

1 HOUSE BILL 263

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE HOSPITAL PRICE  
12 TRANSPARENCY ACT; REQUIRING HOSPITALS TO PROVIDE PRICING  
13 INFORMATION ON SERVICES AND ITEMS PROVIDED AT THE HOSPITALS;  
14 REQUIRING THE HEALTH CARE AUTHORITY TO IMPLEMENT AND ADMINISTER  
15 THE HOSPITAL PRICE TRANSPARENCY ACT; PROVIDING PENALTIES;  
16 PROVIDING CIVIL RELIEF TO CONSUMERS.  
17

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

19 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
20 cited as the "Hospital Price Transparency Act".

21 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
22 Hospital Price Transparency Act:

23 A. "ancillary service" means a hospital item or  
24 service that a hospital customarily provides as part of a  
25 shoppable service;

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1 B. "authority" means the health care authority;

2 C. "chargemaster" means the list of all hospital  
3 items or services maintained by a hospital for which the  
4 hospital has established a charge;

5 D. "collection action" means any of the following  
6 actions taken with respect to a debt for an item or service  
7 that was purchased from or provided to a patient by a hospital  
8 on a date during which the hospital was in violation of the  
9 Hospital Price Transparency Act:

10 (1) attempting to collect a debt from a  
11 patient or patient guarantor by referring the debt, directly or  
12 indirectly, to a debt collector, a collection agency or other  
13 third party retained by or on behalf of the hospital;

14 (2) suing the patient or patient guarantor or  
15 enforcing an arbitration or mediation clause in a hospital  
16 document, including any contract, agreement, statement or bill;  
17 or

18 (3) directly or indirectly causing a report to  
19 be made to a consumer reporting agency;

20 E. "collection agency" means a person that:

21 (1) engages in a business for the principal  
22 purpose of collecting debts; or

23 (2) does any of the following:

24 (a) regularly collects or attempts to  
25 collect, directly or indirectly, debts owed or due or asserted

1 to be owed or due to another;

2 (b) takes assignment of debts for  
3 collection purposes; or

4 (c) directly or indirectly solicits for  
5 collection debts owed or due or asserted to be owed or due to  
6 another;

7 F. "consumer reporting agency" means a person that,  
8 for a monetary fee or dues or on a cooperative nonprofit basis,  
9 regularly engages in the practice of assembling or evaluating  
10 consumer credit information or other information on consumers  
11 for the purpose of furnishing consumer reports to third  
12 parties. "Consumer reporting agency" does not include business  
13 entities that only provide check verification or check  
14 guarantee services;

15 G. "debt" means an obligation or alleged obligation  
16 of a consumer to pay money arising out of a transaction,  
17 whether or not the obligation has been reduced to judgment.  
18 "Debt" does not include a debt for business, investment,  
19 commercial or agricultural purposes or a debt incurred by a  
20 business;

21 H. "debt collector" means a person employed or  
22 engaged by a collection agency to perform the collection of  
23 debts owed or due or debts asserted to be owed or due to  
24 another;

25 I. "de-identified maximum negotiated charge" means

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1 the highest charge that a hospital has negotiated with all  
2 third-party payors for a hospital item or service;

3 J. "de-identified minimum negotiated charge" means  
4 the lowest charge that a hospital has negotiated with all  
5 third-party payors for a hospital item or service;

6 K. "discounted cash price" means the charge that  
7 applies to a person who pays cash or a cash equivalent for a  
8 hospital item or service;

9 L. "gross charge" means the charge for a hospital  
10 item or service that is reflected on the hospital's  
11 chargemaster, absent of any discount;

12 M. "hospital" means a public hospital, profit or  
13 nonprofit private hospital or a general or special hospital  
14 that is licensed as a hospital by the authority;

15 N. "item or service" means an item or service that  
16 could be provided by a hospital to a patient in connection with  
17 an inpatient admission or an outpatient department visit for  
18 which the hospital has established a standard charge, including  
19 any of the following:

- 20 (1) a supply or procedure;  
21 (2) room and board;  
22 (3) a facility fee;  
23 (4) a professional fee; or  
24 (5) any other item or service for which a  
25 hospital has established a standard charge;

