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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/09  
LAST UPDATED 02/12/09

SPONSOR Martinez, R. HB \_\_\_\_\_

SHORT TITLE Reimbursement for Health Care in Jail SB 61/aSJC

ANALYST Chabot

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Corrections

Department of Health (DOH)

New Mexico Health Policy Commission (HPC)

Workers' Compensation Administration (WCA)

#### Responses Not Received From

Association of Counties

### SUMMARY

#### Synopsis of the Senate Judiciary Committee Amendment

Senate Judiciary Committee Amendment to Senate Bill 61, Reimbursement for Health Care in Jail, strikes "rules" in line 21, page 1, and inserts "the director's order". Section 1.A. now reads: "A country shall reimburse a licensed health care provider, including a licensed mental health care provider that renders services to an individual in the custody of county fail in accordance with the director's order promulgated pursuant to Section 52-4-5 NMSA 1978."

This brings the bill into agreement with Section 52-4-5 NMSA 1978 which states "the director shall adopt and promulgate regulations".

#### Synopsis of Bill of Original Bill

Senate Bill 61, Reimbursement for Health Care in Jail, establishes the requirement for counties to reimburse health care providers, including mental health, rendering services to individuals in the custody of a county jail according to the fee schedule defined in the Workers Compensation

Act; however, a county may enter into agreements with health providers to set rates that differ from the those established by the act.

### **FISCAL IMPLICATIONS**

This bill would not result in any additional state costs; however, this bill may increase, or decrease, county costs for healthcare for individuals in county jail depending how rates are negotiated.

### **SIGNIFICANT ISSUES**

The provisions of SB61 are based upon findings in a study conducted by HPC titled “County Inmate Health Provider Reimbursement” pursuant to Senate Memorial 48 enacted during the 2008 New Mexico Legislative Session.

HPC reports SB 61 allows counties that do not currently have a health care reimbursement system in place to follow the Workers’ Compensation fee schedule as the standard or to negotiate rates for the county.

Section 52-4-5 NMSA 1978 states that the Director of the Workers’ Compensation Administration shall adopt and promulgate regulations establishing a schedule of maximum charges provided by a health care provider. In determining current rates for health care providers, the director shall utilize a variety of health care provider charges. Once the fee schedule is established, it shall be revised annually.

SB 61 also authorizes a county to enter into new agreements with healthcare providers to set rates, charges or reimbursements that differ from the Workers’ Compensation fee schedule. It also continues to allow counties that currently have contracts in place and are satisfied with services and ease of payment processing to continue to use existing systems without being interrupted.

DOH reports the fee schedule for medical care established by the New Mexico Workers’ Compensation Act must provide that maximum charges shall not fall below the sixtieth percentile or above the eightieth percentile of current rates for health care providers. In determining current rates for health care providers, the Director shall utilize a variety of health care provider charges, including the charges of those providers serving low income, Medicare and Medicaid patients.”

### **TECHNICAL ISSUES**

DOH raises the following issue: Section 52-4-5, Paragraph H of the Workers’ Compensation Act states: “Nothing in this section shall prevent an employer from contracting with a health care provider for fees less than the maximum charges allowable.” The language in SB61, Page 1, Line 23 may be in conflict with the Act in that it does not specify that if a county enters into agreements with health care providers, the fee must be less than those determined according to 52-4-5A, the maximum allowable rate under the NM Workers’ Compensation Act.

**OTHER SUBSTANTIVE ISSUES**

WCA states SB 61 has not been presented to the Advisory Council on Workers' Compensation and Disease Disablement

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The current situation will not change.

**POSSIBLE QUESTIONS**

1. How is health care reimbursement handled by counties for inmates today?

GAC/mc:svb