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SENATE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO HEALTH CARE; REQUIRING THE HEALTH CARE AUTHORITY DEPARTMENT TO CREATE A MILEAGE REIMBURSEMENT RATE FOR AMBULANCE, ENVIRONMENTAL MODIFICATION SERVICE AND DURABLE MEDICAL EQUIPMENT PROVIDERS THAT RENDER SERVICES TO MEDICAID PATIENTS; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Public Assistance Act is enacted to read:

"[NEW MATERIAL] MEDICAID MILEAGE REIMBURSEMENT FOR AMBULANCE TRANSPORT, ENVIRONMENTAL MODIFICATION SERVICES AND DELIVERY OF DURABLE MEDICAL EQUIPMENT.--

A. The department shall establish a mileage reimbursement rate for ambulance providers that render services to medicaid patients. Ambulance providers shall be reimbursed

underscored material = new  
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1 for every mile that they travel while transporting a patient.  
2 When calculating the mileage reimbursement rate, the department  
3 shall consider the average cost of:

- 4 (1) licensure and registration of an  
5 ambulance;
- 6 (2) fuel;
- 7 (3) ambulance maintenance;
- 8 (4) repair;
- 9 (5) tires;
- 10 (6) ambulance insurance;
- 11 (7) mechanic wages, benefits and payroll  
12 taxes;
- 13 (8) loan interest related to the ambulances;
- 14 (9) the cost of the weighted allocation of  
15 overhead;
- 16 (10) the cost of depreciation; and
- 17 (11) reserves for replacement ambulance  
18 vehicles and equipment.

19 B. The department shall establish a mileage  
20 reimbursement rate for providers that travel to the homes of  
21 medicaid patients to perform environmental modification  
22 services or to deliver and install durable medical equipment.  
23 When calculating the mileage reimbursement rate, the department  
24 shall consider the average cost of:

- 25 (1) licensure and registration of a vehicle

1 suited for providing environmental modification services or  
2 durable medical equipment;

- 3 (2) fuel;
- 4 (3) vehicle maintenance;
- 5 (4) vehicle repair;
- 6 (5) tires;
- 7 (6) vehicle insurance;
- 8 (7) mechanic wages, benefits and payroll  
9 taxes;
- 10 (8) vehicle loan interest;
- 11 (9) weighted allocation of overhead;
- 12 (10) depreciation; and
- 13 (11) reserves for replacement of vehicles and  
14 supplies needed to provide environmental modification services  
15 and durable medical equipment.

16 C. For the purposes of this section:

17 (1) "ambulance" means a vehicle designed and  
18 used or intended to be used for the transportation of sick or  
19 injured persons;

20 (2) "durable medical equipment" means  
21 equipment that can withstand repeated use, is primarily and  
22 customarily used to serve a medical purpose, is not useful to  
23 individuals in the absence of an illness or injury and is  
24 appropriate for use at home; and

25 (3) "environmental modification service" means

underscoring material = new  
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1 the installation of equipment and the physical adaptations that  
2 are made at an individual's residence that are necessary to  
3 ensure the health, welfare and safety of the individual or  
4 enhance the individual's independence."

5 SECTION 2. APPROPRIATION.--Two million dollars  
6 (\$2,000,000) is appropriated from the general fund to the  
7 health care authority department for expenditure in fiscal year  
8 2025 to cover the costs of reimbursing ambulance, environmental  
9 modification service and durable medical equipment providers  
10 for mileage. Any unexpended or unencumbered balance remaining  
11 at the end of fiscal year 2025 shall revert to the general  
12 fund.