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SENATE BILL 368

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

LINDA M LOPEZ

FOR THE HEALTH AND WELFARE REFORM COMMITTEE

AN ACT

**RELATING TO PUBLIC HOSPITALS; PERMITTING CERTAIN 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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Underscored material = new
[bracketed material] = delete

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

11 G. to lease a hospital to any person, corporation
12 or association for the operation and maintenance of the
13 hospital upon terms and conditions as the county commissioners
14 may 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
25 the Hospital Funding Act for periods in excess of one year;

Underscored material = new
[bracketed material] = delete

1 provided that the contract, lease or agreement may be
2 terminated by the county without cause upon one hundred eighty
3 days' notice after 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
8 assessments for the mill levy authorized by [~~the Hospital~~
9 ~~Funding~~] that act;

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

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

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

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

24 P. to enter into an agreement with a municipality
25 for constructing, equipping, operating and maintaining a

Underscored material = new
[bracketed material] = delete

1 jointly owned county-municipal hospital;

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

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

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

24 [~~S.-~~] T. to perform any other act or adopt any
25 [~~regulation~~] rules necessary or expedient to carry out the

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[bracketed material] = delete

1 provisions of the Hospital Funding Act. "

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

4 "[NEW MATERIAL] HOSPITAL AND HEALTH CARE EXEMPTION. -- The
5 provisions of the Procurement Code shall not apply to
6 procurement of items of tangible personal property or services
7 by a state agency or a local public body through:

8 A. an agreement with any other state agency, local
9 public body or any other person, corporation, organization or
10 association that provides that the parties to the agreement
11 are joined together for the purpose of making some or all
12 purchases necessary for the operation of public hospitals or
13 public and private hospitals, if the state purchasing agent
14 makes a determination that the arrangement will or is likely
15 to reduce health care costs; or

16 B. an agreement with any other state agency, local
17 public body or any other person, corporation, organization or
18 association which agreement creates a network of health care
19 providers or a jointly operated common health care service,
20 provided the state purchasing agent makes a determination that
21 the arrangement will or is likely to reduce health care costs,
22 improve quality of care or improve access to care. "

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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6 February 5, 1998

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8 Mr. President:

9
10 Your COMMITTEES' COMMITTEE, to whom has been referred

11
12 SENATE BILL 368

13
14 has had it under consideration and finds same to be GERMANE,
15 pursuant to House Executive Message No. 77, and thence referred to
16 the PUBLIC AFFAIRS COMMITTEE.

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19 Respectfully submitted,

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25 Manny M. Aragon, Chairman

Underscored material = new
~~[bracketed material]~~ = delete

Adopted _____ Not Adopted _____

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(Chief Clerk)

(Chief Clerk)

Date _____

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