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SENATE MEMORIAL 37

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

Michael S. Sanchez

A MEMORIAL

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

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

WHEREAS, some uninsured residents are not required to  
obtain health insurance because they are exempt under the ACA

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1 due to a hardship or for other reasons; and

2 WHEREAS, people who are uninsured often must forgo needed  
3 health care services, have less access to preventive care and  
4 behavioral health services and are likely to have medical debt;  
5 and

6 WHEREAS, medical debt has been a major cause of bankruptcy  
7 nationwide and poses a significant obstacle for residents to  
8 gain financial security and build assets that benefit the  
9 community; and

10 WHEREAS, even with federal tax credits and subsidies,  
11 health insurance remains unaffordable for low-income families  
12 with incomes less than two hundred percent of the federal  
13 poverty level; and

14 WHEREAS, many hospitals receive public funds from the  
15 state and federal governments, including from the safety net  
16 care pool, federal disproportionate share hospital funds,  
17 county mill levy funds and tax exemptions to provide charity  
18 care to New Mexico's low-income and uninsured populations; and

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

22 WHEREAS, under state law, hospitals receiving safety net  
23 care pool funds must have written financial assistance policies  
24 that are publicized; and

25 WHEREAS, the ACA requires nonprofit hospitals to assess

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1 community health needs, limit financial charges to uninsured  
2 indigent patients and make financial assistance policies widely  
3 available to their patients; and

4 WHEREAS, many hospitals fail to publicize their financial  
5 assistance programs in accordance with state and federal law  
6 and often provide limited programs that do not cover needed  
7 medical services; and

8 WHEREAS, hospitals routinely send the accounts of low-  
9 income patients to collections for unpaid hospital bills,  
10 including the accounts of patients with health insurance who  
11 cannot afford their deductibles, copays or co-insurance; and

12 WHEREAS, financial assistance programs are not  
13 standardized for every hospital, creating a fragmented health  
14 care system in the state that hinders access to health care for  
15 low-income and uninsured patients;

16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
17 OF NEW MEXICO that the legislative finance committee be  
18 requested to direct its staff to conduct a study on hospital  
19 collection, billing, charging and financial assistance policies  
20 and ways to improve the indigent care system to reduce  
21 collections, improve financial assistance and increase access  
22 to care for low-income, uninsured and underinsured patients;  
23 and

24 BE IT FURTHER RESOLVED that the legislative finance  
25 committee be requested, as part of its study on the indigent

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1 care system, to direct its staff to include a review of current  
2 hospital practices and policy options for improving hospital  
3 financial services statewide; and

4 BE IT FURTHER RESOLVED that every hospital in New Mexico  
5 be requested to cooperate with the legislative finance  
6 committee by providing data on revenues; public funding  
7 received; amounts spent on uncompensated care, including bad  
8 debts and charitable care; financial assistance policies and  
9 procedures; billings and collections policies and practices;  
10 and any other information the committee deems necessary to  
11 conduct its study; and

12 BE IT FURTHER RESOLVED that the legislative finance  
13 committee direct its staff to present a report and  
14 recommendations for improving the state's indigent care system  
15 to the legislative finance committee and the legislative health  
16 and human services committee by October 1, 2016; and

17 BE IT FURTHER RESOLVED that copies of this memorial be  
18 transmitted to the governor, the chair and vice chair of the  
19 legislative finance committee, the chair and vice chair of the  
20 legislative health and human services committee, the director  
21 of the legislative finance committee and the executive director  
22 of the New Mexico hospital association.