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HOUSE BILL 845

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Patsy G. Trujillo

AN ACT

**RELATING TO MEDICAID; TRANSFERRING RESPONSIBILITY FOR THE
MEDICAID PROGRAM FROM THE HUMAN SERVICES DEPARTMENT TO THE
DEPARTMENT OF HEALTH; TRANSFERRING THE MEDICAL ASSISTANCE
DIVISION FROM THE HUMAN SERVICES DEPARTMENT TO THE DEPARTMENT
OF HEALTH; ENACTING THE MEDICAL ASSISTANCE APPEALS ACT;
AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.**

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

**Section 1. Section 9-7-3 NMSA 1978 (being Laws 1977,
Chapter 253, Section 3, as amended) is amended to read:**

**"9-7-3. PURPOSE. -- The purpose of the Department of
Health Act is to establish a single, unified department to
administer the laws and exercise the functions relating to
health formerly administered and exercised by various
organizational units of state government, including the**

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1 medicaid program, the state health agency, the scientific
2 laboratory system and an appropriate allocation of
3 administrative support services of the health and social
4 services department and the hospital and institutions
5 department. All public health, behavioral health and
6 scientific laboratory functions formerly performed by the
7 health and environment department shall be performed by the
8 department [~~of health~~]. "

9 Section 2. Section 9-7-4 NMSA 1978 (being Laws 1991,
10 Chapter 25, Section 16) is amended to read:

11 "9-7-4. DEPARTMENT ESTABLISHED. --

12 A. There is created in the executive branch the
13 "department of health". The department shall be a cabinet
14 department and shall include [~~but not be limited to~~] the
15 programs and functions of the medicaid program, the public
16 health division, the behavioral health services division and
17 the scientific laboratory.

18 B. All references in the law to the [~~"health~~
19 ~~services division"~~] shall be construed to be references to the
20 "~~public health division~~" medicaid program, the public health
21 division of the health and environment department, the
22 behavioral health services division of the health and
23 environment department, the state department of public health,
24 the public health department, the health services division or
25 the state board of health shall be construed as referring to

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1 the department [~~of health~~].

2 C. The administrative services division of the
3 department [~~of health~~] shall provide clerical, recordkeeping
4 and administrative support to the department [~~of health~~] and
5 to the department of environment, including, but not limited
6 to, the areas of personnel, budget, procurement and
7 contracting. "

8 Section 3. A new section of the Department of Health Act
9 is enacted to read:

10 "[NEW MATERIAL] CUSTODIAN OF FUNDS. --The department is
11 designated as the custodian of all money received by the state
12 which the department is authorized to administer, from any
13 appropriations made by the congress of the United States to
14 cooperate with the several states in the enforcement and
15 administration of the provisions of the federal act and all
16 money received from any source for the provisions in Chapter
17 27 NMSA 1978. The department is authorized to receive such
18 money, provide for its proper custody and make disbursements
19 of it under such rules and regulations as the department may
20 prescribe. "

21 Section 4. Section 9-8-9 NMSA 1978 (being Laws 1977,
22 Chapter 252, Section 10, as amended) is amended to read:

23 "9-8-9. DIRECTORS. --The secretary shall appoint with the
24 approval of the governor "directors" of divisions established
25 within the department. The positions so appointed are exempt

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1 from the Personnel Act with the exception of the director of
2 the child support enforcement division [~~and the director of~~
3 ~~the medical assistance division~~] who [each] shall be covered
4 under the Personnel Act. "

5 Section 5. Section 27-1-3 NMSA 1978 (being Laws 1937,
6 Chapter 18, Section 4, as amended) is amended to read:

7 "27-1-3. ACTIVITIES OF HUMAN SERVICES DEPARTMENT. --The
8 [~~human services~~] department shall be charged with the
9 administration of all the welfare activities of the state as
10 provided in Chapter 27 NMSA 1978, except for the
11 administration of the medicaid program that is administered by
12 the department of health and as otherwise provided for by law.
13 The [~~human services~~] department shall, except as otherwise
14 provided by law:

15 A. administer old age assistance, aid to dependent
16 children, assistance to the needy blind and otherwise
17 handicapped and general relief;

18 B. administer all aid or services to crippled
19 children, including the extension and improvement of services
20 for crippled children, insofar as practicable under conditions
21 in this state; provide for locating children who are crippled
22 or who are suffering from conditions [~~which~~] that lead to
23 crippling; provide corrective and any other services and care
24 and facilities for diagnosis, hospitalization and after-care
25 for children who are crippled or who are suffering from

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1 conditions [~~which~~] that lead to crippling; and supervise the
2 administration of those services [~~which~~] that are not
3 administered directly by the department;

4 C. administer and supervise all child welfare
5 activities, service to children placed for adoption, service
6 and care of homeless, dependent and neglected children,
7 service and care for children in foster family homes or in
8 institutions because of dependency or delinquency and care and
9 service to any child who because of physical or mental defect
10 may need such service;

11 D. formulate detailed plans, make rules [~~and~~
12 ~~regulations~~] and take action deemed necessary or desirable to
13 carry out the provisions of Chapter 27 NMSA 1978 and [~~which~~]
14 that is not inconsistent with the provisions of that chapter;

15 E. cooperate with the federal government in
16 matters of mutual concern pertaining to public welfare and
17 public assistance, including the adoption of such methods of
18 administration as are found by the federal government to be
19 necessary for the efficient operation of the plan for public
20 welfare and assistance;

21 F. assist other departments, agencies and
22 institutions of local, state and federal governments when so
23 requested; cooperate with such agencies when expedient in
24 performing services in conformity with the purposes of Chapter
25 27 NMSA 1978; and cooperate with medical, health, nursing and

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1 welfare groups, any state agency charged with the
2 administration of laws providing for vocational rehabilitation
3 of physically handicapped persons and organizations within the
4 state;

5 G. act as the agent of the federal government in
6 welfare matters of mutual concern in conformity with the
7 provisions of Chapter 27 NMSA 1978 and in the administration
8 of any federal funds granted to this state, to aid in
9 furtherance of any such functions of the state government;

10 H. establish in counties or in districts, which
11 may include two or more counties, local units of
12 administration to serve as agents of the department;

13 I. at its discretion, establish local boards of
14 public welfare for such territory as it may see fit and by
15 rule [~~and regulation~~] prescribe the duties of the local board;

16 J. administer such other public welfare functions
17 as may be assumed by the state after the effective date of
18 this section;

19 K. carry on research and compile statistics
20 relative to the entire public welfare program throughout the
21 state, including all phases of dependency, defectiveness,
22 delinquency and related problems, and develop plans in
23 cooperation with other public and private agencies for the
24 prevention as well as treatment of conditions giving rise to
25 public welfare problems; and

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1 L. inspect and require reports from all private
2 institutions, boarding homes and agencies providing
3 assistance, care or other direct services to children who are
4 crippled, neglected, delinquent or dependent; the aged; blind;
5 feeble-minded; and other dependent persons.

6 Nothing contained in this section shall be construed to
7 authorize the department to establish or prescribe standards
8 or [~~regulations~~] rules for or otherwise regulate programs or
9 services to children in group homes as defined in Section 9-8-
10 13 NMSA 1978. "

11 Section 6. Section 27-1-3.1 NMSA 1978 (being Laws 1980,
12 Chapter 83, Section 1) is amended to read:

13 "27-1-3.1. ACUTE CARE BED USAGE--FUNDING
14 AUTHORIZATION.--The [~~human services~~] department of health is
15 authorized to accept and use federal grants or matching funds
16 for the purpose of reimbursement to certain rural hospitals
17 for using empty acute care beds for intermediate care and
18 skilled nursing care, as defined in federal statutes and
19 regulations, subject to federal approval and the availability
20 of funds. The department of health is authorized to use funds
21 from existing appropriations for matching federal funds for
22 the purposes of this [~~aet~~] section. "

23 Section 7. Section 27-2-2 NMSA 1978 (being Laws 1973,
24 Chapter 376, Section 2, as amended) is amended to read:

25 "27-2-2. DEFINITIONS.--As used in the Public Assistance

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1 Act:

2 A. "department" means the human services
3 department;

4 B. "board" means the human services department;

5 C. "director" means the secretary of human
6 services;

7 D. "local office" means the county or district
8 office of the human services department;

9 E. "public welfare" or "public assistance" means
10 any aid or relief granted to or on behalf of an eligible
11 person under the Public Assistance Act and ~~regulations~~ rules
12 issued pursuant to that act, but does not mean medical
13 assistance, which is provided by the medical assistance
14 division of the department of health;

15 F. "applicant" means a person who has applied for
16 assistance or services under the Public Assistance Act;

17 G. "recipient" means a person who is receiving
18 assistance or services under the Public Assistance Act;

19 H. "federal act" means the federal Social Security
20 Act, as may be amended from time to time, and regulations
21 issued pursuant to that act; ~~and~~

22 I. "secretary" means the secretary of human
23 services; and

24 J. "medical assistance" means health care services
25 or supplies furnished pursuant to Title 19 or Title 21 of the

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1 Social Security Act. "

2 Section 8. Section 27-2-12 NMSA 1978 (being Laws 1973,
3 Chapter 376, Section 16, as amended) is amended to read:

4 "27-2-12. MEDICAL ASSISTANCE PROGRAMS. -- Consistent with
5 the federal act and subject to the appropriation and
6 availability of federal and state funds, the medical
7 assistance division of the [~~human services~~] department of health
8 may by [~~regulation~~] rule provide medical assistance,
9 including the services of licensed doctors of oriental
10 medicine and licensed chiropractors, to persons eligible for
11 public assistance programs under the federal act. "

