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SENATE BILL 294

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Ramsay L. Gorham

AN ACT

RELATING TO HEALTH; REQUIRING CERTAIN FORMS, STANDARDS AND
PROCEDURES IN MEDICAID MANAGED CARE; MAKING AN APPROPRIATION.

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

Section 1. Section 27-2-1 NMSA 1978 (being Laws 1973,
Chapter 376, Section 1) is amended to read:

"27-2-1. SHORT TITLE.--Sections [~~1 through 20 of this
act and Sections 13-1-9, 13-1-10, 13-1-12, 13-1-13, 13-1-17,
13-1-18, 13-1-18.1, 13-1-19, 13-1-20, 13-1-20.1, 13-1-21,
13-1-22, 13-1-27, 13-1-27.2, 13-1-27.3, 13-1-27.4, 13-1-28,
13-1-28.6, 13-1-29, 13-1-30, 13-1-34, 13-1-35, 13-1-37,
13-1-39, 13-1-40, 13-1-41 and 13-1-42 NMSA 1953]~~ 27-2-1
through 27-2-34 NMSA 1978 may be cited as the "Public
Assistance Act"."

Section 2. A new section of the Public Assistance Act,
Section 27-2-12.9 NMSA 1978, is enacted to read:

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1 "27-2-12.9. [NEW MATERIAL] MEDICAID MANAGED CARE SYSTEM-
2 -CLAIMS FOR PAYMENT--STANDARD FORMS.--By July 1, 2000 medicaid
3 managed-care contracts shall require the use of a standard
4 claims form for all medical, surgical and behavioral health
5 claims for payment for services. The form shall be used by all
6 providers seeking payment for services provided pursuant to the
7 medicaid managed care program. The form shall be usable in
8 printed or electronic format. In designing the claims form,
9 the department shall consult with the department of health, the
10 insurance division of the public regulation commission, the New
11 Mexico health policy commission, all organizations currently
12 providing services pursuant to the medicaid managed care
13 program, organizations of health professionals, health consumer
14 advocates and other interested persons."

15 Section 3. A new section of the Public Assistance Act,
16 Section 27-2-12.10 NMSA 1978, is enacted to read:

17 "27-2-12.10. [NEW MATERIAL] MEDICAID MANAGED CARE
18 SYSTEM--BEHAVIORAL HEALTH CARE AUTHORIZATIONS--DURATION--
19 FREQUENCY--PRESUMPTION OF APPROVAL.--

20 A. Managed care authorizations for behavioral
21 health care treatment for initial visits to or treatment by
22 providers under medicaid managed care shall be valid for not
23 less than sixty days from the initial date of approval by the
24 managed care organization.

25 B. Evaluations for re-authorization for continued
behavioral health care treatment shall be required no more
frequently than every thirty days subsequent to the initial

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1 sixty-day course of treatment.

2 C. Authorizations and re-authorizations for
3 behavioral health care under medicaid managed care for visits
4 to or treatment by providers required by medicaid managed-
5 care organizations and requested by an insured or a provider
6 organization shall be considered approved and the behavioral
7 health organization liable for payment for the treatment or
8 visits if the behavioral health organization does not
9 communicate disapproval of the request for authorization or
10 re-authorization to the insured or to the person or
11 organization providing the services within forty-eight hours
12 of the request.

13 D. For purposes of this section, "insured" means a
14 person enrolled in the state's medicaid managed care
15 program."

16 Section 4. A new section of the Public Assistance Act,
17 Section 27-2-12.11 NMSA 1978, is enacted to read:

18 "27-2-12.11. [NEW MATERIAL] BEHAVIORAL HEALTH
19 ORGANIZATIONS--DIRECT CARE EXPENSES MINIMUM.--In providing
20 behavioral health services to medicaid clients, regardless of
21 whether such services are provided directly or through
22 subcontracts with other behavioral health or provider
23 organizations, no behavioral health organization shall expend
24 less than eighty-five percent of its gross income received
25 for such purposes on direct client care."

Section 5. APPROPRIATION--BEHAVIORAL HEALTH
SERVICES.--Five hundred thousand dollars (\$500,000) is

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1 appropriated from the general fund to the human services
2 department for expenditure in fiscal year 2001 to expand
3 availability of behavioral health services through medicaid
4 managed care. Any unexpended or unencumbered balance
5 remaining at the end of fiscal year 2001 shall revert to the
6 general fund.

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