

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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(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: _____ *Check all that apply:*
Bill Number: HB72 HJCSub Original Correction
 Amendment Substitute

Sponsor: Rep. Eleanor Chavez **Agency Name and Code** HCA 630
Short Title: Minimum Nursing Staff-to-Patient Ratios **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.00	\$0.00	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.00	\$0.00	\$0.00	Nonrecurring	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$1,007.5	\$1,007.5	\$2,015.0	Recurring	State General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: **HB 72 is similar to HB 145 introduced in 2024 and HB236 introduced in the 2023 legislative session**

Duplicates/Relates to Appropriation in the General Appropriation Act: Not known

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 72 proposes that the Health Care Authority (HCA) promulgate and enforce minimum nursing staff-to-patient ratios in licensed hospitals; create a staffing advisory committee; require licensed hospitals to develop, train and implement staffing ratio policies and procedures; and requires staffing ratio violation penalties.

HB72 declares an emergency.

FISCAL IMPLICATIONS

The Health Care Authority (HCA) Division of Health Improvement (DHI) estimates it would require both the addition of a new data reporting system application to track and manage the information, as well as the need for additional staff (16.5 FTE) to provide oversight to conduct surveys and complaint investigations and administrative support for those activities.

- HCA estimates that a new data management and reporting system will need to be developed and implemented to collect and manage the data. It is unknown what the cost of such an application would be.
- HCA estimates it would take 4.0 FTE health care surveyors to survey 50 hospitals annually for compliance with the Act and posted staffing for each hospital unit.
- While the number of complaints of violations of HB72 requirements is unknown, the HCA bases FTE estimates 200 complaint investigations, including necessary follow-ups, per year. HCA estimates it would take an additional 1 FTE complaint intake specialist, and 10 FTE nurse surveyors to investigate complaints annually.
- HCA estimates it would take a 0.50 FTE attorney to participate in or respond to court filings for injunctive relief.
- HCA estimates it would take 1.0 FTE annually to develop and maintain the HCA website for posting hospital reports, analyzing data and reporting performance, managing records requests, and associated tasks.
- Computer hardware for each additional FTE.
- Phone services for each additional FTE
- IT services and enterprise applications and subscriptions for each additional FTE
- Office space for each additional FTE
- Rule promulgation and hearing costs

# of FTE	Division	Title	Range	Hourly rate	Annual Salaries	Insurance Rate Bi-weekly	Group Insurance	PERA	FICA	RHC	Total Benefits	TOTAL Cost	FFP*	GF Need	FF Need	Notes	
14	DHI	REGISTERED NURSE LEVEL	NH	40.45	#####	192.89	71,600	227,500	90,500	23,600	413,200.00	1,595,600	50%	797,800	797,800		
1	DHI	HEALTHCARE SURVYR-O	65	29.99	62,600.00	192.89	5,100	12,000	4,800	1,300	23,200.00	85,800	50%	42,900	42,900		
0.5	DHI	ATTORNEY 3	LH	52.07	54,400.00	192.89	2,600	10,500	4,200	1,100	18,400.00	72,800	50%	36,400	36,400		
1	DHI	MGT ANALYST-A	65	29.99	62,600.00	192.89	5,100	12,000	4,800	1,300	23,200.00	85,800	50%	42,900	42,900		
16.5	TOTAL SALARIES & BENEFITS					1,382,000	771.56	84,400	282,000	104,300	27,300	478,000	1,840,000		920,000	920,000	

Other Operating Costs:	per person	3 fte	GF	FF
542100 - Instate M & F	200	3,300	1,650	1,650
542200 - Instate M & L	600	9,900	4,950	4,950
544100 - Office Supplies	1,200	19,800	9,900	9,900
544900 - Invent Exempt	5,600	92,400	46,200	46,200
548600 - Telecomm	3,000	49,500	24,750	24,750
	10,600	174,900	87,450	87,450

*Federal Match Rate if applicable, please enter % on these cells

formula not working*

	IC	GF	FF
TOTAL Salaries and Benefits	2,014,900	1,007,450	1,007,450

SIGNIFICANT ISSUES

There are existing Centers for Medicare and Medicaid Services (CMS) requirements for participation in Medicare and Medicaid, that dictates “adequate” number of staffing.

