NEW MEXICO
MEDICAL
SOCIETY

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2019 Legislative Session
"Surprise Billing"

Problem

Recently, local and national media have highlighted patient stories about receiving an outrageously large bill from a hospital/doctor for care given at or by an out-of-network facility/provider. Stories detail how babies have been born prematurely and unexpectedly when traveling through the state, or how an anesthesiologist is out sick, and the substitute doctor is not "in-network" and the patient never knows until they receive the "balance bill." These are heart-wrenching stories that illustrate how patients can be caught in between health providers, facilities, and health insurers.

Proposal

New Mexico Medical Society asks that a balance be struck between the need to pay physicians for their services and the right of health plans to negotiate reimbursement rates and create a network of contracted providers. The proposed bill neither encourages nor discourages providers and health insurers from negotiating contracts with each other, but it does keep the patient out of the middle when these negotiations are not successful.

NMMS and the NM Hospital Association have worked together with stakeholders over the last several years to find a solution to this avoidable problem.

Highlights

1. Only emergency care, including emergency department services rendered after the patient's emergency condition has stabilized, and inpatient services, if the patient is subsequently admitted to the hospital through the emergency department is addressed in the bill. By focusing on emergency care only, we avoid "any willing provider" which would detract from the business at hand.

2. Payment formula is the lowest of EITHER the amount proposed by the provider OR the average of 60%ile of physicians' billed charges and 50%ile of MCO's allowable amount for blended payment. The amounts are benchmarked to 12/31/17 so no one can "game the system" and artificially increase their rates. There is a cost of living increase in 2020 based on most recent consumer price index for medical care. By using both the billed charge and allowable amount, both the perspective of the provider and insurer are represented and respected.

3. Clean claims submitted electronically must be remitted within thirty days of the date of receipt and non-electronic clean claims must be paid within forty-five days or the insurer must pay six percent interest on the plan's liability.

4. Balance billing of a patient by the nonparticipating (out-of-network) provider is prohibited unless agreed to in writing by the patient.

NMMS supports the "surprise billing bill" as a straightforward and fair solution to what is commonly referred to as "surprise billing." The proposal addresses the needs of all four stakeholders in emergency care – the insurer, the facility, the provider, and, most importantly, the patient.

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