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FISCAL IMPACT REPORT

ORIGINAL DATE 03/13/13

SPONSOR HHGAC LAST UPDATED _____ HB 642/HHGACS

SHORT TITLE Public Peace, Health, Safety & Welfare SB _____

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB608/SFCS

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The House Health, Government and Indian Affairs Committee substitute for House Bill 642 (HB642/HHGACS) proposes to limit non-compete covenants for certain healthcare professionals who are under contract to health businesses. The bill lays out conditions when purchasing a health care business, that non-compete covenants may not be enforced, including unduly interfering with the public interest in health care underserved areas of the state.

FISCAL IMPLICATIONS

HB642/HHGACS contains no appropriation.

SIGNIFICANT ISSUES

The intent of the bill is to limit the instances where non-compete contractual covenants for health care professional may be enforced in an effort to increase the health professional workforce in New Mexico.

TECHNICAL ISSUES

HB642/HHGACS does not prohibit non-compete covenants, but limits the instances where the

covenants would be enforceable, while potentially opening these instances to litigation.

OTHER SUBSTANTIVE ISSUES

In areas of the state where non-compete covenants have been utilized, the following issues have been sited:

- Areas have been classified as health care professional shortage areas;
- Health care practitioners relocate away from the community;
- Patients relocate away from their communities to maintain access to health care professionals.

RAE/blm