

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 306

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

AN ACT

RELATING TO HEALTH CARE; PROHIBITING HEALTH CARE FACILITY FEES FROM BEING CHARGED FOR CERTAIN SERVICES; REQUIRING DISCLOSURE OF FACILITY FEES TO PATIENTS AND REPORTING OF FACILITY FEES TO THE ALL-PAYER CLAIMS DATABASE.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Fair Pricing for Routine Medical Care Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Fair Pricing for Routine Medical Care Act:

A. "affiliated with" means that a person is:

(1) employed by a hospital or health system;

or

(2) under a professional services agreement, faculty agreement or management agreement with a hospital or

1 health system that permits the hospital or health system to
2 bill on behalf of the person;

3 B. "campus" means:

4 (1) a hospital's main buildings;
5 (2) the physical area immediately adjacent to
6 a hospital's main buildings;

7 (3) structures owned by a hospital that are
8 not strictly contiguous to the main buildings but are located
9 within two hundred fifty yards of the main buildings; or

10 (4) any other area that has been determined by
11 the federal centers for medicare and medicaid services, on
12 an individual case-by-case basis, to be part of a hospital's
13 campus;

14 C. "facility fee" means a fee charged or billed by
15 a hospital or health system for outpatient hospital services
16 that is:

17 (1) intended to compensate the health system
18 or hospital for operational expenses; and

19 (2) separate and distinct from a professional
20 fee charged or billed by a hospital or health system for
21 professional medical services;

22 D. "freestanding emergency department" means a
23 facility licensed by the health care authority that is separate
24 from an acute care hospital and that provides twenty-four-hour
25 emergency care to patients at the same level of care that a

1 hospital-based emergency department delivers;

2 E. "health facility" means a health facility or
3 health agency required to be licensed by the health care
4 authority pursuant to the Health Care Code;

5 F. "health system" means a:

6 (1) parent corporation of one or more
7 hospitals and any person affiliated with the parent corporation
8 through ownership, governance, membership or other means; or

9 (2) hospital and any person affiliated with
10 the hospital through ownership, governance, membership or other
11 means;

12 G. "hospital" means a health facility that is
13 licensed by the health care authority as a hospital;

14 H. "preventive health care service" means a service
15 recommended by the United States preventive services task
16 force;

17 I. "rural" means a rural county or an
18 unincorporated area of a partially rural county, as designated
19 by the health resources and services administration of the
20 United States department of health and human services; and

21 J. "telehealth" means the use of electronic
22 information, imaging and communication technologies, including
23 interactive audio, video, data communications and store-and-
24 forward technologies, to provide and support health care
25 delivery, diagnosis, consultation, treatment, transfer of

.233948.2

underscored material = new
~~[bracketed material] = delete~~

1 medical data and education when distance separates the patient
2 and the health care provider.

3 SECTION 3. [NEW MATERIAL] LIMITATIONS ON CHARGES FOR
4 CERTAIN HEALTH CARE SERVICES PROVIDED IN CERTAIN SETTINGS.--

5 A. Except as provided in Subsection D of this
6 section, beginning January 1, 2027, a hospital or health system
7 shall not charge, bill or collect a facility fee directly from
8 a patient for:

9 (1) preventive health care services provided
10 in an outpatient setting, including services accessed from the
11 patient's vehicle;

12 (2) vaccination services provided in an
13 outpatient setting, including services accessed from the
14 patient's vehicle; or

15 (3) telehealth services.

16 B. Nothing in this section prohibits a hospital or
17 health system from charging a facility fee for:

18 (1) health care services provided in an
19 inpatient setting;

20 (2) health care services provided at a
21 hospital emergency department; or

22 (3) health care services provided at a
23 freestanding emergency department.

24 C. Nothing in this section prohibits a hospital or
25 health system from charging, billing or collecting a facility

.233948.2

1 fee from a patient's insurer pursuant to an agreement between
2 the hospital or health system and the insurer or as required by
3 law.

4 D. The provisions of Subsection A of this section
5 shall not apply to a hospital or a hospital's clinic located in
6 a rural area.

7 E. Notwithstanding the provisions of Subsections B,
8 C and D of this section, a hospital or health system shall not
9 charge, bill or collect a facility fee directly from a patient
10 who does not have health insurance coverage and is provided the
11 benefits of a health care service for which a facility fee
12 would otherwise be charged.

13 SECTION 4. [NEW MATERIAL] BILLING TRANSPARENCY AND
14 PATIENT NOTIFICATION.--

15 A. Beginning January 1, 2027, a hospital or health
16 system that charges a facility fee shall:

17 (1) at the time an appointment is scheduled
18 and again at the time health care services are rendered,
19 provide notice to a patient that:

20 (a) discloses that a facility fee may be
21 charged;

22 (b) indicates the amount of the facility
23 fee;

24 (c) discloses that a facility fee may
25 not be covered in whole or in part by the patient's insurance;

.233948.2

1 and

2 (d) to the extent practicable, shall be
3 provided in the patient's preferred language;

4 (2) post a plainly visible sign written in
5 English and Spanish that states that a patient may or may not
6 be charged a facility fee in addition to the cost of a
7 professional fee. The sign shall:

8 (a) include information on the types of
9 facility fees that the hospital or health system is prohibited
10 from charging under the Fair Pricing for Routine Medical Care
11 Act;

12 (b) disclose that patients who do not
13 have health insurance coverage are exempt from paying a
14 facility fee under the Fair Pricing for Routine Medical Care
15 Act;

16 (c) be located within the health
17 facility in an area where patients seeking care register or
18 check in; and

19 (d) include information on where a
20 patient may inquire further about facility fees; and

21 (3) provide patients with a standardized bill
22 that:

23 (a) is clear, consumer-friendly and, to
24 the extent practicable, in the patient's preferred language;

25 (b) includes itemized charges for each

1 health care service provided;

2 (c) specifically identifies any facility
3 fee charged;

4 (d) identifies specific charges that
5 have been billed to the patient's insurance; and

6 (e) provides contact information for a
7 person the patient may contact to contest charges in the bill.

8 B. If a patient, after receiving notice pursuant to
9 Paragraph (1) of Subsection A of this section and before
10 services are rendered, declines, cancels or reschedules an
11 appointment because the facility fee is too high or may not be
12 covered by the patient's insurance plan, the hospital or health
13 system shall not impose a cancellation fee, no-show fee or
14 other penalty for that appointment.

15 SECTION 5. [NEW MATERIAL] FACILITY FEE REPORTING.--A
16 hospital or health system that charges a facility fee shall
17 report data related to the facility fee to the all-payer claims
18 database established pursuant to the Health Information System
19 Act. The data shall include the following information for
20 services provided by a hospital in inpatient settings and
21 outpatient settings and in locations on the hospital's campus
22 and off the hospital's campus during each of the three previous
23 calendar years:

24 A. the number of times facility fees were charged
25 to patients;

.233948.2

1 B. the total dollar amount of facility fees charged
2 to patients;

3 C. the twenty-five most common billing codes for
4 which a facility fee was charged and the total amount charged
5 to patients for each of those codes;

6 D. the twenty-five billing codes with the highest
7 average patient charges and the total amount charged to
8 patients for each billing code; and

9 E. any other data required by the department of
10 health to assess the prevalence and cost of facility fees in
11 the state.

underscoring material = new
~~[bracketed material]~~ = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25