

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

**SENATE BILL 392**

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

**INTRODUCED BY**

**Linda M Lopez**

**FOR THE WELFARE REFORM OVERSIGHT COMMITTEE**

**AN ACT**

**RELATING TO PUBLIC ASSISTANCE; ENSURING MEDICAID ELIGIBILITY FOR ALL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES RECIPIENTS; ELIMINATING HOUSEHOLD GROUPS; ELIMINATING THE STATE HOUSING SUBSIDY; MODIFYING THE DISREGARDS PERMITTED; AMENDING THE NEW MEXICO WORKS ACT; DECLARING AN EMERGENCY.**

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

**Section 1. Section 27-2B-3 NMSA 1978 (being Laws 1998, Chapter 8, Section 3 and Laws 1998, Chapter 9, Section 3, as amended) is amended to read:**

**"27-2B-3. DEFINITIONS. --As used in the New Mexico Works Act:**

**A. "benefit group" means ~~[a group of people that includes at least one dependent child living with his parent, legal guardian or relative within the fifth degree of~~**

underscored material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 ~~consanguinity; or a pregnant woman~~ a pregnant woman or a  
2 group of people that includes a dependent child, all of that  
3 dependent child's full, half, step- or adopted siblings living  
4 with the dependent child's parent or relative within the fifth  
5 degree of consanguinity and the parent with whom the children  
6 live;

7 B. "cash assistance" means cash payments funded by  
8 the temporary assistance for needy families block grant  
9 pursuant to the federal act and by state funds;

10 C. "department" means the human services  
11 department;

12 D. "dependent child" means a natural, ~~[or]~~ adopted  
13 or step- child or ward who is seventeen years of age or  
14 younger or ~~[a household group member]~~ who is eighteen years of  
15 age and is enrolled in high school;

16 E. "director" means the director of the income  
17 support division of the department;

18 F. "earned income" ~~[includes]~~ means cash or  
19 payment in kind that is received as wages from employment or  
20 payment in lieu of wages; and earnings from self-employment or  
21 earnings acquired from the direct provision of services, goods  
22 or property, production of goods, management of property or  
23 supervision of services; ~~[and all other income not classified~~  
24 ~~as unearned income]~~

25 G. "federal act" means the federal Social Security

underscored material = new  
[bracketed material] = delete

1 Act and rules promulgated pursuant to the Social Security Act;

2 H. "federal poverty guidelines" means the level of  
3 income defining poverty by family size published annually in  
4 the federal register by the United States department of health  
5 and human services;

6 ~~[I. "household group" means a group of people that  
7 consists of a benefit group and any other person who resides  
8 in a household, regardless of whether they are related or have  
9 a legal support responsibility for a member of the benefit  
10 group, but does not include:~~

11 ~~(1) landlords;~~

12 ~~(2) tenants; or~~

13 ~~(3) members of a registered nonprofit  
14 organization or church who provide shelter to a benefit group  
15 through a program sponsored by the nonprofit organization or  
16 church;~~

17 ~~J.]~~ I. "immigrant" means alien as defined in the  
18 federal act;

19 ~~[K. "landlord" means the owner of an estate in  
20 land or a rental property who has leased it to another person  
21 called the tenant~~

22 ~~L.]~~ J. "parent" means natural parent, adoptive  
23 parent, stepparent or legal guardian;

24 ~~[M.]~~ K. "participant" means a recipient of cash  
25 assistance or services or a member of a benefit group who has

underscored material = new  
[bracketed material] = delete

1 reached the age of majority;

2 [N.] L. "person" means an individual;

3 [O.] M. "secretary" means the secretary of the  
4 department;

5 [P.] N. "services" [~~includes~~] means child-care  
6 assistance; payment for employment-related transportation  
7 costs; job search assistance; employment counseling;  
8 employment, education and job training placement; one-time  
9 payment for necessary employment-related costs; case  
10 management; or other activities whose purpose is to assist  
11 transition into employment; and

12 [~~Q.~~] ~~"tenant" means a person who pays rent for the~~  
13 ~~use and occupancy of real property owned by a landlord; and~~

