

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 400

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

AN ACT

RELATING TO HEALTH CARE; REQUIRING A STUDY ON THE FEASIBILITY  
OF CREATING AND IMPLEMENTING A STATE-ADMINISTERED HEALTH  
COVERAGE PLAN; ENACTING A NEW SECTION OF THE PUBLIC ASSISTANCE  
ACT TO ALLOW THE SECRETARY OF HUMAN SERVICES TO AMEND THE NEW  
MEXICO STATE MEDICAID PLAN TO CREATE AND IMPLEMENT A STATE-  
ADMINISTERED HEALTH COVERAGE PLAN; REQUIRING REPORTING;  
REQUIRING COLLABORATION BETWEEN THE HUMAN SERVICES DEPARTMENT  
AND THE OFFICE OF SUPERINTENDENT OF INSURANCE TO ENROLL  
INDIVIDUALS A STATE-ADMINISTERED HEALTH COVERAGE PLAN.

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

SECTION 1. Section 27-2-2 NMSA 1978 (being Laws 1973,  
Chapter 376, Section 2, as amended) is amended to read:

"27-2-2. DEFINITIONS.--As used in the Public Assistance  
Act:

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underscoring material = new  
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- 1           A. "department" means the human services  
2 department;
- 3           B. "board" means the human services department;
- 4           C. "director" means the secretary of human  
5 services;
- 6           D. "local office" means the county or district  
7 office of the human services department;
- 8           E. "medicaid advisory committee" means the body,  
9 established by federal law, that advises the New Mexico  
10 medicaid program on policy development and program  
11 administration;
- 12           F. "medicaid forward plan" means a health care  
13 coverage plan that leverages the medicaid program to provide a  
14 state-administered health care coverage option;
- 15           [E] G. "public welfare" or "public assistance"  
16 means any aid or relief granted to or on behalf of an eligible  
17 person under the Public Assistance Act and regulations issued  
18 pursuant to that act;
- 19           [F-] H. "applicant" means a person who has applied  
20 for assistance or services under the Public Assistance Act;
- 21           [G-] I. "recipient" means a person who is receiving  
22 assistance or services under the Public Assistance Act;
- 23           [H-] J. "federal act" means the federal Social  
24 Security Act, as may be amended from time to time, and  
25 regulations issued pursuant to that act; and

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1           ~~[F.]~~ K. "secretary" means the secretary of human  
2 services."

3           SECTION 2. A new section of the Public Assistance Act is  
4 enacted to read:

5           "[NEW MATERIAL] STUDY OF THE MEDICAID FORWARD PLAN.--

6           A. The secretary, in coordination with the  
7 superintendent of insurance and in consultation with the  
8 medicaid advisory committee and representatives of Indian  
9 nations, tribes and pueblos that are located wholly or  
10 partially in New Mexico, shall study the medicaid forward  
11 plan's:

12                       (1) effects on the individual, group and self-  
13 insured health insurance markets, including the New Mexico  
14 health insurance exchange and the health benefits programs  
15 provided to state or local public employees or public school  
16 employees, of providing mandatory or optional medicaid coverage  
17 to individuals who would otherwise be eligible for health  
18 insurance through those markets;

19                       (2) effects on health care providers and  
20 health care facilities, including reimbursement rates needed to  
21 maximize access to health care services;

22                       (3) operational needs for administering the  
23 medicaid forward plan, including staffing and technical needs  
24 for enrollment and collection of premiums or cost-sharing;

25                       (4) funding plan, including necessary

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1 expenditures and total revenue generated; and

2 (5) financial sustainability, including steps  
3 necessary for the department and the superintendent of  
4 insurance to apply for federal waivers to maximize federal  
5 funding and leverage those waivers to ensure affordability for  
6 enrollees in the medicaid forward plan.

7 B. The secretary's proposed program design for the  
8 medicaid forward plan shall be contingent on the results of the  
9 study and shall include:

10 (1) a financing plan, which shall include  
11 recommended appropriation of state funds, projected federal  
12 funds, savings directly or indirectly attributable to the  
13 program design, a sliding scale for premiums and cost-sharing  
14 based on household income for individuals eligible to enroll in  
15 the medicaid forward plan and other potential cost offsets;

16 (2) information about recommended  
17 reimbursement rates to maximize access to health care services  
18 under the medicaid forward plan;

19 (3) details about the department's operational  
20 needs for administering the medicaid forward plan; and

21 (4) information about federal waivers needed  
22 to maximize federal funding and ensure affordability and choice  
23 for enrollees.

