

LFC Requester: _____

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: 2/20/25 *Check all that apply:*
Bill Number: SB449 Original Correction
 Amendment Substitute

Sponsor: Sen Scott **Agency Name and Code** HCA-630
Short Title: Medical Malpractice – Venue and Claims **Number:** _____
Person Writing M. Reynolds
Phone: _____ **Email** Mark.reynolds@hca.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	

(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	\$0.0	\$0.0	\$0.0	NA	

(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:

In general, Senate Bill 449 (SB449) limits venue in medical malpractice lawsuits to the county in which the underlying medical services took place.

Re-defines “occurrence” to include all health providers who contributed to the harm of a single patient, thereby reducing multiple claims against multiple providers.

Caps the maximum annual increase to the maximum recovery for malpractice claims to 3%. Changes the maximum recovery adjustment to a three-year average of the CPI index, rather than matching the index year-to-year.

Limits payments of awards for past or future medical care and related benefits from the patient safety improvement fund to actual payments for medical services, accepted by a provider as payment. Such payments are to be made only as they occur. No lump sum payments for past or future medical care.

Provides for 75% of punitive damages awarded to go the patient safety improvement fund, 25% to prevailing party.

FISCAL IMPLICATIONS

No fiscal impact for the Health Care Authority (HCA).

SIGNIFICANT ISSUES

Reducing potential liability for medical malpractice claims could possibly increase the number of providers in the State and increase access to Medicaid covered services. A 2019 study by the Congressional Budget Office concluded that changes to malpractice liability laws intended to decrease the liability of physicians and other medical providers have an ambiguous potential effect on overall health care spending with perhaps a small decrease in the amount of spending on Medicaid patients. CBO Working Paper 2019-03.

PERFORMANCE IMPLICATIONS

None for the HCA.

ADMINISTRATIVE IMPLICATIONS

None for the HCA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None known

TECHNICAL ISSUES

None for the HCA.

OTHER SUBSTANTIVE ISSUES

None for the HCA.

ALTERNATIVES

None suggested.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None