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HOUSE BILL 433
42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996
INTRODUCED BY
DAVID M PARSONS

AN ACT

RELATING TO PUBLIC ASSISTANCE; AMENDING PROVISIONS OF THE PUBLIC ASSISTANCE ACT AND OTHER PROVISIONS OF LAW RELATED TO PUBLIC ASSISTANCE TO ACCOMPLISH WELFARE REFORM; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 27-2-1 NMSA 1978 (being Laws 1973, Chapter 376, Section 1) is amended to read:

"27-2-1. SHORT TITLE. -- Sections [1 through 20 of this act and Sections 13-1-9, 13-1-10, 13-1-12, 13-1-13, 13-1-17, 13-1-18, 13-1-18.1, 13-1-19, 13-1-20, 13-1-20.1, 13-1-21, 3-1-22, 13-1-27, 13-1-27.2, 13-1-27.3, 13-1-27.4, 13-1-28, 13-1-28.6, 13-1-29, 13-1-30, 13-1-34, 13-1-35, 13-1-37, 13-1-39, 3-1-40, 13-1-41 and 13-1-42 NMSA 1953] 27-2-1 through 27-2-36

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Section 2.

3	Chapter 376, Section 2, as amended) is repealed and a new
4	Section 27-2-2 NMSA 1978 is enacted to read:
5	"27-2-2. [NEW MATERIAL] DEFINITIONS
6	A. As used in the Public Assistance Act:
7	(1) "department" means the human services
8	department;
9	(2) "federal act" means the applicable federal
10	law authorizing or regulating, or both, a federally funded state
l 1	administered public welfare program;
12	(3) "public welfare" or "public assistance"
13	means aid, assistance or relief granted to or on behalf of an
14	eligible individual pursuant to the provisions of the Public
15	Assistance Act or regulations adopted pursuant to that act;
16	(4) "recipient" means an individual who
17	receives public assistance or services pursuant to the Public
18	Assistance Act; and
19	(5) "secretary" means the secretary of human
20	servi ces.
21	B. As used in Chapter 27 NMSA 1978:
22	(1) "AFDC", "TANF", "aid to families with
23	dependent children" or "temporary assistance to needy families"
24	means the state and federal welfare programs of aid to families
25	with dependent children or temporary assistance to needy

NMSA 1978 may be cited as the "Public Assistance Act"."

Section 27-2-2 NMSA 1978 (being Laws 1973,

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families and similar programs that supersede or replace those programs; and

- "medicaid" or "medigrant" means the state **(2)** and federal medical assistance programs authorized pursuant to the federal act and known by those names and similar programs that supersede or replace those programs."
- Section 27-2-4 NMSA 1978 (being Laws 1973, Section 3. Chapter 376, Section 4, as amended) is amended to read:
- "27-2-4. GENERAL ELIGIBILITY REQUIREMENTS. -- Consistent with the federal act, a person is eligible for public assistance grants under the Public Assistance Act if:
- pursuant to Section [13-17-3 NMSA 1953] <u>27-2-3</u> NMSA 1978, the total amount of his nonexempt income is less than the applicable standard of need; [and]
- his nonexempt specific and total resources are less than the level of maximum permissible resources established by the [board; and] department;
- he meets all qualifications for one of the public assistance programs authorized by the Public Assistance Act; and
- D. within two years immediately prior to the filing of an application for assistance, he has not made an assignment or transfer of real property unless he has received a reasonable return for the real property or, if he has not received such reasonable return, he is willing to attempt to obtain such return and, if such attempt proves futile, he is willing to

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E.] D. he is not an immate of any public nonmedical institution at the time of receiving assistance [and

F. he is a resident of New Mexico]."

Section 4. Section 27-2-5 NMSA 1978 (being Laws 1973, Chapter 376, Section 5, as amended) is amended to read:

"27-2-5. AMOUNT AND FORM OF PUBLIC ASSISTANCE GRANT.--[A.]
The amount and form of an eligible person's [maximum grant of]
public assistance is determined [by deducting the total amount
of his nonexempt income from the applicable standard of need.

However, if the amount of federal and state funds available for
public assistance is insufficient to provide the grants for all
eligible persons, the amount of grants to eligible persons may
be reduced as necessary.

B. The secretary of human services may set

individual and family maximum and minimum grant levels for each

program] pursuant to regulations adopted by the department.

These regulations shall include provisions for public assistance

programs that:

A. are designed to operate within legislative appropriations;

- B. include provisions for cash benefits, payments to vendors on behalf of recipients and other non-cash benefits;
- C. authorize the secretary to establish individual and family maximum public assistance grant levels for each

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D. include a prohibition of any type of maximum grant predicated upon size or increase in size of the family to which assistance is granted; and

E. are not more restrictive than permitted by federal law."

Section 5. Section 27-2-6.1 NMSA 1978 (being Laws 1978, Chapter 30, Section 1) is amended to read:

"27-2-6.1. SUPPLEMENTAL POSTNATAL ASSISTANCE. -- The [health and social services department shall establish a program of supplemental postnatal assistance for those mentally retarded persons who during pregnancy received [aid] temporary assistance to needy families [with dependent children] but whose [aid] assistance was [revoked] terminated upon relinquishment of the newly born child for adoption. The supplemental postnatal assistance provided for in this section shall be [at the same rate as aid to families with dependent children] in the same form and amount as temporary assistance to needy families, but [such] supplemental postnatal assistance shall not [exceed a period of continue for more than sixty days. The [health and social services] department shall [promulgate] adopt rules and regulations [in order] to carry out the provisions of this section. "

Section 6. Section 27-2-6.2 NMSA 1978 (being Laws 1988, Chapter 122, Section 1) is amended to read:

"27-2-6.2. [PUBLIC] TEMPORARY ASSISTANCE TO NEEDY

FAMILIES -- EMPLOYMENT [AND], TRAINING AND COMMUNITY SERVICE

ELIGIBILITY REQUIREMENTS -- STATUS OF RECIPIENTS. --

[A. In the administration of all food stamp employment and training programs, community work experience programs, work incentive demonstration programs for recipients of aid to families with dependent children and all other work registration, work incentive or employment and training programs established or conducted by the human services department, participation of recipients shall be voluntary except as prohibited by federal law or when mandatory participation is a requirement in order to secure federal funding for services provided.

