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HOUSE BILL 1091

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

EDWARD C. SANDOVAL

AN ACT

RELATING TO PUBLIC HOSPITALS; AMENDING THE PROCUREMENT CODE AND THE HOSPITAL FUNDING ACT; PERMITTING PUBLIC HOSPITALS TO ENTER INTO JOINT PURCHASING AGREEMENTS; PERMITTING COUNTIES TO CREATE NETWORKS OF HEALTH CARE PROVIDERS.

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

Section 1. Section 4-48B-5 NMSA 1978 (being Laws 1947, Chapter 148, Section 1, as amended) is amended to read:

"4-48B-5. POWER OF COUNTIES. --All counties shall have the following powers:

- A. to purchase, own, maintain and operate hospitals;
- B. to purchase the land necessary to construct hospitals;
- C. to control and regulate county hospitals;
- D. to construct county hospitals;

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1           E. to issue general obligation bonds and revenue  
2 bonds in the manner provided in the Hospital Funding Act for the  
3 construction, purchase, renovation, remodeling, equipping or re-  
4 equipping of a county hospital or a jointly owned county-  
5 municipal hospital and purchasing the land necessary therefor or  
6 for any combination of the foregoing purposes;

7           F. to charge for hospital services rendered and to  
8 reduce any charge made for care of a patient in whole or part  
9 when the charges are determined to be disputed in good faith or  
10 uncollectible;

11           G. to lease a hospital to any person, corporation or  
12 association for the operation and maintenance of the hospital  
13 upon terms and conditions as the county commissioners may  
14 determine;

15           H. to contract with the state, another county or  
16 counties, the federal government or its agencies, another  
17 political subdivision or a public or private corporation,  
18 organization or association for the care of the sick of the  
19 county;

20           I. to receive all funds appropriated from whatever  
21 source or paid by or on behalf of any patient of the hospital;

22           J. notwithstanding any other provision of law, to  
23 enter into leases, management or operating contracts, health  
24 care facilities contracts and other agreements authorized by the  
25 Hospital Funding Act for periods in excess of one year; provided

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1 that the contract, lease or agreement may be terminated by the  
2 county without cause upon one hundred eighty days' notice after  
3 the first three years of the contract;

4 K. to authorize the hospital governing board of a  
5 county hospital to exercise all powers that the county is  
6 granted by the Hospital Funding Act except the powers to issue  
7 bonds, call a mill levy election and levy the annual assessments  
8 for the mill levy authorized by the Hospital Funding Act;

9 L. to enter into a health care facilities contract  
10 with one or more hospitals which agree to provide facilities to  
11 the sick of the county;

12 M. to call a mill levy election as authorized by the  
13 Hospital Funding Act and to collect and distribute the proceeds  
14 of the mill levy pursuant to that act;

15 N. to distribute the proceeds of the mill levy  
16 authorized by the Hospital Funding Act to one or more county  
17 hospitals and one or more contracting hospitals or any  
18 combination thereof ~~[which]~~ that provide facilities for the sick  
19 of the county, whether located within or without the county  
20 wherein the mill levy is collected;

21 O. to accept grants for constructing, equipping,  
22 operating and maintaining a county hospital;

23 P. to enter into an agreement with a municipality  
24 for constructing, equipping, operating and maintaining a jointly  
25 owned county-municipal hospital;

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1           Q. to enter into an agreement with another county or  
2 counties, [~~another county or counties and~~] another political  
3 subdivision, an agency of the federal government or any other  
4 person, corporation, organization or association [~~which~~] that  
5 provides that the parties to the agreement shall join together  
6 or form a legal entity for the purpose of making some or all  
7 purchases necessary for the operation of public hospitals or  
8 public and private hospitals [~~owned or operated by the parties;~~  
9 ~~and to designate one of the parties as the central purchasing~~  
10 ~~office, as defined in the Public Purchases Act, for the others,~~  
11 ~~to make purchases for the parties to the agreement as they shall~~  
12 ~~deem necessary and to comply with the provisions of the Public~~  
13 ~~Purchases Act] subject to provisions of or exemptions from the  
14 Procurement Code;~~

