#### SENATE BILL 351

# 55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

### AN ACT

RELATING TO HEALTH; ESTABLISHING THE GLOBAL HOSPITAL BUDGETS
TASK FORCE TO STUDY GLOBAL HOSPITAL BUDGETS, CREATE A

DEMONSTRATION PROJECT, DETERMINE FEDERAL FUNDING IMPACTS AND
PROVIDE A RECOMMENDATION TO THE SECRETARY OF HEALTH AND THE
SECRETARY OF HUMAN SERVICES TO APPLY FOR FUNDING FROM THE
FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES; AUTHORIZING
THE SECRETARY OF HUMAN SERVICES AND SECRETARY OF HEALTH TO
APPLY FOR FUNDING FROM THE FEDERAL CENTERS FOR MEDICARE AND

MEDICAID SERVICES PURSUANT TO SECTION 1115(A) OF THE FEDERAL SOCIAL SECURITY ACT TO TEST THE DEMONSTRATION PROJECT UPON THE TASK FORCE'S RECOMMENDATION.

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

SECTION 1. TEMPORARY PROVISION--GLOBAL HOSPITAL BUDGETS

TASK FORCE--DEVELOPMENT OF DEMONSTRATION PROJECT FOR GLOBAL

HOSPITAL BUDGETS--DUTIES.--

- A. The "global hospital budgets task force" is created. The task force shall function from the date of its appointment until December 1, SHPAC→2021←SHPAC
  SHPAC→2023←SHPAC .
- B. The secretary of human services and the secretary of health shall appoint members to serve on the task force from:
- (1) the human services department, including its medical assistance division;
- (2) the department of health, including its office of primary care and rural health of the public health division;
- (3) the university of New Mexico health sciences center;
  - (4) the New Mexico rural hospital network;
  - (5) the New Mexico hospital association;

SHPAC→and←SHPAC

SHPAC→(6) the office of superintendent of

## insurance; and←SHPAC

SHPAC $\rightarrow$ (6)  $\leftarrow$ SHPAC SHPAC $\rightarrow$ (7)  $\leftarrow$ SHPAC advocacy groups of rural health communities in this state.

- C. Members who are not state employees or otherwise reimbursed for per diem and mileage expenses are entitled to receive per diem and mileage as provided in the Per Diem and Mileage Act and shall receive no other compensation, perquisite or allowance.
- D. The human services department may accept gifts, grants and donations to support the work of the task force.
- E. Staff for the task force shall be provided by the human services department.
- F. The meetings of the task force shall be open to the public and shall be subject to provisions for notice provided pursuant to the Open Meetings Act.

#### G. The task force shall:

- (1) study global hospital budgets to determine prospective changes in health care quality outcomes and spending within rural hospitals that elect to participate in the demonstration project;
- (2) create a demonstration project for testing global hospital budgets in rural hospitals that elect to participate in the demonstration project, based on the findings of the task force, that implements measures that increase the health care quality outcomes and reduce spending;

- (3) determine whether testing and implementation of the demonstration project would reduce federal funding to medical assistance programs in the state; and
- of health and the secretary of human services to apply for funding from the federal centers for medicare and medicaid services to test the demonstration project pursuant to Section 1115(a) of the federal Social Security Act, if the task force determines that testing and implementing the demonstration project would not reduce federal funding to medical assistance programs in the state.
- H. The task force shall report its findings and recommendations to the legislative health and human services committee by December 1, SHPAC $\rightarrow 2021$  SHPAC SHPAC $\rightarrow 2023$  SHPAC.
- SHPAC→2023←SHPAC, upon the task force's recommendation, the secretary of human services and the secretary of health shall submit an application to the federal centers for medicare and medicaid services to test the demonstration project recommended by the global hospital budgets task force pursuant to Section 1115(a) of the federal Social Security Act, 42 USCA 1315(a). The secretaries shall cooperate with the federal centers for medicare and medicaid services and rural hospitals that elect to participate to test the demonstration project upon notice of

approval of this application.

- J. For the purposes of this section:
- (1) "global hospital budget" means an annually determined, fixed amount of revenue to fund inpatient and outpatient service expenses for a hospital; and
- (2) "rural" means a county with a population of less than one hundred thousand residents.

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