

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 2/18/03 HB _____
 SHORT TITLE: Patient Protection Grievance Appeals SB 508
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

SOURCES OF INFORMATION

Responses Received From

Attorney General's Office (AGO).
 Public Regulation Commission (PRC)
 Human Services Department (HSD)
 Health Policy Commission (HPC)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 508 amends the Patient Protection Act to allow the Superintendent of Insurance to appoint and compensate competent and qualified legal and medical professionals to perform external reviews of grievance appeals.

Significant Issues

Under current law, each independent hearing officer serves the panel on a voluntary basis without compensation. SB 508 will improve the Superintendent's access to qualified medical and legal professionals to ensure quality and timeliness of grievance appeals in the interest of Insurance Division staff, health insurers and patient-enrollees.

Some of the medical specialists and attorneys are busy and have demanding schedules and will not be inclined to serve on sometimes lengthy grievance panels, or may do so in a manner that does not fully protect the due process requirements of the patient or the health plan.

SB 508 will place the New Mexico Insurance Division's external grievance appeal process and

funding in a position more on par with other states.

FISCAL IMPLICATIONS

There is no fiscal impact on the Insurance Department as compensation will be paid by health insurers on a case-by-case basis.

The PRC believes costs imposed on the health insurance industry will not be burdensome, especially in comparison with other states.

Compensation will be determined by the Superintendent in consultation with the State Bar and Medical Society.

ADMINISTRATIVE IMPLICATIONS

Senate Bill 508 will improve the Superintendent's administration and enforcement of the Patient Protection Act and the Grievance Procedure rule. SB 508 will assist the Managed Health Care Bureau's ability to provide timely and quality external grievance appeal reviews for the participating health insurer and patient-enrollee. The Grievance Procedure rule sets specific time-frames for expedited or standard external grievance appeals. The Insurance Division and the Medical Society have experienced increasing difficulty in locating and obtaining qualified, competent and willing legal and medical professionals who have particular expertise called for in the case to review external grievance appeals for the Superintendent on a voluntary basis.

OTHER SUBSTANTIVE ISSUES

New Mexico's Patient Protection Act gives patients and their health care providers a broad array of rights and protections, including the right to appeal a managed care plan's decisions denying or limiting medical treatment.

Every managed care plan in New Mexico is required to have a procedure "to provide for the presentation, management, and resolution of complaints and grievances brought by enrollees or by providers acting on behalf of an enrollee and with the enrollee's consent, regarding any aspect of the plan's health care services, including but not limited to complaints regarding quality of care, choice of providers, network adequacy, cancellation, or non renewal of coverage, and utilization management determinations."

New Mexico is one of 41 states with a patient protection law that gives a patient the right to appeal a plan's decision to an impartial external review board. If necessary, patients can obtain an "expedited review" decision because of the urgency of their medical condition.

New Mexico's external review authority rests with the Superintendent of Insurance, who assembles a panel of independent hearing officers composed of two physicians, at least one of whom practices in a specialty that would typically manage the case that is the subject of the grievance, and one attorney to review appealed plan decisions.

Physicians within the medical specialties involved in the care are the best judges of the medical requirements that a patient has at the time of the filing of the external grievance.

DW/yr :sb