12 Section 9. Section 27-2-12.3 NMSA 1978 (being Laws 1987,
13 Chapter 269, Section 1, as amended) is amended to read:

14 "27-2-12.3. MEDICAID REIMBURSEMENT-- EQUAL PAY FOR EQUAL
15 PHYSICIANS', DENTISTS', OPTOMETRISTS', PODIATRISTS' AND
16 PSYCHOLOGISTS' SERVICES. -- The [~~human services~~] department of health
17 shall establish a rate for the reimbursement of
18 physicians, dentists, optometrists, podiatrists and
19 psychologists for services rendered to medicaid patients that
20 provides equal reimbursement for the same or similar services
21 rendered without respect to the date on which such physician,
22 dentist, optometrist, podiatrist or psychologist entered into
23 practice in New Mexico, the date on which the physician,
24 dentist, optometrist, podiatrist or psychologist entered into
25 an agreement or contract to provide such services or the

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1 location in which such services are to be provided in the
2 state; provided, however, that the requirements of this
3 section shall not apply when the [~~human services~~] department
4 of health contracts with entities pursuant to Section
5 27-2-12.6 NMSA 1978 to negotiate a rate for the reimbursement
6 for services rendered to medicaid patients in the medicaid
7 managed care system. "

8 Section 10. Section 27-2-12.4 NMSA 1978 (being Laws
9 1987, Chapter 214, Section 1) is amended to read:

10 "27-2-12.4. LONG-TERM CARE FACILITIES--NONCOMPLIANCE
11 WITH STANDARDS AND CONDITIONS--SANCTIONS. --

12 A. In addition to any other actions required or
13 permitted by federal law or regulation, the [~~human services~~]
14 department of health shall impose a hold on state medicaid
15 payments to a long-term care facility thirty days after the
16 [~~health and environment department notifies the human services~~
17 ~~department in writing~~] department of health determines
18 pursuant to an on-site visit that the long-term care facility
19 is not in substantial compliance with the standards or
20 conditions of participation promulgated by the federal
21 department of health and human services pursuant to which the
22 facility is a party to a medicaid provider agreement, unless
23 the substantial noncompliance has been corrected within that
24 thirty-day period or the facility's medicaid provider
25 agreement is terminated or not renewed based in whole or in

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1 part on the noncompliance. The written notice shall cite the
2 specific deficiencies that constitute noncompliance.

3 B. The [~~human services~~] department of health shall
4 remove the payment hold imposed under Subsection A of this
5 section when the [~~health and environment~~] department of
6 health, pursuant to an on-site visit, certifies [~~in writing to~~
7 ~~the human services department~~] that the long-term care
8 facility is in substantial compliance with the standards or
9 conditions of participation pursuant to which the facility is
10 a party to a medicaid provider agreement.

11 C. The [~~human services~~] department of health shall
12 not reimburse any long-term care facility during the payment
13 hold period imposed pursuant to Subsection A of this section
14 for any medicaid [~~recipient-patients~~] recipients who are new
15 admissions and who are admitted on or after the day the hold
16 is imposed and prior to the day the hold is removed.

17 D. If a long-term care facility is certified in
18 writing to be in noncompliance pursuant to Subsection A of
19 this section for the second time in any twelve-month period,
20 the [~~human services~~] department of health shall cancel or
21 refuse to execute the long-term care facility's medicaid
22 provider agreement for a two-month period, unless it can be
23 demonstrated that harm to the [~~patients~~] medicaid recipients
24 would result from this action or that good cause exists to
25 allow the facility to continue to participate in the medicaid

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1 program The provisions of this subsection are subject to
2 appeal procedures set forth in federal regulations for
3 nonrenewal or termination of a medicaid provider agreement.

4 E. A long-term care facility shall not charge
5 medicaid [~~recipient-patients~~] recipients, their families or
6 their responsible parties to recoup any payments not received
7 because of a hold on medicaid payments imposed pursuant to
8 this section.

9 F. This section shall not be construed to affect
10 any other provisions for medicaid provider agreement
11 termination, nonrenewal, due process and appeal pursuant to
12 federal law or regulation.

13 G. As used in this section:

14 (1) "day" means a twenty-four hour period
15 beginning at midnight and ending one second before midnight;

16 (2) "long-term care facility" means any
17 intermediate care facility or skilled nursing facility [~~which~~]
18 that is licensed by the [~~health and environment~~] department of
19 health and [~~which~~] that is medicaid certified;

20 (3) "new admissions" means medicaid
21 recipients who have never been in the long-term care facility
22 or, if previously admitted, had been discharged or had
23 voluntarily left the facility. The term does not include:

24 (a) [~~individuals~~] persons who were in
25 the long-term care facility before the effective date of the

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1 hold on medicaid payments and became eligible for medicaid
2 after that date; and

3 (b) [~~individuals~~] persons who, after a
4 temporary absence from the facility, are readmitted to beds
5 reserved for them in accordance with federal regulations; and

6 (4) "substantial compliance" means the
7 condition of having no cited deficiencies or having only those
8 cited deficiencies [~~which~~] that:

9 (a) are not inconsistent with any
10 federal statutory requirement;

11 (b) do not interfere with adequate
12 patient care;

13 (c) do not represent a hazard to the
14 patients' health or safety;

15 (d) are capable of correction within a
16 reasonable period of time; and

17 (e) are ones [~~which~~] that the long-term
18 care facility is making reasonable plans to correct. "

19 Section 11. Section 27-2-12.5 NMSA 1978 (being Laws
20 1989, Chapter 83, Section 1, as amended) is amended to read:

21 "27-2-12.5. MEDICAID-CERTIFIED NURSING FACILITIES--
22 RETROACTIVE ELIGIBILITY-- REFUNDS-- PENALTY. --

23 A. Medicaid payment for a medicaid-eligible
24 patient shall be accepted by a medicaid-certified nursing
25 facility from the first month of medicaid eligibility,

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1 regardless of whether the eligibility is retroactive. The
2 nursing facility shall refund to the [~~patient~~] medicaid
3 recipient or responsible party all out-of-pocket money except
4 for required medical-care credits paid to the nursing facility
5 for that [~~patient's~~] medicaid recipient's care on and after
6 the date of medicaid eligibility for services covered by the
7 medicaid program. Within thirty days after notification by
8 the [~~human services~~] department of health of the patient's
9 medicaid eligibility, the nursing facility shall make any
10 necessary refund to the [~~patient~~] medicaid recipient or
11 responsible party required under this section.

12 B. In any cause of action brought against a
13 nursing facility because of its failure to make a refund to
14 the [~~patient~~] medicaid recipient or responsible party as
15 required under Subsection A of this section, the [~~patient~~]
16 medicaid recipient or responsible party may be awarded triple
17 the amount of the money not refunded or three hundred dollars
18 (\$300), whichever is greater, and reasonable [~~attorneys'~~]
19 attorney fees and court costs. "

20 Section 12. Section 27-2-12.6 NMSA 1978 (being Laws
21 1994, Chapter 62, Section 22) is amended to read:

22 "27-2-12.6. MEDICAID PAYMENTS--MANAGED CARE. --

23 A. The department of health shall provide for a
24 statewide, managed care system to provide cost-efficient,
25 preventive, primary and acute care for medicaid recipients by

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1 July 1, 1995.

2 B. The managed care system shall ensure:

3 (1) access to medically necessary services,
4 particularly for medicaid recipients with chronic health
5 problems;

6 (2) to the extent practicable, maintenance of
7 the rural primary care delivery infrastructure;

8 (3) that the [~~department's~~] approach of the
9 department of health is consistent with national and state
10 health care reform principles; and

11 (4) to the maximum extent possible, that
12 medicaid-eligible individuals are not identified as such
13 except as necessary for billing purposes.

14 C. The department of health may exclude nursing
15 homes, intermediate care facilities for the mentally retarded,
16 medicaid in-home and community-based waiver services and
17 residential and community-based mental health services for
18 children with serious emotional disorders from the provisions
19 of this section. "

20 Section 13. Section 27-2-12.7 NMSA 1978 (being Laws
21 1980, Chapter 86, Section 1) is amended to read:

22 "27-2-12.7. MEDICAID-- [~~HUMAN SERVICES~~] DEPARTMENT OF
23 HEALTH EMPLOYEES-- STANDARDS OF CONDUCT-- ENFORCEMENT. --

24 A. As used in this section:

25 (1) "business" means a corporation,

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1 partnership, sole proprietorship, firm, organization or
2 [~~individual~~] person carrying on a business;

3 (2) "department" means the [~~human services~~]
4 department of health;

5 (3) "employee" means [~~any~~] a person who has
6 been appointed to or hired for [~~any~~] a department office
7 connected with the administration of medicaid funds and who
8 receives compensation in the form of salary;

9 (4) "employee with responsibility" means an
10 employee who is directly involved in or has a significant part
11 in the medicaid decision-making, regulatory, procurement or
12 contracting process; and

13 (5) "financial interest" means an interest
14 held by [~~an individual~~] a person, his spouse or minor child
15 [~~which~~] that is:

16 (a) an ownership interest in business;
17 or

18 (b) [~~any~~] an employment or prospective
19 employment for which negotiations have already begun.

