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AN ACT

RELATING TO PUBLIC ASSISTANCE; PROVIDING A STATUTE OF
LIMITATIONS ON THIRD PARTY LIABILITY CLAIMS; AMENDING A
SECTION OF THE NMSA 1978.

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

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

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

A. The income support division of the department shall make reasonable efforts to ascertain any legal liability of third parties who are or may be liable to pay all or part of the medical cost of injury, disease or disability of an applicant for or recipient of medical assistance pursuant to the provisions of Chapter 27 NMSA 1978.

B. When the department makes medical assistance payments on behalf of a recipient, the department is subrogated to any right of the recipient against a third party for recovery of medical expenses to the extent that the department has made payment.

C. Health insurers, including self-insured plans, group health plans, service benefit plans, managed care organizations, pharmacy benefit managers or other parties, that are, by statute, contract or agreement, legally

1 responsible for payment of a claim for a health care item or
2 service, as a condition of doing business with New Mexico,
3 shall:

4 (1) provide, with respect to individuals who
5 are eligible for or are provided medical assistance under the
6 medicaid program, upon the request of the state, information
7 to determine during what period the individual, the
8 individual's spouse or the individual's dependents may be, or
9 may have been, covered by a health insurer and the nature of
10 the coverage provided by the health insurer, including the
11 name, address and identifying number of the plan;

12 (2) accept New Mexico's right of recovery
13 and the assignment to New Mexico of any right of an
14 individual or other entity to payment from the party for an
15 item or service for which payment has been made under the
16 medicaid program;

17 (3) respond to any inquiry by New Mexico
18 regarding a claim for payment for any health care item or
19 service that is submitted no later than three years after the
20 date of the provision of such health care item or service;
21 and

22 (4) agree not to deny a claim submitted by
23 New Mexico solely on the basis of the date of submission of
24 the claim by the provider, the type of the claim form or a
25 failure to present proper documentation at the point-of-sale

1 that is the basis of the claim, if:

2 (a) the claim is submitted by New
3 Mexico within the three-year period beginning on the date on
4 which the item or service was furnished; and

5 (b) any action by New Mexico to enforce
6 its rights with respect to such claim is commenced within six
7 years of New Mexico's submission of such claim.

8 D. Nothing in this section shall be construed to
9 preclude the application of common law principles in
10 determining equitable reimbursement from any third-party
11 source for New Mexico or a health insurer, including
12 self-insured plans, group health plans, service benefit plans,
13 managed care organizations, pharmacy benefit managers or other
14 parties." _____

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