

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 258

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

AN ACT

RELATING TO SOLE COMMUNITY PROVIDER FUNDING; PROVIDING FOR FUNDS THAT MAY BE COUNTED IN THE COUNTY CONTRIBUTION FOR SUPPORT OF SOLE COMMUNITY PROVIDER PAYMENTS; DECLARING AN EMERGENCY.

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

SECTION 1. Section 27-5-4 NMSA 1978 (being Laws 1965, Chapter 234, Section 4, as amended) is amended to read:

"27-5-4. DEFINITIONS.--As used in the Indigent Hospital and County Health Care Act:

A. "alcohol rehabilitation center" means an agency of local government, a state agency, a private nonprofit entity or combination thereof that operates alcohol abuse rehabilitation programs that meet the standards set by the department of health;

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1 [A-] B. "ambulance provider" or "ambulance service"
2 means a specialized carrier based within the state authorized
3 under provisions and subject to limitations as provided in
4 individual carrier certificates issued by the public regulation
5 commission to transport persons alive, dead or dying en route
6 by means of ambulance service. The rates and charges
7 established by public regulation commission tariff shall govern
8 as to allowable cost. Also included are air ambulance services
9 approved by the board. The air ambulance service charges shall
10 be filed and approved pursuant to Subsection D of Section
11 27-5-6 NMSA 1978 and Section 27-5-11 NMSA 1978;

12 [B-] C. "board" means a county indigent hospital
13 and county health care board;

14 ~~C. "indigent patient" means a person to whom an~~
15 ~~ambulance service, a hospital or a health care provider has~~
16 ~~provided medical care, ambulance transportation or health care~~
17 ~~services and who can normally support himself and his~~
18 ~~dependents on present income and liquid assets available to him~~
19 ~~but, taking into consideration this income and those assets and~~
20 ~~his requirement for other necessities of life for himself and~~
21 ~~his dependents, is unable to pay the cost of the ambulance~~
22 ~~transportation or medical care administered or both. If~~
23 ~~provided by resolution of a board, it shall not include any~~
24 ~~person whose annual income together with his spouse's annual~~
25 ~~income totals an amount that is fifty percent greater than the~~

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1 ~~per capita personal income for New Mexico as shown for the most~~
 2 ~~recent year available in the survey of current business~~
 3 ~~published by the United States department of commerce. Every~~
 4 ~~board that has a balance remaining in the fund at the end of a~~
 5 ~~given fiscal year shall consider and may adopt at the first~~
 6 ~~meeting of the succeeding fiscal year a resolution increasing~~
 7 ~~the standard for indigency. The term "indigent patient"~~
 8 ~~includes a minor who has received ambulance transportation or~~
 9 ~~medical care or both and whose parent or the person having~~
 10 ~~custody of that minor would qualify as an indigent patient if~~
 11 ~~transported by ambulance, admitted to a hospital for care or~~
 12 ~~treated by a health care provider;~~

13 ~~D. "hospital" means a general or limited hospital~~
 14 ~~licensed by the department of health, whether nonprofit or~~
 15 ~~owned by a political subdivision, and may include by resolution~~
 16 ~~of a board the following health facilities if licensed or, in~~
 17 ~~the case of out-of-state hospitals, approved by the department~~
 18 ~~of health:~~

19 ~~(1) for-profit hospitals;~~
 20 ~~(2) state-owned hospitals; or~~
 21 ~~(3) licensed out-of-state hospitals where~~
 22 ~~treatment provided is necessary for the proper care of an~~
 23 ~~indigent patient when that care is not available in an~~
 24 ~~in-state hospital;]~~

25 D. "commission" means the New Mexico health policy

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1 commission or the commission's successor agency;

2 E. "cost" means all allowable costs of providing
3 health care services, to the extent determined by resolution of
4 a board, for an indigent patient. Allowable costs shall be
5 based on medicaid fee-for-service reimbursement rates for
6 hospitals, licensed medical doctors and osteopathic physicians;

7 ~~[F. "fund" means a county indigent hospital claims~~
8 ~~fund;~~

9 ~~G. "medicaid eligible" means a person who is~~
10 ~~eligible for medical assistance from the department;~~

11 H.] F. "county" means a county except a class A
12 county with a county hospital operated and maintained pursuant
13 to a lease with a state educational institution named in
14 Article 12, Section 11 of the constitution of New Mexico;

15 ~~[I.]~~ G. "department" means the human services
16 department;

