### SENATE BILL 16

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

#### INTRODUCED BY

Elizabeth "Liz" Stefanics and Elizabeth "Liz" Thomson

## AN ACT

RELATING TO EXECUTIVE REORGANIZATION; RENAMING THE HUMAN

SERVICES DEPARTMENT AS THE HEALTH CARE AUTHORITY DEPARTMENT;

CHANGING ITS POWERS AND DUTIES; PROVIDING FOR TRANSITION;

TRANSFERRING FUNCTIONS, PERSONNEL, MONEY, APPROPRIATIONS,

RECORDS, EQUIPMENT, SUPPLIES, OTHER PROPERTY, CONTRACTUAL

OBLIGATIONS AND STATUTORY REFERENCES; AMENDING AND REPEALING

SECTIONS OF THE NMSA 1978; RECONCILING CONFLICTING SECTIONS OF

LAW IN LAWS 2019 BY REPEALING LAWS 2019, CHAPTER 211, SECTION

11.

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

SECTION 1. Section 9-8-1 NMSA 1978 (being Laws 1977, Chapter 252, Section 1, as amended) is amended to read:

"9-8-1. SHORT TITLE.--Chapter 9, Article 8 NMSA 1978 may be cited as the [Human Services] "Health Care Authority
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underscored material	[bracketed material]

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SECTION 2. Section 9-8-2 NMSA 1978 (being Laws 1977, Chapter 252, Section 2) is amended to read:

"9-8-2. DEFINITIONS.--As used in the [Human Services] Health Care Authority Department Act:

"department" means the [human services department created under the Human Services Department Act health care authority department; and

"secretary" means the secretary of [the В. department] health care authority."

**SECTION 3.** Section 9-8-3 NMSA 1978 (being Laws 1977, Chapter 252, Section 3, as amended) is amended to read:

"9-8-3. PURPOSE.--The purpose of the [Human Services] Health Care Authority Department Act is to establish a single, unified department to administer laws and exercise functions relating to [human services and formerly administered and exercised by the administrative services unit, the state welfare and social services agencies of the health and social services department and the committee on children and youth] health care purchasing and regulation."

SECTION 4. Section 9-8-4 NMSA 1978 (being Laws 1977, Chapter 252, Section 4, as amended) is amended to read:

"9-8-4. DEPARTMENT ESTABLISHED.--

[There is created in the executive branch] The [human services] "health care authority department" is created .223892.2GLG

mental health division of the department of health in Sections
29-11-1 through 29-11-7 NMSA 1978 or to the department of
health in Sections 43-2-1.1 through 43-2-23 NMSA 1978 shall be
construed as referring to the [human services] health care
authority department."

SECTION 5. Section 9-8-5 NMSA 1978 (being Laws 1977, Chapter 252, Section 6) is amended to read:

# "9-8-5. SECRETARY OF [HUMAN SERVICES] HEALTH CARE AUTHORITY--APPOINTMENT.--

- A. The administrative head of the [human services] health care authority department is the "secretary of [human services] health care authority", who shall be appointed by the governor with the consent of the senate and who shall serve in the executive cabinet.
- B. An appointed secretary shall serve and have all of the duties, responsibilities and authority of that office during the period of time prior to final action by the senate confirming or rejecting [his] the appointed secretary's appointment."

SECTION 6. Section 9-8-6 NMSA 1978 (being Laws 1977, Chapter 252, Section 7, as amended) is amended to read:

#### "9-8-6. SECRETARY--DUTIES AND GENERAL POWERS.--

A. The secretary is responsible to the governor for the operation of the department. It is the secretary's duty to manage all operations of the department and to administer and .223892.2GLG

enforce the laws with which the secretary or the department is charged.

- B. To perform duties of office, the secretary has every power expressly enumerated in the laws, whether granted to the secretary or the department or any division of the department, except where authority conferred upon any division is explicitly exempted from the secretary's authority by statute. In accordance with these provisions, the secretary shall:
- (1) except as otherwise provided in the [Human Services] Health Care Authority Department Act, exercise general supervisory and appointing authority over all department employees, subject to any applicable personnel laws and rules;
- (2) delegate authority to subordinates as the secretary deems necessary and appropriate, clearly delineating such delegated authority and the limitations thereto;
- (3) organize the department into those organizational units the secretary deems will enable it to function most efficiently, subject to any provisions of law requiring or establishing specific organizational units;
- (4) within the limitations of available appropriations and applicable laws, employ and fix the compensation of those persons necessary to discharge the secretary's duties;

