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HOUSE BILL 739

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO HEALTH; ENACTING THE HEALTH CARE ACCESS ACT;
CREATING THE HEALTH CARE ACCESS FUND; PROVIDING FOR TRANSFERS
AND DISTRIBUTIONS TO THE FUND; PROVIDING FOR DISBURSEMENTS
FROM THE FUND; AMENDING CERTAIN SECTIONS OF THE NMSA 1978;
MAKING AN APPROPRIATION.

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

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1
through 5 of this act may be cited as the "Health Care Access
Act".

Section 2. [NEW MATERIAL] FINDINGS. -- The legislature
finds that as a matter of public policy it is necessary to
provide health care access to the underserved population in
New Mexico. The legislature further finds that it is
necessary to provide flexible and shared solutions to address

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1 the problems of the underserved.

2 Section 3. [NEW MATERIAL] DEFINITIONS. --As used in the
3 Health Care Access Act:

4 A. "department" means the department of health;

5 B. "essential community provider" means an entity
6 that participates in the medicaid and medicare programs and
7 that has been designated as an essential community provider by
8 the department. Essential community providers may include
9 sole community provider hospitals as designated by the federal
10 health care financing authority, hospitals qualified to
11 receive disproportionate-share medicaid or medicare payments;
12 primary care providers in federally designated medically
13 underserved or health professional shortage areas; school
14 health programs that are linked to an eligible provider;
15 public health departments; federally qualified health centers
16 and rural health clinics; nonprofit primary care clinics;
17 essential access community hospitals as designated by the
18 federal health care financing authority; home health agencies;
19 behavioral health agencies; and other health care providers
20 determined to be essential to a comprehensive delivery network
21 by the department;

22 C. "essential community provider network" means
23 two or more essential community providers that, pursuant to an
24 agreement, join together for the purpose of obtaining funds
25 and providing services pursuant to the provisions of the

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1 Health Care Access Act; and

2 D. "fund" means the essential community provider
3 fund.

4 Section 4. [NEW MATERIAL] FUND CREATED-- TRANSFERS--
5 MATCH. --

6 A. The "essential community provider fund" is
7 created in the state treasury. The fund shall consist of
8 money contributed to the fund by local governments, money
9 appropriated to the fund and money transferred to the fund by
10 the department pursuant to law. Earnings of the fund shall be
11 credited to the fund, and unexpended or unencumbered balances
12 in the fund shall not revert. Disbursements from the fund
13 shall be made only by warrants issued by the department of
14 finance and administration upon vouchers signed by the
15 secretary of health. Money in the fund is appropriated to the
16 department for the purposes of complying with the provisions
17 of the Health Care Access Act.

18 B. Effective July 1, 1999, a local government may
19 transfer money to the fund for the purposes of obtaining
20 services for its underserved populations pursuant to the
21 Health Care Access Act. The department shall match money
22 transferred to the fund by a local government with any
23 eligible and available federal or state funds or grants. If,
24 within the time frame set by rule of the department, the
25 department is unable to match the money transferred by the

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1 local government, the amount transferred shall be refunded to
2 the local government.

3 Section 5. [NEW MATERIAL] PAYMENTS TO ESSENTIAL
4 COMMUNITY PROVIDERS. - -

5 A. The department may enter into an agreement with
6 an essential community provider, an essential community
7 provider network or a participating local government to make
8 payments from the fund for health care services provided to
9 the underserved. In entering into the agreements, the parties
10 shall incorporate provisions that will promote preventative
11 care, improve health status, access continuity of care,
12 personal responsibility and other principles that promote
13 quality and efficiency in a health care delivery system.
14 Payments from the fund shall be made pursuant to the
15 agreements; provided that:

16 (1) a local government shall be benefited by
17 payments from the fund in the same proportion as the
18 contributions made by the local government to the fund; and

19 (2) no payments shall be made from the fund
20 to supplant any general fund support for the medicaid program.