20 B. No employee with responsibility shall, for
21 twenty-four months following the date on which he ceases to be
22 an employee, act as agent or attorney for [~~any other~~] another
23 person or business in connection with a judicial or
24 administrative proceeding, application, ruling, contract,
25 claim or other matter relating to the medicaid program with

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1 respect to which the employee made an investigation, rendered
2 [~~any~~] a ruling or was otherwise substantially and directly
3 involved during the last year he was an employee and which was
4 actually pending under his responsibility within that period.

5 C. No [~~department~~] secretary of health, income
6 support division director of the human services department or
7 medical assistance [~~bureau chief~~] division director of the
8 department of health or their deputies shall, for twelve
9 months following the date on which he ceases to be an
10 employee, participate [~~in any manner~~] with respect to a
11 judicial or administrative proceeding, application, ruling,
12 contract, claim or other matter relating to the medicaid
13 program and pending before the department.

14 D. No employee with responsibility shall
15 participate [~~in any manner~~] with respect to a judicial or
16 administrative proceeding, application, ruling, contract,
17 claim or other matter relating to the medicaid program and
18 involving his spouse, minor child or [~~any~~] a business in which
19 he has a financial interest unless prior to [~~such~~] the
20 participation:

21 (1) full disclosure of his relationship or
22 financial interest is made in writing to the secretary of [~~the~~
23 ~~department~~] health; and

24 (2) a written determination is made by the
25 secretary of health that the disclosed relationship or

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1 financial interest is too remote or inconsequential to affect
2 the integrity of the services of the employee.

3 E. Violation of any of the provisions of this
4 section by an employee is grounds for dismissal, demotion or
5 suspension. A former employee who violates [~~any of the~~
6 ~~provisions~~] a provision of this section [~~shall be~~] is subject
7 to assessment by the department of health of a civil money
8 penalty of two hundred fifty dollars (\$250) for each
9 violation. The department of health shall promulgate
10 [~~regulations~~] rules to provide for an administrative appeal of
11 any assessment imposed. "

12 Section 14. Section 27-2-16 NMSA 1978 (being Laws 1974,
13 Chapter 31, Section 1, as amended) is amended to read:

14 "27-2-16. COMPLIANCE WITH FEDERAL LAW. --

15 A. Subject to the availability of state funds, the
16 [~~human services~~] department of health may provide assistance
17 to aged, blind or disabled [~~individuals~~] persons in the
18 amounts consistent with federal law to enable the state to be
19 eligible for medicaid funding. [~~Individuals~~] A person shall
20 be determined to be aged, blind or disabled according to
21 [~~regulations~~] rules of the [~~human services~~] department of
22 health.

23 B. If drug product selection is permitted by
24 Section 26-3-3 NMSA 1978, reimbursement by the medicaid
25 program shall be limited to the wholesale cost of the [~~lesser~~]

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1 less expensive therapeutic equivalent drug generally available
2 in New Mexico plus a reasonable dispensing fee of at least
3 three dollars sixty-five cents (\$3.65). "

4 Section 15. Section 27-2-23 NMSA 1978 (being Laws 1969,
5 Chapter 232, Section 1) is amended to read:

6 "27-2-23. THIRD PARTY LIABILITY. --

7 A. The [~~health and social services~~] department of health
8 shall make reasonable efforts to ascertain any legal
9 liability of third parties who are or may be liable to pay all
10 or part of the medical cost of injury, disease or disability
11 of an applicant for or recipient of medical assistance
12 pursuant to provisions of Chapter 27 NMSA 1978.

13 B. When the department of health makes medical
14 assistance payments [~~in~~] on behalf of a recipient, the
15 department is subrogated to any right of the recipient against
16 a third party for recovery of medical expenses to the extent
17 that the department has made payment. "

18 Section 16. Section 27-2A-3 NMSA 1978 (being Laws 1994,
19 Chapter 87, Section 3) is amended to read:

20 "27-2A-3. DEFINITIONS. --As used in the Medicaid Estate
21 Recovery Act:

22 A. "department" means the [~~human services~~]
23 department of health;

24 B. "estate" means real and personal property and
25 other assets of the [~~individual~~] person subject to probate or

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1 administration pursuant to the provisions of the Uniform
2 Probate Code; and

3 C. "medical assistance" means amounts paid by the
4 department as medical assistance pursuant to Title [~~XIX~~] 19 of
5 the Social Security Act. "

6 Section 17. Section 27-3-2 NMSA 1978 (being Laws 1973,
7 Chapter 256, Section 2, as amended) is amended to read:

8 "27-3-2. DEFINITIONS. --As used in the Public Assistance
9 Appeals Act:

10 A. "department" means the income support division
11 [~~the medical assistance division~~] or the social services
12 division of the human services department;

13 B. "board" means the income support division [~~the~~
14 ~~medical assistance division~~] or the social services division
15 of the human services department; and

16 C. "director" means the director of the income
17 support division [~~the medical assistance division~~] or the
18 social services division of the human services department. "

19 Section 18. [NEW MATERIAL] SHORT TITLE. --Sections 18
20 through 22 of this act may be cited as the "Medical Assistance
21 Appeals Act".

22 Section 19. [NEW MATERIAL] DEFINITIONS. --As used in the
23 Medical Assistance Appeals Act:

24 A. "department" means the department of health;

25 B. "director" means the director of the medical

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1 assistance division of the department of health; and

2 C. "division" means the medical assistance
3 division of the department of health.

4 Section 20. [NEW MATERIAL] FAIR HEARING. --

5 A. An applicant for or a recipient of medical
6 assistance under any provisions of the Social Security Act or
7 rules of the department adopted pursuant to that act may
8 request a hearing in accordance with rules of the department
9 if:

10 (1) an application is not acted upon within a
11 reasonable time after the filing of the application;

12 (2) an application is denied in whole or in
13 part; or

14 (3) the assistance or services are modified,
15 terminated or not provided.

16 The division shall notify the recipient or
17 applicant of his rights under this section.

18 B. The division shall by rule establish procedures
19 for the filing of a request for a hearing and the time limits
20 within which a request may be filed; provided, however, that
21 the department may grant reasonable extensions of the time
22 limits. If the request is not filed within the specified time
23 for appeal or within whatever extension the department may
24 grant, the department's actions shall be final. Upon receipt
25 of a timely request, the department shall give the applicant

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1 or recipient reasonable notice of an opportunity for a fair
2 hearing in accordance with the rules of the division.

3 C. The hearing shall be conducted by a hearing
4 officer designated by the director. The powers of the hearing
5 officer shall include administering oaths or affirmations to
6 witnesses called to testify, taking testimony, examining
7 witnesses, admitting or excluding evidence and reopening any
8 hearing to receive additional evidence. The technical rules
9 of evidence and the rules of civil procedure shall not apply.
10 The hearing shall be conducted so that the contentions or
11 defenses of each party to the hearing are amply and fairly
12 presented. Either party may be represented by counsel or
13 other representative of his designation, and he or his
14 representative may conduct cross-examination. Any oral or
15 documentary evidence may be received, but the hearing officer
16 may exclude irrelevant, immaterial or unduly repetitious
17 evidence.

18 D. The director shall review the record of the
19 proceedings and shall make a decision thereon. The applicant
20 or recipient or his representative shall be notified in
21 writing of the director's decision and the reasons for the
22 decision. The written notice shall inform the applicant or
23 recipient of his right to judicial review. The department
24 shall be responsible for assuring that the decision is
25 enforced.

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1 Section 21. [NEW MATERIAL] APPEAL. -- Within thirty days
2 after receiving written notice of the decision of the director
3 pursuant to the Medical Assistance Appeals Act, an applicant
4 or recipient may file a notice of appeal with the district
5 court pursuant to the provisions of Chapter 39, Article 3 NMSA
6 1978.

7 Section 22. [NEW MATERIAL] EXPENDITURES. -- Nothing in the
8 Medical Assistance Appeals Act shall be construed as
9 authorizing or allowing expenditures for the affected programs
10 in excess of the amounts previously appropriated by the
11 legislature for medical assistance.

12 Section 23. Section 27-5-3 NMSA 1978 (being Laws 1965,
13 Chapter 234, Section 3, as amended) is amended to read:

14 "27-5-3. PUBLIC ASSISTANCE PROVISIONS. --

15 A. A hospital shall not be paid from the [county
16 ~~indigent hospital claims~~] fund under the Indigent Hospital and
17 County Health Care Act for any costs of an indigent patient
18 for services that have been determined by the [human services]
19 department of health to be eligible for medicaid reimbursement
20 [from that department]. However, nothing in the Indigent
21 Hospital and County Health Care Act shall be construed to
22 prevent the board from transferring money from the [county
23 ~~indigent hospital claims~~] fund to the sole community provider
24 fund or the county-supported medicaid fund for support of the
25 state medicaid program.

