

1 SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 14

3 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

4
5
6
7
8
9
10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE HEALTH CARE CONSOLIDATION
12 AND TRANSPARENCY ACT; PROVIDING OVERSIGHT OF ACQUISITIONS,
13 MERGERS, AFFILIATIONS AND OTHER TRANSACTIONS THAT INVOLVE
14 DIRECT OR INDIRECT CHANGES OF CONTROL OF HOSPITALS OR
15 ACQUISITIONS OF HEALTH CARE PROVIDER ORGANIZATIONS BY HEALTH
16 INSURERS; PROVIDING FOR NOTICE, PRELIMINARY AND COMPREHENSIVE
17 REVIEWS; PROVIDING FOR APPROVAL, APPROVAL WITH CONDITIONS OR
18 DISAPPROVAL AND POST-TRANSACTION OVERSIGHT; REQUIRING ANNUAL
19 NOTICES OF OWNERSHIP; PROVIDING PROTECTIONS FOR WHISTLE
20 BLOWERS; PRESCRIBING PENALTIES.

21
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

23 SECTION 1. A new section of the New Mexico Insurance
24 Code, Section 59A-63-9 NMSA 1978, is enacted to read:

25 "59A-63-9. [NEW MATERIAL] SHORT TITLE.--Sections 59A-63-9

.230523.2

underscored material = new
[bracketed material] = delete

1 through 59A-63-23 NMSA 1978 may be cited as the "Health Care
2 Consolidation and Transparency Act".

3 SECTION 2. A new section of the New Mexico Insurance
4 Code, Section 59A-63-10 NMSA 1978, is enacted to read:

5 "59A-63-10. [NEW MATERIAL] DEFINITIONS.--As used in the
6 Health Care Consolidation and Transparency Act:

7 A. "acquisition" means the direct or indirect
8 purchase or other procurement in any manner, including through
9 a lease, a license, a transfer, an exchange, an option, a
10 proxy, a conveyance or a joint venture, of all or substantially
11 all of the assets, equity or operations of a person;

12 B. "affiliate" or "affiliated with" means:

13 (1) a person that directly, indirectly or
14 through one or more intermediaries controls, is controlled by
15 or is under common control or ownership of another person;

16 (2) a person whose business is operated under
17 a lease, management, license or similar agreement by another
18 person;

19 (3) a hospital that has all or substantially
20 all of its patient care facilities operated under a lease,
21 management, license or similar agreement by another person; or

22 (4) a person that operates the business or
23 substantially all of the patient care facilities of another
24 person under a lease, management, operating, license or similar
25 agreement;

.230523.2

1 C. "affiliation" means a business arrangement in
 2 which one person directly or indirectly is controlled by, is
 3 under common control with or controls another person;

4 D. "authority" means the health care authority;

5 E. "control", "controlling", "controlled by" and
 6 "under common control with" means the power to direct or cause
 7 the direction of the management and policies of a person, in
 8 whole or in substantial part, whether directly or indirectly,
 9 through the ownership of voting securities, through license or
 10 lease agreements, by contract or otherwise;

11 F. "essential services" means health care services
 12 that are:

13 (1) covered by the state medicaid program;

14 (2) required to be included in health plans
 15 pursuant to state or federal law; or

16 (3) required to be included in qualified
 17 health plans offered through the New Mexico health insurance
 18 exchange;

19 G. "health care provider" means a person certified,
 20 registered, licensed or otherwise authorized under state law to
 21 perform or provide health care services to persons in New
 22 Mexico;

23 H. "health care provider organization" means a
 24 person that is in the business of delivering or managing the
 25 delivery of health care services, whether incorporated or not,

.230523.2

underscored material = new
 [bracketed material] = delete

1 including physician organizations and independent health care
2 providers, but does not include hospitals;

3 I. "health care services" means the care,
4 prevention, diagnosis, treatment or relief of an illness,
5 injury, disease or other medical, mental or behavioral health
6 or substance use disorder condition;

