

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILLS 268 & 314 AND
SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 368

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978 TO
COMPLY WITH CHANGES IN FEDERAL REGULATIONS REGARDING THE
REPLACEMENT OF SOLE COMMUNITY PROVIDERS WITH QUALIFYING
HOSPITALS; ALLOWING CERTAIN COUNTIES TO IMPOSE AN ADDITIONAL
INCREMENT OF THE COUNTY GROSS RECEIPTS TAX FOR FIVE YEARS TO
SUPPORT CERTAIN HOSPITALS THAT PROVIDE INDIGENT CARE; REQUIRING
CERTAIN COUNTIES TO DEDICATE AND TRANSFER CERTAIN FUNDS TO THE
SAFETY NET CARE POOL FUND FOR FIVE YEARS; DECLARING AN
EMERGENCY.

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

SECTION 1. Section 7-1-6.13 NMSA 1978 (being Laws 1983,
Chapter 211, Section 18, as amended) is amended to read:

"7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION

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1 GROSS RECEIPTS TAXES.--

2 A. Except as provided in [~~Subsections~~] Subsection B
3 [~~and G~~] of this section, a transfer pursuant to Section 7-1-6.1
4 NMSA 1978 shall be made to each county for which the department
5 is collecting a local option gross receipts tax imposed by that
6 county in an amount, subject to any increase or decrease made
7 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net
8 receipts attributable to the local option gross receipts tax
9 imposed by that county, less any deduction for administrative
10 cost determined and made by the department pursuant to the
11 provisions of the act authorizing imposition by that county of
12 the local option gross receipts tax and any additional
13 administrative fee withheld pursuant to Subsection C of Section
14 7-1-6.41 NMSA 1978.

15 B. A transfer pursuant to this section may be
16 adjusted for a distribution made to a tax increment development
17 district with respect to a portion of a gross receipts tax
18 increment dedicated by a county pursuant to the Tax Increment
19 for Development Act.

20 [~~G. Through June 30, 2009, a distribution pursuant~~
21 ~~to Section 7-1-6.1 NMSA 1978 shall be made to the sole~~
22 ~~community provider fund from revenue attributable to the county~~
23 ~~gross receipts tax imposed by a county pursuant to Section~~
24 ~~7-20E-9 NMSA 1978, subject to the approval of the board of~~
25 ~~county commissioners of that county. The distribution shall be~~

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1 ~~in an amount equal to one-twelfth of the county's annual~~
2 ~~approved contribution for support of sole community provider~~
3 ~~payments. Revenue in excess of the amount required for the~~
4 ~~contribution shall be transferred to the county pursuant to the~~
5 ~~provisions of Subsection A of this section.]"~~

6 SECTION 2. Section 7-20E-7 NMSA 1978 (being Laws 1993,
7 Chapter 354, Section 7, as amended) is amended to read:

8 "7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF
9 PROCEEDS--DEDUCTIONS.--

10 A. The department shall collect each tax imposed
11 pursuant to the provisions of the County Local Option Gross
12 Receipts Taxes Act in the same manner and at the same time it
13 collects the state gross receipts tax.

14 B. The department shall withhold an administrative
15 fee pursuant to Section 7-1-6.41 NMSA 1978. [~~Except as~~
16 ~~provided in Subsection C of this section]~~ The department shall
17 transfer to each county for which it is collecting a tax
18 pursuant to the provisions of the County Local Option Gross
19 Receipts Taxes Act the amount of each tax collected for that
20 county, less the administrative fee withheld and less any
21 disbursements for tax credits, refunds and the payment of
22 interest applicable to the tax. The transfer to the county
23 shall be made within the month following the month in which the
24 tax is collected.

25 [~~C. Through June 30, 2009, with respect to revenue~~

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1 ~~attributable to imposition by a county of the county gross~~
2 ~~receipts tax pursuant to Section 7-20E-9 NMSA 1978, the~~
3 ~~department shall, subject to the approval of the board of~~
4 ~~county commissioners of that county, distribute monthly to the~~
5 ~~sole community provider fund an amount equal to one-twelfth of~~
6 ~~the county's approved annual contribution for support of sole~~
7 ~~community provider payments. Revenue in excess of the amount~~
8 ~~required for the contribution shall be transferred to the~~
9 ~~county pursuant to the provisions of Subsection B of this~~
10 ~~section.]"~~

11 SECTION 3. Section 7-20E-9 NMSA 1978 (being Laws 1983,
12 Chapter 213, Section 30, as amended) is amended to read:

13 "7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE
14 RATE--[INDIGENT] COUNTY HEALTH CARE ASSISTANCE FUND
15 REQUIREMENTS--SAFETY NET CARE POOL FUND.--

16 A. Except as provided in Subsection E of this
17 section, a majority of the members of the governing body of a
18 county may enact an ordinance imposing an excise tax not to
19 exceed a rate of seven-sixteenths percent of the gross receipts
20 of any person engaging in business in the county for the
21 privilege of engaging in business in the county. An ordinance
22 imposing an excise tax pursuant to this [~~section~~] subsection
23 shall impose the tax in three independent increments of one-
24 eighth percent and one independent increment of one-sixteenth
25 percent, which shall be separately denominated as "the first

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1 one-eighth increment", "the second one-eighth increment", "the
 2 third one-eighth increment" and "the one-sixteenth increment",
 3 respectively, not to exceed an aggregate amount of seven-
 4 sixteenths percent.

5 B. The tax authorized [~~in Subsection A of~~] by this
 6 section is to be referred to as the "county gross receipts
 7 tax".

