

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 AND REPEALING SECTIONS OF THE NMSA 1978 TO COMPLY WITH  
CHANGES IN FEDERAL REGULATIONS REGARDING THE REPLACEMENT OF  
SOLE COMMUNITY PROVIDERS WITH QUALIFYING HOSPITALS; 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  
GROSS RECEIPTS TAXES.--

A. Except as provided in Subsections B and C of  
this section, a transfer pursuant to Section 7-1-6.1 NMSA 1978  
shall be made to each county for which the department is  
collecting a local option gross receipts tax imposed by that

.196585.1

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

1 county in an amount, subject to any increase or decrease made  
2 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net  
3 receipts attributable to the local option gross receipts tax  
4 imposed by that county, less any deduction for administrative  
5 cost determined and made by the department pursuant to the  
6 provisions of the act authorizing imposition by that county of  
7 the local option gross receipts tax and any additional  
8 administrative fee withheld pursuant to Subsection C of Section  
9 7-1-6.41 NMSA 1978.

10 B. A transfer pursuant to this section may be  
11 adjusted for a distribution made to a tax increment development  
12 district with respect to a portion of a gross receipts tax  
13 increment dedicated by a county pursuant to the Tax Increment  
14 for Development Act.

15 C. ~~[Through June 30, 2009, a distribution pursuant~~  
16 ~~to Section 7-1-6.1 NMSA 1978 shall be made to the sole~~  
17 ~~community provider fund from revenue attributable to the county~~  
18 ~~gross receipts tax imposed by a county pursuant to Section~~  
19 ~~7-20E-9 NMSA 1978, subject to the approval of the board of~~  
20 ~~county commissioners of that county. The distribution shall be~~  
21 ~~in an amount equal to one-twelfth of the county's annual~~  
22 ~~approved contribution for support of sole community provider~~  
23 ~~payments. Revenue in excess of the amount required for the~~  
24 ~~contribution shall be transferred to the county pursuant to the~~  
25 ~~provisions of Subsection A of this section.] A transfer~~

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1 pursuant to this section may be adjusted for a distribution  
 2 made to a county with respect to the portion of gross receipts  
 3 tax increment dedicated by a county to the county-supported  
 4 medicaid fund pursuant to Sections 7-20E-18 and 27-10-4 NMSA  
 5 1978."

6 SECTION 2. Section 7-20E-18 NMSA 1978 (being Laws 1991,  
 7 Chapter 212, Section 7, as amended) is amended to read:

8 "7-20E-18. COUNTY HEALTH CARE GROSS RECEIPTS TAX--  
 9 AUTHORITY TO IMPOSE RATE.--

10 A. The majority of the members of the governing  
 11 body of any county may enact an ordinance imposing an excise  
 12 tax at a rate of one-sixteenth percent of the gross receipts of  
 13 any person engaging in business in the county for the privilege  
 14 of engaging in business in the county. Any ordinance imposing  
 15 an excise tax pursuant to this section shall not be subject to  
 16 a referendum. The governing body of a county shall, at the  
 17 time of enacting an ordinance imposing the tax, dedicate the  
 18 revenue to the county-supported medicaid fund. This tax is to  
 19 be referred to as the "county health care gross receipts tax".

20 B. In addition to the imposition of the county  
 21 health care gross receipts tax authorized by Subsection A of  
 22 this section, the majority of the members of the governing body  
 23 of a county having a population of more than five hundred  
 24 thousand persons according to the most recent federal decennial  
 25 census may enact an ordinance imposing an additional one-

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1 sixteenth percent increment of county health care gross  
2 receipts tax; provided that the imposition of the additional  
3 increment shall be for a period that ends no later than June  
4 30, 2009. To continue an increment after June 30, 2009, or  
5 beyond any five-year period for which the increment has been  
6 imposed, the members of the governing body shall review the  
7 need for the increment, and if the majority of the members vote  
8 in favor of continuing the increment imposed pursuant to this  
9 subsection, the increment shall be imposed for an additional  
10 period of five years. The governing body of the county shall,  
11 at the time of enacting an ordinance imposing the additional  
12 increment of county health care gross receipts tax, dedicate  
13 the revenue to the support of indigent patients.

