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## **Governor Richardson's 2010 Legislative Health Reform Package Includes Insurance Reform and Public Insurance Consolidation**

*Santa Fe, New Mexico* –Governor Bill Richardson has unveiled his Health Reform Package for the 2010 Legislative Session. The package of five bills focuses on Insurance Reform and Public Insurance Consolidation in an effort to offer more New Mexicans affordable health coverage options.

“This administration began tackling health care reform in 2003 and over the years has made instrumental changes through legislation and policy changes that have allowed more people to have access to quality health coverage in New Mexico,” said Governor Richardson. “There is still more to be done and we cannot wait for the Federal Government to act.”

In an effort to save tax dollars, reduce bureaucracy and streamline services, Consolidation of Public Coverage Programs will allow for administrative efficiencies, increase lives covered, reduce duplicate and competing efforts, and increase portability of health plans.

1. **SB 155 - IBAC Consolidated Purchasing, sponsored by Sen. Clint Harden** – Amends the Health Care Purchasing Act to consolidate health plan purchasing of four public agencies covering school employees, state and local employees and retirees. The Interagency Benefits Advisory Committee (IBAC) agencies include the General Services Department, the Retiree Health Care Authority, the Albuquerque Public Schools, and the Public Schools Insurance Authority. These agencies would be asked to develop common health benefits packages for common populations and would move towards joint purchasing of health plans and further collaboration around certain other administrative functions. The bill would achieve greater leveraging of public buying power and the ability to retain the same coverage options when moving from one public agency to another.

Insurance Reform focuses on requiring insurance companies to spend more money on direct services, not bureaucracy, and to offer coverage to those individuals with pre-existing medical conditions. It also gives more options for private sector employees to help pay for coverage.

2. **HB 12 - Health Insurer Service Reimbursement, sponsored by Rep. John Heaton** - Requires a health insurer to spend at least 85 percent of the amount it collects in premiums for coverage across all health product lines over a three-year period.
3. **HB 32 - Health Insurance Small Employer Definition, sponsored by Rep. Danice Picraux** – Revises the definition of small employer to include one (1) employee to 50 employees, from the current definition of two (2) to 50 employees, thereby allowing self-

employed individuals to obtain coverage from any New Mexico licensed insurance carrier the same as other small employers currently.

4. **HB 96 - Guaranteed Issue for Individuals, sponsored by Rep. Danice Picraux** – Requires insurance companies to offer coverage to any individual who requests it without exclusion of pre-existing medical conditions.
5. **HB 106 - Limit Health Benefit Plan Index Rate, sponsored by Rep. John Heaton** - Requires premium rates for health benefit plans subject to the Small Group Rate and Renewability Act to have a graduated reduction over a five-year period from 20 percent to 10 percent to increase health insurance affordability.

“This package of legislation is more important now than ever before to find solutions for the many families who are struggling to pay the rising cost of their insurance and medical bills,” said Governor Richardson.

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