8 C. A class A county with a county hospital operated
 9 and maintained pursuant to a lease or operating agreement with
 10 a state educational institution named in Article 12, Section 11
 11 of the constitution of New Mexico enacting the second one-
 12 eighth increment of county gross receipts tax shall provide,
 13 each year that the tax is in effect, not less than one million
 14 dollars (\$1,000,000) in funds, and that amount shall be
 15 dedicated to the support of indigent patients who are residents
 16 of that county. Funds for indigent care shall be made
 17 available each month of each year the tax is in effect in an
 18 amount not less than eighty-three thousand three hundred
 19 thirty-three dollars thirty-three cents (\$83,333.33). The
 20 interest from the investment of county funds for indigent care
 21 may be used for other assistance to indigent persons, not to
 22 exceed twenty thousand dollars (\$20,000) for all other
 23 assistance in any year.

24 D. A county, except a class A county with a county
 25 hospital operated and maintained pursuant to a lease or

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1 operating agreement with a state educational institution named
2 in Article 12, Section 11 of the constitution of New Mexico,
3 imposing the second one-eighth increment of county gross
4 receipts tax shall be required to dedicate the entire amount of
5 revenue produced by the imposition of the second one-eighth
6 increment for the support of indigent patients who are
7 residents of that county. The revenue produced by the
8 imposition of the third one-eighth increment and the one-
9 sixteenth increment may be used for general purposes. Any
10 county that has imposed the second one-eighth increment or the
11 third one-eighth increment, or both, on January 1, 1996 for
12 support of indigent patients in the county or, after January 1,
13 1996, imposes the second one-eighth increment or imposes the
14 third one-eighth increment and dedicates one-half of that
15 increment for county indigent patient purposes shall deposit
16 the revenue dedicated for county indigent purposes that is
17 transferred to the county [~~after the distribution pursuant to~~
18 ~~Subsection C of Section 7-1-6.13 and Subsection C of Section~~
19 ~~7-20E-7 NMSA 1978]~~ in the county [~~indigent hospital claims]~~
20 health care assistance fund, and such revenues shall be
21 expended pursuant to the Indigent Hospital and County Health
22 Care Act.

23 E. Until June 30, 2019, in addition to the
24 increments authorized pursuant to Subsection A of this section,
25 the majority of the members of the governing body of a county,

1 except a class A county with a hospital that is operated and
2 maintained pursuant to a lease or operating agreement with a
3 state educational institution named in Article 12, Section 11
4 of the constitution of New Mexico, may enact an ordinance
5 imposing an excise tax of one-sixteenth percent or one-twelfth
6 percent of the gross receipts of any person engaging in
7 business in the county for the privilege of engaging in
8 business in the county."

9 SECTION 4. Section 27-5-2 NMSA 1978 (being Laws 1965,
10 Chapter 234, Section 2, as amended) is amended to read:

11 "27-5-2. PURPOSE OF INDIGENT HOSPITAL AND COUNTY HEALTH
12 CARE ACT.--The purpose of the Indigent Hospital and County
13 Health Care Act is:

14 A. to recognize that ~~[the]~~ each individual county
15 of this state is the responsible agency for ambulance
16 transportation, ~~[or the]~~ hospital care or the provision of
17 health care to indigent patients domiciled in that county ~~[for~~
18 ~~at least three months or for such period of time, not in excess~~
19 ~~of three months]~~, as determined by resolution of the board of
20 county commissioners, ~~[and to provide a means whereby each~~
21 ~~county can discharge this responsibility through a system of~~
22 ~~payments to ambulance providers, hospitals or health care~~
23 ~~providers for the care and treatment of, or the provision of~~
24 ~~health care services to, indigent patients]~~ in addition to
25 providing support for the state's medicaid program;

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1 B. to recognize that the counties of the state are
2 [also] responsible for supporting indigent patients by
3 providing local revenues to match federal funds for the state
4 medicaid program [~~including the provision of matching funds for~~
5 ~~payments to sole community provider hospitals~~] pursuant to
6 Section 7-20E-9 NMSA 1978 and the transfer of funds to the
7 county-supported medicaid fund pursuant to the Statewide Health
8 Care Act; and

9 C. to recognize that the counties of the state can
10 improve the provision of health care to indigent patients by
11 providing local revenues for countywide or multicounty health
12 planning."

13 SECTION 5. Section 27-5-3 NMSA 1978 (being Laws 1965,
14 Chapter 234, Section 3, as amended) is amended to read:

15 "27-5-3. PUBLIC ASSISTANCE PROVISIONS.--

16 A. A hospital shall not be paid from the fund under
17 the Indigent Hospital and County Health Care Act for costs of
18 an indigent patient for services that have been determined by
19 the department to be eligible for medicaid reimbursement.

20 [~~However, nothing in the Indigent Hospital and County Health~~
21 ~~Gare Act shall be construed to prevent the board from~~
22 ~~transferring money from the fund to the sole community provider~~
23 ~~fund or the county-supported medicaid fund for support of the~~
24 ~~state medicaid program.~~]

25 B. No action for collection of claims under the

1 Indigent Hospital and County Health Care Act shall be allowed
 2 against an indigent patient who is medicaid eligible for
 3 medicaid covered services, nor shall action be allowed against
 4 the person who is legally responsible for the care of the
 5 indigent patient during the time that person is medicaid
 6 eligible."

