SENATE BILL 382

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

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AN ACT

RELATING TO HEALTH CARE; ESTABLISHING REQUIREMENTS FOR HOSPITAL BILLING; ENACTING A NEW SECTION OF THE UNFAIR PRACTICES ACT; PROVIDING FOR FORFEITURES AND PENALTIES.

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

SECTION 1. A new section of the Unfair Practices Act is enacted to read:

"[NEW MATERIAL] HOSPITAL BILLING--TIMELINESS--SINGLE STATEMENT--UNFAIR PRACTICE--FORFEITURE--PENALTY.--

A. A hospital shall ensure that all billing related to a single episode of care that occurs on the site of that same hospital is made in a single statement that the hospital provides to the patient within sixty days of discharge. If the hospital is unable to provide that statement to the patient within sixty days of discharge due to negotiations with
third-party payers, the hospital shall provide that statement to the patient within ninety days of discharge. The statement shall indicate:

(1) which items and services provided to the patient during the episode of care are billed by a participating provider and which services are billed by a nonparticipating provider; and

(2) for each item or service, what amount is being billed to any third-party payer and clearly distinguish what the patient's responsibility is from any third-party payer's responsibility.

B. A hospital that does not comply with the provisions of Subsection A of this section is in violation of the Unfair Practices Act and is subject to the penalties set forth in that act. That hospital also shall forfeit the right to bill the patient for any item or service provided to the patient during the patient's episode of care and that is not covered by a third-party payer.

C. As used in this section:

(1) "episode of care" means the period of a day or consecutive days for a discrete health condition during one hospital stay, regardless of whether the patient is admitted as an inpatient, for which reasonable and necessary health care items and services related to the condition are provided;
(2) "hospital" means a hospital licensed by the department of health;

(3) "nonparticipating provider" means a provider who is not a participating provider under express contract with a health carrier;

(4) "participating provider" means a provider or health facility that, under express contract with a health carrier or with its contractor or subcontractor, has agreed to provide health care services to covered persons with an expectation of receiving payment directly or indirectly from the health carrier, subject to copayments, coinsurance deductibles or other cost-sharing provisions; and

(5) "third-party payer" means any public or private payer of health care services, including a health insurer, health maintenance organization or any other person that assumes responsibility for payment of all or a portion of items or services for which a patient is billed."