

LFC Requester:	Allegra Hernandez, PhD
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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: 1/24/25 *Check all that apply:*
Bill Number: SB 14 Original Correction
 Amendment Substitute

Sponsor: Sen. Duhigg **Agency Name and Code:** NM Hospital Association
Short Title: Health Care Consolidation & Transparency Act **Number:** _____
Person Writing: Julia Ruetten
Phone: 505-340-9489 **Email:** jruetten@nmhsc.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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

Comments from the New Mexico Hospital Association:

The New Mexico Hospital Association (NMHA), on behalf of our 47 community hospital members statewide, has significant concerns with Senate Bill 14 – Health Care Consolidation & Transparency Act, as introduced. Our state is experiencing an access to care crisis and there is a real likelihood that SB 14 will add additional, burdensome pressure to our already fragile healthcare system. New Mexico has one of the nation’s lowest numbers of hospital beds per 1,000 residents ([source](#)) and has bucked the national trend of hospital closures with a hospital last closing in the late 1990s – due in large part to responsible management decisions, therefore it is important that this legislation strike the appropriate balance between oversight and supporting a healthcare market where future investment can be made without unnecessary barriers.

Recognizing the important role hospitals fill in the communities they serve, we understand that some governmental oversight of hospital ownership changes may prove beneficial for the public good, but legislation must be appropriately narrow in scope (see the broad definition of “transaction” in Section 2) so as not to discourage investment and innovation that will help address our access to care needs. The scope of the oversight outlined in SB 14 is far-reaching and extends beyond oversight and could reduce interest in new investments to improve access. NMHA cannot support SB14 at this time as it will further hurt access to care in our state.

The scope of the oversight should only focus on addressing transactions that result in the change of majority control of a hospital. Independent provider groups should be excluded from this Act to preserve the important points of care they provide for patients throughout New Mexico. With the scope as broad as it is in SB 14, investors and healthcare providers will be discouraged from entering our state. Additionally, the bill should not apply to new health care entities, regardless of projected revenue, as it does in Section 3(b)(3).

Hospitals are not able to support the confidentiality provisions in Section 4. Due to the highly sensitive nature of the materials required to be submitted to the OSI, it is incredibly important that the materials are treated as fully confidential and exempt from the Inspection of Public Records Act (as they are in the existing Health Care Consolidation Oversight Act).

We support the detailed timeline provisions and public input process outlined in Sections 5 and 7-9. These provide clear expectations for transacting parties and the public at large.

It is vital that amendments narrow and simplify the applicability of the bill and recognize the importance of the confidentiality of business operations and transaction agreements to the transacting parties so as not to negatively impact access to care by further limiting interest in investing in New Mexico resulting in an even more dire access situation.

We believe that the 2024 Health Care Consolidation Oversight Act has, to this point, provided the Office of the Superintendent of Insurance with the tools necessary to review transactions involving the change in ownership of hospitals operating in New Mexico and we do not see a

need to significantly expand the scope or authority granted in the law at this time.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS