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HOUSE BILL 223

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Eleanor Chavez

AN ACT

RELATING TO HEALTH CARE; REQUIRING HOSPITALS TO LIMIT CHARGES TO UNINSURED RESIDENTS OF THE STATE; PROVIDING FOR A SLIDING SCALE OF CHARGES A HOSPITAL MAY CHARGE UNINSURED RESIDENTS OF THE STATE WHOSE GROSS FAMILY INCOME IS LESS THAN FIVE HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL.

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

SECTION 1. Section 24-1-5.8 NMSA 1978 (being Laws 2003, Chapter 426, Section 1) is amended to read:

"24-1-5.8. LEGISLATIVE FINDINGS--LICENSING REQUIREMENTS FOR CERTAIN HOSPITALS--LIMITING CHARGES TO UNINSURED PATIENTS.--

A. The legislature finds that:

(1) acute care general hospitals throughout New Mexico operate emergency departments and provide vital

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1 emergency medical services to patients requiring immediate
2 medical care; ~~and~~

3 (2) federal and state laws require hospitals
4 that operate an emergency department to provide certain
5 emergency services and care to any person, regardless of that
6 person's ability to pay. Accordingly, these hospitals
7 encounter significant financial losses when treating uninsured
8 or underinsured patients; and

9 (3) when an uninsured patient feels a fair
10 price is being charged for emergency and general health care
11 services, the uninsured patient is more likely to pay for those
12 services, which can reduce the financial losses of these
13 hospitals.

14 B. As used in this section:

15 (1) "limited service hospital" means a
16 hospital that limits admissions according to medical or
17 surgical specialty, type of disease or medical condition, or a
18 hospital that limits its inpatient hospital services to
19 surgical services or invasive diagnostic and treatment
20 procedures; provided, however, that a "limited service
21 hospital" does not include:

22 (a) a hospital licensed by the
23 department as a special hospital;

24 (b) an eleemosynary hospital that does
25 not bill patients for services provided; or

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1 (c) a hospital that has been granted a
2 license prior to January 1, 2003;

3 (2) "department" means the department of
4 health; and

5 (3) "low-income patient" means a patient whose
6 family or household income does not exceed two hundred percent
7 of the federal poverty level.

8 C. The department shall issue a license to an
9 acute-care or general hospital or a limited [~~services~~] service
10 hospital that agrees to:

11 (1) continuously maintain and operate an
12 emergency department that provides emergency medical services
13 as determined by the department;

14 (2) participate in the medicaid, medicare and
15 county indigent care programs;

16 (3) require a physician owner to disclose a
17 financial interest in the hospital before referring a patient
18 to the hospital;

19 (4) comply with the same quality standards
20 applied to other hospitals;

21 (5) provide emergency services and general
22 health care to nonpaying patients and low-income reimbursed
23 patients in the same proportion as the patients are treated in
24 acute-care general hospitals in the local community, as
25 determined by the department in consultation with a statewide

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1 hospital organization, the government of the county in which
2 the facilities are located and the affected hospitals; provided
3 that:

4 (a) a hospital may appeal the
5 determination of the department pursuant to Section 39-3-1.1
6 NMSA 1978; and

7 (b) the annual cost of the care required
8 to be provided pursuant to this paragraph shall not exceed an
9 amount equal to five percent of the hospital's annual revenue;
10 and

11 (6) require a health care provider to disclose
12 a financial interest before referring a patient to the
13 hospital.

14 D. In addition to the requirements in Subsection C
15 of this section, the department shall issue a license to an
16 acute care or general hospital or a limited service hospital
17 that agrees to charge a patient who is an uninsured resident of
18 the state an amount no greater than one hundred fifteen percent
19 of the applicable payment rate under the federal medicare
20 program for emergency and general health care services rendered
21 to the uninsured patient. The amount charged to uninsured
22 residents of the state whose gross family income is less than
23 five hundred percent of the federal poverty level shall be in
24 accordance with a sliding scale pursuant to Subsection E of
25 this section.

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