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

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

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

1 WHEREAS, when patients postpone necessary health care,
2 their medical conditions may worsen, become more expensive to
3 treat and require the use of more hospital and public
4 resources; and

5 WHEREAS, according to the most recent available
6 estimate, New Mexico's nonprofit hospitals realized
7 approximately fifty-five million dollars (\$55,000,000) in tax
8 benefits in 2011, which accounts for their federal, state and
9 local tax exemptions, charitable contributions and tax-exempt
10 bond financing; and

11 WHEREAS, many New Mexico hospitals receive public funds
12 from state and federal governments, including from the safety
13 net care pool, federal disproportionate share hospital funds
14 and county indigent funds to provide financial assistance to
15 low-income or uninsured patients; and

16 WHEREAS, the legislative finance committee reported that
17 in 2015, New Mexico hospitals submitted applications for more
18 than one hundred twenty-two million dollars (\$122,000,000) in
19 uncompensated care reimbursement and received nearly thirty-
20 two million dollars (\$32,000,000) in federal disproportionate
21 share hospital funds and that New Mexico counties spent
22 nearly sixty million dollars (\$60,000,000) on uncompensated
23 care through their county indigent funds; and

24 WHEREAS, notwithstanding their receipt of public funds
25 for the care of uninsured or low-income patients, many New

1 Mexico hospitals still sue thousands of patients each year
2 and pursue other aggressive collection actions to collect on
3 medical debt; and

4 WHEREAS, reports filed with the federal internal revenue
5 service in 2019 show that on average, over thirty-five
6 percent of New Mexico nonprofit hospitals' bad debt is
7 attributed to patients who are low-income and would likely
8 qualify for financial assistance, with some hospitals
9 reporting that up to two-thirds of their bad debt can be
10 attributed to patients who would likely qualify for financial
11 assistance; and

12 WHEREAS, the Patients' Debt Collection Protection Act
13 requires all New Mexico hospitals to report to the human
14 services department the amount of their bad debt that is
15 attributable to patients who would likely qualify for
16 financial assistance; and

17 WHEREAS, the Patients' Debt Collection Protection Act
18 requires all New Mexico hospitals to report to the human
19 services department how they use safety net care pool funds,
20 county indigent funds and funds raised to pay for the cost of
21 operation and maintenance of county hospitals and the number
22 of low-income patients whose health care costs are supported
23 with these funds;

24 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
25 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the

1 legislative health and human services committee be requested
2 to hold a hearing concerning hospital charges for services
3 provided to uninsured New Mexico patients and that the human
4 services department be requested to report to the legislative
5 health and human services committee the following information
6 for each non-federal acute care or critical access hospital
7 in New Mexico:

8 A. state and federal funding received by the
9 hospital for the care of uninsured and low-income patients;
10 and

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

14 BE IT FURTHER RESOLVED that the human services
15 department be requested to collect the above information from
16 each non-federal acute care or critical access hospital in
17 New Mexico and report the collected information to the
18 legislative health and human services committee by July 1,
19 2022; and

20 BE IT FURTHER RESOLVED that the legislative health and
21 human services committee be requested to hold a hearing
22 concerning hospital charges for services provided to
23 uninsured New Mexico patients by August 1, 2022, and to seek
24 testimony from the department of health, the human services
25 department, health care providers, hospital representatives,

1 consumer advocacy groups and other stakeholders; and

2 BE IT FURTHER RESOLVED that copies of this memorial be
3 transmitted to the secretary of health, the secretary of human
4 services and the chair and vice chair of the legislative
5 health and human services committee. _____

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