- (5) conduct background checks on department employees and prospective department employees that have or will have access to federal tax information; provided that:
- (a) local law enforcement agency criminal history record checks shall be conducted on all employees, prospective employees, contractors, prospective contractors, subcontractors and prospective subcontractors with access to federal tax information;
- (b) record checks for any identified arrests shall be conducted through local law enforcement agencies in jurisdictions where the subject has lived, worked or attended school within the last five years preceding the record check;
- (c) federal bureau of investigation fingerprinting shall be conducted on all employees, prospective employees, contractors, prospective contractors, subcontractors and prospective subcontractors with access to federal tax information;
- (d) for the purpose of conducting a national agency background check, the department shall submit to the department of public safety and the federal bureau of investigation a fingerprint card for each of the following personnel who have or will have access to federal tax information: 1) employees; 2) prospective employees; 3) contractors; 4) prospective contractors; 5) subcontractors; and .223892.2GLG

#### 6) prospective subcontractors;

(e) the department shall conduct a check for eligibility to legally work as a citizen or legal resident of the United States on all employees, prospective employees, contractors, prospective contractors, subcontractors and prospective subcontractors with access to federal tax information. The department shall complete a citizenship or residency check for each new employee and any employee with expiring employment eligibility and shall document and monitor the employee's citizenship or residency status for continued compliance;

(f) criminal history records obtained by the department pursuant to the provisions of this paragraph and the information contained in those records are confidential, shall not be used for any purpose other than conducting background checks for the purpose of determining eligibility for employment and shall not be released or disclosed to any other person or agency except pursuant to a court order or with the written consent of the person who is the subject of the records;

(g) a person who releases or discloses criminal history records or information contained in those records in violation of the provisions of this paragraph is guilty of a misdemeanor and shall be sentenced pursuant to the provisions of Section 31-19-1 NMSA 1978;

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(h) the secretary shall adopt and
promulgate rules to establish procedures to provide for
background checks; provided that background checks shall not be
evaluated for any purpose other than a person's department-
related activities, and criteria according to which background
checks are evaluated, for all present and prospective personnel
identified in the provisions of this paragraph:

- (i) contractors, prospective contractors, subcontractors and prospective subcontractors shall bear any costs associated with ordering or conducting background checks pursuant to this paragraph; and
- (j) a department employee or prospective department employee who is denied employment or whose employment is terminated based on information obtained in a background check shall be entitled to review the information obtained pursuant to this paragraph and to appeal the decision;
- (6) take administrative action by issuing orders and instructions, not inconsistent with the law, to assure implementation of and compliance with the provisions of law for whose administration or execution the secretary is responsible and to enforce those orders and instructions by appropriate administrative action in the courts;
- (7) conduct research and studies that will improve the operations of the department and the provision of services to the citizens of the state;

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(8) provide courses of instruction and
practical training for employees of the department and other
persons involved in the administration of programs with the
objective of improving the operations and efficiency of
administration:

- prepare an annual budget of the (9) department;
- (10) provide cooperation, at the request of heads of administratively attached agencies, in order to:
- minimize or eliminate duplication of (a) services and jurisdictional conflicts;
- (b) coordinate activities and resolve problems of mutual concern; and
- resolve by agreement the manner and (c) extent to which the department shall provide budgeting, recordkeeping and related clerical assistance to administratively attached agencies; and
- appoint, with the governor's consent, a "director" for each division. These appointed positions are exempt from the provisions of the Personnel Act. Persons appointed to these positions shall serve at the pleasure of the secretary, except as provided in Section 9-8-9 NMSA 1978.
- [(12) give bond in the penal sum of twentyfive thousand dollars (\$25,000) and require directors to each give bond in the penal sum of ten thousand dollars (\$10,000) .223892.2GLG

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conditioned upon the faithful performance of duties as provided in the Surety Bond Act. The department shall pay the costs of these bonds; and