14 C. In addition to the imposition of the county  
15 health care gross receipts tax authorized in Subsection A of  
16 this section, the majority of the governing body of a county,  
17 other than a class A county whose hospital is operated and  
18 maintained pursuant to a lease or operating agreement with a  
19 state educational institution named in Article 12, Section 11  
20 of the constitution of New Mexico, may enact an ordinance  
21 imposing up to one-eighth percent of the gross receipts of any  
22 person engaging in business in the county for the privilege of  
23 engaging in business in the county. The governing body shall,  
24 at the time of enacting an ordinance imposing the additional  
25 increment of the county health care gross receipts tax,

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1 dedicate the revenue to the county-supported medicaid fund.  
 2 This tax shall be supplemental to the county health care gross  
 3 receipts tax.

4 ~~[G.]~~ D. Any ordinance enacted pursuant to the  
 5 provisions of ~~[Subsection A or B of]~~ this section shall include  
 6 an effective date of either July 1 or January 1 in accordance  
 7 with the provisions of the County Local Option Gross Receipts  
 8 Taxes Act."

9 SECTION 3. 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 to recognize that:

14 A. ~~[to recognize that]~~ the individual county of  
 15 this state is the responsible agency for ambulance  
 16 transportation or the hospital care or the provision of health  
 17 care to indigent patients domiciled in that county ~~[for at~~  
 18 ~~least three months or for such period of time, not in excess of~~  
 19 ~~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;

25 B. ~~[to recognize that]~~ the counties of the state

.196585.1

1 are also responsible for supporting indigent patients by  
2 providing local revenues to match federal funds for the state  
3 medicaid program, including ~~[the provision of matching funds~~  
4 ~~for payments to sole community provider hospitals and]~~ the  
5 transfer of funds to the county-supported medicaid fund  
6 pursuant to the Statewide Health Care Act; and

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

11 SECTION 4. Section 27-5-3 NMSA 1978 (being Laws 1965,  
12 Chapter 234, Section 3, as amended) is amended to read:

13 "27-5-3. PUBLIC ASSISTANCE PROVISIONS.--

14 A. A hospital shall not be paid from the fund under  
15 the Indigent Hospital and County Health Care Act for costs of  
16 an indigent patient for services that have been determined by  
17 the department to be eligible for medicaid reimbursement.  
18 However, nothing in the Indigent Hospital and County Health  
19 Care Act shall be construed to prevent the board from  
20 transferring money from the fund to ~~[the sole community~~  
21 ~~provider fund or]~~ the county-supported medicaid fund for  
22 support of the state medicaid program, including an additional  
23 payment program for qualifying hospitals.

24 B. No action for collection of claims under the  
25 Indigent Hospital and County Health Care Act shall be allowed

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

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

8 "27-5-4. DEFINITIONS.--As used in the Indigent Hospital  
9 and County Health Care Act:

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

15 B. "ambulance provider" or "ambulance service"  
16 means a specialized carrier based within the state authorized  
17 under provisions and subject to limitations as provided in  
18 individual carrier certificates issued by the public regulation  
19 commission to transport persons alive, dead or dying en route  
20 by means of ambulance service. The rates and charges  
21 established by public regulation commission tariff shall govern  
22 as to allowable cost. Also included are air ambulance services  
23 approved by the board. The air ambulance service charges shall  
24 be filed and approved pursuant to Subsection D of Section  
25 27-5-6 NMSA 1978 and Section 27-5-11 NMSA 1978;

.196585.1

1 C. "board" means a county indigent hospital and  
2 county health care board;

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

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

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

15 G. "department" means the human services  
16 department;

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

22 I. "fund" means a county indigent hospital claims  
23 fund;

24 J. "health care provider" means:

25 (1) a nursing home;



