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HOUSE BILL 355

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MICHAEL M OLGUIN

FOR THE HEALTH CARE REFORM COMMITTEE

AN ACT

RELATING TO HEALTH; AMENDING THE INDIGENT HOSPITAL AND COUNTY HEALTH CARE ACT TO AUTHORIZE FUNDING OF COUNTYWIDE OR MULTICOUNTY HEALTH PLANNING, BROADEN CRITERIA FOR ELIGIBLE PAYMENTS AND ESTABLISH TIME LIMITS FOR APPROVAL AND PAYMENT OF CLAIMS.

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

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

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

A. to recognize that the individual county of this state is the responsible agency for ambulance transportation or the hospital care or the provision of [the] health care to

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1 indigent patients domiciled in that county for at least three
2 months or for such period of time, not in excess of three
3 months, as determined by resolution of the board of county
4 commissioners, and to provide a means whereby each county can
5 discharge this responsibility through a system of ~~[financial~~
6 ~~reimbursement]~~ payments to ambulance providers, hospitals or
7 health care providers for ~~[actual cost incurred for]~~ the care
8 and treatment of, ~~[the]~~ or the provision of health care services
9 to, indigent [patient in the hospitals of this state, or both]
10 patients; [and]

11 B. to recognize that the counties of the state are
12 also responsible for supporting indigent patients by providing
13 local revenues to match federal funds for the state medicaid
14 program, including the provision of matching funds for payments
15 to sole community provider hospitals and the transfer of funds
16 to the county-supported medicaid fund pursuant to the Statewide
17 Health Care Act; and

18 C. to recognize that the counties of the state can
19 improve the provision of health care to indigent patients by
20 providing local revenues for countywide or multicounty health
21 planning. "

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

24 "27-5-4. DEFINITIONS. --As used in the Indigent Hospital
25 and County Health Care Act:

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1 A. "ambulance provider" or "ambulance service" means
2 a specialized carrier based within the state authorized under
3 provisions and subject to limitations as provided in individual
4 carrier certificates issued by the state corporation commission
5 to transport persons alive, dead or dying en route by means of
6 ambulance service. The rates and charges established by state
7 corporation commission tariff shall govern as to allowable cost.
8 Also included are air ambulance services approved by the board.
9 The air ambulance service charges shall be filed and approved
10 pursuant to Subsection D of Section 27-5-6 NMSA 1978 and Section
11 27-5-11 NMSA 1978;

12 B. "board" means [~~the~~] a county indigent hospital
13 and county health care board;

14 C. "indigent patient" means a person to whom an
15 ambulance service, a hospital or a health care provider has
16 provided medical care, [~~or~~] ambulance transportation or health
17 care services and who can normally support himself and his
18 dependents on present income and liquid assets available to him
19 but, taking into consideration this income and those assets and
20 his requirement for other necessities of life for himself and
21 his dependents, is unable to pay the cost of the ambulance
22 transportation or medical care administered or both. If
23 provided by resolution of [~~the~~] a board, it shall not include
24 any person whose annual income together with his spouse's annual
25 income totals an amount that is fifty percent greater than the

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1 per capita personal income for New Mexico as shown for the most
2 recent year available in the survey of current business
3 published by the United States department of commerce. Every
4 board that has a balance remaining in the fund at the end of a
5 given fiscal year shall consider and may adopt at the first
6 meeting of the succeeding fiscal year a resolution increasing
7 the standard for indigency. The term "indigent patient"
8 includes a minor who has received ambulance transportation or
9 medical care or both and whose parent or the person having
10 custody of that minor would qualify as an indigent patient if
11 transported by ambulance or admitted to a hospital for care or
12 treated by a health care provider or all three;

13 D. "hospital" means any general or limited hospital
14 licensed by the department of health, whether nonprofit or owned
15 by a political subdivision, and may include by resolution of
16 [the] a board the following health facilities if licensed or, in
17 the case of out-of-state hospitals, approved, by the department
18 of health:

19 (1) for-profit hospitals;
20 (2) state-owned hospitals; or
21 (3) licensed out-of-state hospitals where
22 treatment provided is necessary for the proper care of an
23 indigent patient when that care is not available in an in-state
24 hospital;

25 E. "cost" means all allowable ambulance

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1 transportation [~~or~~] costs, medical care costs [~~including the~~
2 ~~costs of prenatal care~~] or costs of providing health care
3 services, to the extent determined by resolution of [~~the~~] a
4 board, for an indigent patient. Allowable costs shall be
5 determined in accordance with a uniform system of accounting and
6 cost analysis as determined by regulation of [~~the~~] a board,
7 which includes cost of ancillary services but shall not include
8 the cost of servicing long-term indebtedness of a hospital,
9 health care provider or ambulance service;

