

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 205

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

John Arthur Smith

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

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~~] PRACTITIONERS---

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

underscoring material = new
[bracketed material] = delete

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, 2007. On or after January 1, 2007, the
10 following fraction of receipts from fee-for-service payments by
11 a health care insurer may be deducted from gross receipts
12 pursuant to this subsection:

13 (1) for calendar year 2007, one-fifth of the
14 receipts;

15 (2) for calendar year 2008, two-fifths of the
16 receipts;

17 (3) for calendar year 2009, three-fifths of
18 the receipts;

19 (4) for calendar year 2010, four-fifths of the
20 receipts; and

21 (5) on and after January 1, 2010, all of the
22 receipts.

23 C. A deduction provided by this section shall be
24 separately stated by the taxpayer.

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

underscoring material = new
[bracketed material] = delete

1 (1) "commercial contract services" means
2 health care services performed by a health care practitioner
3 pursuant to a contract with a managed health care provider or
4 health care insurer other than those health care services
5 provided for medicare patients pursuant to Title 18 of the
6 federal Social Security Act or for medicaid patients pursuant
7 to Title 19 or Title 21 of the federal Social Security Act;

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

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

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

16 (3) "health care practitioner" means:

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

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

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

25 (d) an optometrist licensed pursuant to

.159284.1

underscoring material = new
[bracketed material] = delete

1 the provisions of the Optometry Act;

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

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

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

11 (h) a podiatrist licensed pursuant to
12 the provisions of the Podiatry Act;

13 (i) a psychologist licensed pursuant to
14 the provisions of the Professional Psychologist Act;

15 (j) a registered lay midwife registered
16 by the department of health;

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

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

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

.159284.1

underscored material = new
[bracketed material] = delete

1 (n) a speech-language pathologist or
2 audiologist licensed pursuant to the Speech-Language Pathology,
3 Audiology and Hearing Aid Dispensing Practices Act;

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

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

25 (5) "medicare part C services" means services

underscoring material = new
~~[bracketed material]~~ = delete

1 performed pursuant to a contract with a managed health care
2 provider for medicare patients pursuant to Title 18 of the
3 federal Social Security Act."

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

6 - 6 -
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25