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SENATE BILL 179

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; PROVIDING FOR AND PHASING IN A GROSS RECEIPTS TAX DEDUCTION FOR RECEIPTS FROM FEE-FOR-SERVICE PAYMENTS BY HEALTH CARE INSURERS.

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

Section 1. Section 7-9-93 NMSA 1978 (being Laws 2004, Chapter 116, Section 6) is amended to read:

"7-9-93. [~~DEDUCTION~~] DEDUCTIONS--GROSS RECEIPTS-- [~~CERTAIN~~] RECEIPTS FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER. --

A. Receipts from payments by a managed health care provider or health care insurer for commercial contract services or medicare part C services provided by a health care practitioner that are not otherwise deductible pursuant to another provision of the Gross Receipts and Compensating Tax

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1 Act may be deducted from gross receipts, provided that the
2 services are within the scope of practice of the person
3 providing the service. ~~[Receipts from fee-for-service payments~~
4 ~~by a health care insurer may not be deducted from gross~~
5 ~~receipts. The deduction provided by this section shall be~~
6 ~~separately stated by the taxpayer.]~~

7 B. Receipts from fee-for-service payments by a
8 health care insurer may not be deducted from gross receipts
9 before January 1, 2006. On or after January 1, 2006, the
10 following fraction of receipts from fee-for-service payments by
11 a health care insurer may be deducted pursuant to this
12 subsection:

13 (1) for calendar year 2006, one-fourth of the
14 receipts;

15 (2) for calendar year 2007, one-half of the
16 receipts;

17 (3) for calendar year 2008, three-fourths of
18 the receipts; and

19 (4) on and after January 1, 2009, all of the
20 receipts may be deducted.

21 C. A deduction provided by this section shall be
22 separately stated by the taxpayer.

23 ~~[B.]~~ D. For the purposes of this section:

24 (1) "commercial contract services" means
25 health care services performed by a health care practitioner

1 pursuant to a contract with a managed health care provider or
2 health care insurer other than those health care services
3 provided for medicare patients pursuant to Title 18 of the
4 federal Social Security Act or for medicaid patients pursuant
5 to Title 19 or Title 21 of the federal Social Security Act;

6 (2) "health care insurer" means a person that:

7 (a) has a valid certificate of authority
8 in good standing pursuant to the New Mexico Insurance Code to
9 act as an insurer, health maintenance organization or nonprofit
10 health care plan or prepaid dental plan; and

11 (b) contracts to reimburse licensed
12 health care practitioners for providing basic health services
13 to enrollees at negotiated fee rates;

14 (3) "health care practitioner" means:

15 (a) a chiropractic physician licensed
16 pursuant to the provisions of the Chiropractic Physician
17 Practice Act;

18 (b) a dentist or dental hygienist
19 licensed pursuant to the Dental Health Care Act;

20 (c) a doctor of oriental medicine
21 licensed pursuant to the provisions of the Acupuncture and
22 Oriental Medicine Practice Act;

23 (d) an optometrist licensed pursuant to
24 the provisions of the Optometry Act;

25 (e) an osteopathic physician licensed

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1 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
2 or an osteopathic physician's assistant licensed pursuant to
3 the provisions of the Osteopathic Physicians' Assistants Act;

4 (f) a physical therapist licensed
5 pursuant to the provisions of the Physical Therapy Act;

6 (g) a physician or physician assistant
7 licensed pursuant to the provisions of Chapter 61, Article 6
8 NMSA 1978;

9 (h) a podiatrist licensed pursuant to
10 the provisions of the Podiatry Act;

11 (i) a psychologist licensed pursuant to
12 the provisions of the Professional Psychologist Act;

13 (j) a registered lay midwife registered
14 by the department of health;

15 (k) a registered nurse or licensed
16 practical nurse licensed pursuant to the provisions of the
17 Nursing Practice Act;

18 (l) a registered occupational therapist
19 licensed pursuant to the provisions of the Occupational Therapy
20 Act;

21 (m) a respiratory care practitioner
22 licensed pursuant to the provisions of the Respiratory Care
23 Act; and

24 (n) a speech-language pathologist or
25 audiologist licensed pursuant to the Speech-Language Pathology,

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1 **Audiology and Hearing Aid Dispensing Practices Act;**

2 **(4) "managed health care provider" means a**
3 **person that provides for the delivery of comprehensive basic**
4 **health care services and medically necessary services to**
5 **individuals enrolled in a plan through its own employed health**
6 **care providers or by contracting with selected or participating**
7 **health care providers. "Managed health care provider" includes**
8 **only those persons that provide comprehensive basic health care**
9 **services to enrollees on a contract basis, including the**
10 **following:**

- 11 **(a) health maintenance organizations;**
- 12 **(b) preferred provider organizations;**
- 13 **(c) individual practice associations;**
- 14 **(d) competitive medical plans;**
- 15 **(e) exclusive provider organizations;**
- 16 **(f) integrated delivery systems;**
- 17 **(g) independent physician-provider**
18 **organizations;**
- 19 **(h) physician hospital-provider**
20 **organizations; and**
- 21 **(i) managed care services organizations;**

22 **and**

23 **(5) "medicare part C services" means services**
24 **performed pursuant to a contract with a managed health care**
25 **provider for medicare patients pursuant to Title 18 of the**

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federal Social Security Act. "

Section 2. EFFECTIVE DATE. --The effective date of the provisions of this act is January 1, 2006.

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