



For Immediate Release
February 17, 2010

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Governor Bill Richardson's Health Insurance Reform Proposal Gets Legislative Approval

SANTA FE—Governor Bill Richardson today applauded the state legislature for passing House Bill 12, Health Insurer Service Reimbursement, which requires insurance companies to spend more money on direct services and not profit. Governor Richardson has pushed for this legislation as part of his health care reform package since 2006.

The Senate passed the bill this afternoon, the House approved it last week. It now heads to the Governor's desk for his signature. Once the Governor signs it into law, New Mexico will be one of 15 states with this insurance reform measure.

"I am pleased that after all of the years of hard work from my administration, lawmakers agreed that this important health reform could no longer be put off," Governor Richardson said. "This legislation is a very important step in getting more direct services for the dollars people spend on health care and will help control the rising costs of health insurance."

House Business and Industry Committee Substitute for HB 12 requires at least 85 percent of premiums to be spent on direct services. For example, for every \$10.00 individuals pay for health insurance, insurance companies must spend \$8.50 for direct health care services rather than on administration or profit, over a three year period.

"By passing this legislation both small employers and individuals will now get the protection they need and deserve that ensures at least 85 percent of their insurance premiums will be going to services, which is what they pay for," said Rep. Heaton the bill's sponsor.

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