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HOUSE BILL 420

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

John A. Sanchez

AN ACT

RELATING TO PRESCRIPTION DRUGS; PROVIDING A PRESCRIPTION DRUG
BENEFIT TO NEW MEXICO SENIORS; AMENDING AND ENACTING SECTIONS
OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

Section 1. Section 10-7C-5 NMSA 1978 (being Laws 1990,
Chapter 6, Section 5) is amended to read:

"10-7C-5. AUTHORITY CREATED. - -

A. There is created the "retiree health care
authority", which is established to provide for comprehensive
group health insurance programs under the Retiree Health Care
Act. The authority shall be administratively attached to the
public school insurance authority until December 31, 1993.

The [executive] director of the public school insurance
authority shall be the executive director of the retiree

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[bracketed material] = delete

1 health care authority until December 31, 1993. The board
2 created by Section [~~6 of the Retiree Health Care Act~~] 10-7C-6
3 NMSA 1978 shall remain fully independent of the board of the
4 public school insurance authority.

5 B. The retiree health care authority shall also
6 administer the senior prescription drug program in conjunction
7 with or through the consolidated purchasing process pursuant
8 to the Health Care Purchasing Act. "

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

11 "[NEW MATERIAL] CREATION OF SENIOR PRESCRIPTION DRUG
12 PROGRAM --

13 A. The "senior prescription drug program" is
14 created in the authority.

15 B. To be eligible for the senior prescription drug
16 program, a person shall:

17 (1) be a resident of the state who is sixty-
18 five years of age or older;

19 (2) have an income not exceeding two hundred
20 thirty-five percent of the federal poverty level; and

21 (3) not have any other prescription drug
22 benefit.

23 C. Upon a determination that the person qualifies
24 for the senior prescription drug program, the authority shall
25 collect an enrollment fee not to exceed sixty dollars (\$60.00)

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1 per year. The authority shall collect the enrollment fees,
2 and the enrollment fees shall be used by the authority to
3 cover the cost of administering the program.

4 D. The amount a qualified person pays for a
5 prescription drug shall not exceed the total cost of the
6 dispensing fee plus the contracted discounted price made
7 available to the authority.

8 E. The authority shall provide general information
9 to the public about the availability of the senior
10 prescription drug program.

11 F. The "senior prescription drug program fund" is
12 created in the state treasury. All fees collected pursuant to
13 Subsection C of this section shall be deposited in the fund
14 and shall be used by the authority to administer the senior
15 prescription drug program. Money appropriated to the fund or
16 accruing to it through gifts, grants, fees or bequests shall
17 be deposited in the fund. Earnings from investment of the
18 fund shall be credited to the general fund. Money in the fund
19 shall not revert at the end of any fiscal year. Disbursements
20 from the fund shall be made upon warrants drawn by the
21 secretary of finance and administration pursuant to vouchers
22 signed by the director of the authority or his authorized
23 representative. The authority shall annually adjust the
24 enrollment fee to permit necessary administration of the
25 program but shall not exceed the amount established in

. 140853. 1

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1 Subsection C of this section. "

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