B. Any waiver requests developed and submitted to the federal government by the human services department for food stamp employment and training programs, community work experience programs, work incentive demonstration programs for recipients of aid to families with dependent children and all other work registration, work incentive or employment, education and training programs shall include a voluntary program and may also include a mandatory alternative.

C. The human services department shall promulgate regulations which shall be published and made available for public notice and comment which detail the criteria for mandatory participation and exemptions in accordance with

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federal law and regulations for persons in work, education,
training, job search and work experience programs administered
by the human services department prior to their implementation.
D. The human services department shall not place

persons in any community work experience or similar program unless:

(1) appropriate standards for health, safety and other conditions applicable to the performance of work are met:

- (2) the program does not result in displacement of persons currently employed; and
- (3) provision is made for transportation, day care and other costs necessary and directly related to participation in the program]

A. Temporary assistance to needy families is provided pursuant to regulations adopted by the department.

These regulations shall include provisions:

(1) authorizing the department to require as a condition of eligibility for a recipient the participation by a recipient in programs of employment, educational or training services or community services; and

- (2) that are no more restrictive than the federal law permits.
- B. A recipient who is employed, participating in a training or educational program or providing community services

as a condition of eligibility for receipt of temporary
assistance to needy families is not an employee of the
department for any purposes, except as may be otherwise provided
in the Unemployment Compensation Law, and is not entitled to any
employee benefits. Acts of the recipient while employed or
providing community services are not attributable to the
department, and the department is not liable for damages caused
by those acts."

Section 7. Section 27-2-7 NMSA 1978 (being Laws 1973, Chapter 376, Section 10, as amended) is amended to read:

"27-2-7. GENERAL ASSISTANCE PROGRAM - QUALIFICATIONS AND PAYMENTS. -- [A.-] Subject to the availability of state funds, public assistance shall be provided under a general assistance program to [or on behalf of] eligible persons who:

 $[\frac{(1)}{A}]$ A. are under eighteen years of age and meet all eligibility conditions for $[\frac{aid}{aid}]$ temporary assistance to needy families $[\frac{with\ dependent\ children}{aid}]$ except the relationship to the person with whom they are living; $[\frac{br}{aid}]$

(2)] B. are over the age of eighteen and are temporarily disabled according to regulations of the [board] department that incorporate a definition of "disabled" no more restrictive than the definition of that term in the federal Social Security Act and regulations adopted under it and who are not receiving [aid] temporary assistance to needy families [with dependent children]; or

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[(3)] <u>C.</u> meet the qualifications under such other regulations for the general assistance program as the [board] department shall establish. [from time to time.

B. General assistance program payments may be made directly to the recipient or to the vendor of goods or services provided to the recipient. The board may by regulation limit the grants that are made to general assistance recipients.

C. Whenever the board makes an adjustment in the standard of need for the aid to families with dependent children program pursuant to Section 13-17-3 NMSA 1953, it shall make a commensurate adjustment in the standard of need for the general assistance program.

Section 8. Section 27-2-9 NMSA 1978 (being Laws 1973, Chapter 376, Section 13) is amended to read:

"27-2-9. PAYMENT FOR HOSPITAL CARE. --

A. Consistent with the federal act, the department shall provide necessary hospital care for recipients of public assistance other than those eligible under the general assistance program authorized by Section [10 of the Public Assistance Act] 27-2-7 NMSA 1978. [The rate of] Payment for inpatient hospital services shall be [based either on the reasonable cost or the customary cost of such services, whichever is less. In determining reasonable cost under this section, the board shall adopt regulations establishing a formula]:

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(1) at the rate established by regulations
adopted by the department that are consistent with the federal
act [The department shall apply that formula to determine the
amount to which each hospital is entitled as reimbursement for
nroviding in-nationt hospital services:

- (2) if the hospital care is provided pursuant to a managed care contract, at a rate or in an amount determined as provided in that contract.
- B. To receive reimbursement for providing in-patient hospital services, a hospital shall file annually with the department [such] information as required by the department [may reasonably require to determine reasonable costs or the hospital's customary cost of in-patient hospital services] pursuant to its regulations.
- C. [Any] A hospital entitled to reimbursement for in-patient hospital services [shall be] is entitled to a hearing, pursuant to regulations of the [board consistent with applicable state law] department if the hospital disagrees with the department's determination of the reimbursement the hospital is to receive."

Section 9. Section 27-2-12.3 NMSA 1978 (being Laws 1987, Chapter 269, Section 1) is amended to read:

"27-2-12.3. MEDICAID <u>OR MEDIGRANT</u> REIMBURSEMENT [<u>EQUAL PAY</u>]

FOR EQUAL PHYSICIANS', <u>DENTISTS'</u>, <u>OPTOMETRISTS'</u>, <u>PODIATRISTS'</u>

AND <u>PSYCHOLOGISTS'</u> <u>SERVICES</u>]. -- The [<u>human services</u>] department

shall establish [a rate] rates by regulation for the reimbursement of [physicians, dentists, optometrists, podiatrists and psychologists for] providers of services rendered to medicaid or medigrant patients [that provides equal reimbursement for the same or similar services rendered without respect to the date on which such physician, dentist, optometrist, podiatrist or psychologist entered into practice in New Mexico, the date on which the physician, dentist, optometrist, podiatrist or psychologist entered into an agreement or contract to provide such services or the location in which such services are to be provided in the state]."

Section 10. Section 27-2-12.4 NMSA 1978 (being Laws 1987, Chapter 214, Section 1) is amended to read:

"27-2-12. 4. LONG-TERM CARE FACILITIES--[NONCOMPLIANCE
WITH] STANDARDS AND CONDITIONS. --[SANCTIONS. --

A. In addition to any other actions required or permitted by federal law or regulation, the human services department shall impose a hold on state medicaid payments to a long-term care facility thirty days after the health and environment department notifies the human services department in writing pursuant to an on-site visit that the long-term care facility is not in substantial compliance with the standards or conditions of participation promulgated by the federal department of health and human services pursuant to which the facility is a party to a medicaid provider agreement, unless the

substantial noncompliance has been corrected within that thirty-day period or the facility's medicaid provider agreement is terminated or not renewed based in whole or in part on the noncompliance. The written notice shall cite the specific deficiencies that constitute noncompliance.

