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FISCAL IMPACT REPORT

		LAST UPDATED	
SPONSOR	Steinborn/Stefanics/Charley/Nava/Figueroa	**ORIGINAL DATE**	2/20/25
SHORT TITLE	County Hospital Care, Services & Payment	**BILL NUMBER**	Senate Bill 392
		ANALYST	Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		See Fiscal Implications			Recurring	

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 Public School Insurance Authority (NMPSIA)

SUMMARY

Synopsis of Senate Bill 392

Senate Bill 392 requires county hospitals in areas 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.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

Both the Public School Insurance Authority and the Health Care Authority said there would be no fiscal impact. However, there would be a fiscal impact on the hospitals affected by the bill that is not calculated here. This impact would be offset by the Health Care Delivery and Access Act, which is expected to raise Medicaid reimbursement to hospitals statewide by about $1.2 billion annually starting in April or May 2025.

SIGNIFICANT ISSUES

HCA provides the following:

The bill 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;
- [They] do not qualify for Medicare or Medicaid;
- [They] have private insurance that does not include the county hospital in its network or are uninsured;
- [They] are ineligible for county indigent care; and
- [They] 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.

The bill is not clear in distinguishing between what is an immediate life-threatening emergency medical condition 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, 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 Section 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 when a request is made for examination or treatment for an emergency medical condition, including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with emergency medical conditions. 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 the bill and a patient's circumstances for pay and coverage including developing an affordable payment plan.

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 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

Undue Medical Debt, a nonprofit focused on relieving medical debt for patients, suggests solutions must include upstream interventions to ensure patients do not face financial hardship. Although SB392 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

HCA stated that one alternative approach to SB392 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 healthcare facility where they receive care. Under Colorado's model, payment plans that are established to pay the bills may not exceed 4 percent of the patient's monthly household income. For bills from healthcare professionals, the limit is 2 percent of the monthly household income.

EC/hj/hg