1 (2) an in-state home health agency;  
2 (3) an in-state licensed hospice;  
3 (4) a community-based health program operated  
4 by a political subdivision of the state or other nonprofit  
5 health organization that provides prenatal care delivered by  
6 New Mexico licensed, certified or registered health care  
7 practitioners;

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

13 (6) a drug rehabilitation center;

14 (7) an alcohol rehabilitation center;

15 (8) a mental health center;

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

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

25 K. "health care services" means treatment and

.196585.1

1 services designed to promote improved health in the county  
2 indigent population, including primary care, prenatal care,  
3 dental care, provision of prescription drugs, preventive care  
4 or health outreach services, to the extent determined by  
5 resolution of the board;

6 L. "hospital" means a general or limited hospital  
7 licensed by the department of health, whether nonprofit or  
8 owned by a political subdivision, and may include by resolution  
9 of a board the following health facilities if licensed or, in  
10 the case of out-of-state hospitals, approved by the department  
11 of health:

12 (1) for-profit hospitals;

13 (2) state-owned hospitals; or

14 (3) licensed out-of-state hospitals where  
15 treatment provided is necessary for the proper care of an  
16 indigent patient when that care is not available in an in-state  
17 hospital;

18 M. "indigent patient" means a person to whom an  
19 ambulance service, a hospital or a health care provider has  
20 provided medical care, ambulance transportation or health care  
21 services and who can normally support the person's self and the  
22 person's dependents on present income and liquid assets  
23 available to the person but, taking into consideration the  
24 person's income, assets and requirements for other necessities  
25 of life for the person and the person's dependents, is unable

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

18 N. "medicaid eligible" means a person who is  
19 eligible for medical assistance from the department;

20 O. "mental health center" means a not-for-profit  
21 center that provides outpatient mental health services that  
22 meet the standards set by the department of health;

23 P. "planning" means the development of a countywide  
24 or multicounty health plan to improve and fund health services  
25 in the county based on the county's needs assessment and

.196585.1

1 inventory of existing services and resources and that  
2 demonstrates coordination between the county and state and  
3 local health planning efforts;

4 Q. "public entity" means a state, local or tribal  
5 government or other political subdivision or agency of that  
6 government;

7 R. "~~[sole community provider]~~ qualifying hospital"  
8 means

9 [~~(1) a hospital that is a sole community  
10 provider hospital under the provisions of the federal medicare  
11 guidelines; or~~

12 ~~(2)]~~ an acute care general hospital licensed by  
13 the department of health that is qualified, pursuant to rules  
14 adopted by the state agency primarily responsible for the  
15 medicaid program, to receive [~~distributions from the sole  
16 community provider fund]~~ additional medicaid hospital payments;

17 and

18 S. "tribal" means of or pertaining to a federally  
19 recognized Indian nation, tribe or pueblo."

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

22 "27-5-6. POWERS AND DUTIES OF THE BOARD.--The board:

23 A. shall administer claims pursuant to the  
24 provisions of the Indigent Hospital and County Health Care Act;

25 B. shall prepare and submit a budget to the board

.196585.1

1 of county commissioners for the amount needed to defray claims  
2 made upon the fund and to pay costs of administration of the  
3 Indigent Hospital and County Health Care Act and costs of  
4 development of a countywide or multicounty health plan. The  
5 combined costs of administration and planning shall not exceed  
6 the following percentages of revenues based on the previous  
7 fiscal year revenues for a fund that has existed for at least  
8 one fiscal year or based on projected revenues for the year  
9 being budgeted for a fund that has existed for less than one  
10 fiscal year. The percentage of the revenues in the fund that  
11 may be used for such combined administrative and planning costs  
12 is equal to the sum of the following:

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

15 (2) eight percent of the amount of the  
16 revenues in the fund over five hundred thousand dollars  
17 (\$500,000) but not over one million dollars (\$1,000,000); and