B. The human services department shall remove the payment hold imposed under Subsection A of this section when the health and environment department, pursuant to an on-site visit, certifies in writing to the human services department that the long-term care facility is in substantial compliance with the standards or conditions of participation pursuant to which the facility is a party to a medicaid provider agreement.

C. The human services department shall not reimburse any long-term care facility during the payment hold period imposed pursuant to Subsection A of this section for any medicaid recipient-patients who are new admissions and who are admitted on or after the day the hold is imposed and prior to the day the hold is removed.

D. If a long-term care facility is certified in writing to be in noncompliance pursuant to Subsection A of this section for the second time in any twelve-month period, the human services department shall cancel or refuse to execute the long-term care facility's medicaid provider agreement for a two-month period, unless it can be demonstrated that harm to the patients would result from this action or that good cause exists

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to allow the facility to continue to participate in the medicaid
program. The provisions of this subsection are subject to
appeal procedures set forth in federal regulations for
nonrenewal or termination of a medicaid provider agreement.

E. A long-term care facility shall not charge medicaid recipient-patients, their families or their responsible parties to recoup any payments not received because of a hold on medicaid payments imposed pursuant to this section.

F. This section shall not be construed to affect any other provisions for medical d provider agreement termination, nonrenewal, due process and appeal pursuant to federal law or regulation.

G. As used in this section:

(1) "day" means a twenty-four hour period beginning at midnight and ending one second before midnight;

(2) "long-term care facility" means any intermediate care facility or skilled nursing facility which is licensed by the health and environment department and which is medicaid certified;

(3) "new admissions" means medical drecipients who have never been in the long-term care facility or, if previously admitted, had been discharged or had voluntarily left the facility. The term does not include:

(a) individuals who were in the long-term care facility before the effective date of the hold on medicaid

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payments and became eligible for medicald after that date; and
(b) individuals who, after a temporary
bsence from the facility, are readmitted to beds reserved for
hem in accordance with federal regulations; and
(4) "substantial compliance" means the
condition of having no cited deficiencies or having only those
eited deficiencies which:
(a) are not inconsistent with any federal
tatutory requirement;
(b) do not interfere with adequate
eatient care;
(c) do not represent a hazard to the
eatients' health or safety;

(d) are capable of correction within a of time; and

(e) are ones which the long-term care reasonable plans to correct]

g-term care facilities participating in the r medigrant program shall comply with the cation and reimbursement requirements te and federal law applicable to participation

g-term care facility licensure, certification requirements of the federal medicaid or shall be enforced by the human services

department and the department of health.

C. The human services department and the department
of health may adopt by regulation medicaid or medigrant
certification standards for long-term care facilities
participating in the federal medicaid or medigrant program."

Section 11. Section 27-2-12.5 NMSA 1978 (being Laws 1989, Chapter 83, Section 1, as amended) is amended to read:

"27-2-12.5. MEDICAID- <u>OR MEDIGRANT</u>-CERTIFIED NURSING FACILITIES--RETROACTIVE ELIGIBILITY--REFUNDS--PENALTY.--

A. A medicaid or medigrant payment for a medicaidor medigrant-eligible patient shall be accepted by a medicaidor medigrant-certified nursing facility from the first month of
medicaid or medigrant eligibility, regardless of whether the
eligibility is retroactive. The nursing facility shall refund
to the patient or responsible party all out-of-pocket money
except for required medical-care credits paid to the nursing
facility for that patient's care on and after the date of
medicaid or medigrant eligibility for services covered by the
medicaid or medigrant program. Within thirty days after
notification by the human services department of the patient's
medicaid or medigrant eligibility, the nursing facility shall
make any necessary refund to the patient or responsible party
required under this section.

B. In any cause of action brought against a nursing facility because of its failure to make a refund to the patient

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or responsible party as required under Subsection A of this section, the patient or responsible party may be awarded triple the amount of the money not refunded or three hundred dollars (\$300), whichever is greater, and reasonable attorneys' fees and court costs."

Section 12. Section 27-2-12.6 NMSA 1978 (being Laws 1994, Chapter 62, Section 22) is amended to read:

"27-2-12.6. MEDICAID OR MEDIGRANT PAYMENTS -- MANAGED CARE. - -

The department shall provide for a statewide, managed care system to provide cost-efficient, preventive, primary and acute care for medicaid or medigrant recipients [by July 1, 1995].

The managed care system shall ensure:

- access to medically necessary services, (1) particularly for medicaid or medigrant recipients with chronic health problems;
- **(2)** to the extent practicable, maintenance of the rural primary care delivery infrastructure;
- that the department's approach is consistent with national and state health care reform principles; and
- to the maximum extent possible, that **(4)** medicaid- or medigrant-eligible individuals are not identified as such except as necessary for billing purposes.

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C. The department may exclude nursing homes, intermediate care facilities for the mentally retarded, medicaid or medigrant in-home and community-based waiver services and residential and community-based mental health services for children with serious emotional disorders from the provisions of this section."

Section 27-2-23.1 NMSA 1978 (being Laws 1989, Section 13. Chapter 184, Section 1) is amended to read:

"27-2-23.1. EMPLOYEE RETIREMENT INCOME SECURITY ACT EMPLOYEE HEALTH BENEFIT PLANS--CLAUSES TO EXCLUDE MEDICAID OR MEDIGRANT COVERAGE PROHIBITED. -- No employee health benefit plan established under the Employee Retirement Income Security Act of 1974, 29 [U. S. C.] <u>U. S. C. A.</u> 1144 that provides payments for health care on behalf of individuals residing in the state shall contain any provisions excluding or limiting coverage or payment for any health care for an individual who would otherwise be covered or entitled to benefits or services under the terms of the employee health benefit plan because that individual is provided or is eligible for benefits under the medicaid or <u>medigrant</u> program of this state pursuant to [Title XIX of] the federal [Social Security Act, 42 U.S.C. 1396, et seq] act."

