 dollars (\$40,000) or more.

21 ~~[D.]~~ E. Except as provided in Subsection [G] H of
22 this section, effective July 1, 2005, the group insurance
23 contributions of the state or any of its executive, judicial or
24 legislative departments, including agencies, boards or
25 commissions, shall be made as follows; provided that the

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1 contribution percentage shall be the same for all affected
2 public employees in a given salary bracket:

3 (1) up to eighty percent of the cost of the
4 insurance of an employee whose annual salary is less than fifty
5 thousand dollars (\$50,000);

6 (2) up to seventy percent of the cost of the
7 insurance of an employee whose annual salary is fifty thousand
8 dollars (\$50,000) or more but less than sixty thousand dollars
9 (\$60,000); and

10 (3) up to sixty percent of the cost of the
11 insurance of an employee whose annual salary is sixty thousand
12 dollars (\$60,000) or more.

13 ~~[E.]~~ F. Effective July 1, 2013, the employer shall
14 pay one hundred percent of basic life insurance premiums for
15 employees, and employees who choose to carry disability
16 insurance shall pay one hundred percent of the premium.

17 ~~[F.]~~ G. The state shall not make any group
18 insurance contributions for legislators. A legislator shall be
19 eligible for group benefits only if the legislator contributes
20 one hundred percent of the cost of the insurance.

21 ~~[G.]~~ H. An employer shall pay one hundred percent
22 of the employee group insurance contributions due and payable
23 on or after July 1, 2016 for an employee who is injured while
24 performing a public safety function or duty and, as a result of
25 the injury, is placed on approved workers' compensation leave.

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1 ~~[H.]~~ I. As used in this section, "cost of the
2 insurance" means the premium required to be paid to provide
3 coverages. Any contributions of the political subdivisions of
4 the state, except the public schools and political subdivisions
5 of the state with twenty-five employees or fewer, shall not
6 exceed sixty percent of the cost of the insurance.

7 ~~[F.]~~ J. When a public employee elects to
8 participate in a cafeteria plan as authorized by the Cafeteria
9 Plan Act and enters into a salary reduction agreement with the
10 governmental employer, the provisions of Subsections B through
11 ~~[F]~~ G of this section with respect to the maximum contributions
12 that can be made by the employer are not violated and will
13 still apply. The employer percentage or dollar contributions
14 as provided in Subsections B through ~~[D]~~ E of this section
15 shall be determined by the employee's gross salary prior to any
16 salary reduction agreement.

17 ~~[J.]~~ K. Any group medical insurance plan offered
18 pursuant to this section shall include effective cost-
19 containment measures to control the growth of health care
20 costs. The responsible public body that administers a plan
21 offered pursuant to this section shall report annually by
22 September 1 to appropriate interim legislative committees on
23 the effectiveness of the cost-containment measures required by
24 this subsection.

25 ~~[K. Within available revenue, school districts,~~

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1 ~~charter schools, participating entities pursuant to the Public~~
2 ~~School Insurance Authority Act and institutions of higher~~
3 ~~education may contribute up to eighty percent of the cost of~~
4 ~~the insurance of all employees.]"~~

5 SECTION 2. Section 22-29-10 NMSA 1978 (being Laws 1989,
6 Chapter 373, Section 5, as amended) is amended to read:

7 "22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

8 A. Group insurance contributions of the state for
9 school districts, charter schools and participating entities in
10 the authority shall be made as follows:

11 (1) ~~[at least seventy-five]~~ one hundred
12 percent of the first ten thousand dollars (\$10,000) of the cost
13 of ~~[the]~~ insurance of ~~[an employee whose annual salary is less~~
14 ~~than fifteen thousand dollars (\$15,000)]~~ all employees; and

15 (2) at least ~~[seventy]~~ sixty percent of the
16 cost of ~~[the]~~ insurance over ten thousand dollars (\$10,000) of
17 ~~[an employee whose annual salary is fifteen thousand dollars~~
18 ~~(\$15,000) or more but less than twenty thousand dollars~~
19 ~~(\$20,000);~~

20 ~~(3) at least sixty-five percent of the cost of~~
21 ~~the insurance of an employee whose annual salary is twenty~~
22 ~~thousand dollars (\$20,000) or more but less than twenty-five~~
23 ~~thousand dollars (\$25,000); or~~

24 ~~(4) at least sixty percent of the cost of the~~
25 ~~insurance of an employee whose annual salary is twenty-five~~

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1 ~~thousand dollars (\$25,000) or more.~~

2 ~~B. Within available revenue, school districts,~~
3 ~~charter schools and participating entities in the authority may~~
4 ~~contribute up to eighty percent of the cost of the insurance~~
5 ~~of] all employees.~~

6 ~~[C. Whenever a school district, charter school or~~
7 ~~participating entity in the authority offers to its employees~~
8 ~~alternative health plan benefit options, including health~~
9 ~~maintenance organizations, preferred provider organizations or~~
10 ~~panel doctor plans, the school district, charter school or~~
11 ~~participating entity may pay an amount on behalf of the~~
12 ~~employee and family member for the indemnity health insurance~~
13 ~~plan sufficient to result in equal employee monthly costs to~~
14 ~~the cost of the health maintenance organization plans,~~
15 ~~preferred provider organization plans or panel doctor plans,~~
16 ~~regardless of the percentage limitations in the Public School~~
17 ~~Insurance Authority Act. School districts, charter schools and~~
18 ~~participating entities in the authority may pay up to one~~
19 ~~hundred percent of the first fifty thousand dollars (\$50,000)~~
20 ~~of term life insurance.]~~

21 B. A school district, charter school or
22 participating entity in the authority may offer to its
23 employees supplemental benefit options, excluding medical,
24 dental or vision insurance, at its discretion. The employer
25 shall pay one hundred percent of basic life insurance premiums

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