21 B. The department shall promulgate such rules as
22 are necessary to carry out the provisions of the Health Care
23 Access Act.

24 Section 6. Section 24-1A-1 NMSA 1978 (being Laws 1981,
25 Chapter 295, Section 1) is amended to read:

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1 "24- 1A- 1. SHORT TITLE. -- [~~This act~~] Chapter 24, Article
2 1A NMSA 1978 may be cited as the "Rural Primary Health Care
3 Act". "

4 Section 7. Section 24- 1A- 3. 1 NMSA 1978 (being Laws 1983,
5 Chapter 236, Section 3, as amended) is amended to read:

6 "24- 1A- 3. 1. DEPARTMENT-- TECHNICAL AND FINANCIAL
7 ASSISTANCE. --To the extent funds are made available for the
8 purposes of the Rural Primary Health Care Act, the department
9 is authorized to:

10 A. provide for a program to recruit and retain
11 health care personnel in health care underserved areas;

12 B. develop plans for and coordinate the efforts of
13 other public and private entities assisting in the provision
14 of primary health care services through eligible programs;

15 C. provide for technical assistance to eligible
16 programs in the areas of administrative and financial
17 management, clinical services, outreach and planning;

18 D. provide for distribution of financial
19 assistance to eligible programs that have applied for and
20 demonstrated a need for assistance in order to sustain a
21 minimum level of delivery of primary health care services;

22 [~~and~~]

23 E. provide a program for enabling the development
24 of new primary care health care services or facilities, and
25 that program;

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1 (1) shall give preference to communities that
2 have few or no community-based primary care services;

3 (2) may require in-kind support from local
4 communities where primary care health care services or
5 facilities are established;

6 (3) may require primary care health care
7 services or facilities to assure provision of health care to
8 the medically indigent; and

9 (4) shall permit the implementation of
10 innovative and creative uses of local or statewide health care
11 resources, or both, other than those listed in Paragraphs (2)
12 and (3) of this subsection; and

13 F. develop and fund the programs established in
14 the Health Care Access Act by utilizing appropriations made to
15 fulfill the purposes of the Rural Primary Health Care Act and
16 to match available federal funds; provided that the resulting
17 allocations are supplemental to existing levels. "

18 Section 8. Section 27-5-6 NMSA 1978 (being Laws 1965,
19 Chapter 234, Section 6, as amended) is amended to read:

20 "27-5-6. POWERS AND DUTIES OF THE BOARD. --The board:

21 A. shall administer claims pursuant to the
22 provisions of the Indigent Hospital and County Health Care
23 Act;

24 B. shall prepare and submit a budget to the board
25 of county commissioners for the amount needed to defray claims

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1 made upon the fund and to pay costs of administration of the
2 Indigent Hospital and County Health Care Act and costs of
3 development of a countywide or multicounty health plan. The
4 combined costs of administration and planning shall in no
5 event exceed the following percentages of revenues based on
6 the previous fiscal year revenues for a fund that has existed
7 for at least one fiscal year or based on projected revenues
8 for the year being budgeted for a fund that has existed for
9 less than one fiscal year. The percentage of the revenues in
10 the fund that may be used for such combined administrative and
11 planning costs is equal to the sum of the following:

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

14 (2) eight percent of the amount of the
15 revenues in the fund over five hundred thousand dollars
16 (\$500,000) but not over one million dollars (\$1,000,000); and

17 (3) four and one-half percent of the amount
18 of the revenues in the fund over one million dollars
19 (\$1,000,000);

20 C. shall make rules and regulations necessary to
21 carry out the provisions of the Indigent Hospital and County
22 Health Care Act; provided that the standards for eligibility
23 and allowable costs for county indigent patients shall be no
24 more restrictive than the standards for eligibility and
25 allowable costs prior to December 31, 1992;

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

4 E. shall cooperate with appropriate state agencies
5 to use available funds efficiently and to make health care
6 more available;

7 F. shall cooperate with the department in making
8 any investigation to determine the validity of claims made
9 upon the fund for any indigent patient;