Section 27-2-27 NMSA 1978 (being Laws 1981, Section 14. Chapter 90, Section 1, as amended) is amended to read:

"27-2-27. SINGLE STATE AGENCY--POWERS AND DUTIES. --

A. The department is designated as the single state

agency for the enforcement of child and spousal support obligations pursuant to [Title IV D of] the federal act with the following duties and powers:

[A.-] (1) establish the paternity of a child in the case of the child born out of wedlock with respect to whom an assignment of support rights has been executed in favor of the department;

[B.] (2) establish an order of support for children receiving [aid] temporary assistance to needy families [with dependent children] and, at the option of the department, for the spouse or former spouse with whom such children are living, but only if a support obligation has been established with respect to such spouse or former spouse, for whom no order of support [presently] currently exists, and seek modification, based upon the noncustodial parent's ability to pay, of existing orders in which the support order is inadequate to properly care for the child and the spouse or former spouse with whom the child is living;

[C.] (3) enforce as the real party in interest any existing order for the support of children who are receiving [aid] temporary assistance to needy families [with dependent children] or of the spouse or former spouse with whom such children are living; and

 $[rac{ ext{H.}}{ ext{J.}}]$ (4) provide services to $[rac{ ext{non-aid}}{ ext{non-aid}}]$ families with dependent children not receiving temporary assistance to

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needy families in the establishment and enforcement of paternity and child support obligations, including locating the absent For these services, the department is authorized to establish and collect fees, costs and charges permitted or required by federal law or by regulations adopted pursuant to that federal law.

[E] B. In all cases handled by the department pursuant to the provisions of this section, the child support enforcement division of the department and any attorney employed by the division represent the department in establishing, modifying and enforcing support obligations."

Section 15. Section 27-2-28 NMSA 1978 (being Laws 1981, Chapter 90, Section 2, as amended) is amended to read:

"27-2-28. LIABILITY FOR REPAYMENT OF PUBLIC ASSI STANCE. - -

A noncustodial parent is liable to the [human services] department [in] for the amount of the public assistance lawfully and properly furnished to the children, and the spouse or former spouse with whom such children are living, to whom the noncustodial parent owes a duty of support; except that if a support order has been entered, liability for the time period covered by the support order shall not exceed the amount of support provided for in the order.

Amounts of support due and owing for periods prior to the granting of public assistance shall be paid to and

retained by the [human services] department to the extent that the amount of assistance granted exceeds the amount of the monthly support obligation.

- C. Amounts of support collected that are in excess of the amounts specified in Subsections A and B of this section shall be paid by the [human services] department to the custodian of the child.
- D. No agreement between any custodian of a child and a parent of that child, either relieving the parent of any duty of child or spousal support or responsibility or purporting to settle past, present or future support obligations, either as a settlement or prepayment, shall act to reduce or terminate any rights of the [human services] department to recover from that parent for support provided unless the [human services] department has consented to the agreement in writing.
- E. The noncustodial parent shall be given credit for any support actually provided, including housing, clothing, food or funds paid prior to the entry of any order for support. The noncustodial parent has the burden on the issue of any payment.
- F. An application for public assistance by any person constitutes an assignment by operation of law of any support rights the person is entitled to from any other person, whether the support rights are owed to the applicant or to any family member for whom the applicant is applying for or receiving assistance. The assignment includes all support

rights that have accrued at the time of application for public assistance and continues as an assignment of all support rights the applicant is entitled to for as long as the applicant receives public assistance.

G. By operation of law, an assignment to the [human services] department of any and all rights of an applicant for or recipient of medical assistance under the medicaid or medigrant program in New Mexico or supplemental security income through the social security administration:

(1) is deemed to be made of:

- (a) any payment for medical care from any person, firm or corporation, including an insurance carrier; and
- (b) any recovery for personal injury, whether by judgment or contract for compromise or settlement;
- (2) shall be effective to the extent of the amount of medical assistance actually paid by the department under the medicaid <u>or medigrant</u> program; and
- (3) shall be effective as to the rights of any other individuals who are eligible for medical assistance and whose rights can legally be assigned by the applicant or recipient.

An applicant or recipient is required to cooperate fully with the [human services] department in its efforts to secure the assignment and to execute and deliver any instruments and papers deemed necessary to complete the assignment by [that] the

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Section 16. Section 27-2-35 NMSA 1978 (being Laws 1941, Chapter 116, Section 1, as amended) is amended to read:

CUSTODY OF RECORDS--DISCLOSURE OF INFORMATION. --The [New Mexico] department [of public welfare shall have] has the power to [establish] adopt and enforce reasonable rules and regulations governing the custody, use and preservation of the records, papers, files and communications of [its state and county departments the department and to restrict the use or disclosure of information contained therein concerning applications for and recipients of assistance of any kind to purposes directly connected with the administration of [the Public Welfare Act] Chapter 27 NMSA 1978 and of any related federal act, except as [hereinafter] otherwise provided by an applicable state or federal law.

[a. RECORDS OPEN TO INSPECTION-EXCEPTIONS. The department of public welfare shall, on or before the last day of each month, make available in the county office of the department of public welfare of each county a complete list showing all the names and addresses of all the recipients receiving payments under the Public Welfare Act within that county for the preceding month, together with the amount paid each during the said month. The reports shall be securely bound in a separate record book provided for that purpose which said. Book and all reports contained therein shall be, and the same

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hereby are declared to be public records and shall be open to
public inspection at all times during the regular office hours
of said office, subject to rules and regulations of the
department. Provided, however, that nothing herein contained
shall be construed to authorize or require the disclosure of any
record of the public welfare department pertaining to adoptions.

b. UNLAWFUL USES. Except as provided in this

Act, it shall be unlawful for any person, body, association,

firm corporation or any other agency to solicit, disclose,

receive make use of or to authorize, knowingly permit,

participate in or acquiesce in the use of any name or list of

names for commercial or political purposes of any nature.

c. PENALTY. Any person, body, association, corporation or any other agency who shall wilfully or knowingly violate any provision of this act, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than twenty five dollars (\$25.00) nor more than one thousand dollars (\$1,000), to which may be added imprisonment in the county jail for any term or period not to exceed sixty days.]"

