

1 HOUSE BILL 343

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 George Dodge, Jr.

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10 AN ACT

11 RELATING TO HEALTH COVERAGE; AMENDING A SECTION OF THE GROUP
12 BENEFITS ACT TO PROVIDE FOR PARTICIPATION BY CERTAIN NONPROFIT
13 ENTITIES.

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

16 SECTION 1. Section 10-7B-6 NMSA 1978 (being Laws 1989,
17 Chapter 231, Section 6, as amended) is amended to read:

18 "10-7B-6. STATE EMPLOYEES GROUP BENEFITS SELF-INSURANCE
19 PLAN--AUTHORIZATION--LOCAL PUBLIC BODY PARTICIPATION--ELIGIBLE
20 NONPROFIT ENTITY PARTICIPATION.--

21 A. The risk management division of the general
22 services department may, with the prior advice of the
23 committee, establish and administer a group benefits
24 self-insurance plan, providing life, vision, health, dental and
25 disability coverages, or any combination of such coverages, for

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1 employees of the state, [~~and of~~] participating local public
2 bodies and participating eligible nonprofit entities. Any such
3 group benefits self-insurance plan shall afford coverage for
4 employees' dependents at each employee's option. Any such
5 group benefits self-insurance plan may consist of self-
6 insurance or a combination of self-insurance and insurance;
7 provided that particular coverages or risks may be fully
8 insured, fully self-insured or partially insured and partially
9 self-insured.

10 B. The director, with the advice of the committee,
11 shall establish by regulation or letter of administration the
12 types, extent, nature and description of coverages, the
13 eligibility rules for participation, the deductibles, rates and
14 all other matters reasonably necessary to carry on or
15 administer a group benefits self-insurance plan established
16 pursuant to Subsection A of this section.

17 C. The contribution of each participating state
18 agency to the cost of any such group benefits self-insurance
19 plan shall not exceed that percentage provided for state group
20 benefits insurance plans as provided by law. The contribution
21 of a participating local public body to the cost of any such
22 group benefits self-insurance plan shall not exceed that
23 percentage provided for local public body group benefits
24 insurance plans as provided by law. The contribution of a
25 participating eligible nonprofit entity to the cost of any such

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1 group benefits self-insurance plan shall not exceed that
2 percentage provided for eligible nonprofit entity group
3 benefits insurance plans as provided by law.

4 D. Except as provided in Subsection E of this
5 section, public employees' contributions to the cost of any
6 group benefits self-insurance plan may be deducted from their
7 salaries and paid directly to the group self-insurance fund;
8 provided that where risks are insured or reinsured, the
9 director may authorize payment of the costs of such insurance
10 or reinsurance directly to the insurer or reinsurer.

11 E. A legislator and the legislator's covered
12 dependents and a soil and water conservation district
13 supervisor [~~or~~] and the supervisor's covered dependents are
14 eligible to participate in and receive benefits from the group
15 benefits self-insurance plan if the legislator or supervisor
16 pays monthly premiums in amounts that equal one hundred percent
17 of the cost of the insurance. The premiums shall be paid
18 directly to the group self-insurance fund; provided that where
19 risks are insured or reinsured, the director may authorize
20 payment of the premiums directly to the insurer or reinsurer.

21 F. Local public bodies, eligible nonprofit entities
22 and state agencies that are not participating in the state
23 group benefits insurance plan or self-insurance plan may elect
24 to participate in any group benefits self-insurance plan
25 established pursuant to Subsection A of this section by giving

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1 written notice to the director on a date set by the director,
2 which date shall not be later than ninety days prior to the
3 date participation is to begin. The director shall determine
4 an initial rate for the electing entity in accordance with a
5 letter of administration setting forth written guidelines
6 established by the director with the committee's advice. The
7 initial rate shall be based on the claims experience of the
8 electing entity's group for the three immediately preceding
9 continuous years. If three years of continuous experience [~~is~~]
10 are not available, a rate fixed for the entity by the director
11 with the committee's advice shall apply, and the electing
12 entity's group shall be rerated on the first premium
13 anniversary following the date one full year of experience for
14 the group becomes available. Any such election may be
15 terminated effective not earlier than June 30 of the third
16 calendar year succeeding the year in which the election became
17 effective or on any June 30 thereafter. Notice of termination
18 shall be made in writing to the director not later than April 1
19 immediately preceding the June 30 on which participation will
20 terminate. A reelection to participate in the plan following a
21 termination [~~may~~] shall not be made effective for at least
22 three full years following the effective date of termination.

23 G. As soon as practicable, the director with the
24 committee's advice shall establish an experience rating plan
25 for state agencies, [~~and~~] local public bodies and eligible

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1 nonprofit entities participating in any group benefits self-
2 insurance plan created pursuant to Subsection A of this
3 section. Rates applicable to state agencies, ~~[and]~~
4 participating local public bodies and participating eligible
5 nonprofit entities shall be based on ~~[such]~~ the experience
6 rating plan. ~~[Any such]~~ An experience rating plan may provide
7 separate rates for individual state agencies, ~~[and]~~ individual
8 local public bodies and individual eligible nonprofit entities
9 or for ~~[such other]~~ the experience centers ~~[as]~~ the director
10 ~~[may determine]~~ determines.

11 H. As used in this section, "eligible nonprofit
12 entity" means an entity that, by the date set by the director
13 for providing written notice of participation pursuant to
14 Subsection F of this section, provides the director written
15 evidence of the following:

16 (1) designation as a nonprofit entity pursuant
17 to Section 501(c)(3) of the federal Internal Revenue Code of
18 1986; and

19 (2) receipt of at least fifty percent of its
20 annual operating budget through public funds, including
21 federal, state or local government funds."