7 SECTION 6. Section 27-5-4 NMSA 1978 (being Laws 1965,
 8 Chapter 234, Section 4, as amended) is amended to read:

9 "27-5-4. DEFINITIONS.--As used in the Indigent Hospital
 10 and County Health Care Act:

11 ~~[A. "alcohol rehabilitation center" means an agency~~
 12 ~~of local government, a state agency, a private nonprofit entity~~
 13 ~~or combination thereof that operates alcohol abuse~~
 14 ~~rehabilitation programs that meet the standards set by the~~
 15 ~~department of health;~~

16 B.] A. "ambulance provider" or "ambulance service"
 17 means a specialized carrier based within the state authorized
 18 under provisions and subject to limitations as provided in
 19 individual carrier certificates issued by the public regulation
 20 commission to transport persons alive, dead or dying en route
 21 by means of ambulance service. The rates and charges
 22 established by public regulation commission tariff shall govern
 23 as to allowable cost. Also included are air ambulance services
 24 approved by the ~~[board]~~ county. The air ambulance service
 25 charges shall be filed and approved pursuant to Subsection D of

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1 Section 27-5-6 NMSA 1978 and Section 27-5-11 NMSA 1978;

2 ~~[G. "board" means a county indigent hospital and~~
3 ~~county health care board;~~

4 ~~D. "commission" means the New Mexico health policy~~
5 ~~commission or the commission's successor agency;~~

6 ~~E.]~~ B. "cost" means all allowable costs of
7 providing health care services, to the extent determined by
8 resolution of a ~~[board]~~ county, for an indigent patient.
9 Allowable costs shall be based on medicaid fee-for-service
10 reimbursement rates for hospitals, licensed medical doctors and
11 osteopathic physicians;

12 ~~[F.]~~ C. "county" means a county except a class A
13 county with a county hospital operated and maintained pursuant
14 to a lease or operating agreement with a state educational
15 institution named in Article 12, Section 11 of the constitution
16 of New Mexico;

17 ~~[G.]~~ D. "department" means the human services
18 department;

19 ~~[H. "drug rehabilitation center" means an agency of~~
20 ~~local government, a state agency, a private nonprofit entity or~~
21 ~~combination thereof that operates drug abuse rehabilitation~~
22 ~~programs that meet the standards and requirements set by the~~
23 ~~department of health;~~

24 ~~I.]~~ E. "fund" means a county ~~[indigent hospital~~
25 ~~claims]~~ health care assistance fund;

1 ~~[J. "health care provider" means:~~

2 ~~(1) a nursing home;~~

3 ~~(2) an in-state home health agency;~~

4 ~~(3) an in-state licensed hospice;~~

5 ~~(4) a community-based health program operated~~
6 ~~by a political subdivision of the state or other nonprofit~~
7 ~~health organization that provides prenatal care delivered by~~
8 ~~New Mexico licensed, certified or registered health care~~
9 ~~practitioners;~~

10 ~~(5) a community-based health program operated~~
11 ~~by a political subdivision of the state or other nonprofit~~
12 ~~health care organization that provides primary care delivered~~
13 ~~by New Mexico licensed, certified or registered health care~~
14 ~~practitioners;~~

15 ~~(6) a drug rehabilitation center;~~

16 ~~(7) an alcohol rehabilitation center;~~

17 ~~(8) a mental health center;~~

18 ~~(9) a licensed medical doctor, osteopathic~~
19 ~~physician, dentist, optometrist or expanded practice nurse when~~
20 ~~providing emergency services, as determined by the board, in a~~
21 ~~hospital to an indigent patient; or~~

22 ~~(10) a licensed medical doctor or osteopathic~~
23 ~~physician, dentist, optometrist or expanded practice nurse when~~
24 ~~providing services in an outpatient setting, as determined by~~
25 ~~the board, to an indigent patient with a life-threatening~~

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1 ~~illness or disability;~~

2 K.] F. "health care services" means treatment and
3 services designed to promote improved health in the county
4 indigent population, including primary care, prenatal care,
5 dental care, behavioral health care, alcohol or drug
6 detoxification and rehabilitation, hospital care, provision of
7 prescription drugs, preventive care or health outreach
8 services, to the extent determined by resolution of the [~~board~~]
9 county;

10 ~~[L. "hospital" means a general or limited hospital~~
11 ~~licensed by the department of health, whether nonprofit or~~
12 ~~owned by a political subdivision, and may include by resolution~~
13 ~~of a board the following health facilities if licensed or, in~~
14 ~~the case of out-of-state hospitals, approved by the department~~
15 ~~of health:~~

16 ~~(1) for-profit hospitals;~~

17 ~~(2) state-owned hospitals; or~~

18 ~~(3) licensed out-of-state hospitals where~~
19 ~~treatment provided is necessary for the proper care of an~~
20 ~~indigent patient when that care is not available in an in-state~~
21 ~~hospital;~~

22 M.] G. "indigent patient" means a person to whom an
23 ambulance service, a hospital or a health care provider has
24 provided medical care, ambulance transportation or health care
25 services and who can normally support the person's self and the

1 person's dependents on present income and liquid assets
 2 available to the person but, taking into consideration the
 3 person's income, assets and requirements for other necessities
 4 of life for the person and the person's dependents, is unable
 5 to pay the cost of the ambulance transportation or medical care
 6 administered or both; provided that if ~~[the]~~ a definition of
 7 "indigent patient" is adopted by a ~~[board]~~ county in a
 8 resolution, the definition shall not include any person whose
 9 annual income together with that person's spouse's annual
 10 income totals an amount that is fifty percent greater than the
 11 per capita personal income for New Mexico as shown for the most
 12 recent year available in the survey of current business
 13 published by the United States department of commerce. ~~[Every~~
 14 ~~board that has a balance remaining in the fund at the end of a~~
 15 ~~given fiscal year shall consider and may adopt at the first~~
 16 ~~meeting of the succeeding fiscal year a resolution increasing~~
 17 ~~the standard for indigence]~~ "Indigent patient" includes a minor
 18 who has received ambulance transportation or medical care or
 19 both and whose parent or the person having custody of that
 20 minor would qualify as an indigent patient if transported by
 21 ambulance, admitted to a hospital for care or treated by a
 22 health care provider;