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1 B. No action for collection of claims under the
2 Indigent Hospital and County Health Care Act shall be allowed
3 against an indigent patient who is ~~medicaid~~ eligible for
4 [~~medicaid-covered~~] medicaid-covered services, nor shall action
5 be allowed against the person who is legally responsible for
6 the care of the indigent patient during the time that person
7 is ~~medicaid~~ eligible. "

8 Section 24. Section 27-5-6.1 NMSA 1978 (being Laws 1993,
9 Chapter 321, Section 18) is amended to read:

10 "27-5-6.1. SOLE COMMUNITY PROVIDER FUND CREATED. --

11 A. The "sole ~~community~~ provider fund" is created
12 in the state treasury. The sole community provider fund,
13 which shall be administered by the [~~human services~~] department
14 of health, shall consist of funds provided by counties to
15 match federal funds for ~~medicaid~~ sole ~~community~~ provider
16 hospital payments. Money in the fund shall be invested by the
17 state treasurer as other state funds are invested. Any
18 unexpended or unencumbered balance remaining in the fund at
19 the end of any fiscal year shall not revert.

20 B. Money in the sole ~~community~~ provider fund is
21 appropriated to the [~~human services~~] department of health to
22 make sole ~~community~~ provider hospital payments pursuant to the
23 state ~~medicaid~~ program. No sole ~~community~~ provider hospital
24 payments or money in the sole ~~community~~ provider fund shall be
25 used to supplant any general fund support for the state

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1 **medicaid program.**

2 **C. Money in the sole community provider fund shall**
3 **be remitted back to the individual counties from which it came**
4 **if federal medicaid matching funds are not received for**
5 **medicaid sole community provider hospital payments. "**

6 **Section 25. Section 27-5-7.1 NMSA 1978 (being Laws 1993,**
7 **Chapter 321, Section 16) is amended to read:**

8 **"27-5-7.1. COUNTY INDIGENT HOSPITAL CLAIMS FUND--**
9 **AUTHORIZED USES OF THE FUND. --**

10 **A. The fund shall be used:**

11 **(1) to meet the county's contribution for**
12 **support of sole community provider payments as calculated by**
13 **the department of health for that county; and**

14 **(2) to pay all claims that have been approved**
15 **by the board that are not matched with federal funds under the**
16 **state medicaid program.**

17 **B. The fund may be used to meet the county's**
18 **obligation under Section 27-10-4 NMSA 1978.**

19 **C. Until June 30, 1996, the cash reserves from the**
20 **fund may be used to meet the county's obligation under Section**
21 **27-10-4 NMSA 1978. "**

22 **Section 26. Section 27-5-11 NMSA 1978 (being Laws 1965,**
23 **Chapter 234, Section 12, as amended) is amended to read:**

24 **"27-5-11. HOSPITALS AND AMBULANCE SERVICES--HEALTH CARE**
25 **PROVIDERS--REQUIRED TO FILE DATA--SOLE COMMUNITY PROVIDER**

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1 HOSPITAL DUTIES. --

2 A. Any ambulance service, hospital or health care
3 provider in New Mexico or licensed out-of-state hospital,
4 prior to the filing of a claim with the board, shall have
5 placed on file with the board:

6 (1) current data, statistics, schedules and
7 information deemed necessary by the board to determine the
8 cost for all patients in that hospital or cared for by that
9 health care provider or tariff rates or charges of an
10 ambulance service;

11 (2) proof that the hospital, ambulance
12 service or health care provider is licensed, where required,
13 under the laws of this state or the state in which the
14 hospital operates; and

15 (3) any other information or data deemed
16 necessary by the board.

17 B. Every sole community provider hospital
18 requesting or receiving medicaid sole community provider
19 hospital payments shall:

20 (1) accept indigent patients and request
21 reimbursement for those patients through the appropriate
22 county indigent fund. The responsible county shall approve
23 requests meeting its eligibility standards and notify the
24 hospital of such approval;

25 (2) confirm the amount of payment authorized

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1 by each county for indigent patients, to that county for the
2 previous fiscal year, by September 30 of each calendar year;

3 (3) negotiate with each county the amount of
4 indigent hospital payments anticipated for the following
5 fiscal year by December 31 of each year; and

6 (4) provide to the department of health prior
7 to January 15 of each year the amount of the authorized
8 indigent hospital payments anticipated for the following
9 fiscal year after an agreement has been reached on the amount
10 with each responsible county and such other related
11 information as the department of health may request. "

12 Section 27. Section 27-5-12.2 NMSA 1978 (being Laws
13 1993, Chapter 321, Section 15) is amended to read:

14 "27-5-12.2. DUTIES OF THE COUNTY--SOLE COMMUNITY
15 PROVIDER HOSPITAL PAYMENTS.--Every county in New Mexico that
16 authorizes payment for services to a sole community provider
17 hospital shall:

18 A. determine eligibility for benefits and
19 determine an amount payable on each claim for services to
20 indigent patients from sole community provider hospitals;

21 B. notify the sole community provider hospital of
22 its decision on each request for payment while not actually
23 reimbursing the hospital for the services that are reimbursed
24 with federal funds under the state medicaid program;

25 C. confirm the amount of the sole community

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1 provider hospital payments authorized for each hospital for
2 the past fiscal year by September 30 of the current fiscal
3 year;

4 D. negotiate agreements with each sole community
5 provider hospital providing services for county residents on
6 the anticipated amount of the payments for the following
7 fiscal year; and

8 E. provide the [~~human services~~] department of
9 health by January 15 of each year with the budgeted amount of
10 sole community provider hospital payments, by hospital, for
11 the following fiscal year. "

12 Section 28. Section 27-5-16 NMSA 1978 (being Laws 1965,
13 Chapter 234, Section 16, as amended) is amended to read:

14 "27-5-16. DEPARTMENT-- PAYMENTS-- COOPERATION. --

15 A. The department of health shall not decrease the
16 amount of any medical assistance payments made to the
17 hospitals or health care providers of this state pursuant to
18 law because of any financial reimbursement made to ambulance
19 services, hospitals or health care providers for indigent or
20 [~~medicaid-eligible~~] medicaid-eligible patients as provided in
21 the Indigent Hospital and County Health Care Act.

22 B. The department of health shall cooperate with
23 each board in furnishing information or assisting in the
24 investigation of any person to determine whether he meets the
25 qualifications of an indigent patient as defined in the

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1 Indigent Hospital and County Health Care Act.

2 C. The department of health shall ensure that the
3 sole community provider payment and the reimbursement to
4 hospitals made under the state medicaid program do not exceed
5 what would have been paid for under medicare payment
6 principles. In the event the sole community provider payment
7 and medicaid reimbursement to hospitals would exceed medicare
8 payment principles, the department of health shall reduce the
9 sole community provider payment prior to making any reduction
10 in reimbursement to hospitals made under the state medicaid
11 program "

12 Section 29. Section 27-10-3 NMSA 1978 (being Laws 1991,
13 Chapter 212, Section 3, as amended) is amended to read:

14 "27-10-3. COUNTY-SUPPORTED MEDICAID FUND CREATED--USE--
15 APPROPRIATION BY THE LEGISLATURE.--

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

22 B. Money in the county-supported medicaid fund is
23 subject to appropriation by the legislature to support the
24 state medicaid program and to institute or support primary
25 care health care services pursuant to Subsections D and E of

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1 Section 24-1A-3.1 NMSA 1978. Of the amount appropriated each
2 year, nine percent shall be appropriated to the department of
3 health to institute or support primary care health care
4 services pursuant to Subsections D and E of Section 24-1A-3.1
5 NMSA 1978.

6 C. Up to three percent of the county-supported
7 medicaid fund each year may be expended for administrative
8 costs related to medicaid or developing new primary care
9 health care centers or facilities.

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

22 Section 30. Section 27-11-2 NMSA 1978 (being Laws 1998,
23 Chapter 30, Section 2) is amended to read:

24 "27-11-2. DEFINITIONS. --As used in the Medicaid Provider
25 Act:

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1 A. "department" means the [~~human services~~]
2 department of health;

3 B. "managed care organization" means a person
4 eligible to enter into risk-based prepaid capitation
5 agreements with the department to provide health care and
6 related services;

7 C. "medicaid" means the medical assistance program
8 established pursuant to Title 19 of the federal Social
9 Security Act and regulations issued pursuant to that act;

10 D. "medicaid provider" means a person, including a
11 managed care organization, operating under contract with the
12 department to provide medicaid-related services to recipients;

13 E. "person" means an individual or other legal
14 entity;

15 F. "recipient" means a person whom the department
16 has determined to be eligible to receive medicaid-related
17 services;

18 G. "secretary" means the secretary of [~~human~~
19 ~~services~~] health; and

20 H. "subcontractor" means a person who contracts
21 with a medicaid provider to provide medicaid-related services
22 to recipients. "

23 Section 31. Section 27-11-3 NMSA 1978 (being Laws 1998,
24 Chapter 30, Section 3, as amended) is amended to read:

25 "27-11-3. REVIEW OF MEDICAID PROVIDERS-- CONTRACT

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1 **REMEDIES-- PENALTIES. --**

2 A. Consistent with the terms of any contract
3 between the department and a medicaid provider, the secretary
4 shall have the right to be afforded access to such of the
5 medicaid provider's records and personnel, as well as its
6 subcontracts and that subcontractor's records and personnel,
7 as may be necessary to ensure that the medicaid provider is
8 complying with the terms of its contract with the department.

