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SENATE BILL 198

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

JANICE D. PASTER

FOR THE HEALTH CARE TASK FORCE

AN ACT

RELATING TO HEALTH CARE; ENACTING THE MEDICAID REVIEW ACT;
REQUIRING REVIEW OF THE SERVICES AND MEDICAL BENEFITS PROVIDED
IN THE MEDICAID PROGRAM; AUTHORIZING REVISIONS TO THE MEDICAID
PROGRAM; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. SHORT TITLE. --Sections 1 through 4 of this act
may be cited as the "Medicaid Review Act".

Section 2. PURPOSE OF ACT. --The purpose of the Medicaid
Review Act is to ensure that the human services department
reviews, with full public involvement, the medicaid program and
the full array of services and medical benefits provided in the
medicaid program.

Section 3. HUMAN SERVICES DEPARTMENT REVIEW OF MEDICAID
BENEFITS AND SERVICES. --

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1 A. The human services department, in consultation
2 with other state agencies using medicaid funds, shall conduct a
3 review that considers the full array of services and medical
4 benefits provided in the medicaid program. The public review
5 process provided in the Medicaid Review Act shall be used by the
6 department to assist it in planning the medicaid program and in
7 developing recommendations for funding to the state legislature.

8 B. In conducting the review, the department shall
9 seek to develop through a broad-based public process a consensus
10 on values to guide medicaid spending and medicaid resource
11 allocation. The review shall consider all medicaid services,
12 including:

- 13 (1) medical benefits;
- 14 (2) nursing facilities and home- and community-
15 based services;
- 16 (3) institutional, home- and community-based
17 care for the developmentally disabled, the chronically mentally
18 ill or emotionally disturbed and the treatment of alcohol- and
19 drug-dependent persons; and
- 20 (4) other categories of service.

21 C. The public review process shall include a series
22 of public hearings and seek testimony and information from a
23 wide range of interested persons, including legislative and
24 executive representatives, advocates for seniors, handicapped
25 persons, mental health consumers, low-income individuals and

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1 providers of services or potential services for the medicaid
2 program.

3 D. Unless otherwise provided in the Medicaid Review
4 Act, the human services department may establish committees or
5 advisory groups as it deems necessary or appropriate to conduct
6 the review required by this section and make recommendations to
7 the department; provided that the membership of any such
8 committee or advisory group shall reflect the ethnic, economic
9 and geographic diversity of New Mexico.

10 E. The human services department shall work with the
11 New Mexico health policy commission to establish a subcommittee
12 to review medical benefits for the medicaid program. The New
13 Mexico health policy commission shall administer and oversee the
14 work of the subcommittee. The subcommittee shall participate in
15 the public review process and shall:

16 (1) recommend to the human services department
17 the array of medical benefits for the medicaid program. The
18 subcommittee shall accord priority attention to providing basic
19 preventive and primary care medical benefits to all persons
20 eligible for medicaid assistance. The advantages of each
21 medical benefit to the population to be served by the medicaid
22 program shall be described;

23 (2) consider eligibility criteria for medical
24 benefits for medicaid recipients; and

25 (3) consider patient co-payments and

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1 appropriate reimbursement rates for medical benefits for
2 providers and plans that serve medicaid recipients.

3 F. The human services department shall consider
4 opinions expressed in the public review process required in the
5 Medicaid Review Act and recommendations of committees, advisory
6 groups and the medical benefits subcommittee prior to issuing
7 proposed regulations to revise the medicaid program.

8 G. In conducting its review, the human services
9 department shall adopt interim revisions to the medicaid program
10 if necessary to comply with federal law requirements imposed for
11 calendar year 1996; provided the department shall seek, to the
12 maximum extent practicable, to include public participation and
13 comment prior to the adoption of interim regulations for 1996.
14 The department shall complete its review of the medicaid program
15 by October 1, 1997, and shall revise that review by October 1,
16 1998, in accordance with the provisions of the Medicaid Review
17 Act.

18 H. The human services department shall submit a
19 report to the appropriate interim legislative committee by
20 October 1, 1997, and revise the report by October 1, 1998, of
21 the department's review of and recommendations concerning
22 services and the allocation of funds for the medicaid program.

23 Section 4. AUTHORIZATION FOR CONTRACTS--NOTICE TO
24 PROVIDERS. --

25 A. The New Mexico health policy commission and the

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1 human services department may enter into contracts to hire
2 actuaries, consultants and experts as they deem necessary or
3 appropriate to fulfill the duties of the Medicaid Review Act.

4 B. Providers of services under medicaid and health
5 plans contracting with the human services department for
6 medicaid services shall be given thirty days' written notice
7 prior to a reduction in reimbursement payments or services
8 taking effect.

