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SENATE BILL 711

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

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO MEDICAID; PROVIDING THAT THE COST PER MEDICAID
RECIPIENT PURSUANT TO MANAGED CARE CONTRACTS CANNOT EXCEED A
CERTAIN RATE OF INCREASE.

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

Section 1. Section 27-2-12.6 NMSA 1978 (being Laws 1994,
Chapter 62, Section 22) is amended to read:

"27-2-12.6. MEDICAID PAYMENTS--MANAGED CARE. --

A. The department shall provide for a statewide,
managed care system to provide cost-efficient, preventive,
primary and acute care for medicaid recipients by July 1,
1995.

B. The managed care system shall ensure:

(1) access to medically necessary services,
particularly for medicaid recipients with chronic health

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1 problems;

2 (2) to the extent practicable, maintenance of
3 the rural primary care delivery infrastructure;

4 (3) that the department's approach is
5 consistent with national and state health care reform
6 principles; and

7 (4) to the maximum extent possible, that
8 medicaid-eligible individuals are not identified as such
9 except as necessary for billing purposes.

10 C. The department may exclude nursing homes,
11 intermediate care facilities for the mentally retarded,
12 medicaid in-home and community-based waiver services and
13 residential and community-based mental health services for
14 children with serious emotional disorders from the provisions
15 of this section.

16 D. Each contract for a managed care system entered
17 into by the department pursuant to this section shall provide
18 that the increase in the cost per medicaid recipient from one
19 contract year to the next shall not exceed the average rate of
20 increase in nationwide health insurance costs for the previous
21 calendar year, as calculated by the superintendent of
22 insurance using accepted national indices. The superintendent
23 of insurance shall, by February 1 of each year, notify the
24 department of the rate that health insurance costs increased
25 in the previous calendar year. The limitation on the increase

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in cost provided in this subsection shall be exclusive of any expanded coverage of the medicaid program "

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

3
4
5 March 3, 1999

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7 Mr. President:

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

11
12 SENATE BILL 711

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14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and further recommends that it
16 now be referred to the FINANCE COMMITTEE.

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19 Respectfully submitted,

Roman M. Maes, Chairman

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 1 Against

Yes: 5

No: Rawson

Excused: Aragon, Fidel, Kysar, McKibben

Absent: None

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