

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 878

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Danice R. Picraux

FOR THE LEGISLATIVE HEALTH SUBCOMMITTEE

AN ACT

**RELATING TO PUBLICLY FUNDED HEALTH CARE PROGRAMS; PROVIDING
EXPANSION TO OTHER POLITICAL SUBDIVISIONS TO USE THE
CONSOLIDATED PURCHASING SINGLE PROCESS; PROVIDING FOR
APPLICABILITY OF CERTAIN PROVISIONS OF THE NEW MEXICO
INSURANCE CODE; AMENDING AND ENACTING SECTIONS OF THE NMSA
1978.**

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

**Section 1. A new section of the Health Care Purchasing
Act is enacted to read:**

**" NEW MATERIAL CONSOLIDATED PURCHASING FOR OTHER
PERSONS. --**

**A. Counties, municipalities, state educational
institutions and other political subdivisions that wish to use
the consolidated purchasing single process for the procurement**

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 of health care benefits shall create or enter into an existing
2 association, cooperative or other mutual alliance to create
3 larger pools of eligible participants.

4 B. Counties, municipalities, state educational
5 institutions and other political subdivisions that wish to use
6 the consolidated purchasing single process shall, through
7 their respective association, cooperative or mutual alliance,
8 participate in the subsequent consolidated purchasing single
9 process with the publicly funded health care agencies. "

10 Section 2. A new section of the Health Care Purchasing
11 Act is enacted to read:

12 "[NEW MATERIAL] USE OF SOCIAL SECURITY NUMBERS. -- The
13 publicly funded health care agencies or other persons
14 providing health care benefits through the consolidated
15 purchasing single process shall not require the use of
16 participants' social security numbers as health care benefit
17 plan identification numbers. "

18 Section 3. A new section of the Health Care Purchasing
19 Act is enacted to read:

20 "[NEW MATERIAL] CONSOLIDATED ADMINISTRATIVE FUNCTIONS. --

21 A. By December 31, 2001, the retiree health care
22 authority, in consultation with the publicly funded health
23 care agencies, political subdivisions and other persons
24 participating in the consolidated purchasing single process
25 pursuant to the Health Care Purchasing Act, shall consolidate,

. 134564. 3

1 standardize and administer the administrative functions that
2 the retiree health care authority can effectively and
3 efficiently administer for those entities, including:

- 4 (1) eligibility;
- 5 (2) benefit utilization;
- 6 (3) enrollment information; and
- 7 (4) communications to participants regarding
8 enrollment, updates and general information.

9 B. The retiree health care authority shall have
10 the primary responsibility for ensuring that the publicly
11 funded health care agencies, political subdivisions and other
12 persons participating pursuant to the Health Care Purchasing
13 Act are in compliance with the federal Health Insurance
14 Portability and Accountability Act of 1996, including other
15 administrative simplification and privacy and confidentiality
16 requirements as provided in state and federal law.

17 C. The retiree health care authority shall provide
18 for the publicly funded health care agencies, political
19 subdivisions and other persons participating pursuant to the
20 Health Care Purchasing Act a central process for:

- 21 (1) dissemination of information to all
22 covered and potential participants;
- 23 (2) input and output of health care data;
- 24 (3) design of and access to electronic media
25 information relating to health care plans, benefits,

underscored material = new
[bracketed material] = delete

1 enrollment and general information; and

2 (4) transition of employee benefits from one
3 participating employer to another and, if applicable, at
4 retirement.

5 D. The retiree health care authority may enter
6 into a joint powers agreement pursuant to the Joint Powers
7 Agreements Act with the publicly funded health care agencies
8 and political subdivisions to determine assessments or
9 provisions of resources to consolidate, standardize and
10 administer the consolidated purchasing single process and
11 subsequent activities pursuant to the Health Care Purchasing
12 Act. The retiree health care authority may enter into
13 contracts with nonpublic persons that participate in the
14 purchase of health care benefits pursuant to the Health Care
15 Purchasing Act to determine assessments or provisions of
16 resources for consolidation, standardization and
17 administrative activities.

18 E. The retiree health care authority shall provide
19 a status report on the consolidation of administrative
20 functions to the legislative health and human services
21 committee by December 1, 2001. "

22 Section 4. Section 59A-1-16 NMSA 1978 (being Laws 1984,
23 Chapter 127, Section 16, as amended) is amended to read:

24 "59A-1-16. EXEMPTED FROM CODE. --In addition to
25 organizations and businesses otherwise exempt, the Insurance

. 134564. 3

underscored material = new
[bracketed material] = delete

1 Code shall not apply to:

2 A. a labor organization that, incidental only to
3 operations as a labor organization, issues benefit
4 certificates to members or maintains funds to assist members
5 and their families in times of illness, injury or need, and is
6 not for profit;

7 B. the credit union share insurance corporation,
8 as identified in Chapter 58, Article 12 NMSA 1978, and similar
9 corporations and funds for protection of depositors,
10 shareholders or creditors of financial institutions and
11 businesses other than insurers; or

12 C. the risk management division of the general
13 services department, the public school insurance authority,
14 the retiree health care authority and any public school
15 district or to insurance of public property or public risks by
16 any agency of government not otherwise engaged in the business
17 of insurance, except the provisions of the Patient Protection
18 Act and Sections 59A-2-9.2 and 59A-23E-18 NMSA 1978 shall
19 apply to [~~and any managed health care plan it offers~~] any
20 entity required or authorized to purchase health care benefits
21 pursuant to the Health Care Purchasing Act. "