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

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

14 I. shall review all claims presented by a
15 hospital, ambulance service or health care provider to
16 determine compliance with the rules and regulations adopted by
17 the board or with the provisions of the Indigent Hospital and
18 County Health Care Act, determine whether the patient for whom
19 the claim is made is an indigent patient and determine the
20 allowable medical, ambulance service or health care services
21 costs; provided that the burden of proof of any claim shall be
22 upon the hospital, ambulance service or health care provider;

23 J. shall state in writing the reason for rejecting
24 or disapproving any claim and shall notify the submitting
25 hospital, ambulance service or health care provider of the

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1 decision within sixty days after eligibility for claim payment
2 has been determined;

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

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

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

16 N. shall transfer to the state treasurer by the
17 last day of March, June, September and December of each year
18 an amount equal to one-fourth of the county's payment for
19 support of sole community provider payments as calculated by
20 the department for that county for the current fiscal year.
21 This money shall be deposited in the sole community provider
22 fund;

23 O. may provide for the transfer of money from the
24 county indigent hospital claims fund to the county-supported
25 medicaid fund to meet the requirements of the Statewide Health

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1 Care Act; [~~and~~]

2 P. may contract with ambulance providers,
3 hospitals or health care providers for the provision of health
4 care services; and

5 Q. may make transfers to the essential community
6 provider fund for the purposes of obtaining benefits pursuant
7 to the Health Care Access Act; provided that transfers made
8 pursuant to this subsection are in addition to, and not in
9 lieu of, the transfers made and required pursuant to
10 Subsections N and O of this section. "

11 Section 9. Section 27-10-3 NMSA 1978 (being Laws 1991,
12 Chapter 212, Section 3, as amended) is amended to read:

13 "27-10-3. COUNTY-SUPPORTED MEDICAID FUND CREATED--USE--
14 APPROPRIATION BY THE LEGISLATURE.--

15 A. There is created in the state treasury the
16 "county-supported medicaid fund". The fund shall be invested
17 by the state treasurer as other state funds are invested.
18 Income earned from investment of the fund shall be credited to
19 the county-supported medicaid fund. The fund shall not revert
20 in any fiscal year.

21 B. Money in the county-supported medicaid fund is
22 subject to appropriation by the legislature to support the
23 state medicaid program and the program for essential community
24 providers pursuant to the Health Care Access Act and to
25 institute or support primary care health care services and

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1 essential community provider programs pursuant to Subsections
2 D and E of Section 24-1A-3.1 NMSA 1978 and the provisions of
3 the Health Care Access Act. Of the amount appropriated each
4 year, nine percent shall be appropriated to the department of
5 health to institute or support primary care health care
6 services pursuant to Subsections D and E of Section 24-1A-3.1
7 NMSA 1978.

8 C. Up to three percent of the county-supported
9 medicaid fund each year may be expended for administrative
10 costs related to medicaid or developing new primary care
11 health care centers or facilities.

12 D. In the event federal funds for medicaid are not
13 received by New Mexico for any eighteen-month period, the
14 unencumbered balance remaining in the county-supported
15 medicaid fund and the sole community provider fund at the end
16 of the fiscal year following the end of any eighteen-month
17 period shall be paid within a reasonable time to each county
18 for deposit in the county indigent hospital claims fund in
19 proportion to the payments made by each county through tax
20 revenues or transfers in the previous fiscal year as certified
21 by the local government division of the department of finance
22 and administration. The department of health will provide for
23 budgeting and accounting of payments to the fund. "

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

3
4
5
6 February 25, 1999

7
8 Mr. Speaker:

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

12
13 HOUSE BILL 739

14
15 has had it under consideration and reports same with
16 recommendation that it DO NOT PASS, but that

17 HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE
18 SUBSTITUTE FOR HOUSE BILL 739

19
20 DO PASS, and thence referred to the EDUCATION
21 COMMITTEE.

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HCPAC/HB 739

Page 13

Respectfully submitted,

Patsy Trujillo Knauer,
Chairwoman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 4 For 0 Against

Yes: 4

Excused: Hawkins, Vaughn, Vigil

Absent: None

J: \99BillSWP\H0739

1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

3
4 March 4, 1999

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE
12 SUBSTITUTE FOR HOUSE BILL 739

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

16
17 1. On page 2, line 4, after "means" strike the remainder
18 of the line and strike all of lines 5 through 9 and insert in
19 lieu thereof "a unit of local government when making transfers
20 to the fund pursuant to the Indigent Hospital and County Health
21 Care Act or from other sources; the department when making
22 transfers to the fund from appropriations made for the purposes
23 of the Rural Primary Health Care Act; or a state institution
24 that makes transfers to the fund for the purposes of obtaining
benefits pursuant to the Health Care Access Act;".

25 2. On page 2, line 13, strike "medically" and insert in

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lieu thereof "health care".

3. On page 2, line 14, strike "medically" and insert in lieu thereof "health care".

4. On page 3, line 16, strike "contributed" and insert in lieu thereof "transferred".

5. On page 3, line 18, after "department" insert "or human services department".

6. On page 4, line 1, strike "Effective July 1, 1999," and insert in lieu thereof "Each fiscal year, by a deadline established by rule of the department,".

7. On page 4, line 4, after "department" insert "or human services department".

8. On page 4, line 7, before "is" insert "or human services department".

9. On page 4, line 10, after the period insert "If, within that time frame, the department or the human services department is able to match the money transferred by the

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FIRST SESSION, 1999

HARC/HCPAC/HB 739

Page 16

contributing entity, distributions shall be made from the fund pursuant to Section 5 of the Health Care Access Act."

10. On page 4, line 16, strike "payments" and insert in lieu thereof "distributions".

11. On page 4, line 19, after "access" insert a comma.

12. On page 4, line 22, strike "Payments" and insert in lieu thereof "Distributions".

13. On page 4, lines 24 and 25 and on page 5, line 1, strike Paragraph (1) in its entirety and insert in lieu thereof:

"(1) a non-department contributing entity shall be benefitted by payments from the fund in the same proportion as its contributions to the total contributions made by all non-department contributing entities to the fund;

(2) the department shall develop a formula based on the indigency level of a county population as a percentage of the indigency level of the state population, which will be extrapolated from income level, and distribute funds being allocated under the Health Care Access Act based on that percentage. If a county contributes less than its maximum

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FIRST SESSION, 1999

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allowable contribution percentage, the department shall proportionately increase the maximum allowable contribution percentage for the other counties;

(3) in no instance shall a county receive a distribution from the fund that is less than its contribution to the fund;

(4) voluntary local government transfers to the fund and the resulting amounts after matching with available funds shall be distributed to the contributing local governments in proportion to the amounts transferred by the local governments to meet the purposes of the Health Care Access Act;

(5) state appropriations and transfers to the fund and the resulting amounts after matching with available funds shall be distributed in proportion to the amounts transferred to meet the purposes of Section 24-1A-3.1 NMSA 1978; and".

14. Renumber the succeeding paragraph accordingly.

15. On page 5, line 2, strike "payments" and insert in lieu thereof "distributions".

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16. On page 7, lines 1 and 2, strike "by essential
community providers".

17. On page 7, line 3, after the period insert "The
department shall be benefited by distributions from the fund for
the purposes of the Rural Primary Health Care Act in the same
proportion as the transfers made by the department to the
fund. "

18. On page 12, line 8, strike "of health".

Respectfully submitted,

Max Coll, Chairman

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3 HAF C/HCPAC/HB 739

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4 Adopted _____ Not Adopted _____

6 (Chief Clerk)

(Chief Clerk)

8 Date _____

10 The roll call vote was 17 For 0 Against

11 Yes: 17

12 Excused: None

13 Absent: None

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16 J: \99BillsWP\H0739

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999

HB 739/a

3
4 March 11, 1999

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7 Mr. President:

8 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
9 whom has been referred

10
11 HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE
12 SUBSTITUTE FOR HOUSE BILL 739, as amended

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

16 1. On page 7, lines 2 and 3, strike "the Health Care
17 Access Act and".