23 [N.] H. "medicaid eligible" means a person who is
 24 eligible for medical assistance from the department;

25 [~~0.~~ "~~mental health center~~" means a not-for-profit

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1 ~~center that provides outpatient mental health services that~~
2 ~~meet the standards set by the department of health;~~

3 P.] I. "planning" means the development of a
4 countywide or multicounty health plan to improve and fund
5 health services in the county based on the county's needs
6 assessment and inventory of existing services and resources and
7 that demonstrates coordination between the county and state and
8 local health planning efforts;

9 [Q.] J. "public entity" means a state, local or
10 tribal government or other political subdivision or agency of
11 that government; and

12 [R. ~~"sole community provider"~~] K. "qualifying
13 hospital" means

14 [~~(1) a hospital that is a sole community~~
15 ~~provider hospital under the provisions of the federal medicare~~
16 ~~guidelines; or~~

17 ~~(2)] an acute care general hospital licensed by~~
18 ~~the department of health that is qualified [pursuant to rules~~
19 ~~adopted by the state agency primarily responsible for the~~
20 ~~medicaid program, to receive distributions from the sole~~
21 ~~community provider fund; and~~

22 ~~S. "tribal" means of or pertaining to a federally~~
23 ~~recognized Indian nation, tribe or pueblo] to receive payments~~
24 ~~from the safety net care pool pursuant to an agreement with the~~
25 ~~federal centers for medicare and medicaid services."~~

1 SECTION 7. Section 27-5-6 NMSA 1978 (being Laws 1965,
2 Chapter 234, Section 6, as amended) is amended to read:

3 "27-5-6. POWERS AND DUTIES OF ~~[THE BOARD]~~ COUNTIES
4 RELATING TO INDIGENT CARE.--~~[The board]~~ A county:

5 ~~[A. shall administer claims pursuant to the~~
6 ~~provisions of the Indigent Hospital and County Health Care Act;~~

7 ~~B. shall prepare and submit a budget to the board~~
8 ~~of county commissioners for the amount needed to defray claims~~
9 ~~made upon the fund and to pay costs of administration of the~~
10 ~~Indigent Hospital and County Health Care Act and]~~

11 A. may budget for expenditure on ambulance
12 services, burial expenses, hospital or medical expenses for
13 indigent residents of that county and for costs of development
14 of a countywide or multi county health plan. The combined
15 costs of administration and planning shall not exceed the
16 following percentages of revenues based on the previous fiscal
17 year revenues for a fund that has existed for at least one
18 fiscal year or based on projected revenues for the year being
19 budgeted for a fund that has existed for less than one fiscal
20 year. The percentage of the revenues in the fund that may be
21 used for such combined administrative and planning costs is
22 equal to the sum of the following:

23 (1) ten percent of the amount of the revenues
24 in the fund not over five hundred thousand dollars (\$500,000);

25 (2) eight percent of the amount of the

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1 revenues in the fund over five hundred thousand dollars
2 (\$500,000) but not over one million dollars (\$1,000,000); and

3 (3) four and one-half percent of the amount of
4 the revenues in the fund over one million dollars (\$1,000,000);

5 ~~[G. shall make rules necessary to carry out the~~
6 ~~provisions of the Indigent Hospital and County Health Care Act;~~
7 ~~provided that the standards for eligibility and allowable costs~~
8 ~~for county indigent patients shall be no more restrictive than~~
9 ~~the standards for eligibility and allowable costs prior to~~
10 ~~December 31, 1992;~~

11 ~~D. shall set criteria and cost limitations for~~
12 ~~medical care furnished by licensed out-of-state hospitals,~~
13 ~~ambulance services or health care providers;~~

14 ~~E. shall cooperate with appropriate state agencies~~
15 ~~to use available funds efficiently and to make health care more~~
16 ~~available;~~

17 ~~F. shall cooperate with the department in making an~~
18 ~~investigation to determine the validity of claims made upon the~~
19 ~~fund for an indigent patient;~~

20 ~~G.]~~ B. may accept contributions [~~or other county~~
21 ~~revenues] of public funds for county health care services,
22 which shall be deposited in the fund;~~

23 ~~[H.]~~ C. may hire personnel to carry out the
24 provisions of the Indigent Hospital and County Health Care Act;

25 ~~[I. shall review all claims presented by a~~

1 ~~hospital, ambulance service or health care provider to~~
2 ~~determine compliance with the rules adopted by the board or~~
3 ~~with the provisions of the Indigent Hospital and County Health~~
4 ~~Care Act; determine whether the patient for whom the claim is~~
5 ~~made is an indigent patient; and determine the allowable~~
6 ~~medical, ambulance service or health care services costs;~~
7 ~~provided that the burden of proof of any claim shall be upon~~
8 ~~the hospital, ambulance service or health care provider;~~

9 ~~J. shall state in writing the reason for rejecting~~
10 ~~or disapproving any claim and shall notify the submitting~~
11 ~~hospital, ambulance service or health care provider of the~~
12 ~~decision within sixty days after eligibility for claim payment~~
13 ~~has been determined;~~