9 B. Upon not less than two days' written notice to
10 a medicaid provider the secretary may, consistent with the
11 provisions of the Medicaid Provider Act and rules issued
12 pursuant to that act, carry out an administrative
13 investigation or conduct administrative proceedings to
14 determine whether a medicaid provider has:

15 (1) materially breached its obligation to
16 furnish medicaid-related services to recipients, or any other
17 duty specified in its contract with the department;

18 (2) violated any provision of the Public
19 Assistance Act or the Medicaid Provider Act or any rules
20 issued pursuant to those acts;

21 (3) intentionally or with reckless disregard
22 made any false statement with respect to any report or
23 statement required by the Public Assistance Act or the
24 Medicaid Provider Act, rules issued pursuant to either of
25 those acts or a contract with the department;

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1 (4) intentionally or with reckless disregard
2 advertised or marketed, or attempted to advertise or market,
3 its services to recipients in a manner as to misrepresent its
4 services or capacity for services, or engaged in any
5 deceptive, misleading or unfair practice with respect to
6 advertising or marketing;

7 (5) hindered or prevented the secretary from
8 performing any duty imposed by the Public Assistance Act, the
9 Human Services Department Act, the Department of Health Act,
10 or the Medicaid Provider Act or any rules issued pursuant to
11 those acts; or

12 (6) fraudulently procured or attempted to
13 procure any benefit from medicaid.

14 C. Subject to the provisions of Subsection D of
15 this section, after affording a medicaid provider written
16 notice of hearing not less than ten days before the hearing
17 date and an opportunity to be heard, and upon making
18 appropriate administrative findings, the secretary may take
19 any or any combination of the following actions against the
20 provider:

21 (1) impose an administrative penalty of not
22 more than five thousand dollars (\$5,000) for engaging in any
23 practice described in Paragraphs (1) through (6) of Subsection
24 B of this section; provided that each separate occurrence of
25 such practice shall constitute a separate offense;

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1 (2) issue an administrative order requiring
2 the provider to:

3 (a) cease or modify any specified
4 conduct or practices engaged in by it or its employees,
5 subcontractors or agents;

6 (b) fulfill its contractual obligations
7 in the manner specified in the order;

8 (c) provide any service that has been
9 denied;

10 (d) take steps to provide or arrange
11 for any service that it has agreed or is otherwise obligated
12 to make available; or

13 (e) enter into and abide by the terms
14 of a binding or nonbinding arbitration proceeding, if agreed
15 to by any opposing party, including the secretary; or

16 (3) suspend or revoke the contract between
17 the provider and the department pursuant to the terms of that
18 contract.

19 D. If a contract between the department and a
20 medicaid provider explicitly specifies a dispute resolution
21 mechanism for use in resolving disputes over performance of
22 that contract, the dispute resolution mechanism specified in
23 the contract shall be used to resolve such disputes in lieu of
24 the mechanism set forth in Subsection C of this section.

25 E. If a medicaid provider's contract so specifies,

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1 the medicaid provider shall have the right to seek de novo
2 review in district court of any decision by the secretary
3 regarding a contractual dispute. "

4 Section 32. Section 27-12-3 NMSA 1978 (being Laws 1998,
5 Chapter 52, Section 3) is amended to read:

6 "27-12-3. DEFINITIONS. --As used in the Child Health Act:

7 A. "child" means a natural person who has not
8 reached his nineteenth birthday;

9 B. "department" means the [~~human services~~]
10 department of health;

11 C. "low-income children and their families" means
12 a family with a dependent child with income at or below the
13 level specified in Section [~~6 of the Child Health Act~~] 27-12-6
14 NMSA 1978; and

15 D. "secretary" means the secretary of [~~human~~
16 ~~services~~] health. "

17 Section 33. Section 27-12-4 NMSA 1978 (being Laws 1998,
18 Chapter 52, Section 4) is amended to read:

19 "27-12-4. PROGRAM CREATED. --After consultation with the
20 secretary of [~~health~~] human services and the secretary of
21 children, youth and families, the secretary is directed to
22 design and implement a program to provide health services to
23 low-income children and their families in accordance with the
24 provisions of the Child Health Act. The program shall meet
25 the requirements for obtaining allotted federal funds pursuant

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1 to the provisions of Title 21 of the federal Social Security
2 Act. In accordance with those requirements and the
3 requirements of the Child Health Act, the secretary shall
4 prepare and submit a child health plan to the federal
5 secretary of health and human services. The department is the
6 designated state agency to administer the program and
7 cooperate with the federal government in its administration. "

8 Section 34. Section 30-40-1 NMSA 1978 (being Laws 1979,
9 Chapter 170, Section 1, as amended) is amended to read:

10 "30-40-1. FAILING TO DISCLOSE FACTS OR CHANGE OF
11 CIRCUMSTANCES TO OBTAIN PUBLIC ASSISTANCE OR MEDICAL
12 ASSISTANCE. --

13 A. Failing to disclose facts or change of
14 circumstances to obtain public assistance or medical
15 assistance consists of any person knowingly failing to
16 disclose any material facts known to be necessary to determine
17 eligibility for public assistance or medical assistance or
18 knowingly failing to disclose a change in circumstances for
19 the purpose of obtaining or continuing to receive public
20 assistance or medical assistance to which he is not entitled
21 or in amounts greater than that to which he is entitled.

22 B. Whoever commits failing to disclose facts or
23 change of circumstances to obtain public assistance or medical
24 assistance when the value of the assistance wrongfully
25 received is one hundred dollars (\$100) or less in any twelve

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1 consecutive months is guilty of a petty misdemeanor.

2 C. Whoever commits failing to disclose facts or
3 change of circumstances to obtain public assistance or medical
4 assistance when the value of the assistance wrongfully
5 received is more than one hundred dollars (\$100) but not more
6 than two hundred fifty dollars (\$250) in any twelve
7 consecutive months is guilty of a misdemeanor.

8 D. Whoever commits failing to disclose facts or
9 change of circumstances to obtain public assistance or medical
10 assistance when the value of the assistance wrongfully
11 received is more than two hundred fifty dollars (\$250) but not
12 more than two thousand five hundred dollars (\$2,500) in any
13 twelve consecutive months is guilty of a fourth degree felony.

14 E. Whoever commits failing to disclose facts or
15 change of circumstances to obtain public assistance or medical
16 assistance when the value of the assistance wrongfully
17 received is more than two thousand five hundred dollars
18 (\$2,500) but not more than twenty thousand dollars (\$20,000)
19 is guilty of a third degree felony.

20 F. Whoever commits failing to disclose facts or
21 change of circumstances to obtain public assistance or medical
22 assistance when the value of the assistance wrongfully
23 received exceeds twenty thousand dollars (\$20,000) is guilty
24 of a second degree felony. "

25 Section 35. Section 30-40-2 NMSA 1978 (being Laws 1979,

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1 Chapter 170, Section 2, as amended) is amended to read:

2 "30-40-2. UNLAWFUL USE OF FOOD STAMP IDENTIFICATION CARD
3 OR MEDICAL IDENTIFICATION CARD. --

4 A. Unlawful use of food stamp identification card
5 or medical identification card consists of the use of a food
6 stamp or medical identification card by any person to whom it
7 has not been issued, or who is not an authorized
8 representative of such a person, for a food stamp allotment.

9 B. Whoever commits unlawful use of food stamp
10 identification card or medical identification card when the
11 value of the food stamps or medical ~~[services]~~ assistance
12 wrongfully received is one hundred dollars (\$100) or less is
13 guilty of a petty misdemeanor.

14 C. Whoever commits unlawful use of food stamp
15 identification card or medical identification card when the
16 value of the food stamps or medical ~~[services]~~ assistance
17 wrongfully received is more than one hundred dollars (\$100)
18 but not more than two hundred fifty dollars (\$250) is guilty
19 of a misdemeanor.

20 D. Whoever commits unlawful use of food stamp
21 identification card or medical identification card when the
22 value of the food stamps or medical ~~[services]~~ assistance
23 wrongfully received is more than two hundred fifty dollars
24 (\$250) but not more than two thousand five hundred dollars
25 (\$2,500) is guilty of a fourth degree felony.

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1 E. Whoever commits unlawful use of food stamp
2 identification card or medical identification card when the
3 value of the food stamps or medical [~~services~~] assistance
4 wrongfully received is more than two thousand five hundred
5 dollars (\$2,500) but not more than twenty thousand dollars
6 (\$20,000) is guilty of a third degree felony.

7 F. Whoever commits unlawful use of food stamp
8 identification card or medical identification card when the
9 value of the food stamps or medical [~~services~~] assistance
10 wrongfully received exceeds twenty thousand dollars (\$20,000)
11 is guilty of a second degree felony.

12 G. For the purpose of this section, the value of
13 the medical assistance received is the amount paid by the
14 [~~human services~~] department of health for medical [~~services~~]
15 assistance received through use of the card. "

16 Section 36. Section 30-40-3 NMSA 1978 (being Laws 1979,
17 Chapter 170, Section 3, as amended) is amended to read:

18 "30-40-3. MISAPPROPRIATING PUBLIC ASSISTANCE OR MEDICAL
19 ASSISTANCE. --

20 A. Misappropriating public assistance or medical
21 assistance consists of any public officer or public employee
22 fraudulently misappropriating, attempting to misappropriate or
23 aiding and abetting in the misappropriation of food stamp
24 coupons, WIC checks pertaining to the special supplemental
25 food program for women, infants and children administered by

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1 the department of health [~~and environment department~~], food
2 stamp or medical identification cards, public assistance
3 benefits, medical assistance benefits or funds received in
4 exchange for food stamp coupons.

