

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
SENATE JOINT MEMORIAL 10

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

A JOINT MEMORIAL

REQUESTING THAT THE NEW MEXICO OFFICE OF HEALTH CARE REFORM  
PROVIDE A FULL REPORT ON EXPENDITURES MADE AND STUDY RESULTS  
PURSUANT TO THE ONE-MILLION-DOLLAR (\$1,000,000) FEDERAL HEALTH  
INSURANCE EXCHANGE PLANNING GRANT.

WHEREAS, on March 23, 2010, the federal Patient Protection  
and Affordable Care Act of 2010, also known as the Affordable  
Care Act, was signed into law; and

WHEREAS, the Affordable Care Act requires each state to  
set up a health insurance exchange by 2014 and to demonstrate  
readiness to implement the health insurance exchange by January  
1, 2013; and

WHEREAS, if a state cannot demonstrate readiness to  
implement a health insurance exchange by January 1, 2013, the  
Affordable Care Act states that the federal government will

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underscoring material = new  
~~[bracketed material]~~ = delete

1 establish an exchange for the state; and

2 WHEREAS, in the fall of 2010, the human services  
3 department applied for a planning and establishment grant from  
4 the United States department of health and human services; and

5 WHEREAS, the United States department of health and human  
6 services awarded New Mexico a one-million-dollar (\$1,000,000)  
7 grant for the purpose of planning for the establishment of a  
8 state health insurance exchange; and

9 WHEREAS, one of the purposes of this federal health  
10 insurance exchange planning grant was to enable the human  
11 services department to hire the expertise to collect and  
12 analyze data to provide critical cost, financial and other  
13 information about the establishment of an exchange in the  
14 state; and

15 WHEREAS, in its health insurance exchange planning grant  
16 proposal, the human services department informs the United  
17 States department of health and human services that it intends  
18 to evaluate whether there is "sufficient population within New  
19 Mexico to provide the [e]xchange with the market power,  
20 economies of scale, stability and protection against adverse  
21 selection needed to sustain the entity and keep rates  
22 reasonable within the [e]xchange over time"; and

23 WHEREAS, the health insurance exchange planning grant  
24 proposal states that the state will seek to ascertain the  
25 "numbers and types of individuals who will remain uninsured";

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1 and

2 WHEREAS, the health insurance exchange planning grant  
3 proposal sets forth the goal of determining the likely cost of  
4 providing "health care services to the uninsured individuals to  
5 determine the extent, if any, that implementation of an  
6 [e]xchange will lower the number of the uninsured and allow  
7 cost shifts from current levels incurred by public and private  
8 entities to provide health care services to the uninsured"; and

9 WHEREAS, the health insurance exchange planning grant  
10 proposal also states that the state will consider the  
11 administrative costs that are likely to be imposed on insurers  
12 "in the form of user fees, premium assessments, or other  
13 means"; and

14 WHEREAS, the one-year, one-million-dollar (\$1,000,000)  
15 grant was received over one year ago; and

16 WHEREAS, the legislature has not received a report from  
17 the New Mexico office of health care reform that provides  
18 answers to the subjects of inquiry set forth in the health  
19 insurance exchange planning grant proposal; and

20 WHEREAS, this information is critical to both the  
21 executive and the legislative branches in planning for the best  
22 type of exchange for New Mexico; and

23 WHEREAS, the executive and the legislative branches must  
24 have this critical information if any required legislation is  
25 to be passed;

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1           NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
2 STATE OF NEW MEXICO that the New Mexico office of health care  
3 reform be requested to provide a report that includes detailed  
4 answers to the subjects of inquiry set forth in the health  
5 insurance exchange planning grant proposal, as well as an  
6 answer to how the federal health insurance exchange planning  
7 grant funds were expended; and

8           BE IT FURTHER RESOLVED that the New Mexico office of  
9 health care reform be requested to report on study results and  
10 expenditures made pursuant to the federal health insurance  
11 exchange planning grant before the legislative finance  
12 committee, the interim legislative revenue stabilization and  
13 tax policy committee and the interim legislative health and  
14 human services committee at their first meetings after the 2012  
15 regular legislative session; and

16           BE IT FURTHER RESOLVED that copies of the report on study  
17 results and expenditures made pursuant to the federal health  
18 insurance exchange planning grant be transmitted to the  
19 governor, the legislative council service, the legislative  
20 finance committee, the secretary of human services, the  
21 secretary of health and the superintendent of insurance; and

22           BE IT FURTHER RESOLVED that copies of this memorial be  
23 transmitted to the governor, the secretary of human services  
24 and the director of the New Mexico office of health care  
25 reform.