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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 244

SHORT TITLE: Hospital Price Transparency Act

SPONSOR: Martinez, A/Szczepanski/Abeyta/Hernandez, J

LAST UPDATE: _____ **ORIGINAL DATE:** 02/06/2025 **ANALYST:** Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA website services	Choose an item.	\$172.5	Choose an item.	\$172.5	Nonrecurring	General Fund
HCA telephone service		\$2.04	\$2.04	\$4.08	Recurring	General Fund
Total	Choose an item.	\$174.54	\$2.04	\$176.58	Choose an item.	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Health Care Authority

Department of Health

Regulation and Licensing Department

SUMMARY

Synopsis of House Bill 244

House Bill 244 (HB244) would enact a new section of statute entitled the Hospital Price Transparency Act. It would also amend Section 57-12-2 NMSA 1978, the Unfair Practices Act, to add noncompliance with the Hospital Price Transparency Act as a criterion for designating a hospital in violation of the Unfair Practices Act.

Section 3 of the bill requires hospitals to publish on their websites the following information:

- Standard charges for hospital items and services
- Either of the following
 - A usable list containing at least 300 of the hospital's services with their costs, or
 - An internet-based price estimator allowing patients to approximate costs of items and services they are considering.

The information provided would be formatted and presented in a manner consistent with

regulation and guidance provided through the federal Center for Medicare and Medicaid Services (CMS).

Section 4 of the bill provides specifics about enforcement of the Hospital Price Transparency Act. HCA would audit the hospital's website to determine if it is in compliance, and, if not, to issue a written notification of the violation to the hospital, stating that immediate action is necessary and that HCA should be notified when the hospital complies.

Hospitals may not send a person's unpaid hospital bill to collections while out of compliance with this act. Affected individuals would be entitled to initiate a court action to dismiss the collection action, obtain a refund of any amounts already paid under the collection action, and recover legal fees and costs, and the action would not affect the individual's credit score.

Section 5 requires that hospitals or their debt collectors provide patients with easy-to-understand materials on the costs of items and services for which the patient has been billed, receipts for amounts already paid, information about people to contact at the hospital regarding billing statements, and the availability of interpretive services.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 244. HCA estimates implementation of the web-based, public-facing functions described in the bill would cost \$172.5 thousand; additional annual costs of approximately \$2.04 thousand are estimated based on ten monthly telephone calls regarding price lists or alleged violations.

SIGNIFICANT ISSUES

Hospital pricing is often highly variable and difficult to interpret. Even individuals working within health care institutions report challenges in comparing hospitals for specific services or understanding hospital bills. Greater availability of pricing information could help address these challenges; however, price lists alone may be of limited practical use to patients, particularly given the large number of individual items that can be involved in a hospital stay or other services.

In addition, as pointed out by HCA, prices vary greatly depending on payee; generally, amounts billed to persons without insurance are higher than amounts billed to Medicaid, Medicare, and private insurance carriers, which have often negotiated the lower prices that they will pay.

TECHNICAL ISSUES

HCA suggests that enforcement of the act be housed at the Department of Justice (DOJ) rather than at HCA, given DOJ's "enforcement authority, long history of expertise in the Unfair Practices Act, and strong consumer protection division infrastructure.

DOH states that "The bill does not explain what it means for an item or service to be "related" to

noncompliance. Given that noncompliance would typically refer to a failure by a hospital to post prices of services on its website, this could mean that a debt would be uncollectable unless the price of that service was specified on the hospital's website. However, if that is the intention of the bill, then it would be best if the bill said that in clearer terms. As currently written, this provision (at Sections 4(E) and 4(F)(2)) could be interpreted as being unconstitutionally vague and therefore unenforceable.”

LAC/dw/ct