

LFC Requester:	Allegra Hernandez
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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: 2/28/25 *Check all that apply:*
Bill Number: HB 552 Original Correction
 Amendment Substitute

Sponsor: Ferrary, Thomson, Silva,... **Agency Name and Code:** NM Hospital Association
Short Title: MEDICAL CORPORATION ACCOUNTABILITY ACT **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 opposes HB 552, as introduced.

HB 552 proposes to require all hospitals licensed in New Mexico, exempting the University of New Mexico Hospital and state-owned special hospitals, that receive local or state funding to annually report to the Health Care Authority detailed ownership, salary, and compensation information. This requirement would be in addition to the existing ownership reporting requirements necessary for a hospital to apply for its annual license renewal from the Health Care Authority and to the Medicare ownership reporting requirements in Section 1866(j) of the Social Security Act (SSA). The Centers for Medicare and Medicaid Services (CMS) require hospitals to report their ownership structure, including investment firms, private equity, real estate investment trusts, banks and bank holding companies, and trusts and their trustees, and to submit organizational charts detailing their ownership structure, and if applicable the names of their officers and directors. The reporting requirements contemplated in HB 552 are redundant and unnecessary as this information is already reported to CMS and partially to the Health Care Authority. Additionally, the requirement that salary and compensation information be included in annual ownership reports presents anti-competitive disclosure concerns and conflicts, even with the recognition that some hospitals (i.e. not-for-profit) must report compensation information to the federal government.

Regarding the ownership reporting requirements, the definition of “hospital” should also exclude Miner’s Colfax Medical Center, which is a wholly state-owned hospital; and Section 3 conflicts with the hospital ownership requirements included in section 12 of Senate Bill 14 Health Care Consolidation and Transparency Act.

Section 4 of HB 552 proposes to enact a “corporate practice of medicine prohibition” on “a private equity fund or hedge fund involved in any manner with a [New Mexico] hospital...” New Mexico law already specifies that physicians licensed by the New Mexico Medical Board are the only persons allowed to practice medicine in the state. Further, “private equity funds” and/or “hedge funds” that support the operations of hospitals throughout New Mexico do not engage in the practices that are listed as prohibited subsection A of section 4 of the bill, except for partnering with hospitals and their employed providers to fund the purchase of important medical equipment, such as MRI machines and PET/CT scanners and emerging technologies like robotic surgery equipment. Prohibiting their involvement in funding these large investments would slow the growth of access to these critical and costly services.

Further, providers are expected to and must exercise their “professional judgement” with each patient they treat, and it is not the desire, nor the intent, of “private equity funds” or “hedge funds” to involve themselves in the clinical care decisions made daily by hospital-based providers across our state. This bill toes the line on dictating the appropriate role for “private equity funds” and “hedge funds” in healthcare provision in New Mexico and it is important to note that these companies support the operations of acute, specialty, and behavioral health hospitals across our state and enacting laws and regulations that push them out of continuing to invest in our state will result in a devastating closure and contraction of hospital services available

to New Mexicans, when we are already facing an access to care crisis. Our state has relied upon all forms of investment in healthcare facilities, publicly owned, privately held, not for profit, etc. and has for many years. With our healthcare access problems, we cannot afford to lose any of our current facilities nor disincentivize additional investment in our state to provide healthcare access. In fact, the most recent hospital opened in our state is in Las Cruces and has private individuals who pooled their money to increase access to care in Southern New Mexico; and the most recent expansions in behavioral healthcare services in our state have come from entities who are either publicly traded or have private equity ownership.

Regarding the “corporate practice of medicine prohibition” the definitions of “hedge fund” and “private equity fund” are problematic because they describe such a wide array of situations which are not private equity or a hedge fund. As defined, they would include the investment of private individuals or healthcare providers in a community that seek to create new and needed access points in our communities. Additionally, this section conflicts with SB 450 Corporation Practice of Medicine Act.

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