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HOUSE BILL 965

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO PRESCRIPTION DRUGS; CREATING A PRESCRIPTION DRUG PROGRAM FOR SENIORS; ENACTING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE. -- This act may be cited as the "Senior Rx Act".

Section 2. SENIOR RX PROGRAM CREATED. --

A. The department of health shall enter into a contract with a private insurer that transacts health or prescription drug insurance in the state to arrange for the availability, at a reasonable cost, of policies that provide coverage for prescription drugs and pharmaceutical services. The department of health may contract with more than one private insurer as may be necessary for access, delivery or

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1 cost.

2 B. The department of health shall not permit the
3 insurer to impose a formulary that is more restrictive than a
4 formulary the insurer concurrently offers in the commercial
5 marketplace.

6 C. Subject to the availability of state funds, a
7 person who purchases an insurance policy pursuant to Subsection
8 A of this section is entitled to a subsidy grant from the
9 senior Rx fund to cover a portion of the cost of that insurance
10 if the person meets the eligibility criteria established by the
11 department of health.

12 D. The amount of a subsidy granted by the Senior Rx
13 Act shall not exceed the lesser of the annual cost of an
14 insurance policy pursuant to Subsection A of this section or
15 five hundred dollars (\$500) per year.

16 Section 3. ELIGIBILITY.--A person is eligible to
17 participate in the senior Rx program if the person:

18 A. is at least sixty-two years of age at the time
19 of enrollment;

20 B. is ineligible for medicaid;

21 C. is ineligible for or unable to purchase other
22 prescription drug coverage under a public or private insurance
23 plan or program; and

24 D. has been domiciled in the state for at least one
25 year prior to the date of enrollment.

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1 Section 4. SUBSIDY GRANT. --

2 A. The department of health shall establish a
3 schedule of available subsidy grants to assist an eligible
4 person to purchase insurance for prescription drugs. The
5 department of health shall establish a sliding scale for the
6 subsidy grants based on a percentage of the federal poverty
7 guidelines published annually by the federal department of
8 health and human services. The department of health shall
9 consider the number of persons in and the total income of the
10 household in which the applicant resides.

11 B. The department of health shall pay the subsidy
12 directly to the insurer with whom the department of health has
13 entered into a contract pursuant to Section 2 of the Senior Rx
14 Act. The department of health shall notify the eligible person
15 for whom the subsidy grant is paid.

16 C. A subsidy granted pursuant to Section 2 of the
17 Senior Rx Act to a person who is subsequently found to be not
18 qualified for a subsidy grant may be revoked by the department
19 of health. The person shall make restitution to the department
20 of health for a subsidy grant that the department of health
21 determines should be revoked and the department of health may
22 take appropriate action to collect the amount of the subsidy
23 grant as a debt. An amount received by the department of
24 health pursuant to restitution or recovery shall be deposited
25 in the senior Rx fund.

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1 Section 5. APPLICATION PROCESS. --

2 A. A person who wishes to receive a subsidy grant
3 pursuant to the Senior Rx Act shall file a request with the
4 department of health.

5 B. The request shall be filed in form and content
6 as the department of health may prescribe, including verifiable
7 proof of domicile and income.

8 C. The department of health shall, within thirty
9 days after receiving a request for a subsidy grant, examine the
10 request, grant or deny it, and if granted, determine the amount
11 of the subsidy for which the person is eligible. The
12 department of health shall notify the applicant in writing of
13 the decision to grant or deny the application.

14 D. A person who is aggrieved by a decision of the
15 department of health denying the request for a subsidy grant
16 may request a hearing for a reconsideration of the denial by a
17 person not involved in the original decision.

18 Section 6. SENIOR RX FUND CREATED. --The "senior Rx fund"
19 is created in the state treasury. The department of health
20 shall administer the fund to carry out the provisions of the
21 Senior Rx Act. The department of health is authorized to
22 transfer federal, state or other public or private funds that
23 may be received as matching funds for the senior Rx fund.

24 Section 7. APPROPRIATION. --Five million dollars
25 (\$5,000,000) is appropriated from the tobacco settlement

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1 program fund to the senior Rx fund for expenditure in fiscal
2 year 2004 for the department of health to carry out the
3 provisions of the Senior Rx Act. Any unexpended or
4 unencumbered balance remaining at the end of fiscal year 2004
5 shall revert to the tobacco settlement program fund.

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