

Centering Patients in New Mexico Health Care

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Overview

1. Patients lead fight for corporate accountability.
2. History of the patient compensation fund (PCF).
3. HB75 (2021) restored the PCF to its original purpose.
4. Requests of the Legislature.

HB75 (2021) Patients lead the fight for justice by holding corporations accountable



New Mexico's Patient Compensation Fund

Insurance
Companies
Manufacture
a Crisis

NM PCF
Malfeasance

HB 75
Restores
Original
Intent of
PCF

1976

- Insurance companies create a crisis by threatening to leave NM.
- Legislators react and create the PCF - a state insurance carrier for doctors.

2016

- OSI Sup. Franchini:
- Allows hospitals to enter the PCF at \$600k cap.
 - Under-assesses doctors and hospitals despite actuarial data showing danger to solvency of the PCF.

2021

- Removes hospitals from the PCF (2027), increasing likelihood for solvency.
- Provides transparency & oversight with a PCF Advisory Board.
- Reveals prior mismanagement of the fund.

TODAY

- Surcharges are again assessed below the actuarial and PCF Advisory Boards recommended amount.
- States with/without caps and/or PCF's continue to see doctor shortages.
- Since 1976, insurance companies have covered health care providers who chose not to opt-into the PCF. This coverage:
 - Provides fair compensation for harmed patients without caps
 - Is not subsidized by state dollars

HB75 restored the PCF to its original purpose

- HB75 revealed the prior OSI Superintendent's malfeasance of the PCF.
- HB 75 provided transparency of the PCF, creating an Advisory Board and third-party administrator, which revealed the PCF was near bankruptcy.
- Revealed lack of accountability for providers who repeatedly harm patients.

The Legislature provided \$30m in FY2023 and OSI has requested another \$32m to subsidize the PCF and reduce insurance costs for providers.

HB75: historic compromise

For decades, legislators urged disagreeing parties to compromise on solutions to addressing patient harm. The historic HB75 compromise was written and supported by:

- Patients
- NM Medical Society
- NM Hospital Association
- NM Nurses' Association
- NM Trial Attorneys

• All stood in support in Senate Judiciary

*Only 5 Senators voted against

Requests of the Legislature:

1. Hold the insurance industry accountable. Insurance companies are making record profits (\$800 billion), while patients harmed by medical negligence resort to drastic measures to pay for the consequences of the harm caused. Patients need you to stand with them in holding corporations accountable.

2. Honor the historic HB75 compromise. Encourage all the parties who created this compromise to stand by it.

3. Encourage all the parties to collaborate on solutions to the provider shortage that are backed by data.

- Increasing rural tax credits
- Expanding Loan forgiveness & free tuition
- Reduced licensing fees and expedited credentialing
- Providing signing bonuses and travel reimbursement
- Providing state funding for start up rural community providers
- Increasing Medicaid reimbursement rates