14 [R.] O. "unearned income" [~~includes~~] means old age,  
15 survivors and disability insurance; railroad retirement  
16 benefits; veterans administration compensation or pension;  
17 military retirement; pensions, annuities and retirement  
18 benefits; lodge or fraternal benefits; shared shelter  
19 payments; settlement payments; individual Indian money; [~~and~~  
20 ~~similar kinds of income~~] child support; unemployment  
21 compensation benefits; union benefits paid in cash; gifts and  
22 contributions; and real property income. "

23 Section 2. Section 27-2B-4 NMSA 1978 (being Laws 1998,  
24 Chapter 8, Section 4 and also Laws 1998, Chapter 9, Section 4  
25 as amended by Laws 1999, Chapter 71, Section 1 and by Laws

. 134326. 3

underscored material = new  
[bracketed material] = delete

1 1999, Chapter 273, Section 2 and also by Laws 1999, Chapter  
2 280, Section 1) is amended to read:

3 "27-2B-4. APPLICATION--RESOURCE PLANNING SESSION--  
4 INDIVIDUAL RESPONSIBILITY PLANS--PARTICIPATION AGREEMENT--  
5 REVIEW PERIODS.--

6 A. Application for cash assistance or services  
7 shall be made to the department's county office in the county  
8 or district in which an applicant resides. The application  
9 shall be in writing or reduced to writing in the manner and on  
10 the form prescribed by the department. The application shall  
11 be made under oath by an applicant having custody of or  
12 residing with a dependent child who is a [~~household~~] benefit  
13 group member and shall contain a statement of the age of the  
14 child, residence, a complete statement of the amount of  
15 property in which the applicant has an interest, a statement  
16 of all income that he and other [~~household~~] benefit group  
17 members have at the time of the filing of the application and  
18 other information required by the department.

19 B. Application for expedited food stamps shall be  
20 made to the department's county office in the county or  
21 district in which an applicant resides. The department shall  
22 process the application for expedited food stamps within  
23 twenty-four hours after the application is made.

24 C. At the time of application for cash assistance  
25 and services, an applicant shall identify [~~household~~ group

underscored material = new  
[bracketed material] = delete

1 ~~members]~~ everyone who [~~are]~~ is to be counted in the benefit  
2 group. Once an application is approved, the participant shall  
3 advise the department if there are any changes in the  
4 membership of the [~~household group or]~~ benefit group.

5 D. No later than forty-five days after an  
6 application is filed, the department shall provide to an  
7 applicant a resource planning session to ascertain his  
8 immediate needs, assess financial and nonfinancial options,  
9 make referrals and act on the application.

10 E. No later than five days after an application is  
11 approved, the department shall provide reimbursement for child  
12 care.

13 F. Whenever the department receives an application  
14 for assistance, a verification and record of the applicant's  
15 circumstances shall promptly be made to ascertain the facts  
16 supporting the application and to obtain other information  
17 required by the department. The verification may include a  
18 visit to the home of the applicant, as long as the department  
19 gives adequate prior notice of the visit to the applicant.

20 G. Within fifteen days after an application is  
21 approved, the department shall assess the education, skills,  
22 prior work experience and employability of the participant.

23 H. After the initial assessment of skills, the  
24 department shall work with the participant to develop an  
25 individual responsibility plan that:

. 134326. 3

underscored material = new  
[bracketed material] = delete

1 (1) sets forth an employment goal for the  
2 participant and a plan for moving the participant into  
3 employment;

4 (2) sets forth obligations of the participant  
5 that may include a requirement that the participant attend  
6 school, maintain certain grades and attendance, keep his  
7 school-age children in school, immunize his children or engage  
8 in other activities that will help the participant become and  
9 remain employed;

10 (3) is designed to the greatest extent  
11 possible to move the participant into whatever employment the  
12 participant is capable of handling and to provide additional  
13 services as necessary to increase the responsibility and  
14 amount of work the participant will handle over time;

15 (4) describes the services the department may  
16 provide so that the participant may obtain and keep  
17 employment; and

18 (5) may require the participant to undergo  
19 appropriate substance abuse treatment.