15           R. to enter into an agreement with another county or  
16 counties, another political subdivision, an agency of the  
17 federal government or any other person, corporation,  
18 organization or association that provides that parties to the  
19 agreement shall join together or form a legal entity for the  
20 purpose of creating a network of health care providers or  
21 jointly operating a common health care service, subject to  
22 provisions of or exemptions from the Procurement Code

23           [~~R.-~~] S. to expend public money to recruit health  
24 care personnel to serve the sick of the county; and

25           [~~S.-~~] T. to perform any other act or adopt any

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1 regulation necessary or expedient to carry out the provisions of  
2 the Hospital Funding Act. "

3 Section 2. Section 13-1-98 NMSA 1978 (being Laws 1984,  
4 Chapter 65, Section 71, as amended) is amended to read:

5 "13-1-98. EXEMPTIONS FROM THE PROCUREMENT CODE. -- The  
6 provisions of the Procurement Code shall not apply to:

7 A. procurement of items of tangible personal  
8 property or services by a state agency or a local public body  
9 from a state agency, a local public body or external procurement  
10 unit except as otherwise provided in Sections 13-1-135 through  
11 13-1-137 NMSA 1978;

12 B. procurement of tangible personal property or  
13 services for the governor's mansion and grounds;

14 C. printing and duplicating contracts involving  
15 materials [~~which~~] that are required to be filed in connection  
16 with proceedings before administrative agencies or state or  
17 federal courts;

18 D. purchases of publicly provided or publicly  
19 regulated gas, electricity, water, sewer and refuse collection  
20 services;

21 E. purchases of books and periodicals from the  
22 publishers or copyright holders thereof;

23 F. travel or shipping by common carrier or by  
24 private conveyance or to meals and lodging;

25 G. purchase of livestock at auction rings or to the

Underscored material = new  
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1 procurement of animals to be used for research and  
2 experimentation or exhibit;

3 H. contracts with businesses for public school  
4 transportation services;

5 I. procurement of tangible personal property or  
6 services, as defined by Sections 13-1-87 and 13-1-93 NMSA 1978,  
7 by the corrections industries division of the corrections  
8 department pursuant to regulations adopted by the corrections  
9 [~~industries~~] commission, which shall be reviewed by the  
10 purchasing division of the general services department prior to  
11 adoption;

12 J. minor purchases consisting of magazine  
13 subscriptions, conference registration fees and other similar  
14 purchases where prepayments are required;

15 K. municipalities having adopted home rule charters  
16 and having enacted their own purchasing ordinances;

17 L. the issuance, sale and delivery of public  
18 securities pursuant to the applicable authorizing statute, with  
19 the exception of bond attorneys and general financial  
20 consultants;

21 M. contracts entered into by a local public body  
22 with a private independent contractor for the operation, or  
23 provision and operation, of a jail pursuant to Sections 33-3-26  
24 and 33-3-27 NMSA 1978;

25 N. contracts for maintenance of grounds and

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1 facilities at highway rest stops and other employment  
2 opportunities, excluding those intended for the direct care and  
3 support of persons with handicaps, entered into by state  
4 agencies with private, nonprofit, independent contractors who  
5 provide services to persons with handicaps;

6 0. contracts and expenditures for services to be  
7 paid or compensated by money or other property transferred to  
8 New Mexico law enforcement agencies by the United States  
9 department of justice drug enforcement administration;

10 P. contracts for retirement and other benefits  
11 pursuant to Sections 22-11-47 through 22-11-52 NMSA 1978; ~~and~~

12 Q. contracts with professional entertainers; and

13 R. procurement of items of tangible personal  
14 property or services by a hospital operated by a state agency or  
15 a local public body through:

