

LFC Requester:

Harry Rommel

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.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}*Date Prepared 2-11-2026

Check all that apply:

Bill Number: HB306-CSOriginal Correction Amendment Substitute Sponsor: Szczepanski/StefanicsAgency Name
and CodeOffice of Superintendent of
Insurance -440PROHIBIT CERTAIN

Number:

Person Writing

Viara IanakievaShort HEALTH CARE FACILITYEmail Viara.Iankieva@osi.nTitle: FEESPhone: 505-508-9073 : m.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	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:

House Health and Human Services Committee Substitute for House Bill 306 (HHHC Sub for HB306) amends certain sections of the original bill.

Section 1 establishes the short title of the Act as the “Fair Pricing for Routine Medical Care Act.”

Section 2 provides definitions for key terms, including “campus,” “facility fee,” “freestanding emergency department,” “health facility,” “health system,” “hospital,” “preventive health care service,” “rural,” and “telehealth.” These definitions clarify the scope of the Act and the entities and services it regulates. The definitions section in HHHC Sub for HB306 was narrowed by removal of definitions for “critical access hospital,” “health care provider,” and “sole community hospital.”

Section 3 sets limitations on facility fees beginning January 1, 2027. Hospitals and health systems may not charge, bill, or collect facility fees directly from patients for preventive health services, vaccinations, or telehealth provided in outpatient settings. Facility fees remain permissible for inpatient services, hospital emergency departments, and freestanding emergency departments. The section allows billing insurers for facility fees and exempts hospitals or hospital clinics located in rural areas. It also prohibits charging facility fees directly to uninsured patients for services that would otherwise include such fees.

Section 4 addresses billing transparency and patient notification beginning January 1, 2027. Hospitals or health systems that charge facility fees must provide notice at scheduling and at service delivery, disclose the amount and potential insurance coverage limitations, and offer notice in the patient’s preferred language where practicable. Facilities must post bilingual signage explaining when facility fees may apply and exemptions for uninsured patients. Bills must be standardized, itemized, and include contact information for disputes. HHHC Sub for HB306 adds Subsection B, stating that hospitals and health systems may not impose cancellation or no-show penalties if a patient declines or reschedules due to facility fee concerns after receiving notice of a facility fee.

Section 5 requires hospitals and health systems that charge facility fees to report data to the All-Payer Claims Database. Reports must include the number of times facility fees were charged, total amounts, the 25 most common billing codes and amounts, the 25 codes with the highest average charges, and any other data required by the Department of Health. Reporting covers inpatient and outpatient services, both on-campus and off-campus, for the previous three calendar years.

FISCAL IMPLICATIONS

None.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

HHHC Sub for HB306 reflects OSI's recommendations on billing transparency and patient notification in Section 4. However, as written, the bill currently applies consumer protections only to individuals who receive the required notice. This may leave consumers who do not receive notice, due to administrative errors or communication gaps, without protection and still subject to facility fees. In addition, the section no longer requires inclusion of contact information for a person the patient may reach to contest charges on the bill. The absence of this information can create challenges for patients seeking to dispute charges, leaving no clear path for resolution.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, hospitals and health systems will continue to charge facility fees for outpatient preventive services, vaccinations, and telehealth visits without restrictions, leaving patients vulnerable to unexpected costs. There will be no consumer protections such as requirements for advance notice, bilingual signage, or standardized billing, which means transparency and informed decision-making will remain limited. Uninsured patients will not have protections against being billed for facility fees, and there will be no enforcement mechanisms to ensure compliance with notice requirements. Additionally, the absence of mandatory reporting to the All-Payer Claims Database will prevent the state from collecting critical data needed to monitor the prevalence and impact of facility fees on health care costs.

AMENDMENTS

None.