Section 17. Section 27-2-43 NMSA 1978 (being Laws 1990, Chapter 93, Section 3) is amended to read:

"27-2-43. DEFINITIONS.--As used in the Indigent Catastrophic Illness Hospital Funding Act:

A. "department" means the human services department;

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	В.	"fund"	means	the	i ndi gent	catastrophi c	illness
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- C. "hospital" means any general or special hospital that is licensed by the [health and environment] department of health and that has annual gross charges for medicare, medicaid, [and] medigrant or indigent patients greater than ten percent of the hospital's total annual gross charges; and
- "medically indigent patient" means an individual who is a New Mexico resident who incurs hospital charges, who is not eligible for medicaid, medigrant or medicare and whose family or household income does not exceed two hundred fifty percent of the federal poverty level."

Section 27-7-16 NMSA 1978 (being Laws 1989, Section 18. Chapter 389, Section 3, as amended) is amended to read:

"27-7-16. DEFINITIONS. -- As used in the Adult Protective Services Act:

"abuse" means: Α.

- (1) knowingly, intentionally or negligently and without justifiable cause inflicting physical pain, injury or mental anguish; or
- the intentional deprivation by a caretaker or other person of services necessary to maintain the mental and physical health of an adult;
- "adult" means a person eighteen years of age or ol der;

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- C. "appropriate facility" means any facility other than a jail or detention facility;
- D. "caretaker" means an individual or institution that has assumed the responsibility for the care of an adult;
- E. "conservator" means a person who is appointed by a court to manage the estate of a protected adult;
- F. "court" means the district court having jurisdiction;
- G. "department" means the [human services] children, vouth and families department;
- H. "emergency" means that an adult is living in conditions that present a substantial risk of death or immediate and serious physical harm to himself or others;
- I. "exploitation" means an unjust or improper use of an adult's resources for another's profit or advantage, pecuniary or otherwise;
- J. "guardian" means a person who is a guardian of an incapacitated adult pursuant to a court order;
- K. "incapacitated adult" means any adult who demonstrates over time partial or complete functional impairment by reason of mental illness, mental deficiency, physical illness or disability, chronic use of drugs, chronic intoxication or other causes to the extent that he is unable to manage his personal care or he is unable to manage his personal property and financial affairs;

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L. "independent living arrangements" means a mode of
life maintained on a continuing basis outside of a hospital,
veterans' administration hospital, nursing home or other
facility licensed by or under the jurisdiction of any state
agency;

- M. "interested person" means any adult relative, any person who has an interest in the welfare of the adult to be protected under the Adult Protective Services Act or any official or representative of a protective services agency or of any public or nonprofit agency, corporation, board or organization eligible for designation as a protective services agency;
- N. "neglect" means failure of the caretaker of an adult to provide basic needs such as clothing, food, shelter, supervision and care for the physical and mental health for that adult or failure by an adult to provide such basic needs for himself;
- 0. "protected adult" means an adult for whom a guardian or conservator has been appointed or other protective order has been made:
- "protective placement" means the transfer of an Ρ. adult from independent living arrangements to a hospital, nursing home, domiciliary or residential care facility, or from one such institution to another:
 - "protective services" means the services 0.

furnished by the department or a protective services agency or its delegate, as described in Section 27-7-21 NMSA 1978; and

R. "protective services agency" means a corporation, board or organization authorized by the department pursuant to the Adult Protective Services Act to furnish protective services to protected or incapacitated adults or to serve as conservators or guardians of protected or incapacitated adults upon appointment by a court."

Section 19. REPEAL. -- Sections 27-2-37 through 27-2-40 NMSA 1978 (being Laws 1980, Chapter 25, Sections 1 through 4, as amended) are repealed.

- 27 -

<u>Underscored material = new</u> |bracketed material = delete

State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

February 8, 1996

Mr. Speaker:

Your CONSUMER AND PUBLIC AFFAIRS COMMITTEE, to whom has been referred

HOUSE BILL 433

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

- 1. On page 2, line 22, strike ", "TANF"," and insert in lieu thereof "or".
- 2. On page 2, line 23, strike "or "temporary assistance to needy families"".
- 3. On page 2, line 25, after "children" strike the remainder of the line, and on page 3, line 1, strike "families".
 - 4. On page 3, line 3, strike "or medigrant"".

FORTY- SECOND LEGI SLATURE SECOND SESSION, 1996

HCP	AC/HB 433 Page	29
1		
2	5. On page 3, line 9, before "Consistent" insert "A.".	
3		
4	6. On page 3, line 12, strike "A." and insert in lieu thereof "(1)".	
5		
6	7. On page 3, line 15, strike "B." and insert in lieu	
7	thereof "(2)".	
8		
9	8. On page 3, line 18, strike "C." and insert in lieu	
10	thereof "(3)".	
11		
12	9. On page 4, line 2, strike "D." and insert in lieu thereof	
13	"(4)".	
14	10. On page 4, line 4, strike the quotation marks.	
15	To. on page 1, Time 1, Serine the quotation marks.	
16	11. On page 4, between lines 4 and 5, insert:	
17		
18	"B. For the purposes of determining eligibility	
19	pursuant to the provisions of this section the standard of need in	
20	effect on January 1, 1996 shall remain in effect thereafter and	
21	shall not be reduced or restricted."".	
22		
23	12. On page 5, strike all of lines 7 through 23.	
24	13. Renumber the succeeding sections accordingly.	
25	uccounty sections decoratingly.	
	14. On page 6, lines 1 and 2, strike "PUBLIC TEMPORARY	

FORTY- SECOND LEGISLATURE SECOND SESSION, 1996

HCP	AC/HB 433 Page 30								
1									
2	ASSISTANCE TO NEEDY FAMILIES" and insert in lieu thereof "AID TO								
3	FAMILIES WITH DEPENDENT CHILDREN".								
4	15. On page 7, line 15, strike "Temporary assistance to								
5	needy families" and insert in lieu thereof "Aid to families with								
6	dependent children".								
7									
8	16. On page 7, between lines 23 and 24, insert the following								
9	new subsections to read:								
10									
11	"B. The department shall not impose the condition of								
12	eligibility authorized pursuant to Paragraph (1) of Subsection A								
13	of this section on an applicant or recipient for assistance if:								
14	(1) the applicant or recipient is disabled within								
15	the meaning of that term as used in the federal Social Security								
4.0	Act;								
17									
18	(2) the applicant or recipient lacks financial								
19	resources for or has insufficient geographic access to adequate								
20	child care;								
21									
22	(3) the applicant or recipient is sixty years of								
23	age or older; or								
24	(4) a child under the age of one year is included								
	in the household of an applicant or recipient who is the parent or								
	stands in the relationship of parent to that child.								
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FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