- (13) require performance bonds of such department employees and officers as the secretary deems necessary as provided in the Surety Bond Act. The department shall pay the costs of these bonds.
- The secretary may apply for and receive, with C. the governor's approval, in the name of the department, any public or private funds, including United States government funds, available to the department to carry out its programs, duties or services.
- Where functions of departments overlap or a function assigned to one department could better be performed by another department, the secretary may recommend appropriate legislation to the next session of the legislature for its approval.
- The secretary may make and adopt such reasonable procedural rules as may be necessary to carry out the duties of the department and its divisions. No rule promulgated by the director of any division in carrying out the functions and duties of the division shall be effective until approved by the secretary unless otherwise provided by statute. Unless otherwise provided by statute, no rule affecting any person or agency outside the department shall be adopted, amended or

the secretary or a hearing officer designated by the secretary. The public hearing shall be held in Santa Fe unless otherwise permitted by statute. Notice of the subject matter of the rule, the action proposed to be taken, the time and place of the hearing, the manner in which interested persons may present their views and the method by which copies of the proposed rule or proposed amendment or repeal of an existing rule may be obtained shall be published once at least thirty days prior to the hearing date in a newspaper of general circulation and mailed at least thirty days prior to the hearing date to all persons who have made a written request for advance notice of hearing.

F. In the event the secretary anticipates that

repealed without a public hearing on the proposed action before

- F. In the event the secretary anticipates that adoption, amendment or repeal of a rule will be required by a cancellation, reduction or suspension of federal funds or order by a court of competent jurisdiction:
- appropriate federal authorities at least sixty days prior to the effective date of such cancellation, reduction or termination of federal funds, the department is required to promulgate rules through the public hearing process to be effective on the date mandated by the appropriate federal authority; or
- (2) if the secretary is notified by .223892.2GLG

appropriate federal authorities or court less than sixty days prior to the effective date of such cancellation, reduction or suspension of federal funds or court order, the department is authorized without a public hearing to promulgate interim rules effective for a period not to exceed ninety days. Interim rules shall not be promulgated without first providing a written notice twenty days in advance to providers of medical or behavioral health services and beneficiaries of department programs. At the time of the promulgation of the interim rules, the department shall give notice of the public hearing on the final rules in accordance with Subsection E of this section.

- G. If the secretary certifies to the secretary of finance and administration and gives contemporaneous notice of such certification through the human services register that the department has insufficient state funds to operate any of the programs it administers and that reductions in services or benefit levels are necessary, the secretary may engage in interim rulemaking. Notwithstanding any provision to the contrary in the State Rules Act, interim rulemaking shall be conducted pursuant to Subsection E of this section, except:
- (1) the period of notice of public hearing shall be fifteen days;
- (2) the department shall also send individual notices of the interim rulemaking and of the public hearing to .223892.2GLG

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affected providers and beneficiaries;

- rules promulgated pursuant to the provisions of this subsection shall be in effect not less than five days after the public hearing;
- (4) rules promulgated pursuant to the provisions of this subsection shall not be in effect for more than ninety days; and
- if final rules are necessary to replace (5) the interim rules, the department shall give notice of intent to promulgate final rules at the time of notice herein. final rules shall be promulgated not more than forty-five days after the public hearing and filed in accordance with the State Rules Act.
- At the time of the promulgation of the interim Η. rules, the department shall give notice of the public hearing on the final rules in accordance with Subsection E of this section.
- The secretary shall ensure that any behavioral health services, including mental health and substance abuse services, provided, contracted for or approved are in compliance with the requirements of Section 9-7-6.4 NMSA 1978.
- J. All rules shall be filed in accordance with the State Rules Act."
- SECTION 7. Section 9-8-7 NMSA 1978 (being Laws 1977, Chapter 252, Section 8) is amended to read: .223892.2GLG

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"9-8-7. ORGANIZATIONAL UNITS OF DEPARTMENT--POWERS AND DUTIES SPECIFIED BY LAW--ACCESS TO INFORMATION.--Those organizational units of the department and the officers of those units specified by law shall have all of the powers and duties enumerated in the specific laws involved. However, the carrying out of those powers and duties shall be subject to the direction and supervision of the secretary, and [he] the secretary shall retain the final decision-making authority and responsibility for the administration of any such laws as provided in Subsection B of Section [7 of the Human Services Department Act] 9-8-6 NMSA 1978. The department shall have access to all records, data and information of other state departments, agencies and institutions, including its own organizational units, not specifically held confidential by law."

