

LFC Requester:

Eric Chenier

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto: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: 2/17/2025

Check all that apply:

Bill Number: SB389Original  Correction Amendment  Substitute Sponsor: Senator HickeyAgency Name  
and CodeOffice of Superintendent of  
Insurance - 440

Number:

Short  
Title: EXTEND HEALTH CARE  
CONSOLIDATION ACT REPEALPerson Writing Viara IanakievaPhone: 505-508-9073 Phone 505-508-9073**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
<b>Total</b>						

(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**

Senate Bill 389 (SB389) extends the delayed repeal of the Health Care Consolidation Act, for one year from July 1, 2025 to July 1, 2026. SB 389 will extend the oversight authority of the Office of Superintendent of Insurance to review proposed transactions that involve a hospital merger with another hospital, acquisition of one or more New Mexico hospitals, agreements that result in the change of control of a New Mexico hospital, formation of a new corporation or other business entity that results in change of control of an existing hospital in New Mexico and sale, purchase, lease new affiliation or any agreement that results on control of a New Mexico hospital.

#### **FISCAL IMPLICATIONS**

None.

#### **SIGNIFICANT ISSUES**

The Health Care Consolidation Act, 1978, §59A-63, applies only to hospital transactions. The law, in its current form, lacks a notice requirement and does not provide a mechanism for public comment on proposed transactions that could adversely affect the availability, affordability, and accessibility of services in specific areas. Additionally, the existing legislation does not include provisions for enforcement, fines, annual disclosures, or post-transaction oversight. These limitations in the existing law are addressed in the 2025 Senate Bill 14, Health Care Consolidation Oversight Act, which expands the scope of the legislation to include independent provider organizations acquired by insurance entities, provides a balance between transparency and confidentiality by allowing public input but protecting sensitive materials in transactional documents, sets forward a tiered transaction review process, enforcement and annual disclosure requirements and post-transaction oversight.

#### **PERFORMANCE IMPLICATIONS**

None.

#### **ADMINISTRATIVE IMPLICATIONS**

None.

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

SB14. The Committee Substitute of SB14 is available [here](#).

#### **TECHNICAL ISSUES**

None.

#### **OTHER SUBSTANTIVE ISSUES**

None.

#### **ALTERNATIVES**

SB14. The Committee Substitute of SB14 is available [here](#).

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

The Health Care Consolidation Act, 1978, §59A-63, will be repealed. If SB14 does not pass, there will be no oversight of transactions including change of control over hospitals to ensure that they are in the interest of the public and that the accessibility, affordability and quality of services in New Mexico are preserved.

**AMENDMENTS**

None.