9 Section 5. APPROPRIATIONS. --

10 A. One hundred fifty thousand dollars (\$150,000) is
11 appropriated from the general fund to the New Mexico health
12 policy commission for expenditure in fiscal years 1997 through
13 1999 to perform the duties required in the Medicaid Review Act.
14 Any unexpended or unencumbered balance remaining at the end of
15 fiscal year 1999 shall revert to the general fund.

16 B. Two hundred thousand dollars (\$200,000) is
17 appropriated from the general fund to the human services
18 department for expenditure in fiscal years 1997 through 1999 for
19 the purpose of performing the duties required in the Medicaid
20 Review Act. Any unexpended or unencumbered balance remaining at
21 the end of fiscal year 1999 shall revert to the general fund.

22 Section 6. DELAYED REPEAL. -- The Medicaid Review Act is
23 repealed effective October 1, 1998.

24 Section 7. EMERGENCY. -- It is necessary for the public
25 peace, health and safety that this act take effect immediately.

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1 FORTY- SECOND LEGI SLATURE
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5 JANUARY 24, 1996
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7 Mr. Presi dent:
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9 Your COMMI TTEES' COMMI TTEE, to whom has been referred
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11 SENATE BILL 198
12

13 has had it under consideration and finds same to be GERMANE, PURSUANT
14 TO CONSTITUTIONAL PROVISIONS, and thence referred to the PUBLIC
15 AFFAI RS COMMI TTEE.
16

17 Respectfully submi tted,
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22 _____
23 SENATOR MANNY M. ARAGON, Chai rman
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25

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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1 FORTY-SECOND LEGISLATURE
2 SECOND SESSION, 1996
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SB 198/a

5 February 5, 1996
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7 Mr. President:
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9 Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred
10

11 SENATE BILL 198
12

13 has had it under consideration and reports same with recommendation that
14 it DO PASS, amended as follows:
15

16 1. On page 1, lines 13 and 14, strike "AUTHORIZING REVISIONS TO
17 THE MEDICAID PROGRAM;".
18

19 2. On page 1, line 23, after "program" and before the period
20 insert "and seeks appropriate legislative approval for significant
21 changes in services, medical benefits or eligibility criteria made to
22 the program".
23

24 3. On page 2, between lines 20 and 21, insert the following new
25 subsections to read:

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SECOND SESSION, 1996**

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"C. In conducting the review, the department shall analyze the impact to other health services of recommended changes to the medicaid program including:

(1) costs incurred by the state, county indigent funds and private insurance providers and policyholders;

(2) costs of uncompensated care incurred by providers;

(3) use of emergency care;

(4) care received by persons affected by proposed changes in services, eligibility criteria or the imposition of co-payment requirements;

(5) care received by special needs populations and persons with terminal or progressive illnesses; and

(6) rural health care infrastructure and provider participation in the medicaid program.

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D. The review of the medicaid program by the department shall include consideration of options to contain health care costs and expand medicaid coverage to persons without health insurance."

4. Reletter the succeeding subsections accordingly.

5. On page 3, line 20, after "assistance" and before the period insert, ", taking into account special needs populations and persons with terminal illness".

6. On page 4, line 7, after "program" and before the period insert, "or seeking legislative approval for significant changes in services, medical benefits or eligibility in the medicaid program".

7. On page 5, line 6, after "given" insert "no less than"., and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

Shannon Robinson, Chairman

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1 Adopted _____ Not Adopted _____

2 (Chief Clerk) (Chief Clerk)

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5 Date _____

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8 The roll call vote was 5 For 0 Against

9 Yes: 5

10 No: 0

11 Excused: Naranjo, E. Jennings, Wiener

12 Absent: None

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1 FORTY-SECOND LEGISLATURE
2 SECOND SESSION, 1996

SB 198/a

5 February 8, 1996

7 Mr. President:

9 Your FINANCE COMMITTEE, to whom has been referred

11 SENATE BILL 198, as amended

13 has had it under consideration and reports same with recommendation that
14 it DO PASS, amended as follows:

- 16 1. On page 1, line 14, strike "MAKING APPROPRIATIONS;".
- 18 2. On page 5, strike lines 9 through 21 in their entirety.
- 20 3. Renumber the succeeding sections accordingly.

23 Respectfully submitted,

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Aragon, Ingle, Jennings T., Kidd, Kysar

Absent: None

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State of New Mexico House of Representatives

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

February 14, 1996

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom has
been referred**

SENATE BILL 198, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chairman

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 15 For 2 Against

Yes: 15

No: Bird, Wallace

Excused: Light

Absent: None

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