SECTION 8. Section 9-8-7.1 NMSA 1978 (being Laws 2007, Chapter 325, Section 4, as amended by Laws 2019, Chapter 211, Section 1 and by Laws 2019, Chapter 222, Section 1) is amended to read:

"9-8-7.1. BEHAVIORAL HEALTH SERVICES DIVISION--POWERS AND DUTIES OF THE [HUMAN SERVICES] DEPARTMENT.--Subject to appropriation, the department shall:

A. contract for behavioral health treatment and support services, including mental health, alcoholism and other substance abuse services;

- B. establish standards for the delivery of behavioral health services, including quality management and improvement, performance measures, accessibility and availability of services, utilization management, credentialing and recredentialing, rights and responsibilities of providers, preventive behavioral health services, clinical treatment and evaluation and the documentation and confidentiality of client records;
- C. ensure that all behavioral health services, including mental health and substance abuse services, that are provided, contracted for or approved are in compliance with the requirements of Section 9-7-6.4 NMSA 1978;
- D. assume responsibility for and implement adult mental health and substance abuse services in the state in coordination with the children, youth and families department;
- E. create, implement and continually evaluate the effectiveness of a framework for targeted, individualized interventions for [individuals] persons who are incarcerated in a county or municipal correctional facility and adult and juvenile offenders who have behavioral health diagnoses, which framework shall address those persons' behavioral health needs while they are incarcerated and connect them to resources and services immediately upon release;
- F. establish criteria for determining individual eligibility for behavioral health services; and .223892.2GLG

2	accordance with standards for reporting cli
3	information."
4	SECTION 9. Section 9-8-7.2 NMSA 1978
5	Chapter 54, Section 9) is amended to read:
6	"9-8-7.2. COOPERATION WITH THE NEW ME
7	INSURANCE EXCHANGEThe medical assistance
8	[ <del>human services</del> ] department shall cooperate
9	health insurance exchange to share informat
10	transitions in enrollment between the excha
11	SECTION 10. Section 9-8-7.3 NMSA 1978
12	Chapter 222, Section 2) is amended to read:
13	"9-8-7.3. INCARCERATED [ <del>INDIVIDUALS</del> ]
14	HEALTH SERVICESCOUNTY FUNDING PROGRAMT
15	provisions of Subsection E of Section 9-8-7
16	provide behavioral health services to [ <del>indi</del>
17	are incarcerated in a county correctional f
18	A. the secretary shall adopt an
19	(1) pursuant to which a co
20	and be awarded funding through the departme
21	(2) to establish prioritie
22	the award of funding to counties; and
23	B. the department shall distrib
24	funding permits, to the county health care
25	those counties.

G. maintain a management information system in nical and fiscal

(being Laws 2013,

EXICO HEALTH division of the with the New Mexico ion and facilitate inge and medicaid."

8 (being Laws 2019,

PERSONS -- BEHAVIORAL o carry out the .1 NMSA 1978 and to viduals] persons who acility:

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funding	in	accordance	with	depar	tmen	t rules: a	nd	

- (2) whose proposed utilization of funding pursuant to this section meets the priorities and guidelines for the awarding of behavioral health services funding established in department rules."
- SECTION 11. Section 9-8-7.4 NMSA 1978 (being Laws 2019, Chapter 211, Section 2) is amended to read:
- "9-8-7.4. INCARCERATED [INDIVIDUALS] PERSONS--BEHAVIORAL HEALTH SERVICES--COUNTY FUNDING PROGRAM.--To carry out the provisions of Subsection E of Section 9-8-7.1 NMSA 1978 and to provide behavioral health services to [individuals] persons who are incarcerated in a county correctional facility:
  - A. the secretary shall adopt and promulgate rules:
- (1) pursuant to which a county may apply for and be awarded funding through the department; and
- (2) to establish priorities and guidelines for the award of funding to counties; and
- B. the department shall distribute funds, as funding permits, to the county health care assistance funds of those counties:
- (1) that apply for behavioral health services funding in accordance with department rules; and
- (2) that have proposed utilization of funding pursuant to this section that meets the priorities and .223892.2GLG

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guidelines for the awarding of behavioral health services funding established in department rules."

**SECTION 12.** Section 9-8-8 NMSA 1978 (being Laws 1977, Chapter 252, Section 9, as amended by Laws 2004, Chapter 18, Section 16 and by Laws 2004, Chapter 23, Section 12 and also by Laws 2004, Chapter 24, Section 16) is amended to read:

"9-8-8. ADMINISTRATIVELY ATTACHED AGENCIES.--The following agencies are administratively attached to the department:

A. the commission on the status of women [is administratively attached to the human services department in accordance with the Executive Reorganization Act];

- B. the group benefits committee; and
- C. the New Mexico health policy commission."

