

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 365

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

INTRODUCED BY

EDWARD C. SANDOVAL

FOR THE HEALTH CARE REFORM COMMITTEE

AN ACT

RELATING TO HEALTH CARE; AMENDING THE PRIMARY CARE CAPITAL FUNDING ACT TO REQUIRE CERTAIN CONTRACTS AND TO REPEAL THE FIRST LIEN REQUIREMENT.

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

Section 1. Section 24-1C-4 NMSA 1978 (being Laws 1994, Chapter 62, Section 10) is amended to read:

"24-1C-4. PRIMARY CARE CAPITAL FUND--CREATION--
EXPENDITURES. --

A. The "primary care capital fund" is created as a revolving fund in the state treasury. The fund shall consist of appropriations, loan repayments, gifts, grants, donations and interest earned on investment of the fund. Money in the fund shall not revert at the end of a fiscal year.

B. The fund shall be administered by the authority.

Underscored material = new
[bracketed material] = delete

1 Administrative costs of the authority or department shall not be
2 paid from the fund. Money in the fund shall be expended only on
3 warrants drawn by the secretary of finance and administration
4 pursuant to vouchers signed by the director of the authority or
5 his authorized representative.

6 C. Each year at least ten percent but no more than
7 twenty-five percent of the balance in the fund shall be expended
8 to enter into contracts for services pursuant to the provisions
9 of Subsection B of Section 24-1C-6 NMSA 1978."

10 Section 2. REPEAL. -- Section 24-1C-8 NMSA 1978 (being Laws
11 1994, Chapter 62, Section 14) is repealed.

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 19, 1997

Mr. Speaker:

Your JUDICIARY COMMITTEE, to whom has been referred

HOUSE BILL 365

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

1. On page 1, line 12, after "CONTRACTS" insert "AND REVISE
LOAN PROVISIONS".

2. On page 1, between lines 15 and 16, insert the following
section:

"Section 1. Section 24-1C-1 NMSA 1978 (being Laws
1994, Chapter 62, Section 7) is amended to read:

"24-1C-1. SHORT TITLE. -- [~~Sections 7 through 16 of this act~~]
Chapter 24, Article 1C NMSA 1978 may be cited as the "Primary Care
Capital Funding Act". "".

. 114456. 1

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

3. Renumber succeeding sections accordingly.

4. On page 2, strike all of lines 10 and 11 and insert in lieu thereof the following new sections:

"Section 3. Section 24-1C-6 NMSA 1978 (being Laws 1994, Chapter 62, Section 12) is amended to read:

"24-1C-6. DEPARTMENT--AUTHORITY--POWERS AND DUTIES.--

A. The department and the authority shall administer the loan programs and contracts for services established pursuant to the provisions of the Primary Care Capital Funding Act. The department and authority shall:

(1) enter into joint powers agreements with each other or other appropriate public agencies to carry out the provisions of that act; and

(2) apply to any appropriate federal, state or local governmental agency or private organization for grants and gifts to carry out the provisions of that act or to fund allied community-based health care programs.

B. The department or authority may, instead of a loan, contract for services with an eligible entity to provide free or reduced fee primary care services for sick and medically indigent persons as reasonably adequate legal consideration for money from

Underscored material = new
[bracketed material] = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 5

1
2 the fund to the entity so it may acquire or construct a capital
3 project to provide the services.

4
5 C. The department and authority may:

6 (1) make and enter into contracts and agreements
7 necessary to carry out their powers and duties pursuant to the
8 provisions of the Primary Care Capital Funding Act; and

9
10 (2) do all things necessary or appropriate to
11 carry out the provisions of the Primary Care Capital Funding Act.

12
13 D. The authority is responsible for all financial
14 duties of the programs, including:

15 (1) administering the fund;

16
17 (2) accounting for all money received, controlled
18 or disbursed for capital projects in accordance with the
19 provisions of the Primary Care Capital Funding Act;

20 (3) evaluating and approving loans and contracts
21 for services, including determining financial capacity of an
22 eligible entity;

23
24 (4) enforcing contract provisions of loans and
25 contracts for services, including the ability to sue to recover
money or property owed the state;

. 114456. 1

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 6

1
2 (5) determining interest rates and other
3 financial aspects of a loan and relevant terms of a contract for
4 services; and

5 (6) performing other duties in accordance with
6 the provisions of the Primary Care Capital Funding Act,
7 regulations promulgated pursuant to that act or joint powers
8 agreements entered into with the department.

