

HOUSE BILL 118

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS FOR PAYMENTS BY A PATIENT TO A HEALTH CARE PRACTITIONER FOR CERTAIN SERVICES.

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, as amended) is amended to read:

"7-9-93. DEDUCTION--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 Act may be deducted from gross receipts, provided that the

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1 services are within the scope of practice of the person  
2 providing the service. Receipts from fee-for-service payments  
3 by a health care insurer may not be deducted from gross  
4 receipts. [~~The~~]

5 B. Receipts from payments by an individual enrolled  
6 in a plan with a managed care provider or health care insurer  
7 to a health care practitioner for commercial contract services  
8 may be deducted from gross receipts; provided that the services  
9 are within the scope of practice of the person providing the  
10 service.

11 C. A deduction provided by this section shall be  
12 separately stated by the taxpayer.

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

14 (1) "commercial contract services" means  
15 health care services performed by a health care practitioner  
16 pursuant to a contract with a managed health care provider or  
17 health care insurer other than those health care services  
18 provided for medicare patients pursuant to Title 18 of the  
19 federal Social Security Act or for medicaid patients pursuant  
20 to Title 19 or Title 21 of the federal Social Security Act;

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

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

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1 (b) contracts to reimburse licensed  
2 health care practitioners for providing basic health services  
3 to enrollees at negotiated fee rates;

4 (3) "health care practitioner" means:

5 (a) a chiropractic physician licensed  
6 pursuant to the provisions of the Chiropractic Physician  
7 Practice Act;

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

10 (c) a doctor of oriental medicine  
11 licensed pursuant to the provisions of the Acupuncture and  
12 Oriental Medicine Practice Act;

13 (d) an optometrist licensed pursuant to  
14 the provisions of the Optometry Act;

15 (e) an osteopathic physician licensed  
16 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978  
17 or an osteopathic physician's assistant licensed pursuant to  
18 the provisions of the Osteopathic Physicians' Assistants Act;

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

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

24 (h) a podiatrist licensed pursuant to  
25 the provisions of the Podiatry Act;

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1 (i) a psychologist licensed pursuant to  
2 the provisions of the Professional Psychologist Act;

3 (j) a registered lay midwife registered  
4 by the department of health;

5 (k) a registered nurse or licensed  
6 practical nurse licensed pursuant to the provisions of the  
7 Nursing Practice Act;

8 (l) a registered occupational therapist  
9 licensed pursuant to the provisions of the Occupational Therapy  
10 Act;

11 (m) a respiratory care practitioner  
12 licensed pursuant to the provisions of the Respiratory Care  
13 Act;

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

17 (o) a professional clinical mental  
18 health counselor, marriage and family therapist or professional  
19 art therapist licensed pursuant to the provisions of the  
20 Counseling and Therapy Practice Act who has obtained a master's  
21 degree or a doctorate;

22 (p) an independent social worker  
23 licensed pursuant to the provisions of the Social Work Practice  
24 Act; and

25 (q) a clinical laboratory that is

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1 accredited pursuant to 42 U.S.C. Section 263a but that is not a  
2 laboratory in a physician's office or in a hospital defined  
3 pursuant to 42 U.S.C. Section 1395x;

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

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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 July 1, 2014.