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HOUSE BILL 298

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

MICHAEL OLGUIN

FOR THE HEALTH CARE TASK FORCE

AN ACT

RELATING TO HEALTH CARE; REVISING PROVISIONS AFFECTING COUNTY
INDIGENT FUNDS; MAKING APPROPRIATIONS.

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

Section 1. Section 7-20E-9 NMSA 1978 (being Laws 1983,
Chapter 213, Section 30, as amended) is amended to read:

"7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE
RATE--INDIGENT FUND REQUIREMENTS. --

A. The majority of the members of the governing body
of any county may enact an ordinance [~~or ordinances~~] imposing an
excise tax not to exceed a rate of three-eighths of one percent
of the gross receipts of any person engaging in business in the
county for the privilege of engaging in business in the county.
Any ordinance imposing an excise tax pursuant to this section
shall impose the tax in independent increments of one-eighth

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1 percent, which shall be separately denominated as "first one-
2 eighth", "second one-eighth" and "third one-eighth",
3 respectively, not to exceed an aggregate amount of three-eighths
4 percent.

5 B. This tax is to be referred to as the "county
6 gross receipts tax".

7 C. Any class A county with a county hospital
8 operated and maintained pursuant to a lease with a state
9 educational institution named in Article 12, Section 11 of the
10 constitution of New Mexico enacting the second or third one-
11 eighth increment of county gross receipts tax shall provide,
12 each year that the tax is in effect, not less than one million
13 dollars (\$1,000,000) in funds for each additional increment of
14 one-eighth percent enacted, and that amount shall be dedicated
15 to the support of indigent patients who are residents of that
16 county. Funds for indigent care shall be made available each
17 month of each year the tax is in effect in an amount not less
18 than eighty-three thousand three hundred thirty-three dollars
19 thirty-three cents (\$83,333.33). The interest from the
20 investment of county funds for indigent care may be used for
21 other assistance to indigent persons not to exceed twenty
22 thousand dollars (\$20,000) for all other assistance in any year.

23 D. Any county, except a class A county with a county
24 hospital operated and maintained pursuant to a lease with a
25 state educational institution named in Article 12, Section 11 of

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1 the constitution of New Mexico, imposing the second one-eighth
2 increment of county gross receipts tax shall be required to
3 dedicate the entire amount of revenue produced by the imposition
4 of the second one-eighth increment for the support of indigent
5 patients who are residents of that county. Fifty percent of the
6 revenue produced by the imposition of the third one-eighth
7 increment shall be dedicated to the support of indigent patients
8 who are residents of that county. Fifty percent of the revenue
9 produced by the imposition of the third one-eighth increment may
10 be used for general purposes. The requirements of this
11 subsection shall apply regardless of the combination or sequence
12 of one-eighth increments enacted. [~~E. Counties that provide~~
13 ~~for indigent care in an amount equal to or greater than the~~
14 ~~amount anticipated to be required to be dedicated by Subsection~~
15 ~~D of this section from revenue arising from the imposition of a~~
16 ~~rate greater than the first one-eighth increment may use the~~
17 ~~county gross receipts tax revenue produced by imposition of the~~
18 ~~increments in excess of the first one-eighth increment for~~
19 ~~general purposes; however, at any time the revenue to be~~
20 ~~provided for indigent care is anticipated to be less than the~~
21 ~~amount required to be dedicated pursuant to Subsection D of this~~
22 ~~section, then revenue from the receipts of the increments in~~
23 ~~excess of the first one-eighth increment of the county gross~~
24 ~~receipts tax shall be dedicated to indigent care to the extent~~
25 ~~necessary to provide indigent care revenue equal to the amount~~

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1 ~~required to be dedicated by Subsection D of this section.]~~ All
2 revenue for the support of indigent patients arising from the
3 imposition of the second one-eighth increment and fifty percent
4 of the third one-eighth increment shall be placed in the county
5 indigent hospital claims fund and shall be expended pursuant to
6 the Indigent Hospital and County Health Care Act. "

7 Section 2. Section 24-1A-3 NMSA 1978 (being Laws 1981,
8 Chapter 295, Section 3, as amended) is amended to read:

9 "24-1A-3. DEFINITIONS. --As used in the Rural Primary
10 Health Care Act:

11 A. "health care underserved areas" means a
12 geographic area in which it has been determined by the [~~health~~
13 ~~and environment~~] department of health, through the use of
14 indices and other standards set by the department, that
15 sufficient primary health care is not being provided to the
16 citizens of that area;

17 B. "eligible programs" means nonprofit community-
18 based entities [~~established to provide~~] that provide or commit
19 to provide primary health care services for residents of health
20 care underserved areas and includes rural health [~~clinics~~
21 facilities] and those serving primarily low-income populations;