НСР	AC/HB 433 Page 31
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3	C. The department shall not place an individual in or
4	require an individual to accept employment pursuant to the
5	provisions of Paragraph (1) of Subsection A of this section if the
6	proposed employment:
7	(1) is not in a work setting having adequate
8	standards for health, safety and other conditions applicable to
9	the performance of the work; or
10	
11	(2) would result in the displacement of an
12	existing worker.".
13	17. On page 7, line 24, strike "B." and insert in lieu
14	thereof "D."
15	
16	18. On page 8, lines 1 and 2, strike "temporary assistance
17	to needy families" and insert in lieu thereof "aid to families
18	with dependent children".
19	
20	19. On page 8, line 16, remove the brackets and line through
21	"aid" and strike "temporary assistance".
22	20. On page 8, line 17, strike "needy" and remove the
23	brackets and line through "with dependent children".
24	
25	21. On page 8, line 24, remove the brackets and line through
	"aid", strike "temporary assistance" and strike "needy"

FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

НСР	АС/НВ	433				Page	32
1							
2							
3		22.			8, lines 24 and 25, remove the brackets and	line	
4	cnroug	gn w	n tn	aepen	ndent children".		
5		23.	0n	nage	10, line 23, strike "OR MEDIGRANT".		
6		20.		Puge	10, Time 20, Serine on Albrumini		
7	:	24.	0n	page	11, line 4, strike "or medigrant".		
8							
9	;	25.	0n	page	11, strike all of lines 12 through 25.		
10							
11	2	26.	Str	rike p	ages 12 through 15 and on page 16, strike li	nes	
12	1 thro	ough	5 i	n thei	r entirety.		
13		07	ъ.				
14		27.	ker	number	the succeeding sections accordingly.		
15		28.	0n	page	16, line 8, strike "OR MEDIGRANT".		
16				1.0.			
17	:	29.	0n	page	16, line 12, strike "or medigrant".		
18							
19	:	30.	0n	page	16, line 16, strike "or medigrant".		
20							
21	:	31.	0n	page	16, line 24, strike "- or medigrant".		
22							
23		32.	0n	page	17, line 3, strike "or medigrant".		
24		33.	Որ	nage	17, strike all of lines 7 through 25, strike	,	
					3 and on page 24, strike lines 1 through 12:		
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FORTY- SECOND LEGISLATURE SECOND SESSION, 1996

НСР	AC/HB 433	Page	33
1 2	34. Renumber the succeeding sections accordingly.		
	35. On page 27, between lines 11 and 12, insert the following new sections:		
567	"Section 20. APPLICABILITY		
	A. The provisions of this act shall apply to an individual submitting a new application for benefits after its effective date.		
13 14	B. The provisions of this act shall not apply to an individual already receiving benefits on July 1, 1996, but shall apply to that individual on the date of recertification for benefits for the individual occurring after July 1, 1996.		
16 17 18	Section 21. EFFECTIVE DATE The effective date of the provisions of this act is July 1, 1996.",		
	and thence referred to the JUDICIARY COMMITTEE.		
21 22 23			
24 25			

FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

HCl	PAC/HB 433				Page	34
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2			Respectfully	submitted,		
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9	Adopted _		Not Adopted _			
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11		(Chief Clerk)		(Chi ef	Cl erk)	
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13		Date				
14	The roll o	call vote was <u>7</u> For <u>1</u>	Agai nst			
15	Yes:	7	. U			
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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE SECOND SESSION, 1996

February 12, 1996

7 Mr. Speaker:

Your JUDICIARY COMMITTEE, to whom has been referred

HOUSE BILL 433, as amended

has had it under consideration and reports same with recommendation that it DO NOT PASS, but that

HOUSE JUDI CI ARY COMMITTEE SUBSTITUTE FOR HOUSE BILL 433

DO PASS, and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

Cisco McSorley, Chairman

FORTY- SECOND LEGI SLATURE SECOND SESSION, 1996

HJC	/SB 433		Page 30
1 2	Adopted	Not Ad	opted
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4		(Chief Clerk)	(Chi ef Cl erk)
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7	The roll c	eall vote was <u>10</u> For <u>1</u> Again	st
8	Yes:	10	
9	No:	McSorl ey	
10	Excused:	Al win, Sanchez, R. G.	
11	Absent:	None	
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HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR HOUSE BILL 433

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

AN ACT

RELATING TO PUBLIC ASSISTANCE; AMENDING PROVISIONS OF THE PUBLIC ASSISTANCE ACT AND OTHER PROVISIONS OF LAW RELATED TO PUBLIC ASSISTANCE TO ACCOMPLISH WELFARE REFORM; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 27-2-1 NMSA 1978 (being Laws 1973, Chapter 376, Section 1) is amended to read:

"27-2-1. SHORT TITLE.--Sections [1 through 20 of this act and Sections 13-1-9, 13-1-10, 13-1-12, 13-1-13, 13-1-17, 13-1-18, 13-1-18.1, 13-1-19, 13-1-20, 13-1-20.1, 13-1-21, 3-1-22, 13-1-27, 13-1-27.2, 13-1-27.3, 13-1-27.4, 13-1-28, 13-1-28.6, 13-1-29, 13-1-30, 13-1-34, 13-1-35, 13-1-37, 13-1-39, 3-1-40, 13-1-41 and 13-1-42 NMSA 1953] 27-2-1 through 27-2-36 NMSA 1978 may be cited as the "Public Assistance Act". "

Section 2. Section 27-2-2 NMSA 1978 (being Laws 1973,

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Chapter	376,	Section	2,	as	amended)	is	repeal ed	and	a	new
Section	27-2-	- 2 NMSA	1978	3 is	s enacted	to	read:			

"27-2-2. [NEW MATERIAL] DEFINITIONS. --

- A. As used in the Public Assistance Act:
- (1) "department" means the human services
 department;
- (2) "federal act" means the applicable federal law authorizing or regulating, or both, a federally funded state administered public welfare program;
- (3) "public welfare" or "public assistance" means aid, assistance or relief granted to or on behalf of an eligible individual pursuant to the provisions of the Public Assistance Act or regulations adopted pursuant to that act;
- (4) "recipient" means an individual who receives public assistance or services pursuant to the Public Assistance Act; and
- (5) "secretary" means the secretary of human services.
 - B. As used in Chapter 27 NMSA 1978:
- (1) "AFDC" or "aid to families with dependent children" means the state and federal welfare programs of aid to families with dependent children and similar programs that supersede or replace those programs; and
- (2) "medicald" means the state and federal medical assistance programs authorized pursuant to the federal

act and known by those names and similar programs that supersede or replace those programs."

