

1 SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
2 SENATE BILL 450

3 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

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10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE CORPORATE PRACTICE OF  
12 MEDICINE ACT.

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
16 cited as the "Corporate Practice of Medicine Act".

17 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
18 Corporate Practice of Medicine Act:

19 A. "federally qualified health center" means a  
20 health facility that the United States department of health and  
21 human services has deemed to qualify for federal funds as a  
22 federally qualified health center;

23 B. "health care entity" means a person that  
24 provides or supports the provision of health care services to  
25 patients in New Mexico, including a hospital, a health care

1 provider, an in-state or out-of-state telemedicine provider, a  
2 health care staffing company, a health care provider  
3 organization, a health care facility, a management services  
4 organization or an organization of health care providers or  
5 facilities; provided that "health care entity" does not mean a  
6 federally qualified health center or an independent health care  
7 practice;

8 C. "health care facility" means a hospital or other  
9 facility licensed by the health care authority to provide  
10 health care services in a health care setting, including an  
11 inpatient facility; a health system consisting of one or more  
12 health care entities that are jointly owned or managed; an  
13 ambulatory surgery or treatment center; a residential treatment  
14 center; a diagnostic, laboratory or imaging center; a  
15 freestanding emergency facility's outpatient clinic or  
16 rehabilitation facility; a hospice center; a long-term care  
17 facility; and other therapeutic health settings; provided that  
18 "health care facility" does not include an adult daycare  
19 facility, a freestanding birth center, a child care facility or  
20 a shelter care home;

21 D. "health care provider" means a person certified,  
22 registered, licensed or otherwise authorized pursuant to state  
23 law to perform or provide health care services to individuals  
24 in the state;

25 E. "health care services" means the care,

1 prevention, diagnosis, treatment or relief of an illness,  
2 injury, disease or other medical, dental, mental or behavioral  
3 health or substance use disorder condition, including:

4 (1) inpatient, outpatient, habilitative,  
5 rehabilitative, dental, palliative, home health, hospice or  
6 mental or behavioral health services provided by a health care  
7 entity; and

8 (2) retail and specialty pharmacy services,  
9 including provision of drugs;

10 F. "health care staffing company" means a person  
11 engaged in the business of providing, procuring for employment  
12 or contracting health care personnel for a health care  
13 facility; provided that "health care staffing company" does not  
14 include an individual who independently provides the  
15 individual's own services to a health care facility as an  
16 employee or a contractor;

17 G. "hospital" means a hospital licensed by the  
18 health care authority but does not include a state-owned  
19 special hospital operated by the department of health;

20 H. "independent health care practice" means a  
21 health care provider organization entirely owned or controlled  
22 by one or more health care providers who are individuals and  
23 who provide health care services through the health care  
24 provider organization to patients in New Mexico;

25 I. "long-term care facility" means a nursing home

1 licensed by the health care authority to provide intermediate  
2 or skilled nursing care;

3 J. "management services organization" means a  
4 person that contracts with a health care entity to perform or  
5 provide personnel to perform all or substantially all of the  
6 administrative or management services relating to supporting or  
7 facilitating the provision of health care services; and

8 K. "telemedicine provider" means a provider who  
9 uses telecommunications and information technology to provide  
10 clinical health care from a distance to evaluate, diagnose and  
11 treat patients in real time or asynchronously.

12 SECTION 3. [NEW MATERIAL] PROHIBITIONS.--

13 A. A health care entity shall not indirectly or  
14 directly interfere with, control or otherwise direct the  
15 professional judgment or clinical decisions of a health care  
16 provider except as required by licensing and accreditation.

17 B. A health care entity doing business in this  
18 state shall not interfere with the professional judgment of a  
19 health care provider making health care decisions, including  
20 any of the following:

- 21 (1) determining what diagnostic tests are  
22 appropriate for a particular condition;
- 23 (2) determining the need for referrals to, or  
24 consultation with, another licensed health care provider;
- 25 (3) being responsible for the ultimate overall

1 care of the patient, including treatment options available to  
 2 the patient; and

3 (4) determining how many patients a health  
 4 care provider shall see in a given time period.

5 SECTION 4. [NEW MATERIAL] PRIVATE RIGHT OF ACTION--  
 6 DAMAGES--ENFORCEMENT BY ATTORNEY GENERAL.--

7 A. A person who has suffered injury by reason of an  
 8 act or practice in violation of the Corporate Practice of  
 9 Medicine Act may sue in district court. Upon a showing that  
 10 the Corporate Practice of Medicine Act is being or has been  
 11 violated and a showing that the plaintiff has suffered injury,  
 12 the court may award damages, punitive damages and injunctive  
 13 relief and shall award the cost of the suit, including  
 14 reasonable attorney fees.

15 B. Whenever the attorney general has reasonable  
 16 belief that a health care entity or its employees or agents are  
 17 engaging in or about to engage in an act or practice in  
 18 violation of the Corporate Practice of Medicine Act and  
 19 enforcement proceedings would be in the public interest, the  
 20 attorney general may bring an action in the name of the state  
 21 alleging violations of that act. An enforcement action by the  
 22 attorney general may be brought in the district court of the  
 23 county in which the health care entity or its employees or  
 24 agents that allegedly are engaging in or about to engage in an  
 25 act or practice in violation of the Corporate Practice of

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underscored material = new  
 [bracketed material] = delete

1 Medicine Act reside or have their principal place of business  
2 or in the district court in any county in which the health care  
3 entity or its employees or agents allegedly are engaging in,  
4 have engaged in or are about to engage in an act or practice in  
5 violation of the Corporate Practice of Medicine Act. In an  
6 action filed by the attorney general pursuant to the Corporate  
7 Practice of Medicine Act, the attorney general may petition the  
8 district court for temporary or permanent injunctive relief and  
9 restitution. The attorney general acting on behalf of the  
10 state shall not be required to post bond when seeking a  
11 temporary or permanent injunction in an action brought pursuant  
12 to this section.

13 C. The relief provided in this section is in  
14 addition to remedies otherwise available pursuant to common law  
15 or other New Mexico statutes.

16 SECTION 5. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2025.