[Medicare and Medicaid Programs: Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting Final Rule \(CMS 3442-F\) | CMS](#)

Currently, in accordance with CMS, the Director of Nursing (DON) makes decisions about nurse staffing levels and is responsible for determining the type and number of nursing staff necessary to provide nursing care for all areas of the hospital. Determining appropriate staffing for any given unit or facility is complex and should consider many variables including, but not limited to: patient complexity and needs; the experience, education, qualifications, skills and competency of available staff; shift-to-shift variables; and patient turnover. However, staffing committees as referenced in this bill are not in conflict with the CMS guidelines.

HB72 would allow an aggrieved person to file a complaint for violations of any provision of the Act, require the Division of Health Improvement to investigate the complaints, and require the Division of Health Improvement to take appropriate action to ensure the hospital complies. Currently, the Division of Health Improvement has rules that prescribe a complaint process for anyone to submit allegations of abuse, neglect, or exploitation in licensed health facilities. The Division of Health Improvement acts based on the potential harm to a patient. This Act would significantly expand the existing complaint process for hospitals. While it is not possible to predict the volume of complaints, the process to receive, analyze the allegations, prioritize, assign, investigate, write up and enforce all complaints would have a significant administrative and fiscal impact on the Division of Health Improvement.

HB72 would allow the Attorney General or an aggrieved or potentially aggrieved party, including the HCA, to file suit in any district court to obtain injunctive relief.

Any suit filed would require a response from the Division of Health Improvement, which would take attorney and program staff time to participate, to answer, move to dismiss or defend against an injunction. These suits can be filed under circumstances that only require “whenever it appears” as the level of proof.

Existing HCA regulation (NMAC 8.370.12.27.C Nursing Services: Staffing) addresses appropriate staffing for a hospital requiring the following: “1) An adequate number of professional registered nurses shall be on duty at all times to meet the nursing care needs of the patients. There shall be qualified supervisory personnel for each service or unit to ensure adequate patient care management; 2) The number of nursing personnel for all patient care services of the hospital shall

be consistent with the nursing care needs of the hospital's patients; 3) The staffing pattern shall ensure the availability of professional registered nurses to assess, plan, implement and direct the nursing care for all patients on a 24-hour basis."

The bill references that HCA may have one nonvoting advisory member. Due to HCA being responsible for promulgating the rule, a nonvoting position on the committee may create challenges in the event the committee develops recommendations that are in conflict with CMS regulations, state regulations, or impractical to enforce. HCA co-chairing or becoming a voting member on the committee may help prevent these conflicts.

PERFORMANCE IMPLICATIONS

New Mexico is [experiencing a critical nursing shortage](#) and it may be impossible for facilities to comply with the provisions of HB72.

DHI does not have an existing performance measure around this workload. HB72 will impact the current workload of the Division of Health Improvement. It will require the promulgation of new regulations and require an additional 16.5 FTE to monitor compliance, process and investigate complaints, and enforcement actions.

There is evidence on the positive impact of nurse/patient ratios on patient outcomes. One study showed that reducing the number of patients assigned to a nurse by one patient reduced mortality, reduced rate of readmissions, and shortened length of stay. Overall, it was a positive return on investment in this study. Another study also found that lower nurse/patient ratios improve outcomes and has a positive return on investment, but also found that it improves nurse retention, an important factor in a state with a nurse shortage.