22 C. "department" means the [~~health and environment~~]
23 department of health; and

24 D. "primary health care" means the first level of
25 basic or general health care for an individual's health needs,

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1 including diagnostic and treatment services. "

2 Section 3. Section 24-1A-3.1 NMSA 1978 (being Laws 1983,
3 Chapter 236, Section 3, as amended) is amended to read:

4 "24-1A-3.1. DEPARTMENT--TECHNICAL AND FINANCIAL
5 ASSISTANCE.--To the extent funds are made available for the
6 purposes of the Rural Primary Health Care Act, the department is
7 authorized to:

8 A. provide for a program to recruit and retain
9 health care personnel in health care underserved areas;

10 B. develop plans for and coordinate the efforts of
11 other public and private entities assisting in the provision of
12 primary health care services through eligible programs;

13 C. provide for technical assistance to eligible
14 programs in the areas of administrative and financial
15 management, clinical services, outreach and planning;

16 D. provide for distribution of financial assistance
17 to eligible programs ~~[which]~~ that have applied for and
18 demonstrated a need for assistance in order to sustain a minimum
19 level of delivery of primary health care services; and

20 E. ~~[institute]~~ provide a program for enabling the
21 development of new primary care health care ~~[centers]~~ services
22 or facilities, and that program:

23 (1) shall give preference to communities that
24 have few or no community-based primary care services;

25 (2) may require in-kind support from local

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1 communities where primary care health care [eenters] services or
2 facilities are established;

3 (3) may require primary care health care
4 [eenters] services or facilities to assure provision of health
5 care to the medically indigent; and

6 (4) shall permit the implementation of
7 innovative and creative uses of local or statewide health care
8 resources, or both, other than those listed in Paragraphs (2)
9 and (3) of this subsection."

10 Section 4. Section 27-10-2 NMSA 1978 (being Laws 1991,
11 Chapter 212, Section 2, as amended) is amended to read:

12 "27-10-2. FINDINGS AND PURPOSE. --

13 A. Access to health care reduces long-term medical
14 and social costs. The effectiveness of statewide health care
15 has been decreased by excessive fragmentation and failure to
16 maximize the use of existing in-state revenues and to develop
17 effective ways of drawing upon potential federal revenue
18 sources. An effective statewide health care system must retain
19 local health care efforts, stimulate local innovations for
20 meeting particular health care needs and use existing resources
21 to expand health care options, especially for those citizens
22 unable to pay for their own care.

23 B. The purpose of the county-supported medicaid fund
24 is to leverage existing resources to better address the state's
25 health care needs. The county-supported medicaid fund will be

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1 used to accomplish this purpose by using local revenues to
2 support the state medicaid program and to institute or support
3 primary care health care services pursuant to Section 24-1A-3.1
4 NMSA 1978. Money appropriated from the county-supported
5 medicaid fund to institute or support primary care health care
6 services pursuant to Section 24-1A-3.1 NMSA 1978 shall be
7 supplemental to general fund appropriations."

8 Section 5. Section 27-10-3 NMSA 1978 (being Laws 1991,
9 Chapter 212, Section 3, as amended) is amended to read:

10 "27-10-3. COUNTY-SUPPORTED MEDICAID FUND CREATED--USE--
11 APPROPRIATION BY THE LEGISLATURE. --

12 A. There is created in the state treasury the
13 "county-supported medicaid fund". The fund shall be invested by
14 the state treasurer as other state funds are invested. Income
15 earned from investment of the fund shall be credited to the
16 county-supported medicaid fund. The fund shall not revert in
17 any fiscal year.

18 B. Money in the county-supported medicaid fund is
19 subject to appropriation by the legislature to support the state
20 medicaid program and to institute or support primary care health
21 care services pursuant to [~~Subsection E~~] Subsections D and E of
22 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each
23 year, nine percent shall be appropriated to the department of
24 health to institute or support primary care health care services
25 pursuant to [~~Subsection E~~] Subsections D and E of Section

. 109036. 1

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1 24- 1A- 3. 1 NMSA 1978.

2 C. Up to three percent of the county-supported
3 medicaid fund each year may be expended for administrative costs
4 related to medicaid or developing new primary care health care
5 centers or facilities.