14 ~~K. shall pay all claims that are not matched with~~
15 ~~federal funds under the state medicaid program and that have~~
16 ~~been approved by the board from the fund and shall make payment~~
17 ~~within thirty days after approval of a claim by the board;~~

18 ~~L. shall determine by county ordinance the types of~~
19 ~~health care providers that will be eligible to submit claims~~
20 ~~under the Indigent Hospital and County Health Care Act;~~

21 ~~M. shall review, verify and approve all medicaid~~
22 ~~sole community provider hospital payment requests in accordance~~
23 ~~with rules adopted by the board prior to their submittal by the~~
24 ~~hospital to the department for payment but no later than~~
25 ~~January 1 of each year;~~

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1 ~~N.~~ D. shall transfer to the state by the last day
2 of March, June, September and December of each year an amount
3 equal to one-fourth of the county's payment ~~[for support of~~
4 ~~sole community provider payments as calculated by the~~
5 ~~department for that county for the current fiscal year]~~
6 pursuant to Section 16 of this 2014 act. This money shall be
7 deposited in the ~~[sole community provider]~~ safety net care pool
8 fund;

9 ~~O.~~ E. shall, in carrying out the provisions of
10 the Indigent Hospital and County Health Care Act, comply with
11 the standards of the federal Health Insurance Portability and
12 Accountability Act of 1996;

13 ~~P.~~ F. may provide for the transfer of money from
14 the fund to the county-supported medicaid fund to meet the
15 requirements of the Statewide Health Care Act; and

16 ~~Q.~~ G. may contract with ambulance providers,
17 hospitals or health care providers for the provision of ~~[health~~
18 ~~care]~~ services for indigent patients domiciled within the
19 county."

20 SECTION 8. Section 27-5-6.1 NMSA 1978 (being Laws 1993,
21 Chapter 321, Section 18, as amended) is amended to read:

22 "27-5-6.1. ~~[SOLE COMMUNITY PROVIDER]~~ SAFETY NET CARE POOL
23 FUND CREATED.--

24 A. The "~~[sole community provider]~~ safety net care
25 pool fund" is created in the state treasury. The ~~[sole~~

1 ~~community provider]~~ safety net care pool fund, which shall be
 2 administered by the department, shall consist of public funds
 3 provided ~~[by counties]~~ through intergovernmental transfers from
 4 counties or other public entities ~~[or other public funds or~~
 5 ~~expenditures determined by the department and the federal~~
 6 ~~government as allowable to match federal funds for medicaid~~
 7 ~~sole community provider hospital payments]~~ and transferred from
 8 counties pursuant to Section 16 of this 2014 act. Money in the
 9 fund shall be invested by the state treasurer as other state
 10 funds are invested. Any unexpended or unencumbered balance
 11 remaining in the fund at the end of any fiscal year shall not
 12 revert.

13 B. Money in the ~~[sole community provider]~~ safety
 14 net care pool fund is appropriated to the department to make
 15 ~~[sole community provider hospital]~~ payments ~~[pursuant to the~~
 16 ~~state medicaid program]~~ to qualifying hospitals. No ~~[sole~~
 17 ~~community provider hospital]~~ safety net care pool fund payments
 18 or money in the ~~[sole community provider]~~ safety net care pool
 19 fund shall be used to supplant any general fund support for the
 20 state medicaid program.

21 ~~[G. Money in the sole community provider fund shall~~
 22 ~~be remitted back to the individual counties from which it came~~
 23 ~~if federal medicaid matching funds are not received for~~
 24 ~~medicaid sole community provider hospital payments.]"~~

25 SECTION 9. Section 27-5-7 NMSA 1978 (being Laws 1965,

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1 Chapter 234, Section 7, as amended) is amended to read:

2 "27-5-7. [~~COUNTY INDIGENT HOSPITAL CLAIMS~~] HEALTH CARE
3 ASSISTANCE FUND.--

4 A. There is created in the county treasury of each
5 county a "~~county indigent hospital claims~~ health care
6 assistance fund".

7 B. Collections under the levy made pursuant to the
8 Indigent Hospital and County Health Care Act and all payments
9 shall be placed into the fund, and the amount placed in the
10 fund shall be budgeted and expended only for the purposes
11 specified in the Indigent Hospital and County Health Care Act,
12 by warrant upon vouchers approved by [~~a majority of the board~~
13 ~~and signed by the chairman of the board~~] the county. Payments
14 for indigent hospitalizations shall not be made from any other
15 county fund.

16 C. The fund shall be audited in the manner that
17 other state and county funds are audited, and all records of
18 payments and verified statements of qualification upon which
19 payments were made from the fund shall be open to the public.

20 D. Any balance remaining in the fund at the end of
21 the fiscal year shall carry over into the ensuing year, and
22 that balance shall be taken into consideration in the
23 determination of the ensuing year's budget and certification of
24 need for purposes of making a tax levy.

25 E. Money may be transferred to the fund from other

1 sources, but no transfers may be made from the fund for any
2 purpose other than those specified in the Indigent Hospital and
3 County Health Care Act."

4 SECTION 10. Section 27-5-7.1 NMSA 1978 (being Laws 1993,
5 Chapter 321, Section 16, as amended) is amended to read:

6 "27-5-7.1. COUNTY [~~INDIGENT HOSPITAL CLAIMS~~] HEALTH CARE
7 ASSISTANCE FUND--AUTHORIZED USES OF THE FUND.--

8 A. The fund [~~shall~~] may be used

9 [~~(1) to meet the county's contribution for~~
10 ~~support of sole community provider payments as calculated by~~
11 ~~the department for that county;~~

12 ~~(2)] to pay for:~~

13 (1) expenses of burial or cremation of an
14 indigent person;

15 [~~(3) to pay all claims that have been approved~~
16 ~~by the board that are not matched with federal funds under the~~
17 ~~state medicaid program]~~

18 (2) ambulance transportation, hospital care
19 and health care for indigent patients;

20 (3) all or a portion of the monthly premiums
21 of health insurance policies for indigent patients;

22 (4) all or a portion of the out-of-pocket
23 costs, including copayments and deductibles, incurred by
24 indigent patient insureds pursuant to the terms of a health
25 insurance policy; or

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1 (5) county administrative expenses associated
2 with fund expenditures authorized in Paragraphs (1) through (4)
3 of this subsection.