Section 3. Section 27-2-4 NMSA 1978 (being Laws 1973, Chapter 376, Section 4, as amended) is amended to read:

"27-2-4. <u>GENERAL</u> ELIGIBILITY REQUIREMENTS.--Consistent with the federal act, a person is eligible for public assistance grants under the Public Assistance Act if:

A. pursuant to Section [13-17-3 NMSA 1953] <u>27-2-3</u> NMSA 1978, the total amount of his nonexempt income is less than the applicable standard of need; [and]

- B. <u>his</u> nonexempt specific and total resources are less than the level of maximum permissible resources established by the [board; and] <u>department</u>;
- C. he meets all qualifications for one of the public assistance programs authorized by the Public Assistance Act; and

[D. within two years immediately prior to the filing of an application for assistance, he has not made an assignment or transfer of real property unless he has received a reasonable return for the real property or, if he has not received such reasonable return, he is willing to attempt to obtain such return and, if such attempt proves futile, he is willing to attempt to regain title to the property; and

E.] D. he is not an immate of any public nonmedical institution at the time of receiving assistance [and

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Section 4. Section 27-2-5 NMSA 1978 (being Laws 1973, Chapter 376, Section 5, as amended) is amended to read:

"27-2-5. AMOUNT AND FORM OF PUBLIC ASSISTANCE GRANT.--[A.-]
The amount and form of an eligible person's [maximum grant of]
public assistance is determined [by deducting the total amount of
his nonexempt income from the applicable standard of need. However,
if the amount of federal and state funds available for public
assistance is insufficient to provide the grants for all eligible
persons, the amount of grants to eligible persons may be reduced as
necessary.

B. The secretary of human services may set individual and family maximum and minimum grant levels for each program]

pursuant to regulations adopted by the department. These regulations shall include provisions for public assistance programs that:

A. are designed to operate within legislative appropriations;

B. include provisions for cash benefits, payments to vendors on behalf of recipients and other noncash benefits; and

C. are not more restrictive than permitted by federal law."

Section 5. Section 27-2-6.2 NMSA 1978 (being Laws 1988, Chapter 122, Section 1) is amended to read:

"27-2-6.2. [PUBLIC ASSISTANCE] AID TO FAMILIES WITH

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<u>DEPENDENT CHILDREN</u>--EMPLOYMENT, [AND] TRAINING <u>AND COMMUNITY</u>

SERVICE ELIGIBILITY REQUIREMENTS--STATUS OF RECIPIENTS.--

[A. In the administration of all food stamp employment and training programs, community work experience programs, work incentive demonstration programs for recipients of aid to families with dependent children and all other work registration, work incentive or employment and training programs established or conducted by the human services department, participation of recipients shall be voluntary except as prohibited by federal law or when mandatory participation is a requirement in order to secure federal funding for services provided.

B. Any waiver requests developed and submitted to the federal government by the human services department for food stamp employment and training programs, community work experience programs, work incentive demonstration programs for recipients of aid to families with dependent children and all other work registration, work incentive or employment, education and training programs shall include a voluntary program and may also include a mandatory alternative.

C. The human services department shall promulgate regulations which shall be published and made available for public notice and comment which detail the criteria for mandatory participation and exemptions in accordance with federal law and regulations for persons in work, education, training, job search and work experience programs administered by the human services

1	department prior to their implementation.
2	D. The human services department shall not place
3	persons in any community work experience or similar program unless:
4	(1) appropriate standards for health, safety and
5	other conditions applicable to the performance of work are met;
6	(2) the program does not result in displacement of
7	persons currently employed; and
8	(3) provision is made for transportation, day
9	care and other costs necessary and directly related to
10	participation in the program]
11	A. Aid to families with dependent children is provided
12	pursuant to regulations adopted by the department. These
13	regulations shall include provisions:
14	(1) authorizing the department to require as a
15	condition of eligibility for a recipient the participation by a
16	recipient in programs of employment, educational or training
17	services or community services; and
18	(2) that are no more restrictive than the federal
19	<u>law permits.</u>
20	B. The department shall not impose the condition of
21	eligibility authorized pursuant to Paragraph (1) of Subsection A of
22	this section on an applicant or recipient for assistance if:
23	(1) the applicant or recipient is disabled as
24	determined by regulations adopted by the department;
25	(2) the applicant or recipient lacks financial

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- (3) the applicant or recipient lacks financial resources for transportation costs or other costs directly related to participation in the program:
- (4) the applicant or recipient is sixty years of age or older;
- (5) a child under the age of one year is included in the household of an applicant or recipient who is the parent or stands in the relationship of parent to that child; or
- (6) the applicant or recipient is otherwise excluded from participation pursuant to regulations adopted by the department.
- C. The department shall not place an individual in or require an individual to accept employment pursuant to the provisions of Paragraph (1) of Subsection A of this section if the proposed employment:
- (1) is not in a work setting having adequate standards for health, safety and other conditions applicable to the performance of the work; or
- (2) would result in the displacement of an existing worker.
- D. A recipient who is employed, participating in a training or educational program or providing community services as a condition of eligibility for receipt of aid to families with

dependent children is not an employee of the department for any purposes, except as may be otherwise provided in the Unemployment Compensation Law, and is not entitled to any employee benefits."

