

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 577

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

AN ACT

RELATING TO INSURANCE; INCLUDING PHARMACISTS AND PHARMACIST  
CLINICIANS AS PROVIDERS OF SERVICE.

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

Section 1. Section 59A-46-2 NMSA 1978 (being Laws 1993,  
Chapter 266, Section 2) is amended to read:

"59A-46-2. DEFINITIONS.--As used in the Health  
Maintenance Organization Law:

A. "basic health care services":

(1) means medically necessary services  
consisting of preventive care, emergency care, inpatient and  
outpatient hospital and physician care, diagnostic laboratory,  
[and] diagnostic and therapeutic radiological services and  
services of pharmacists and pharmacist clinicians; but

(2) does not include mental health services or

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underscored material = new  
[bracketed material] = delete

1 services for alcohol or drug abuse, dental or vision services  
2 or long-term rehabilitation treatment;

3 B. "capitated basis" means fixed per member per  
4 month payment or percentage of premium payment wherein the  
5 provider assumes the full risk for the cost of contracted  
6 services without regard to the type, value or frequency of  
7 services provided and includes the cost associated with  
8 operating staff model facilities;

9 C. "carrier" means a health maintenance  
10 organization, an insurer, a nonprofit health care plan or other  
11 entity responsible for the payment of benefits or provision of  
12 services under a group contract;

13 D. "copayment" means an amount an enrollee must pay  
14 in order to receive a specific service that is not fully  
15 prepaid;

16 E. "deductible" means the amount an enrollee is  
17 responsible to pay out-of-pocket before the health maintenance  
18 organization begins to pay the costs associated with treatment;

19 F. "enrollee" means an individual who is covered by  
20 a health maintenance organization;

21 G. "evidence of coverage" means a policy, contract  
22 or certificate showing the essential features and services of  
23 the health maintenance organization coverage that is given to  
24 the subscriber by the health maintenance organization or by the  
25 group contract holder;

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1           H. "extension of benefits" means the continuation  
2 of coverage under a particular benefit provided under a  
3 contract or group contract following termination with respect  
4 to an enrollee who is totally disabled on the date of  
5 termination;

6           I. "grievance" means a written complaint submitted  
7 in accordance with the health maintenance organization's formal  
8 grievance procedure by or on behalf of the enrollee regarding  
9 any aspect of the health maintenance organization relative to  
10 the enrollee;

11           J. "group contract" means a contract for health  
12 care services that by its terms limits eligibility to members  
13 of a specified group and may include coverage for dependents;

14           K. "group contract holder" means the person to  
15 [~~which~~] whom a group contract has been issued;

16           L. "health care services" means any services  
17 included in the furnishing to any individual of medical,  
18 mental, dental, pharmaceutical or optometric care or  
19 hospitalization or nursing home care or incident to the  
20 furnishing of such care or hospitalization, as well as the  
21 furnishing to any person of any and all other services for the  
22 purpose of preventing, alleviating, curing or healing human  
23 physical or mental illness or injury;

24           M. "health maintenance organization" means any  
25 person who undertakes to provide or arrange for the delivery of

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1 basic health care services to enrollees on a prepaid basis,  
2 except for enrollee responsibility for copayments or  
3 deductibles;

4 N. "health maintenance organization agent" means a  
5 person who solicits, negotiates, effects, procures, delivers,  
6 renews or continues a policy or contract for health maintenance  
7 organization membership or who takes or transmits a membership  
8 fee or premium for such a policy or contract, other than for  
9 himself, or a person who advertises or otherwise holds himself  
10 out to the public as such;

11 O. "individual contract" means a contract for  
12 health care services issued to and covering an individual and  
13 it may include dependents of the subscriber;

14 P. "insolvent" or "insolvency" means that the  
15 organization has been declared insolvent and placed under an  
16 order of liquidation by a court of competent jurisdiction;

17 Q. "managed hospital payment basis" means  
18 agreements in which the financial risk is related primarily to  
19 the degree of utilization rather than to the cost of services;

20 R. "net worth" means the excess of total admitted  
21 assets over total liabilities, but the liabilities shall not  
22 include fully subordinated debt;

23 S. "participating provider" means a provider as  
24 defined in Subsection U of this section who, under an express  
25 contract with the health maintenance organization or with its

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1 contractor or subcontractor, has agreed to provide health care  
2 services to enrollees with an expectation of receiving payment,  
3 other than copayment or deductible, directly or indirectly from  
4 the health maintenance organization;

