

HOUSE GOVERNMENT AND URBAN AFFAIRS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 878

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

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

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 their
7 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, political subdivisions
14 and other persons providing health care benefits through the
15 consolidated purchasing single process, in compliance with
16 state and federal law, shall not require the use of
17 participants' social security numbers as health care benefit
18 plan identification numbers. "

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

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

22 A. By December 1, 2001, the publicly funded health
23 care agencies, political subdivisions and other persons
24 participating in the consolidated purchasing single process
25

1 pursuant to the Health Care Purchasing Act shall cooperatively
2 study and provide a status report on the consolidation of
3 administrative functions to the legislative health and human
4 services committee and the governor.

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

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

1 contracts with nonpublic persons to provide the service of
2 determining assessments or provision of resources for
3 consolidation, standardization and administrative activities.

4 D. Each agency will retain its responsibility to
5 determine policy direction of the benefit plans, plan
6 development, training and coordination with respect to
7 participants and its benefits staff, as well as to respond to
8 benefits eligibility inquiries and establish and enforce
9 eligibility rules."

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

12 "59A-1-16. EXEMPTED FROM CODE. --In addition to
13 organizations and businesses otherwise exempt, the Insurance
14 Code shall not apply to:

15 A. a labor organization that, incidental only to
16 operations as a labor organization, issues benefit certificates
17 to members or maintains funds to assist members and their
18 families in times of illness, injury or need, and is not for
19 profit;

20 B. the credit union share insurance corporation, as
21 identified in Chapter 58, Article 12 NMSA 1978, and similar
22 corporations and funds for protection of depositors,
23 shareholders or creditors of financial institutions and
24 businesses other than insurers; or

1 C. the risk management division of the general
2 services department, the public school insurance authority, the
3 retiree health care authority and any public school district or
4 to insurance of public property or public risks by any agency
5 of government not otherwise engaged in the business of
6 insurance, except the provisions of the Patient Protection Act
7 and Sections 59A-2-9.2 and 59A-23E-18 NMSA 1978 shall apply to
8 ~~[the risk management division and any managed health care plan~~
9 ~~it offers]~~ any entity required or authorized to purchase health
10 care benefits pursuant to the Health Care Purchasing Act. "

underscored material = new
[bracketed material] = delete