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FISCAL IMPACT REPORT

SPONSOR Ingle ORIGINAL DATE 3/6/19
LAST UPDATED _____ HB _____
SHORT TITLE Medical licensure requirements SB 448
ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 629

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Medical Board (MB)

Office of the Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Bill

Senate Bill 448 would require of physicians, as a condition of licensure under the Medical Practice Act (Section 61-6 NMSA 1978) and coverage through the Patient Compensation Fund set up by the Medical Malpractice Act (Section 41-5-25 NMSA 1978), that each be a member of “the state professional society that provides administrative services for the New Mexico medical review commission (NM MRC).”

The Medical Board is charged with developing guidelines to encourage physicians to volunteer as panelists with the NM MRC and as expert witnesses in malpractice cases.

FISCAL IMPLICATIONS

There is no appropriation. No fiscal implications have been identified.

SIGNIFICANT ISSUES

The 1976 Medical Malpractice Act, enacted because of a perceived crisis affecting physicians in New Mexico, established the Medical Review Commission (NM MRC) and the patient compensation fund (PCF). The NM MRC, to be composed of equal numbers of volunteer attorneys and volunteer physicians, was formed to review each malpractice case before it reached a court. Although the MRC decision reached in each case was and is not final, it often has the effect of either leading to suits being withdrawn or settled. As noted by the Medical Board, it has been difficult to recruit enough volunteer physicians to meet NM MRC demand.

The PCF receives income from surcharges on medical malpractice insurance issued to providers in New Mexico and pays the difference between the covered person's liability, capped at \$200 thousand and the total cap on a malpractice verdict or settlement, currently \$600 thousand.

The Medical Malpractice Act, Section 41-5 NMSA 1978, specifies the malpractice act covers "health care providers in New Mexico." In Section 41-5-3, "health care provider" is defined as "doctor of medicine, hospital, outpatient health care facility, doctor of osteopathy, chiropractor, podiatrist, nurse anesthetist or physician's assistant." Only doctors of medicine are eligible for membership in the New Mexico Medical Society, the organization that provides administrative services for the NM MRC; it is unclear how the new provision in this bill would affect licensure of the other professions listed.

The Office of Superintendent of Insurance has stated it "believes that increasing the number of available panelists and expert witnesses available would assist the Medical Review Commission in expeditiously holding hearings." MB agrees, stating the Medical Review Commission is "currently threatened with an increased volume of practitioners (insureds) and of malpractice cases. SB448 was written with the goal in mind of bringing the Medical Malpractice Act itself up to date, as well as its funding mechanisms. A review of the Medical Malpractice Act leads to the conclusion that the time for reform has definitively arrived."

RELATIONSHIP with HB629, which affects medical malpractice, increasing the caps for individuals and for "business entities."

LAC/gb/sb