7 J. "health care staffing company" means a person
8 engaged in the business of providing, procuring for employment
9 or contracting health care personnel for a hospital, but does
10 not include a health care provider who independently provides
11 the provider's own services to a hospital as an employee or
12 contractor;

13 K. "health insurer" means a person required to be
14 licensed or subject to the Insurance Code or the insurance laws
15 of any other state in connection with the business of health
16 insurance, excluding insurance producers;

17 L. "hospital" means a hospital licensed by the
18 authority but does not include state-owned special hospitals
19 operated by the department of health;

20 M. "independent health care provider" means a
21 corporation, partnership, limited liability company, nonprofit
22 organization, trust, association or other legal entity entirely
23 owned or controlled by health care providers who provide health
24 care services to patients in New Mexico;

25 N. "management services organization" means a

1 person that contracts with a hospital to perform or provide
 2 personnel to perform all or substantially all of the
 3 administrative or management services relating to supporting or
 4 facilitating the provision of health care services of the
 5 hospital as a whole or those provided by a hospital division,
 6 department or subsidiary;

7 O. "office" means the office of superintendent of
 8 insurance;

9 P. "party" means a person who is party to a
 10 transaction or acquisition subject to the Health Care
 11 Consolidation and Transparency Act; and

12 Q. "transaction" means any of the following:

13 (1) a merger with a hospital or with a person
 14 controlling a hospital;

15 (2) an acquisition of a hospital or a person
 16 controlling a hospital;

17 (3) an affiliation, agreement or other
 18 arrangement:

19 (a) that results in the change of
 20 control of a hospital;

21 (b) that results in a change of control
 22 of a hospital department, division or subsidiary that provides
 23 health care services;

24 (c) between a hospital and a management
 25 services organization; or

.230523.2

underscored material = new
 [bracketed material] = delete

1 (d) involving a hospital that may
2 eliminate or significantly reduce essential services in New
3 Mexico; or

4 (4) a sale, mortgage, lease, license, transfer
5 or other agreement involving all or substantially all the
6 patient care facilities of a hospital or the real estate on
7 which the hospital is located."

8 SECTION 3. A new section of the New Mexico Insurance
9 Code, Section 59A-63-11 NMSA 1978, is enacted to read:

10 "59A-63-11. [NEW MATERIAL] APPLICABILITY--EXEMPTIONS--
11 PRESUMPTION OF CONTROL.--

12 A. The oversight power of the office pursuant to
13 the Health Care Consolidation and Transparency Act applies only
14 to:

15 (1) proposed transactions between two or more
16 parties, whether or not domiciled or otherwise located in New
17 Mexico, that involve a change in control of a New Mexico
18 hospital;

19 (2) proposed acquisitions of health care
20 provider organizations by a hospital or a person that is owned
21 by or affiliated with a hospital; and

22 (3) proposed acquisitions of one or more
23 health care provider organizations located, whether in whole or
24 in part, in New Mexico, or the employment of a health care
25 provider by a health insurer or by a person that is owned or

1 affiliated with a health insurer.

2 B. The Health Care Consolidation and Transparency
3 Act does not apply to:

4 (1) collaborations on clinical trials,
5 graduate medical education programs, other health professions'
6 training programs, health sciences training programs or other
7 education or research programs;

8 (2) federally qualified health centers or
9 health care providers that meet the requirements of the federal
10 health resources and services administration's health center
11 program but do not receive program funding;

12 (3) transactions in which the hospital
13 directly, or indirectly through one or more intermediaries,
14 already controls, is controlled by or is under common control
15 with all other parties to the transaction;

16 (4) a change in control of a hospital
17 resulting from the election of new members of the governing
18 body of a public hospital or the appointment of new members of
19 a governing body of a public hospital by the governor or other
20 elected official or elected body;

21 (5) the hiring, offer of employment, agreement
22 or contract with an independent health care provider, physician
23 or other health care provider to provide health care services;
24 or

25 (6) nonconsecutive agreements between or on

.230523.2

underscored material = new
~~[bracketed material] = delete~~

1 behalf of a health care staffing company and hospital to
2 provide health care providers for a period not to exceed twelve
3 months and that do not renew, extend or replace another
4 substantially similar agreement with the same health care
5 staffing company.

