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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/13/13

SPONSOR SFC LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Public Peace, Health, Safety & Welfare SB 608/SFCS

ANALYST Esquibel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	NFI	NFI	NFI

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB642/HHGACS

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

The Senate Finance Committee substitute for Senate Bill 608 (SB608/SFCS) proposes to limit non-compete covenants for certain healthcare professionals who are under contract to health businesses. The bill lays out conditions when purchasing a health care business, that non-compete covenants may not be enforced, including unduly interfering with the public interest in health care underserved areas of the state.

### FISCAL IMPLICATIONS

SB608/SFCS contains no appropriation.

### SIGNIFICANT ISSUES

The intent of the bill is to limit the instances where non-compete contractual covenants for health care professional may be enforced in an effort to increase the health professional workforce in New Mexico.

### TECHNICAL ISSUES

SB608/SFCS does not prohibit non-compete covenants, but limits the instances where the

covenants would be enforceable, while potentially opening these instances to litigation.

**OTHER SUBSTANTIVE ISSUES**

In areas of the state where non-compete covenants have been utilized, the following issues have been sited:

- Areas have been classified as health care professional shortage areas;
- Health care practitioners relocate away from the community;
- Patients relocate away from their communities to maintain access to health care professionals.

RAE/blm