

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 400

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO HEALTH CARE; REQUIRING A STUDY ON THE FEASIBILITY OF CREATING AND IMPLEMENTING A STATE-ADMINISTERED HEALTH COVERAGE PLAN; Hf11 → ~~ENACTING A NEW SECTION OF THE PUBLIC ASSISTANCE ACT TO ALLOW THE SECRETARY OF HUMAN SERVICES TO AMEND THE NEW MEXICO STATE MEDICAID PLAN TO CREATE AND IMPLEMENT A STATE- ADMINISTERED HEALTH COVERAGE PLAN;~~ ← Hf11 REQUIRING REPORTING Hf11 → ~~REQUIRING COLLABORATION BETWEEN THE HUMAN SERVICES DEPARTMENT AND THE OFFICE OF SUPERINTENDENT OF~~

.225904.2AIC March 9, 2023 (5:07pm)

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~~INSURANCE TO ENROLL INDIVIDUALS A STATE-ADMINISTERED HEALTH
COVERAGE PLAN~~ ←Hf11 .

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

SECTION 1. Section 27-2-2 NMSA 1978 (being Laws 1973, Chapter 376, Section 2, as amended) is amended to read:

"27-2-2. DEFINITIONS.--As used in the Public Assistance Act:

- A. "department" means the human services department;
- B. "board" means the human services department;
- C. "director" means the secretary of human services;
- D. "local office" means the county or district office of the human services department;
- E. "medicaid advisory committee" means the body, established by federal law, that advises the New Mexico medicaid program on policy development and program administration;
- F. "medicaid forward plan" means a health care coverage plan that leverages the medicaid program to provide a state-administered health care coverage option;
- [E] G. "public welfare" or "public assistance" means any aid or relief granted to or on behalf of an eligible person under the Public Assistance Act and regulations issued

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pursuant to that act;

[F.] H. "applicant" means a person who has applied for assistance or services under the Public Assistance Act;

[G.] I. "recipient" means a person who is receiving assistance or services under the Public Assistance Act;

[H.] J. "federal act" means the federal Social Security Act, as may be amended from time to time, and regulations issued pursuant to that act; and

[I.] K. "secretary" means the secretary of human services."

SECTION 2. A new section of the Public Assistance Act is enacted to read:

"[NEW MATERIAL] STUDY OF THE MEDICAID FORWARD PLAN.--

A. The secretary, in coordination with the superintendent of insurance and in consultation with the medicaid advisory committee Hf11→, other stakeholders identified by the secretary←Hf11 and representatives of Indian nations, tribes and pueblos that are located wholly or partially in New Mexico, shall study the Hf11→following operational needs for and effects of implementing the←Hf11 medicaid forward Hf11→plan's←Hf11 Hf11→plan and amending the New Mexico medicaid state plan, pursuant to the federal act to provide medical assistance to residents who are under age sixty-five, are not otherwise eligible for and enrolled in mandatory coverage under the New Mexico medicaid state plan and

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have a household income that exceeds one hundred thirty-three percent of the federal poverty level←Hf11 :

(1) Hf11→the←Hf11 effects on the individual, group and self- insured health insurance markets, including the New Mexico health insurance exchange and the health benefits programs provided to state or local public employees or public school employees, of providing mandatory or optional medicaid coverage to individuals who would otherwise be eligible for health insurance through those markets;

(2) Hf11→the←Hf11 effects on health care providers and health care facilities, including reimbursement rates needed to maximize access to health care services;

(3) Hf11→the←Hf11 operational needs for administering the medicaid forward plan, including staffing and technical needs for enrollment and collection of premiums or cost-sharing;

(4) Hf11→the←Hf11 funding plan, including necessary expenditures and total revenue generated;

Hf11→and←Hf11

Hf11→(5) the fiscal effects on recurring and nonrecurring spending in the state budget; and←Hf11

Hf11→(5)←Hf11 Hf11→(6)←Hf11 Hf11→the←Hf11 financial sustainability, including steps necessary for the department and the superintendent of insurance to apply for federal waivers to maximize federal funding and leverage those

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waivers to ensure affordability for enrollees in the medicaid forward plan.

