

1 SENATE JOINT MEMORIAL 8

2 49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

3 INTRODUCED BY

4 Dede Feldman

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9  
10 A JOINT MEMORIAL

11 REQUESTING THE SUPERINTENDENT OF INSURANCE TO CONDUCT A STUDY  
12 OF HEALTH CARE ADMINISTRATIVE COSTS IN THE STATE.

13  
14 WHEREAS, the world health organization of the united  
15 nations reports that more money per person is spent on health  
16 care in the United States than in any other nation in the  
17 world; and

18 WHEREAS, studies show that a significant portion of  
19 overall health care costs comes from administrative expenses;  
20 and

21 WHEREAS, Dr. Steffie Woolhandler and Dr. David Himmelstein  
22 report in *The New England Journal of Medicine* that these  
23 administrative costs consume thirty-one percent of health  
24 spending in the United States; and

25 WHEREAS, much of health care administration involves a

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1 duplication of efforts and a lack of coordination in setting  
2 standards; and

3 WHEREAS, health professional credentialing has been  
4 identified as a particularly cumbersome and duplicative process  
5 for many health professionals, resulting in expense and delay;  
6 and

7 WHEREAS, health care professionals are known to expend an  
8 enormous amount of resources verifying patient insurance  
9 eligibility and coverage; and

10 WHEREAS, due to variable implementation of health  
11 information technology, health care providers and insurers  
12 report that they must often maintain duplicative paper and  
13 electronic recordkeeping and billing systems at high cost; and

14 WHEREAS, nearly every health insurer has its own codes and  
15 procedures for processing health care claims, a plurality that  
16 costs health professionals and patients a great deal of  
17 annoyance and resources; and

18 WHEREAS, there is currently a plurality of standards  
19 applied in health care utilization review, as many individual  
20 insurers set their own standards;

21 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
22 STATE OF NEW MEXICO that the superintendent of insurance be  
23 requested to convene a health care administrative costs study  
24 group comprising experts in health care administration and  
25 finance, from both the public and private sectors, to do a

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1 study of administrative costs in New Mexico's private insurance  
2 market; and

3 BE IT FURTHER RESOLVED that the superintendent of  
4 insurance report the findings of the study conducted by the  
5 health care administrative costs study group to the legislative  
6 health and human services committee and the legislative finance  
7 committee by November 1, 2011; and

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