**SECTION 13.** Section 9-8-10 NMSA 1978 (being Laws 1977, Chapter 252, Section 11, as amended) is amended to read:

"9-8-10. BUREAUS--CHIEFS.--The secretary shall establish within each division such bureaus as [he] the secretary deems necessary to carry out the provisions of the [Human Services] Health Care Authority Department Act. [He] The secretary shall employ a chief to be administrative head of any such bureau. The chief and all subsidiary employees of the department shall be covered by the Personnel Act unless otherwise provided by 1aw."

SECTION 14. Section 9-8-11 NMSA 1978 (being Laws 1977, .223892.2GLG

Chapter 252, Section 12, as amended) is amended to read:
"9-8-11. ADVISORY COMMITTEES.--

A. The governor shall appoint advisory committees to the department's income support division [and the social services division]. Creation of the advisory committees shall be in accordance with the provisions of the Executive Reorganization Act. If the existence of a committee, representational membership requirements or other matters are required or specified under any federal law, regulation, rule or order as a condition of receiving federal funding for a particular [human services] program administered by the department, the governor shall comply with [such] those requirements in the creation of the advisory committee.

B. All members of the advisory committees appointed under the authority of this section shall receive as their sole remuneration for service as a member those amounts authorized under the Per Diem and Mileage Act."

SECTION 15. Section 9-8-12 NMSA 1978 (being Laws 1977, Chapter 252, Section 13) is amended to read:

"9-8-12. COOPERATION WITH THE FEDERAL GOVERNMENT-AUTHORITY OF SECRETARY--SINGLE STATE AGENCY STATUS.--

A. The department is authorized to cooperate with the federal government in the administration of <u>health care and</u> human services programs in which financial or other participation by the federal government is authorized or .223892.2GLG

mandated under federal laws, regulations, rules or orders. The secretary may enter into agreements with agencies of the federal government to implement these <u>health care or</u> human services programs subject to availability of appropriated state funds and any provisions of state laws applicable to such agreements or participation by the state.

B. The governor or the secretary may by appropriate order designate the department or any organizational unit of the department as the single state agency for the administration of any <a href="health-care or">health-care or</a> human services program when such designation is a condition of federal financial or other participation in the program under applicable federal law, regulation, rule or order. Whether or not a federal condition exists, the governor may designate the department or any organizational unit of the department as the single state agency for the administration of any <a href="health-care or">health-care or</a> human services program. No designation of a single state agency under the authority granted in this section shall be made in contravention of state law."

SECTION 16. TEMPORARY PROVISION--TRANSFERS AND TRANSITION.--

A. The governor may issue an executive order that further delineates the organizational structure, power and duties of the health care authority department and moves divisions and programs to or from other departments to

accomplish the reorganizational goals of this act. The governor shall report the reorganizational changes and recommend statutory changes to the legislative health and human services committee and the legislative finance committee by November 1, 2023 and provide a final reorganization report to the legislature by January 1, 2024.

- B. On July 1, 2023, statutory references to the human services department shall be deemed to be references to the health care authority department, and contractual obligations of the human services department shall be binding on the health care authority department. Rules of the human services department shall be the rules of the health care authority department until amended or repealed. As functions of government are transferred to the health care authority department as specified in Section 9-8-4 NMSA 1978, statutory references shall be deemed to be references to the health care authority department, contractual obligations shall be binding on the department and existing pertinent rules shall be the rules of the department until amended or repealed.
- C. The department of finance and administration, the secretary of health care authority, the secretary of health, the secretary of general services, members of the governor's staff and other persons assigned by the governor shall develop a transition plan that includes:
- (1) what units of the executive department .223892.2GLG

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shall be transferred to or from the health care authority department and working and final organizational charts for all affected units of the executive departments;

how and when functions, personnel, money, appropriations, equipment, supplies and other property of the human services department, the department of health, the general services department and other units of the executive department shall be transferred to or from the health care authority department; and

(3) proposed statutory changes, including changes in Chapters 9, 10 and 24 NMSA 1978 and the creation of a new chapter of the NMSA 1978 to include sections of Chapters 9 and 24 NMSA 1978 and other provisions of law pertaining to health care purchasing and regulation.

#### SECTION 17. REPEAL. --

Sections 9-8-13 and 9-8-14 NMSA 1978 (being Laws 1977, Chapter 252, Section 15 and Laws 1987, Chapter 31, Section 4, as amended) are repealed.

Laws 2019, Chapter 211, Section 1 is repealed.

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