B. The secretary's proposed program design for the medicaid forward plan shall be contingent on the results of the study and shall include:

(1) a financing plan, which shall include recommended appropriation of state funds, projected federal funds, savings directly or indirectly attributable to the program design, a sliding scale for premiums and cost-sharing based on household income for individuals eligible to enroll in the medicaid forward plan and other potential cost offsets;

(2) information about recommended reimbursement rates to maximize access to health care services under the medicaid forward plan;

(3) details about the department's operational needs for administering the medicaid forward plan; and

(4) information about federal waivers needed to maximize federal funding and ensure affordability and choice for enrollees.

C. By October 1, 2024, the secretary shall submit a report to the legislative finance committee and the legislative health and human services committee detailing the secretary's study of, and proposed program design for, the medicaid forward plan."

Hf11 → ~~SECTION 3. A new section of the Public Assistance~~

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~~Act is enacted to read:~~

~~"[NEW MATERIAL] IMPLEMENTATION OF THE MEDICAID FORWARD PLAN.--~~

~~A. Upon the secretary's submission of the report described in Section 2 of this 2023 act, and the appropriation and availability of federal and state funds, the secretary may:~~

~~(1) amend the New Mexico medicaid state plan pursuant to the federal act to provide medical assistance to residents who:~~

~~(a) are under age sixty-five;~~

~~(b) are not otherwise eligible for and enrolled in mandatory coverage or optional full medicaid coverage under the New Mexico medicaid state plan; and~~

~~(c) have a household income that exceeds one hundred thirty-three percent of the federal poverty level; and~~

~~(2) in consultation with the medicaid advisory committee and representatives of Indian nations, tribes and pueblos that are located wholly or partially in New Mexico, and consistent with the federal act, promulgate rules that:~~

~~(a) establish an affordability scale for premiums and cost-sharing based on household income for individuals eligible to enroll in the medicaid forward plan and offer discounted premiums and cost-sharing; provided that such financial assistance is, at a minimum, offered to individuals~~

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~~with household incomes below four hundred percent of the federal poverty level; and~~

~~(b) set the total amount of premiums to be assessed to medicaid forward plan enrollees, after an actuarial analysis, to ensure maximum access to coverage. Premiums imposed may be set at a level sufficient to offset the costs of health benefits under the medicaid forward plan and related administrative costs.~~

~~B. Consistent with the federal act and subject to the appropriation and availability of federal and state funds, the secretary may, in consultation with the medicaid advisory committee and representatives of Indian nations, tribes and pueblos that are located wholly or partially in New Mexico, promulgate rules that phase in coverage to all individuals described in Subsection A of this section.~~

~~C. The secretary shall consult with representatives of Indian nations, tribes and pueblos that are located wholly or partially in New Mexico to ensure that implementation and expansion of the medicaid forward plan promotes effective communication and collaboration, including information on participation in the medicaid forward plan.~~

~~D. Upon implementation of the medicaid forward plan as provided under Subsection A of this section, the secretary shall promulgate rules consistent with and necessary to carry out the provisions of this section.~~

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~~E. The secretary and the superintendent of insurance may seek any federal waivers necessary to administer the medicaid forward plan, provide the medicaid forward plan to additional persons and maximize federal dollars to ensure affordability for enrollees."~~

~~SECTION 4. A new section of the Public Assistance Act is enacted to read:~~

~~"[NEW MATERIAL] ENROLLMENT.--Upon implementation of the medicaid forward plan pursuant to Subsection A of Section 3 of this 2023 act:~~

~~A. the secretary and superintendent of insurance shall coordinate efforts and cooperate with the New Mexico health insurance exchange to establish:~~

~~(1) systems under which individuals may apply for enrollment in, receive a determination of eligibility for participation in and renew participation in medicaid, the medicaid forward plan or a qualified health plan offered through the New Mexico health insurance exchange; and~~

~~(2) consumer outreach programs to assist individuals with enrolling in medicaid, the medicaid forward plan and qualified health plans offered through the New Mexico health insurance exchange;~~

~~B. the secretary, the superintendent of insurance and the New Mexico health insurance exchange may coordinate efforts and cooperate to make the medicaid forward plan~~

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~~available for direct purchase through the New Mexico health insurance exchange platform; and~~

~~C. the secretary and the superintendent of insurance, in consultation with the New Mexico health insurance exchange, shall promulgate rules consistent with and necessary to carry out the provisions of this section."~~ ←Hf11

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