

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 586

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

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AMENDING THE HEALTH CARE CONSOLIDATION OVERSIGHT ACT TO REQUIRE
REVIEW OF PROPOSED TRANSACTIONS THAT INVOLVE MERGERS,
ACQUISITIONS OR OTHER ACTIONS THAT CHANGE CONTROL OF A HOSPITAL
OR CERTAIN HEALTH CARE PROVIDER ORGANIZATIONS; BROADENING THE
DEFINITION OF "TRANSACTION", OVER WHICH THE HEALTH CARE
AUTHORITY HAS REVIEW AUTHORITY; PROVIDING WHISTLEBLOWER
PROTECTION; PROVIDING FOR ENFORCEMENT OF THE ACT; PRESCRIBING
ADMINISTRATIVE PENALTIES; REPEALING THE DELAYED REPEAL OF THE
ACT.

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

SECTION 1. Section 59A-63-1 NMSA 1978 (being Laws 2024,
Chapter 40, Section 1) is recompiled as Section 24A-9-1 NMSA
1978 and is amended to read:

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underscoring material = new
[bracketed material] = delete

1 "24A-9-1. SHORT TITLE.--~~[This act]~~ Chapter 24A, Article 9
2 NMSA 1978 may be cited as the "Health Care Consolidation
3 Oversight Act"."

4 SECTION 2. Section 59A-63-2 NMSA 1978 (being Laws 2024,
5 Chapter 40, Section 2) is recompiled as Section 24A-9-2 NMSA
6 1978 and is amended to read:

7 "24A-9-2. DEFINITIONS.--As used in the Health Care
8 Consolidation Oversight Act:

9 A. "acquisition" means ~~[an agreement or activity~~
10 ~~the consummation of which results in a person acquiring,~~
11 ~~directly or indirectly, the control of a hospital in New Mexico~~
12 ~~and includes the acquisition of voting securities, membership~~
13 ~~interests, equity interests or assets]~~ the direct or indirect
14 purchase or other procurement in any manner, including through
15 a lease, a license, a transfer, an exchange, an option, a
16 proxy, a conveyance or a joint venture, of all or substantially
17 all of the assets, equity or operations of a person;

18 B. "affiliation" means a business arrangement in
19 which one person, directly or indirectly, is controlled by, is
20 under common control with or controls another person;

21 C. "authority" means the health care authority
22 ~~[department];~~

23 D. "control" means the power to direct or cause the
24 direction of the management and policies of a hospital,
25 ~~[whether]~~ directly or indirectly, including through the

1 ownership of voting securities, through licensing, lease or
2 franchise agreements or by contract other than a commercial
3 contract for goods or nonmanagement services, unless the power
4 is the result of [~~an official position with~~] a public
5 appointment, general election or corporate office held by an
6 individual;

7 E. "essential services" means health care services
8 covered by the state medicaid program, health care services
9 that are required to be included in health plans pursuant to
10 state or federal law and health care services that are required
11 to be included in qualified health plans offered through the
12 New Mexico health insurance exchange;

13 F. "health care provider" means a person [~~qualified~~
14 ~~or licensed~~] certified, licensed, registered or otherwise
15 authorized under state law to perform or provide health care
16 services in New Mexico;

17 G. "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 but does
25 not include hospitals;

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1 ~~[G.]~~ H. "health insurer" means a person required to
2 be licensed or subject to the New Mexico Insurance Code or the
3 insurance laws of any other state in connection with the
4 business of health insurance, ~~[or health care]~~ excluding
5 insurance producers;

6 ~~[H.]~~ I. "hospital" means a hospital licensed by the
7 ~~[department of health]~~ authority or its successor health
8 facility licensing agency, but "hospital" does not include a
9 state university teaching hospital or a state-owned special
10 hospital;

11 J. "independent health care practice" means a
12 health care provider organization entirely owned or controlled
13 by one or more health care providers who are individuals and
14 who provide health care services through the health care
15 provider organization to patients in New Mexico;

16 ~~[I.]~~ K. "management services organization" means a
17 person that provides all or substantially all of the
18 administrative or management services under contract with a
19 hospital, including administering contracts with health plans,
20 third-party administrators and pharmacy benefit managers, on
21 behalf of the hospital;

