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HOUSE BILL 345

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**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

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INTRODUCED BY

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AN ACT

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RELATING TO TAXATION; EXPANDING A GROSS RECEIPTS TAX DEDUCTION

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FOR HEALTH CARE PRACTITIONERS TO ALLOW RECEIPTS FOR THE PAYMENT

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OF COPAYMENTS AND DEDUCTIBLES TO BE DEDUCTED; AMENDING

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DEFINITIONS APPLICABLE TO THAT DEDUCTION.

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

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SECTION 1. Section 7-9-93 NMSA 1978 (being Laws 2004,

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Chapter 116, Section 6, as amended) is amended to read:

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"7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR

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SERVICES PROVIDED BY HEALTH CARE PRACTITIONER--RECEIPTS FOR

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CERTAIN COPAYMENTS AND DEDUCTIBLES.--

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A. Receipts of a health care practitioner for

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commercial contract services or medicare part C services paid

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by a managed [~~health~~] care [~~provider~~] organization or health

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care insurer may be deducted from gross receipts if the

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services are within the scope of practice of the health care practitioner providing the service. Receipts from fee-for-service payments by a health care insurer may not be deducted from gross receipts.

B. Receipts from a copayment or deductible paid by an insured or enrollee to a physician licensed pursuant to the Medical Practice Act, an osteopathic physician licensed pursuant to the Osteopathic Medicine Act or a podiatrist licensed pursuant to the Podiatry Act for commercial contract services pursuant to the terms of the insured's health insurance plan or enrollee's managed care health plan may be deducted from gross receipts as follows:

(1) prior to July 1, 2020, thirty-three and one-third percent;

(2) beginning July 1, 2020 and prior to July 1, 2021, sixty-six and two-thirds percent; and

(3) beginning July 1, 2021, one hundred percent.

~~[B.]~~ C. The ~~[deduction]~~ deductions provided by this section shall be applied only to gross receipts remaining after all other allowable deductions available under the Gross Receipts and Compensating Tax Act have been taken and shall be separately stated by the taxpayer.

D. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in

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a manner required by the department.

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E. The department shall compile an annual report on the deductions provided by this section that shall include the number of taxpayers that claimed the deductions, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deductions. The department shall present the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deductions.

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~~[G.]~~ F. For ~~[the]~~ purposes of this section:

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(1) "commercial contract services" means health care services performed by a health care practitioner pursuant to a contract with a managed ~~[health]~~ care ~~[provider]~~ organization or health care insurer other than those health care services provided for medicare patients pursuant to Title 18 of the federal Social Security Act or for medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;

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(2) "copayment or deductible" means the amount of covered charges an insured or enrollee is required to pay in a plan year for commercial contract services before the insured's health insurance plan or enrollee's managed care health plan begins to pay for applicable covered charges;

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(3) "fee-for-service" means payment for health

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care services by a health care insurer for covered charges  
under an indemnity insurance plan;

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~~[(2)]~~ (4) "health care insurer" means a person  
that:

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(a) has a valid certificate of authority  
in good standing pursuant to the New Mexico Insurance Code to  
act as an insurer, health maintenance organization or nonprofit  
health care plan or prepaid dental plan; and

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(b) contracts to reimburse licensed  
health care practitioners for providing basic health services  
to insureds or enrollees at negotiated fee rates;

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~~[(3)]~~ (5) "health care practitioner" means:  
(a) a chiropractic physician licensed  
pursuant to the provisions of the Chiropractic Physician  
Practice Act;

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(b) a dentist or dental hygienist  
licensed pursuant to the Dental Health Care Act;

(c) a doctor of oriental medicine  
licensed pursuant to the provisions of the Acupuncture and  
Oriental Medicine Practice Act;

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(d) an optometrist licensed pursuant to  
the provisions of the Optometry Act;

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(e) an osteopathic physician or an  
osteopathic physician's assistant licensed pursuant to the  
provisions of the Osteopathic Medicine Act;

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(f) a physical therapist licensed  
pursuant to the provisions of the Physical Therapy Act;

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(g) a physician or physician assistant  
licensed pursuant to the provisions of the Medical Practice  
Act;

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(h) a podiatrist licensed pursuant to  
the provisions of the Podiatry Act;

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(i) a psychologist licensed pursuant to  
the provisions of the Professional Psychologist Act;

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(j) a registered lay midwife registered  
by the department of health;

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(k) a registered nurse or licensed  
practical nurse licensed pursuant to the provisions of the  
Nursing Practice Act;

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(l) a registered occupational therapist  
licensed pursuant to the provisions of the Occupational Therapy  
Act;

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(m) a respiratory care practitioner  
licensed pursuant to the provisions of the Respiratory Care  
Act;

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(n) a speech-language pathologist or  
audiologist licensed pursuant to the Speech-Language Pathology,  
Audiology and Hearing Aid Dispensing Practices Act;

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(o) a professional clinical mental  
health counselor, marriage and family therapist or professional

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art therapist licensed pursuant to the provisions of the  
Counseling and Therapy Practice Act who has obtained a master's  
degree or a doctorate;

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(p) an independent social worker  
licensed pursuant to the provisions of the Social Work Practice  
Act; and

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(q) a clinical laboratory that is  
accredited pursuant to 42 U.S.C. Section 263a but that is not a  
laboratory in a physician's office or in a hospital defined  
pursuant to 42 U.S.C. Section 1395x;

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(6) "managed care health plan" means a health  
care plan offered by a managed care organization that provides  
for the delivery of comprehensive basic health care services  
and medically necessary services to individuals enrolled in the  
plan other than those services provided to medicare patients  
pursuant to Title 18 of the federal Social Security Act or to  
Medicaid patients pursuant to Title 19 or Title 21 of the  
federal Social Security Act;

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~~(4)~~ (7) "managed ~~health~~ care ~~provider~~  
organization" means a person that provides for the delivery of  
comprehensive basic health care services and medically  
necessary services to individuals enrolled in a plan through  
its own employed health care providers or by contracting with  
selected or participating health care providers. "Managed  
~~health~~ care ~~provider~~ organization" includes only those

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persons that provide comprehensive basic health care services  
to enrollees on a contract basis, including the following:

3 (a) health maintenance organizations;

4 (b) preferred provider organizations;

5 (c) individual practice associations;

6 (d) competitive medical plans;

7 (e) exclusive provider organizations;

8 (f) integrated delivery systems;

9 (g) independent physician-provider

10 organizations;

11 (h) physician hospital-provider

12 organizations; and

13 (i) managed care services organizations;

14 and

15 [~~(5)~~] (8) "medicare part C services" means  
16 services performed pursuant to a contract with a managed  
17 [health] care [provider] organization for medicare patients  
18 pursuant to Title 18 of the federal Social Security Act."

19 SECTION 2. EFFECTIVE DATE.--The effective date of the  
20 provisions of this act is July 1, 2019.

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