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HOUSE BILL 96

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Danice Picraux

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO HEALTH INSURANCE; AMENDING THE HEALTH MAINTENANCE ORGANIZATION LAW, THE NONPROFIT HEALTH CARE PLAN LAW AND OTHER SECTIONS OF THE NMSA 1978 TO PROVIDE FOR GUARANTEED ISSUE OF HEALTH COVERAGE WITHOUT PERMANENT EXCLUSION OF COVERAGE FOR PREEXISTING CONDITIONS.

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

Section 1. A new section of Chapter 59A, Article 22 NMSA 1978 is enacted to read:

"[NEW MATERIAL] HEALTH INSURERS--GUARANTEED ISSUE--
PREEXISTING CONDITIONS.--

A. Effective January 1, 2011, a health insurer that provides group health insurance pursuant to Chapter 59A, Article 22 NMSA 1978 shall issue coverage to any individual who requests and offers to purchase the coverage without permanent

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1 exclusion of coverage for preexisting conditions.

2 B. A health insurer may impose a waiting period not
3 to exceed six months before payment for any service related to
4 a preexisting condition.

5 C. A health insurer may continue until renewal an
6 individual policy in existence on January 1, 2011 that has a
7 permanent exclusion of payment for a preexisting condition.
8 Upon renewal of that policy, an insured, at the sole discretion
9 of the insured, may opt to continue the existing individual
10 policy with the exclusion of payment for the preexisting
11 condition.

12 D. A health insurer shall ensure that an insured's
13 privacy and confidentiality are protected and made applicable
14 to individual policies, similar to privacy requirements
15 pursuant to the federal Health Insurance Portability and
16 Accountability Act of 1996 for other policies.

17 E. For the purposes of this section:

18 (1) "coverage" does not include short-term,
19 accident, fixed indemnity, specified disease policy or
20 disability income, limited-benefit, credit, workers'
21 compensation, automobile, medical or other insurance under
22 which benefits are payable with or without regard to fault and
23 that is required by law to be contained in any liability
24 insurance policy;

25 (2) "health insurer" means a person duly

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1 authorized to transact the business of health insurance in the
2 state pursuant to the Insurance Code but does not include a
3 person that only issues a limited-benefit policy intended to
4 supplement major medical coverage, including medicare
5 supplement, long-term care, disability income, disease-
6 specific, accident-only or hospital-indemnity-only insurance
7 policies; and

8 (3) "preexisting condition" means a physical
9 or mental condition for which medical advice, medication,
10 diagnosis, care or treatment was recommended for or received by
11 an applicant for health insurance within six months before the
12 effective date of coverage, except that pregnancy is not
13 considered a preexisting condition for federally defined
14 individuals."

15 Section 2. A new section of Chapter 59A, Article 23 NMSA
16 1978 is enacted to read:

17 "[NEW MATERIAL] HEALTH INSURERS--GUARANTEED ISSUE--
18 PREEXISTING CONDITIONS.--

19 A. Effective January 1, 2011, a health insurer that
20 provides group health insurance pursuant to Chapter 59A,
21 Article 23 NMSA 1978 shall issue coverage to any individual who
22 requests and offers to purchase the coverage without permanent
23 exclusion of coverage for preexisting conditions.

24 B. A health insurer may impose a waiting period not
25 to exceed six months before payment for any service related to

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1 a preexisting condition.

2 C. A health insurer may continue until renewal an
3 individual policy in existence on January 1, 2011 that has a
4 permanent exclusion of payment for a preexisting condition.
5 Upon renewal of that policy, an insured, at the sole discretion
6 of the insured, may opt to continue the existing individual
7 policy with the exclusion of payment for the preexisting
8 condition.

9 D. A health insurer shall ensure that an insured's
10 privacy and confidentiality are protected and made applicable
11 to individual policies, similar to privacy requirements
12 pursuant to the federal Health Insurance Portability and
13 Accountability Act of 1996 for other policies.

14 E. For the purposes of this section:

15 (1) "coverage" does not include short-term,
16 accident, fixed indemnity, specified disease policy or
17 disability income, limited-benefit, credit, workers'
18 compensation, automobile, medical or other insurance under
19 which benefits are payable with or without regard to fault and
20 that is required by law to be contained in any liability
21 insurance policy;

22 (2) "health insurer" means a person duly
23 authorized to transact the business of health insurance in the
24 state pursuant to the Insurance Code but does not include a
25 person that only issues a limited-benefit policy intended to

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1 supplement major medical coverage, including medicare
2 supplement, long-term care, disability income, disease-
3 specific, accident-only or hospital-indemnity-only insurance
4 policies; and

5 (3) "preexisting condition" means a physical
6 or mental condition for which medical advice, medication,
7 diagnosis, care or treatment was recommended for or received by
8 an applicant for health insurance within six months before the
9 effective date of coverage, except that pregnancy is not
10 considered a preexisting condition for federally defined
11 individuals."

