

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 453

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLICLY FUNDED HEALTH CARE PROGRAMS; AMENDING THE HEALTH CARE PURCHASING ACT TO UPDATE PUBLICLY FUNDED HEALTH CARE AGENCY OBLIGATIONS.

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.--

.225684.2AIC March 9, 2023 (4:50pm)

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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 funded arrangements as well as varying degrees of self-funded pool options.

B. A consolidated purchasing request for proposals for all health care benefits by the publicly funded health care agencies shall be issued on or before July 1, 1999 and any contracts for health care benefits renewed or issued on or after July 1, 2000 shall be the result of consolidated purchasing.

C. All requests for proposals issued as part of the consolidated purchasing shall include at least one distinct service area consisting of the Albuquerque metropolitan area. Proposals on a distinct service area shall be evaluated separately.

D. All requests for proposals issued as part of the consolidated purchasing for commercial plans shall include requests for self-insured and fully insured proposals for health care benefits. SFC→The requirements of this subsection do not apply to the retiree health care authority.←SFC

E. Any contract for the consolidated purchasing of

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health care benefits entered into on or after July 1, 2023, but before January 1, 2024, shall be for a duration of no longer than one calendar year. SFC→**The requirements of this subsection do not apply to the retiree health care authority.**←SFC

F. Any contract for the consolidated purchasing of health care benefits entered into on or after July 1, 2024 shall include requirements that providers be reimbursed through medicare reference-based pricing. SFC→**The requirements of this subsection do not apply to the retiree health care authority.**←SFC

G. For the purposes of this section, "medicare reference-based pricing" means a reimbursement rate for health care services that is based off of the medicare reimbursement rates established by the centers for medicare and medicaid services."

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

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

A. The publicly funded health care agencies [~~political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act may~~] SFC→, **excluding the retiree health care authority,**←SFC shall enter into a joint powers agreement pursuant to the Joint Powers Agreements Act. [~~with the~~

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~~publicly funded health care agencies and political subdivisions to determine assessments or provisions of resources to consolidate, standardize and administer the consolidated purchasing single process and subsequent activities pursuant to the Health Care Purchasing Act. The publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act may enter into contracts with nonpublic persons to provide the service of determining assessments or provision of resources for consolidation, standardization and administrative activities.]~~

The publicly funded health care agencies SFC→, excluding the retiree health care authority, ←SFC shall agree to and submit a proposed joint powers agreement to the department of finance and administration and the legislative finance committee for approval no later than July 1, 2023. \_SFC→Political←SFC SFC→The retiree health care authority, political←SFC subdivisions and other persons participating in the consolidated purchasing single process may enter into the joint powers agreement SFC→created by the publicly funded health care agencies←SFC .

B. Each agency shall retain its responsibility to determine policy direction of the benefit plans, plan development, training and coordination with respect to participants and its benefits staff, as well as to respond to

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benefits eligibility inquiries and establish and enforce eligibility rules.

C. Notwithstanding Subsection B of this section, publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act shall provide coverage for children, from birth through three years of age, for or under the family, infant, toddler program administered by the early childhood education and care department, provided eligibility criteria are met, for a maximum benefit of three thousand five hundred dollars (\$3,500) annually for medically necessary early intervention services provided as part of an individualized family service plan and delivered by certified and licensed personnel who are working in early intervention programs approved by the early childhood education and care department. No payment under this subsection shall be applied against any maximum lifetime or annual limits specified in the policy, health benefits plan or contract.

D. Each publicly funded health care agency shall provide an annual open and public enrollment period for all plan participants. SFC → **The requirements of this subsection do not apply to the retiree health care authority.** ← SFC

E. Each publicly funded health care agency shall conduct claims recovery audits that annually audit medical and

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pharmaceutical claims to ensure that claims are paid for properly and accurately. SFC→The requirements of this subsection do not apply to the retiree health care authority.←SFC "

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