

<b>LFC Requester:</b>	<b>Christine Boerner</b>
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**AGENCY BILL ANALYSIS  
2015 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

<b>Original</b>	<input type="checkbox"/>	<b>Amendment</b>	<input checked="" type="checkbox"/>	<b>Date</b>	<u>3/12/15</u>
<b>Correction</b>	<input type="checkbox"/>	<b>Substitute</b>	<input type="checkbox"/>	<b>Bill No:</b>	<u>HB 480a</u>

<b>Sponsor:</b>	<u>Rep. Alonzo Baldonado</u>	<b>Agency Code:</b>	<u>Attorney General's Office</u>
<b>Short Title:</b>	<u>HEALTH CARE SHARING MINISTRY &amp; INSURANCE</u>	<b>Person Writing</b>	<u>Elizabeth Korsmo</u>
		<b>Phone:</b>	<u>505-660-7593</u> <b>Email</b> <u>ekorsmo@nmag.gov</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
None	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
None	None	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	None	None	None			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act:

**SECTION III: NARRATIVE**

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

**BILL SUMMARY**

Synopsis: HB 480 enacts a new section of the New Mexico Insurance Code to exempt non-profit faith based charitable organizations that provide for members to contribute amounts in order to assist other members with the costs of their health care, from being considered to be engaging in the business of insurance for the purpose of the Insurance Code.

Amendment BEC- adds the following sentence “(2) upon request an annual audit will be made and available to all participants.”

**FISCAL IMPLICATIONS - NA**

**SIGNIFICANT ISSUES**

The amendment to HB 480 requires that a health care sharing ministry provide a monthly statement to its members, and information about the non insurer status of the ministry on all applications or distributed materials. The amendment requires that the organization provide an annual audit upon request which is made available to participants.

It appears that the amendment added to page 2 lines 1 and two is more appropriately placed on page 2 lines 19 and 20. The Section where it is currently, (Section 1. (B)(2)) is a description/definition of what constitutes a ‘health care sharing ministry’ while Section 1(D) is a description of responsibilities required to be performed by those ‘health care sharing’ ministries.

**PERFORMANCE IMPLICATIONS- NA**

**ADMINISTRATIVE IMPLICATIONS-NA**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP-NA**

**TECHNICAL ISSUES-** The amendment does not define the entity with the authority to enforce the bill’s provisions. Whether this bill’s effect of removing such organizations from being defined as engaging in the business of insurance, also exempts them from the authority of the insurance oversight entities is unclear.

The amendment appears to be placed in the wrong section. It is in the definitional section when

it appears to be a description of an action that the described organization must perform under certain circumstances. Moreover, it does not define who may make the request that the annual audit be performed.

**OTHER SUBSTANTIVE ISSUES-** The amendment changes the font size of the written disclaimer described in Section 1(D)(2) from ten point bold faced type to twelve point bold faced type.

**ALTERNATIVES- NA**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL- Status Quo**

**AMENDMENTS:** HBEC adds the requirement that upon request, the organization must perform an annual audit and make it available to its members.