22 ~~[J.]~~ L. "office" means the office of superintendent
23 of insurance;

24 ~~[K.]~~ M. "party" means a person ~~[taking part in]~~
25 that is a party to a transaction subject to the Health Care

1 Consolidation Oversight Act;

2 ~~[E.]~~ N. "person" means an individual, association,
3 organization, partnership, firm, syndicate, trust, corporation
4 or other legal entity;

5 O. "secretary" means the secretary of health care
6 authority; and

7 ~~[M. "superintendent" means the superintendent of~~
8 ~~insurance; and~~

9 ~~N.]~~ P. "transaction" means any of the following:

10 (1) a merger of a hospital in New Mexico with
11 another hospital or with a person controlling a hospital;

12 (2) an acquisition of one or more hospitals or
13 a person controlling a hospital in New Mexico;

14 (3) any affiliation or contract or other
15 agreement that results in a change of control of a hospital in
16 New Mexico, including with a management services organization
17 or health insurer;

18 (4) a formation of a new corporation,
19 partnership, joint venture, trust, parent organization or
20 management services organization that results in a change of
21 control of an existing hospital in New Mexico; ~~[and]~~

22 (5) a sale, mortgage, purchase, lease, new
23 affiliation or ~~[any]~~ other agreement that results in a change
24 of control of a hospital in New Mexico or the real estate on
25 which the hospital is located; and

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1 (6) an acquisition of one or more independent
2 health care practices by a health care provider organization
3 that is owned or affiliated with a health insurer."

4 SECTION 3. Section 59A-63-3 NMSA 1978 (being Laws 2024,
5 Chapter 40, Section 3) is recompiled as Section 24A-9-3 NMSA
6 1978 and is amended to read:

7 "24A-9-3. APPLICABILITY--PROVISIONS ADDITIONAL--CONTROL
8 PRESUMPTIONS.--

9 A. The oversight power of the [~~office~~] authority
10 pursuant to the Health Care Consolidation Oversight Act applies
11 to proposed transactions [~~that involve a New Mexico hospital~~].

12 B. Being subject to the Health Care Consolidation
13 Oversight Act does not preclude or negate any person regulated
14 pursuant to the Insurance Holding Company Law.

15 C. Control is presumed to exist if a person,
16 directly or indirectly, owns, controls, holds fifteen percent
17 or more of the power to vote or holds proxies representing
18 fifteen percent or more of the voting securities of any other
19 person. The presumption may be rebutted by a showing in the
20 manner provided by Section 59A-37-19 NMSA 1978 that control
21 does not in fact exist."

22 SECTION 4. Section 59A-63-4 NMSA 1978 (being Laws 2024,
23 Chapter 40, Section 4) is recompiled as Section 24A-9-4 NMSA
24 1978 and is amended to read:

25 "24A-9-4. CONFIDENTIALITY.--Except for the information

1 provided pursuant to Paragraphs (2) through (6) of Subsection E
 2 of Section 24A-9-6 NMSA 1978, all documents, materials or other
 3 information in the possession or control of the ~~[office]~~
 4 authority that are obtained by or disclosed to the ~~[office or]~~
 5 authority, the authority's contracted experts, the attorney
 6 general, the ~~[authority]~~ office or any other governmental
 7 entity in the course of a review under the Health Care
 8 Consolidation Oversight Act are confidential."

9 SECTION 5. Section 59A-63-5 NMSA 1978 (being Laws 2024,
 10 Chapter 40, Section 5) is recompiled as Section 24A-9-5 NMSA
 11 1978 and is amended to read:

12 "24A-9-5. TIMING OF REVIEW OF NOTICE AND TOLLING.--

13 A. A notice of a proposed transaction shall be
 14 deemed complete by the ~~[office]~~ authority on the date when all
 15 the information required by the Health Care Consolidation
 16 Oversight Act ~~[or requested by the office]~~ is submitted by all
 17 the parties to the transaction, as applicable.

18 B. Within thirty days after the notice of a
 19 proposed transaction is filed, the authority shall notify the
 20 parties in writing if the notice is complete or, if the notice
 21 is incomplete, specify what additional information must be
 22 submitted.