17 ~~[J. "sole community provider hospital" means:~~

18 ~~(1) a hospital that is a sole community~~
19 ~~provider hospital under the provisions of the federal medicare~~
20 ~~guidelines; or~~

21 ~~(2) an acute care general hospital licensed by~~
22 ~~the department of health that is qualified, pursuant to rules~~
23 ~~adopted by the state agency primarily responsible for the~~
24 ~~medicaid program, to receive distributions from the sole~~
25 ~~community provider fund;~~

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1 ~~K.]~~ H. "drug rehabilitation center" means an agency
 2 of local government, a state agency, a private nonprofit entity
 3 or combination thereof that operates drug abuse rehabilitation
 4 programs that meet the standards and requirements set by the
 5 department of health;

6 ~~[L. "alcohol rehabilitation center" means an agency~~
 7 ~~of local government, a state agency, a private nonprofit entity~~
 8 ~~or combination thereof that operates alcohol abuse~~
 9 ~~rehabilitation programs that meet the standards set by the~~
 10 ~~department of health;~~

11 ~~M. "mental health center" means a not-for-profit~~
 12 ~~center that provides outpatient mental health services that~~
 13 ~~meet the standards set by the department of health;]~~

14 I. "fund" means a county indigent hospital claims
 15 fund;

16 ~~[N.]~~ J. "health care provider" means:
 17 (1) a nursing home;
 18 (2) an in-state home health agency;
 19 (3) an in-state licensed hospice;
 20 (4) a community-based health program operated
 21 by a political subdivision of the state or other nonprofit
 22 health organization that provides prenatal care delivered by
 23 New Mexico licensed, certified or registered health care
 24 practitioners;

25 (5) a community-based health program operated

1 by a political subdivision of the state or other nonprofit
2 health care organization that provides primary care delivered
3 by New Mexico licensed, certified or registered health care
4 practitioners;

5 (6) a drug rehabilitation center;

6 (7) an alcohol rehabilitation center;

7 (8) a mental health center;

8 (9) a licensed medical doctor, osteopathic
9 physician, dentist, optometrist or expanded practice nurse when
10 providing emergency services, as determined by the board, in a
11 hospital to an indigent patient; or

12 (10) a licensed medical doctor or osteopathic
13 physician, dentist, optometrist or expanded practice nurse when
14 providing services in an outpatient setting, as determined by
15 the board, to an indigent patient with a life-threatening
16 illness or disability;

17 [~~0~~] K. "health care services" means treatment and
18 services designed to promote improved health in the county
19 indigent population, including primary care, prenatal care,
20 dental care, provision of prescription drugs, preventive care
21 or health outreach services, to the extent determined by
22 resolution of the board;

23 L. "hospital" means a general or limited hospital
24 licensed by the department of health, whether nonprofit or
25 owned by a political subdivision, and may include by resolution

1 of a board the following health facilities if licensed or, in
2 the case of out-of-state hospitals, approved by the department
3 of health:

4 (1) for-profit hospitals;

5 (2) state-owned hospitals; or

6 (3) licensed out-of-state hospitals where
7 treatment provided is necessary for the proper care of an
8 indigent patient when that care is not available in an in-state
9 hospital;

10 M. "indigent patient" means a person to whom an
11 ambulance service, a hospital or a health care provider has
12 provided medical care, ambulance transportation or health care
13 services and who can normally support the person's self and the
14 person's dependents on present income and liquid assets
15 available to the person but, taking into consideration the
16 person's income, assets and requirements for other necessities
17 of life for the person and the person's dependents, is unable
18 to pay the cost of the ambulance transportation or medical care
19 administered or both; provided that if the definition of
20 "indigent patient" is adopted by a board in a resolution, the
21 definition shall not include any person whose annual income
22 together with that person's spouse's annual income totals an
23 amount that is fifty percent greater than the per capita
24 personal income for New Mexico as shown for the most recent
25 year available in the survey of current business published by

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1 the United States department of commerce. Every board that has
2 a balance remaining in the fund at the end of a given fiscal
3 year shall consider and may adopt at the first meeting of the
4 succeeding fiscal year a resolution increasing the standard for
5 indigency; "indigent patient" includes a minor who has received
6 ambulance transportation or medical care or both and whose
7 parent or the person having custody of that minor would qualify
8 as an indigent patient if transported by ambulance, admitted to
9 a hospital for care or treated by a health care provider;