18
19 2. Strike House Appropriations and Finance Committee
20 Amendment 17.

21
22 3. On page 7, line 3, after the period insert "The
23 department shall be benefited by distributions from the fund for
24 the purposes of the Rural Primary Health Care Act in the same
25 proportion as the transfers made by the department to the fund,

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FORTY- FOURTH LEGISLATURE
FIRST SESSION, 1999

SCORC/HB 739

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but in no case shall the department receive a distribution from
the fund for the purpose of the Rural Primary Health Care Act
that is less than the transfer it makes to the fund, plus any
matching funds received as a result of the transfer.".,

and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

Roman M. Maes, Chairman

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

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FORTY- FOURTH LEGISLATURE
FIRST SESSION, 1999

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The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Aragon, McKibben, Rawson, Robinson

Absent: None

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1 FORTY- FOURTH LEGI SLATURE
2 FIRST SESSI ON, 1999

3 SCORC/HB 739

Page 23

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6 FORTY- FOURTH LEGI SLATURE
7 FIRST SESSI ON, 1999

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10 March 14, 1999

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12 Mr. Presi dent:

13
14 Your FINANCE COMMI TTEE, to whom has been referred

15
16 HOUSE CONSUMER AND PUBLIC AFFAIRS COMMI TTEE
17 SUBSTITUTE FOR HOUSE BILL 739, as amended

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

20
21 Respectfully submi tted,
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Ben D. Altamirano, Chairman

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben, Tsosie

Absent: None

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1 HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
2 HOUSE BILL 739
3 **44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999**
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8

9 AN ACT

10 RELATING TO HEALTH; ENACTING THE HEALTH CARE ACCESS ACT;
11 CREATING THE HEALTH CARE ACCESS FUND; PROVIDING FOR TRANSFERS
12 AND DISTRIBUTIONS TO THE FUND; PROVIDING FOR DISBURSEMENTS
13 FROM THE FUND; AMENDING CERTAIN SECTIONS OF THE NMSA 1978;
14 MAKING AN APPROPRIATION.

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

16 Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1
17 through 5 of this act may be cited as the "Health Care Access
18 Act".

19 Section 2. [NEW MATERIAL] FINDINGS. -- The legislature
20 finds that as a matter of public policy it is necessary to
21 provide health care access to the underserved population in
22 New Mexico. The legislature further finds that it is
23 necessary to provide flexible and shared solutions to address
24 the problems of the underserved.

25 Section 3. [NEW MATERIAL] DEFINITIONS. -- As used in the
Health Care Access Act:

1 A. "contributing entity" means the department, when
2 making contributions pursuant to the provisions of the Rural
3 Primary Health Care Act; a unit of local government; or a
4 state institution that makes transfers to the fund for the
5 purpose of obtaining benefits pursuant to the Health Care
6 Access Act;

6 B. "department" means the department of health;

7 C. "essential community provider" means an entity
8 that serves a qualifying level of indigents as determined by
9 rule of the department, serves a medically underserved area or
10 a medically underserved population, participates in the
11 medicaid and medicare programs and has been designated as an
12 essential community provider by the department. Essential
13 community providers may include sole community provider
14 hospitals as designated by the federal health care financing
15 authority, hospitals qualified to receive disproportionate-
16 share medicaid or medicare payments; primary care providers in
17 federally designated medically underserved or health
18 professional shortage areas; school health programs that are
19 linked to an eligible provider; public health departments;
20 federally qualified health centers and rural health clinics;
21 nonprofit primary care clinics; essential access community
22 hospitals as designated by the federal health care financing
23 authority; home health agencies; behavioral health agencies;
24 and other health care providers determined to be essential to
25 a comprehensive delivery network by the department;

