LFC Requester:	Eric Chenier

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to **billanalysis@dfa.nm.gov**
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: *2/17/25*
Bill Number: *SB392*

Check all that apply:
Original *x* Correction __
Amendment __ Substitute __

Sponsor: Sen Steinborn
Short Title: Affordable Payment Plans at Rural Hospitals

Agency Name and Code Number: HCA-630
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
$0	$0	NA	NA

(Parenthesis ( ) indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
$0	$0	$0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	$0	$0	$0	$0	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY
Synopsis: Requires county hospitals where the hospital is the only available treatment option to offer affordable payment plans and use rates equivalent to Medicare or Medicaid reimbursement rates (whichever is greater) as the basis for charges to certain patients who lack medical insurance and do not qualify for Medicare or other coverage options.

FISCAL IMPLICATIONS
None for the Health Care Authority (HCA).

SIGNIFICANT ISSUES
SB 392 requires county hospitals verify the patient's insurance status before care is provided and offer an affordable payment plan if certain conditions are met. Both the care and the affordable payment plans will be provided once the patient can provide documentation to the hospital to determine:

- they do not have private health insurance;
- don't qualify for Medicare or Medicaid;
- have private insurance that does not include the county hospital in its network or are uninsured;
- are ineligible for county indigent care; **and**,
- are ineligible for the New Mexico Medical Insurance Pool (NMMIP).

It is not clear that any patients would meet these criteria, since all state residents who do not have access to other coverage options qualify for NMMIP. The bill does not address whether the coverage available to a patient is affordable. The bill does not define what constitutes an affordable payment plan or establish a rulemaking process for determining the criteria for an affordable payment plan or the period of time over which the county hospital must offer the payment plan.

SB 392 is not clear in distinguishing between what is an immediate life-threatening emergency medical condition (EMC) and what is a non-immediate life-threatening condition. Section A includes a mixed list of immediate and non-immediate life-threatening conditions. The list of conditions should be revised to distinguish the differences between immediate life threatening conditions also known as emergency medical conditions (EMC) which are governed by the Federal Emergency Medical Treatment & Labor Act (EMTALA), Section 1867 of the Social Security Act and the accompanying regulations in 42 CFR §489.24 and the related requirements at 42 CFR 489.20(l), (m), (q), and (r), which imposes specific obligations on Medicare-participating hospitals that offer emergency services to provide a medical screening examination (MSE) when a request is made for examination or treatment for an emergency medical condition (EMC), including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with EMCs. If a hospital is unable to stabilize a patient within its capability, or if the patient requests, an appropriate transfer should be implemented.

Section A should also include a separate list for non-immediate life-threatening conditions, which would allow hospitals to provide a standard of care for patients as soon as they validate the patient's coverage circumstance.

Section B also needs to clarify and define whether a life-threatening condition, is immediate or non-immediate, to determine what would be subject to EMTALA regardless of ability to pay, and what would be covered by SB392 and a patient's circumstances for pay and coverage including developing an affordable payment plan.

PERFORMANCE IMPLICATIONS
None for the HCA.

ADMINISTRATIVE IMPLICATIONS
None for the HCA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP
None

TECHNICAL ISSUES
As currently written, the bill requires patients to meet all five criteria in Subsection A. Some of these criteria cannot coexist. For example, a patient cannot both lack a private health plan and be enrolled in a plan that is out-of-network. In addition, the only time that the bill states the patient must be uninsured is in conjunction with having a health plan that does not include the plan in its network. The bill could be clarified to state that the bill specifically applies to patients who are uninsured and do not have access to affordable coverage or have an income below a certain threshold.

OTHER SUBSTANTIVE ISSUES
According to a 2016 study published by Health Affairs, cancer survivors face significant debt and financial hardship. "[O]ne-third of the survivors had gone into debt, and 3% had filed for bankruptcy. Of those who had gone into debt, 55% incurred obligations of $10,000 or more."

Undue Medical Debt, a non-profit focused on relieving medical debt for patients, suggests solutions must include upstream interventions to ensure patients do not face financial hardship. Although SB 392 attempts to address this issue, it does so very narrowly and in a way that requires patients to submit significant documentation to prove their insurance status before receiving care or an affordable payment plan. As noted above, it is not clear whether any state residents would qualify under the current criteria.

ALTERNATIVES

Affordable hospital payment plans for low-income patients can provide financial protections for those least able to pay.

One alternative approach to SB 392 is Colorado's Hospital Discount Care program, which establishes requirements for hospital discounted care for low-income patients. Patients are given the opportunity to apply for financial assistance or charity care programs at the health care facility where they receive care.

Under Colorado's model, payment plans that are established to pay the bills may not exceed 4% of the patient's monthly household income. For bills from health care professionals, the limit is 2% of the monthly household income.

Once 36 months of payments have been made, the remainder of the bill is forgiven. As with SB 392, service charges are the greater of either the Medicare rate or Medicaid base rate

The patient does not have to apply for Medicaid to be eligible for this program, though the patient is likely to save more money if they enroll in Medicaid. The eligibility criteria, income-based payment methodology, and applicability of Colorado's program may more directly address the

issues that SB 392 attempts to resolve.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
Status Quo

AMENDMENTS
None