5 B. Whoever commits misappropriating public
6 assistance or medical assistance when the value of the thing
7 misappropriated is one hundred dollars (\$100) or less is
8 guilty of a petty misdemeanor.

9 C. Whoever commits misappropriating public
10 assistance or medical assistance when the value of the thing
11 misappropriated is more than one hundred dollars (\$100) but
12 not more than two hundred fifty dollars (\$250) is guilty of a
13 misdemeanor.

14 D. Whoever commits misappropriating public
15 assistance or medical assistance when the value of the thing
16 misappropriated is more than two hundred fifty dollars (\$250)
17 but not more than two thousand five hundred dollars (\$2,500)
18 is guilty of a fourth degree felony.

19 E. Whoever commits misappropriating public
20 assistance or medical assistance when the value of the thing
21 misappropriated is more than two thousand five hundred dollars
22 (\$2,500) but not more than twenty thousand dollars (\$20,000)
23 is guilty of a third degree felony.

24 F. Whoever commits misappropriating public
25 assistance or medical assistance when the value of the thing

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1 misappropriated exceeds twenty thousand dollars (\$20,000) is
2 guilty of a second degree felony.

3 G. Whoever commits misappropriating public
4 assistance or medical assistance when the item misappropriated
5 is a food stamp or medical identification card is guilty of a
6 fourth degree felony. "

7 Section 37. Section 30-40-4 NMSA 1978 (being Laws 1979,
8 Chapter 170, Section 4) is amended to read:

9 "30-40-4. MAKING OR PERMITTING A FALSE CLAIM FOR
10 REIMBURSEMENT FOR PUBLIC ASSISTANCE OR MEDICAL ASSISTANCE
11 SERVICES. --

12 A. Making or permitting a false claim for
13 reimbursement of public assistance or medical assistance
14 services consists of knowingly making, causing to be made or
15 permitting to be made a claim for reimbursement for services
16 provided to a recipient of public assistance or medical
17 assistance for services not rendered or making a false
18 material statement or forged signature upon any claim for
19 services, with intent that the claim shall be relied upon for
20 the expenditure of public money.

21 B. Whoever commits making or permitting a false
22 claim for reimbursement for public assistance or medical
23 assistance services is guilty of a fourth degree felony. "

24 Section 38. Section 30-40-5 NMSA 1978 (being Laws 1979,
25 Chapter 170, Section 5) is amended to read:

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1 "30-40-5. UNLAWFUL SEEKING OF PAYMENT FROM PUBLIC
2 ASSISTANCE OR MEDICAL ASSISTANCE RECIPIENTS. --

3 A. Unlawful seeking of payment from public
4 assistance or medical assistance recipients consists of
5 knowingly seeking payment from recipients or their families
6 for any unpaid portion of a bill for which reimbursement has
7 been or will be received from the human services department or
8 the department of health or for claims or services denied by
9 the human services department or the department of health
10 because of [~~provider~~] the provider's administrative error.

11 B. Whoever commits unlawful seeking of payment
12 from a public assistance or medical assistance recipient is
13 guilty of a misdemeanor. "

14 Section 39. Section 30-40-6 NMSA 1978 (being Laws 1979,
15 Chapter 170, Section 6, as amended) is amended to read:

16 "30-40-6. FAILURE TO REIMBURSE THE DEPARTMENT UPON
17 RECEIPT OF [~~THIRD-PARTY~~] THIRD-PARTY PAYMENT. --

18 A. Failure to reimburse the [~~human services~~]
19 department of health upon receipt of [~~third-party~~] third-party
20 payment consists of [~~knowingly~~] knowing failure by a medicaid
21 provider to reimburse the [~~human services~~] department of
22 health or the [~~department's~~] department of health fiscal agent
23 the amount of payment received from the department of health
24 for services when the provider receives payment for the same
25 services from any third party.

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1 B. A medicaid provider who commits failure to
2 reimburse the department of health upon receipt of [~~third~~
3 ~~party~~] third-party payment when the value of the payment made
4 by the department of health is one hundred dollars (\$100) or
5 less is guilty of a petty misdemeanor.

6 C. A medicaid provider who commits failure to
7 reimburse the department of health upon receipt of [~~third~~
8 ~~party~~] third-party payment when the value of the payment made
9 by the department of health is more than one hundred dollars
10 (\$100) but not more than two hundred fifty dollars (\$250) is
11 guilty of a misdemeanor.

12 D. A medicaid provider who commits failure to
13 reimburse the department of health upon receipt of [~~third~~
14 ~~party~~] third-party payment when the value of the payment made
15 by the department of health is more than two hundred fifty
16 dollars (\$250) but not more than two thousand five hundred
17 dollars (\$2,500) is guilty of a fourth degree felony.

18 E. A medicaid provider who commits failure to
19 reimburse the department of health upon receipt of [~~third~~
20 ~~party~~] third-party payment when the value of the payment made
21 by the department of health is more than two thousand five
22 hundred dollars (\$2,500) but not more than twenty thousand
23 dollars (\$20,000) is guilty of a third degree felony.

24 F. A medicaid provider who commits failure to
25 reimburse the department of health upon receipt of [~~third~~

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1 party] third-party payment when the value of the payment made
2 by the department of health exceeds twenty thousand dollars
3 (\$20,000) is guilty of a second degree felony. "

4 Section 40. Section 30-40-7 NMSA 1978 (being Laws 1979,
5 Chapter 170, Section 7) is amended to read:

6 "30-40-7. FAILURE TO NOTIFY THE ~~[DEPARTMENT]~~ DEPARTMENTS
7 OF RECEIPT OF ANYTHING OF VALUE FROM PUBLIC ASSISTANCE OR
8 MEDICAL ASSISTANCE RECIPIENT. -- Any employee of the human
9 services department or the department of health who knowingly
10 receives anything of value, other than as provided by law,
11 from either a recipient of public assistance or medical
12 assistance or from the family of a public assistance or
13 medical assistance recipient shall notify the human services
14 department or the department of health within ten days after
15 such receipt on a form provided by the respective department.
16 Whoever fails to so notify the respective department within
17 ten days is guilty of a petty misdemeanor. "

18 Section 41. Section 59A-18-31 NMSA 1978 (being Laws
19 1989, Chapter 183, Section 1, as amended) is amended to read:

20 "59A-18-31. ACCIDENT AND HEALTH POLICY OR CERTIFICATE
21 PROVISIONS RELATING TO INDIVIDUALS WHO ARE ELIGIBLE FOR
22 MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

23 A. Each individual or group policy or certificate
24 of accident or health insurance that is delivered, issued for
25 delivery or renewed in this state shall include provisions

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1 that require benefits paid on behalf of a child or other
2 insured person under the policy or certificate to be paid to
3 the [~~human services~~] department of health when:

4 (1) the [~~human services~~] department of health
5 has paid or is paying benefits on behalf of the child or other
6 insured person under the state's medicaid program pursuant to
7 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
8 [~~42 U. S. C. 1396, et seq.~~];

9 (2) payment for the services in question has
10 been made by the [~~human services~~] department of health to the
11 medicaid provider; and

12 (3) the insurer is notified that the insured
13 individual receives benefits under the medicaid program and
14 that benefits [~~must~~] shall be paid directly to the [~~human~~
15 ~~services~~] department of health.

16 B. The notice required under Paragraph (3) of
17 Subsection A of this section may be accomplished through an
18 attachment to the claim by the [~~human services~~] department of
19 health for insurance benefits when the claim is first
20 submitted by the [~~human services~~] department of health to the
21 insurer.

22 C. Notwithstanding any other provisions of law,
23 checks in payment for claims pursuant to any individual or
24 group policy or certificate of accident or health insurance
25 for health care services provided to insured individuals who

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1 are also eligible for benefits under the medicaid program and
2 provided by medical providers qualified to participate under
3 the policy or certificate shall be made payable to the
4 provider. The insurer may be notified that the insured
5 individual is eligible for medicaid benefits through an
6 attachment to the claim by the provider for insurance benefits
7 when the claim is first submitted by the provider to the
8 insurer.

9 D. No individual or group accident or health
10 policy or certificate delivered, issued for delivery or
11 renewed in this state on or after [~~the effective date of this~~
12 ~~section~~] June 16, 1989 shall contain any provision denying or
13 limiting insurance benefits because services are rendered to
14 an insured who is eligible for or who has received medical
15 assistance under the medicaid program of this state.

16 E. To the extent that payment for covered expenses
17 has been made pursuant to the state medicaid program for
18 health care items or services furnished to an individual, in
19 any case where an insurer has a legal liability to make
20 payments, the state is considered to have acquired the rights
21 of the individual to payment by the insurer for those health
22 care items or services. "

23 Section 42. Section 59A-22-38 NMSA 1978 (being Laws
24 1989, Chapter 183, Section 2, as amended) is amended to read:

25 "59A-22-38. INDIVIDUAL HEALTH INSURANCE--POLICY

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1 PROVISIONS RELATING TO INDIVIDUALS WHO ARE ELIGIBLE FOR
2 MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

3 A. Each individual health insurance policy that is
4 delivered, issued for delivery or renewed in this state shall
5 include provisions that require benefits paid on behalf of a
6 child or other insured person under the policy to be paid to
7 the [~~human services~~] department of health when:

8 (1) the [~~human services~~] department of health
9 has paid or is paying benefits on behalf of the child or other
10 insured person under the state's medicaid program pursuant to
11 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
12 [~~42 U. S. C. 1396, et seq.~~];

13 (2) payment for the services in question has
14 been made by the [~~human services~~] department of health to the
15 medicaid provider; and

16 (3) the insurer is notified that the insured
17 individual receives benefits under the medicaid program and
18 that benefits [~~must~~] shall be paid directly to the [~~human~~
19 ~~services~~] department of health.