23 ~~[B.]~~ C. Should the scope of the proposed
 24 transaction be significantly modified from that outlined in the
 25 initial notice, the time periods set out in the Health Care

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1 Consolidation Oversight Act shall be restarted by the ~~[office]~~
2 authority.

3 ~~[G.]~~ D. The time periods shall be tolled during any
4 time in which the ~~[office]~~ authority has requested and is
5 awaiting further information from the parties to a transaction
6 necessary to complete its review."

7 SECTION 6. Section 59A-63-6 NMSA 1978 (being Laws 2024,
8 Chapter 40, Section 6) is recompiled as Section 24A-9-6 NMSA
9 1978 and is amended to read:

10 "24A-9-6. NOTICE OF PROPOSED TRANSACTION--GENERAL
11 PROVISIONS--REQUIREMENTS--CONSULTATIONS--EXPERTS--PAYMENT OF
12 COSTS.--

13 A. At least one person that is a party to a
14 proposed transaction shall submit to the ~~[office]~~ authority a
15 written notice of the proposed transaction in the form and
16 manner prescribed by the ~~[office]~~ authority. The parties shall
17 pay the reasonable costs and expenses incurred by the ~~[office]~~
18 authority in the performance of the ~~[office's or]~~ authority's
19 duties pursuant to the Health Care Consolidation Oversight Act
20 for costs associated with the ~~[office's]~~ authority's contracts
21 with experts, unless determined otherwise by the
22 ~~[superintendent]~~ secretary. The ~~[office]~~ authority shall
23 notify parties before any costs are incurred when a transaction
24 review requires the use of outside experts, including the
25 estimated cost of their services.

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1 B. Upon receipt of a complete notice of a proposed
 2 transaction, the ~~[office]~~ authority shall determine if the
 3 transaction is urgently necessary to maintain the solvency of a
 4 hospital or if there is an emergency that threatens the
 5 continued provision of immediate health care services. In such
 6 circumstances, the ~~[office]~~ authority may agree to an immediate
 7 approval of a transaction with or without conditions.

8 C. Entry into a binding agreement before a
 9 transaction is effectuated is not a violation of the Health
 10 Care Consolidation Oversight Act if the transaction remains
 11 subject to regulatory review and approval.

12 D. If a party to the proposed transaction is a
 13 health insurer, the notice shall be submitted as an addendum to
 14 any filing required by Sections 59A-37-4 through 59A-37-10 NMSA
 15 1978.

16 E. The notice of the proposed transaction shall
 17 include:

18 (1) ~~[a list of the parties]~~ the terms of the
 19 proposed transaction and copies of all transaction agreements
 20 between any of the parties;

21 (2) a list of the parties and business
 22 addresses;

23 ~~[(2)]~~ (3) a statement describing the proposed
 24 transaction, the goals of the proposed transaction and whether
 25 and how the proposed transaction affects health care services

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1 in New Mexico;

2 [~~(3)~~] (4) the geographic service area [~~of any~~
3 ~~hospital~~] affected by the proposed transaction;

4 [~~(4)~~] (5) a description of the groups or
5 individuals likely to be affected by the transaction; and

6 [~~(5)~~] (6) a summary of the health care
7 services currently provided by any of the parties and any
8 health care services that will be added, reduced or eliminated,
9 including an explanation of why any services will be reduced or
10 eliminated in the service area in which they are currently
11 provided.

12 F. The [~~office shall~~] authority may consult with
13 the [~~authority~~] office about the potential effect of the
14 proposed transaction and incorporate the [~~authority's~~] office's
15 recommendations into the [~~office's~~] authority's final
16 determination.

17 G. The [~~office~~] authority may retain actuaries,
18 accountants, attorneys or other professionals who are qualified
19 and have expertise in the type of transaction under review as
20 necessary to assist the [~~office~~] authority in conducting its
21 review of the proposed transaction.

22 H. The parties shall not effectuate a transaction
23 without the written approval of the [~~superintendent~~] secretary.
24 The submitting party shall notify the [~~office~~] authority in a
25 form and manner prescribed by the [~~office~~] authority when the

1 transaction has been effectuated.

2 I. Parties to a proposed transaction may request a
3 pre-notice conference to determine if they are required to file
4 a notice or to discuss the potential extent of the review.

