



S.B. 71: Patients' Debt Collection Protection Act: Protect New Mexicans from unfair medical debt

Sponsored by Senator Duhigg

All New Mexicans should get the healthcare they need without risking financial disaster.

We all need access to healthcare, but medical debt is an enormous burden on our community.

- One in 5 Americans are pursued by debt collectors for medical debts.
- 59% of all negative items on consumer credit reports are due to medical debt.
- The threat of insurmountable debt prevents families from seeking life-saving care.
- Thousands of patients across the state are being **sued for unpaid medical bills**—having their **wages garnished, liens placed on their homes, and their credit ruined**. For example, Carlsbad Medical Center made national headlines for suing thousands of patients. The hospital changed its practices, but other facilities continue to sue patients.¹

Hospitals benefit from public funds, while patients get stuck with the bills

- Hospitals get public funds through county indigent care, statewide safety net funds, and tax breaks, but routinely send low-income patients to collections or charge them unfairly.
- Families are still receiving bills for COVID-19 testing and treatment, despite several overlapping public sources of payment.

PROBLEM

Medical debt pushes consumers and their families into poverty.

Hospitals bill and send New Mexicans to collections even though many patients have insurance or qualify for coverage through public programs, and the hospital receives public funding that covers uncompensated care.

WHAT THIS BILL WILL DO

Prohibit collections actions, including lawsuits, against low-income patients who make only 200% of the Federal Poverty Level.

Make sure third-party medical providers who bill separately from hospitals are regulated the same way as the hospitals in which they work.

Require hospitals to screen patients for insurance and public programs and help them apply.

Require the NM Human Services Department to issue guidance to providers on billing public programs, prioritizing federal sources.

Require hospitals to publicly report how they used county indigent care funds.

¹ Laura Beil, "As Patients Struggle with Bills, Hospital Sues Thousands," New York Times, <https://nyti.ms/35SorFz>