

1 A MEMORIAL

2 REQUESTING THE NEW MEXICO HEALTH POLICY COMMISSION TO CONVENE
3 A TASK FORCE TO STUDY AND MAKE RECOMMENDATIONS REGARDING
4 COSTS FOR HEALTH CARE PROCEDURES.

5
6 WHEREAS, the health policy journal, *Health Affairs*,
7 reports that employers and other payers of health care costs
8 paid two trillion four hundred billion dollars
9 (\$2,400,000,000,000) in health care costs in 2008; and

10 WHEREAS, *Health Affairs* reports that health care costs
11 are projected to reach three trillion one hundred billion
12 dollars (\$3,100,000,000,000) in 2012 and four trillion three
13 hundred billion dollars (\$4,300,000,000,000) by 2016; and

14 WHEREAS, the commonwealth fund reports that while health
15 care costs continue to rise exponentially year after year,
16 consumers of health care remain greatly uninformed about
17 these costs because little comparative information on cost
18 and quality among health care providers is available; and

19 WHEREAS, the United States census bureau's August 2008
20 current population survey reports that the number of
21 New Mexicans without health insurance has grown to twenty-two
22 and five-tenths percent; and

23 WHEREAS, America's health insurance plans, an insurance
24 trade association, recently released the results of a census
25 indicating that four million five hundred thousand Americans

1 are now covered by high-deductible health insurance plans
2 that include health savings accounts; and

3 WHEREAS, according to America's health insurance plans,
4 approximately twenty-five percent of all new health savings
5 plan enrollees nationwide were previously uninsured; and

6 WHEREAS, uninsured individuals and individuals covered
7 by health savings plans must pay directly for all or a large
8 part of their health care without the advantage of fee rates
9 negotiated by large insurers; and

10 WHEREAS, being informed of the cost of health care
11 procedures and supplies is essential for anyone who must
12 budget to cover health care costs out of pocket, as well as
13 integral to the viability of participating in health savings
14 plans; and

15 WHEREAS, patients who pay out of pocket for health care
16 report that health care procedures may involve a great number
17 of costs, such as facility fees, laboratory testing fees,
18 pharmaceutical and health care supply costs and associated
19 health professional fees, such as for anesthesiologists, all
20 of which are charged in addition to physicians' fees and that
21 often come as a great surprise to a patient who pays out of
22 pocket; and

23 WHEREAS, the federal department of health and human
24 services' centers for medicare and medicaid services has
25 recognized the need for the roughly forty-three million

1 individuals covered by medicare to learn the cost of common
2 medical procedures and posts this information on its web
3 site; and

4 WHEREAS, while pricing information pertinent to medicare
5 is not applicable to individuals paying out of pocket or
6 through private insurance, the availability of this
7 information to medicare enrollees demonstrates the
8 feasibility of compiling this information for individuals
9 paying out of pocket;

10 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
11 STATE OF NEW MEXICO that the New Mexico health policy
12 commission be requested to convene a task force comprised of
13 representatives from the New Mexico medical society, an
14 independent practice association, the New Mexico hospital
15 association, the university of New Mexico health sciences
16 center, Presbyterian medical services, patient and consumer
17 advocacy organizations, private insurers and health
18 maintenance organizations and any other organizations that
19 they deem able to provide constructive input regarding the
20 design and implementation of a system whereby health care
21 consumers and payers may be informed of costs for health care
22 procedures prior to undergoing those procedures; and

23 BE IT FURTHER RESOLVED that the task force study and
24 prepare recommendations on the following: the feasibility
25 for making estimates of health care costs to anyone who

1 requests them prior to a particular health care procedure;
2 whether instead of providing a system for obtaining estimates
3 on individual procedures, the medicare model of posting
4 estimates for a set of common health care procedures is most
5 appropriate; the allocation of the reporting burden among
6 health care facilities, providers or any other persons;
7 delimiting the types of procedures for which this information
8 should be available, whether they are inpatient, outpatient
9 or in another delivery setting; the procedure and format for
10 reporting health care costs associated with procedures; and

11 BE IT FURTHER RESOLVED that the task force be requested
12 to report its recommendations to the interim legislative
13 health and human services committee by October 1, 2010; and

14 BE IT FURTHER RESOLVED that copies of this memorial be
15 transmitted to the agency director of the New Mexico health
16 policy commission, the president of the New Mexico medical
17 society, the president of the New Mexico hospital association
18 and the executive vice president for health sciences at the
19 university of New Mexico.

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