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HOUSE JOINT MEMORIAL 49

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

INTRODUCED BY

LYNDA M LOVEJOY

FOR THE HEALTH AND WELFARE REFORM COMMITTEE

A JOINT MEMORIAL

REQUESTING THE HUMAN SERVICES DEPARTMENT TO ESTABLISH  
LIMITATIONS ON NETWORK PROVIDERS REFERRING MEDICAID MANAGED  
CARE PATIENTS TO THEMSELVES.

WHEREAS, the medicaid program is under a managed care  
system and the human services department has contracts with  
three managed care organizations to implement that program;  
and

WHEREAS, the contracted organizations subcontract for the  
provision of services under the medicaid program; and

WHEREAS, some subcontractors further contract with  
network providers to identify and establish an adequate number  
of physicians and allied health care providers to deliver  
services to medicaid patients; and

WHEREAS, network providers have an inherent potential

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1 conflict of interest since they have an incentive to refer  
2 medicaid patients to themselves to provide services; and

3 WHEREAS, there are community-based and free-standing  
4 health care providers in communities that also have contracts  
5 with managed care organizations, and that are ready and  
6 willing to serve medicaid beneficiaries; and

7 WHEREAS, the survival of these providers is threatened by  
8 network providers who do not refer medicaid patients to them;  
9 and

10 WHEREAS, medicaid patients may have continuity of care  
11 interrupted with providers who have served their needs for a  
12 long time if network providers insist on referring these  
13 patients to themselves; and

14 WHEREAS, medicaid patients are entitled to free choice of  
15 providers represented by a contract with their chosen managed  
16 care organization;

17 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
18 STATE OF NEW MEXICO that the human services department be  
19 requested to limit or eliminate the ability of network  
20 providers to refer medicaid managed care patients to  
21 themselves; and

22 BE IT FURTHER RESOLVED that the department monitor this  
23 activity through contract oversight; and

24 BE IT FURTHER RESOLVED that the use of network providers  
25 be curtailed and that their use be expressly prohibited when

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1 and if contracts with managed care organizations are renewed  
2 or revised; and

3 BE IT FURTHER RESOLVED that a copy of this memorial be  
4 sent to the secretary of human services and to each of the  
5 three primary SALUD contractors.

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1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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4  
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6 February 12, 1998

7  
8 Mr. Speaker:

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

12  
13 HOUSE JOINT MEMORIAL 49

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

17 1. On page 1, line 11, strike "ESTABLISH" and insert  
18 "ENCOURAGE THE ESTABLISHMENT OF".

19  
20 2. On page 2, strike lines 17 through 21 and insert "NOW,  
21 THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW  
22 MEXICO that the human services department develop a policy to  
23 ensure that managed care providers and any network contractors  
24 use an equitable policy of distribution of service referrals so  
25 that the first consideration is the needs of the clients and the  
second consideration is the need of any provider contracting

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

HCPAC/HJM 49

Page 5

with the managed care organization to have sufficient referrals  
to make their operation economically viable; and" ..

Respectfully submitted,

\_\_\_\_\_  
Gary K. King, Chairman

Adopted \_\_\_\_\_

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

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

HCPAC/HJM 49

Page 6

The roll call vote was 6 For 1 Against

Yes: 6

No: Crook

Excused: Heaton, Pederson, Sandel

Absent: None

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FORTY-THIRD LEGISLATURE  
SECOND SESSION

February 14, 1998

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HOUSE FLOOR AMENDMENT number \_\_\_\_\_ to HOUSE JOINT MEMORIAL 49

Amendment sponsored by Representative Dara A. Dana

1. Strike House Consumer and Public Affairs Committee Amendment

1.

2. On page 1, strike lines 11 through 13 in their entirety and insert in lieu thereof "ENCOURAGING NETWORK PROVIDERS TO REFER MEDICAID MANAGED CARE PATIENTS TO LOCAL COMMUNITY SERVICE PROVIDERS."

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FORTY-THIRD LEGISLATURE  
SECOND SESSION

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HFL/HJM 49

Page 8

\_\_\_\_\_  
Dara A. Dana

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

Date \_\_\_\_\_

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FORTY-THIRD LEGISLATURE  
SECOND SESSION

HF1/HJM 49

Page 9

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FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998

February 15, 1998

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to whom  
has been referred

HOUSE JOINT MEMORIAL 49, as amended

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

Respectfully submitted,

\_\_\_\_\_  
Roman M. Maes, III, Chairman

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

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FORTY-THIRD LEGISLATURE  
SECOND SESSION

1 HF1/HJM 49

Page 10

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(Chief Clerk)

(Chief Clerk)

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Date \_\_\_\_\_

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The roll call vote was 6 For 0 Against

9

Yes: 6

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No: 0

11

Excused: Fidel, Kidd, McKibben, Robinson

12

Absent: None

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