Section 6. Section 27-2-9 NMSA 1978 (being Laws 1973, Chapter 376, Section 13) is amended to read:

"27-2-9. PAYMENT FOR HOSPITAL CARE. --

A. Consistent with the federal act, the department shall provide necessary hospital care for recipients of public assistance other than those eligible under the general assistance program authorized by Section [10 of the Public Assistance Act]

27-2-7 NMSA 1978. [The rate of] Payment for inpatient hospital services shall be [based either on the reasonable cost or the customary cost of such services, whichever is less. In determining reasonable cost under this section, the board shall adopt regulations establishing a formula]:

(1) at a reasonable rate established by regulations adopted by the department that are consistent with the federal act [The department shall apply that formula to determine the amount to which each hospital is entitled as reimbursement for providing in-patient hospital services]; or

- (2) if the hospital care is provided pursuant to a managed care contract, at a rate or in an amount determined as provided in that contract.
- B. To receive reimbursement for providing in-patient hospital services, a hospital shall file annually with the

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department [such] information as required by the department [may reasonably require to determine reasonable costs or the hospital's customary cost of in-patient hospital services] pursuant to its regulations.

C. [Any] A hospital entitled to reimbursement for inpatient hospital services [shall be] is entitled to a hearing, pursuant to regulations of the [board consistent with applicable state law] department if the hospital disagrees with the department's determination of the reimbursement the hospital is to receive."

Section 7. Section 27-2-12.3 NMSA 1978 (being Laws 1987, Chapter 269, Section 1) is amended to read:

"27-2-12.3. MEDICAID REIMBURSEMENT [EQUAL PAY FOR EQUAL PHYSICIANS', DENTISTS', OPTOMETRISTS', PODIATRISTS' AND PSYCHOLOGISTS' SERVICES].--The [human services] department shall establish [a rate] reasonable rates by regulation for the reimbursement of [physicians, dentists, optometrists, podiatrists and psychologists for] providers of services rendered to medicaid patients [that provides equal reimbursement for the same or similar services rendered without respect to the date on which such physician, dentist, optometrist, podiatrist or psychologist entered into practice in New Mexico, the date on which the physician, dentist, optometrist, podiatrist or psychologist entered into an agreement or contract to provide such services or the location in which such services are to be provided in the state]."

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Sec	cti oı	n 8. Se	ecti on	2	7-2-12.6	NN	I SA	1978	(bei ng	Laws	1994
Chapter	62,	Secti on	22) i	s	amended	to	rea	ad:			

"27-2-12.6. MEDICAID PAYMENTS--MANAGED CARE.--

- A. The department shall provide for a statewide, managed care system to provide cost-efficient, preventive, primary and acute care for medicaid recipients [by July 1, 1995].
 - B. The managed care system shall ensure:
- (1) access to medically necessary services, particularly for medicaid recipients with chronic health problems;
- (2) [to the extent practicable] maintenance of [the] <u>a</u> rural primary care delivery infrastructure;
- (3) that the department's approach is consistent with national and state health care reform principles; and
- (4) to the maximum extent possible, that medical deligible individuals are not identified as such except as necessary for billing purposes.
- C. The department may exclude nursing homes, intermediate care facilities for the mentally retarded, medicaid in-home and community-based waiver services and residential and community-based mental health services for children with serious emotional disorders from the provisions of this section."

Section 9. Section 27-7-16 NMSA 1978 (being Laws 1989, Chapter 389, Section 3, as amended) is amended to read:

"27-7-16. DEFINITIONS.--As used in the Adult Protective Services Act:

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A. "abuse" means:

- (1) knowingly, intentionally or negligently and without justifiable cause inflicting physical pain, injury or mental anguish; or
- (2) the intentional deprivation by a caretaker or other person of services necessary to maintain the mental and physical health of an adult;
- B. "adult" means a person eighteen years of age or older:
- C. "appropriate facility" means any facility other than a jail or detention facility;
- D. "caretaker" means an individual or institution that has assumed the responsibility for the care of an adult;
- E. "conservator" means a person who is appointed by a court to manage the estate of a protected adult;
- F. "court" means the district court having jurisdiction;
- G. "department" means the [human services] children, youth and families department;
- H. "emergency" means that an adult is living in conditions that present a substantial risk of death or immediate and serious physical harm to himself or others;
- I. "exploitation" means an unjust or improper use of an adult's resources for another's profit or advantage, pecuniary or otherwise;

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- "guardian" means a person who is a guardian of an J. incapacitated adult pursuant to a court order;
- "incapacitated adult" means any adult who K. demonstrates over time partial or complete functional impairment by reason of mental illness, mental deficiency, physical illness or disability, chronic use of drugs, chronic intoxication or other causes to the extent that he is unable to manage his personal care or he is unable to manage his personal property and financial affairs;
- "independent living arrangements" means a mode of L. life maintained on a continuing basis outside of a hospital, veterans' administration hospital, nursing home or other facility licensed by or under the jurisdiction of any state agency;
- "interested person" means any adult relative, any M. person who has an interest in the welfare of the adult to be protected under the Adult Protective Services Act or any official or representative of a protective services agency or of any public or nonprofit agency, corporation, board or organization eligible for designation as a protective services agency;
- "neglect" means failure of the caretaker of an adult to provide basic needs such as clothing, food, shelter, supervision and care for the physical and mental health for that adult or failure by an adult to provide such basic needs for himself;
- "protected adult" means an adult for whom a guardian 0. or conservator has been appointed or other protective order has

been made;

- P. "protective placement" means the transfer of an adult from independent living arrangements to a hospital, nursing home, domiciliary or residential care facility, or from one such institution to another;
- Q. "protective services" means the services furnished by the department or a protective services agency or its delegate, as described in Section 27-7-21 NMSA 1978; and
- R. "protective services agency" means a corporation, board or organization authorized by the department pursuant to the Adult Protective Services Act to furnish protective services to protected or incapacitated adults or to serve as conservators or guardians of protected or incapacitated adults upon appointment by a court."

Section 10. REPEAL. -- Sections 27-2-37 through 27-2-40 NMSA 1978 (being Laws 1980, Chapter 25, Sections 1 through 4, as amended) are repealed.

Section 11. APPLICABILITY. --

- A. The provisions of this act shall apply to an individual submitting a new application for benefits after its effective date.
- B. The provisions of this act shall not apply to an individual already receiving benefits on July 1, 1996 but shall apply to that individual on the date of recertification for benefits for the individual occurring after July 1, 1996.

Section 12. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 1996.

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