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SENATE BILL 155

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Clinton D. Harden

AN ACT

RELATING TO PUBLICLY FUNDED HEALTH CARE; PROVIDING FOR THE PURCHASE OF PLANS WITH BENEFIT OPTIONS FOR PUBLIC SCHOOL EMPLOYEES, STATE AND LOCAL PUBLIC EMPLOYEES AND PUBLIC RETIREES; PROVIDING FOR DISPUTE RESOLUTION.

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

Section 1. Section 13-7-4 NMSA 1978 (being Laws 1997, Chapter 74, Section 4) is amended to read:

"13-7-4. MANDATORY CONSOLIDATED PURCHASING.--

A. The publicly funded health care agencies shall enter into a cooperative consolidated purchasing effort to provide plans of health care benefits for the benefit of eligible participants of the respective agencies. The request for ~~[proposal]~~ proposals shall set forth one or more plans of health care benefits and shall include accommodation of fully

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1 funded arrangements as well as varying degrees of self-funded
2 pool options. Any plan selected shall provide options for
3 health care benefits among like populations of similar age,
4 location or service needs across the publicly funded health
5 care agencies, including options for:

- 6 (1) medicare supplement coverage;
- 7 (2) pregnancy and maternity benefits;
- 8 (3) high-risk or high-cost services;
- 9 (4) age-appropriate services;
- 10 (5) geographic considerations;
- 11 (6) coordination of benefits with other public
12 or private coverage; or
- 13 (7) other unique services identified jointly
14 by the agencies.

15 B. The insurers and administrators selected shall
16 use common definitions of services and other common
17 characteristics as determined by the governing bodies of the
18 publicly funded health care agencies. Any plan selected may
19 include different health care benefit options that include
20 health coverage through a health maintenance organization,
21 preferred provider organization, point-of-service product or
22 other health coverage product; provided that the options are
23 available to all eligible participants of the respective
24 publicly funded health care agencies or other entities pursuant
25 to Section 13-7-5 NMSA 1978. A publicly funded health care

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1 agency shall not select a plan for that agency's eligible
2 participants that excludes an eligible participant from any of
3 the other publicly funded health care agencies.

4 C. The publicly funded health care agencies shall
5 develop consistency in member services functions for
6 enrollment, premium collection and other activities. A public
7 employee who transfers from one publicly funded health care
8 agency to another shall be allowed to retain the same insurer
9 or third-party administrator. The agencies shall select one
10 person to provide actuarial analysis and information for any
11 plan and its health coverage options across all agencies. To
12 the extent practicable, the agencies shall select the same
13 person to provide each agency with fund viability and solvency
14 analysis and information; provided, however, that, if more than
15 one person is selected, it shall be by consensus of the
16 agencies.

17 ~~[B-]~~ D. A consolidated purchasing request for
18 proposals for all health care benefits by the publicly funded
19 health care agencies shall be issued on or before July 1, 1999
20 and any contracts for health care benefits renewed or issued on
21 or after July 1, 2000 shall be the result of consolidated
22 purchasing.

23 ~~[C. All requests for proposals issued as part of~~
24 ~~the consolidated purchasing shall include at least one distinct~~
25 ~~service area consisting of the Albuquerque metropolitan area.~~

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1 ~~Proposals on a distinct service area shall be evaluated~~
2 ~~separately.]"~~

3 Section 2. Section 13-7-5 NMSA 1978 (being Laws 2001,
4 Chapter 351, Section 1) is amended to read:

5 "13-7-5. CONSOLIDATED PURCHASING FOR OTHER PERSONS.--

6 A. Counties, municipalities, state educational
7 institutions and other political subdivisions that wish to use
8 the consolidated purchasing single process for the procurement
9 of health care benefits shall create or enter into an existing
10 association, cooperative or other mutual alliance to create
11 larger pools of eligible participants.

12 B. Counties, municipalities, state educational
13 institutions and other political subdivisions that wish to use
14 the consolidated purchasing single process shall, through their
15 respective association, cooperative or mutual alliance,
16 participate in the subsequent consolidated purchasing single
17 process with the publicly funded health care agencies.

18 C. Counties, municipalities, state educational
19 institutions and other political subdivisions that wish to use
20 the consolidated purchasing single process shall use any plan
21 selected by the publicly funded health care agencies and shall
22 not use any plan not selected by those agencies."