20 I. The participant and a representative of the  
21 department shall sign the participant's individual  
22 responsibility plan. The department shall not allow a  
23 participant to decline to participate in developing an  
24 individual responsibility plan. The department shall not  
25 waive the requirement that a participant develop an individual

. 134326. 3

underscored material = new  
[bracketed material] = delete

1 responsibility plan. The department shall emphasize the  
2 importance of the individual responsibility plan to the  
3 participant.

4 J. If a participant does not develop an individual  
5 responsibility plan, refuses to sign an individual  
6 responsibility plan or refuses to attend semiannual reviews of  
7 an individual responsibility plan, he shall be required to  
8 enter into a conciliation pursuant to Subsection C of Section  
9 27-2B-14 NMSA 1978. If the participant persists in  
10 noncompliance with the individual responsibility plan process  
11 after the conciliation, he shall be subject to sanctions  
12 pursuant to Section 27-2B-14 NMSA 1978.

13 K. The participant shall also sign a participation  
14 agreement that designates the number of hours that he must  
15 participate in work activities to meet participation  
16 standards.

17 L. The department shall review the current  
18 financial eligibility of a benefit group when the department  
19 reviews food stamp eligibility.

20 M. The department shall meet semiannually with a  
21 participant to review and revise his individual responsibility  
22 plan.

23 N. The department shall develop a complaint  
24 procedure to address issues pertinent to the delivery of  
25 services and other issues relating to a participant's



underscored material = new  
[bracketed material] = delete

1 individual responsibility plan. "

2 Section 3. Section 27-2B-6 NMSA 1978 (being Laws 1998,  
3 Chapter 8, Section 6 and Laws 1998, Chapter 9, Section 6) is  
4 amended to read:

5 "27-2B-6. DURATIONAL LIMITS. --

6 A. Pursuant to the federal act, on or after July  
7 1, 1997 a participant may receive federally funded cash  
8 assistance and services for up to sixty months.

9 B. During a participant's fourth, sixth and eighth  
10 semi-annual reviews, the department shall examine the  
11 participant's progress to determine if the participant has  
12 successfully completed an educational or training program or  
13 increased the number of hours he is working as required by the  
14 federal act. The department may refer the participant to  
15 alternative work activities or provide additional services to  
16 address possible barriers to employment facing the  
17 participant.

18 C. Up to twenty percent of the population of  
19 participants may be exempted from the sixty-month durational  
20 limit set out in Subsection A of this section because of  
21 hardship or because those participants are battered or subject  
22 to extreme cruelty.

23 D. For the purposes of this section, a participant  
24 has been battered or subjected to extreme cruelty if he can  
25 demonstrate by reliable medical, psychological or mental

. 134326. 3

1 reports, court orders or police reports that he has been  
2 subjected to and currently is affected by:

3 (1) physical acts that result in physical  
4 injury;

5 (2) sexual abuse;

6 (3) being forced to engage in nonconsensual  
7 sexual acts or activities;

8 (4) threats or attempts at physical or sexual  
9 abuse;

10 (5) mental abuse; or

11 (6) neglect or deprivation of medical care  
12 except when the deprivation is based by mutual consent on  
13 religious grounds.

14 E. For the purposes of this section, a hardship  
15 exception applies to a person who demonstrates through  
16 reliable medical, psychological or mental reports, social  
17 security administration records, court orders or police  
18 reports that he is a person:

19 (1) who is barred from engaging in a work  
20 activity because he is temporarily or completely disabled;

21 (2) who is the sole provider of home care to  
22 an ill or disabled family member; [or]

23 (3) whose ability to be gainfully employed is  
24 affected by domestic violence; or

25 (4) whose application for supplemental

underscored material = new  
[bracketed material] = delete

1 security income is pending in the application or appeals  
2 process.

