

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

<b>SPONSOR</b>	<u>Senate Floor</u>	<b>LAST UPDATED</b>	<u>2/14/24</u>
		<b>ORIGINAL DATE</b>	<u>2/10/24</u>
<b>SHORT TITLE</b>	<u>Hospital Acceptance of Health Plans</u>	<b>BILL NUMBER</b>	<u>CS/FIS/Senate Bill 146/STBTCS/SFIS/aHCPAC</u>
		<b>ANALYST</b>	<u>Esquibel</u>
<b>ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*</b> <b>(dollars in thousands)</b>			

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate	Indeterminate	Indeterminate			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Agency Analysis Received From

Health Care Authority (HCA)

New Mexico Health Insurance Exchange (NMHIX)

Office of Superintendent of Insurance (OSI)

University of New Mexico Hospital (UNMH)

### SUMMARY

#### **Synopsis of HCPAC Amendments to STBTC Substitute for Senate Bill 146**

The House Consumer and Public Affairs Committee (HCPAC) amendments to the Senate Floor substitute to the Senate Tax, Business and Transportation Committee substitute for Senate Bill 146 clarify that a county hospital or a contracting hospital shall provide a patient the *standard of care treatment based on their location and needed to treat the patient's condition*.

The amendments specify the county or contracting hospital shall provide the patient with immediate treatment and an affordable payment plan *as soon as the patient provides the hospital all of the necessary documentation* such that the hospital may validate that one of the following has occurred 1) the patient's health insurance plan is not accepted by the county hospital or contracting hospital; 2) the patient is uninsured; 3) the patient is ineligible for county indigent programs; or 4) the patient is ineligible for the New Mexico medical insurance pool.

The HCPAC amendments add the total payment owed by an uninsured patient shall be calculated by applying the Medicaid or Medicare fee schedule in effect for the service provided, whichever is greater. A monthly payment pursuant to the affordable payment plan shall not exceed 5 percent of a patient's monthly household adjusted gross income.

## **Synopsis of Senate Floor Substitute to STBTC Substitute for Senate Bill 146**

The Senate Floor substitute to the Senate Tax, Business and Transportation Committee substitute for Senate Bill 146 specifies a county hospital or contracting hospital shall provide a patient with immediate treatment and an affordable payment plan if the county hospital or contracting hospital is the only provider of care in the county where the patient resides for a life-threatening condition, including cancer, that places the patient's health in serious jeopardy, causes serious impairment to bodily function, or causes serious dysfunction of any bodily organ as validated by the hospital under the following circumstances 1) the patient's health insurance plan is not accepted by the county hospital or contracting hospital; 2) the patient is uninsured; 3) the patient is ineligible for county indigent programs; or 4) the patient is ineligible for the New Mexico medical insurance pool.

In cases of life-threatening conditions, a county hospital or contracting hospital shall provide the patient with immediate treatment and an affordable payment plan until the effective date of coverage by a county indigent program or the New Mexico medical insurance pool.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

## **FISCAL IMPLICATIONS**

The House Consumer and Public Affairs Committee amendments to the Senate Floor substitute for SB146 specify the total payment owed by an uninsured patient shall be calculated by applying the Medicaid or Medicare fee schedule in effect for the service provided, whichever is greater.

The HCPAC amendments do not address the requirements for a monthly payment pursuant to the affordable payment plan and do not define what is an affordable payment plan. The bill does not describe what the patient's financial responsibility would be for the subtotal of items not covered under the New Mexico medical insurance pool or county indigent programs.

UNMH reports they already offer substantial uncompensated care and readily available payment plans for any patient who qualifies.

## **SIGNIFICANT ISSUES**

The Office of Superintendent Insurance (OSI) reports the bill does not address the obligations or responsibilities of insurance carriers to comply with the provisions of the bill nor does the bill address the consequences or an enforcement mechanism for hospitals that are in violation of the provisions of the bill.

## **PERFORMANCE IMPLICATIONS**

OSI reports it conducts an annual network adequacy review of all qualified health plans to verify insurance carrier networks meet state and federal requirements.

## **TECHNICAL ISSUES**

UNM Hospital suggests defining “county hospital” and “contracting hospital.”

The Senate Floor substitute does not define what is “an affordable payment plan” for a patient.

RAE/ss/hg/ss/ne/ss/al/ne/rl/ne