23 Section 3. Section 13-7-7 NMSA 1978 (being Laws 2001,
24 Chapter 351, Section 3, as amended) is amended to read:

25 "13-7-7. CONSOLIDATED ADMINISTRATIVE FUNCTIONS--

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1 BENEFIT.--

2 A. By December 1, 2001, the publicly funded health
3 care agencies, political subdivisions and other persons
4 participating in the consolidated purchasing single process
5 pursuant to the Health Care Purchasing Act shall cooperatively
6 study and provide a status report on the consolidation of
7 administrative functions to the legislative health and human
8 services committee and the governor.

9 B. By December 31, 2003, the publicly funded health
10 care agencies, political subdivisions and other persons
11 participating in the consolidated purchasing single process
12 pursuant to the Health Care Purchasing Act shall consolidate,
13 standardize and administer the administrative functions that
14 those entities can effectively and efficiently administer as
15 reflected in the study.

16 C. The publicly funded health care agencies,
17 political subdivisions and other persons participating in the
18 consolidated purchasing single process pursuant to the Health
19 Care Purchasing Act may enter into a joint powers agreement
20 pursuant to the Joint Powers Agreements Act with the publicly
21 funded health care agencies and political subdivisions to
22 determine assessments or provisions of resources to
23 consolidate, standardize and administer the consolidated
24 purchasing single process and subsequent activities pursuant to
25 the Health Care Purchasing Act. The publicly funded health

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1 care agencies, political subdivisions and other persons
2 participating in the consolidated purchasing single process
3 pursuant to the Health Care Purchasing Act may enter into
4 contracts with nonpublic persons to provide the service of
5 determining assessments or provision of resources for
6 consolidation, standardization and administrative activities.

7 D. Each agency will retain its responsibility to
8 determine policy direction of the benefit plans, recommend plan
9 development and provide training and coordination with respect
10 to participants and its benefits staff, as well as to respond
11 to benefits eligibility inquiries and establish and enforce
12 eligibility rules. Each agency shall assess premiums or cost
13 sharing in accordance with Section 10-7-4 NMSA 1978, the Group
14 Benefits Act, the Retiree Health Care Act or the Public School
15 Insurance Authority Act, as applicable.

16 E. Notwithstanding Subsection D of this section,
17 publicly funded health care agencies, political subdivisions
18 and other persons participating in the consolidated purchasing
19 single process pursuant to the Health Care Purchasing Act shall
20 provide coverage for children, from birth through three years
21 of age, for or under the family, infant, toddler program
22 administered by the department of health, provided eligibility
23 criteria are met, for a maximum benefit of three thousand five
24 hundred dollars (\$3,500) annually for medically necessary early
25 intervention services provided as part of an individualized

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1 family service plan and delivered by certified and licensed
2 personnel as defined in 7.30.8 NMAC who are working in early
3 intervention programs approved by the department of health. No
4 payment under this subsection shall be applied against any
5 maximum lifetime or annual limits specified in the policy,
6 health benefits plan or contract."

7 Section 4. A new section of the Health Care Purchasing
8 Act is enacted to read:

9 "[NEW MATERIAL] SCHOOL DISTRICTS WITH STUDENT ENROLLMENT
10 IN EXCESS OF SIXTY THOUSAND STUDENTS--ACTUARIAL ANALYSIS
11 REQUIRED--CONTINUED PARTICIPATION.--The superintendent of a
12 school district with student enrollment in excess of sixty
13 thousand students may have an actuarial analysis performed to
14 obtain recommendations regarding the school district's
15 continued participation in the interagency health care benefits
16 consolidated purchasing effort pursuant to the Health Care
17 Purchasing Act. In the event that the superintendent finds
18 that the actuarial analysis obtained pursuant to this section
19 indicates that the school district's participation in the
20 interagency health care benefits consolidated purchasing effort
21 is not actuarially sound, the school district may refer the
22 matter of its continued participation in consolidated
23 purchasing to alternative dispute resolution pursuant to
24 Section 5 of this 2010 act."

25 Section 5. A new section of the Health Care Purchasing
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Act is enacted to read:

"[NEW MATERIAL] DISPUTE--MEDIATION--ARBITRATION.--If a dispute arises among the publicly funded health care agencies, the agencies shall resolve the dispute by mediation, arbitration or other procedure for alternative dispute resolution."

Section 6. APPLICABILITY.--The provisions of Section 1 of this act apply to consolidated purchasing beginning on or after July 1, 2011.