6 C. Control is presumed to exist if a person
7 directly or indirectly owns, controls or holds fifteen percent
8 or more of the power to vote or holds proxies representing
9 fifteen percent or more of the voting securities of any other
10 entity. This presumption may be rebutted by a showing that
11 control does not in fact exist in the manner provided by
12 Section 59A-37-19 NMSA 1978.

13 D. After furnishing a notice to all parties and
14 providing them an opportunity to be heard, the superintendent
15 may determine that control exists in fact, notwithstanding the
16 absence of a presumption to that effect, if the determination
17 is based on specific findings of fact in its support."

18 SECTION 4. A new section of the New Mexico Insurance
19 Code, Section 59A-63-12 NMSA 1978, is enacted to read:

20 "59A-63-12. [NEW MATERIAL] NOTICE OF PROPOSED TRANSACTION
21 OR ACQUISITION--EXPERT CONSULTATIONS--PAYMENT OF COSTS--
22 EMERGENCY EXEMPTION.--

23 A. Parties to a proposed transaction or acquisition
24 may request a pre-notice conference to determine if they are
25 required to file a notice or to discuss the potential extent of

1 a review. The office shall schedule the pre-notice conference
2 within fifteen days of the request.

3 B. The parties to a proposed transaction or
4 acquisition shall submit to the office at least sixty days
5 prior to the anticipated effective date of the proposed
6 transaction or acquisition a written notice of the proposed
7 transaction or acquisition in the form and manner prescribed by
8 the office along with an attestation as to the accuracy and
9 completeness of the notice by the officers who will be the
10 signatories to the material transaction or acquisition
11 documents or other appropriate officer of each party acceptable
12 to the office.

13 C. Unless otherwise determined by the
14 superintendent, the parties shall be jointly and severally
15 obligated for and shall pay, within thirty days of invoice by
16 or on behalf of the office, the reasonable costs and expenses
17 of the professional services of outside experts incurred by the
18 office in the performance of the office's or the authority's
19 duties pursuant to the Health Care Consolidation and
20 Transparency Act. The office shall notify parties of the
21 identity of such outside experts.

22 D. Entry into a binding agreement before a proposed
23 transaction or acquisition is effectuated is not a violation of
24 the Health Care Consolidation and Transparency Act if it
25 remains subject to regulatory review and approval by the

.230523.2

1 office.

2 E. The notice of a proposed transaction or
3 acquisition shall include information required by the office to
4 perform its duties under the Health Care Consolidation and
5 Transparency Act in a form and manner prescribed by the office,
6 and such information shall include, at a minimum:

7 (1) a list of the parties and the identifying
8 information required for reporting in Subsection A of Section
9 59A-63-20 NMSA 1978;

10 (2) a summary of the material terms of the
11 transaction or acquisition agreements;

12 (3) a statement describing the goals and the
13 anticipated impact on the current and future provision of
14 essential services in New Mexico;

15 (4) a list of the geographic service areas
16 that will be affected;

17 (5) a description of the patients, employees
18 and other persons that are likely to be affected;

19 (6) a description of the anticipated impact on
20 current and future wages, benefits, working conditions,
21 employment protections and restrictions and other terms and
22 conditions of employment for employees of the hospital or
23 health care provider organization that is party to, or the
24 subject of, the proposed transaction or acquisition;

25 (7) a summary of the essential services

.230523.2

1 currently provided by applicable hospital or health care
2 provider organization and the other parties; commitments of the
3 parties and the hospital or health care provider organization
4 to continue those services; and essential services that will be
5 added, reduced or eliminated in the service area in which they
6 are currently provided, including an explanation of why any
7 services will be reduced or eliminated;

