

1 SENATE BILL 14

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE HEALTH CARE CONSOLIDATION
12 AND TRANSPARENCY ACT; PROVIDING OVERSIGHT OF ACQUISITIONS,
13 MERGERS, AFFILIATIONS AND OTHER TRANSACTIONS THAT INVOLVE
14 DIRECT OR INDIRECT CHANGES OF CONTROL OR ASSETS OF HOSPITALS
15 AND OTHER HEALTH CARE ENTITIES; PROVIDING POWERS AND DUTIES;
16 PROVIDING FOR PRELIMINARY AND COMPREHENSIVE REVIEWS OF PROPOSED
17 TRANSACTIONS; PROVIDING FOR APPROVAL, APPROVAL WITH CONDITIONS
18 OR DISAPPROVAL OF PROPOSED TRANSACTIONS; LIMITING
19 CONFIDENTIALITY; PROVIDING PROTECTIONS FOR WHISTLEBLOWERS;
20 PRESCRIBING PENALTIES.

21
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

23 SECTION 1. A new section of the New Mexico Insurance
24 Code, Section 59A-63-9 NMSA 1978, is enacted to read:

25 "59A-63-9. [NEW MATERIAL] SHORT TITLE.--Sections 59A-63-9

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1 through 59A-63-24 NMSA 1978 may be cited as the "Health Care
2 Consolidation and Transparency Act".

3 SECTION 2. A new section of the New Mexico Insurance
4 Code, Section 59A-63-10 NMSA 1978, is enacted to read:

5 "59A-63-10. [NEW MATERIAL] DEFINITIONS.--As used in the
6 Health Care Consolidation and Transparency Act:

7 A. "acquisition" means the direct or indirect
8 purchase or other procurement in any manner, including through
9 a lease, a license, a transfer, an exchange, an option, a
10 proxy, receipt of a conveyance and creation of a joint venture,
11 of all or substantially all of the assets, equity or operations
12 of a person;

13 B. "affiliate" means:

14 (1) a person that directly, indirectly or
15 through one or more intermediaries controls, is controlled by
16 or is under common control or ownership of another person;

17 (2) a person whose business is operated under
18 a lease, management, license or similar agreement by another
19 person; or a person that has all or substantially all of the
20 person's property operated under a lease, management, license
21 or similar agreement by another person;

22 (3) a person that operates the business or
23 substantially all of the property of another person under a
24 lease, management, operating, license or similar agreement; or

25 (4) a person that is a significant equity

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1 investor in another person;

2 C. "affiliation" means a business arrangement in
3 which one person directly or indirectly is controlled by, is
4 under common control with or controls another person;

5 D. "authority" means the health care authority;

6 E. "control" means the possession of the power to
7 direct or cause the direction of the management and policies of
8 a person, in whole or in substantial part, whether directly or
9 indirectly, through the ownership of voting securities, through
10 licensing or franchise agreements, by contract or otherwise and
11 includes the terms "controlling", "controlled by" and "under
12 common control with";

13 F. "essential services" means health care services
14 covered by the state medicaid program, health care services
15 that are required to be included in health plans pursuant to
16 state or federal law or health care services that are required
17 to be included in qualified health plans offered through the
18 New Mexico health insurance exchange;

19 G. "health care entity" means a person that
20 provides health care services to patients in New Mexico,
21 including a hospital, a health care provider, an in-state or
22 out-of-state telemedicine provider, a health care provider
23 organization, a health care facility or an organization of
24 health care providers or facilities;

25 H. "health care facility" means a hospital or other

1 facility licensed by the authority to provide health care
2 services in a health care setting, including inpatient
3 facilities; health systems consisting of one or more health
4 care entities that are jointly owned or managed; ambulatory
5 surgery or treatment centers; residential treatment centers;
6 diagnostic, laboratory and imaging centers; freestanding
7 emergency facilities' outpatient clinics; and rehabilitation
8 and other therapeutic health settings; provided that "health
9 care facility" does not include adult daycare facilities,
10 freestanding birth centers, skilled nursing facilities,
11 intermediate care facilities, boarding homes, child care
12 facilities or shelter care homes;

13 I. "health care provider" means a person certified,
14 registered, licensed or otherwise authorized under state law to
15 perform or provide health care services to individuals in the
16 state;

17 J. "health care provider organization" means a
18 person that is in the business of delivering or managing the
19 delivery of health care services, whether incorporated or not,
20 including physician organizations, physician-hospital
21 organizations, independent practice associations, provider
22 networks, accountable care organizations, dental services
23 organizations and any other organization that contracts with
24 health insurers for payment for health care services;

25 K. "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, including
9 provision of drugs;

10 L. "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, but "health care staffing company" does not include
14 an individual who independently provides the individual's own
15 services to a health care facility as an employee or
16 contractor;

17 M. "health insurer" means a person required to be
18 licensed or subject to the Insurance Code in connection with
19 the business of health insurance or health care, excluding
20 insurance producers;

21 N. "hospital" means a hospital licensed by the
22 authority but does not include state-owned special hospitals
23 operated by the department of health;

24 O. "independent health care practice" means a
25 health care provider organization entirely owned or controlled

1 by one or more health care providers who are individuals and
2 who provide health care services through the health care
3 provider organization to patients in New Mexico;

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

9 Q. "office" means the office of superintendent of
10 insurance;

11 R. "party" means a person taking part in a
12 transaction subject to the Health Care Consolidation and
13 Transparency Act;

14 S. "person" means an individual, an association, an
15 organization, a partnership, a firm, a syndicate, a trust, a
16 corporation, a private equity fund, a hedge fund, a publicly
17 traded company, a real estate investment trust, a management
18 services organization or other legal entity;

