

1 SENATE BILL 232

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 Gerald Ortiz y Pino

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10 AN ACT

11 RELATING TO HEALTH; AMENDING A SECTION OF THE NEW MEXICO
12 INSURANCE CODE TO PROVIDE FOR PREMIUM TAX DISTRIBUTIONS TO THE
13 HUMAN SERVICES DEPARTMENT TO FUND INTEROPERABILITY OF MEDICAID
14 RECIPIENT MEDICAL RECORDS AMONG MEDICAID SERVICE PROVIDERS;
15 ENACTING A TEMPORARY SECTION OF LAW TO DIRECT THE SECRETARY OF
16 HUMAN SERVICES TO CONTRACT FOR HEALTH INFORMATION TECHNOLOGY
17 INTEROPERABILITY; MAKING AN APPROPRIATION.

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

20 SECTION 1. Section 59A-6-5 NMSA 1978 (being Laws 1984,
21 Chapter 127, Section 105, as amended) is amended to read:

22 "59A-6-5. DISTRIBUTION OF DIVISION COLLECTIONS.--

23 A. All money received by the division for fees,
24 licenses, penalties and taxes shall be paid daily by the
25 superintendent to the state treasurer and credited to the

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1 "insurance department suspense fund" except as provided by:

2 (1) the Law Enforcement Protection Fund Act;

3 and

4 (2) Section 59A-6-1.1 NMSA 1978.

5 B. The superintendent may authorize refund of money
6 erroneously paid as fees, licenses, penalties or taxes from the
7 insurance department suspense fund under request for refund
8 made within three years after the erroneous payment. In the
9 case of premium taxes erroneously paid or overpaid in
10 accordance with law, refund may also be requested as a credit
11 against premium taxes due in any annual or quarterly premium
12 tax return filed within three years of the erroneous or excess
13 payment.

14 C. If required by a compact to which New Mexico has
15 joined pursuant to law, the superintendent shall authorize the
16 allocation of premiums collected pursuant to Section 59A-14-12
17 NMSA 1978 to other states that have joined the compact pursuant
18 to an allocation formula agreed upon by the compacting states.

19 D. The "insurance operations fund" is created in
20 the state treasury. The fund shall consist of the
21 distributions made to it pursuant to Subsection E of this
22 section. The legislature shall annually appropriate from the
23 fund to the division those amounts necessary for the division
24 to carry out its responsibilities pursuant to the Insurance
25 Code and other laws. Any balance in the fund at the end of a

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1 fiscal year greater than one-half of that fiscal year's
2 appropriation shall revert to the general fund.

3 E. At the end of every month, after applicable
4 refunds are made pursuant to Subsection B of this section and
5 after any allocations have been made pursuant to Subsection C
6 of this section, the treasurer shall make the following
7 transfers from the balance remaining in the insurance
8 department suspense fund:

9 (1) to the "fire protection fund", that part
10 of the balance derived from property and vehicle insurance
11 business;

12 (2) to the insurance operations fund, that
13 part of the balance derived from the fees imposed pursuant to
14 Subsections A and E of Section 59A-6-1 NMSA 1978 other than
15 fees derived from property and vehicle insurance business; and

16 (3) to the general fund, the balance remaining
17 in the insurance department suspense fund derived from all
18 other kinds of insurance business.

19 F. Notwithstanding the provisions of Subsection E
20 of this section, by October 1, 2016, the state treasurer shall
21 transfer to the human services department three hundred
22 thousand dollars (\$300,000) from that part of the balance
23 remaining in the insurance suspense fund that is derived from
24 the health insurance premium tax imposed pursuant to Subsection
25 C of Section 59A-6-2 NMSA 1978 to fund statewide medicaid

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1 health information technology interoperability in accordance
2 with Section 2 of this 2016 act. Any unexpended or
3 unencumbered balance remaining at the end of fiscal year 2017
4 shall revert to the insurance suspense fund.

5 G. For the purposes of this section:

6 (1) "health information technology
7 interoperability" means a health information technology system
8 that provides entities with the capacity to share health
9 information in accordance with federal guidelines for shared
10 data sets and interoperability; and

11 (2) "medicaid" means the joint federal-state
12 health coverage program pursuant to Title 19 or Title 21 of the
13 federal Social Security Act."

14 **SECTION 2. TEMPORARY PROVISION--STATE MEDICAID PROGRAM**
15 **HEALTH INFORMATION TECHNOLOGY INTEROPERABILITY--REPORTING.--**

16 A. By December 1, 2016, the secretary of human
17 services shall contract with a statewide health information
18 technology service provider, with at least five years'
19 experience providing for the interoperability of health
20 information technology systems among health care providers,
21 payers and administrators in accordance with state and federal
22 privacy laws and federal guidelines for shared data sets and
23 interoperability, to provide for the interoperability of health
24 information technology systems related to medicaid recipients
25 among the human services department, medicaid providers and

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1 managed care organizations. The contract shall provide for
2 health information technology that maximizes the
3 interoperability of medicaid recipients' health information in
4 order to enhance the safety and quality of care provided
5 through the state's medicaid program while protecting that
6 health information in accordance with state and federal privacy
7 laws and with federal guidelines for shared data sets and
8 interoperability. The health information technology shall
9 provide each medicaid recipient's health care providers, the
10 department and medicaid managed care organizations with timely
11 access to the recipient's health information.

12 B. The secretary shall report to the legislative
13 health and human services committee and the legislative finance
14 committee by November 1, 2017 the actions the secretary has
15 taken pursuant to Subsection A of this section, including:

16 (1) the identity of the health information
17 technology interoperability service provider with which the
18 department has contracted;

19 (2) the performance of the health information
20 technology interoperability service provider, with an
21 explanation of any performance measures the human services
22 department used to evaluate that performance; and

23 (3) an accounting of the funds allocated for
24 the health information technology interoperability system.

25 C. For the purposes of this section:

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(1) "health information technology interoperability" means a system of health information technology that provides entities with the capacity to share health information; and

(2) "medicaid" means the joint federal-state health coverage program pursuant to Title 19 or Title 21 of the federal Social Security Act.