

AN ACT

RELATING TO SOLE COMMUNITY PROVIDER FUNDING; PROVIDING FOR FUNDS THAT MAY BE COUNTED IN THE COUNTY CONTRIBUTION FOR SUPPORT OF SOLE COMMUNITY PROVIDER PAYMENTS; DECLARING AN EMERGENCY.

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

**SECTION 1.** Section 27-5-4 NMSA 1978 (being Laws 1965, Chapter 234, Section 4, as amended) is amended to read:

"27-5-4. DEFINITIONS.--As used in the Indigent Hospital and County Health Care Act:

A. "alcohol rehabilitation center" means an agency of local government, a state agency, a private nonprofit entity or combination thereof that operates alcohol abuse rehabilitation programs that meet the standards set by the department of health;

B. "ambulance provider" or "ambulance service" means a specialized carrier based within the state authorized under provisions and subject to limitations as provided in individual carrier certificates issued by the public regulation commission to transport persons alive, dead or dying en route by means of ambulance service. The rates and charges established by public regulation commission tariff shall govern as to allowable cost. Also included are air ambulance services approved by the board. The air ambulance

service charges shall be filed and approved pursuant to Subsection D of Section 27-5-6 NMSA 1978 and Section 27-5-11 NMSA 1978;

C. "board" means a county indigent hospital and county health care board;

D. "commission" means the New Mexico health policy commission or the commission's successor agency;

E. "cost" means all allowable costs of providing health care services, to the extent determined by resolution of a board, for an indigent patient. Allowable costs shall be based on medicaid fee-for-service reimbursement rates for hospitals, licensed medical doctors and osteopathic physicians;

F. "county" means a county except a class A county with a county hospital operated and maintained pursuant to a lease with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico;

G. "department" means the human services department;

H. "drug rehabilitation center" means an agency of local government, a state agency, a private nonprofit entity or combination thereof that operates drug abuse rehabilitation programs that meet the standards and requirements set by the department of health;

I. "fund" means a county indigent hospital claims

fund;

J. "health care provider" means:

- (1) a nursing home;
- (2) an in-state home health agency;
- (3) an in-state licensed hospice;
- (4) a community-based health program

operated by a political subdivision of the state or other nonprofit health organization that provides prenatal care delivered by New Mexico licensed, certified or registered health care practitioners;

- (5) a community-based health program

operated by a political subdivision of the state or other nonprofit health care organization that provides primary care delivered by New Mexico licensed, certified or registered health care practitioners;

- (6) a drug rehabilitation center;

- (7) an alcohol rehabilitation center;

- (8) a mental health center;

(9) a licensed medical doctor, osteopathic physician, dentist, optometrist or expanded practice nurse when providing emergency services, as determined by the board, in a hospital to an indigent patient; or

(10) a licensed medical doctor or osteopathic physician, dentist, optometrist or expanded practice nurse when providing services in an outpatient

setting, as determined by the board, to an indigent patient with a life-threatening illness or disability;

K. "health care services" means treatment and services designed to promote improved health in the county indigent population, including primary care, prenatal care, dental care, provision of prescription drugs, preventive care or health outreach services, to the extent determined by resolution of the board;

L. "hospital" means a general or limited hospital licensed by the department of health, whether nonprofit or owned by a political subdivision, and may include by resolution of a board the following health facilities if licensed or, in the case of out-of-state hospitals, approved by the department of health:

- (1) for-profit hospitals;
- (2) state-owned hospitals; or
- (3) licensed out-of-state hospitals where treatment provided is necessary for the proper care of an indigent patient when that care is not available in an in-state hospital;

