

Support Legislation to Institute an Automatic Fair Price at all New Mexico Hospitals

New Mexico needs an automatic “cost of care” discount for any uninsured or underinsured person seeking care at any hospital, regardless of income. Uninsured patients would still be required to pay their bill, but only the portion related to the cost of care, not the portion inflated to allow hospitals to negotiate competitive rates with insurance companies.

Why this is both important and doable:

- **This is good for hospitals' bottom line.** When patients feel they are charged a fair price, they are more likely to pay.
- **This will NOT create more taxes and does NOT mandate unfunded medical care.**
- This will decrease hospital administration costs. With an automatic discount for all uninsured patients, hospitals have fewer personnel expenses determining who qualifies.
- **This is the right thing to do.** Overcharging low/middle income families and small business owners is unfair and harmful to communities and the economy.
- **This is a chance for NM to expand upon federal health reform.** By expanding this law to cover all hospitals and all uninsured patients, NM can ensure that uninsured patients are not bearing an unfair burden of hospital charges.
- **Hospitals will not solve this issue on their own.** Despite a recommendation for voluntary “cost of care discounts” over 5 years ago from the American Hospital Association, very few hospitals have stepped forward.
- **This will level the playing field between hospitals.** Health care reform now requires these changes for all Not-for-Profit Hospitals. This bill will extend the rule to For-Profit and Public Hospitals to ensure they don't have a market advantage.

Background:

With the passage of the 2010 Affordable Care Act, section 9007 – a bipartisan provision written by Senator Grassley (R-IA) and New Mexico's Senator Bingaman – Not for Profit (501-c-3) Hospitals are now required to reduce charges for patients that qualify for financial insurance to the same prices collected from insurance companies. This partially removes the inflated portion of the bill, reducing it closer to the cost of care.

Private, For-Profit Hospitals (i.e. Lovelace) and Public Hospitals (i.e. UNMH) are not included in this law. They continue to inflate prices for uninsured, low to moderate income patients, causing increased medical debt, which leads to family bankruptcy and a sluggish recovery to our economy.

At least six other states have already passed similar state-wide legislation. **New Jersey** passed a law in 2008, capping hospital charges at no more than 15% above the Medicare payment rate for residents with a gross family income less than 500% of the federal poverty level. **California** passed a law instating caps on hospital fees for residents making less than 300% of FPL, and the standard cap is the payment rate for MediCal or Medicare.

Decrease Medical Debt → Stimulate our Economy