4 B. The fund may be used to meet ~~[the]~~ a county's
5 obligation under Section 27-10-4 NMSA 1978."

6 SECTION 11. Section 27-5-9 NMSA 1978 (being Laws 1965,
7 Chapter 234, Section 9, as amended) is amended to read:

8 "27-5-9. TAX LEVIES AUTHORIZED.--

9 A. Subject to the provisions of Subsection B of
10 this section, the board of county commissioners, upon the
11 certification of the ~~[board]~~ county as to the amount needed ~~[in~~
12 ~~the fund]~~ to provide health care to indigent residents of the
13 county or to support the state's medicaid program, shall impose
14 a levy against the net taxable value, as that term is defined
15 in the Property Tax Code, of the property in the county
16 sufficient to raise the amount certified by the ~~[board]~~ county.

17 B. The question of imposing an indigent ~~[hospital]~~
18 and medicaid health care levy for the purpose of the Indigent
19 Hospital and County Health Care Act shall be submitted to the
20 electors and voted upon as a separate question at the next
21 subsequent general election or any special election called
22 prior thereto for such purpose.

23 C. Upon finding by the board of county
24 commissioners that an election will be necessary, the board of
25 county commissioners shall meet and order an election to be

1 held at a designated time in the county upon the question of
 2 imposing an indigent [~~hospital~~] and medicaid health care levy
 3 for the purpose of the Indigent Hospital and County Health Care
 4 Act in the county. If the question is to be voted upon at a
 5 special election, the election shall be held not less than
 6 thirty nor more than fifty days after the finding, but in no
 7 event shall the election be held within five days preceding or
 8 succeeding any general election held in the county. The order
 9 for the election shall be made a part of the official minutes
 10 of the board of county commissioners. A copy of the order
 11 shall be published in a newspaper of general circulation in the
 12 county at least fifteen days before the date set for the
 13 election, and an affidavit of publication shall be obtained.
 14 At least five days prior to the date for holding the election,
 15 the board of county commissioners shall publish in a newspaper
 16 of general circulation in the county and post in five
 17 conspicuous places in the county a notice of election, which
 18 shall be in substantially the following form:

19 "NOTICE OF ELECTION ON SPECIAL INDIGENT [~~HOSPITAL~~]
 20 AND MEDICAID HEALTH CARE LEVY

21 Notice is given on the _____ day of
 22 _____, [~~19~~] 20_____, there will be held in
 23 _____ county of New Mexico an election on
 24 the question of imposing an indigent [~~hospital~~] and medicaid
 25 health care levy [~~for the purposes of the Indigent Hospital and~~

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1 ~~County Health Care Act]~~ to provide health care to indigent
2 residents of the county or to support the state's medicaid
3 program, such levy to be made annually against the taxable
4 value of the property in the county and limited to an amount
5 sufficient to provide funds necessary to ~~[pay claims pursuant~~
6 ~~to such act]~~ support the state's medicaid program or to provide
7 health care to indigent residents of the county who do not
8 qualify for medicaid.

9 _____
10 Official Title of the Authority".

11 The election shall be held on the date specified in the notice
12 and shall be, if a special election, conducted and canvassed in
13 substantially the same manner as general elections are
14 conducted and canvassed in the county; provided that the ballot
15 used in any election shall be a special and separate ballot and
16 shall be in substantially the following form:

17 "BALLOT

18 On the question of imposing an indigent ~~[hospital]~~
19 and medicaid health care levy for the purposes of the Indigent
20 Hospital and County Health Care Act, such levy to be made
21 annually against the taxable value of the property in
22 _____ county of New Mexico, and limited to an
23 amount sufficient to provide funds budgeted and certified as
24 necessary ~~[to pay claims pursuant to such act]~~ for health care
25 for indigent residents of the county in addition to those

1 services provided by the state or to support the state's
2 medicaid program:

3 FOR THE LEVY....._____

4 AGAINST THE LEVY....._____".

5 D. If the electors vote in favor of an indigent
6 [~~hospital~~] and medicaid health care levy, the levy shall become
7 effective in the same manner prescribed by law for all levies
8 upon property within that county, and a levy for those purposes
9 in such an amount as will provide sufficient money for the fund
10 shall be made for each year thereafter.

11 E. Any board of county commissioners that has,
12 prior to the effective date of this section, made a valid
13 imposition of a property tax for the purpose of the Indigent
14 Hospital and County Health Care Act shall not be required to
15 hold an election on the existing tax, and that tax may be
16 imposed and continue to be imposed in accordance with the
17 provisions of law existing at the time of its imposition.
18 However, if any such tax is not imposed in a given property tax
19 year or if the authorization for its imposition terminates or
20 expires, the election requirements of Subsections B and C of
21 this section shall apply to any subsequent proposed imposition
22 of a property tax for [~~the purpose of the Indigent Hospital and~~
23 ~~County Health Care Act~~] indigent health care for county
24 residents or to support the state's medicaid program."