10 F. "fund" means [~~the~~] a county indigent hospital
11 claims fund;

12 G. "medicaid eligible" means a person who is
13 eligible for medical assistance from the department;

14 H. "county" means any county except a class A county
15 with a county hospital operated and maintained pursuant to a
16 lease with a state educational institution named in Article 12,
17 Section 11 of the constitution of New Mexico;

18 I. "department" means the human services department;

19 J. "sole community provider hospital" means a
20 hospital that is a sole community provider hospital under the
21 provisions of the federal medicare guidelines established in 42
22 C. F. R. 412.92 pursuant to Title 18 of the federal Social
23 Security Act;

24 K. "drug rehabilitation center" means an agency of
25 local government, a state agency, a private nonprofit entity or

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1 combination thereof that operates drug abuse rehabilitation
2 programs that meet the standards and requirements pursuant to
3 the Drug Abuse Act;

4 L. "alcohol rehabilitation center" means an agency
5 of local government, a state agency, a private nonprofit entity
6 or combination thereof that operates alcohol abuse
7 rehabilitation programs that meet the standards set by the
8 department of health pursuant to the Alcoholism and Alcohol
9 Abuse Prevention, Screening and Treatment Act;

10 M "mental health center" means a not-for-profit
11 center that provides outpatient mental health services that meet
12 the standards set by the department of health pursuant to the
13 Community Mental Health Services Act; [and]

14 N. "health care provider" means:

- 15 (1) a nursing home;
- 16 (2) an in-state home health [~~agencies~~] agency;
- 17 (3) an in-state licensed hospice;
- 18 (4) a community-based health program operated
19 by a political subdivision of the state or other nonprofit
20 health organization that provides prenatal care delivered by New
21 Mexico licensed, certified or registered health care
22 practitioners;
- 23 (5) a community-based health program operated
24 by a political subdivision of the state or other nonprofit
25 health care organization that provides primary care delivered by

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1 New Mexico licensed, certified or registered health care
2 practitioners;

3 (6) a drug rehabilitation center;

4 (7) an alcohol rehabilitation center; or

5 (8) a mental health center; and

6 0. "health care services" means all treatment and
7 services designed to promote improved health in the county
8 indigent population, including primary care, prenatal care,
9 dental care, provision of prescription drugs, preventive care or
10 health outreach services, to the extent determined by resolution
11 of the board. "

12 Section 3. Section 27-5-6 NMSA 1978 (being Laws 1965,
13 Chapter 234, Section 6, as amended) is amended to read:

14 "27-5-6. POWERS AND DUTIES OF THE BOARD. -- The board:

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

17 B. shall prepare and submit a budget to the board of
18 county commissioners for the amount needed to defray claims made
19 upon the fund and to pay costs of administration of the Indigent
20 Hospital and County Health Care Act [~~which~~] and costs of
21 development of a countywide or multicounty health plan. The
22 total costs of administration and planning shall in no event
23 exceed the following percentages of revenues based on the
24 previous fiscal year revenues for a fund that has existed for at
25 least one fiscal year or based on projected revenues for the

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1 year being budgeted for a fund that has existed for less than
2 one fiscal year. The percentage of the revenues in the fund
3 that may be used for such total administrative and planning
4 costs is equal to the sum of the following:

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

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

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

12 C. shall make rules and regulations necessary to
13 carry out the provisions of the Indigent Hospital and County
14 Health Care Act; provided that the standards for eligibility and
15 allowable costs for county indigent patients shall be no more
16 restrictive than the standards for eligibility and allowable
17 costs prior to December 31, 1992;

18 D. shall set criteria and cost limitations for
19 medical care in licensed out-of-state hospitals, ambulance
20 services or health care providers;

21 E. shall cooperate with appropriate state agencies
22 to use available funds efficiently and to make health care more
23 available;

24 F. shall cooperate with the department in making any
25 investigation to determine the validity of claims made upon the

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1 fund for any indigent patient;

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

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

6 I. shall review all claims presented by a hospital,
7 ambulance service or health care provider to determine
8 compliance with the rules and regulations adopted by the board
9 or with the provisions of the Indigent Hospital and County
10 Health Care Act, determine whether the patient for whom the
11 claim is made is an indigent patient and determine the allowable
12 medical, ~~[or]~~ ambulance service or health care services costs;
13 provided that the burden of proof of any claim shall be upon the
14 hospital, ambulance service or health care provider;

