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SENATE BILL 589

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Gerald P. Ortiz y Pino

AN ACT

RELATING TO INSURANCE; REQUIRING INSURANCE COVERAGE FOR THE
FAMILY, INFANT, TODDLER PROGRAM FOR ELIGIBLE CHILDREN.

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

Section 1. Section 13-7-7 NMSA 1978 (being Laws 2001,
Chapter 351, Section 3) is amended to read:

"13-7-7. CONSOLIDATED ADMINISTRATIVE FUNCTIONS--

BENEFIT. --

A. By December 1, 2001, the publicly funded health
care agencies, political subdivisions and other persons
participating in the consolidated purchasing single process
pursuant to the Health Care Purchasing Act shall cooperatively
study and provide a status report on the consolidation of
administrative functions to the legislative health and human
services committee and the governor.

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1 B. By December 31, 2003, the publicly funded health
2 care agencies, political subdivisions and other persons
3 participating in the consolidated purchasing single process
4 pursuant to the Health Care Purchasing Act shall consolidate,
5 standardize and administer the administrative functions that
6 those entities can effectively and efficiently administer as
7 reflected in the study.

8 C. The publicly funded health care agencies,
9 political subdivisions and other persons participating in the
10 consolidated purchasing single process pursuant to the Health
11 Care Purchasing Act may enter into a joint powers agreement
12 pursuant to the Joint Powers Agreements Act with the publicly
13 funded health care agencies and political subdivisions to
14 determine assessments or provisions of resources to
15 consolidate, standardize and administer the consolidated
16 purchasing single process and subsequent activities pursuant to
17 the Health Care Purchasing Act. The publicly funded health
18 care agencies, political subdivisions and other persons
19 participating in the consolidated purchasing single process
20 pursuant to the Health Care Purchasing Act may enter into
21 contracts with nonpublic persons to provide the service of
22 determining assessments or provision of resources for
23 consolidation, standardization and administrative activities.

24 D. Each agency will retain its responsibility to
25 determine policy direction of the benefit plans, plan

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1 development, training and coordination with respect to
2 participants and its benefits staff, as well as to respond to
3 benefits eligibility inquiries and establish and enforce
4 eligibility rules.

5 E. Notwithstanding Subsection D of this section,
6 publicly funded health care agencies, political subdivisions
7 and other persons participating in the consolidated purchasing
8 single process pursuant to the Health Care Purchasing Act shall
9 provide coverage for children, from birth through three years
10 of age, for or under the family, infant, toddler program
11 administered by the department of health, provided eligibility
12 criteria are met, for a maximum benefit of three thousand five
13 hundred dollars (\$3,500) annually for medically necessary early
14 intervention services. No payment under this subsection shall
15 be applied against any maximum lifetime or annual limits
16 specified in the policy, health benefits plan or contract."

17 Section 2. Section 59A-22-34.2 NMSA 1978 (being Laws
18 1994, Chapter 64, Section 2) is amended to read:

19 "59A-22-34.2. COVERAGE OF CHILDREN. - -

20 A. An insurer shall not deny enrollment of a child
21 under the health plan of the child's parent on the grounds that
22 the child:

- 23 (1) was born out of wedlock;
24 (2) is not claimed as a dependent on the
25 parent's federal tax return; or

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1 (3) does not reside with the parent or in the
2 insurer's service area.

3 B. When a child has health coverage through an
4 insurer of a noncustodial parent, the insurer shall:

5 (1) provide such information to the custodial
6 parent as may be necessary for the child to obtain benefits
7 through that coverage;

8 (2) permit the custodial parent or the
9 provider, with the custodial parent's approval, to submit
10 claims for covered services without the approval of the
11 noncustodial parent; and

12 (3) make payments on claims submitted in
13 accordance with Paragraph (2) of this subsection directly to
14 the custodial parent, the provider or the state medicaid
15 agency.

16 C. When a parent is required by a court or
17 administrative order to provide health coverage for a child and
18 the parent is eligible for family health coverage, the insurer
19 shall be required:

20 (1) to permit the parent to enroll, under the
21 family coverage, a child who is otherwise eligible for the
22 coverage without regard to any enrollment season restrictions;

23 (2) if the parent is enrolled but fails to
24 make application to obtain coverage for the child, to enroll
25 the child under family coverage upon application of the child's

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1 other parent, the state agency administering the medicaid
2 program or the state agency administering 42 U. S. C. Sections
3 651 through 669, the child support enforcement program; and

4 (3) not to disenroll or eliminate coverage of
5 the child unless the insurer is provided satisfactory written
6 evidence that:

7 (a) the court or administrative order is
8 no longer in effect; or

9 (b) the child is or will be enrolled in
10 comparable health coverage through another insurer that will
11 take effect not later than the effective date of disenrollment.