25 SECTION 12. Section 27-5-11 NMSA 1978 (being Laws 1965,

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1 Chapter 234, Section 12, as amended) is amended to read:

2 "27-5-11. [~~HOSPITALS AND AMBULANCE SERVICES--HEALTH CARE~~
3 ~~PROVIDERS--REQUIRED TO FILE DATA--SOLE COMMUNITY PROVIDER]~~
4 QUALIFYING HOSPITAL DUTIES AND REPORTING.--

5 [~~A. An ambulance service, hospital or health care~~
6 ~~provider in New Mexico or licensed out-of-state hospital, prior~~
7 ~~to the filing of a claim with the board, shall have placed on~~
8 ~~file with the board:~~

9 (~~1) current data, statistics, schedules and~~
10 ~~information deemed necessary by the board to determine the cost~~
11 ~~for all patients in that hospital or cared for by that health~~
12 ~~care provider or tariff rates or charges of an ambulance~~
13 ~~service;~~

14 (~~2) proof that the hospital, ambulance service~~
15 ~~or health care provider is licensed under the laws of this~~
16 ~~state or the state in which the hospital operates; and~~

17 (~~3) other information or data deemed necessary~~
18 ~~by the board.~~

19 B.] A. A [~~sole community provider]~~ qualifying
20 hospital [~~requesting or receiving medicaid sole community~~
21 ~~provider hospital payments]~~ shall [~~(1)~~] accept every indigent
22 [~~patients and request reimbursement for those patients through~~
23 ~~the appropriate county indigent fund. The responsible county~~
24 ~~shall approve requests meeting its eligibility standards and~~
25 ~~notify the hospital of such approval;~~

1 ~~(2) confirm the amount of payment authorized~~
2 ~~by each county for indigent patients, to that county for the~~
3 ~~previous fiscal year, by September 30 of each calendar year;~~

4 ~~(3) negotiate with each county the amount of~~
5 ~~indigent hospital payments anticipated for the following fiscal~~
6 ~~year by December 31 of each year; and~~

7 ~~(4) provide to the department prior to January~~
8 ~~15 of each year the amount of the authorized indigent hospital~~
9 ~~payments anticipated for the following fiscal year after an~~
10 ~~agreement has been reached on the amount with each responsible~~
11 ~~county and such other related information as the department may~~
12 ~~request] patient who seeks health care services from the~~
13 ~~qualifying hospital.~~

14 B. Qualifying hospitals shall:

15 (1) provide financial counseling to patients
16 about their hospital bills;

17 (2) have written financial assistance policies
18 consistent with this section that are publicized and
19 consistently applied; and

20 (3) make reasonable efforts to determine
21 whether patients are eligible for financial assistance before
22 initiating collections actions.

23 C. No action for collection of claims shall be
24 allowed against an indigent patient with a household income
25 under two hundred percent of the federal poverty level.

1 D. Within thirty days of receiving a payment from
2 the safety net care pool fund, a qualifying hospital shall
3 report the amount of such payment to the county within which it
4 is located.

5 E. In addition to the report required in Subsection
6 D of this section, a qualifying hospital shall annually report
7 to the county within which it is located the total costs of
8 health care services provided in the previous calendar year."

9 SECTION 13. Section 27-5-12 NMSA 1978 (being Laws 1965,
10 Chapter 234, Section 13, as amended) is amended to read:

11 "27-5-12. PAYMENT OF CLAIMS.--

12 A. A hospital, ambulance service or health care
13 provider filing a claim with the ~~[board]~~ county shall:

14 (1) file the claim with the ~~[board of the]~~
15 county in which the indigent patient is domiciled;

16 (2) file the claim for each patient
17 separately, with an itemized detail of the total cost; and

18 (3) file with the claim a verified statement
19 of qualification for ambulance service, indigent hospital care
20 or care from a health care provider signed by the patient or by
21 the parent or person having ~~[his]~~ custody of the patient to the
22 effect that ~~[he]~~ the patient qualifies under the provisions of
23 the Indigent Hospital and County Health Care Act as an indigent
24 patient and is unable to pay the cost for the care administered
25 and listing all assets owned by the patient or any person

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1 legally responsible for [~~his~~] the patient's care. The
2 statement shall constitute an oath of the person signing it,
3 and any false statements in the statement made knowingly
4 constitute a felony.

5 B. A hospital, ambulance service or health care
6 provider that has contracted with a [~~board~~] county for
7 provision of health care services shall provide evidence of
8 health care services rendered for payment for services in
9 accordance with the procedures specified in the contract."

10 SECTION 14. Section 27-5-12.1 NMSA 1978 (being Laws 1979,
11 Chapter 146, Section 3, as amended) is amended to read:

12 "27-5-12.1. APPEAL.--Any hospital or ambulance service
13 aggrieved by any decision of the [~~board~~] county may appeal to
14 the district court pursuant to the provisions of Section
15 39-3-1.1 NMSA 1978."

16 SECTION 15. Section 27-5-16 NMSA 1978 (being Laws 1965,
17 Chapter 234, Section 16, as amended) is amended to read:

18 "27-5-16. DEPARTMENT--PAYMENTS--COOPERATION--REPORTING.--

19 A. The department shall not decrease the amount of
20 any assistance payments made to the hospitals or health care
21 providers of this state pursuant to law because of any
22 financial reimbursement made to ambulance services, hospitals
23 or health care providers for indigent or medicaid eligible
24 patients as provided in the Indigent Hospital and County Health
25 Care Act.

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1 B. The department shall cooperate with each [board]
2 county in furnishing information or assisting in the
3 investigation of any person to determine whether the person
4 meets the qualifications of an indigent patient as defined in
5 the Indigent Hospital and County Health Care Act.

