

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 1/24/24

Bill No: SB146

Sponsor: Steinborn
Short County Hospitals Must Accept
Title: Insurance Exchange and

Agency Name and Code Office of Superintendent Insurance
Number: - 440
Person Writing Viara Ianakieva
Phone: 505-508-9073 Email [viara.ianakieva@osi.n](mailto:viara.ianakieva@osi.nm.gov)

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
N/A	N/A		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
N/A	N/A	N/A		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill mandates that county-owned hospitals, and hospitals that have entered into a health care facilities contract with a county, accept any insurance plan sold on the New Mexico Health Insurance Exchange (“Exchange”).

FISCAL IMPLICATIONS

None that the Office of Superintendent of Insurance is aware of.

SIGNIFICANT ISSUES

As written, the bill only requires that county and contracting hospital accept health insurance exchange coverage. It does not require that the identified hospitals be in-network with each health insurance carrier offering Qualified Health Plans (QHP) on the New Mexico Health Insurance Exchange, beWellnm.com.

Without that clarification, a hospital would be in technical compliance with this bill, while being “out-of-network.” Hospitals that are out-of-network will not have contracted with the health insurance carriers offering QHPs on beWellnm. The bill also does not specify any obligations of health insurers to contract with these hospitals.

PERFORMANCE IMPLICATIONS

The OSI conducts an annual Network Adequacy review of all QHPs, to verify that the insurance carrier networks meet state and federal requirements.

Without clarity of whether these county and contracting hospitals must be in-network, OSI will not be able to enforce this obligation on the health insurance carriers seeking on-Exchange certification for QHPs.

ADMINISTRATIVE IMPLICATIONS

It is unclear from the bill how the legislation will be enforced.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

It is unclear if the legislative intent is for all county and contracting hospital to be in network, or if the intent is for all county and contracting hospitals to accept patients enrolled in in QHPs regardless of whether the county or contracted hospital is in network.

OTHER SUBSTANTIVE ISSUES

This legislation does not address the obligations or responsibilities of insurance carriers to comply with this bill. The legislation also does not address the consequences of hospitals that are in violation of this bill or provide an enforcement mechanism.

ALTERNATIVES

Health insurance issuers offering QHPs on beWellnm are required to offer the exact same plans off-exchange. Since the coverage and network of these “mirrored” plans is the same, it may be prudent to extend the requirements of this legislation to off-Exchange mirrored plans as well.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not passed, county and contracting hospitals will not be required to accept patients enrolled in QHPs offered on beWellnm.

AMENDMENTS

If the legislative intent is to require county hospitals to be in-network, OSI recommends that the bill be amended to specify if/that:

- 1) County and contracting hospitals are required to contract with all health insurance issuers offering on-Exchange QHPs and their mirrored counterparts; and
- 2) Negotiated rates for a QHP with the county or contracting shall not be lower than an established payment benchmark, so that QHPs are required to negotiate fair and reasonable rates.

If the legislative intent is for services to be offered for all QHP enrollees, without requiring county and contracted hospitals to be contracted with QHP issuers, OSI recommends that the bill be amended to specify that county and contracted hospitals must offer services to all QHP enrollees and bill their insurer for all out-of-network services in accordance with the Surprise Billing Protection Act specified in 59A-57A-13.