

<b>LFC Requester:</b>	<b>Montano, Noah</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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**SECTION I: GENERAL INFORMATION**

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

**Date Prepared:** 2/21/25 *Check all that apply:*  
**Bill Number:** HB 495 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Janelle Anyanonu **Agency Name and Code** AOC  
**Short Title:** Service Provider Lien Restrictions **Number:** 218  
**Person Writing** Kathleen Sabo  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	Rec.	General

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Unknown	Unknown	Unknown	Rec.	General

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Unknown	Unknown	Unknown	Unknown	Rec.	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Conflicts with HB 97 and SB 319 (also amending Section 66-5-301 NMSA 1978).

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: HB 495 amends statutory sections within Chapter 48, Article 8, governing hospital liens, as follows:

- **Section 48-8-1 NMSA 1978:** makes technical language changes to replace “hospital” with “service provider” and provides that every service provider asserting a lien shall be liable for a share of any attorney fees and costs incurred in securing the judgment, settlement or compromise equal to the proportion of any attorney fees and costs paid by the patient pursuant to the common fund doctrine. Defines “service provider” to mean a natural person, corporation, company, trust, partnership, incorporated or unincorporated or cooperative association, hospital or other legal entity permitted by law to provide care to an injured patient and that provides care to that patient. Further provides that a service provider shall be licensed to provide that care when a license is required and that the care provided to the injured patient shall be provided in the normal course of business.
- **Section 48-8-2 NMSA 1978:** replaces “hospital” with “service provider” and “injured party” with “patient”.
- **Section 48-8-3 NMSA 1978:** Makes technical language changes and provides that if the patient, or the patient's heirs or legal representatives seeking damages under a contract of compromise or settlement, exercise a hold harmless agreement with the person, firm or corporation making payment of money to the patient or the patient's heirs or legal representatives, any enforcement of a lien by a suit at law shall be brought or maintained against the party or parties receiving payment of money.
- **Section 48-8-4 NMSA 1978:** makes technical language changes.
- **Section 48-8-5 NMSA 1978:** makes technical language changes.
- **Section 48-8-7 NMSA 1978:** provides that nothing in Section 48-8-1 through 48-8-7 NMSA 1978 shall be construed to permit any service provider to be a party to or to have any interest in the amount or manner of any settlement of any claim on which a lien has been filed other than the lien rights as provided in those sections.

HB 495 also amends Section 66-5-301 NMSA 1978 to provide that the uninsured motorist coverage provided pursuant to this section may permit the issuing insurer to recover proceeds against third parties in subrogation; provided that any action brought to recover proceeds paid pursuant to this section shall:

(1) include any insured party or party who received payment from the uninsured motorist coverage as a named plaintiff therein and no action in subrogation shall be permitted absent the inclusion of the insureds and any beneficiaries to the uninsured motorist coverage as named parties;

(2) require claims made against any third party be proven by a preponderance of the evidence;

(3) be triable to a jury upon request of any party; and

(4) not permit either the fact that uninsured motorist coverage benefits were paid or the amount of any such payment to be admissible in any action to recover damages against a

third party.

The HB 495 amendment to Section 66-5-301 NMSA 1978 to provide immunity from any third-party subrogation action seeking subrogation of payment of underinsured benefits paid in excess of those limits, if a driver is covered by a motor vehicle or automobile policy in the minimum limits set forth in Section 66-5-215 NMSA 1978 at the time of an alleged loss.

HB 495 provides that the provisions of the Act apply to lien enforcement actions filed on or after July 1, 2025.

The effective date of the Act is July 1, 2025.

### **FISCAL IMPLICATIONS**

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and an increase in actions to assert liens by service providers, as well as actions brought to recover proceeds against third parties in subrogation requiring proof by a preponderance of the evidence and which may be triable to a jury upon request of a party. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

### **SIGNIFICANT ISSUES**

- 1) The replacement of “hospital” with “service provider”, defined as a natural person, corporation, company, trust, partnership, incorporated or unincorporated or cooperative association, hospital or other legal entity permitted by law to provide care to an injured patient and that provides care to that patient, will likely increase the number of actions to assert liens being filed.
- 2) The HB 495 amendment to Section 66-5-103 NMSA 1978 provides that the uninsured motorist coverage may permit the issuing insurer to recover proceeds against third parties in subrogation and requires an action brought to recover proceeds paid to:
  - include any insured party or party who received payment from the uninsured motorist coverage as a named plaintiff therein and no action in subrogation shall be permitted absent the inclusion of the insureds and any beneficiaries to the uninsured motorist coverage as named parties;
  - require claims made against any third party be proven by a preponderance of the evidence;
  - be triable to a jury upon request of any party; and
  - not permit either the fact that uninsured motorist coverage benefits were paid or the amount of any such payment to be admissible in any action to recover damages against a third party.

The requirements that claims made against any third party be proven by a preponderance of the evidence and that an action be triable to a jury upon request of any party will likely increase the judicial resources needed to be expended on these matters.

### **PERFORMANCE IMPLICATIONS**

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

#### **ADMINISTRATIVE IMPLICATIONS**

See “Fiscal Implications,” above.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Conflicts with HB 97 and SB 319 (also amending Section 66-5-301 NMSA 1978).

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

#### **AMENDMENTS**