6 C. ~~[The department shall ensure that the sole
7 community provider payment and the reimbursement to hospitals
8 made under the state medicaid program do not exceed what
9 would have been paid for under medicare payment principles.
10 In the event the sole community provider payment and medicaid
11 reimbursement to hospitals would exceed medicare payment
12 principles, the department shall reduce the sole community
13 provider payment prior to making any reduction in
14 reimbursement to hospitals made under the state medicaid
15 program; provided, however, that additional payments may be
16 made pursuant to waiver agreement, rule, law or state plan
17 amendment providing for supplemental medicaid payments to
18 hospitals] The department shall provide an annual report to
19 each county and each qualifying hospital on the previous
20 calendar year's payments from the safety net care pool fund
21 for uncompensated care to qualifying hospitals and estimated
22 payments of enhanced medicaid base rates. The annual report
23 for the previous year shall be provided by July 1 of the
24 succeeding year."~~

25 SECTION 16. A new section of the Indigent Hospital and

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1 County Health Care Act is enacted to read:

2 "[NEW MATERIAL] TRANSFER TO SAFETY NET CARE POOL FUND.--

3 A. A county shall, by ordinance to be effective
4 July 1, 2014 through June 30, 2019, dedicate to the safety
5 net care pool fund an amount equal to a gross receipts tax
6 rate of one-twelfth percent applied to the taxable gross
7 receipts reported during the prior fiscal year by persons
8 engaging in business in the county. For purposes of this
9 subsection, a county may use public funds from any existing
10 authorized revenue source of the county.

11 B. A county enacting an ordinance pursuant to
12 Subsection A of this section shall transfer to the safety net
13 care pool fund by the last day of March, June, September and
14 December of each year an amount equal to one-fourth of the
15 county's payment to the safety net care pool fund."

16 SECTION 17. Section 27-10-3 NMSA 1978 (being Laws 1991,
17 Chapter 212, Section 3, as amended) is amended to read:

18 "27-10-3. COUNTY-SUPPORTED MEDICAID FUND CREATED--USE--
19 APPROPRIATION BY THE LEGISLATURE.--

20 A. There is created in the state treasury the
21 "county-supported medicaid fund". The fund shall be invested
22 by the state treasurer as other state funds are invested.
23 Income earned from investment of the fund shall be credited
24 to the county-supported medicaid fund. The fund shall not
25 revert in any fiscal year.

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1 B. Money in the county-supported medicaid fund is
2 subject to appropriation by the legislature to support the
3 state medicaid program and to institute or support primary
4 care health care services pursuant to Subsections D and E of
5 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each
6 year, nine percent shall be appropriated to the department of
7 health to institute or support primary care health care
8 services pursuant to Subsections D and E of Section 24-1A-3.1
9 NMSA 1978.

10 C. Up to three percent of the county-supported
11 medicaid fund each year may be expended for administrative
12 costs related to medicaid or developing new primary care
13 health care centers or facilities.

14 D. In the event federal funds for medicaid are
15 not received by New Mexico for any eighteen-month period, the
16 unencumbered balance remaining in the county-supported
17 medicaid fund and the [~~sole community provider~~] safety net
18 care pool fund at the end of the fiscal year following the
19 end of any eighteen-month period shall be paid within a
20 reasonable time to each county for deposit in the county
21 [~~indigent hospital claims~~] health care assistance fund in
22 proportion to the payments made by each county through tax
23 revenues or transfers in the previous fiscal year as
24 certified by the local government division of the department
25 of finance and administration. The department will provide

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1 for budgeting and accounting of payments to the fund."

2 SECTION 18. TEMPORARY PROVISION--TRANSFER OF REFERENCES
3 OF LAW.--

4 A. On and after July 1, 2014, references in law
5 to a sole community provider hospital shall be deemed to be
6 references to a qualifying hospital pursuant to the Indigent
7 Hospital and County Health Care Act.

8 B. On or after July 1, 2014, references in law to
9 a county indigent hospital claims fund shall be deemed to be
10 references to a county health care assistance fund.

11 SECTION 19. TEMPORARY PROVISION--TRANSFER OF MONEY.--

12 A. On the effective date of this act, all money
13 in the sole community provider fund shall be transferred to
14 the safety net care pool fund.

15 B. On the effective date of this act, all money
16 in a county's indigent hospital claims fund shall be
17 transferred to the county's health care assistance fund.

18 SECTION 20. TEMPORARY PROVISION--TAX LEVIED PURSUANT TO
19 SECTION 27-5-9 NMSA 1978 PRIOR TO EFFECTIVE DATE OF ACT.--A
20 tax levied pursuant to Section 27-5-9 NMSA 1978 prior to
21 January 1, 2014 shall remain in effect until the tax expires
22 or is terminated.

23 SECTION 21. REPEAL.--Sections 27-5-5, 27-5-8, 27-5-10,
24 27-5-12.2, 27-5-13, 27-5-14, 27-5-15 and 27-5-18 NMSA 1978
25 (being Laws 1965, Chapter 234, Sections 5, 8 and 11, Laws
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SPAC/SB 268 & 314 and SFC/SB 368

1 1993, Chapter 321, Section 15, Laws 1965, Chapter 234,
2 Sections 14 and 15, Laws 1971, Chapter 72, Section 2 and Laws
3 1965, Chapter 234, Section 20, as amended) are repealed.

4 SECTION 22. EMERGENCY.--It is necessary for the public
5 peace, health and safety that this act take effect
6 immediately.

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