3 F. Pursuant to the federal act, the department  
4 shall not count a month of receipt of cash assistance or  
5 services toward the sixty-month durational limit if during the  
6 time of receipt the participant:

7 (1) was a minor and was not the head of a  
8 household or married to the head of a household; or

9 (2) lived in Indian country, as defined in  
10 the federal act, if the most reliable data available with  
11 respect to the month indicate that at least fifty percent of  
12 the adults living in Indian country or in the village were not  
13 employed. "

14 Section 4. Section 27-2B-7 NMSA 1978 (being Laws 1998,  
15 Chapter 8, Section 7 and Laws 1998, Chapter 9, Section 7, as  
16 amended) is amended to read:

17 "27-2B-7. FINANCIAL STANDARD OF NEED. --

18 A. The secretary shall adopt a financial standard  
19 of need based upon the availability of federal and state funds  
20 and based upon appropriations by the legislature of the  
21 available federal temporary assistance for needy families  
22 grant made pursuant to the federal act in the following  
23 categories:

24 (1) cash assistance;

25 (2) child-care services;

. 134326. 3

underscored material = new  
[bracketed material] = delete

- 1 (3) other services; and
- 2 (4) administrative costs.

3 The legislature shall determine the actual percentage of each  
4 category to be used annually of the federal temporary  
5 assistance for needy families grant made pursuant to the  
6 federal act.

7 ~~[B. Only a benefit group receiving a cash benefit~~  
8 ~~of seventy-five dollars (\$75.00) or greater, excluding any~~  
9 ~~housing subsidy payment, and who are not living in government-~~  
10 ~~subsidized housing or receiving government-subsidized housing~~  
11 ~~payments shall receive an additional housing allowance of~~  
12 ~~fifty dollars (\$50.00) per month.~~

13 ~~C.]~~ B. The following income sources are exempt  
14 from the gross income test, the net income test and the cash  
15 payment calculation:

- 16 (1) medicaid;
- 17 (2) food stamps;
- 18 (3) government-subsidized foster care [~~and~~  
19 ~~adoption~~] payments if the child for whom the payment is  
20 received is also excluded from the benefit group;
- 21 (4) supplemental security income;
- 22 (5) government-subsidized housing or housing  
23 payments;
- 24 (6) federally excluded income;
- 25 (7) educational payments made directly to an

underscored material = new  
[bracketed material] = delete

1 educational institution;

2 (8) government-subsidized child care;

3 (9) earned [~~and unearned~~] income that belongs  
4 to a person seventeen years of age or younger who is not the  
5 head of household;

6 [~~(10) for the first two years of receiving~~  
7 ~~cash assistance or services, if a participant works over the~~  
8 ~~work requirement rate set by the department pursuant to the~~  
9 ~~New Mexico Works Act, one hundred percent of the income earned~~  
10 ~~by the participant beyond that rate;~~

11 [~~(11) for the first two years of receiving~~  
12 ~~cash assistance or services, for a two-parent benefit group in~~  
13 ~~which one parent works over thirty-five hours per week and the~~  
14 ~~other works over twenty-four hours per week, one hundred~~  
15 ~~percent of income earned by each participant beyond the work~~  
16 ~~requirement rate set by the department;~~

17 [~~(12) unearned income that belongs to the~~  
18 ~~household group but not to the benefit group;~~

19 [~~(13)~~] (10) fifty dollars (\$50.00) of  
20 collected child support passed through to the participant by  
21 the department's child support enforcement program; and

22 [~~(14)~~] (11) other income sources as  
23 determined by the department.

24 [D. ~~Earned income over one hundred thirty percent~~]

25 C. The total countable gross earned and unearned

underscored material = new  
[bracketed material] = delete

1 income of the benefit group cannot exceed eighty-five percent  
2 of the federal poverty guidelines [~~that belongs to the~~  
3 ~~household group but not to the benefit group is countable~~  
4 ~~income. The department shall count the entire household group~~  
5 ~~to determine family size when applying the federal poverty~~  
6 ~~guidelines~~

7 ~~E. The department shall count the entire household~~  
8 ~~group to determine family size when applying the financial~~  
9 ~~standard of need.] for the size of the benefit group.~~

10 D. For a benefit group to be eligible to  
11 participate:

12 (1) gross countable [earned] income that  
13 belongs to the [~~household group but not to the~~] benefit group  
14 must not exceed [~~one hundred~~] eighty-five percent of the  
15 [~~financial standard of need~~] federal poverty guidelines for  
16 the size of the benefit group; and

17 (2) net countable [earned] income that  
18 belongs to the [~~household~~] benefit group must not equal or  
19 exceed the financial standard of need after applying the  
20 disregards set out in Paragraphs (1) through (4) of Subsection  
21 [F] E of this section.