19 T. "private equity fund" means a publicly traded or
20 nonpublicly traded company that collects capital investments
21 from persons and purchases a direct or indirect ownership or
22 controlling interest in another person;

23 U. "revenue" means gross revenue;

24 V. "significant equity investor" means:

25 (1) a private equity fund with a direct or

1 indirect ownership or investment interest in a health care
2 entity;

3 (2) a private equity fund or other investor,
4 group of investors or other person with a direct or indirect
5 beneficial ownership or the power to vote fifteen percent or
6 more of the equity or receive fifteen percent or more of the
7 profits of a health care entity; or

8 (3) a private equity fund or other investor,
9 group of investors or other person with a direct or indirect
10 controlling interest in a health care entity or that operates
11 the business or substantially all of the property of a health
12 care entity under a lease, management or operating agreement;

13 W. "superintendent" means the superintendent of
14 insurance;

15 X. "telemedicine provider" means a provider who
16 uses telecommunications and information technology to provide
17 clinical health care from a distance to evaluate, diagnose and
18 treat patients in real time or asynchronously; and

19 Y. "transaction" means any of the following that
20 involves a health care entity:

21 (1) a merger with a health care entity or with
22 a person controlling a health care entity;

23 (2) an acquisition of a health care entity or
24 a person controlling a health care entity;

25 (3) an affiliation, agreement or other

1 arrangement that results in a change of control of a health
2 care entity;

3 (4) an affiliation, agreement or other
4 arrangement that results in a change of control of a hospital,
5 department, division or subsidiary that provides health care
6 services;

7 (5) an affiliation, agreement or other
8 arrangement between a health care entity, other than an
9 independent health care practice, and a management services
10 organization;

11 (6) an affiliation, agreement or other
12 arrangement that may eliminate or significantly reduce
13 essential services in New Mexico;

14 (7) an affiliation, agreement or other
15 arrangement with or resulting in the formation of a
16 corporation, a partnership, a joint venture, an accountable
17 care organization, a trust, a management services organization
18 or other non-health-care entity that has the authority to
19 negotiate or administer contracts with persons that write
20 health insurance as that term is defined in the Insurance Code,
21 including third-party administrators, medicaid managed care
22 organizations or health care providers; or

23 (8) a real estate sale, lease, license,
24 transfer or other agreement involving a material amount of real
25 estate assets of a hospital."

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1 SECTION 3. A new section of the New Mexico Insurance
2 Code, Section 59A-63-11 NMSA 1978, is enacted to read:

3 "59A-63-11. [NEW MATERIAL] APPLICABILITY--EXEMPTIONS--
4 PROVISIONS ADDITIONAL--CONTROL PRESUMPTIONS.--

5 A. The oversight power of the office pursuant to
6 the Health Care Consolidation and Transparency Act does not
7 apply to:

8 (1) the formation of a new independent health
9 care practice;

10 (2) the merger, acquisition or change in
11 control of an existing independent health care practice if it
12 is going to remain an independent health care practice
13 following such merger, acquisition or change in control; or

14 (3) a joint venture or an affiliation between
15 two or more independent health care practices.

16 B. The oversight power of the office pursuant to
17 the Health Care Consolidation and Transparency Act applies only
18 to proposed transactions that involve one or more parties,
19 whether or not domiciled or otherwise located in New Mexico
20 that:

21 (1) involve a New Mexico hospital;

22 (2) with respect to health care entities that
23 are not hospitals, involve an existing health care entity or
24 the creation of a new health care entity that will be doing
25 business in New Mexico and at least:

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1 (a) one party to the transaction had
2 average annual revenue of forty million dollars (\$40,000,000)
3 or more in the immediately preceding three years; or

4 (b) in the case of a new health care
5 entity, is projected to have at least twenty million dollars
6 (\$20,000,000) in average annual revenue over the first three
7 years of operation or at least twenty million dollars
8 (\$20,000,000) in annual revenue in at least three of the first
9 five years of operation; and

10 (c) in either case, at normal levels of
11 operation or utilization; or

12 (3) with respect to health care entities that
13 are not hospitals where the monetary thresholds set forth in
14 Paragraph (2) of this subsection are not met, is the latest of
15 a series of transactions within the previous five-year period
16 that involves the acquisition, merger or change in control of
17 health care entities in New Mexico in transactions involving
18 one or more of the same controlling parties.

19 C. The Health Care Consolidation and Transparency
20 Act does not apply to:

21 (1) collaborations on clinical trials,
22 graduate medical education programs, other health professions'
23 training programs, health sciences training programs or other
24 education or research programs;

25 (2) federally qualified health centers or

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1 health care providers that meet the requirements of the federal
2 health resources and services administration's health center
3 program but do not receive program funding;

4 (3) the hiring, offer of employment, agreement
5 or contract with an independent health care practice,
6 individual physician or other individual health care provider
7 to provide health care services;

8 (4) an employer that is not a health care
9 entity that provides payment for health care services provided
10 to its employees;

11 (5) transactions in which the health care
12 entity directly, or indirectly through one or more
13 intermediaries, already controls, is controlled by or is under
14 common control with all other parties to the transaction;

15 (6) a change in control of a hospital
16 resulting from the election of new members of the governing
17 body of a public hospital or the appointment of new members of
18 a governing body of a public hospital by the governor or other
19 elected official or elected body; and

20 (7) nonconsecutive agreements between or on
21 behalf of a health care staffing company and another health
22 care entity to provide health care providers to the health care
23 entity for a period not to exceed twelve months and that do not
24 renew, extend or replace another substantially similar
25 agreement with the same health care staffing company that would

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1 result in the provision of health care providers for more than
2 twelve months.

3 D. Control is presumed to exist if a person
4 directly or indirectly owns, controls or holds fifteen percent
5 or more of the power to vote or holds proxies representing
6 fifteen percent or more of the voting securities of any other
7 person. This presumption may be rebutted by a showing in the
8 manner provided by Section 59A-37-19 NMSA 1978 that control
9 does not in fact exist. After furnishing all persons-in-
10 interest notice and an opportunity to be heard, the
11 superintendent may determine that control exists in fact,
12 notwithstanding the absence of a presumption to that effect if
13 the determination is based on specific findings of fact in its
14 support."

15 SECTION 4. A new section of the New Mexico Insurance
16 Code, Section 59A-63-12 NMSA 1978, is enacted to read:

17 "59A-63-12. [NEW MATERIAL] CONFIDENTIALITY.--

18 A. All documents, materials and supporting
19 information submitted to the office as part of a proposed
20 transaction are public records and subject to the provisions of
21 the Inspection of Public Records Act, except as provided in
22 this section.

23 B. If a party believes that information contained
24 in the notice of proposed transaction contains a trade secret
25 as provided in the Uniform Trade Secrets Act or Subsection D of
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1 this section, the party shall:

2 (1) at the time the information is submitted
3 to the office, submit a written request for designation of the
4 information as a trade secret in the manner prescribed by the
5 office;

6 (2) identify with particularity the
7 information to be designated as a trade secret; and

8 (3) submit the information at issue in a
9 separate filing from information submitted that does not
10 contain trade secrets and clearly mark each page that contains
11 a trade secret with the term "trade secret"; provided that if a
12 document contains both trade secret information and
13 non-trade-secret information, the submitting party shall redact
14 the trade secret information from the document and identify it
15 in the separate filing.

16 C. If the office determines that the information
17 meets the standard for a trade secret as provided in the
18 Uniform Trade Secrets Act or Subsection D of this section, the
19 office shall maintain the confidentiality of the information.
20 If the office shares confidential information with another
21 state agency or an outside expert, that agency or outside
22 expert is also bound by the confidentiality provided in this
23 section and any other applicable confidentiality provisions of
24 state law.

25 D. Solely for purposes of implementing the Health
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1 Care Consolidation and Transparency Act, to the extent not
2 already included in the Uniform Trade Secrets Act, the
3 following shall be considered trade secret information and
4 shall remain confidential:

5 (1) financial statements that are not
6 otherwise publicly available;

7 (2) provider reimbursement rates negotiated
8 between or on behalf of a health insurer or other payer and a
9 health care provider; and

10 (3) amounts paid by contract or through an
11 employment agreement to individual employees of health care
12 entities, including benefits.

13 E. Copies of material agreements between the
14 parties related to a transaction setting forth the negotiated
15 terms and conditions of the transaction and signed by the
16 parties shall not be public records until thirty days after the
17 effective date of the transaction."

18 SECTION 5. A new section of the New Mexico Insurance
19 Code, Section 59A-63-13 NMSA 1978, is enacted to read:

20 "59A-63-13. [NEW MATERIAL] TIMING OF REVIEW OF NOTICE AND
21 TOLLING.--

22 A. A notice of a proposed transaction shall be
23 deemed complete by the office on the date when all of the
24 information required by the Health Care Consolidation and
25 Transparency Act is submitted by all parties to the

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1 transaction. The office shall notify the parties in writing if
2 the notice is incomplete and more information must be
3 submitted. If the office does not notify the parties that the
4 notice is incomplete, the notice shall be deemed complete
5 fifteen days after the notice was filed. The office may
6 request additional information or documents at any time before
7 completion of its review, regardless of whether the notice is
8 complete.

9 B. Should the scope of the proposed transaction be
10 significantly modified from that outlined in the initial
11 notice, the time periods set out in the Health Care
12 Consolidation and Transparency Act shall be restarted by the
13 office.

14 C. No later than sixty days after receiving a
15 complete notice of a proposed transaction, the office shall
16 complete its preliminary review.

17 D. If the office determines that a comprehensive
18 review is necessary, the office shall complete the
19 comprehensive review in accordance with Section 59A-63-16 NMSA
20 1978 within ninety days or within one hundred eighty days if an
21 administrative hearing is required as provided in that section.

22 E. If the office determines that an administrative
23 hearing is required, the office shall make its final
24 determination in accordance with Section 59A-63-16 NMSA 1978
25 within thirty days following an administrative hearing.

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1 F. The time periods provided in this section shall
2 be tolled during any time in which the office has requested and
3 is awaiting further information from the parties to a
4 transaction necessary to complete its review."

5 SECTION 6. A new section of the New Mexico Insurance
6 Code, Section 59A-63-14 NMSA 1978, is enacted to read:

7 "59A-63-14. [NEW MATERIAL] NOTICE OF PROPOSED
8 TRANSACTION--GENERAL PROVISIONS--CONSULTATIONS--EXPERTS--
9 PAYMENT OF COSTS.--

10 A. The parties to a proposed transaction shall
11 submit to the office at least sixty days prior to the
12 anticipated effective date of the proposed transaction a
13 written notice of the proposed transaction in the form and
14 manner prescribed by the office along with an attestation as to
15 the accuracy and completeness of the notice by the officers who
16 will be the signatories to the material transaction documents
17 or other appropriate officer of each party acceptable to the
18 office.

19 B. Unless otherwise determined by the
20 superintendent, the parties shall be jointly and severally
21 responsible for and shall pay, within thirty days of invoice by
22 or on behalf of the office, the reasonable costs and expenses
23 of the professional services of outside experts incurred by the
24 office in the performance of the office's or the authority's
25 duties pursuant to the Health Care Consolidation and

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1 Transparency Act. The office shall notify parties of the
2 identity of such outside experts.

3 C. Entry into a binding agreement before a
4 transaction is effectuated is not a violation of the Health
5 Care Consolidation and Transparency Act if the transaction
6 remains subject to regulatory review and approval.

7 D. The notice of the proposed transaction shall
8 include information required by the office to perform its
9 duties under the Health Care Consolidation and Transparency Act
10 in a form and manner prescribed by the office; such information
11 shall include at a minimum:

12 (1) a list of the parties and the identifying
13 information required for reporting in Subsection A of Section
14 59A-63-20 NMSA 1978;

15 (2) a summary of the material terms and copies
16 of all transaction agreements between any of the parties;

17 (3) a statement describing the goals of the
18 proposed transaction and the anticipated impact on the current
19 and future provision of essential services in New Mexico;

20 (4) a list of the health care entities and
21 their geographic service areas that will be affected by the
22 proposed transaction;

23 (5) a description of the patients, employees
24 and other persons who are likely to be affected by the
25 transaction;

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1 (6) a description of whether and how the
2 proposed transaction is anticipated to impact current and
3 future wages, benefits, working conditions, employment
4 protections and restrictions and other terms and conditions of
5 employment for employees of the New Mexico health care entities
6 that are parties to, or the subject of, the proposed
7 transaction;

8 (7) a summary of the essential services
9 currently provided by applicable New Mexico health care
10 entities and the other parties; commitments of the parties and
11 the health care entity to continue those services; and
12 essential services that will be added, reduced or eliminated,
13 including an explanation of why any services will be reduced or
14 eliminated in the service area in which they are currently
15 provided;

16 (8) a summary of the plans of the parties with
17 respect to any real estate owned by the health care entity
18 following the closing of the transaction;

19 (9) organizational charts for each of the
20 parties to the proposed transaction identifying all of the
21 direct and indirect parents, subsidiaries and affiliates of
22 each of the parties, including any significant equity
23 investors; and

24 (10) copies of all agreements between any of
25 the parties related to the proposed transaction, including any

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1 memoranda of understanding, letters of intent or other
2 documents setting forth the negotiated terms and conditions of
3 the proposed transaction, signed by parties to the proposed
4 transaction.

5 E. The office shall consult with the authority
6 about the potential effect of the proposed transaction and
7 incorporate the authority's review into the office's final
8 determination.

9 F. The office shall provide all notices and
10 documents received from any of the parties to a proposed
11 transaction to the authority and the attorney general. The
12 attorney general may provide input to the office about the
13 potential effect of the proposed transaction relative to the
14 Antitrust Act, the Unfair Practices Act or other state or
15 federal law.

16 G. The office may consult with any other state
17 agency to the extent that agency has expertise related to the
18 proposed transaction or the communities or populations that may
19 be affected by the transaction.

20 H. The office may retain actuaries, accountants,
21 attorneys or other professionals who are qualified and have
22 expertise in the type of transaction under review as necessary
23 to assist the office in conducting its review of the proposed
24 transaction.

25 I. The parties shall not effectuate a transaction

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1 without the superintendent's written determination that no
2 comprehensive review is needed or without the written approval,
3 with or without conditions, of the superintendent following a
4 comprehensive review. If the approval following a
5 comprehensive review contains conditions, the parties shall
6 comply with such conditions. The submitting party shall notify
7 the office in a form and manner prescribed by the office when
8 the transaction has been effectuated.

9 J. The office may waive the requirement of a
10 preliminary or comprehensive review of a transaction if there
11 is an emergency situation that threatens access to essential
12 services and the transaction is urgently needed to protect the
13 interest of patients and other consumers of health care
14 services. The office, by rule, shall establish the procedures
15 for requesting an emergency waiver and establishing the need
16 for such waiver. The office may request the parties to the
17 transaction to submit documents to establish the need for an
18 emergency waiver. Once the request for an emergency waiver and
19 any documents requested by the office are received, the office
20 shall issue its determination within fourteen days, subject to
21 the tolling provisions of Subsection F of Section 59A-63-13
22 NMSA 1978.

23 K. Parties to a proposed transaction may request a
24 pre-notice conference to determine if they are required to file
25 a notice or to discuss the potential extent of the review. The

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1 office shall schedule the pre-notice conference within thirty
2 days of the request.

3 L. Nothing in the Health Care Consolidation and
4 Transparency Act shall amend, modify, abrogate or otherwise
5 affect the applicability of or obligations of a party to a
6 transaction under any other state or federal law. The filing
7 obligations under that act are in addition to any other
8 obligation that may be required under other laws."

9 SECTION 7. A new section of the New Mexico Insurance
10 Code, Section 59A-63-15 NMSA 1978, is enacted to read:

11 "59A-63-15. [NEW MATERIAL] PRELIMINARY REVIEW OF PROPOSED
12 TRANSACTIONS.--

13 A. No later than sixty days after receiving a
14 complete notice of a proposed transaction, the office shall
15 complete a preliminary review.

16 B. The purpose of the preliminary review is to
17 determine whether the proposed transaction should receive a
18 comprehensive review by the office.