15 J. shall state in writing the reason for rejecting
16 or disapproving any claim and shall notify the submitting
17 hospital, ambulance service or health care provider of the
18 decision within sixty days after submission of the claim;

19 K. shall pay all claims that are not matched with
20 federal funds under the state medicaid program and that have
21 been approved by the board from the fund and shall make payment
22 within sixty days after approval of a claim by the board;

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

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1 M shall review, verify and approve all medicaid
2 sole community provider hospital payment requests in accordance
3 with rules and regulations adopted by the board prior to their
4 submittal by the hospital to the department for payment but no
5 later than January 1 of each year;

6 N. shall transfer to the state treasurer by the last
7 day of March, June, September and December of each year an
8 amount equal to one-fourth of the county's payment for support
9 of sole community provider payments as calculated by the
10 department for that county for the current fiscal year. This
11 money shall be deposited in the sole community provider fund;
12 [and]

13 O. may provide for the transfer of money from the
14 county indigent hospital claims fund to the county-supported
15 medicaid fund to meet the requirements of the Statewide Health
16 Care Act; and

17 P. may contract with ambulance providers, hospitals
18 or health care providers for the provision of health care
19 services. "

20 Section 4. Section 27-5-12 NMSA 1978 (being Laws 1965,
21 Chapter 234, Section 13, as amended) is amended to read:

22 "27-5-12. PAYMENT OF CLAIMS. --

23 A. A hospital, ambulance service or health care
24 provider filing a claim with the board shall:

25 [~~A.~~] (1) file claim with the board of the

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1 county in which the indigent patient is domiciled;
2 [B-] (2) file claim for each patient
3 separately, with an itemized detail of the total cost; and
4 [C-] (3) file with the claim a verified
5 statement of qualification for ambulance service, indigent
6 hospital care or care from a health care provider signed by the
7 patient or by the parent or person having his custody to the
8 effect that he qualifies under the provisions of the Indigent
9 Hospital and County Health Care Act as an indigent patient and
10 is unable to pay the cost for the care administered and listing
11 all assets owned by the patient or any person legally
12 responsible for his care. The statement shall constitute an
13 oath of the person signing it, and any false statements in the
14 statement made knowingly constitute a felony.

15 B. A hospital, ambulance service or health care
16 provider that has contracted with a board for provision of
17 health care services shall file claims for payment for services
18 in accordance with the procedures specified in the contract."

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 13, 1997

Mr. Speaker:

Your GOVERNMENT AND URBAN AFFAIRS COMMITTEE, to
whom has been referred

HOUSE BILL 355

has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

Lynda M. Lovejoy, Chairwoman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 1 Against

Yes: 5

No: Pearce

Excused: Beam, Pederson

Absent: None

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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 25, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

HOUSE BILL 355

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

1. On page 7, line 5, strike "; and".
2. On page 7, line 11, strike the period and quotation mark
and insert in lieu thereof "; and".
3. On page 7, between lines 11 and 12 insert the following
new subsection:

"P. "planning" means the development of a countywide
or multicounty health plan to improve and fund health services in
the county based on the county's needs assessment and inventory of
existing services and resources and which demonstrates

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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coordination between the county and state and local health
planning efforts. "".

4. On page 7, line 22, strike "total" and insert "combined".

5. On page 8, line 3, strike "total" and insert "combined".

6. On page 9, line 18, strike "submission of the claim" and
insert "eligibility for claim payment has been determined".

7. On page 11, line 17, strike "file claims" and insert
"provide evidence of health care services rendered".

Respectfully submitted,

Max Coll, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HAF C/HB 355

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The roll call vote was 11 For 2 Against

Yes: 11

No: Bird, Pearce

Excused: Heaton, Saavedra, Townsend, Watchman

Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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March 8, 1997

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10 Mr. President:

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12 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
13 whom has been referred

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HOUSE BILL 355, as amended

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16

has had it under consideration and reports same with

17

recommendation that it DO PASS, and thence referred to the

18

FINANCE COMMITTEE.

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Respectfully submitted,

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Roman M. Maes, III, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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3 Adopted _____ Not Adopted _____
4 (Chief Clerk) (Chief Clerk)

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Date _____

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9 The roll call vote was 7 For 0 Against

10 Yes: 7

11 No: 0

12 Excused: Fidel, Kidd, McKibben

13 Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 12, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 355, as amended

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

Respectfully submitted,

Ben D. Altamirano, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1 HAF/ HB 355

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Date _____

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The roll call vote was 5 For 2 Against

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Yes: 5

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No: Aragon, Eisenstadt

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Excused: Carraro, Ingle, McKibben, Fidel

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Absent: None

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