

LFC Requester:	RubyAnn Esquibel
-----------------------	-------------------------

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: 1/31/2025 *Check all that apply:*
Bill Number: SB 176 Original Correction
 Amendment Substitute

Sponsor: Sen. Hickey & Sen. Woods **Agency Name and Code** NM Hospital Association
Short Title: Medical Malpractice Changes **Number:** _____
Title: _____ **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 SB 176, 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.

Hospitals across the state have seen doubling and tripling of malpractice plan premiums in the last four years and punitive damage have grown so large that there is a real risk of smaller hospitals not being able to meet this obligation and facing closure as a result. This bill would begin to bring balance back to the system while continuing to protect patients who have been harmed.

Section 2 addresses the importance of the Patient's Compensation Fund, which covers the cost of care for harmed patients as long as needed but is not being utilized as intended to ensure that patients' ongoing medical care is financially covered. This is due to settlements and judgements that lump-sum past and future medical expenses together, which increases percentage payouts to attorneys (paid for by the PCF) but has the real potential to further harm patients by leaving them on the hook for future care that they cannot afford when the lump sum payment runs out. Requiring that payments from the PCF be made as expenses are incurred will protect patients for the long-term because all needed medical care will be paid by the PCF.

It is possible to keep the needs of patients who have experienced lifelong health consequences due to medical malpractice at the core of the Act while ensuring that the Act does not dissuade providers (individual providers, private practices and hospitals) from serving those in our state and SB 176 strikes this balance (though not addressing all of the unintended consequences arising from 2021's changes).

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