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1 O. "machine-readable format" means a digital  
2 representation of information in a file that can be easily  
3 imported or read into a computer system for further processing  
4 without any additional preparation;

5 P. "payor-specific negotiated charge" means the  
6 charge that a hospital has negotiated with a third-party payor  
7 for a hospital item or service;

8 Q. "professional fee" means a fee charged by a  
9 health care practitioner for medical services;

10 R. "shoppable service" means a service that may be  
11 scheduled by a person in advance;

12 S. "standard charge" means the regular rate  
13 established by a hospital for a hospital item or service  
14 provided to a specific group of paying patients. "Standard  
15 charge" includes the:

- 16 (1) gross charge;  
17 (2) payor-specific negotiated charge;  
18 (3) de-identified maximum negotiated charge;  
19 (4) de-identified minimum negotiated charge;

20 and

- 21 (5) discounted cash price; and

22 T. "third-party payor" means an entity that is  
23 legally responsible for payment of a claim for a hospital item  
24 or service.

25 SECTION 3. [NEW MATERIAL] PUBLIC AVAILABILITY OF PRICE

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1 INFORMATION REQUIRED.--

2 A. Each hospital shall publish the following  
3 information on the hospital's publicly accessible website:

4 (1) a digital file in a machine-readable  
5 format that contains the following information for each item or  
6 service provided in either an inpatient setting or an  
7 outpatient setting:

8 (a) the gross charge;

9 (b) the de-identified minimum negotiated  
10 charge;

11 (c) the de-identified maximum negotiated  
12 charge;

13 (d) the discounted cash price;

14 (e) the payor-specific negotiated  
15 charge, delineated by the name of the third-party payor and  
16 plan. A hospital shall include all payors and plans accepted  
17 by the hospital; and

18 (f) a code used by the hospital for the  
19 purpose of accounting or billing for the hospital item or  
20 service, including the current procedural terminology code, the  
21 healthcare common procedure coding system code, the diagnosis-  
22 related group code, the national drug code or other common  
23 identifier; and

24 (2) a consumer-friendly list that contains  
25 information for at least three hundred shoppable services

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1 provided by the hospital with charges specific to that  
2 individual hospital location. The hospital may select the  
3 shoppable services to be included in the list, except that the  
4 list shall include the seventy services specified as shoppable  
5 services by the federal centers for medicare and medicaid  
6 services. If the hospital does not provide all of the  
7 shoppable services specified by the federal centers for  
8 medicare and medicaid services, the hospital shall include all  
9 of the shoppable services provided by the hospital. If a  
10 hospital does not provide three hundred shoppable services, the  
11 hospital shall include the total number of shoppable services  
12 that the hospital provides. The list shall include the  
13 following information for each shoppable service and any  
14 associated ancillary service:

- 15 (a) a plain-language description;
- 16 (b) the payor-specific negotiated  
17 charge, delineated by the name of the third-party payor and  
18 plan. A hospital shall include all payors and plans accepted  
19 by the hospital;
- 20 (c) the discounted cash price or, if the  
21 hospital does not offer a discounted cash price, the gross  
22 charge;
- 23 (d) the de-identified minimum negotiated  
24 charge;
- 25 (e) the de-identified maximum negotiated

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1 charge; and

2 (f) a code used by the hospital for  
3 purposes of accounting or billing for each item or service,  
4 including the current procedural terminology code, the  
5 healthcare common procedure coding system code, the diagnosis-  
6 related group code, the national drug code or other common  
7 identifier.

8 B. A hospital shall make all information required  
9 to be published under this section available to the public by  
10 posting the information in a prominent location on the home  
11 page of the hospital's publicly accessible website or making  
12 the list accessible by a dedicated link that is prominently  
13 displayed on the home page of the hospital's publicly  
14 accessible website. If the hospital operates multiple  
15 locations and maintains a single website, the hospital shall  
16 post the specific information for each location that the  
17 hospital operates in a manner that clearly associates the  
18 information with the applicable location of the hospital.