12 D. An insurer shall not impose requirements on a
13 state agency that has been assigned the rights of an individual
14 eligible for medical assistance under the medicaid program and
15 covered for health benefits from the insurer that are different
16 from requirements applicable to an agent or assignee of any
17 other individual so covered.

18 E. An insurer shall provide coverage for children,
19 from birth through three years of age, for or under the family,
20 infant, toddler program administered by the department of
21 health, provided eligibility criteria are met, for a maximum
22 benefit of three thousand five hundred dollars (\$3,500)
23 annually for medically necessary early intervention services.
24 No payment under this subsection shall be applied against any
25 maximum lifetime or annual limits specified in the policy.

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1 health benefits plan or contract."

2 Section 3. Section 59A-23-7.2 NMSA 1978 (being Laws 1994,
3 Chapter 64, Section 5) is amended to read:

4 "59A-23-7.2. COVERAGE OF CHILDREN. --

5 A. An insurer shall not deny enrollment of a child
6 under the health plan of the child's parent on the grounds that
7 the child:

8 (1) was born out of wedlock;

9 (2) is not claimed as a dependent on the
10 parent's federal tax return; or

11 (3) does not reside with the parent or in the
12 insurer's service area.

13 B. When a child has health coverage through an
14 insurer of a noncustodial parent, the insurer shall:

15 (1) provide such information to the custodial
16 parent as may be necessary for the child to obtain benefits
17 through that coverage;

18 (2) permit the custodial parent or the
19 provider, with the custodial parent's approval, to submit
20 claims for covered services without the approval of the
21 noncustodial parent; and

22 (3) make payments on claims submitted in
23 accordance with Paragraph (2) of this subsection directly to
24 the custodial parent, the provider or the state medicaid
25 agency.

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1 C. When a parent is required by a court or
2 administrative order to provide health coverage for a child and
3 the parent is eligible for family health coverage, the insurer
4 shall be required:

5 (1) to permit the parent to enroll, under the
6 family coverage, a child who is otherwise eligible for the
7 coverage without regard to any enrollment season restrictions;

8 (2) if the parent is enrolled but fails to
9 make application to obtain coverage for the child, to enroll
10 the child under family coverage upon application of the child's
11 other parent, the state agency administering the medicaid
12 program or the state agency administering 42 U. S. C. Sections
13 651 through 669, the child support enforcement program; and

14 (3) not to disenroll or eliminate coverage of
15 the child unless the insurer is provided satisfactory written
16 evidence that:

17 (a) the court or administrative order is
18 no longer in effect; or

19 (b) the child is or will be enrolled in
20 comparable health coverage through another insurer that will
21 take effect not later than the effective date of disenrollment.

22 D. An insurer shall not impose requirements on a
23 state agency that has been assigned the rights of an individual
24 eligible for medical assistance under the medicaid program and
25 covered for health benefits from the insurer that are different

1 from requirements applicable to an agent or assignee of any
2 other individual so covered.

3 E. An insurer shall provide coverage for children,
4 from birth through three years of age, for or under the family,
5 infant, toddler program administered by the department of
6 health, provided eligibility criteria are met, for a maximum
7 benefit of three thousand five hundred dollars (\$3,500)
8 annually for medically necessary early intervention services.
9 No payment under this subsection shall be applied against any
10 maximum lifetime or annual limits specified in the policy,
11 health benefits plan or contract."

12 Section 4. Section 59A-46-38.1 NMSA 1978 (being Laws
13 1994, Chapter 64, Section 9) is amended to read:

14 "59A-46-38.1. COVERAGE OF CHILDREN. --

15 A. An insurer shall not deny enrollment of a child
16 under the health plan of the child's parent on the grounds that
17 the child:

- 18 (1) was born out of wedlock;
19 (2) is not claimed as a dependent on the
20 parent's federal tax return; or
21 (3) does not reside with the parent or in the
22 insurer's service area.

23 B. When a child has health coverage through an
24 insurer of a noncustodial parent, the insurer shall:

- 25 (1) provide such information to the custodial

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1 parent as may be necessary for the child to obtain benefits
2 through that coverage;

3 (2) permit the custodial parent or the
4 provider, with the custodial parent's approval, to submit
5 claims for covered services without the approval of the
6 noncustodial parent; and

7 (3) make payments on claims submitted in
8 accordance with Paragraph (2) of this subsection directly to
9 the custodial parent, the provider or the state medicaid
10 agency.

