

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{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 02/09/2024

Bill No: SB146s

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

Agency Name and Code: Office of Superintendent Insurance - 440
Number:

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:

Section 1A: Requires county hospitals and contracting hospitals to either accept plans sold on the New Mexico Health Insurance Exchange that are offered by carriers that are contracted Medicaid Managed Care Organizations with the Health Care Authority, or accept patients covered under non-contracted QHPs and reimburse carriers at a rate based on an established benchmark that is no less than 150% of Medicare rates or the 60th percentile of allowed commercial rates, whichever is higher. This is the same benchmark utilized for determining reimbursements for applicable out-of-network situations under the Surprise Billing Protection Act, Section 59A-57 NMSA 1978.

Section 1B: Requires county hospitals and contracting hospitals to accept patients when their coverage is out-of-network or they are uninsured when they are the only provider in the area able to provide treatment for serious conditions, including cancer.

Section 1C: Sets assessing charges at the greater of Medicaid and Medicare fee schedule for uninsured patients.

Section 1D: Defines the term “Qualified Health Plan” using the definition of the term used in the New Mexico Health Insurance Exchange Act, NMSA 1978, §59A-23F.

FISCAL IMPLICATIONS

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

SIGNIFICANT ISSUES

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

PERFORMANCE IMPLICATIONS

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

ADMINISTRATIVE IMPLICATIONS

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

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

The Office of Superintendent of Insurance recommends that Section 1B is revised to clarify the situations in which an affordable payment plan should be offered and that these situations would apply to life-threatening conditions.

OTHER SUBSTANTIVE ISSUES

Section C requires that affordable payment plans use the Medicare or Medicaid fee schedule as the basis for charges to uninsured individuals. However, while Medicare or Medicaid charges could reduce the total payment, it does not address the affordability of monthly payments. Other states, such as Colorado, limit monthly payment amounts to a specified percentage of income in similar circumstances.

ALTERNATIVES

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

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 the New Mexico Health Insurance Exchange.

AMENDMENTS

For purposes of clarity, OSI suggests that Section 1(B) is updated to read as follows:

A county hospital or contracting hospital shall provide a patient with an affordable payment plan, if the county hospital or contracting hospital is the only provider of care in the county where the patient resides for a life-threatening condition, including cancer, that places the patient's health in serious jeopardy, causes serious impairment to bodily function or causes serious dysfunction of any bodily organ, under the following circumstances:

- (1) the patient's health insurance plan is not accepted by the county hospital or contracting hospital; or
- (2) the patient is uninsured.