22 [~~F. Subject to the availability of state and~~  
23 ~~federal funds~~]

24 E. The department shall determine the cash payment  
25 of the benefit group by applying the following disregards to

underscored material = new  
[bracketed material] = delete

1 the benefit group's earned gross income and then subtracting  
2 that amount from the benefit group's financial standard of  
3 need:

4 [~~(1) one hundred fifty dollars (\$150)~~]

5 (1) for the first two years of receiving cash  
6 assistance or services, if a participant works over the work  
7 requirement rate set by the department pursuant to the New  
8 Mexico Works Act, one hundred percent of the income earned by  
9 the participant beyond that rate;

10 (2) for the first two years of receiving cash  
11 assistance or services, for a two-parent benefit group in  
12 which one parent works over thirty-five hours per week and the  
13 other works over twenty-four hours per week, one hundred  
14 percent of income earned by each participant beyond the work  
15 requirement rate set by the department;

16 (3) one hundred twenty-five dollars (\$125) of  
17 monthly earned income and one-half of the remainder, or for a  
18 two-parent family, [~~two hundred fifty dollars (\$250)~~] two  
19 hundred twenty-five dollars (\$225) of monthly earned income  
20 and one-half of the remainder for each parent;

21 [~~(2)~~] (4) monthly payments made for child  
22 care at a maximum of two hundred dollars (\$200) for a child  
23 under two years of age and at a maximum of one hundred  
24 seventy-five dollars (\$175) for a child two years of age or  
25 older;

. 134326. 3

underscored material = new  
[bracketed material] = delete

1                            [~~3~~] (5) costs of self-employment income;

2 and

3                            [~~4~~] (6) business expenses.

4                            [~~6~~] F. The department may recover overpayments of  
5 cash assistance on a monthly basis not to exceed fifteen  
6 percent of the financial standard of need applicable to the  
7 benefit group. "

8                            Section 5. Section 27-2B-8 NMSA 1978 (being Laws 1998,  
9 Chapter 8, Section 8 and Laws 1998, Chapter 9, Section 8) is  
10 amended to read:

11                            "27-2B-8. RESOURCES. --

12                            A. Liquid and nonliquid resources owned by the  
13 [~~household group but not by the~~] benefit group shall [~~not~~] be  
14 counted in the eligibility determination.

15                            B. A benefit group may at a maximum own the  
16 following resources:

17    (1) two thousand dollars (\$2,000) in  
18 nonliquid resources;

19    (2) one thousand five hundred dollars  
20 (\$1,500) in liquid resources;

21    (3) the value of the principal residence of  
22 the participant;

23    (4) the value of burial plots and funeral  
24 contracts for family members;

25    (5) individual development accounts;



underscored material = new  
[bracketed material] = delete

1 (6) the value of work-related equipment up to  
2 one thousand dollars (\$1,000);

3 (7) in areas without public transportation,  
4 the value of one motor vehicle for each participant engaged in  
5 a work activity; and

6 (8) in areas with public transportation, the  
7 value of one motor vehicle."

8 Section 6. Section 27-2B-11 NMSA 1978 (being Laws 1998,  
9 Chapter 8, Section 11 and Laws 1998, Chapter 9, Section 11) is  
10 amended to read:

11 "27-2B-11. INELIGIBILITY. --

12 A. The following are ineligible to be members of a  
13 benefit group:

14 (1) an inmate or patient of a nonmedical  
15 institution;

16 (2) a person who, in the two years preceding  
17 application, assigned or transferred real property unless he:

18 (a) received or receives a reasonable  
19 return;

20 (b) attempted to or attempts to receive  
21 a reasonable return; or

22 (c) attempted to or attempts to regain  
23 title to the real property;

24 (3) a minor unmarried parent who has not  
25 successfully completed a high school education and who has a

1 child at least twelve weeks of age in his care unless the  
2 minor unmarried parent:

3 (a) participates in educational  
4 activities directed toward the attainment of a high school  
5 diploma or its equivalent; or