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

20 C. shall make rules necessary to carry out the  
21 provisions of the Indigent Hospital and County Health Care Act;  
22 provided that the standards for eligibility and allowable costs  
23 for county indigent patients shall be no more restrictive than  
24 the standards for eligibility and allowable costs prior to  
25 December 31, 1992;

.196585.1

1           D. shall set criteria and cost limitations for  
2 medical care furnished by licensed out-of-state hospitals,  
3 ambulance services or health care providers;

4           E. shall cooperate with appropriate state agencies  
5 to use available funds efficiently and to make health care more  
6 available;

7           F. shall cooperate with the department in making an  
8 investigation to determine the validity of claims made upon the  
9 fund for an indigent patient;

10          G. may accept contributions or other county  
11 revenues, which shall be deposited in the fund;

12          H. may hire personnel to carry out the provisions  
13 of the Indigent Hospital and County Health Care Act;

14          I. shall review all claims presented by a hospital,  
15 ambulance service or health care provider to determine  
16 compliance with the rules adopted by the board or with the  
17 provisions of the Indigent Hospital and County Health Care Act;  
18 determine whether the patient for whom the claim is made is an  
19 indigent patient; and determine the allowable medical,  
20 ambulance service or health care services costs; provided that  
21 the burden of proof of any claim shall be upon the hospital,  
22 ambulance service or health care provider;

23          J. shall state in writing the reason for rejecting  
24 or disapproving any claim and shall notify the submitting  
25 hospital, ambulance service or health care provider of the

.196585.1

1 decision within sixty days after eligibility for claim payment  
2 has been determined;

3 K. shall pay all claims [~~that are not matched with~~  
4 ~~federal funds under the state medicaid program and~~] that have  
5 been approved by the board from the fund and shall make payment  
6 within thirty days after approval of a claim by the board;

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

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

15 N. ~~shall transfer to the state by the last day of~~  
16 ~~March, June, September and December of each year an amount~~  
17 ~~equal to one-fourth of the county's payment for support of sole~~  
18 ~~community provider payments as calculated by the department for~~  
19 ~~that county for the current fiscal year. This money shall be~~  
20 ~~deposited in the sole community provider fund;~~

21 O.] L. shall, in carrying out the provisions of the  
22 Indigent Hospital and County Health Care Act, comply with the  
23 standards of the federal Health Insurance Portability and  
24 Accountability Act of 1996;

25 [~~P. may~~] M. shall provide for the transfer of

.196585.1

1 money from the fund or any other authorized county revenue  
2 source to the county-supported medicaid fund to meet the  
3 requirements of the Statewide Health Care Act; and

4 [Q-] N. may contract with ambulance providers,  
5 hospitals or health care providers for the provision of health  
6 care services."

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

9 "27-5-7. COUNTY INDIGENT HOSPITAL CLAIMS FUND.--

10 A. There is created in the county treasury of each  
11 county a "county indigent hospital claims fund".

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

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

25 D. Any balance remaining in the fund at the end of



1 the fiscal year shall carry over into the ensuing year, and  
 2 that balance shall be taken into consideration in the  
 3 determination of the ensuing year's budget and certification of  
 4 need for purposes of making a tax levy.

5 E. Money may be transferred to the fund from other  
 6 sources, but no transfers may be made from the fund for any  
 7 purpose other than those specified in the Indigent Hospital and  
 8 County Health Care Act."

9 SECTION 8. Section 27-5-7.1 NMSA 1978 (being Laws 1993,  
 10 Chapter 321, Section 16, as amended) is amended to read:

11 "27-5-7.1. COUNTY INDIGENT HOSPITAL CLAIMS FUND--  
 12 AUTHORIZED USES OF THE FUND.--

13 A. The fund shall be used:

14 (1) to meet ~~[the]~~ a county's contribution for  
 15 support of ~~[sole community provider payments as calculated by~~  
 16 ~~the department for that county]~~ the county-supported medicaid  
 17 fund;

18 (2) to pay for expenses of burial or cremation  
 19 of an indigent person; and

20 (3) to pay all claims that have been approved  
 21 by the board ~~[that are not matched with federal funds under the~~  
 22 ~~state medicaid program]~~.