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

12 K. Nothing in the Health Care Consolidation
13 Oversight Act shall amend, modify, abrogate or otherwise affect
14 the applicability or obligations of a party to a transaction or
15 acquisition under any other state or federal law. The filing
16 obligations under that act are in addition to any other
17 obligation that may be required under other laws."

18 SECTION 7. A new section of the Health Care Consolidation
19 Oversight Act, Section 24A-9-6.1 NMSA 1978, is enacted to read:

20 "24A-9-6.1. [NEW MATERIAL] POSTING PUBLIC INFORMATION--
21 PUBLIC COMMENT--PUBLIC COMMENT FORUMS.--

22 A. Within ten days of receipt of a complete notice
23 of a proposed transaction, the authority shall post the
24 information provided pursuant to Paragraphs (2) through (6) of
25 Subsection E of Section 24A-9-6 NMSA 1978.

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1 B. The authority shall publish a statement briefly
2 describing a notice of proposed transaction in at least one
3 newspaper of general circulation or other media that is
4 prevalent in the area affected by the transaction. The
5 authority shall also provide the statement to the following in
6 the affected area:

- 7 (1) municipal and county officials;
- 8 (2) county health councils;
- 9 (3) Indian nations, tribes and pueblos;
- 10 (4) military installation commands;
- 11 (5) state legislators;
- 12 (6) the state's congressional delegation; and
- 13 (7) any labor organization that represents
14 employees of the impacted hospital or health care provider
15 organization.

16 C. With respect to website, newspaper and other
17 disseminations and communications described in Subsection B of
18 this section, the authority shall provide details on how the
19 public can provide comments and offer multiple methods to
20 provide comments on a notice of a proposed transaction by
21 telephone or in writing by mail or electronic mail, anonymously
22 or by a third party, and such methods shall provide
23 opportunities to submit comments in languages other than
24 English.

25 D. If the authority conducts a review, at least one

1 public comment forum shall be held in the New Mexico service
2 area or areas of the hospital or health care provider
3 organization that is party to or the subject of the proposed
4 transaction.

5 E. At least ten calendar days prior to the public
6 comment forum, the authority shall post to the authority's
7 website information about the public comment forum and a link
8 on the website to publicly available materials relevant to the
9 proposed transaction. The forum notice and the materials shall
10 be in a format that is easy to find and easy to read and shall
11 include information on how to submit comments.

12 F. The authority shall publish a notice of a public
13 comment forum in at least one newspaper of general circulation
14 or other media that is prevalent in the area affected by the
15 transaction and provide the notice to the officials and other
16 persons specified in Subsection B of this section.

17 G. Public comment on a proposed transaction that is
18 subject to review shall be provided in the same manner as
19 provided in Subsection C of this section.

20 H. The authority shall consider public comments and
21 input received during the public comment forum on a proposed
22 transaction in the authority's determination."

23 **SECTION 8.** Section 59A-63-7 NMSA 1978 (being Laws 2024,
24 Chapter 40, Section 7) is recompiled as Section 24A-9-7 NMSA
25 1978 and is amended to read:

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1 "24A-9-7. REVIEW OF PROPOSED TRANSACTION.--

2 A. Within one hundred twenty days of receiving a
3 complete notice of a proposed transaction, the [~~office~~]
4 authority shall complete a review, confer with the [~~authority~~]
5 office and either:

6 (1) approve the proposed transaction;

7 (2) approve the proposed transaction with
8 conditions; or

9 (3) disapprove the proposed transaction.

10 B. The [~~superintendent~~] secretary shall notify the
11 submitting party in writing of the [~~office's~~] authority's
12 determination and the reasons for the determination.

13 C. The review period may be extended if the parties
14 agree to an extension.

15 D. In conducting a review of a proposed
16 transaction, the [~~office~~] authority may consider the likely
17 effect in New Mexico of the proposed transaction on:

18 (1) the potential reduction or elimination in
19 access to essential services;

20 (2) the availability, accessibility and
21 quality of health care services to [~~any community~~] the area
22 affected by the transaction;

23 (3) the health care market share of a party
24 and whether the transaction may foreclose competitors of a
25 party from a segment of the market or otherwise increase

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1 barriers to entry in a health care market;

2 (4) changes in practice restrictions for
3 [~~licensed~~] health care providers who work at the hospital;

4 (5) patient costs, including premiums and out-
5 of-pocket costs;

6 (6) health care provider networks; [~~and~~]

7 (7) the potential for the proposed transaction
8 to affect health outcomes for New Mexico residents; and

9 (8) current and future wages, benefits,
10 working conditions, employment protections and restrictions and
11 other terms and conditions of employment for employees of
12 hospitals or health care provider organizations that are
13 parties to or the subject of the proposed transaction.