6 (b) participates in an alternative  
7 educational or training program that has been approved by the  
8 department;

9 (4) a minor unmarried parent who is not  
10 residing in a place of residence maintained by his parent,  
11 legal guardian or other adult relative unless the department:

12 (a) refers or locates the minor  
13 unmarried parent to a second-chance home, maternity home or  
14 other appropriate adult-supervised supportive living  
15 arrangement, taking into account the needs and concerns of the  
16 minor unmarried parent;

17 (b) determines that the minor unmarried  
18 parent has no parent, legal guardian or other appropriate  
19 adult relative who is living or whose whereabouts are known;

20 (c) determines that a minor unmarried  
21 parent is not allowed to live in the home of a living parent,  
22 legal guardian or other appropriate adult relative;

23 (d) determines that the minor unmarried  
24 parent is or has been subjected to serious physical or  
25 emotional harm, sexual abuse or exploitation in the home of

underscored material = new  
[bracketed material] = delete

1 the parent, legal guardian or other appropriate adult  
2 relative;

3 (e) finds that substantial evidence  
4 exists of an act or a failure to act that presents an imminent  
5 or serious harm to the minor unmarried parent and the child of  
6 the minor unmarried parent if they live in the same residence  
7 with the parent, legal guardian or other appropriate adult  
8 relative; or

9 (f) determines that it is in the best  
10 interest of the unmarried minor parent to waive this  
11 requirement;

12 (5) a minor child who has been absent or is  
13 expected to be absent from the home for forty-five days;

14 (6) a person who does not provide a social  
15 security number or who refuses to apply for one;

16 (7) a person who is not a resident of New  
17 Mexico;

18 (8) a person who fraudulently misrepresented  
19 residency to receive assistance in two or more states  
20 simultaneously except that such person shall be ineligible  
21 only for ten years;

22 (9) for five years following the date of  
23 release from any federal or state prison or county jail or  
24 following the date of completion of the terms of probation, a  
25 person convicted of a drug-related felony on or after August

. 134326. 3

underscored material = new  
[bracketed material] = delete

1 22, 1996; however, the cash assistance of the other members of  
2 his assistance group shall be reduced only by the amount to  
3 which he otherwise would be entitled;

4 (10) a person who is a fleeing felon or a  
5 probation and parole violator;

6 (11) a person concurrently receiving  
7 supplemental security income, tribal temporary assistance for  
8 needy families or bureau of Indian affairs general assistance  
9 [~~or adoption subsidies~~]; and

10 (12) unless he demonstrates good cause, a  
11 parent who does not assist the department in establishing  
12 paternity or obtaining child support or who does not assign  
13 support rights to New Mexico as required pursuant to the  
14 federal act.

15 B. At the time of application, a participant shall  
16 state in writing whether he or another member of the benefit  
17 group has been convicted on or after August 22, 1996 of a  
18 drug-related felony.

19 C. A person convicted of a drug-related felony may  
20 be eligible to receive services if the department in  
21 consultation with the corrections department determines that  
22 services would enhance his rehabilitation and employment  
23 success.

24 D. For the purposes of this section, "second-  
25 chance home" means an entity that provides a supportive and

underscored material = new  
[bracketed material] = delete

1 supervised living arrangement to a minor unmarried parent  
2 where the minor unmarried parent is required to learn  
3 parenting skills, including child development, family  
4 budgeting, health and nutrition and other skills to promote  
5 long-term economic independence and the well-being of  
6 children. "

7 Section 7. Section 27-2B-14 NMSA 1978 (being Laws 1998,  
8 Chapter 8, Section 14 and Laws 1998, Chapter 9, Section 14) is  
9 amended to read:

10 "27-2B-14. SANCTIONS. --

11 A. The department shall sanction a member of [~~the~~]  
12 a benefit group for noncompliance with work requirements [~~and~~]  
13 or child support requirements.

14 B. The sanction shall be applied at the following  
15 levels:

16 (1) twenty-five percent reduction of cash  
17 assistance for the first occurrence of noncompliance;

18 (2) fifty percent reduction of cash  
19 assistance for the second occurrence of noncompliance; and

20 (3) termination of cash assistance and  
21 ineligibility to reapply for six months for the third  
22 occurrence of noncompliance.