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

25 SECTION 9. 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 ~~HOSPITAL DUTIES~~].--

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; and

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 [~~sole community provider~~] qualifying hospital  
20 [~~requesting or receiving medicaid sole community provider~~  
21 ~~hospital payments~~] shall

22 [~~(1)~~] accept indigent patients and request  
23 reimbursement for those patients through the appropriate county  
24 indigent fund. The responsible county shall approve requests  
25 meeting its eligibility standards and notify the hospital of

1 such approval

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

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

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

14 SECTION 10. Section 27-5-16 NMSA 1978 (being Laws 1965,  
 15 Chapter 234, Section 16, as amended) is amended to read:

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

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

24 B. The department shall cooperate with each board  
 25 in furnishing information or assisting in the investigation of

.196585.1

1 any person to determine whether the person meets the  
2 qualifications of an indigent patient as defined in the  
3 Indigent Hospital and County Health Care Act.

4 ~~[G. The department shall ensure that the sole  
5 community provider payment and the reimbursement to hospitals  
6 made under the state medicaid program do not exceed what  
7 would have been paid for under medicare payment principles.  
8 In the event the sole community provider payment and medicaid  
9 reimbursement to hospitals would exceed medicare payment  
10 principles, the department shall reduce the sole community  
11 provider payment prior to making any reduction in  
12 reimbursement to hospitals made under the state medicaid  
13 program; provided, however, that additional payments may be  
14 made pursuant to waiver agreement, rule, law or state plan  
15 amendment providing for supplemental medicaid payments to  
16 hospitals.]"~~

17 SECTION 11. Section 27-10-2 NMSA 1978 (being Laws 1991,  
18 Chapter 212, Section 2, as amended) is amended to read:

19 "27-10-2. FINDINGS AND PURPOSE.--

20 A. Access to health care reduces long-term  
21 medical and social costs. The effectiveness of statewide  
22 health care has been decreased by excessive fragmentation and  
23 failure to maximize the use of existing in-state revenues and  
24 to develop effective ways of drawing upon potential federal  
25 revenue sources. An effective statewide health care system

.196585.1

1 must retain local health care efforts, stimulate local  
 2 innovations for meeting particular health care needs and use  
 3 existing resources to expand health care options, especially  
 4 for those citizens unable to pay for their own care.

5 B. The purpose of the county-supported medicaid  
 6 fund is to leverage existing resources to better address the  
 7 state's health care needs. The county-supported medicaid  
 8 fund will be used to accomplish this purpose by using local  
 9 revenues to support the state medicaid program, including  
 10 additional medicaid hospital payment programs, and to  
 11 institute or support primary care health care services  
 12 pursuant to Section 24-1A-3.1 NMSA 1978. Money appropriated  
 13 from the county-supported medicaid fund to institute or  
 14 support primary care health care services pursuant to Section  
 15 24-1A-3.1 NMSA 1978 shall be supplemental to general fund  
 16 appropriations."

17 SECTION 12. Section 27-10-3 NMSA 1978 (being Laws 1991,  
 18 Chapter 212, Section 3, as amended) is amended to read:

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

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

.196585.1

1 revert in any fiscal year.

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

12 C. [~~Up to three~~] In addition to the appropriation  
13 authorized in Subsection B of this section, up to one percent  
14 of the county-supported medicaid fund each year may be  
15 expended for administrative costs related to medicaid or  
16 developing new primary care health care centers or  
17 facilities.

18 D. In the event federal funds for medicaid are  
19 not received by New Mexico for any eighteen-month period, the  
20 unencumbered balance remaining in the county-supported  
21 medicaid fund [~~and the sole community provider fund~~] at the  
22 end of the fiscal year following the end of any eighteen-  
23 month period shall be paid within a reasonable time to each  
24 county for deposit in the county indigent hospital claims  
25 fund in proportion to the payments made by each county

.196585.1

1 through tax revenues or transfers in the previous fiscal year  
 2 as certified by the local government division of the  
 3 department of finance and administration. The department  
 4 will provide for budgeting and accounting of payments to the  
 5 fund."

