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SENATE MEMORIAL 3

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Mark Boitano

A MEMORIAL

REQUESTING THE NEW MEXICO MEDICAL SOCIETY AND THE NEW MEXICO HOSPITAL ASSOCIATION TO CONVENE A TASK FORCE TO STUDY AND MAKE RECOMMENDATIONS REGARDING COSTS FOR HEALTH CARE PROCEDURES.

WHEREAS, the health policy journal, *Health Affairs*, reports that employers and other payers of health care costs paid two trillion four hundred billion dollars (\$2,400,000,000,000) in health care costs in 2008; and

WHEREAS, *Health Affairs* reports that health care costs are projected to reach three trillion one hundred billion dollars (\$3,100,000,000,000) in 2012 and four trillion three hundred billion dollars (\$4,300,000,000,000) by 2016; and

WHEREAS, the commonwealth fund reports that while health care costs continue to rise exponentially year after year, consumers of health care remain greatly uninformed about these

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1 costs because little comparative information on cost and
2 quality among health care providers is available; and

3 WHEREAS, the United States census bureau's August 2008
4 current population survey reports that the number of New
5 Mexicans without health insurance has grown to twenty-two and
6 five-tenths percent; and

7 WHEREAS, America's health insurance plans, an insurance
8 trade association, recently released the results of a census
9 indicating that four million five hundred thousand Americans
10 are now covered by high-deductible health insurance plans that
11 include health savings accounts; and

12 WHEREAS, according to America's health insurance plans,
13 approximately twenty-five percent of all new health savings
14 plan enrollees nationwide were previously uninsured; and

15 WHEREAS, uninsured individuals and individuals covered by
16 health savings plans must pay directly for all or a large part
17 of their health care without the advantage of fee rates
18 negotiated by large insurers; and

19 WHEREAS, being informed of the cost of health care
20 procedures and supplies is essential for anyone who must budget
21 to cover health care costs out of pocket, as well as integral
22 to the viability of participating in health savings plans; and

23 WHEREAS, patients who pay out of pocket for health care
24 report that health care procedures may involve a great number
25 of costs, such as facility fees, laboratory testing fees,

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1 pharmaceutical and health care supply costs and associated
2 health professional fees, such as for anesthesiologists, all of
3 which are charged in addition to physicians' fees and that
4 often come as a great surprise to a patient who pays out of
5 pocket; and

6 WHEREAS, the federal department of health and human
7 services' centers for medicare and medicaid services has
8 recognized the need for the roughly forty-three million
9 individuals covered by medicare to learn the cost of common
10 medical procedures and posts this information on its web site;
11 and

12 WHEREAS, while pricing information pertinent to medicare
13 is not applicable to individuals paying out of pocket or
14 through private insurance, the availability of this information
15 to medicare enrollees demonstrates the feasibility of compiling
16 this information for individuals paying out of pocket;

17 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
18 OF NEW MEXICO that the New Mexico medical society and the New
19 Mexico hospital association be requested to convene a task
20 force comprised of representatives from the New Mexico medical
21 society, the New Mexico hospital association, the university of
22 New Mexico health sciences center, Presbyterian medical
23 services, patient and consumer advocacy organizations, private
24 insurers and health maintenance organizations and any other
25 organizations that they deem able to provide constructive input

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1 regarding the design and implementation of a system whereby
2 health care consumers and payers may be informed of costs for
3 health care procedures prior to undergoing those procedures;
4 and

5 BE IT FURTHER RESOLVED that the task force study and
6 prepare recommendations on the following: the feasibility for
7 making estimates of health care costs to anyone who requests
8 them prior to a particular health care procedure; whether
9 instead of providing a system for obtaining estimates on
10 individual procedures, the medicare model of posting estimates
11 for a set of common health care procedures is most appropriate;
12 the allocation of the reporting burden among health care
13 facilities, providers or any other persons; delimiting the
14 types of procedures for which this information should be
15 available, whether they are inpatient, outpatient or in another
16 delivery setting; the procedure and format for reporting health
17 care costs associated with procedures; and whether any
18 penalties or other protocol should be implemented to address
19 inconsistencies between an estimate for and the ultimate health
20 procedure costs; and

21 BE IT FURTHER RESOLVED that the task force be requested to
22 report its recommendations to the interim legislative health
23 and human services committee by October 1, 2010; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the president of the New Mexico medical society,

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1 the president of the New Mexico hospital association and the
2 executive vice president for health sciences at the university
3 of New Mexico.

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