20 B. The notice required under Paragraph (3) of
21 Subsection A of this section may be accomplished through an
22 attachment to the claim by the [~~human services~~] department of
23 health for insurance benefits when the claim is first
24 submitted by the [~~human services~~] department of health to the
25 insurer.

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1 C. Notwithstanding any other provisions of law,
2 checks in payment for claims pursuant to any individual health
3 insurance policy for health care services provided to persons
4 who are also eligible for benefits under the medicaid program
5 and provided by medical providers qualified to participate
6 under the policy shall be made payable to the provider. The
7 insurer may be notified that the insured [~~individual~~] person
8 is eligible for medicaid benefits through an attachment to the
9 claim by the provider for insurance benefits when the claim is
10 first submitted by the provider to the insurer.

11 D. No individual health insurance policy
12 delivered, issued for delivery or renewed in this state on or
13 after [~~the effective date of this section~~] June 16, 1989 shall
14 contain any provision denying or limiting insurance benefits
15 because services are rendered to an insured who is eligible
16 for or who has received medical assistance under the medicaid
17 program of this state.

18 E. To the extent that payment for covered expenses
19 has been made pursuant to the state medicaid program for
20 health care items or services furnished to an individual, in
21 any case where an insurer has a legal liability to make
22 payments, the state is considered to have acquired the rights
23 of the individual to payment by the insurer for those health
24 care items or services. "

25 Section 43. Section 59A-23-7 NMSA 1978 (being Laws 1989,

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1 Chapter 183, Section 3, as amended) is amended to read:

2 "59A-23-7. BLANKET OR GROUP HEALTH POLICY OR
3 CERTIFICATE--PROVISIONS RELATING TO INDIVIDUALS WHO ARE
4 ELIGIBLE FOR MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

5 A. Each blanket or group health policy or
6 certificate of insurance that is delivered, issued for
7 delivery or renewed in this state shall include provisions
8 that require benefits paid on behalf of a child or other
9 insured person under the policy or certificate to be paid to
10 the [~~human services~~] department of health when:

11 (1) the [~~human services~~] department of health
12 has paid or is paying benefits on behalf of the child or other
13 insured person under the state's medicaid program pursuant to
14 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
15 [~~42 U. S. C. 1396, et seq.~~];

16 (2) payment for the services in question has
17 been made by the [~~human services~~] department of health to the
18 medicaid provider; and

19 (3) the insurer is notified that the insured
20 individual receives benefits under the medicaid program and
21 that benefits [~~must~~] shall be paid directly to the [~~human~~
22 ~~services~~] department of health.

23 B. The notice required under Paragraph (3) of
24 Subsection A of this section may be accomplished through an
25 attachment to the claim by the [~~human services~~] department of

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1 health for insurance benefits when the claim is first
2 submitted by the [~~human services~~] department of health to the
3 insurer.

4 C. Notwithstanding any other provisions of law,
5 checks in payment for claims pursuant to any blanket or group
6 health insurance policy or certificate for health care
7 services provided to persons who are also eligible for
8 benefits under the medicaid program and provided by medical
9 providers qualified to participate under the policy or
10 certificate shall be made payable to the provider. The
11 insurer may be notified that the insured individual is
12 eligible for medicaid benefits through an attachment to the
13 claim by the provider for insurance benefits when the claim is
14 first submitted by the provider to the insurer.

15 D. No blanket or group health insurance policy or
16 certificate delivered, issued for delivery or renewed in this
17 state on or after [~~the effective date of this section~~] June
18 16, 1989 shall contain any provision denying or limiting
19 insurance benefits because services are rendered to an insured
20 who is eligible for or who has received medical assistance
21 under the medicaid program of this state.

22 E. To the extent that payment for covered expenses
23 has been made pursuant to the state medicaid program for
24 health care items or services furnished to an individual, in
25 any case where the insurer has a legal liability to make

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1 payments, the state is considered to have acquired the rights
2 of the individual to payment by an insurer for those health
3 care items or services. "

4 Section 44. Section 59A-24A-15 NMSA 1978 (being Laws
5 1989, Chapter 183, Section 4, as amended) is amended to read:

6 "59A-24A-15. MEDICARE SUPPLEMENT POLICY--PROVISIONS
7 RELATING TO INDIVIDUALS WHO ARE ELIGIBLE FOR MEDICAL BENEFITS
8 UNDER THE MEDICAID PROGRAM --

9 A. Each medicare supplement policy that is
10 delivered, issued for delivery or renewed in this state shall
11 include provisions that require benefits paid on behalf of a
12 child or other insured person under the policy to be paid to
13 the [~~human services~~] department of health when:

14 (1) the [~~human services~~] department of health
15 has paid or is paying benefits on behalf of the child or other
16 insured person under the state's medicaid program pursuant to
17 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
18 [~~42 U. S. C. 1396, et seq.~~];

19 (2) payment for the services in question has
20 been made by the [~~human services~~] department of health to the
21 medicaid provider; and

22 (3) the issuer is notified that the insured
23 individual receives benefits under the medicaid program and
24 that benefits must be paid directly to the [~~human services~~]
25 department of health.

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1 B. The notice required under Paragraph (3) of
2 Subsection A of this section may be accomplished through an
3 attachment to the claim by the [~~human services~~] department of health
4 for insurance benefits when the claim is first
5 submitted by the [~~human services~~] department of health to the
6 issuer.

7 C. Notwithstanding any other provisions of law,
8 checks in payment for claims pursuant to any medicare
9 supplement policy for health care services provided to persons
10 who are also eligible for benefits under the medicaid program
11 and provided by medical providers qualified to participate
12 under the policy shall be made payable to the provider. The
13 issuer may be notified that the insured individual is eligible
14 for medicaid benefits through an attachment to the claim by
15 the provider for insurance benefits when the claim is first
16 submitted by the provider to the issuer.

17 D. No medicare supplement policy delivered, issued
18 for delivery or renewed in this state on or after [~~the~~
19 ~~effective date of this section~~] June 16, 1989 shall contain
20 any provision denying or limiting insurance benefits because
21 services are rendered to an insured who is eligible for or who
22 has received medical assistance under the medicaid program of
23 this state, unless:

24 (1) the medicare supplement policy or
25 certificate has been suspended at the request of a policy or

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1 certificate holder for a period not to exceed twenty-four
2 months; and

3 (2) during the period of suspension, the
4 policy or certificate holder is entitled to medical assistance
5 pursuant to Title [~~XIX~~] 19 or Title 21 of the federal Social
6 Security Act [~~42 U. S. C. 1396, et seq.~~]. "

7 Section 45. Section 59A-44-46 NMSA 1978 (being Laws
8 1989, Chapter 183, Section 5) is amended to read:

9 "59A-44-46. FRATERNAL BENEFIT SOCIETIES--CERTIFICATE
10 PROVISIONS RELATING TO INDIVIDUALS WHO ARE ELIGIBLE FOR
11 MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

12 A. Each individual or group policy or certificate
13 of accident or health insurance issued by a society that is
14 delivered, issued for delivery or renewed in this state shall
15 include provisions that require benefits paid on behalf of a
16 child or other insured person under the policy or certificate
17 to be paid to the [~~human services~~] department of health when:

18 (1) the [~~human services~~] department of health
19 has paid or is paying benefits on behalf of the child or other
20 insured person under the state's medicaid program pursuant to
21 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
22 [~~42 U. S. C. 1396, et seq.~~];

23 (2) payment for the services in question has
24 been made by the [~~human services~~] department of health to the
25 medicaid provider; and

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1 (3) the society is notified that the insured
2 individual receives benefits under the medicaid program and
3 that benefits must be paid directly to the [~~human services~~]
4 department of health.

5 B. The notice required under Paragraph (3) of
6 Subsection A of this section may be accomplished through an
7 attachment to the claim by the [~~human services~~] department of
8 health for insurance benefits when the claim is first
9 submitted by the [~~human services~~] department of health to the
10 society.

11 C. Notwithstanding any other provisions of law,
12 checks in payment for claims pursuant to any individual or
13 group policy or certificate of accident or health insurance
14 for health care services provided to persons who are also
15 eligible for benefits under the medicaid program and provided
16 by medical providers qualified to participate under the policy
17 or certificate shall be made payable to the provider. The
18 society may be notified that the insured individual is
19 eligible for medicaid benefits through an attachment to the
20 claim by the provider for insurance benefits when the claim is
21 first submitted by the provider to the society.

