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FISCAL IMPACT REPORT

SPONSOR Taylor **ORIGINAL DATE** 01/22/14
LAST UPDATED _____ **HB** 143

SHORT TITLE Malpractice Act Definitions **SB** _____

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Board of Nursing (BN)

SUMMARY

Synopsis of Bill

House Bill 143 amends the Medical Malpractice Act, Section 1 (Definitions), when defining “health care provider”, to recognize the profession of certified nurse practitioner as a health care provider.

FISCAL IMPLICATIONS

The Superintendent of Insurance writes:

Adding Nurse Practitioners will require the Fund to contract for an actuary study to determine actuarial risk, and this in turn to determine surcharge required to keep the Patient Compensation Fund solvent, because payments on behalf of certified nurse practitioners are not part of the projected budget, which is a part of the budget for the Office of the Superintendent of Insurance. Increased claim and payment transactions may also require additional overhead costs, as yet undetermined.

The fund is entirely funded from surcharges, and not funded from general fund.

SIGNIFICANT ISSUES

Under the Medical Malpractice Act, medical professionals are charged a surcharge which supports the Patient Compensation Fund, just as premiums support an insurer. In return, participating health care providers receive limitations of damages which can be collected from them in legal proceedings. The New Mexico Board of Nursing supports this bill and feels the inclusion of Certified Nurse Practitioners to the Medical Malpractice Act will enhance their ability to serve as primary care providers, and assist in addressing the looming shortage of these services to New Mexico residents.

OTHER SUBSTANTIVE ISSUES

The New Mexico Board of Nursing is concerned that failure to include Clinical Nurse Specialists, who are also Advanced Practice Registered Nurses, and who can also practice independently, in the definition of “health care provider,” stops short of further expanding the health care professions that can assist in addressing the shortage of health care providers in New Mexico.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Failure to protect these health care providers by the Medical Malpractice Act monetary cap may hinder the desire or ability for Advanced Practice Registered nurses to practice independently, or in rural areas.

RM/jl