6 D. In the event federal funds for medicaid are not
7 received by New Mexico for any eighteen-month period, the
8 unencumbered balance remaining in the county-supported medicaid
9 fund and the sole community provider fund at the end of the
10 fiscal year following the end of any eighteen-month period shall
11 be paid within a reasonable time to each county for deposit in
12 the county indigent hospital claims fund in proportion to the
13 payments made by each county through tax revenues or transfers
14 in the previous fiscal year as certified by the local government
15 division of the department of finance and administration. The
16 department will provide for budgeting and accounting of payments
17 to the fund. "

State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

February 2, 1996

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

HOUSE BILL 298

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 4, lines 1 through 6, strike the underscored
language and insert in lieu thereof:

"Any county that has imposed the second one-eighth increment or
the third one-eighth increment, or both, on January 1, 1996 for
support of indigent patients in the county or imposes one or both
increments after January 1, 1996 shall deposit the revenue from
the second one-eighth increment, if enacted and at least one-half
of the third one-eighth increment, if enacted in the county
indigent hospital claims fund and such revenues shall be expended
pursuant to the Indigent Hospital and County Health Care Act.".,

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

HTRC/HB 298

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1
2 and thence referred to the APPROPRIATIONS AND FINANCE
3 COMMITTEE.

4
5 Respectfully submitted,

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8 _____
9 Jerry W. Sandel, Chairman

10
11
12 Adopted _____ Not Adopted _____

13 (Chief Clerk)

(Chief Clerk)

14
15 Date _____

16
17 The roll call vote was 8 For 0 Against

18 Yes: 8

19 Excused: Crook, Gonzales, Hawkins, Lovejoy, Sandoval

20 Absent: None

21
22 . 111689. 1

23 H0298TR1

24
25 . 109036. 1

State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

February 6, 1996

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

HOUSE BILL 298, as amended

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 3, line 5, after the period strike the remainder
of the line, strike lines 6 and 7 in their entirety and strike
line 8 up to the period.

Respectfully submitted,

Max Coll, Chairman

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

HAF C/HB298

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Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Abeyta, Bird, Buffett, Casey, Gentry, Martinez,
Picraux, Watchman

Absent: None

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

1 HAF/ HB298

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

February 12, 1996

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 298, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Ben D. Altamirano, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

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FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

1 HAF C/ HB298

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Date _____

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The roll call vote was 8 For 0 Against

8

Yes: 8

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No: 0

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Excused: Donisthorpe, Duran, Ingle, Kidd, Kysar

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Absent: None

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FORTY-SECOND LEGISLATURE

SECOND SESSION

February 13, 1996

SENATE FLOOR AMENDMENT number _____ to HOUSE BILL 298, as amended

Amendment sponsored by Senator Patrick H. Lyons

1. On page 6, between lines 9 and 10, insert a new section to read as follows:

"Section 4. Section 27-5-7 NMSA 1978 (being Laws 1965, Chapter 234, Section 7, as amended) is amended to read:

"27-5-7. COUNTY INDIGENT HOSPITAL CLAIMS FUND. --

A. There is created in the county treasury of each county a "county indigent hospital claims fund".

B. Collections under the levy made pursuant to the Indigent Hospital and County Health Care Act and all payments shall be placed into the fund, and the amount placed in the fund

FORTY-FIRST LEGISLATURE
SECOND SESSION

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shall be budgeted and expended only for the purposes specified in the Indigent Hospital and County Health Care Act, by warrant upon vouchers approved by a majority of the board and signed by the chairman of the board. Payments for indigent hospitalizations shall not be made from any other county fund.

C. The fund shall be audited in the manner that other state and county funds are audited, and all records of payments and verified statements of qualification upon which payments were made from the fund shall be open to the public.

D. Any balance remaining in the fund at the end of the fiscal year pursuant to [~~Subsections F and G~~] Subsection F of this section shall carry over into the ensuing year, and that balance shall be taken into consideration in the determination of the ensuing year's budget and certification of need for purposes of making a tax levy.

E. Money may be transferred to the fund from other sources, but no transfers may be made from the fund for any purpose other than those specified in the Indigent Hospital and County Health Care Act.

112187.1

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Underscored material = new
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FORTY-FIRST LEGISLATURE
SECOND SESSION

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F. On June 30 of each fiscal year, beginning in [1996]
1998, the board shall [~~transfer~~] transfer to the county-supported
medicaid fund that amount of the balance in the county indigent
hospital claims fund that exceeds two hundred thousand dollars
(\$200,000) or that exceeds the amount equal to thirty percent of
the income to the fund during that fiscal year, whichever is
greater. Beginning in [1996] 1998, the transfer shall be made by
September 1 of each fiscal year. Any amount transferred to the
county-supported medicaid fund pursuant to this subsection is in
addition to the county's obligation pursuant to Section 27-10-4
NMSA 1978. "".

2. Renumber succeeding sections accordingly.

Patrick H. Lyons

Adopted _____ Not Adopted _____

112187.1

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FORTY-FIRST LEGISLATURE
SECOND SESSION

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(Chief Clerk)

(Chief Clerk)

Date _____

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