19 C. To determine whether the transaction should be
20 subject to comprehensive review, the office shall consider
21 whether the transaction:

22 (1) is in the interest of patients and
23 consumers of health care services;

24 (2) is necessary to maintain the solvency of a
25 health care entity;

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1 (3) may have negative effects on the
2 availability, accessibility, affordability or quality of health
3 care for patients and other consumers of health care services,
4 including the reduction or elimination of essential services;

5 (4) may have negative effects on current and
6 future wages, benefits, working conditions, employment
7 protections and restrictions and other terms and conditions of
8 employment for employees of the New Mexico health care entities
9 that are parties to the proposed transaction;

10 (5) may impose practice restrictions on health
11 care providers; and

12 (6) has such other factors as the office deems
13 necessary or appropriate to complete its preliminary review.

14 D. The office shall also consider the experience,
15 competence and integrity of the parties that will acquire
16 control following the transaction and each person who controls
17 such parties.

18 E. Following the conclusion of the preliminary
19 review, the office shall notify the parties in writing that:

20 (1) a comprehensive review is not required and
21 they may proceed with the transaction, subject to the post-
22 closing reporting requirements set forth in Section 59A-63-20
23 NMSA 1978; or

24 (2) the transaction is subject to a
25 comprehensive review and include the reasons for that

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1 determination."

2 SECTION 8. A new section of the New Mexico Insurance
3 Code, Section 59A-63-16 NMSA 1978, is enacted to read:

4 "59A-63-16. [NEW MATERIAL] COMPREHENSIVE REVIEW OF
5 PROPOSED TRANSACTIONS.--

6 A. If the office determines that a comprehensive
7 review is necessary, the office shall confer with the authority
8 and the attorney general and complete the review within ninety
9 days following its determination that a comprehensive review is
10 necessary; provided that if after review the office is
11 considering disapproval of the proposed transaction, the office
12 shall hold an administrative hearing before the superintendent
13 makes the final decision.

14 B. The superintendent shall notify the submitting
15 party in writing of the office's determination that a
16 comprehensive review is necessary and the reasons for the
17 determination.

18 C. The review period may be extended if the parties
19 agree to an extension.

20 D. The office may request additional information
21 from any of the parties as needed to conduct the comprehensive
22 review of a proposed transaction, and the parties shall
23 promptly reply using the form of communication requested by the
24 office and verified by an officer of the party if required by
25 the office.

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1 E. The office shall conduct or have conducted a
2 public comment forum as provided in Section 59A-63-17 NMSA
3 1978.

4 F. In conducting a comprehensive review of a
5 proposed transaction, the office may consider the likely effect
6 in New Mexico of the proposed transaction on:

7 (1) the potential reduction of, elimination
8 of, loss of or material change in access to essential services;

9 (2) the availability, accessibility and
10 quality of current and future health care services and health
11 care provider networks to any community affected by the
12 transaction, including the accessibility of culturally
13 responsive care;

14 (3) the quality of current and future health
15 care services provided to any of the communities affected by
16 the transaction;

17 (4) the health care market share of a party
18 and whether the transaction is likely to foreclose competitors
19 of a party from a segment of the market or otherwise likely to
20 increase barriers to entry in a health care market;

21 (5) the labor market and competition for
22 health care workers;

23 (6) wages, salaries, benefits and working
24 conditions of employees of health care entities that are
25 parties to the transaction;

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1 (7) changes in practice restrictions for
2 licensed health care providers who work at the hospital;

3 (8) employment protections, restrictions and
4 other terms and conditions of employment for employees of
5 health care entities that are parties to the transaction;

6 (9) contract provisions involving labor
7 conditions that are required to comply with state and federal
8 law;

9 (10) patient and payer costs;

10 (11) the potential for the proposed
11 transaction to affect health outcomes for New Mexico residents;

12 (12) cost trends and containment of total
13 state health care spending;

14 (13) access to services in medically
15 underserved areas;

16 (14) quality, incident and similar reports or
17 filings and related litigation involving any of the health care
18 entities owned by any of the parties that will acquire control
19 following the transaction and each person who controls such
20 parties or their provision of health care services within or
21 without New Mexico that is relevant to an understanding of the
22 availability, accessibility, affordability or quality of care
23 or coverage in the markets served by such health care entities,
24 parties or persons;

25 (15) whether the transaction is contrary to or

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1 violates any applicable law; and

2 (16) such other factors the office deems
3 necessary or appropriate to complete its comprehensive review.

4 G. Following completion of the comprehensive review
5 of factors provided for in Subsection F of this section, the
6 receipt of recommendations from the authority, the attorney
7 general and other state agencies consulted and input from
8 public forums and other public comments, the office shall
9 approve the proposed transaction, with or without conditions,
10 unless the office finds that an administrative hearing is
11 necessary to consider disapproval of the proposed transaction
12 because of a substantial likelihood of:

13 (1) a significant reduction in the
14 availability, accessibility, affordability or quality of care
15 for patients and consumers of health care services; or

16 (2) any anticompetitive effects from the
17 proposed transaction that outweigh the benefits of the
18 transaction.

19 H. The superintendent shall make a final
20 determination to approve the proposed transaction with or
21 without conditions or disapprove the proposed transaction
22 within thirty days after the administrative hearing and explain
23 in writing the basis for that determination."

24 SECTION 9. A new section of the New Mexico Insurance
25 Code, Section 59A-63-17 NMSA 1978, is enacted to read:

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1 "59A-63-17. [NEW MATERIAL] POSTING PUBLIC
2 INFORMATION--PUBLIC COMMENT--PUBLIC COMMENT FORUMS.--

3 A. Within ten days of receipt of a complete notice
4 of a proposed transaction, consistent with the confidentiality
5 provisions of Section 59A-63-12 NMSA 1978, the office shall
6 post on its website:

7 (1) the summaries, descriptions and statements
8 provided in the written notice; and

9 (2) details about how to submit comments
10 regarding the transaction.

