



## **Legislation to Shield Consumers from Surprise Medical Bills Introduced** *Creating a Fair Process for Providers and Consumers*

**Santa Fe, NM** – New Mexico’s Superintendent of Insurance, John G. Franchini, announced that legislation was introduced this week 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 by 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.

A rise in consumer complaints about surprise medical bills due to out-of-network coverage prompted the Superintendent and his office to collaborate with the Robert Wood Johnson Foundation at the University of New Mexico in 2017 to conduct a [study](#) of consumers’ experiences with obtaining healthcare from inside and outside of their health plan’s network. The study found that approximately 20% of privately insured respondents received a surprise medical bill with higher rates for those who had surgery (36%) or had a visit to the emergency room (55%). Among individuals who received a surprise medical bill, 46% got a bill from a doctor they did not expect to get a bill from, 26% indicated that they received separate bills from multiple providers, and 28% stated that they were charged an out-of-network rate when they thought the provider was in-network.

Using the study results, public forums, consumer and health advocate input, and stakeholder review groups, the Office of Superintendent (OSI) further developed legislation and is very pleased that Representative Nathan Small ([HB 207](#)) and Senator Linda Lopez ([SB 337](#)) are carrying the bill.

“New Mexicans need access to quality, affordable health care for themselves and their families,” Representative Nathan Small said. “Surprise billing sends the cost of care through the roof and leaves families struggling to figure out how to pay for the 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.” Senator Lopez concurred, “Surprise billing hurts New Mexico families and it shouldn’t be a problem that anyone with health insurance should face. This legislation will help make sure that New Mexicans can recover from medical events without having to worry about unexpected medical costs.”

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 process for determining appropriate reimbursement between health care providers and insurers without involving the consumer.

The legislation also requires enhanced disclosures from insurers, doctors, and hospitals, allowing

consumers to more easily know which providers are out-of-network. 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 rules, 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 protection 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 with contesting surprise, out-of-network balance bills by filing complaints with OSI’s Managed Care Bureau by completing an online complaint form at [www.osi.state.nm.us](http://www.osi.state.nm.us) or by calling 1-855-4-ASK-OSI.

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