

1 HOUSE BILL 267

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

3 INTRODUCED BY

4 Luciano "Lucky" Varela

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10 AN ACT

11 RELATING TO PUBLIC ASSISTANCE; ENACTING A NEW SECTION OF THE
12 PUBLIC ASSISTANCE ACT TO REQUIRE THE HUMAN SERVICES DEPARTMENT
13 TO CREATE AND IMPLEMENT A NEW REIMBURSEMENT SYSTEM FOR MEDICAID
14 NURSING FACILITY CARE AND SERVICES; MAKING APPROPRIATIONS.

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

17 SECTION 1. A new section of the Public Assistance Act is
18 enacted to read:

19 "[NEW MATERIAL] MEDICAID NURSING FACILITIES--REIMBURSEMENT
20 SYSTEM.--

21 A. By July 1, 2015, the department shall create and
22 implement a new reimbursement system for nursing facility care
23 and services delivered to medicaid recipients. The
24 reimbursement system shall provide for reimbursement rates
25 based on:

.195734.2

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1 (1) the cost of meeting the current acuity of
2 need for nursing facility care and services among medicaid
3 recipients, as determined by a medicaid cost reporting audit;
4 and

5 (2) the current market basket index published
6 by the federal centers for medicare and medicaid services.

7 B. At least once each fiscal year, the department
8 shall implement a reimbursement rate increase for care and
9 services delivered to medicaid recipients in accordance with
10 the reimbursement system devised pursuant to Subsection A of
11 this section.

12 C. As used in this section, "medicaid cost
13 reporting audit" means a review conducted by a person that, in
14 the regular course of business, conducts reviews of itemized
15 allowable nursing facility financial and statistical cost
16 reporting that nursing facilities that provide care and
17 services to medicaid recipients submit annually pursuant to
18 department rules."

19 **SECTION 2. APPROPRIATION.--**

20 A. Eight million dollars (\$8,000,000) is
21 appropriated from the general fund to the human services
22 department for expenditure in fiscal year 2015 to fund
23 reimbursement rate increases for medicaid nursing facilities.
24 Any unexpended or unencumbered balance remaining at the end of
25 fiscal year 2015 shall revert to the general fund.

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B. Five hundred thousand dollars (\$500,000) is appropriated from the general fund to the human services department for expenditure in fiscal year 2015 and subsequent fiscal years to fund the establishment of a new medicaid nursing facility reimbursement system pursuant to Section 1 of this 2014 act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.