14 E. The [~~office~~] authority shall approve the
15 proposed transaction after the [~~comprehensive~~] review if the
16 [~~office~~] authority determines that:

17 (1) the parties to the proposed transaction
18 have demonstrated that the transaction will benefit the public
19 by:

20 (a) reducing the growth in patient
21 costs, including premiums and out-of-pocket costs; or

22 (b) maintaining or increasing access to
23 services, especially in medically underserved areas;

24 (2) the proposed transaction will improve
25 health outcomes for New Mexico residents; and

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1 (3) there is no substantial likelihood of:

2 (a) a significant reduction in the
3 availability, accessibility, affordability or quality of care
4 for patients and other consumers of health care services; or

5 (b) anti-competitive effects from the
6 proposed transaction that outweigh the benefits of the
7 transaction."

8 SECTION 9. Section 59A-63-8 NMSA 1978 (being Laws 2024,
9 Chapter 40, Section 8) is recompiled as Section 24A-9-8 NMSA
10 1978 and is amended to read:

11 "24A-9-8. POST-TRANSACTION OVERSIGHT.--

12 A. The person that acquired control over the
13 hospital or independent health care practice through an
14 approved or conditionally approved transaction shall submit
15 reports to the [~~office~~] authority and the [~~authority~~] office in
16 the form and manner prescribed by the [~~office~~] authority
17 annually for three years after approval or conditional
18 approval. Conditions to an approval shall remain in effect for
19 no longer than three years from the date of the conditional
20 approval.

21 B. Reports shall:

22 (1) describe compliance with conditions placed
23 on the transaction, if any;

24 (2) describe the growth, decline and other
25 changes in services provided by the person; and

1 (3) provide analyses of cost trends and cost
2 growth trends of the hospital."

3 SECTION 10. A new section of the Health Care
4 Consolidation Oversight Act, Section 24A-9-9 NMSA 1978, is
5 enacted to read:

6 "24A-9-9. [NEW MATERIAL] ENFORCEMENT AND ADMINISTRATIVE
7 FINES.--

8 A. The authority shall enforce the provisions of
9 the Health Care Consolidation Oversight Act.

10 B. A transaction that is covered by Section 24A-9-3
11 NMSA 1978 shall not be effectuated in New Mexico without the
12 secretary's written determination that no review is needed or
13 without the written approval, with or without conditions, of
14 the secretary following review.

15 C. A person that violates a material or substantive
16 provision of the Health Care Consolidation Oversight Act or an
17 order or rule of the authority issued or adopted in accordance
18 with that act may be assessed an administrative fine by the
19 secretary of not more than five thousand dollars (\$5,000) for
20 each instance of violation unless the violation is willful and
21 intentional, in which case the secretary may assess a fine of
22 not more than ten thousand dollars (\$10,000) for each
23 violation, except as provided in Paragraph (2) of Subsection D
24 of this section. For purposes of calculating the fine, the
25 secretary shall determine what constitutes an "instance of

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1 violation" based on:

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

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

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

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

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

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

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

20 (b) if needed, conduct such review to
21 determine if the transaction should: 1) remain effectuated; 2)
22 remain effectuated with conditions; or 3) be disapproved; and

23 (2) in the event of a willful and intentional
24 failure to provide the notice of proposed transaction, impose
25 an administrative fine of not more than fifteen thousand

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1 dollars (\$15,000) per day from the date on which the notice was
2 required to be submitted to the authority to the date of
3 issuance of an order approving, approving with conditions or
4 disapproving the transaction.

5 E. Money collected from the imposition of an
6 administrative fine pursuant to the Health Care Consolidation
7 Oversight Act shall be deposited in the state treasury to the
8 credit of the current school fund as provided by Article 12,
9 Section 4 of the constitution of New Mexico."

