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Santa Fe, NM – New Mexico’s Superintendent of Insurance, John G. Franchini, announced today that legislation was introduced helping to protect New Mexico consumers from getting hit with surprise, out-of-network medical bills. The legislation seeks to strengthen current state consumer protections holding them harmless from surprise bills resulting from emergency out-of-network care. The legislation also creates new protections for consumers who receive surprise bills from out-of-network providers who provide services at in-network facilities without consumers’ advance knowledge or consent to the out-of-network charges.

A rise in consumer complaints about surprise medical bills due to out-of-network coverage prompted the Superintendent and his office to look further into the issue. After public forums, consumer and health advocate input, and stakeholder review groups, the legislation was developed, and OSI is very pleased that Representative Deborah A. Armstrong is carrying the legislation.

“New Mexicans need access to quality, affordable health care for themselves and their families,” Representative Deborah A. Armstrong said. “‘Surprise billing’ sends the cost of care through the roof and leaves families struggling to figure out how to pay for care they thought was covered. It’s time to stop ‘surprise billing’ so that New Mexico families can get the care they need at an affordable, predictable price.”

The newly introduced bill holds consumers harmless by taking them out of the process for determining out-of-network reimbursements for surprise medical bills – essentially treating consumers who inadvertently received out-of-network care as if they stayed in-network. Instead, it creates a fair and independent mediation process, which determines the appropriate reimbursement between health care providers and insurers without involving the consumers.

Under the legislation, a consumer will not be charged the out-of-network cost for a surprise bill if they did not have the opportunity to avoid it and stay in network. All health plans would be required to cover at the in-network cost any out-of-network provider bill for emergency services. Additionally, plans would need to process surprise non-emergency bills for provider services in a hospital or surgical facility where an in-network provider was unavailable, where the consumer was not informed in advance, or when a provider refers the consumer to an out-of-network provider without the consumer’s consent.
The legislation also requires enhanced disclosures from insurers, doctors, and hospitals, allowing consumers to more easily know which providers are out-of-network, how much to expect to pay for a scheduled procedure, and how much the insurer may cover. These disclosures will help prevent consumers from getting hit with surprise bills in the first place. This legislation will be in addition to existing insurance regulations that require all health plans to meet minimum standards for adequate provider networks before offering coverage. Under current regulations, all health plans may allow consumers to seek care from an out-of-network provider at the in-network cost-sharing rate if the insurer does not have an appropriate in-network provider available.

“New Mexico is introducing the nation’s strongest and most comprehensive protections against surprise medical bills. If passed and signed into law, this will be extensive protection for consumers,” said Superintendent Franchini. “We urge legislators to take action to protect residents from surprise billing, which we estimate impacts New Mexico consumers to the tune of millions of dollars per year. Through this new law, consumers will be able to avoid receiving most surprise medical bills, and avoid lengthy financial disputes when problems do arise.”

Consumers can currently receive assistance contesting surprise, out-of-network balance bills by filing complaints with the Superintendent of Insurance’s Managed Care Division. Consumers can reach the Managed Care Division by calling 1-855-4-ASK-OSI or completing the online complaint form here.

About the New Mexico Office of the Superintendent of Insurance
The Office of Superintendent of Insurance was created through New Mexico legislative action in 2012. Article XI, Section 20, of the New Mexico Constitution separated the Insurance Division from the Public Regulation Commission, with the Superintendent of Insurance, John G. Franchini, being appointed by an insurance nominating committee, made of members chosen by the Legislature, governor, and by committee members.

OSI remains committed to consumer protection and fraud prosecution and education, through our mission to provide convenient access to consumers to reliable insurance products which are underwritten by dependable and financially sound companies. We strive to ensure that these companies have a proven history of fair and reasonable rates and are represented by trustworthy and qualified agents.

For consumer assistance through the Office of Superintendent of Insurance, please visit www.osi.state.nm.us or call us at 1-855-427-5674.

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