11 C. When a parent is required by a court or
12 administrative order to provide health coverage for a child and
13 the parent is eligible for family health coverage, the insurer
14 shall be required:

15 (1) to permit the parent to enroll, under the
16 family coverage, a child who is otherwise eligible for the
17 coverage without regard to any enrollment season restrictions;

18 (2) if the parent is enrolled but fails to
19 make application to obtain coverage for the child, to enroll
20 the child under family coverage upon application of the child's
21 other parent, the state agency administering the medicaid
22 program or the state agency administering 42 U.S.C. Sections
23 651 through 669, the child support enforcement program; and

24 (3) not to disenroll or eliminate coverage of
25 the child unless the insurer is provided satisfactory written

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1 evidence that:

2 (a) the court or administrative order is
3 no longer in effect; or

4 (b) the child is or will be enrolled in
5 comparable health coverage through another insurer that will
6 take effect not later than the effective date of disenrollment.

7 D. An insurer shall not impose requirements on a
8 state agency that has been assigned the rights of an individual
9 eligible for medical assistance under the medicaid program and
10 covered for health benefits from the insurer that are different
11 from requirements applicable to an agent or assignee of any
12 other individual so covered.

13 E. An insurer shall provide coverage for children,
14 from birth through three years of age, for or under the family,
15 infant, toddler program administered by the department of
16 health, provided eligibility criteria are met, for a maximum
17 benefit of three thousand five hundred dollars (\$3,500)
18 annually for medically necessary early intervention services.
19 No payment under this subsection shall be applied against any
20 maximum lifetime or annual limits specified in the policy,
21 health benefits plan or contract."

22 Section 5. Section 59A-47-37 NMSA 1978 (being Laws 1994,
23 Chapter 64, Section 12) is amended to read:

24 "59A-47-37. COVERAGE OF CHILDREN. --

25 A. An insurer shall not deny enrollment of a child

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1 under the health plan of the child's parent on the grounds that
2 the child:

3 (1) was born out of wedlock;

4 (2) is not claimed as a dependent on the
5 parent's federal tax return; or

6 (3) does not reside with the parent or in the
7 insurer's service area.

8 B. When a child has health coverage through an
9 insurer of a noncustodial parent, the insurer shall:

10 (1) provide such information to the custodial
11 parent as may be necessary for the child to obtain benefits
12 through that coverage;

13 (2) permit the custodial parent or the
14 provider, with the custodial parent's approval, to submit
15 claims for covered services without the approval of the
16 noncustodial parent; and

17 (3) make payments on claims submitted in
18 accordance with Paragraph (2) of this subsection directly to
19 the custodial parent, the provider or the state medicaid
20 agency.

21 C. When a parent is required by a court or
22 administrative order to provide health coverage for a child,
23 and the parent is eligible for family health coverage, the
24 insurer shall be required:

25 (1) to permit the parent to enroll, under the

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1 family coverage, a child who is otherwise eligible for the
2 coverage without regard to any enrollment season restrictions;

3 (2) if the parent is enrolled but fails to
4 make application to obtain coverage for the child, to enroll
5 the child under family coverage upon application of the child's
6 other parent, the state agency administering the medicaid
7 program or the state agency administering 42 U.S.C. Sections
8 651 through 669, the child support enforcement program; and

9 (3) not to disenroll or eliminate coverage of
10 the child unless the insurer is provided satisfactory written
11 evidence that:

12 (a) the court or administrative order is
13 no longer in effect; or

14 (b) the child is or will be enrolled in
15 comparable health coverage through another insurer that will
16 take effect not later than the effective date of disenrollment.

17 D. An insurer shall not impose requirements on a
18 state agency that has been assigned the rights of an individual
19 eligible for medical assistance under the medicaid program and
20 covered for health benefits from the insurer that are different
21 from requirements applicable to an agent or assignee of any
22 other individual so covered.

23 E. An insurer shall provide coverage for children,
24 from birth through three years of age, for or under the family,
25 infant, toddler program administered by the department of

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1 health, provided eligibility criteria are met, for a maximum
2 benefit of three thousand five hundred dollars (\$3,500)
3 annually for medically necessary early intervention services.
4 No payment under this subsection shall be applied against any
5 maximum lifetime or annual limits specified in the policy,
6 health benefits plan or contract."

7 Section 6. EFFECTIVE DATE. --The effective date of the
8 provisions of this act is July 1, 2005.

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