23 C. Prior to imposing the first sanction, if the  
24 department determines that a participant is not complying with  
25 the work participation requirement or child support

. 134326. 3

underscored material = new  
[bracketed material] = delete

1 requirements, the participant shall be required to enter into  
2 a conciliation process established by the department to  
3 address the noncompliance and to identify good cause for  
4 noncompliance or barriers to compliance. The conciliation  
5 process shall occur only once prior to the imposition of the  
6 sanction. [~~If the participant fails to participate in the~~  
7 ~~conciliation process within ten days of receiving notice, the~~  
8 ~~sanction shall be imposed.~~] The participant shall have ten  
9 working days from the date a conciliation notice is mailed to  
10 contact the department to initiate the conciliation process.  
11 A participant who fails to initiate the conciliation process  
12 shall have a notice of adverse action mailed to him after the  
13 tenth working day following the date on which the conciliation  
14 notice is mailed. Participants who begin but do not complete  
15 the conciliation process shall be mailed a notice of adverse  
16 action thirty days from the date the original conciliation  
17 notice was mailed.

18 D. Reestablishing compliance [~~with~~] shall allow  
19 full payment to resume.

20 [~~E. Within ten days of a failure to comply with a~~  
21 ~~requirement, a notice of action shall be mailed to the~~  
22 ~~participant. A participant is in sanction status when the~~  
23 ~~notice of action is mailed. The sanction is imposed on the~~  
24 ~~first day of the month following the month in which the notice~~  
25 ~~of action is mailed to the participant.~~

underscored material = new  
[bracketed material] = delete

1           ~~F.-]~~ E. Noncompliance with reporting requirements  
2 may subject a participant to other sanctions.

3           F. The department shall not terminate the medicaid  
4 benefits of any member of a benefit group due to imposition of  
5 a sanction pursuant to the provisions of this section."

6           Section 8. Section 27-2B-15 NMSA 1978 (being Laws 1998,  
7 Chapter 8, Section 15 and Laws 1998, Chapter 9, Section 15) is  
8 amended to read:

9           "27-2B-15. MEDICAID ELIGIBILITY. --

10           A. The following are eligible for medicaid:

11           ~~[A. a benefit group that meets the requirements of~~  
12 ~~New Mexico's aid to families with dependent children as they~~  
13 ~~existed on July 16, 1996;~~

14           ~~B.-]~~ (1) a participant who is in transition to  
15 self-sufficiency due to employment or child support;

16           ~~[C.-]~~ (2) a pregnant woman who meets the  
17 income and resource requirements for New Mexico's aid to  
18 families with dependent children as they existed on July 16,  
19 1996;

20           ~~[D.-]~~ (3) a member of a benefit group who is  
21 eighteen years of age or younger if the benefit group's income  
22 is below one hundred eighty-five percent of the federal  
23 poverty guidelines;

24           ~~[E.-]~~ (4) a pregnant woman whose income is  
25 below one hundred eighty-five percent of the federal poverty

underscored material = new  
[bracketed material] = delete

1 guidelines;

2 [F-] (5) participants receiving federal  
3 supplemental security income;

4 [G-] (6) an aged, blind or disabled person in  
5 an institution who meets all the supplemental security income  
6 standards except for income;

7 [H-] (7) a person who meets all standards for  
8 institutional care but is cared for at home and meets  
9 eligibility standards for medicaid;

10 [I-] (8) a qualified medicare beneficiary,  
11 qualified disabled working person or specified low-income  
12 medicare beneficiary; and

13 [J-] (9) a foster child in the custody of the  
14 state or of an Indian pueblo, tribe or nation who meets  
15 eligibility standards for medicare.

16 B. A benefit group that is eligible to receive  
17 cash assistance pursuant to the New Mexico Works Act is deemed  
18 to meet the requirements of New Mexico's aid to families with  
19 dependent children as they existed on July 16, 1996 and is  
20 eligible for medicaid."

21 Section 9. EMERGENCY.--It is necessary for the public  
22 peace, health and safety that this act take effect  
23 immediately.

24 - 24 -

25