12 Section 3. A new section of the Health Maintenance
13 Organization Law is enacted to read:

14 "[NEW MATERIAL] HEALTH MAINTENANCE ORGANIZATIONS--
15 GUARANTEED ISSUE--PREEXISTING CONDITIONS.--

16 A. Effective January 1, 2011, a health maintenance
17 organization that provides coverage for health care services
18 pursuant to the Health Maintenance Organization Law shall issue
19 coverage to any individual who requests and offers to purchase
20 the coverage without permanent exclusion of coverage for
21 preexisting conditions.

22 B. A health maintenance organization may impose a
23 waiting period not to exceed six months before payment for any
24 service related to a preexisting condition.

25 C. A health maintenance organization may continue

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1 until renewal an individual contract in existence on January 1,
2 2011 that has a permanent exclusion of payment for a
3 preexisting condition. Upon renewal of that contract, an
4 enrollee, at the sole discretion of the enrollee, may opt to
5 continue the existing individual contract with the exclusion of
6 payment for the preexisting condition.

7 D. A health maintenance organization shall ensure
8 that an enrollee's privacy and confidentiality are protected
9 and made applicable to individual contracts, similar to privacy
10 requirements pursuant to the federal Health Insurance
11 Portability and Accountability Act of 1996 for other policies.

12 E. For the purposes of this section:

13 (1) "coverage" does not include short-term,
14 accident, fixed indemnity, specified disease policy or
15 disability income, limited-benefit, credit, workers'
16 compensation, automobile, medical or other insurance under
17 which benefits are payable with or without regard to fault and
18 that is required by law to be contained in any liability
19 insurance policy; and

20 (2) "preexisting condition" means a physical
21 or mental condition for which medical advice, medication,
22 diagnosis, care or treatment was recommended for or received by
23 an applicant for health insurance within six months before the
24 effective date of coverage, except that pregnancy is not
25 considered a preexisting condition for federally defined

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1 individuals."

2 Section 4. A new section of the Nonprofit Health Care
3 Plan Law is enacted to read:

4 "[NEW MATERIAL] NONPROFIT HEALTH CARE PLANS--GUARANTEED
5 ISSUE--PREEXISTING CONDITIONS.--

6 A. Effective January 1, 2011, a health insurer that
7 provides coverage pursuant to the Nonprofit Health Care Plan
8 Law shall issue coverage to any individual who requests and
9 offers to purchase the coverage without permanent exclusion of
10 coverage for preexisting conditions.

11 B. A health insurer may impose a waiting period not
12 to exceed six months before payment for any service related to
13 a preexisting condition.

14 C. A health insurer may continue until renewal an
15 individual policy in existence on January 1, 2011 that has a
16 permanent exclusion of payment for a preexisting condition.
17 Upon renewal of that policy, an insured, at the sole discretion
18 of the insured, may opt to continue the existing individual
19 policy with the exclusion of payment for the preexisting
20 condition.

21 D. A health insurer shall ensure that an insured's
22 privacy and confidentiality are protected and made applicable
23 to individual policies, similar to privacy requirements
24 pursuant to the federal Health Insurance Portability and
25 Accountability Act of 1996 for other policies.

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E. For the purposes of this section:

(1) "coverage" does not include short-term, accident, fixed indemnity, specified disease policy or disability income, limited-benefit, credit, workers' compensation, automobile, medical or other insurance under which benefits are payable with or without regard to fault and that is required by law to be contained in any liability insurance policy;

(2) "health insurer" means a person duly authorized to transact the business of health insurance in the state pursuant to the Insurance Code but does not include a person that only issues a limited-benefit policy intended to supplement major medical coverage, including medicare supplement, long-term care, disability income, disease-specific, accident-only or hospital-indemnity-only insurance policies; and

(3) "preexisting condition" means a physical or mental condition for which medical advice, medication, diagnosis, care or treatment was recommended for or received by an applicant for health insurance within six months before the effective date of coverage, except that pregnancy is not considered a preexisting condition for federally defined individuals."