10 N. "medicaid eligible" means a person who is
11 eligible for medical assistance from the department;

12 O. "mental health center" means a not-for-profit
13 center that provides outpatient mental health services that
14 meet the standards set by the department of health;

15 P. "planning" means the development of a countywide
16 or multicounty health plan to improve and fund health services
17 in the county based on the county's needs assessment and
18 inventory of existing services and resources and that
19 demonstrates coordination between the county and state and
20 local health planning efforts; [and

21 ~~Q. "commission" means the New Mexico health policy~~
22 ~~commission]~~

23 Q. "public entity" means a state, local or tribal
24 government or other political subdivision or agency of that
25 government;

1 R. "sole community provider hospital" means:

2 (1) a hospital that is a sole community
3 provider hospital under the provisions of the federal medicare
4 guidelines; or

5 (2) an acute care general hospital licensed by
6 the department of health that is qualified, pursuant to rules
7 adopted by the state agency primarily responsible for the
8 medicaid program, to receive distributions from the sole
9 community provider fund; and

10 S. "tribal" means of or pertaining to a federally
11 recognized Indian nation, tribe or pueblo."

12 SECTION 2. Section 27-5-6.1 NMSA 1978 (being Laws 1993,
13 Chapter 321, Section 18) is amended to read:

14 "27-5-6.1. SOLE COMMUNITY PROVIDER FUND CREATED.--

15 A. The "sole community provider fund" is created in
16 the state treasury. The sole community provider fund, which
17 shall be administered by the [~~human services~~] department, shall
18 consist of funds provided by counties through intergovernmental
19 transfers from counties, other public entities or other public
20 funds or expenditures determined by the department and the
21 federal government as allowable to match federal funds for
22 medicaid sole community provider hospital payments. Money in
23 the fund shall be invested by the state treasurer as other
24 state funds are invested. Any unexpended or unencumbered
25 balance remaining in the fund at the end of any fiscal year

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1 shall not revert.

2 B. Money in the sole community provider fund is
3 appropriated to the [~~human services~~] department to make sole
4 community provider hospital payments pursuant to the state
5 medicaid program. No sole community provider hospital payments
6 or money in the sole community provider fund shall be used to
7 supplant any general fund support for the state medicaid
8 program.

9 C. Money in the sole community provider fund shall
10 be remitted back to the individual counties from which it came
11 if federal medicaid matching funds are not received for
12 medicaid sole community provider hospital payments."

13 SECTION 3. Section 27-5-12.2 NMSA 1978 (being Laws 1993,
14 Chapter 321, Section 15, as amended) is amended to read:

15 "27-5-12.2. DUTIES OF THE COUNTY--SOLE COMMUNITY PROVIDER
16 HOSPITAL PAYMENTS.--A county that authorizes payment for
17 services to a sole community provider hospital shall:

18 A. determine eligibility for benefits and determine
19 an amount payable on each claim for services to indigent
20 patients from sole community provider hospitals;

21 B. notify the sole community provider hospital of
22 its decision on each request for payment while not actually
23 reimbursing the hospital for the services that are reimbursed
24 with federal funds under the state medicaid program;

25 C. confirm the amount of the sole community

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1 provider hospital payments authorized for each hospital for the
 2 past fiscal year by September 30 of the current fiscal year
 3 based on a report prepared by the hospital using a format
 4 jointly prescribed by the counties and hospitals that provides
 5 aggregate data, including the number of indigent patients
 6 served and the total cost of uncompensated care provided by the
 7 hospital;

8 D. negotiate agreements with each sole community
 9 provider hospital providing services for county residents on
 10 the anticipated amount of the payments for the following fiscal
 11 year; provided that the agreements shall be in compliance with
 12 federal regulations regarding intergovernmental transfers and
 13 provider contributions and shall not include provisions for
 14 reimbursements to counties of matching and sole community
 15 provider fund allocations; and

16 E. provide the department by January 15 of each
 17 year, or on a date determined by the secretary of human
 18 services and provided to each county by January 15 of each
 19 year, with the budgeted amount of sole community provider
 20 hospital payments, by hospital, for the following fiscal
 21 year."

22 SECTION 4. REPEAL.--Section 27-5-4.1 NMSA 1978 (being
 23 Laws 1978, Chapter 123, Section 2) is repealed.

24 SECTION 5. EMERGENCY.--It is necessary for the public
 25 peace, health and safety that this act take effect

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1 immediately.

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