22 D. No individual or group policy or certificate of
23 accident or health insurance issued by a society that is
24 delivered, issued for delivery or renewed in this state on or
25 after the effective date of this section shall contain any

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1 provision denying or limiting insurance benefits because
2 services are rendered to an insured who is eligible for or who
3 has received medical assistance under the medicaid program of
4 this state. "

5 Section 46. Section 59A-46-29 NMSA 1978 (being Laws
6 1989, Chapter 183, Section 6, as amended) is amended to read:

7 "59A-46-29. HEALTH MAINTENANCE ORGANIZATIONS-- CONTRACT
8 OR CERTIFICATE PROVISIONS RELATING TO INDIVIDUALS WHO ARE
9 ELIGIBLE FOR MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

10 A. Each individual or group contract or certificate
11 that is delivered, issued for delivery or renewed in this
12 state shall include provisions that require any indemnity
13 benefits payable by a health maintenance organization on
14 behalf of an enrollee under the contract or certificate to be
15 paid to the [~~human services~~] department of health when:

16 (1) the [~~human services~~] department of health
17 has paid or is paying benefits on behalf of the enrollee under
18 the state's medicaid program pursuant to Title [~~XIX~~] 19 or
19 Title 21 of the federal Social Security Act [~~42 U.S.C. 1396,~~
20 ~~et seq.~~];

21 (2) payment for the services in question has
22 been made by the [~~human services~~] department of health to the
23 medicaid provider; and

24 (3) the health maintenance organization is
25 notified that the enrollee receives benefits under the

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1 medicaid program and that any indemnity benefits payable by
2 the health maintenance organization must be paid directly to
3 the [~~human services~~] department of health.

4 B. The notice required under Paragraph (3) of
5 Subsection A of this section may be accomplished through an
6 attachment to the claim by the [~~human services~~] department of
7 health for any indemnity benefits payable by the health
8 maintenance organization when the claim is first submitted by
9 the [~~human services~~] department of health to the health
10 maintenance organization.

11 C. Notwithstanding any other provisions of law,
12 checks in payment for claims for any indemnity benefits
13 payable by a health maintenance organization pursuant to any
14 individual or group contract or certificate for health care
15 services provided to persons who are also eligible for
16 benefits under the medicaid program and provided by medical
17 providers not contracting with the health maintenance
18 organization shall be made payable to the provider. The
19 health maintenance organization may be notified that the
20 enrollee is eligible for medicaid benefits through an
21 attachment to the claim by the provider for health maintenance
22 organization benefits when the claim is first submitted by the
23 provider to the health maintenance organization.

24 D. No health maintenance organization group or
25 individual contract or certificate delivered, issued for

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1 delivery or renewed in this state on or after [~~the effective~~
2 ~~date of this section~~] June 16, 1989 shall contain any
3 provision denying or limiting health maintenance organization
4 benefits because services are rendered to an enrollee who is
5 eligible for or who has received medical assistance under the
6 medicaid program of this state.

7 E. To the extent that payment for covered expenses
8 has been made pursuant to the state medicaid program for
9 health care items or services furnished to an individual, in
10 any case where a health maintenance organization has a legal
11 liability to make payments, the state is considered to have
12 acquired the rights of the individual to payment by the health
13 maintenance organization for those health care items or
14 services. "

15 Section 47. Section 59A-47-36 NMSA 1978 (being Laws
16 1989, Chapter 183, Section 7, as amended) is amended to read:

17 "59A-47-36. NONPROFIT HEALTH CARE PLANS--CONTRACT OR
18 CERTIFICATE PROVISIONS RELATING TO INDIVIDUALS WHO ARE
19 ELIGIBLE FOR MEDICAL BENEFITS UNDER THE MEDICAID PROGRAM --

20 A. Each individual or group contract for health
21 care expense payments or certificate therefor that is
22 delivered, issued for delivery or renewed in this state by a
23 health care plan shall include provisions that require
24 benefits paid on behalf of a subscriber under the contract or
25 certificate to be paid to the [~~human services~~] department of

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1 health when:

2 (1) the [~~human services~~] department of health
3 has paid or is paying health care expenses on behalf of the
4 subscriber under the state's medicaid program pursuant to
5 Title [~~XIX~~] 19 or Title 21 of the federal Social Security Act
6 [~~42 U. S. C. 1396, et seq.~~];

7 (2) payment for the expenses in question has
8 been made by the [~~human services~~] department of health to the
9 medicaid provider; and

10 (3) the health care plan is notified that the
11 subscriber receives benefits under the medicaid program and
12 that benefits must be paid directly to the [~~human services~~]
13 department of health.

14 B. The notice required under Paragraph (3) of
15 Subsection A of this section may be accomplished through an
16 attachment to the claim by the [~~human services~~] department of
17 health for health care expense payments when the claim is
18 first submitted by the [~~human services~~] department of health
19 to the health care plan.

20 C. Notwithstanding any other provisions of law,
21 checks in payment for claims pursuant to any individual or
22 group contract for health care expense payments or certificate
23 therefor for health care services provided to subscribers who
24 are also eligible for benefits under the medicaid program and
25 provided by medical providers qualified to participate under

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1 the contract or certificate shall be made payable to the
2 provider. The health care plan may be notified that the
3 subscriber is eligible for medicaid benefits through an
4 attachment to the claim by the provider for health care
5 expense payments when the claim is first submitted by the
6 provider to the health care plan.

7 D. No individual or group contract for health care
8 expense payments or certificate therefor delivered, issued for
9 delivery or renewed in this state on or after [~~the effective~~
10 ~~date of this section~~] June 16, 1989 shall contain any
11 provision denying or limiting contract benefits because
12 services are rendered to a subscriber who is eligible for or
13 who has received medical assistance under the medicaid program
14 of this state.

15 E. To the extent that payment for covered expenses
16 has been made pursuant to the state medicaid program for
17 health care items or services furnished to an individual, in
18 any case where a health care plan has a legal liability to
19 make payments, the state is considered to have acquired the
20 rights of the individual to payment by the health care plan
21 for those health care items or services. "

22 Section 48. Section 59A-57-7 NMSA 1978 (being Laws 1998,
23 Chapter 107, Section 7) is amended to read:

24 "59A-57-7. POINT-OF-SERVICE OPTION PLAN. --

25 A. Except as otherwise provided in this section,

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1 the department may require a plan that offers a
2 point-of-service plan or open plan to include in any managed
3 health care plan it offers an option for a point-of-service
4 plan or open plan to the extent that the department determines
5 that the open plan option is financially sound.

6 B. No health care insurer may be required to offer
7 a point-of-service plan or open plan as an option under a
8 medicaid-funded managed health care plan unless the [~~human~~
9 ~~services~~] department of health has established such a
10 requirement as part of a procurement for managed health care
11 under the medicaid program "

12 Section 49. Section 59A-57-10 NMSA 1978 (being Laws
13 1998, Chapter 107, Section 10) is amended to read:

14 "59A-57-10. APPLICATION OF ACT TO MEDICAID PROGRAM --

15 A. Except as otherwise provided in this section,
16 the provisions of the Patient Protection Act apply to the
17 medicaid program operation in the state. A managed health
18 care plan offered through the medicaid program shall grant
19 enrollees and providers the same rights and protections as are
20 granted to enrollees and providers in any other managed health
21 care plan subject to the provisions of the Patient Protection
22 Act.

23 B. Nothing in the Patient Protection Act shall be
24 construed to limit the authority of the [~~human services~~]
25 department of health to administer the medicaid program, as

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1 required by law. Consistent with applicable state and federal
2 law, the [~~human services~~] department of health shall have sole
3 authority to determine, establish and enforce medicaid
4 eligibility criteria, the scope, definitions and limitations
5 of medicaid benefits and the minimum qualifications or
6 standards for medicaid service providers.

7 C. Medicaid recipients and applicants retain their
8 right to appeal decisions adversely affecting their medicaid
9 benefits to the [~~human services~~] department of health,
10 pursuant to the [~~Public~~] Medical Assistance Appeals Act.

11 Notwithstanding other provisions of the Patient Protection
12 Act, a medicaid recipient or applicant who files an appeal to
13 the [~~human services~~] department of health pursuant to the
14 [~~Public~~] Medical Assistance Appeals Act may not file an appeal
15 on the same issue to the superintendent pursuant to the
16 Patient Protection Act, unless the [~~human services~~] department
17 of health refuses to hear the appeal. The superintendent may
18 refer to the [~~human services~~] department of health any appeal
19 filed with the superintendent pursuant to the Patient
20 Protection Act if the complainant is a medicaid beneficiary
21 and the matter in dispute is subject to the provisions of the
22 [~~Public~~] Medical Assistance Appeals Act.

23 D. Any managed health care plan participating in
24 the medicaid managed care program as of [~~the effective date of~~
25 ~~the Patient Protection Act~~] July 1, 1998 and that is in

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1 compliance with contractual and regulatory requirements
2 applicable to that program shall be deemed to comply with any
3 requirements established in accordance with [~~that~~] the Patient
4 Protection Act until July 1, 1999; provided that, from [~~the~~
5 ~~effective date of that act~~] July 1, 1998, any rights
6 established under that act beyond those under requirements of
7 the [~~human services~~] department of health shall apply to
8 enrollees in medicaid managed health care plans. "

9 Section 50. TEMPORARY PROVISION--TRANSFER OF PERSONNEL,
10 PROPERTY, CONTRACTS AND REFERENCES IN LAW.--On July 1, 2002:

11 A. all personnel, appropriations, money records,
12 equipment, supplies and other property of the medical
13 assistance division of the human services department shall be
14 transferred to the department of health;

15 B. all contracts of the medical assistance division
16 shall be binding and effective on the department of health;
17 and

18 C. all references in law to the medical assistance
19 division, medicaid, or Title 19 or Title 21 of the Social
20 Security Act shall be deemed to be references to the
21 department of health.

22 Section 51. EFFECTIVE DATE.--The effective date of the
23 provisions of this act is July 1, 2002.