

AN ACT

RELATING TO PUBLICLY FUNDED HEALTH CARE PROGRAMS; PROVIDING EXPANSION TO OTHER POLITICAL SUBDIVISIONS TO USE THE CONSOLIDATED PURCHASING SINGLE PROCESS; PROVIDING FOR APPLICABILITY OF CERTAIN PROVISIONS OF THE NEW MEXICO INSURANCE CODE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. A new section of the Health Care Purchasing Act is enacted to read:

"CONSOLIDATED PURCHASING FOR OTHER PERSONS. --

A. Counties, municipalities, state educational institutions and other political subdivisions that wish to use the consolidated purchasing single process for the procurement of health care benefits shall create or enter into an existing association, cooperative or other mutual alliance to create larger pools of eligible participants.

B. Counties, municipalities, state educational institutions and other political subdivisions that wish to use the consolidated purchasing single process shall, through their respective association, cooperative or mutual alliance, participate in the subsequent consolidated purchasing single process with the publicly funded health care agencies. "

Section 2. A new section of the Health Care Purchasing

Act is enacted to read:

"USE OF SOCIAL SECURITY NUMBERS. --The publicly funded health care agencies, political subdivisions and other persons providing health care benefits through the consolidated purchasing single process, in compliance with state and federal law, shall not require the use of participants' social security numbers as health care benefit plan identification numbers."

Section 3. A new section of the Health Care Purchasing Act is enacted to read:

"CONSOLIDATED ADMINISTRATIVE FUNCTIONS. --

A. By December 1, 2001, the publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act shall cooperatively study and provide a status report on the consolidation of administrative functions to the legislative health and human services committee and the governor.

B. By December 31, 2003, the publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act shall consolidate, standardize and administer the administrative functions that those entities can effectively and efficiently administer as reflected in the study.

C. The publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act may enter into a joint powers agreement pursuant to the Joint Powers Agreements Act with the publicly funded health care agencies and political subdivisions to determine assessments or provisions of resources to consolidate, standardize and administer the consolidated purchasing single process and subsequent activities pursuant to the Health Care Purchasing Act. The publicly funded health care agencies, political subdivisions and other persons participating in the consolidated purchasing single process pursuant to the Health Care Purchasing Act may enter into contracts with nonpublic persons to provide the service of determining assessments or provision of resources for consolidation, standardization and administrative activities.

D. Each agency will retain its responsibility to determine policy direction of the benefit plans, plan development, training and coordination with respect to participants and its benefits staff, as well as to respond to benefits eligibility inquiries and establish and enforce eligibility rules."

Section 4. Section 59A-1-16 NMSA 1978 (being Laws 1984, Chapter 127, Section 16, as amended) is amended to

read:

"59A-1-16. EXEMPTED FROM CODE. --In addition to organizations and businesses otherwise exempt, the Insurance Code shall not apply to:

A. a labor organization that, incidental only to operations as a labor organization, issues benefit certificates to members or maintains funds to assist members and their families in times of illness, injury or need, and is not for profit;

B. the credit union share insurance corporation, as identified in Chapter 58, Article 12 NMSA 1978, and similar corporations and funds for protection of depositors, shareholders or creditors of financial institutions and businesses other than insurers; or

C. the risk management division of the general services department, the public school insurance authority, the retiree health care authority and any public school district or to insurance of public property or public risks by any agency of government not otherwise engaged in the business of insurance, except the provisions of the Patient Protection Act and Sections 59A-2-9.2 and 59A-23E-18 NMSA 1978 shall apply to any entity required or authorized to purchase health care benefits pursuant to the Health Care Purchasing Act. "

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