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**HOUSE BILL 375**

**43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998**

**INTRODUCED BY**

**GAIL C. BEAM**

**FOR THE HEALTH AND WELFARE REFORM COMMITTEE**

**AN ACT**

**RELATING TO PUBLIC HOSPITALS; PERMITTING CERTAIN HOSPITALS TO  
ENTER INTO JOINT PURCHASING AGREEMENTS; PERMITTING COUNTIES TO  
CREATE NETWORKS OF HEALTH CARE PROVIDERS.**

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

**Section 1. Section 4-48B-5 NMSA 1978 (being Laws 1947,  
Chapter 148, Section 1, as amended) is amended to read:**

**"4-48B-5. POWER OF COUNTIES. -- All counties shall have  
the following powers:**

- A. to purchase, own, maintain and operate  
hospitals;**
- B. to purchase the land necessary to construct  
hospitals;**
- C. to control and regulate county hospitals;**
- D. to construct county hospitals;**

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1           E. to issue general obligation bonds and revenue  
2 bonds in the manner provided in the Hospital Funding Act for  
3 the construction, purchase, renovation, remodeling, equipping  
4 or re-equipping of a county hospital or a jointly owned  
5 county-municipal hospital and purchasing the land necessary  
6 therefor or for any combination of the foregoing purposes;

7           F. to charge for hospital services rendered and to  
8 reduce any charge made for care of a patient in whole or part  
9 when the charges are determined to be disputed in good faith  
10 or uncollectible;

11           G. to lease a hospital to any person, corporation  
12 or association for the operation and maintenance of the  
13 hospital upon terms and conditions as the county commissioners  
14 may determine;

15           H. to contract with the state, another county or  
16 counties, the federal government or its agencies, another  
17 political subdivision or a public or private corporation,  
18 organization or association for the care of the sick of the  
19 county;

20           I. to receive all funds appropriated from whatever  
21 source or paid by or on behalf of any patient of the hospital;

22           J. notwithstanding any other provision of law, to  
23 enter into leases, management or operating contracts, health  
24 care facilities contracts and other agreements authorized by  
25 the Hospital Funding Act for periods in excess of one year;

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1 provided that the contract, lease or agreement may be  
2 terminated by the county without cause upon one hundred eighty  
3 days' notice after the first three years of the contract;

4 K. to authorize the hospital governing board of a  
5 county hospital to exercise all powers that the county is  
6 granted by the Hospital Funding Act except the powers to issue  
7 bonds, call a mill levy election and levy the annual  
8 assessments for the mill levy authorized by [~~the Hospital~~  
9 ~~Funding~~] that act;

10 L. to enter into a health care facilities contract  
11 with one or more hospitals [~~which~~] that agree to provide  
12 facilities to the sick of the county;

13 M. to call a mill levy election as authorized by  
14 the Hospital Funding Act and to collect and distribute the  
15 proceeds of the mill levy pursuant to that act;

16 N. to distribute the proceeds of the mill levy  
17 authorized by the Hospital Funding Act to one or more county  
18 hospitals and one or more contracting hospitals or any  
19 combination thereof [~~which~~] that provide facilities for the  
20 sick of the county, whether located within or without the  
21 county wherein the mill levy is collected;

22 O. to accept grants for constructing, equipping,  
23 operating and maintaining a county hospital;

24 P. to enter into an agreement with a municipality  
25 for constructing, equipping, operating and maintaining a

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1 jointly owned county-municipal hospital;

2 Q. to enter into an agreement with another county  
3 or counties, [~~another county or counties and~~] another  
4 political subdivision, an agency of the federal government or  
5 any other person, corporation, organization or association  
6 [~~which~~] that provides that the parties to the agreement shall  
7 join together for the purpose of making some or all purchases  
8 necessary for the operation of public hospitals or public and  
9 private hospitals [~~owned or operated by the parties; and to~~  
10 ~~designate one of the parties as the central purchasing office,~~  
11 ~~as defined in the Public Purchases Act for the others, to make~~  
12 ~~purchases for the parties to the agreement as they shall deem~~  
13 ~~necessary and to comply with the provisions of the Public~~  
14 ~~Purchases Act] subject to provisions of the Procurement Code;~~

15 R. to enter into an agreement with another county  
16 or counties, another political subdivision, an agency of the  
17 federal government or any other person that provides that  
18 parties to the agreement shall join together or form a legal  
19 entity for the purpose of creating a network of health care  
20 providers or jointly operating a common health care service,  
21 subject to provisions of the Procurement Code;

22 [~~R.-~~] S. to expend public money to recruit health  
23 care personnel to serve the sick of the county; and

24 [~~S.-~~] T. to perform any other act or adopt any  
25 [~~regulation~~] rules necessary or expedient to carry out the

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1 provisions of the Hospital Funding Act. "

2 Section 2. A new section of the Procurement Code is  
3 enacted to read:

4 "[NEW MATERIAL] HOSPITAL AND HEALTH CARE EXEMPTION. -- The  
5 provisions of the Procurement Code shall not apply to  
6 procurement of items of tangible personal property or services  
7 by a state agency or a local public body through:

8 A. an agreement with any other state agency, local  
9 public body or any other person, corporation, organization or  
10 association that provides that the parties to the agreement  
11 are joined together for the purpose of making some or all  
12 purchases necessary for the operation of public hospitals or  
13 public and private hospitals, if the state purchasing agent  
14 makes a determination that the arrangement will or is likely  
15 to reduce health care costs; or

16 B. an agreement with any other state agency, local  
17 public body or any other person, corporation, organization or  
18 association which agreement creates a network of health care  
19 providers or a jointly operated common health care service,  
20 provided the state purchasing agent makes a determination that  
21 the arrangement will or is likely to reduce health care costs,  
22 improve quality of care or improve access to care. "

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3  
4  
5  
6 February 5, 1998

7  
8 Mr. Speaker:

9  
10 Your CONSUMER AND PUBLIC AFFAIRS COMMITTEE, to  
11 whom has been referred

12  
13 HOUSE BILL 375

14  
15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 JUDICIARY COMMITTEE.

18 Respectfully submitted,

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23 Gary K. King, Chairman  
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1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998

3 HCPAC/HB 375

Page 7

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

5  
6 (Chief Clerk)

(Chief Clerk)

7  
8 Date \_\_\_\_\_

9  
10 The roll call vote was 8 For 1 Against

11 Yes: 8

12 No: Dana

13 Excused: Sandel

14 Absent: None

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1 **FORTY-THIRD LEGISLATURE**  
2 **SECOND SESSION, 1998**

3  
4 **February 17, 1998**

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7 **Mr. Speaker:**

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9 **Your JUDICIARY COMMITTEE, to whom has been referred**

10 **HOUSE BILL 375**

11  
12 **has had it under consideration and reports same with**  
13 **recommendation that it DO PASS.**

14  
15 **Respectfully submitted,**

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19 \_\_\_\_\_  
20 **Thomas P. Foy, Chairman**

1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998

3 Page 9

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

5  
6 (Chief Clerk)

(Chief Clerk)

7  
8 Date \_\_\_\_\_

9  
10 The roll call vote was 9 For 0 Against

11 Yes: 9

12 Excused: Carpenter, Garcia, Larranaga, Sanchez

13 Absent: None

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

Page 10

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

February 18, 1998

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to  
whom has been referred

HOUSE BILL 375

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

Respectfully submitted,

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Roman M. Maes, III, Chairman

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

Page 11

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

Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 9 For 1 Against

Yes: 9

No: Robinson

Excused: None

Absent: None

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