

HOUSE BILL 119

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

RELATING TO PROCUREMENT; AMENDING THE PROCUREMENT CODE TO
PROVIDE FOR CONTRACT ADJUSTMENTS; REQUIRING THE STATE TO
REQUEST ADJUSTMENTS IN REIMBURSEMENT RATES FOR HEALTH CARE.

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

SECTION 1. A new section of the Procurement Code is
enacted to read:

"~~[NEW MATERIAL]~~ WAGE AND BENEFITS CHANGES--CONTRACT
ADJUSTMENTS.--When a contract with a state agency provides for
a contractor to employ persons whose benefits and compensation
are subject to adjustment due to changes in state statutes, the
contractor may request the state agency to amend the terms of
the contract to accommodate any increase to the contractor's
expenses due to statutory adjustments in employee compensation
and benefits. Any such request on the part of the contractor

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underscoring material = new
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1 shall be made to the state agency within forty-five days of the
2 date on which the relevant changes in state statutes become
3 law. The state agency shall respond in writing to any such
4 contract request."

5 SECTION 2. [NEW MATERIAL] WAGE AND BENEFITS CHANGES--
6 MEDICAID REIMBURSEMENT RATE ADJUSTMENTS.--

7 A. When medicaid providers employ persons whose
8 benefits and compensation are subject to adjustment due to
9 changes in state statutes, the state agency responsible for
10 providing payment to such medicaid providers shall request the
11 federal centers for medicare and medicaid services to amend
12 medicaid reimbursement rates to accommodate any increase to the
13 medicaid provider's expenses due to statutory adjustments in
14 employee compensation and benefits. The responsible state
15 agency shall make such request within forty-five days of the
16 date on which the relevant changes in state statutes become
17 law.

18 B. As used in this section:

19 (1) "authority" means the health care
20 authority;

21 (2) "medicaid" means the medical assistance
22 program established pursuant to Title 19 of the federal Social
23 Security Act and rules issued pursuant to that act;

24 (3) "medicaid provider" means a person that
25 provides medicaid-related services to medicaid recipients; and

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1 (4) "medicaid recipient" means a person whom
2 the authority has determined to be eligible to receive
3 medicaid-related services in the state.

4 SECTION 3. [NEW MATERIAL] WAGE AND BENEFITS CHANGES--
5 MEDICARE REIMBURSEMENT RATE ADJUSTMENTS.--

6 A. When medicare health care providers employ
7 persons whose benefits and compensation are subject to
8 adjustment due to changes in state statutes, the state agency
9 responsible for providing payment to such medicare health care
10 providers shall request the federal centers for medicare and
11 medicaid services to amend medicare reimbursement rates to
12 accommodate any increase to the medicare health care provider's
13 expenses due to statutory adjustments in employee compensation
14 and benefits. The responsible state agency shall make such
15 request within forty-five days of the date on which the
16 relevant changes in state statutes become law.

17 B. As used in this section, "medicare health care
18 provider" means a person that provides health care services,
19 the charges for which either the provider or the recipient of
20 the services is eligible for payment or reimbursement under
21 provisions of the federal medicare program.