11 B. Whenever a new notice of proposed transaction is
12 complete and published on the office's website, the office
13 shall publish a statement briefly describing the notice of
14 proposed transaction, the opportunity for interested parties to
15 provide public comment on the proposed transaction and
16 information on how to review public information and submit
17 public comment to the office regarding the proposed
18 transaction. The office shall publish the statement in at
19 least one newspaper of general circulation or other media that
20 is prevalent in the area affected by the transaction. The
21 office shall also provide the statement to municipal and county
22 officials; Indian nations, tribes or pueblos; military
23 installation commands; state legislators and the state's
24 congressional delegation; any labor organization that
25 represents employees of the impacted health care entity; and

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1 county health councils in the area affected by the transaction.

2 C. The office shall provide multiple methods for
3 the public to provide comments on a notice of proposed
4 transaction by telephone or in writing by mail or electronic
5 mail, anonymously or by a third party; such methods shall
6 provide opportunities to submit comments in languages other
7 than English.

8 D. If the office conducts a comprehensive review,
9 at least one public comment forum shall be held in the New
10 Mexico service area or areas of the New Mexico health care
11 entities that are parties to the proposed transaction.

12 E. At least ten calendar days prior to a public
13 comment forum, the office shall post to the office's website
14 information about the public comment forum and a link on the
15 website to materials relevant to the proposed transaction. The
16 forum notice and the materials shall be in a format that is
17 easy to find and easy to read and include information on how to
18 submit comments.

19 F. The office shall publish the notice of a public
20 comment forum in at least one newspaper of general circulation
21 or other media that is prevalent in the area affected by the
22 transaction. The office shall provide the notice of a public
23 comment forum to municipal and county officials; Indian
24 nations, tribes or pueblos; military installation commands;
25 state legislators and the state's congressional delegation; any

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1 labor organization that represents employees of the affected
2 health care entity; and county health councils in the area
3 affected by the transaction.

4 G. Public comment on a proposed transaction that is
5 subject to comprehensive review shall be provided in the same
6 manner as provided in Subsection C of this section.

7 H. The office shall consider public comments on a
8 proposed transaction in determining whether a transaction
9 should proceed to comprehensive review. The office shall
10 consider public comments and input received during public
11 comment forums on a proposed transaction in the office's final
12 determination."

13 SECTION 10. A new section of the New Mexico Insurance
14 Code, Section 59A-63-18 NMSA 1978, is enacted to read:

15 "59A-63-18. [NEW MATERIAL] POST-APPROVAL TRANSACTION
16 OVERSIGHT.--

17 A. The office may audit the books, documents,
18 records and data of a person that is party to a transaction
19 that is subject to a conditional approval pursuant to Section
20 59A-63-16 NMSA 1978 to monitor the parties' compliance with the
21 conditions established by the office.

22 B. The office may contract with experts to assist
23 with monitoring ongoing compliance with imposed conditions.
24 The office shall designate the parties to the transaction that
25 shall bear the reasonable cost of retaining experts for post-

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1 transaction oversight.

2 C. A health care entity subject to a transaction
3 approved with conditions may apply to the office to modify or
4 terminate the conditions on the grounds that circumstances have
5 changed to justify such modification or termination. Such
6 application shall be made public and subject to public input
7 before the office acts on the application. The office may hold
8 a public forum to consider such an application.

9 D. The parties or the health care entity subject to
10 the transaction that was approved or conditionally approved
11 following comprehensive review shall submit one-, two- and
12 five-year reports to the office, the attorney general and the
13 authority in the form and manner prescribed by the office and
14 upon future intervals determined at the discretion of the
15 office. Reports shall:

16 (1) describe compliance with conditions placed
17 on the transaction, if any;

18 (2) describe the growth, decline and other
19 changes in health care services provided in New Mexico by the
20 health care entity;

21 (3) provide analyses of cost trends of the
22 health care entity;

23 (4) describe any material changes to the
24 information provided in the original notice of the transaction;
25 and

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1 (5) provide any other information required by
2 the office to monitor compliance with the conditions."

3 SECTION 11. A new section of the New Mexico Insurance
4 Code, Section 59A-63-19 NMSA 1978, is enacted to read:

5 "59A-63-19. [NEW MATERIAL] ENFORCEMENT AND ADMINISTRATIVE
6 FINES.--

7 A. The office shall enforce the provisions of the
8 Health Care Consolidation and Transparency Act.

9 B. A transaction that is covered by Section
10 59A-63-11 NMSA 1978 shall not be effective in New Mexico
11 without the superintendent's written determination that no
12 comprehensive review is needed or without the written approval,
13 with or without conditions, of the superintendent following
14 comprehensive review.

15 C. Without limitation to Subsection B of this
16 section, a person who violates a material or substantive
17 provision of the Health Care Consolidation and Transparency Act
18 or order or rule of the superintendent issued or adopted in
19 accordance with that act may be assessed an administrative fine
20 by the superintendent of not more than five thousand dollars
21 (\$5,000) for each instance of violation unless the violation is
22 willful and intentional, in which case the superintendent may
23 assess a fine of not more than ten thousand dollars (\$10,000)
24 for each violation, except as provided in Paragraph (2) of
25 Subsection D of this section. For purposes of calculating the

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1 fine, the superintendent shall determine what constitutes an
2 "instance of violation" based on:

3 (1) the nature of the violation, including
4 whether it is on a per day, per patient, per instance or other
5 basis;

6 (2) the nature of the transaction and the
7 circumstances of the parties involved;

8 (3) the potential impact on the availability,
9 accessibility, affordability or quality of care for patients
10 and consumers of health care services in the state; and

11 (4) any anticompetitive effects from the
12 proposed transaction.