24 C. By October 1, 2024, the secretary shall submit a  
25 report to the legislative finance committee and the legislative

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1 health and human services committee detailing the secretary's  
2 study of, and proposed program design for, the medicaid forward  
3 plan."

4 SECTION 3. A new section of the Public Assistance Act is  
5 enacted to read:

6 "[NEW MATERIAL] IMPLEMENTATION OF THE MEDICAID FORWARD  
7 PLAN.--

8 A. Upon the secretary's submission of the report  
9 described in Section 2 of this 2023 act, and the appropriation  
10 and availability of federal and state funds, the secretary may:

11 (1) amend the New Mexico medicaid state plan  
12 pursuant to the federal act to provide medical assistance to  
13 residents who:

14 (a) are under age sixty-five;

15 (b) are not otherwise eligible for and  
16 enrolled in mandatory coverage or optional full medicaid  
17 coverage under the New Mexico medicaid state plan; and

18 (c) have a household income that exceeds  
19 one hundred thirty-three percent of the federal poverty level;  
20 and

21 (2) in consultation with the medicaid advisory  
22 committee and representatives of Indian nations, tribes and  
23 pueblos that are located wholly or partially in New Mexico, and  
24 consistent with the federal act, promulgate rules that:

25 (a) establish an affordability scale for

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1 premiums and cost-sharing based on household income for  
2 individuals eligible to enroll in the medicaid forward plan and  
3 offer discounted premiums and cost-sharing; provided that such  
4 financial assistance is, at a minimum, offered to individuals  
5 with household incomes below four hundred percent of the  
6 federal poverty level; and

7 (b) set the total amount of premiums to  
8 be assessed to medicaid forward plan enrollees, after an  
9 actuarial analysis, to ensure maximum access to coverage.  
10 Premiums imposed may be set at a level sufficient to offset the  
11 costs of health benefits under the medicaid forward plan and  
12 related administrative costs.

13 B. Consistent with the federal act and subject to  
14 the appropriation and availability of federal and state funds,  
15 the secretary may, in consultation with the medicaid advisory  
16 committee and representatives of Indian nations, tribes and  
17 pueblos that are located wholly or partially in New Mexico,  
18 promulgate rules that phase in coverage to all individuals  
19 described in Subsection A of this section.

20 C. The secretary shall consult with representatives  
21 of Indian nations, tribes and pueblos that are located wholly  
22 or partially in New Mexico to ensure that implementation and  
23 expansion of the medicaid forward plan promotes effective  
24 communication and collaboration, including information on  
25 participation in the medicaid forward plan.

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1           D. Upon implementation of the medicaid forward plan  
 2 as provided under Subsection A of this section, the secretary  
 3 shall promulgate rules consistent with and necessary to carry  
 4 out the provisions of this section.

5           E. The secretary and the superintendent of  
 6 insurance may seek any federal waivers necessary to administer  
 7 the medicaid forward plan, provide the medicaid forward plan to  
 8 additional persons and maximize federal dollars to ensure  
 9 affordability for enrollees."

10           SECTION 4. A new section of the Public Assistance Act is  
 11 enacted to read:

12           "[NEW MATERIAL] ENROLLMENT.--Upon implementation of the  
 13 medicaid forward plan pursuant to Subsection A of Section 3 of  
 14 this 2023 act:

15           A. the secretary and superintendent of insurance  
 16 shall coordinate efforts and cooperate with the New Mexico  
 17 health insurance exchange to establish:

18                   (1) systems under which individuals may apply  
 19 for enrollment in, receive a determination of eligibility for  
 20 participation in and renew participation in medicaid, the  
 21 medicaid forward plan or a qualified health plan offered  
 22 through the New Mexico health insurance exchange; and

23                   (2) consumer outreach programs to assist  
 24 individuals with enrolling in medicaid, the medicaid forward  
 25 plan and qualified health plans offered through the New Mexico

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1 health insurance exchange;

2 B. the secretary, the superintendent of insurance  
3 and the New Mexico health insurance exchange may coordinate  
4 efforts and cooperate to make the medicaid forward plan  
5 available for direct purchase through the New Mexico health  
6 insurance exchange platform; and

7 C. the secretary and the superintendent of  
8 insurance, in consultation with the New Mexico health insurance  
9 exchange, shall promulgate rules consistent with and necessary  
10 to carry out the provisions of this section."

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