8 (8) a summary of the plans of the parties with
9 respect to any patient care facilities owned by the hospital or
10 the real estate on which the hospital is located or the health
11 care provider organization following the closing of the
12 transaction or acquisition;

13 (9) organizational charts for each of the
14 parties identifying all of the direct and indirect parents,
15 subsidiaries, affiliates and controlling individuals and
16 entities of each of the parties; and

17 (10) copies of all agreements, including any
18 memoranda of understanding, letters of intent or other
19 documents setting forth the negotiated terms and conditions of
20 the proposed transaction or acquisition; provided that such
21 agreements shall remain confidential and be exempt from
22 disclosure pursuant to the Inspection of Public Records Act.

23 F. The office shall consult with the authority
24 about the potential effect of a proposed transaction or
25 acquisition and consider the authority's feedback and review in

.230523.2

1 making the office's final determination.

2 G. The office shall provide all notices and
3 documents received from any of the parties to a proposed
4 transaction or acquisition to the authority and the attorney
5 general. The attorney general may provide input to the office
6 about the potential effect of a proposed transaction or
7 acquisition relative to the Antitrust Act, the Unfair Practices
8 Act or other state or federal law.

9 H. The office may consult with any other state
10 agency to the extent that agency has expertise related to a
11 proposed transaction or acquisition or the communities or
12 populations that may be affected by a transaction or
13 acquisition.

14 I. The office may retain actuaries, accountants,
15 attorneys or other professionals who are qualified and have
16 expertise in the type of transaction or acquisition under
17 review as necessary to assist the office in conducting its
18 review of a proposed transaction or acquisition.

19 J. The parties shall not effectuate a proposed
20 transaction or acquisition without the superintendent's written
21 determination that no comprehensive review is needed or without
22 the written approval, with or without conditions, of the
23 superintendent following a comprehensive review. If the
24 approval following a comprehensive review contains conditions,
25 the parties shall comply with such conditions. The submitting

.230523.2

1 party shall notify the office in a form and manner prescribed
2 by the office when the transaction or acquisition has been
3 effectuated.

4 K. The office may waive the requirement of a
5 preliminary or comprehensive review of a transaction or
6 acquisition if there is an emergency situation that threatens
7 access to essential services and the transaction or acquisition
8 is urgently needed to protect the interest of patients of
9 health care services. The office, by rule, shall establish the
10 procedures for requesting an emergency waiver and establishing
11 the need for such waiver. The office may request that the
12 parties to a transaction or acquisition submit documents to
13 establish the need for an emergency waiver. Once the request
14 for an emergency waiver and any documents requested by the
15 office are received, the office shall issue its determination
16 within fourteen days, subject to the tolling provisions of
17 Section 59A-63-13 NMSA 1978.

18 L. Nothing in the Health Care Consolidation and
19 Transparency Act shall amend, modify, abrogate or otherwise
20 affect the applicability of or obligations of a party to a
21 transaction or acquisition under any other state or federal
22 law. The filing obligations under that act are in addition to
23 any other obligation that may be required under other laws."

24 SECTION 5. A new section of the New Mexico Insurance
25 Code, Section 59A-63-13 NMSA 1978, is enacted to read:

.230523.2

1 "59A-63-13. [NEW MATERIAL] TIMING OF REVIEW OF NOTICE AND
2 TOLLING.--

3 A. Within fifteen days after the notice of a
4 proposed transaction or acquisition is filed, the office shall
5 notify the parties in writing if the notice is complete or, if
6 the notice is incomplete, specify what additional information
7 must be submitted.

8 B. A notice of a proposed transaction or
9 acquisition shall be deemed complete by the office when all of
10 the information required by the Health Care Consolidation and
11 Transparency Act is submitted by the parties.

12 C. The office may request additional relevant
13 information or documents at any time after a notice is
14 complete. In such circumstances, the time periods described
15 below in this section shall be tolled until the office receives
16 such additional material.

17 D. Should the scope of a proposed transaction or
18 acquisition be significantly modified from that outlined in the
19 initial notice, the parties shall resubmit the notice with the
20 modifications, and the time periods set out in the Health Care
21 Consolidation and Transparency Act shall be restarted.

