

NEW MEXICO SENATE DEMOCRATS

For immediate release
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Senate Passes Landmark Bill to Create Health Insurance Exchange

After a healthy debate, the Senate passed a bill by a vote of 36-5 on Monday that will create the New Mexico Health Insurance Exchange, which will begin administering the federal Affordable Care Act, better known as Obamacare.

The bill to create the insurance exchange also comes with an emergency clause so that the Health Exchange can be formulated and begin work once the governor signs the bill. New Mexico has a deadline to create the body before October 15, 2013, otherwise the federal government will operate the new program and the state will have little or no input on its direction. The federal government mandates that the state begin registering people who currently don't have health insurance into the program by January 1, 2014.

Last year, Governor Susana Martinez broke ranks with national conservative leaders and decided to opt into the program with state control over its administration. The passed bill, which now heads over to the House for discussion, empowers a board to take input from all areas of the health community to establish the exchange, which will begin offering insurance coverage to at least an estimated 150,000 uninsured New Mexicans.

"This has been a very delicate compromise," said co-sponsor Senator Ortiz y Pino. "Nobody got everything they wanted. We have been struggling with 'How do you craft a health insurance exchange?' when no such animal has been created here before."

Intermittent negotiations between members of the Senate Democrats as well as some Republican representatives from the House have been ongoing throughout the session until a compromise could be reached. During the negotiation process, it was decided that Senate Bill 221, sponsored by Senator Ortiz y Pino (Bernalillo, District 12), be combined with the similar

Senate Bill 589, introduced by Senator Benny Shendo Jr. (Bernalillo, McKinley, Rio Arriba, San Juan, Sandoval, District 22).

“Nobody got everything they wanted,” Senator Phil Griego (Bernalillo, Lincoln, San Miguel, Santa Fe, Tarrant, Valencia, District 39) said during the debate. “If we don’t pass this, New Mexico will never be in charge. We will never have a say on this bill again.”

The board will consist of 13 voting directors, one which will be the newly created Superintendent of Insurance, who will be chosen later this year with criteria currently being developed by the Legislature. Last year, the voters chose to have the office become independent from the Public Regulation Commission. The superintendent will only vote in the event of a tie vote amongst the board of directors.

Six voting directors on the board will be appointed by the governor, including the secretary of Human Services, a health insurance issuer and a consumer advocate, and no more than four of the governor’s picks can come from the same political party.

The six remaining voting directors, three appointed by the president pro tempore of the Senate, including one health care provider, and three appointed by the speaker of the House of Representatives, including one health insurance issuer. One of the directors appointed by the president pro tempore of the Senate and one of the directors appointed by the speaker of the House of Representatives will come from a list of at least two candidates provided by the minority leaders of the Senate and the House.

The initial board will be chosen by lot by the current Health Insurance Alliance, which will dissolve a year after the health exchange is established, and six members will serve four years, and the remaining six will serve three years. Thereafter, the staggered terms will last three years.

Four of the directors would also be required to have a composition of experience as health care providers, a representative of a statewide health care planning entity, and one from a non-profit corporation. Two others, joining the insurance superintendent and HSD cabinet secretary, will be representatives of health insurance carriers, and the remaining five would have experience as health care consumers, advocates, small business owners and employees of a small business.

The bill also stipulates that the board take recommendations from advisory committees made up many sectors of the health care community, ranging from providers to brokers to low-income advocates. An additional advisory committee composed of a representation of the state’s various Native American tribes, would also offer input.

The bill also directs the medical assistance division of the Human Services Department to cooperate with the New Mexico Health Insurance Exchange to share information and facilitate transitions in enrollment between the exchange and Medicaid, the state children's health insurance program and any other state public health coverage program. It also encourages the health exchange to contract and collaborate with exchanges in other states.

House 'Breaking Bad Bill' Passes Senate

The Senate passed House Bill 379, also known as the "Breaking Bad Bill," which will increase the state's film rebate to 30 percent for television-series productions that shoot at least six episodes in New Mexico and would also carry forward up to \$10 million in unused film tax credit funds for use in future years.

"The 'Breaking Bad Bill' passing the Senate is a huge victory for New Mexico jobs and I want to thank the Senate for its leadership on this issue and for helping to welcome the film industry back to New Mexico," said the bill's sponsor, House Majority Whip Antonio "Moe" Maestas (D, Bernalillo, District 16). "New Mexicans need jobs, good paying jobs, and this legislation will boost our economy, sending a strong message to the film and TV industry.

