



Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

HB 72 requires the Health Care Authority to promulgate and enforce minimum nursing staff-to-patient ratios in licensed hospitals. HB 72 creates an eleven member “staffing advisory committee” that will advise the Health Care Authority on matters relating to nurse staffing. HB 72 requires a hospital to comply with the nursing staff ratios established by the HCA pursuant to advisory committee recommendations and provides for potential civil action by any person or organization, including the Health Care Authority, for injunctive relief. HB 72 contains an emergency clause and will therefore take effect immediately.

#### **FISCAL IMPLICATIONS**

HB 72 has the potential to significantly increase operating costs at University of New Mexico Hospital (UNMH) and its Sandoval Regional Medical Center (SRMC) campus. Analysis assumes that the ratios promulgated by the staffing advisory committee could require additional nurse staffing costing up to \$80.94M and additional unlicensed staff staffing of up to \$17.84M in FY27, for a total increase in staffing costs of \$98.78M in FY27. The FY 27 fiscal impact assumes rules are effective July 1, 2026.

It is important to note that the fiscal impact estimate does not include administrative penalties or legal costs associated with the private right of action, both of which impose significant additional costs on hospitals.

#### **SIGNIFICANT ISSUES**

Hospitals currently have the flexibility under the direction of their Chief Nursing Officer to staff nurses and unlicensed personnel as appropriate and needed based on the hospital’s census, acuity, and staffing availability. Mandated staffing ratios are by definition less flexible. Hospitals subject to rigid ratios may be forced to bring in additional nursing and unlicensed personnel, including more expensive contract labor to fill the required positions, even if the Chief Nursing Officer and nurse leaders do not find that the hospital’s census and acuity necessitate that level of staffing.

This bill fails to consider the challenges New Mexico hospitals face in recruiting and retaining qualified healthcare professionals. The healthcare industry is experiencing a significant workforce shortage and imposing staffing committees that will ultimately determine hospital staffing requirements will exacerbate this issue. Hospitals need the flexibility to allocate limited resources where they are most needed, rather than being constrained by prescriptive staffing plans.

Chief Nursing Officers (CNO) play crucial roles in ensuring that hospitals meet CMS Conditions of Participation (CoP) related to nurse staffing. Minimum, specific and numerical staffing ratios

defined by a committee may conflict with CMS conditions of participation regarding CNO responsibilities.

There is little evidence that patient outcomes are significantly different for patients in states that have introduced mandatory ratios.<sup>1</sup>

The New Mexico Health Care Workforce Report (2023) finds that the number of RNs and CNSs practicing in New Mexico remains nearly 6,000 nurses below national benchmarks. Mandating staffing and removing the autonomy of hospital nursing leaders to make decisions in the best interest of patient care will contribute to higher levels of moral distress and burnout among nursing leaders, at a time when the nursing workforce is struggling to recover from the impacts of the Covid-19 pandemic.

Hospitals have safe harbor processes in place pursuant to New Mexico's safe harbor law (NM Stat § 61-3A-3), which enables nursing staff to invoke safe harbor when there are concerns about safe staffing, empowering frontline staff to communicate directly with leadership in real time so that immediate solutions can be implemented.

Only 4 of the 11 members of the Advisory Committee are chief nursing officers or hospital administrators. Two are from labor organizations representing employees in a public or private hospital. Only 3 New Mexico hospitals currently have collective bargaining agreements, limiting the pool from which the committee members representing labor could be drawn.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

Section 4 C 2 g include no definition of "moderate complexity laboratory tests." It is not clear if this would include point of care testing.

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**

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<sup>1</sup> Law, A. C., Stevens, J. P., Hohmann, S., & Walkey, A. J. (2018). Patient Outcomes After the Introduction of Statewide ICU Nurse Staffing Regulations. *Critical care medicine*, 46(10), 1563–1569. <https://doi.org/10.1097/CCM.0000000000003286>