M. "indigent patient" means a person to whom an ambulance service, a hospital or a health care provider has provided medical care, ambulance transportation or health care services and who can normally support the person's self and the person's dependents on present income and liquid assets

available to the person but, taking into consideration the person's income, assets and requirements for other necessities of life for the person and the person's dependents, is unable to pay the cost of the ambulance transportation or medical care administered or both; provided that if the definition of "indigent patient" is adopted by a board in a resolution, the definition shall not include any person whose annual income together with that person's spouse's annual income totals an amount that is fifty percent greater than the per capita personal income for New Mexico as shown for the most recent year available in the survey of current business published by the United States department of commerce. Every board that has a balance remaining in the fund at the end of a given fiscal year shall consider and may adopt at the first meeting of the succeeding fiscal year a resolution increasing the standard for indigency; "indigent patient" includes a minor who has received ambulance transportation or medical care or both and whose parent or the person having custody of that minor would qualify as an indigent patient if transported by ambulance, admitted to a hospital for care or treated by a health care provider;

N. "medicaid eligible" means a person who is eligible for medical assistance from the department;

O. "mental health center" means a not-for-profit center that provides outpatient mental health services that

meet the standards set by the department of health;

P. "planning" means the development of a countywide or multicounty health plan to improve and fund health services in the county based on the county's needs assessment and inventory of existing services and resources and that demonstrates coordination between the county and state and local health planning efforts;

Q. "public entity" means a state, local or tribal government or other political subdivision or agency of that government;

R. "sole community provider hospital" means:

(1) a hospital that is a sole community provider hospital under the provisions of the federal medicare guidelines; or

(2) an acute care general hospital licensed by the department of health that is qualified, pursuant to rules adopted by the state agency primarily responsible for the medicaid program, to receive distributions from the sole community provider fund; and

S. "tribal" means of or pertaining to a federally recognized Indian nation, tribe or pueblo."

**SECTION 2.** Section 27-5-6.1 NMSA 1978 (being Laws 1993, Chapter 321, Section 18) is amended to read:

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

A. The "sole community provider fund" is created

in the state treasury. The sole community provider fund, which shall be administered by the department, shall consist of funds provided by counties through intergovernmental transfers from counties, other public entities or other public funds or expenditures determined by the department and the federal government as allowable to match federal funds for medicaid sole community provider hospital payments. Money in the fund shall be invested by the state treasurer as other state funds are invested. Any unexpended or unencumbered balance remaining in the fund at the end of any fiscal year shall not revert.

B. Money in the sole community provider fund is appropriated to the department to make sole community provider hospital payments pursuant to the state medicaid program. No sole community provider hospital payments or money in the sole community provider fund shall be used to supplant any general fund support for the state medicaid program.

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

**SECTION 3.** Section 27-5-12.2 NMSA 1978 (being Laws 1993, Chapter 321, Section 15, as amended) is amended to read:

"27-5-12.2. DUTIES OF THE COUNTY--SOLE COMMUNITY PROVIDER HOSPITAL PAYMENTS.--A county that authorizes payment

for services to a sole community provider hospital shall:

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

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

C. confirm the amount of the sole community provider hospital payments authorized for each hospital for the past fiscal year by September 30 of the current fiscal year based on a report prepared by the hospital using a format jointly prescribed by the counties and hospitals that provides aggregate data, including the number of indigent patients served and the total cost of uncompensated care provided by the hospital;

D. negotiate agreements with each sole community provider hospital providing services for county residents on the anticipated amount of the payments for the following fiscal year; provided that the agreements shall be in compliance with federal regulations regarding intergovernmental transfers and provider contributions and shall not include provisions for reimbursements to counties of matching and sole community provider fund allocations; and

E. provide the department by January 15 of each



year, or on a date determined by the secretary of human services and provided to each county by January 15 of each year, with the budgeted amount of sole community provider hospital payments, by hospital, for the following fiscal year."

**SECTION 4. REPEAL.**--Section 27-5-4.1 NMSA 1978 (being Laws 1978, Chapter 123, Section 2) is repealed.

**SECTION 5. EMERGENCY.**--It is necessary for the public peace, health and safety that this act take effect immediately.

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