

LFC Requester:

Eric Chenier

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 2/21/25

Check all that apply:

Bill Number: HB552Original  Correction Amendment  Substitute Sponsor: Rep. FerraryShort Medical CorporationTitle: Accountability Act

Agency Name

and Code

HCA 630

Number:

Person Writing Dan LanariPhone: 505-475-2261 Email Dan.lanari@hca.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	None	None

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	None	None	None	None	None

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: This bill requires hospital to disclose information of their ownership status to the Health Care Authority and requires the agency annually report that information to the legislature. Additionally, this bill prohibits private equity funds and hedge funds from interfering with the professional judgement of health care providers.

#### **FISCAL IMPLICATIONS**

None

#### **SIGNIFICANT ISSUES**

[8.370.3 NMAC](#) (Health Facility Licensure Fees and Procedures) already requires hospitals to provide to the Health Care Authority ownership status at time of initial licensure and with any change of ownership. This bill extends that requirement to include reporting be done annually and adds reporting requirements such as executive salaries. It also requires that the Health Care Authority report this information to the legislature. This bill does not specify, if any, enforcement actions or fines that would occur with a failure to report.

Section 4 outlines prohibitions related to private equity fund or hedge fund involvement with decisions of health care providers. This section is significantly broad and lacks clarity for enforcement. As written, the bill includes all health care providers. The Health Care Authority, specifically the Division of Health Improvement, has regulatory oversight of health care facilities, but not of individual practitioners or health care providers. Defining what would be interference of professional judgement and scope of practice would require input and potentially oversight from the respective clinical boards, such as the Medical Board, which this bill does not outline.

#### **PERFORMANCE IMPLICATIONS**

NA

#### **ADMINISTRATIVE IMPLICATIONS**

The Health Care Authority would need to promulgate revised rules of [8.370.3 NMAC](#) (Health Facility Licensure Fees and Procedures) and [8.370.12 NMAC](#) (Requirements for Acute Care, Limited Services, and Special Hospitals) to align with the additional requirements. Additionally, enforcement for failure to report would need to be determined.

Significant revisions would be required to align to Section 4 of this bill. As mentioned above, the Health Care Authority does not have oversight of individual health care professionals, therefore, there would be potential conflict with provisions that already exist within those respective clinical boards.

No IT impact.

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

None

## **TECHNICAL ISSUES**

None

## **OTHER SUBSTANTIVE ISSUES**

Although [New Mexico](#) has fewer private equity-owned hospitals (17 facilities) compared to other states, NM has the highest proportion of private equity-backed hospitals in the U.S. at 38%.

A 2023 study published in [JAMA](#) examined 662,095 hospitalizations at 51 private equity–acquired hospitals and 4,160,720 hospitalizations at 259 matched control hospitals using 100% Medicare Part A claims data. Private equity acquisition was associated with a 25.4% increase in hospital-acquired conditions, which was driven by falls and central line–associated bloodstream infections. Medicare beneficiaries at private equity hospitals were modestly younger and less likely to have dual eligibility for Medicare and Medicaid.

A 2025 study analysis published in [JAMA](#) examined 73 private equity–acquired hospitals and 293 matched control hospitals and their performance measures related to patient care experience. The analysis found patient care experience worsened after private equity acquisition of hospitals, as did patient-reported staff responsiveness. The difference in these measures of patient care experience at private equity–acquired hospitals compared with matched control hospitals increased with each subsequent year after acquisition.

## **ALTERNATIVES**

None

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

Status quo

## **AMENDMENTS**

- Specify penalties or corrective actions for hospitals failing to comply with reporting requirements.
- Provide clearer guidelines on what constitutes interference in clinical decision-making and which regulatory body (HCA or medical licensing boards) is responsible for oversight.
- Explicitly define how HCA’s role aligns with professional licensing boards regarding individual provider protections.