"My bill's five percent rebate increase for TV productions filming in New Mexico is a critical investment because we know that successful TV shows employ New Mexicans and also purchase goods and services from local small businesses for consecutive years."

Carried in the Senate by Senator Phil Griego, (D, Bernalillo, Lincoln, San Miguel, Santa Fe, Torrance, Valencia, District 39), HB 379 passed on 32-8 vote and it goes back to the House for concurrence before heading to the Governor's desk.

"This is a huge economic driver in our economy," Senator Peter Wirth (D, Santa Fe, District 25) said during debate of the bill. "The businesses in my district, mainly hotels and restaurants, have all told me that the film credit has kept them in business."

Maestas continued, "HB 379's year-to-year carry forward provision will not only attract more film productions to New Mexico by making unused funds available in future years, but it also maintains budget stability, which is a priority of the administration. Additionally, I'm very proud

that this legislation protects New Mexico workers, ensuring that *they* are the individuals who will benefit from the new jobs created by this bill.”

Guv’s Signature On Bill Will Save Low-Income Elderly Property Owners Annual Trip to the County

The governor’s signature is all that’s missing from a bill that will enable low-income property owners over 65-years-old, as well as disabled property owners, to not have to apply every year to extend their eligibility for a freeze on their property values. Senate Bill 289/a, sponsored by Senator Benny Shendo Jr. (Bernalillo, McKinley, Rio Arriba, San Juan, Sandoval, District 22), which unanimously passed both the Senate and the House, allows county assessors to keep the eligible property evaluations on the books indefinitely until a change in status of the property ownership occurs.

“(The tax-valuation freeze exists) already,” Senator Shendo said. “This bill just enables our elderly from having to come into the county to apply for the tax break every year

“A lot of seniors are on fixed income and oftentimes it’s hard for them to have to keep going to the county to apply in person year after year.”

SB 289/a, which also was freshman Senator Shendo’s first passed bill, stipulates that a freeze in property value will not occur automatically to property owners who meet the criteria, and that the freeze will be subject to inflation indexes. Those who are eligible for the first time will have to apply for the tax freeze and prove that they were eligible for the break for three years prior. Although those property owners who have already taken advantage of the tax valuation freeze for three consecutive years are automatically eligible.

It will be up to individual county governments to design the application forms. A property owner’s maximum annual income is set at a threshold of \$32,000 after 2009 to qualify along with proof of age and disability requirements after 2009. It will be up to a property owner to notify the county if there has been a change in their income or if a change in property ownership has occurred, otherwise, the owner would be liable for back taxes, interest and fine three times the amount of taxes due.

In other Senate action:

* The Senate on Monday confirmed the appointment of Gino Rinaldi as cabinet secretary of the state Aging and Long-Term Services. The Senate also confirmed Retta Ward as the cabinet secretary of the state Department of Health, which has been beset with morale problems under the previous permanent cabinet secretary.

* Notable quote: “When I go to a health care provider, they spend more time looking at a computer screen than at me,” Senator Daniel Ivey Soto (Bernalillo, District 15) said during the Senate Rules confirmation of Retta Ward on Monday.

* Notable quote: “This is our ‘Rainy Day Senate Guarantee Fund’,” said Senator Cisco McSorley (Bernalillo, District 16), during debate of Senate Joint Resolution 1, Land Grant Permanent Fund Changes, CA, which passed 39-3 on Monday. SJR 1, sponsored by Carlos Cisneros (Los Alamos, Rio Arriba, Santa Fe, Taos, District 6), will let the voters decide on a constitutional amendment whether to loosen the restrictions on the State Investment Council to invest the Land Grant Permanent Fund and tighten the restrictions on how the Legislature can direct them to invest the fund. The bill heads to the House.

* Notable quote: “I do appreciate your vote. I’ve only been here 17 years and I think this is the first time,” Senator Carroll H. Leavell (R, Eddy, Lea, District 41) told Majority Floor Leader Michael S. Sanchez (D, Bernalillo, Valencia, District 29) on Monday after the Senate unanimously passed his amended Senate Bill 312, Unclaimed Insurance Benefits & Policies.