19 C. A hospital shall ensure that all information  
20 required to be published under this section is:

- 21 (1) available free of charge;
- 22 (2) accessible to a common commercial operator  
23 of an internet search engine to the extent necessary for the  
24 search engine to index the list and display the list in  
25 response to a search query of a user of the search engine;

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1 (3) formatted in a manner that complies with  
2 the Hospital Price Transparency Act and any requirements set  
3 forth by the authority; and

4 (4) digitally searchable by service  
5 description, billing code and third-party payor.

6 D. A hospital shall not restrict access to the  
7 information required to be published under this section by  
8 requiring:

9 (1) the establishment of a user account or  
10 password;

11 (2) the submission of personal identifying  
12 information; or

13 (3) any other impediment, including entering a  
14 code to access the information.

15 E. The authority shall develop a template that each  
16 hospital shall use in formatting the information required to be  
17 published under Paragraph (1) of Subsection A of this section.  
18 When developing the template, the authority shall:

19 (1) take into consideration applicable federal  
20 guidelines for formatting similar information required by  
21 federal law;

22 (2) ensure that the template's design enables  
23 a person to compare charges for items or services provided at  
24 each hospital; and

25 (3) design the template to be substantially

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1 similar to the template used by the federal centers for  
2 medicare and medicaid services for purposes similar to this  
3 section.

4 F. A hospital shall update the information required  
5 to be published under this section no less than once each year.  
6 The hospital shall clearly indicate the date when the  
7 information was most recently updated. The hospital shall make  
8 all versions of each list available for at least seven years.

9 G. When selecting a shoppable service for the  
10 purpose of inclusion in the list published pursuant to  
11 Paragraph (2) of Subsection A of this section, a hospital  
12 shall:

13 (1) consider how frequently the hospital  
14 provides the service and the hospital's billing rate for the  
15 service; and

16 (2) prioritize the selection of services that  
17 are among the services most frequently provided by the  
18 hospital.

19 H. Any information on the price of an item or  
20 service, or the amount charged for an item or service, required  
21 to be published under this section shall be expressed in United  
22 States dollars.

23 SECTION 4. [NEW MATERIAL] REPORTING REQUIREMENTS.--

24 A. Each time a hospital creates or updates a list  
25 required to be published by the Hospital Price Transparency

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1 Act, the hospital shall submit the list to the authority.

2 B. The authority shall make all lists available on  
3 the authority's website within sixty days of receipt of each  
4 list.

5 C. The authority shall annually submit a report to  
6 the legislative finance committee and the interim legislative  
7 health and human services committee on the progress in  
8 implementing and administering the Hospital Price Transparency  
9 Act.

10 SECTION 5. [NEW MATERIAL] ENFORCEMENT.--

11 A. The authority shall establish an electronic form  
12 for individuals to submit complaints for alleged violations of  
13 the Hospital Price Transparency Act. The authority shall post  
14 the electronic form on the authority's website. The authority  
15 shall also accept complaints via a customer service telephone  
16 number.

17 B. A hospital shall be in violation of the Hospital  
18 Price Transparency Act if the hospital:

19 (1) for any item or service, charges a patient  
20 more than the dollar amount published in the lists required  
21 under Paragraphs (1) and (2) of Subsection A of Section 3 of  
22 the Hospital Price Transparency Act;

23 (2) violates the provisions of the Hospital  
24 Price Transparency Act or the rules promulgated pursuant to  
25 that act;

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1 (3) fails to take immediate action to remedy a  
2 violation of the provisions of the Hospital Price Transparency  
3 Act or the rules promulgated pursuant to that act;

4 (4) fails to submit a plan of correction in  
5 accordance with the requirements of this section;

6 (5) fails to comply with a plan of correction;  
7 or

8 (6) violates an order previously issued by the  
9 authority in a disciplinary matter.

10 C. Upon determining that a hospital has violated  
11 the provisions of the Hospital Price Transparency Act or the  
12 rules promulgated pursuant to that act, the authority shall  
13 issue a written notice to the hospital stating that a violation  
14 has been committed by the hospital. The written notice shall:

15 (1) state that the hospital is required to  
16 take immediate action to remedy the violation or, if the  
17 hospital is unable to immediately remedy the violation, submit  
18 a plan of correction to the authority; and

19 (2) state that the hospital is required to  
20 provide prompt confirmation to the authority that the  
21 corrective action has been taken.