9
10 E. The department is responsible for ~~[programmatic]~~
11 the following duties ~~[, including]:~~

12 (1) defining sick and medically indigent persons
13 for purposes of the Primary Care Capital Funding Act;

14 (2) establishing priorities for loans and
15 contracts for services;

16 (3) determining the appropriateness of the
17 capital project;

18 (4) evaluating the capability of an applicant to
19 provide and maintain primary care or hospice services;

20 (5) selecting recipients of loans and persons
21 with whom to contract for services;

22 (6) determining that capital projects comply with
23
24
25

. 114456. 1

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 7

1
2 all state and federal licensing and procurement requirements; and

3
4 (7) contracting with an eligible entity to
5 provide primary care services without charge or at a reduced fee
6 for sick and medically indigent persons as defined by the
7 department.

8 F. The authority ~~may make~~ a loan to an eligible entity
9 to acquire ~~[or]~~, construct, renovate or otherwise improve a
10 capital project, provided there is a finding:

11
12 (1) by the department that the project will
13 provide primary care services to sick and medically indigent
14 persons as defined by the department; and

15 (2) by the authority that there is adequate
16 protection including but not limited to loan guarantees, real
17 property liens, title insurance, security interests in or pledges
18 of accounts and other assets, loan covenants and warranties or
19 restrictions on other encumbrances and pledges for the state funds
20 extended for the loan."

21
22 Section 4. Section 24-1C-9 NMSA 1978 (being Laws 1994,
23 Chapter 62, Section 15) is amended to read:

24 "24-1C-9. ELIGIBLE ENTITY--CHANGE IN STATUS.--If an eligible
25 entity that has received a loan or contract for services for a
capital project ceases to maintain its nonprofit status or ceases

. 114456. 1

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

to deliver primary care services at the site of the capital project for twelve consecutive months, the state ~~[shall have the following remedies at its option, subject to other liens having preference:~~

~~A. order liquidation of the premises and recover any loan balance or amount due on the contract and any interest previously forgiven on the loan, imputed at the prevailing interest rate at the time of the loan; or~~

~~B. foreclose on the property and convert it to state use or transfer title to another eligible entity] may pursue the remedies provided in the loan agreement or contract for services or as provided by law. "~~

Section 5. REPEAL. -- Sections 24-1C-7 and 24-1C-8 NMSA 1978 (being Laws 1994, Chapter 62, Sections 13 and 14) are repealed."

5. On page 2, lines 7 and 8, strike "balance in the fund shall be expended to enter into" and insert in lieu thereof "financing from the fund for capital projects shall be in the form of". ,

and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HJC/HB 365

Page 9

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Respectfully submitted,

Thomas P. Foy, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

Excused: Alwin, Larranaga, Luna, Rios, Sanchez

Absent: None

117365.1

116455.1

M \ H0365

. 114456.1

Underscored material = new
[bracketed material] = delete

State of New Mexico House of Representatives

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

March 5, 1997

Mr. Speaker:

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

HOUSE BILL 365, as amended

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

Respectfully submitted,

Max Coll, Chairman

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

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Bird, Garcia, M H., Marquardt, Picraux, Salazar,
Watchman

Absent: None

M \H0365

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

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 365/a

March 19, 1997

Mr. President:

Your JUDICIARY COMMITTEE, to whom has been referred

HOUSE BILL 365, as amended

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

1. On page 1, line 13, before the period insert "; DECLARING
AN EMERGENCY".

2. On page 2, between lines 11 and 12, insert the following
new section:

"Section 3. EMERGENCY.--It is necessary for the public peace,
health and safety that this act take effect immediately.".

Respectfully submitted,

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

Page 13

Fernando R. Macias, Chairman

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

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Sanchez, Tsosie, Vernon

Absent: None

H0365JU1

. 118855. 1

. 114456. 1

Underscored material = new
[bracketed material] = delete