 D. "essential community provider network" means two
or more essential community providers that, pursuant to an

1 agreement, join together for the purpose of obtaining funds
2 and providing services pursuant to the provisions of the
3 Health Care Access Act; and

4 E. "fund" means the essential community provider
5 fund.

6 Section 4. [NEW MATERIAL] FUND CREATED-- TRANSFERS--
7 MATCH. --

8 A. The "essential community provider fund" is
9 created in the state treasury. The fund shall consist of
10 money contributed to the fund by contributing entities, money
11 appropriated to the fund and money transferred to the fund by
12 the department pursuant to law. Earnings of the fund shall be
13 credited to the fund, and unexpended or unencumbered balances
14 in the fund shall not revert. Disbursements from the fund
15 shall be made only by warrants issued by the department of
16 finance and administration upon vouchers signed by the
17 secretary of health. Money in the fund is appropriated to the
18 department for the purposes of complying with the provisions
19 of the Health Care Access Act.

20 B. Effective July 1, 1999, a contributing entity may
21 transfer money to the fund for the purposes of obtaining
22 services for underserved populations pursuant to the Health
23 Care Access Act. The department shall match money transferred
24 to the fund by a contributing entity with any eligible and
25 available federal or state funds or grants. If, within the
time frame set by rule of the department, the department is
unable to match the money transferred by the contributing
entity, the amount transferred shall be refunded to the

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1 contributing entity.

2 Section 5. [NEW MATERIAL] PAYMENTS TO ESSENTIAL
3 COMMUNITY PROVIDERS. --

4 A. The department may enter into an agreement with
5 an essential community provider, an essential community
6 provider network or a participating local government to make
7 payments from the fund for health care services provided to
8 the underserved. In entering into the agreements, the parties
9 shall incorporate provisions that will promote preventative
10 care, improve health status, access continuity of care,
11 personal responsibility and other principles that promote
12 quality and efficiency in a health care delivery system.
13 Payments from the fund shall be made pursuant to the
14 agreements; provided that:

15 (1) a contributing entity shall be benefited by
16 payments from the fund in the same proportion as the
17 contributions made by the contributing entity to the fund; and

18 (2) no payments shall be made from the fund to
19 supplant any general fund support for the medicaid program.

20 B. The department shall promulgate such rules as are
21 necessary to carry out the provisions of the Health Care
22 Access Act.

23 Section 6. Section 24-1A-1 NMSA 1978 (being Laws 1981,
24 Chapter 295, Section 1) is amended to read:

25 "24-1A-1. SHORT TITLE. -- [~~This act~~] Chapter 24, Article
1A NMSA 1978 may be cited as the "Rural Primary Health Care
Act". "

Section 7. Section 24-1A-3.1 NMSA 1978 (being Laws 1983,

Chapter 236, Section 3, as amended) is amended to read:

"24- 1A- 3. 1. DEPARTMENT-- TECHNICAL AND FINANCIAL ASSISTANCE. --To the extent funds are made available for the purposes of the Rural Primary Health Care Act, the department is authorized to:

- A. provide for a program to recruit and retain health care personnel in health care underserved areas;
- B. develop plans for and coordinate the efforts of other public and private entities assisting in the provision of primary health care services through eligible programs;
- C. provide for technical assistance to eligible programs in the areas of administrative and financial management, clinical services, outreach and planning;
- D. provide for distribution of financial assistance to eligible programs that have applied for and demonstrated a need for assistance in order to sustain a minimum level of delivery of primary health care services; [and]
- E. provide a program for enabling the development of new primary care health care services or facilities, and that program
 - (1) shall give preference to communities that have few or no community-based primary care services;
 - (2) may require in-kind support from local communities where primary care health care services or facilities are established;
 - (3) may require primary care health care services or facilities to assure provision of health care to the medically indigent; and

