

LFC Requestor: KLUNDT, Kelly

2025 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 138

Type: Introduced

Date (of THIS analysis): 1/29/2025

Sponsor(s): Kathleen Cates

Short Title: Directing staff ratios at all hospitals

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$ 0	\$ 0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$ 0	\$ 0	\$ 0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total - NMBHI	\$ 4,577.00	\$ 4,714.31	\$ 4,855.74	\$ 14,147.05	Recurring	General

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The ratios required for this bill would place Turquoise Lodge Hospital, New Mexico Behavioral Health Institute (NMBHI), and New Mexico Rehabilitation Center under the direction that would require one nurse for every four patients.

Currently, the ratios at NMBHI are roughly 1:16. This would require NMBHI to hire 4 times the nurses currently employed at both the Adult Psychiatric Division (APD) and Forensic Division. A conservative estimate at NMBHI would be 40 additional nurses.

**PS&EB Analysis for NMBHI**

Pay band HH = \$84,136 plus 36% benefits – Total = \$114,424

\$114,424 multiplied by 40 FTE = \$4,576,998.40 for the first year. Escalating 3% each subsequent year.

**Section III: Relationship to other legislation**

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: N/A

**Section IV: Narrative**

**1. BILL SUMMARY**

a) Synopsis

House Bill 138 (HB138) proposes setting new rules for how hospitals are staffed. Included in the bill are requirements for committees to advise on staffing levels. A variety of different types of hospitals, or units within hospitals are identified. Specific to New Mexico Department of Health facilities the bill also sets out specific ratio requirements for Behavioral Health and Psychiatric Hospitals.

It states:

(13) in a behavioral health unit, a direct care registered nurse shall be assigned to no more than four patients; and (14) in a psychiatric unit, a direct care registered nurse shall be assigned to no more than four patients.

Is there an emergency clause?  Yes  No

b) Significant Issues

- A ratio of one registered nurse per four patients in any type of behavioral health or psychiatric hospital is far outside the standard of practice.
- The impact of this bill on healthcare costs would be significant and likely would not have the improved patient outcomes desired. For New Mexico Behavioral Health Institute (NMBHI) alone, the impact will be over \$14 million dollars in three years.
- The ratios listed in the bill do not account for acuity.
- The passing of this bill would immediately place every psychiatric/behavioral health hospital outside compliance.
- The bill lacks any supporting documentation, evidence, or argument as to why this drastic increase would be necessary.
- These ratios are not supported by CMS or Joint Commission as the relevant regulatory agencies, or any other licensing agencies.

## 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?

Yes  No

The NMDOH facilities would not be able to comply with this requirement. Working towards compliance with this mandate would require significant and recurring funding.

- Is this proposal related to the NMDOH Strategic Plan?  Yes  No

**Goal 1:** We expand equitable access to services for all New Mexicans

**Goal 2:** We ensure safety in New Mexico healthcare environments

**Goal 3:** We improve health status for all New Mexicans

**Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

## 3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?

Yes  No  N/A

- If there is an appropriation, is it included in the LFC Budget Request?

Yes  No  N/A

- Does this bill have a fiscal impact on NMDOH?  Yes  No

The entire fiscal impact on NMDOH would be significant. The impact to NMBHI alone would be over \$4 million a year without any additional revenue.

## 4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH?  Yes  No

## 5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

**6. TECHNICAL ISSUES**

Are there technical issues with the bill?  Yes  No

**7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)**

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

**8. DISPARITIES ISSUES**

None

**9. HEALTH IMPACT(S)**

- Improved ratios may improve patient care for people in hospitals.
- There would be a significant negative impact on all people unable to be admitted in response to hospitals being unable to staff hospitals to these ratios.

**10. ALTERNATIVES**

Hospitals are already required to provide safe care. The care is already overseen by licensing agencies, CMS, Joint Commission, and other services.

**11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

If House Bill 138 is not enacted, new rules for how hospitals are staffed will not be implemented and hospitals will continue to provide care in a safe manner to patients, minimizing waits and delayed care.

**12. AMENDMENTS**

None