5 T. "person" means an individual or [~~any~~] other  
6 legal entity;

7 U. "provider" means [~~any~~] a physician, pharmacist,  
8 pharmacist clinician, hospital or other person licensed or  
9 otherwise authorized to furnish health care services;

10 V. "replacement coverage" means the benefits  
11 provided by a succeeding carrier;

12 W. "subscriber" means an individual whose  
13 employment or other status, except family dependency, is the  
14 basis for eligibility for enrollment in the health maintenance  
15 organization or, in the case of an individual contract, the  
16 person in whose name the contract is issued; [~~and~~]

17 X. "uncovered expenditures" means the costs to the  
18 health maintenance organization for health care services that  
19 are the obligation of the health maintenance organization, for  
20 which an enrollee may also be liable in the event of the health  
21 maintenance organization's insolvency and for which no  
22 alternative arrangements have been made that are acceptable to  
23 the superintendent;

24 Y. "pharmacist" means a person licensed as a  
25 pharmacist pursuant to the Pharmacy Act; and

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1                   Z. "pharmacist clinician" means a pharmacist who  
2                   exercises prescriptive authority pursuant to the Pharmacist  
3                   Prescriptive Authority Act."

4                   Section 2. Section 59A-47-3 NMSA 1978 (being Laws 1984,  
5 Chapter 127, Section 879.1, as amended) is amended to read:

6                   "59A-47-3. DEFINITIONS.--As used in Chapter 59A, Article  
7 47 NMSA 1978:

8                   A. "health care" means the treatment of persons for  
9 the prevention, cure or correction of any illness or physical  
10 or mental condition, including optometric services;

11                   B. "item of health care" includes any services or  
12 materials used in health care;

13                   C. "health care expense payment" means a payment  
14 for health care to a purveyor on behalf of a subscriber, or  
15 such a payment to the subscriber;

16                   D. "purveyor" means a person who furnishes any item  
17 of health care and charges for that item;

18                   E. "service benefit" means a payment that the  
19 purveyor has agreed to accept as payment in full for health  
20 care furnished the subscriber;

21                   F. "indemnity benefit" means a payment that the  
22 purveyor has not agreed to accept as payment in full for health  
23 care furnished the subscriber;

24                   G. "subscriber" means any individual who, because  
25 of a contract with a health care plan entered into by or for

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1 [him] the individual, is entitled to have health care expense  
2 payments made on [his] the individual's behalf or to [him] the  
3 individual by the health care plan;

4 H. "underwriting manual" means the health care  
5 plan's written criteria, approved by the superintendent, that  
6 defines the terms and conditions under which subscribers may be  
7 selected. The underwriting manual may be amended from time to  
8 time, but amendment will not be effective until approved by the  
9 superintendent. The superintendent shall notify the health  
10 care plan filing the underwriting manual or the amendment  
11 thereto of [his] the superintendent's approval or disapproval  
12 thereof in writing within thirty days after filing or within  
13 sixty days after filing if [he] the superintendent shall so  
14 extend the time. If the superintendent fails to act within  
15 such period, the filing shall be deemed to be approved;

16 I. "acquisition expenses" includes all expenses  
17 incurred in connection with the solicitation and enrollment of  
18 subscribers;

19 J. "administration expenses" means all expenses of  
20 the health care plan other than the cost of health care expense  
21 payments and acquisition expenses;

22 K. "health care plan" means a nonprofit corporation  
23 authorized by the superintendent to enter into contracts with  
24 subscribers and to make health care expense payments;

25 L. "agent" means a person appointed by a health

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1 care plan authorized to transact business in this state to act  
2 as its representative in any given locality for soliciting  
3 health care policies and other related duties as may be  
4 authorized;

5 M. "solicitor" means a person employed by the  
6 licensed agent of a health care plan for the purpose of  
7 soliciting health care policies and other related duties in  
8 connection with the handling of the business of the agent as  
9 may be authorized and paid for ~~[his]~~ the person's services  
10 either on a commission basis or salary basis or part by  
11 commission and part by salary;

12 N. "chiropractor" means any person holding a  
13 license provided for in the Chiropractic Physician Practice  
14 Act; ~~[and]~~

15 O. "doctor of oriental medicine" means any person  
16 licensed as a doctor of oriental medicine under the Acupuncture  
17 and Oriental Medicine Practice Act;

18 P. "pharmacist" means a person licensed as a  
19 pharmacist pursuant to the Pharmacy Act; and

20 Q. "pharmacist clinician" means a pharmacist who  
21 exercises prescriptive authority pursuant to the Pharmacist  
22 Prescriptive Authority Act."