16 (1) an agreement with any other state agency,  
17 local public body or external procurement unit or any other  
18 person, corporation, organization or association that provides  
19 that the parties to the agreement shall join together for the  
20 purpose of making some or all purchases necessary for the  
21 operation of public hospitals or public and private hospitals,  
22 if the state purchasing agent or a central purchasing office  
23 makes a determination that the arrangement will or is likely to  
24 reduce health care costs; or

25 (2) an agreement with any other state agency,

1 local public body or external procurement unit or any other  
2 person, corporation, organization or association for the purpose  
3 of creating a network of health care providers or jointly  
4 operating a common health care service, if the state purchasing  
5 agent or a central purchasing office makes a determination that  
6 the arrangement will or is likely to reduce health care costs,  
7 improve quality of care or improve access to care "

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**State of New Mexico**  
**House of Representatives**

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**FORTY-THIRD LEGISLATURE**  
**FIRST SESSION, 1997**

**March 4, 1997**

Mr. Speaker:

Your GOVERNMENT AND URBAN AFFAIRS COMMITTEE, to  
whom has been referred

HOUSE BILL 1091

has had it under consideration and reports same with  
recommendation that it DO PASS, and thence referred to the  
CONSUMER AND PUBLIC AFFAIRS COMMITTEE.

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Respectfully submitted,

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Lynda M. Lovejoy, Chairwoman

Adopted \_\_\_\_\_

Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 1 Against

Yes: 6

No: Pearce

Excused: Hobbs

Absent: None

M \ H1091

# **State of New Mexico House of Representatives**

**FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997**

**March 11, 1997**

**Mr. Speaker:**

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

**HOUSE BILL 1091**

**has had it under consideration and reports same with  
recommendation that it DO PASS.**

**Respectfully submitted,**

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**Gary King, Chairman**

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 4 For 3 Against

Yes: 4

No: Crook, Dana, Johnson

Excused: Heaton, Rios, Vigil

Absent: None

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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March 17, 1997

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

HOUSE BILL 1091

has had it under consideration and reports same with recommendation that it DO PASS.

Respectfully submitted,

\_\_\_\_\_  
Shannon Robinson, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

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1 The roll call vote was 3 For 2 Against  
2 Yes: 3  
3 No: Adair, Boitano  
4 Excused: Garcia, Vernon, Ingle, Rodarte  
5 Absent: None  
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FORTY-THIRD LEGISLATURE

FIRST SESSION

March 18, 1997

SENATE FLOOR AMENDMENT number \_\_\_\_\_ to HOUSE BILL 1091

Amendment sponsored by Senator Joseph A. Fidel

1. On page 1, line 11 strike "AMENDING" and insert in lieu thereof "ENACTING A SECTION OF".

2. On page 1, line 11, after "AND" insert "AMENDING A SECTION OF".

3. On page 5, strike lines 3 through 25, strike pages 6 and 7 in their entirety and on page 8, strike lines 1 through 7 and insert in lieu thereof the following new section:

"Section 2. A new section of the Procurement Code is enacted to read:

"[NEW MATERIAL] HOSPITAL AND HEALTH CARE EXEMPTION. -- The provisions of the Procurement Code shall not apply to procurement

119171.1

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FORTY-THIRD LEGISLATURE  
FIRST SESSION

SFI/HB 1091

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of items of tangible personal property or services by a state agency or a local public body through:

A. an agreement with any other state agency, local public body or external procurement unit or any other person, corporation, organization or association that provides that the parties to the agreement shall join together for the purpose of making some or all purchases necessary for the operation of public hospitals or public and private hospitals, if the state purchasing agent or a central purchasing office makes a determination that the arrangement will or is likely to reduce health care costs; or

B. an agreement with any other state agency, local public body or external procurement unit or any other person, corporation, organization or association for the purpose of creating a network of health care providers or jointly operating a common health care service, if the state purchasing agent or a central purchasing office makes a determination that the arrangement will or is likely to reduce health care costs, improve quality of care or improve access to care. "".

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FORTY-THIRD LEGISLATURE  
FIRST SESSION

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SFI/HB 1091

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Joseph A. Fidel

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

Underscored material = new  
[bracketed material] = delete

119171.1