

LFC Requester:	RubyAnn Esquibel
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/13/25 *Check all that apply:*
Bill Number: HB 379 Original Correction
 Amendment Substitute

Sponsor: Gail Armstrong **Agency Name and Code:** NM Hospital Association
Short Title: PUNITIVE DAMAGES IN MEDICAL MALPRACTICE **Number:** _____
Person Writing: Julia Ruetten **Phone:** 5053409489 **Email:** jruetten@nmhsc.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

The New Mexico Hospital Association supports HB 379, as introduced. The changes made to the Medical Malpractice Act in 2021 resulted in a cascade of unintended consequences, which the legislature has partially addressed, and the changes proposed in this bill will aid in slowing down and reversing the negative impacts to access to care. Currently, limited access to care is the leading healthcare issue facing all New Mexicans, and the medical malpractice environment is a primary driver of the access emergency.

HB 379 inserts a “clear and convincing evidence” standard to prove “that the acts of the health care provider were made with deliberate disregard for the rights or safety of others” for the awarding of punitive damages in medical malpractice cases. It also caps punitive damage awards at “30x the state median annual household income at the time the award is made.” As an example, the 2022 median household income was \$59,726 (<https://www.census.gov/content/dam/Census/library/publications/2023/acs/acsbr-017.pdf>) which would have meant punitive damage awards in 2022 could have been as high as \$1,791,780 if this bill had been in place.

Punitive damage awards in malpractice cases have grown so large that there is a real risk that hospitals may not be able to meet this obligation should punitive damages be awarded in a malpractice case, which would mean that hospitals would seriously have to consider closing – resulting in a further reduction of care in our state. This bill would begin to bring balance back to the system while continuing to protect patients who have been harmed.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
AMENDMENTS**