13 D. In the event of a failure to provide the
14 required notice of proposed transaction, in addition to the
15 imposition of administrative fines, the superintendent may:

16 (1) require the parties to the unnoticed
17 transaction to submit a notice of proposed transaction to allow
18 the office to complete a preliminary review and:

19 (a) determine if the transaction should
20 be subject to a comprehensive review; and

21 (b) if needed, conduct such
22 comprehensive review to determine if the transaction should:

23 1) remain effective; 2) remain effective with conditions; or 3)
24 be disapproved;

25 (2) in the event of a willful and intentional

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1 failure to provide the notice of proposed transaction, impose
2 an administrative fine of not more than fifteen thousand
3 dollars (\$15,000) per day from the date on which the notice was
4 required to be submitted to the superintendent to the date of
5 issuance of an order approving, approving with conditions or
6 disapproving the transaction; and

7 (3) if, following the comprehensive review and
8 administrative hearing, the superintendent determines that the
9 transaction should not be approved, the superintendent may deem
10 such transaction void or require that it be unwound with
11 respect to New Mexico.

12 E. Money collected from the imposition of an
13 administrative fine pursuant to the Health Care Consolidation
14 and Transparency Act shall be deposited in the current school
15 fund as provided by Article 12, Section 4 of the constitution
16 of New Mexico."

17 SECTION 12. A new section of the New Mexico Insurance
18 Code, Section 59A-63-20 NMSA 1978, is enacted to read:

19 "59A-63-20. [NEW MATERIAL] DISCLOSURE OF HEALTH CARE
20 ENTITY OWNERSHIP AND CONTROL.--

21 A. Each health care entity shall report the
22 following information to the office and the authority on an
23 annual basis in a form and manner required by the office:

24 (1) the legal name of the health care entity
25 and any other names under which the health care entity conducts

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1 business;

2 (2) the business address of the health care
3 entity;

4 (3) the addresses of all locations of
5 operations;

6 (4) the business identification numbers of the
7 entity, as applicable, including:

8 (a) taxpayer identification number;

9 (b) national provider identifier;

10 (c) employer identification number;

11 (d) federal centers for medicare and
12 medicaid services certification number;

13 (e) national association of insurance
14 commissioners identification number;

15 (f) a personal identification number
16 associated with a license issued by the office; and

17 (g) pharmacy benefits manager
18 identification number associated with a license or registration
19 of the pharmacy benefits manager in New Mexico;

20 (5) the name and contact information of a
21 representative of the health care entity;

22 (6) the name, business address and business
23 identification numbers listed in Subparagraphs (a) through (g)
24 of Paragraph (4) of this subsection as applicable for each
25 person that, with respect to the relevant health care entity:

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1 (a) has an ownership or investment
2 interest;

3 (b) has a controlling interest;

4 (c) is a management services
5 organization; or

6 (d) is a significant equity investor;
7 and

8 (7) a current organizational chart showing the
9 business structure of the health care entity, including:

10 (a) a person listed in Paragraph (6) of
11 this subsection; and

12 (b) affiliates of the health care
13 entity.

14 B. The following health care entities are exempt
15 from the reporting requirements provided in Subsection A of
16 this section:

17 (1) a health care provider or provider
18 organization, other than a health care facility, that is owned
19 or controlled by another health care entity, if the health care
20 provider or health care provider organization, as applicable,
21 is shown in the organizational chart and the controlling health
22 care entity reports all of the information required pursuant to
23 Subsection A of this section on behalf of the owned or
24 controlled health care provider or health care provider
25 organization; and

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1 (2) any newly formed or existing independent
2 health care practice.

3 C. By October 1, 2026 and annually thereafter, the
4 office shall prepare a public summary and analysis of the
5 ownership trends for health care entities in New Mexico.

6 D. With the exception of information exempted from
7 disclosure under the Inspection of Public Records Act,
8 including trade secret information, information provided under
9 this section is public information."

10 SECTION 13. A new section of the New Mexico Insurance
11 Code, Section 59A-63-21 NMSA 1978, is enacted to read:

12 "59A-63-21. [NEW MATERIAL] ACT NOT EXCLUSIVE--ATTORNEY
13 GENERAL.--Nothing in the Health Care Consolidation and
14 Transparency Act limits the authority of the attorney general
15 to protect consumers in the health care market or to protect
16 the economy of the state or any significant part of the state
17 insofar as health care is concerned under any state or federal
18 law. The authority of the attorney general to maintain
19 competitive markets and prosecute state and federal antitrust
20 and unfair competition violations shall not be narrowed,
21 abrogated or otherwise altered by that act."

22 SECTION 14. A new section of the New Mexico Insurance
23 Code, Section 59A-63-22 NMSA 1978, is enacted to read:

24 "59A-63-22. [NEW MATERIAL] JURISDICTION.--New Mexico
25 courts shall have personal jurisdiction over the parties to a

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1 transaction subject to the provisions of the Health Care
2 Consolidation and Transparency Act, including the parties to
3 the transaction and any person affiliated with a party."