22 D. If a hospital is required to submit a plan of  
23 correction to the authority, the authority may direct that the  
24 violation be remedied within a specified period of time. The  
25 hospital shall submit the plan of correction within thirty days

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1 of the authority's issuance of the written notice.

2 E. The authority may impose a civil penalty for  
3 violations of the Hospital Price Transparency Act in an amount  
4 not to exceed:

5 (1) two thousand five hundred dollars (\$2,500)  
6 for a first incident;

7 (2) five thousand dollars (\$5,000) for a  
8 second incident;

9 (3) ten thousand dollars (\$10,000) for a third  
10 incident; and

11 (4) fifteen thousand dollars (\$15,000) for a  
12 fourth or subsequent incident.

13 F. Each day that a hospital violates the Hospital  
14 Price Transparency Act constitutes a separate and distinct  
15 incident.

16 G. The authority may audit a hospital's website to  
17 ensure compliance with the Hospital Price Transparency Act.

18 H. A hospital that is in violation of the Hospital  
19 Price Transparency Act on the date when an item or service is  
20 provided to a patient shall not initiate or pursue a collection  
21 action against the patient or patient guarantor for a debt owed  
22 for the item or service.

23 I. If a patient or a patient guarantor believes  
24 that a hospital is in violation of the Hospital Price  
25 Transparency Act on the date when an item or service is

1 provided to the patient and the hospital takes a collection  
2 action against the patient or patient guarantor, the patient or  
3 patient guarantor may initiate a civil action in a court of  
4 competent jurisdiction to determine if the hospital is in  
5 violation of the Hospital Price Transparency Act. The hospital  
6 shall not take a collection action against the patient or  
7 patient guarantor or submit a report to a patient's or patient  
8 guarantor's credit report while the civil action is pending.  
9 If the court of competent jurisdiction determines that the  
10 hospital is in violation of the Hospital Price Transparency Act  
11 and the violation is related to the items or services for which  
12 the patient was charged, the hospital shall:

13 (1) refund the payor an amount of the debt the  
14 payor has paid and pay a penalty to the patient or patient  
15 guarantor in an amount equal to the total amount of the debt;

16 (2) pay any attorney fees and costs incurred  
17 by the patient or patient guarantor relating to the action; and

18 (3) remove or cause to be removed from the  
19 patient's or patient guarantor's credit report a report made to  
20 a consumer reporting agency relating to the debt.

21 J. Nothing in the Hospital Price Transparency Act  
22 shall be construed to:

23 (1) prohibit a hospital from billing a  
24 patient, patient guarantor or third-party payor, including a  
25 health insurer, for an item or service provided to a patient in

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1 a manner that is not in violation of the Hospital Price  
2 Transparency Act; and

3 (2) require a hospital to refund a payment  
4 made to the hospital for an item or service provided to a  
5 patient if no collection action is taken in violation of the  
6 Hospital Price Transparency Act.

7 SECTION 6. [NEW MATERIAL] INFORMATION REQUIRED TO BE  
8 PROVIDED TO PATIENTS.--Prior to commencing a collection action,  
9 a hospital or a debt collector acting on behalf of a hospital  
10 shall provide a patient with:

11 A. an easy-to-understand itemized statement of the  
12 medical debt owed by the patient to the hospital, which shall  
13 include the applicable billing codes for each item or service,  
14 using commonly recognized billing code sets;

15 B. a copy of the detailed receipts of any payments  
16 made to the hospital or debt collector by the patient or the  
17 patient's guarantor within thirty days of each payment;

18 C. information about the availability of language-  
19 assistance services for persons with limited proficiency in  
20 English; and

21 D. the contact information for an office or  
22 individual at the hospital that can:

23 (1) discuss the specific details of an  
24 itemized statement; and

25 (2) make appropriate changes to the statement.

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SECTION 7. [NEW MATERIAL] RULEMAKING.--The authority may promulgate rules necessary to implement and administer the Hospital Price Transparency Act.