

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 834

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

INTRODUCED BY

JOHN A. HEATON

AN ACT

RELATING TO HEALTH INSURANCE; IMPOSING PROHIBITIONS ON A MANAGED  
HEALTH CARE PLAN'S REQUIREMENTS AFFECTING HEALTH CARE PROVIDERS.

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

Section 1. A new section of the New Mexico Insurance Code  
is enacted to read:

" NEW MATERIAL MANAGED HEALTH CARE PLAN PROHIBITIONS  
AFFECTING PROVIDERS. --

A. No managed health care plan may enter into or  
continue in a contract with a health care provider that has been  
determined in a final, nonappealable decision issued by the  
provider's professional licensing board or state regulatory  
agency to be in current violation of a material provision of the  
licensing act that governs the provider's profession or  
business.

Underscored material = new  
[bracketed material] = delete

Underscored material = new  
[bracketed material] = delete

1           B. No managed health care plan may require a health  
2 care provider to act or refrain from acting in a manner that  
3 violates a professional standard, an ethical obligation or the  
4 professional judgment of the provider. A managed health care  
5 plan that violates the provisions of this subsection shall be  
6 deemed to commit an act of professional malpractice and shall be  
7 liable for any resulting professional malpractice judgment  
8 imposed upon the plan or the affected health care provider.

9           C. For the purposes of this section:

10           (1) "health care facility" means an institution  
11 providing health care services, including a hospital or other  
12 licensed inpatient center; an ambulatory surgical or treatment  
13 center; a skilled nursing center; a residential treatment  
14 center; a home health agency; a diagnostic, laboratory or  
15 imaging center; and a rehabilitation or other therapeutic health  
16 setting;

17           (2) "health care insurer" means a person that  
18 has a valid certificate of authority in good standing under the  
19 New Mexico Insurance Code to act as an insurer, health  
20 maintenance organization, nonprofit health care plan or prepaid  
21 dental plan;

22           (3) "health care professional" means a  
23 physician or other health care practitioner, including a  
24 pharmacist, who is licensed, certified or otherwise authorized  
25 by the state to provide health care services consistent with

Underscored material = new  
[bracketed material] = delete

1 state law;

2 (4) "health care provider" or "provider" means  
3 a person that is licensed or otherwise authorized by the state  
4 to furnish health care services and includes health care  
5 professionals and health care facilities;

6 (5) "health care services" includes physical  
7 health services or community-based mental health or  
8 developmentally disabled services;

9 (6) "managed health care plan" or "plan" means  
10 a health benefit plan of a health care insurer or a provider  
11 service network that either requires a covered person to use, or  
12 creates incentives, including financial incentives, for a  
13 covered person to use health care providers managed, owned,  
14 under contract with or employed by the health care insurer. A  
15 managed health care plan includes a plan that provides health  
16 care services to enrollees on a prepaid, capitated basis and  
17 includes the health care services offered by a health  
18 maintenance organization, a preferred provider organization, an  
19 individual practice organization, a competitive medical plan, an  
20 exclusive provider organization, an integrated delivery system,  
21 an independent physician-provider organization, a physician  
22 hospital-provider organization or a managed care services  
23 organization. "Managed health care plan" or "plan" does not  
24 include a traditional fee-for-service indemnity plan or a plan  
25 that covers only short-term travel, accident-only, limited

.113840.1

1 benefit or specified disease policies; and

2 (7) "person" means an individual or other legal  
3 entity. "

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

# State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

February 27, 1997

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has  
been referred

## HOUSE BILL 834

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

1. On page 1, line 20, after "provider" insert "if" and  
after "that" insert "provider".
2. On page 2, line 3, after "standard" strike the comma and  
insert in lieu thereof "or".
3. On page 2, lines 3 and 4, after "obligation" strike "or  
the professional judgment".
4. On page 2, strike line 6.

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HBI C/HB 834

Page 6

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

5. On page 3, line 14, after the period strike "A", strike  
all  
of lines 15 through 22, and on line 23 strike "organization.",,  
and thence referred to the APPROPRIATIONS AND FINANCE  
COMMITTEE.

Respectfully submitted,

\_\_\_\_\_  
Fred Luna, Chairman

Adopted \_\_\_\_\_

Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

FORTY- THIRD LEGISLATURE  
FIRST SESSION, 1997

HBI C/HB 834

Page 7

- 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

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Alwin, Lutz, Olguin

Absent: Getty

117859.1

M \H0834

Underscored material = new  
[bracketed material] = delete

.113840.1

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HBIC/HB 834

Page 8

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

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

March 16, 1997

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been  
referred

HOUSE BILL 834, as amended

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

Respectfully submitted,

---

Shannon Robinson, Chairman



FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

1 HBIC/HB 834

Page 9

2

3 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
4 (Chief Clerk) (Chief Clerk)

5

6

7

Date \_\_\_\_\_

8

9

10 The roll call vote was 5 For 0 Against

11 Yes: 5

12 No: 0

13 Excused: Adair, Boitano, Garcia, Vernon,

14 Absent: None

15

16

H0834PA1

17

18

19

20

21

22

23

24

25