4 SECTION 15. A new section of the New Mexico Insurance
5 Code, Section 59A-63-23 NMSA 1978, is enacted to read:

6 "59A-63-23. [NEW MATERIAL] CONTINUED POST-TRANSACTION
7 OVERSIGHT OF TRANSACTIONS APPROVED OR CONDITIONALLY APPROVED
8 UNDER THE HEALTH CARE CONSOLIDATION OVERSIGHT ACT.--On the
9 effective date of the Health Care Consolidation and
10 Transparency Act, a person that had given notice of a proposed
11 transaction to the office in accordance with the Health Care
12 Consolidation Oversight Act or which is still under review
13 pursuant to that act or a person that had acquired control over
14 a hospital through an approved or conditionally approved
15 transaction and that is under post-transaction oversight
16 pursuant to that act shall continue to be overseen by the
17 office as provided in that act. If a person required to
18 provide reports pursuant to that act proposes or makes material
19 changes to a reviewable transaction, that person shall be
20 reviewed as provided in the Health Care Consolidation and
21 Transparency Act."

22 SECTION 16. A new section of the New Mexico Insurance
23 Code, Section 59A-63-24 NMSA 1978, is enacted to read:

24 "59A-63-24. [NEW MATERIAL] WHISTLEBLOWER PROTECTION--
25 POLICY REQUIRED--RETALIATION PROHIBITED--PENALTIES.--

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1 A. As used in this section:

2 (1) "good faith" means that a reasonable basis
3 exists in fact as evidenced by the facts available;

4 (2) "retaliatory action" means any
5 discriminatory or adverse action taken by a health care entity,
6 management services organization or health care staffing
7 company against a whistleblower, including termination,
8 discharge, demotion, suspension, harassment or limitation on
9 access to health care services;

10 (3) "unlawful or improper act" means a
11 practice, procedure, action or failure to act on the part of a
12 health care entity that is relevant to the health care entity's
13 obligations pursuant to the Health Care Consolidation and
14 Transparency Act or the Health Care Consolidation Oversight Act
15 or the office's or attorney general's ability to exercise
16 authority pursuant to those acts that:

17 (a) violates a federal law or regulation
18 or a state law or rule;

19 (b) is illegal, immoral, illicit, unsafe
20 or fraudulent;

21 (c) constitutes malfeasance; or

22 (d) constitutes: 1) gross
23 mismanagement; 2) a waste of funds; 3) an abuse of authority;
24 or 4) a substantial and specific danger to patients, consumers
25 or the public; and

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1 (4) "whistleblower" means a health care
2 provider; patient; patient's representative or guardian; or
3 officer, employee, contractor, subcontractor or authorized
4 agent of a health care entity who reveals information about an
5 unlawful or improper act by a health care entity.

6 B. A health care entity shall not take any
7 retaliatory action against a whistleblower who:

8 (1) discloses to the office, the attorney
9 general, the authority or any other state, local government or
10 federal entity information about an action or a failure to act
11 that the whistleblower believes in good faith constitutes an
12 unlawful or improper act;

13 (2) provides information to or testifies
14 before a public body as part of an investigation, hearing or
15 inquiry into an unlawful or improper act; or

16 (3) objects to or refuses to participate in an
17 activity, policy or practice that the whistleblower believes in
18 good faith constitutes an unlawful or improper act.

19 C. Every health care entity shall adopt, promulgate
20 and enforce a whistleblower protection policy that, at a
21 minimum, meets the requirements of Subsection B of this section
22 to protect whistleblowers from any form of retaliatory action
23 by the health care entity. The policy shall be posted at each
24 health care entity's workplace, published on its website and
25 given, by either written or electronic communication, to every

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1 officer, employee, contractor or other agent of the health care
2 entity.

3 D. Except as otherwise provided in the Health Care
4 Consolidation and Transparency Act and in addition to any
5 criminal charges or civil suits that may be brought against the
6 health care entity for either its unlawful or improper act or
7 its retaliatory actions, the superintendent may assess an
8 administrative fine not to exceed ten thousand dollars
9 (\$10,000) on a health care entity that the superintendent finds
10 has engaged in retaliatory action. Each retaliatory action or
11 each day of violation may be considered a separate violation.
12 If the superintendent finds the health care entity willfully or
13 repeatedly violated or continues to violate the prohibition
14 against retaliatory actions, the superintendent may assess an
15 administrative fine not to exceed one hundred thousand dollars
16 (\$100,000) for each violation.

17 E. The superintendent shall give notice to the
18 health care entity of the superintendent's intention to assess
19 an administrative fine and specify the findings of retaliatory
20 action. The health care entity may request a hearing, which
21 shall be conducted as provided in the Administrative Procedures
22 Act. The superintendent shall make final findings and
23 decisions, which may include the time in which the health care
24 entity must correct an unlawful or improper violation, and send
25 a copy by registered mail to the health care entity. The

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1 decision of the superintendent is a final agency action and may
2 be appealed to the district court as provided in Section
3 39-3-1.1 NMSA 1978. The health care entity has thirty days in
4 which to pay the administrative fine.

5 F. A health care entity that fails to stop or
6 correct a retaliatory action within the period allowed for its
7 correction, which period shall not begin to run until the date
8 of the final order or appeal, if applicable, may be assessed a
9 separate administrative fine not to exceed fifteen thousand
10 dollars (\$15,000) for each day during which the failure to stop
11 or correct retaliatory action continues past the deadline for
12 stopping or correcting the action.

13 G. Administrative fines shall be deposited in the
14 state treasury to the credit of the current school fund as
15 required by Article 12, Section 4 of the constitution of New
16 Mexico.

17 H. The rights and remedies provided in this section
18 shall not be waived by an agreement, policy form or condition
19 of employment, including by an arbitration agreement.

20 I. Nothing in this section shall be deemed to
21 diminish the rights, privileges or remedies of a person
22 pursuant to any federal or state law or pursuant to any
23 collective bargaining agreement."

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

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