10 SECTION 11. A new section of the Health Care
11 Consolidation Oversight Act, Section 24A-9-10 NMSA 1978, is
12 enacted to read:

13 "24A-9-10. [NEW MATERIAL] ACT NOT EXCLUSIVE--ATTORNEY
14 GENERAL.--Nothing in the Health Care Consolidation Oversight
15 Act limits the authority of the attorney general to protect
16 consumers in the health care market or to protect the economy
17 of the state or any significant part of the state insofar as
18 health care is concerned under any state or federal law. The
19 authority of the attorney general to maintain competitive
20 markets and prosecute state and federal antitrust and unfair
21 competition violations shall not be narrowed, abrogated or
22 otherwise altered by that act."

23 SECTION 12. A new section of the Health Care
24 Consolidation Oversight Act, Section 24A-9-11 NMSA 1978, is
25 enacted to read:

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1 "24A-9-11. [NEW MATERIAL] JURISDICTION.--New Mexico
2 courts shall have personal jurisdiction over the parties to a
3 transaction subject to the provisions of the Health Care
4 Consolidation Oversight Act, including the parties to the
5 transaction and any person affiliated with a party."

6 SECTION 13. A new section of the Health Care
7 Consolidation Oversight Act, Section 24A-9-12 NMSA 1978, is
8 enacted to read:

9 "24A-9-12. [NEW MATERIAL] WHISTLEBLOWER PROTECTION--
10 POLICY REQUIRED--RETALIATION PROHIBITED--PENALTIES.--

11 A. As used in this section:

12 (1) "entity" means hospitals, management
13 services organizations and health care provider organizations
14 that are owned or affiliated with health insurers;

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

17 (3) "retaliatory action" means any
18 discriminatory or adverse action taken by an entity against a
19 whistleblower, including termination, discharge, demotion,
20 suspension, harassment or limitation on access to health care
21 services;

22 (4) "unlawful or improper act" means a
23 practice, procedure, action or failure to act on the part of an
24 entity that violates the Health Care Consolidation Oversight
25 Act or the authority's or attorney general's ability to

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1 exercise authority pursuant to that act; and

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

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

8 (1) discloses to the authority, the attorney
9 general, the office or any other state, local or federal
10 governmental body information about an action or a failure to
11 act that the whistleblower believes in good faith constitutes
12 an 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 entity shall adopt, promulgate and enforce
20 a whistleblower protection policy that, at a minimum, meets the
21 requirements of Subsection B of this section to protect
22 whistleblowers from any form of retaliatory action by the
23 entity. The policy shall be posted at each entity's workplace,
24 published on the entity's website and given, by either written
25 or electronic communication, to every officer, employee,

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1 contractor or other agent of the entity.

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

15 E. The secretary shall give notice to the entity of
16 the secretary's intention to assess an administrative fine and
17 specify the findings of retaliatory action. The entity may
18 request a hearing, which shall be conducted as provided in the
19 Administrative Procedures Act. The secretary shall make final
20 findings and decisions, which may include the time in which the
21 entity must correct an unlawful or improper violation, and send
22 a copy by registered mail to the entity. The decision of the
23 secretary is a final agency action and may be appealed to the
24 district court as provided in Section 39-3-1.1 NMSA 1978. The
25 entity has thirty days in which to pay the administrative fine.

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

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

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

16 I. Nothing in this section shall be deemed to
 17 diminish the rights, privileges or remedies of a whistleblower
 18 or other person pursuant to any federal or state law or
 19 pursuant to any collective bargaining agreement."

20 SECTION 14. A new section of the Health Care
 21 Consolidation Oversight Act, Section 24A-9-13 NMSA 1978, is
 22 enacted to read:

23 "24A-9-13. [NEW MATERIAL] AUTHORITY--HOSPITAL
 24 OWNERSHIP--ANNUAL POSTING ON WEBSITE.--The authority shall post
 25 hospital ownership annually on the authority's website and at

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1 any point in which there is a change of ownership of a hospital
2 or the real estate on which a hospital stands."

3 SECTION 15. REPEAL.--Laws 2024, Chapter 40, Section 9 is
4 repealed.

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