6 SECTION 13. Section 27-10-4 NMSA 1978 (being Laws 1991,  
 7 Chapter 212, Section 4, as amended) is amended to read:

8 "27-10-4. ALTERNATIVE REVENUE SOURCE TO IMPOSITION OF  
 9 COUNTY HEALTH CARE GROSS RECEIPTS TAX--TRANSFER TO COUNTY-  
 10 SUPPORTED MEDICAID FUND.--

11 A. In the event a county does not enact an  
 12 ordinance imposing a county health care gross receipts tax  
 13 pursuant to Subsection B of Section [7-20D-3] 7-20E-18 NMSA  
 14 1978, the county shall, by ordinance to be effective July 1,  
 15 1993, dedicate to the county-supported medicaid fund an  
 16 amount equal to a gross receipts tax rate of one-sixteenth  
 17 [~~of one~~] percent applied to the taxable gross receipts  
 18 reported during the prior fiscal year by persons engaging in  
 19 business in the county. For purposes of this subsection, a  
 20 county may use funds from any existing authorized revenue  
 21 source of the county.

22 B. In the event a county, other than a class A  
 23 county whose hospital is operated and maintained pursuant to  
 24 a lease or operating agreement with a state educational  
 25 institution named in Article 12, Section 11 of the

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1 constitution of New Mexico, does not enact an ordinance  
2 imposing a county gross receipts tax pursuant to Subsection C  
3 of Section 7-20E-18 NMSA 1978, the county shall, by ordinance  
4 effective July 1, 2014, dedicate to the county-supported  
5 medicaid fund an amount equal to a gross receipts tax rate of  
6 two-sixteenths percent applied to the taxable gross receipts  
7 reported during the prior fiscal year by persons engaging in  
8 business in the county. For purposes of this subsection, a  
9 county may use funds from any authorized revenue source of  
10 the county.

11 ~~[B-]~~ C. For each county that has in effect an  
12 ordinance enacted pursuant to ~~[Subsection A of]~~ this section  
13 on July 1 of each year, the taxation and revenue department  
14 shall certify to the county by September 15, 1993 and by  
15 September 15 of each subsequent fiscal year the amount of  
16 gross receipts reported for the county for purposes of the  
17 gross receipts tax during the prior fiscal year. Upon  
18 certification by the department, any county enacting an  
19 ordinance pursuant to ~~[Subsection A of]~~ this section shall  
20 transfer to the county-supported medicaid fund by the last  
21 day of March, June, September and December of each year an  
22 amount equal to a rate of ~~[one-sixty-fourth of one]~~ three  
23 sixty-fourths percent applied to the certified amount.

24 D. If a county does not enact ordinances as  
25 required by this section or make a timely transfer of



1 dedicated funds to the county-supported medicaid fund  
 2 pursuant to this section, the taxation and revenue department  
 3 shall adjust the distribution of local option gross receipts  
 4 tax revenues to such county in proportion to amounts due and  
 5 owing from the county to the county-supported medicaid fund.

6           [~~G.~~] E. The requirements of an ordinance enacted  
 7 pursuant to this section may be terminated for a county only  
 8 on the effective date of an ordinance enacted by the county  
 9 imposing the county health care gross receipts tax; provided  
 10 that if the effective date of the ordinance imposing the tax  
 11 is January 1, the termination does not apply to the payments  
 12 required for September and December of that year."

13           **SECTION 14. REPEAL.**--Sections 27-5-6.1 and 27-5-12.2  
 14 NMSA 1978 (being Laws 1993, Chapter 321, Sections 18 and 15,  
 15 as amended) are repealed.

16           **SECTION 15. EMERGENCY.**--It is necessary for the public  
 17 peace, health and safety that this act take effect  
 18 immediately.