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1 (4) shall permit the implementation of
2 innovative and creative uses of local or statewide health care
3 resources, or both, other than those listed in Paragraphs (2)
4 and (3) of this subsection; and

5 F. transfer available appropriations made to fulfill
6 the purposes of the Rural Primary Health Care Act to the
7 essential community provider fund pursuant to the Health Care
8 Access Act for the purpose of matching available federal
9 funds; provided that the resulting distributions from the
10 essential community provider fund are used by essential
11 community providers to meet the purposes of the Health Care
12 Access Act and Subsections A through E of this section. "

13 Section 8. Section 27-5-6 NMSA 1978 (being Laws 1965,
14 Chapter 234, Section 6, as amended) is amended to read:

15 "27-5-6. POWERS AND DUTIES OF THE BOARD. --The board:

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

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

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

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

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

9 (3) four and one-half percent of the amount of
 10 the revenues in the fund over one million dollars
 11 (\$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
 15 and allowable costs for county indigent patients shall be no
 16 more restrictive than the standards for eligibility and
 17 allowable 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
 23 more available;

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

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

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

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

11 J. shall state in writing the reason for rejecting
12 or disapproving any claim and shall notify the submitting
13 hospital, ambulance service or health care provider of the
14 decision within sixty days after eligibility for claim payment
has been determined;

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

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

22 M shall review, verify and approve all medicaid
23 sole community provider hospital payment requests in
24 accordance with rules and regulations adopted by the board
25 prior to their submittal by the hospital to the department for

1 payment but no later than January 1 of each year;

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

8 O. may provide for the transfer of money from the
9 county indigent hospital claims fund to the county-supported
10 medicaid fund to meet the requirements of the Statewide Health
11 Care Act; [~~and~~]

12 P. may contract with ambulance providers, hospitals
13 or health care providers for the provision of health care
14 services; and

15 Q. may make transfers to the essential community
16 provider fund for the purposes of obtaining benefits pursuant
17 to the Health Care Access Act; provided that transfers made
18 pursuant to this subsection are in addition to, and not in
19 lieu of, the transfers made and required pursuant to
20 Subsections N and O of this section. "

21 Section 9. Section 27-10-3 NMSA 1978 (being Laws 1991,
22 Chapter 212, Section 3, as amended) is amended to read:

23 "27-10-3. COUNTY-SUPPORTED MEDICAID FUND CREATED--USE--
24 APPROPRIATION BY THE LEGISLATURE.--

25 A. There is created in the state treasury the
"county-supported medicaid fund". The fund shall be invested
by the state treasurer as other state funds are invested.
Income earned from investment of the fund shall be credited to

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1 the county-supported medicaid fund. The fund shall not revert
2 in any fiscal year.

3 B. Money in the county-supported medicaid fund is
4 subject to appropriation by the legislature to support the
5 state medicaid program and the program for essential community
6 providers pursuant to the Health Care Access Act and to
7 institute or support primary care health care services and
8 essential community provider programs pursuant to Subsections
9 D and E of Section 24-1A-3.1 NMSA 1978 and the provisions of
10 the Health Care Access Act. Of the amount appropriated each
11 year, nine percent shall be appropriated to the department of
12 health to institute or support primary care health care
13 services pursuant to Subsections D and E of Section 24-1A-3.1
14 NMSA 1978.

15 C. Up to three percent of the county-supported
16 medicaid fund each year may be expended for administrative
17 costs related to medicaid or developing new primary care
18 health care centers or facilities.

19 D. In the event federal funds for medicaid are not
20 received by New Mexico for any eighteen-month period, the
21 unencumbered balance remaining in the county-supported
22 medicaid fund and the sole community provider fund at the end
23 of the fiscal year following the end of any eighteen-month
24 period shall be paid within a reasonable time to each county
25 for deposit in the county indigent hospital claims fund in
proportion to the payments made by each county through tax
revenues or transfers in the previous fiscal year as certified
by the local government division of the department of finance

1 and administration. The department of health will provide for
2 budgeting and accounting of payments to the fund."

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