



The Legislature  
of the  
State of New Mexico

51st Legislature, 1st Session

LAWS 2013

CHAPTER \_\_\_\_\_

HOUSE BILL 343

~~POCKET VETOED~~

Introduced by

REPRESENTATIVE GEORGE DODGE, JR.

REPRESENTATIVE TOMÁS E. SALAZAR  
REPRESENTATIVE JIMMIE C. HALL  
REPRESENTATIVE BOB WOOLEY



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AN ACT

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

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

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

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

A. The risk management division of the general services department may, with the prior advice of the committee, establish and administer a group benefits self-insurance plan, providing life, vision, health, dental and disability coverages, or any combination of such coverages, for employees of the state, participating local public bodies and participating eligible nonprofit entities. Any such group benefits self-insurance plan shall afford coverage for employees' dependents at each employee's option. Any such group benefits self-insurance plan may consist of self-insurance or a combination of self-insurance and insurance; provided that particular coverages or risks may be fully insured, fully self-insured or partially insured and partially self-insured.

1           B. The director, with the advice of the committee,  
2 shall establish by regulation or letter of administration the  
3 types, extent, nature and description of coverages, the  
4 eligibility rules for participation, the deductibles, rates  
5 and all other matters reasonably necessary to carry on or  
6 administer a group benefits self-insurance plan established  
7 pursuant to Subsection A of this section.

8           C. The contribution of each participating state  
9 agency to the cost of any such group benefits self-insurance  
10 plan shall not exceed that percentage provided for state group  
11 benefits insurance plans as provided by law. The contribution  
12 of a participating local public body to the cost of any such  
13 group benefits self-insurance plan shall not exceed that  
14 percentage provided for local public body group benefits  
15 insurance plans as provided by law. The contribution of a  
16 participating eligible nonprofit entity to the cost of any  
17 such group benefits self-insurance plan shall not exceed that  
18 percentage provided for eligible nonprofit entity group  
19 benefits insurance plans as provided by law.

20           D. Except as provided in Subsection E of this  
21 section, public employees' contributions to the cost of any  
22 group benefits self-insurance plan may be deducted from their  
23 salaries and paid directly to the group self-insurance fund;  
24 provided that where risks are insured or reinsured, the  
25 director may authorize payment of the costs of such insurance

1 or reinsurance directly to the insurer or reinsurer.

2 E. A legislator and the legislator's covered  
3 dependents and a soil and water conservation district  
4 supervisor and the supervisor's covered dependents are  
5 eligible to participate in and receive benefits from the group  
6 benefits self-insurance plan if the legislator or supervisor  
7 pays monthly premiums in amounts that equal one hundred  
8 percent of the cost of the insurance. The premiums shall be  
9 paid directly to the group self-insurance fund; provided that  
10 where risks are insured or reinsured, the director may  
11 authorize payment of the premiums directly to the insurer or  
12 reinsurer.

13 F. Local public bodies, eligible nonprofit  
14 entities and state agencies that are not participating in the  
15 state group benefits insurance plan or self-insurance plan may  
16 elect to participate in any group benefits self-insurance plan  
17 established pursuant to Subsection A of this section by giving  
18 written notice to the director on a date set by the director,  
19 which date shall not be later than ninety days prior to the  
20 date participation is to begin. The director shall determine  
21 an initial rate for the electing entity in accordance with a  
22 letter of administration setting forth written guidelines  
23 established by the director with the committee's advice. The  
24 initial rate shall be based on the claims experience of the  
25 electing entity's group for the three immediately preceding

1 continuous years. If three years of continuous experience are  
2 not available, a rate fixed for the entity by the director  
3 with the committee's advice shall apply, and the electing  
4 entity's group shall be rerated on the first premium  
5 anniversary following the date one full year of experience for  
6 the group becomes available. Any such election may be  
7 terminated effective not earlier than June 30 of the third  
8 calendar year succeeding the year in which the election became  
9 effective or on any June 30 thereafter. Notice of termination  
10 shall be made in writing to the director not later than April  
11 1 immediately preceding the June 30 on which participation  
12 will terminate. A reelection to participate in the plan  
13 following a termination shall not be made effective for at  
14 least three full years following the effective date of  
15 termination.

16 G. As soon as practicable, the director with the  
17 committee's advice shall establish an experience rating plan  
18 for state agencies, local public bodies and eligible nonprofit  
19 entities participating in any group benefits self-insurance  
20 plan created pursuant to Subsection A of this section. Rates  
21 applicable to state agencies, participating local public  
22 bodies and participating eligible nonprofit entities shall be  
23 based on the experience rating plan. An experience rating  
24 plan may provide separate rates for individual state agencies,  
25 individual local public bodies and individual eligible



S/ W. KEN MARTINEZ  
W. KEN MARTINEZ, SPEAKER  
HOUSE OF REPRESENTATIVES

S/ STEPHEN R. ARIAS  
STEPHEN R. ARIAS, CHIEF CLERK  
HOUSE OF REPRESENTATIVES

S/ JOHN A. SANCHEZ  
JOHN A. SANCHEZ, PRESIDENT  
SENATE

S/ LENORE M. NARANJO  
LENORE M. NARANJO, CHIEF CLERK  
SENATE

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2013

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SUSANA MARTINEZ, GOVERNOR  
STATE OF NEW MEXICO

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