<https://pubmed.ncbi.nlm.nih.gov/33989553/>

<https://pmc.ncbi.nlm.nih.gov/articles/PMC8655582/>

California has a state law on nurse/patient staffing ratios. The research on the impact of California's law shows that nurses on average care for 1-2 fewer patients than nurses in other states. It has had an overall positive impact on the mortality of patients in California hospitals. It also showed burnout and job dissatisfaction were lower in California when compared to other states. Recent research from California also found nurse/patient staffing ratios increased the amount of observed RN hours per patient day or increased the amount of time nurses spent on direct patient care.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2908200/>

<https://pmc.ncbi.nlm.nih.gov/articles/PMC9007864/>

Another performance implication to consider is the impact on the nursing workforce in New Mexico. A recent systemic review provides evidence that nurse/patient ratios positively affected overall job satisfaction and reduced occupational injuries and illnesses of nurses and licensed practical nurses.

<https://pmc.ncbi.nlm.nih.gov/articles/PMC9291075/>

Financial implications hospitals are an additional performance implication due to the potential need to add more clinical staff to their payroll budget. An 8-year study out of California evaluated hospital margins along with the implementation of mandated nurse/patient staffing ratios. The study was unable to determine a relationship between a decline in hospital margins and mandated

nurse/patient staffing ratios.

<https://www.chcf.org/wp-content/uploads/2017/12/PDF-AssessingCANurseStaffingRatios.pdf>

ADMINISTRATIVE IMPLICATIONS

- Promulgate rules, monitor, investigate complaints of alleged violations.
- Onsite surveys
- Create staffing advisory committee
- Ensure hospital policy and implementation for staffing ratios

Monitoring compliance with HB72 would be a new and additional workload. Currently, the Division of Health Improvement surveys hospitals either upon initial licensure of the hospital, when directed to do so by CMS, or when a state complaint is received. The Division of Health Improvement would need additional staff to monitor compliance with all requirements of HB72 and investigate complaints. Funds would be needed for salary and benefits, as well as rent, supplies, equipment, communication, travel, cars, copying, and information technology for new staff. Contract funds would also be needed to cover the costs of fair hearings for contested civil monetary penalties and other sanctions imposed by The Division of Health Improvement to enforce the provisions of the Act. Additional attorney time would be needed to participate in or respond to court filings for injunctive relief.

The estimated IT costs include: laptop computer, smartphone, and standard Microsoft Office applications for each of the new staff outlined above. The numbers are included in the operating budget tables. HB72 takes effect immediately, however it is assumed that costs will not be incurred until state fiscal year 2026. A 50/50 federal fund to general fund split is assumed as that is what the table indicated for the other costs.

As noted above, a new data management and reporting system will need to be developed and implemented to ensure that hospitals have a way to track and report their staffing levels to demonstrate compliance with the rules outlined in this bill. Detailed discovery sessions will be necessary to capture the requirements of this system before a cost and timeline could be estimated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 72 conflicts with Federal staffing ratios for hospitals are established by the Nurse Staffing Standards for Hospital Patient Safety and Quality Care Act²³.

[0423_Ratios_Federal_FactSheet.pdf](#)

[S.1567 - 117th Congress \(2021-2022\): Nurse Staffing Standards for Hospital Patient Safety and Quality Care Act of 2021 | Congress.gov | Library of Congress](#)

Section 5 (E) proposes

"The requirements of this section or any rules adopted pursuant to this 2025 act may be enforced by a civil action brought by any interested person or organization for injunctive relief to enforce the provisions of this section or any rules adopted hereunder. In the event such a suit is at least partially successful, the court may award the interested person or

organization litigation costs and reasonable attorney fees."

This is redundant under tort allowances. This low bar could increase litigation in an area in which New Mexico has been in critical need and has been in an ongoing flux in spite of extensive public and private measures undertaken to attract and keep critical medical staff.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

Studies show that Hospital staffing ratios, particularly nurse-to-patient ratios, can have positive impacts on the quality of care and patient outcomes.

[Evidence that Reducing Patient-to-Nurse Staffing Ratios Can Save Lives and Money | National Institute of Nursing Research](#)

[The Impact of Nurse-Patient Ratios on Patient Outcomes: A Systematic Review of evidence-based Practices | Journal of International Crisis and Risk Communication Research](#)

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None