

1 A MEMORIAL

2 REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO DIRECT
3 LEGISLATIVE FINANCE COMMITTEE STAFF TO CONDUCT A STUDY ON THE
4 COLLECTION, BILLING, CHARGING AND FINANCIAL ASSISTANCE
5 PRACTICES OF ALL OF THE HOSPITALS IN NEW MEXICO TO RECOMMEND
6 IMPROVEMENTS TO THE STATE'S INDIGENT CARE SYSTEM.

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8 WHEREAS, according to the New Mexico health insurance
9 exchange, approximately thirteen and one-tenth percent of
10 New Mexico's population, or two hundred seventy-three
11 thousand one hundred forty-nine New Mexico residents, do not
12 have health insurance after the implementation of the federal
13 Patient Protection and Affordable Care Act, also known as
14 "the ACA" or "Obamacare"; and

15 WHEREAS, some uninsured residents are not required to
16 obtain health insurance because they are exempt under the ACA
17 due to a hardship or for other reasons; and

18 WHEREAS, people who are uninsured often must forgo
19 needed health care services, have less access to preventive
20 care and behavioral health services and are likely to have
21 medical debt; and

22 WHEREAS, medical debt has been a major cause of
23 bankruptcy nationwide and poses a significant obstacle for
24 residents to gain financial security and build assets that
25 benefit the community; and

1 WHEREAS, even with federal tax credits and subsidies,
2 health insurance remains unaffordable for low-income families
3 with incomes less than two hundred percent of the federal
4 poverty level; and

5 WHEREAS, many hospitals receive public funds from the
6 state and federal governments, including from the safety net
7 care pool, federal disproportionate share hospital funds,
8 county mill levy funds and tax exemptions to provide charity
9 care to New Mexico's low-income and uninsured populations;
10 and

11 WHEREAS, New Mexico's hospitals that receive public
12 funds have an obligation to serve and provide care to the
13 state's uninsured residents; and

14 WHEREAS, under state law, hospitals receiving safety net
15 care pool funds must have written financial assistance
16 policies that are publicized; and

17 WHEREAS, the ACA requires nonprofit hospitals to assess
18 community health needs, limit financial charges to uninsured
19 indigent patients and make financial assistance policies
20 widely available to their patients; and

21 WHEREAS, many hospitals fail to publicize their
22 financial assistance programs in accordance with state and
23 federal law and often provide limited programs that do not
24 cover needed medical services; and

25 WHEREAS, hospitals routinely send the accounts of

1 low-income patients to collections for unpaid hospital bills,
2 including the accounts of patients with health insurance who
3 cannot afford their deductibles, copays or co-insurance; and

4 WHEREAS, financial assistance programs are not
5 standardized for every hospital, creating a fragmented health
6 care system in the state that hinders access to health care
7 for low-income and uninsured patients;

8 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
9 STATE OF NEW MEXICO that the legislative finance committee be
10 requested to direct its staff to conduct a study on hospital
11 collection, billing, charging and financial assistance
12 policies and ways to improve the indigent care system to
13 reduce collections, improve financial assistance and increase
14 access to care for low-income, uninsured and underinsured
15 patients; and

16 BE IT FURTHER RESOLVED that the legislative finance
17 committee be requested, as part of its study on the indigent
18 care system, to direct its staff to include a review of
19 current hospital practices and policy options for improving
20 hospital financial services statewide; and

21 BE IT FURTHER RESOLVED that every hospital in New Mexico
22 be requested to cooperate with the legislative finance
23 committee by providing data on revenues; public funding
24 received; amounts spent on uncompensated care, including bad
25 debts and charitable care; financial assistance policies and

1 procedures; billings and collections policies and practices;
2 and any other information the committee deems necessary to
3 conduct its study; and

4 BE IT FURTHER RESOLVED that the legislative finance
5 committee direct its staff to present a report and
6 recommendations for improving the state's indigent care
7 system to the legislative finance committee and the
8 legislative health and human services committee by
9 October 1, 2016; and

10 BE IT FURTHER RESOLVED that copies of this memorial be
11 transmitted to the governor, the chair and vice chair of the
12 legislative finance committee, the chair and vice chair of the
13 legislative health and human services committee, the director
14 of the legislative finance committee and the executive
15 director of the New Mexico hospital association. _____

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