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HOUSE MEMORIAL 36

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

Roger E. Montoya

A MEMORIAL

REQUESTING THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE
TO HOLD A HEARING ON HOSPITAL CHARGES FOR NEW MEXICO'S
UNINSURED PATIENTS AND FOR THE HUMAN SERVICES DEPARTMENT TO
REPORT ON NEW MEXICO HOSPITALS' USE OF PUBLIC FUNDS AND
PROVISIONS FOR FINANCIAL ASSISTANCE FOR UNINSURED PATIENTS.

WHEREAS, the coronavirus disease 2019 pandemic has
demonstrated that every person should be able to access health
care when it is needed and that an inability to access health
care threatens the health of not only the individual but also
the community at large; and

WHEREAS, access to affordable, quality health insurance is
critical to ensuring that patients can receive necessary
medical treatment and health care; and

WHEREAS, two hundred fourteen thousand New Mexico

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1 residents did not have health insurance in 2020, according to
2 statistics from the urban institute; and

3 WHEREAS, according to the asset funders network, nearly
4 one in four New Mexico residents have medical debt in
5 collections; and

6 WHEREAS, the Kaiser family foundation and the *New York*
7 *Times* found that patients with medical debt are nearly three
8 times more likely to postpone necessary health care; and

9 WHEREAS, when patients postpone necessary health care,
10 their medical conditions may worsen, become more expensive to
11 treat and require the use of more hospital and public
12 resources; and

13 WHEREAS, according to the most recent available estimate,
14 New Mexico's nonprofit hospitals realized approximately fifty-
15 five million dollars (\$55,000,000) in tax benefits in 2011,
16 which accounts for their federal, state and local tax
17 exemptions, charitable contributions and tax-exempt bond
18 financing; and

19 WHEREAS, many New Mexico hospitals receive public funds
20 from state and federal governments, including from the safety
21 net care pool, federal disproportionate share hospital funds
22 and county indigent funds to provide financial assistance to
23 low-income or uninsured patients; and

24 WHEREAS, the legislative finance committee reported that
25 in 2015, New Mexico hospitals submitted applications for more

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1 than one hundred twenty-two million dollars (\$122,000,000) in
2 uncompensated care reimbursement and received nearly thirty-two
3 million dollars (\$32,000,000) in federal disproportionate share
4 hospital funds and that New Mexico counties spent nearly sixty
5 million dollars (\$60,000,000) on uncompensated care through
6 their county indigent funds; and

7 WHEREAS, notwithstanding their receipt of public funds for
8 the care of uninsured or low-income patients, many New Mexico
9 hospitals still sue thousands of patients each year and pursue
10 other aggressive collection actions to collect on medical debt;
11 and

12 WHEREAS, reports filed with the federal internal revenue
13 service in 2019 show that on average, over thirty-five percent
14 of New Mexico nonprofit hospitals' bad debt is attributed to
15 patients who are low-income and would likely qualify for
16 financial assistance, with some hospitals reporting that up to
17 two-thirds of their bad debt can be attributed to patients who
18 would likely qualify for financial assistance; and

19 WHEREAS, the Patients' Debt Collection Protection Act
20 requires all New Mexico hospitals to report to the human
21 services department the amount of their bad debt that is
22 attributable to patients who would likely qualify for financial
23 assistance; and

24 WHEREAS, the Patients' Debt Collection Protection Act
25 requires all New Mexico hospitals to report to the human

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1 services department how they use safety net care pool funds,
2 county indigent funds and funds raised to pay for the cost of
3 operation and maintenance of county hospitals and the number of
4 low-income patients whose health care costs are supported with
5 these funds;

6 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
7 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the legislative
8 health and human services committee be requested to hold a
9 hearing concerning hospital charges for services provided to
10 uninsured New Mexico patients and that the human services
11 department be requested to report to the legislative health and
12 human services committee the following information for each
13 non-federal acute care or critical access hospital in New
14 Mexico:

15 A. state and federal funding received by the
16 hospital for the care of uninsured and low-income patients; and

17 B. the percentage of the hospital's bad debt
18 expense attributable to patients who would likely qualify for
19 its financial assistance policy; and

20 BE IT FURTHER RESOLVED that the human services department
21 be requested to collect the above information from each non-
22 federal acute care or critical access hospital in New Mexico
23 and report the collected information to the legislative health
24 and human services committee by July 1, 2022; and

25 BE IT FURTHER RESOLVED that the legislative health and

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1 human services committee be requested to hold a hearing
2 concerning hospital charges for services provided to uninsured
3 New Mexico patients by August 1, 2022, and to seek testimony
4 from the department of health, the human services department,
5 health care providers, hospital representatives, consumer
6 advocacy groups and other stakeholders; and

7 BE IT FURTHER RESOLVED that copies of this memorial be
8 transmitted to the secretary of health, the secretary of human
9 services and the chair and vice chair of the legislative health
10 and human services committee.