

1 SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 453

3 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

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10 AN ACT

11 RELATING TO PUBLICLY FUNDED HEALTH CARE PROGRAMS; AMENDING THE
12 HEALTH CARE PURCHASING ACT TO UPDATE PUBLICLY FUNDED HEALTH
13 CARE AGENCY OBLIGATIONS.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 13-7-4 NMSA 1978 (being Laws 1997,
17 Chapter 74, Section 4) is amended to read:

18 "13-7-4. MANDATORY CONSOLIDATED PURCHASING.--

19 A. The publicly funded health care agencies shall
20 enter into a cooperative consolidated purchasing effort to
21 provide plans of health care benefits for the benefit of
22 eligible participants of the respective agencies. The request
23 for [~~proposal~~] proposals shall set forth one or more plans of
24 health care benefits and shall include accommodation of fully
25 funded arrangements as well as varying degrees of self-funded

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underscored material = new
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1 pool options.

2 B. A consolidated purchasing request for proposals
3 for all health care benefits by the publicly funded health care
4 agencies shall be issued on or before July 1, 1999 and any
5 contracts for health care benefits renewed or issued on or
6 after July 1, 2000 shall be the result of consolidated
7 purchasing.

8 C. All requests for proposals issued as part of the
9 consolidated purchasing shall include at least one distinct
10 service area consisting of the Albuquerque metropolitan area.
11 Proposals on a distinct service area shall be evaluated
12 separately.

13 D. All requests for proposals issued as part of the
14 consolidated purchasing for commercial plans shall include
15 requests for self-insured and fully insured proposals for
16 health care benefits.

17 E. Any contract for the consolidated purchasing of
18 health care benefits entered into on or after July 1, 2023, but
19 before January 1, 2024, shall be for a duration of no longer
20 than one calendar year.

21 F. Any contract for the consolidated purchasing of
22 health care benefits entered into on or after July 1, 2024
23 shall include requirements that providers be reimbursed through
24 medicare reference-based pricing.

25 G. For the purposes of this section, "medicare

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1 reference-based pricing" means a reimbursement rate for health
 2 care services that is based off of the medicare reimbursement
 3 rates established by the centers for medicare and medicaid
 4 services."

5 SECTION 2. Section 13-7-7 NMSA 1978 (being Laws 2001,
 6 Chapter 351, Section 3, as amended) is amended to read:

7 "13-7-7. CONSOLIDATED ADMINISTRATIVE FUNCTIONS--
 8 BENEFIT.--

9 A. The publicly funded health care agencies
 10 [~~political subdivisions and other persons participating in the~~
 11 ~~consolidated purchasing single process pursuant to the Health~~
 12 ~~Care Purchasing Act may] shall enter into a joint powers~~
 13 ~~agreement pursuant to the Joint Powers Agreements Act. [with~~
 14 ~~the publicly funded health care agencies and political~~
 15 ~~subdivisions to determine assessments or provisions of~~
 16 ~~resources to consolidate, standardize and administer the~~
 17 ~~consolidated purchasing single process and subsequent~~
 18 ~~activities pursuant to the Health Care Purchasing Act. The~~
 19 ~~publicly funded health care agencies, political subdivisions~~
 20 ~~and other persons participating in the consolidated purchasing~~
 21 ~~single process pursuant to the Health Care Purchasing Act may~~
 22 ~~enter into contracts with nonpublic persons to provide the~~
 23 ~~service of determining assessments or provision of resources~~
 24 ~~for consolidation, standardization and administrative~~
 25 ~~activities.] The publicly funded health care agencies shall~~

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1 agree to and submit a proposed joint powers agreement to the
2 department of finance and administration and the legislative
3 finance committee for approval no later than July 1, 2023.
4 Political subdivisions and other persons participating in the
5 consolidated purchasing single process may enter into the joint
6 powers agreement created by the publicly funded health care
7 agencies.

8 B. Each agency shall retain its responsibility to
9 determine policy direction of the benefit plans, plan
10 development, training and coordination with respect to
11 participants and its benefits staff, as well as to respond to
12 benefits eligibility inquiries and establish and enforce
13 eligibility rules.

14 C. Notwithstanding Subsection B of this section,
15 publicly funded health care agencies, political subdivisions
16 and other persons participating in the consolidated purchasing
17 single process pursuant to the Health Care Purchasing Act shall
18 provide coverage for children, from birth through three years
19 of age, for or under the family, infant, toddler program
20 administered by the early childhood education and care
21 department, provided eligibility criteria are met, for a
22 maximum benefit of three thousand five hundred dollars (\$3,500)
23 annually for medically necessary early intervention services
24 provided as part of an individualized family service plan and
25 delivered by certified and licensed personnel who are working

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1 in early intervention programs approved by the early childhood
2 education and care department. No payment under this
3 subsection shall be applied against any maximum lifetime or
4 annual limits specified in the policy, health benefits plan or
5 contract.

6 D. Each publicly funded health care agency shall
7 provide an annual open and public enrollment period for all
8 plan participants.

9 E. Each publicly funded health care agency shall
10 conduct claims recovery audits that annually audit medical and
11 pharmaceutical claims to ensure that claims are paid for
12 properly and accurately."