22 E. No later than sixty days after receiving a
23 complete notice, the office shall conclude its preliminary
24 review.

25 F. If the office determines that a comprehensive

1 review is necessary, the office shall complete the
 2 comprehensive review in accordance with Section 59A-63-15 NMSA
 3 1978 within ninety days or, if there is potential for
 4 disapproval, then an administrative hearing shall be required
 5 pursuant to that section and shall be held within one hundred
 6 eighty days.

7 G. If the office holds an administrative hearing,
 8 the office shall make its decision and issue a final order
 9 within thirty days following an administrative hearing."

10 SECTION 6. A new section of the New Mexico Insurance
 11 Code, Section 59A-63-14 NMSA 1978, is enacted to read:

12 "59A-63-14. [NEW MATERIAL] PRELIMINARY REVIEW OF PROPOSED
 13 TRANSACTIONS.--

14 A. The purpose of the preliminary review is to
 15 determine whether a proposed transaction or acquisition should
 16 receive a comprehensive review by the office.

17 B. To determine whether a proposed transaction or
 18 acquisition should be subject to comprehensive review, the
 19 office shall consider whether the proposed transaction or
 20 acquisition:

21 (1) is necessary to maintain the solvency of a
 22 hospital;

23 (2) is in the interest of patients or may have
 24 negative effects on the availability, accessibility,
 25 affordability or quality of health care services for patients,

.230523.2

underscored material = new
 [bracketed material] = delete

1 including the reduction or elimination of essential services;

2 (3) may have negative effects on current and
3 future wages, benefits, working conditions, employment
4 protections and restrictions and other terms and conditions of
5 employment for employees of hospitals or health care provider
6 organizations that are parties to or the subject of the
7 proposed transaction or acquisition;

8 (4) may impose practice restrictions on health
9 care providers; and

10 (5) has such other factors as the office deems
11 necessary or appropriate to complete its preliminary review.

12 C. The office shall also consider the experience,
13 competence and integrity of the parties that will acquire
14 control following the transaction or acquisition and each
15 person who controls such parties.

16 D. Following the conclusion of a preliminary
17 review, the office shall notify the parties in writing that:

18 (1) a comprehensive review is not required and
19 they may proceed with the transaction or acquisition, subject
20 to the post-closing reporting requirements; or

21 (2) the transaction or acquisition is subject
22 to a comprehensive review and include the reasons for that
23 determination."

24 SECTION 7. A new section of the New Mexico Insurance
25 Code, Section 59A-63-15 NMSA 1978, is enacted to read:

.230523.2

1 "59A-63-15. [NEW MATERIAL] COMPREHENSIVE REVIEW OF
2 PROPOSED TRANSACTIONS AND ACQUISITIONS.--

3 A. The superintendent shall notify the submitting
4 parties in writing of the office's determination that a
5 comprehensive review is necessary and the reasons for the
6 determination.

7 B. If the office determines that a comprehensive
8 review of a proposed transaction or acquisition is necessary,
9 the office shall confer with the authority and may consult with
10 the attorney general and complete the review within ninety days
11 following its determination that a comprehensive review is
12 necessary; provided that if, after review, the office is
13 considering disapproval of the proposed transaction or
14 acquisition, the office shall hold an administrative hearing
15 before the superintendent makes the final decision.

16 C. The review period may be extended if the parties
17 agree to an extension.

18 D. The office may request additional information
19 from any of the parties as needed to conduct the comprehensive
20 review of a proposed transaction or acquisition, and the
21 parties shall promptly reply using the form of communication
22 requested by the office and verified by an officer of a party
23 if required by the office.

24 E. In conducting a comprehensive review of a
25 proposed transaction or acquisition, the office may consider

.230523.2

1 the likely effect in New Mexico of the proposed transaction or
2 acquisition on:

3 (1) the potential reduction of, elimination
4 of, loss of or material change in access to essential services;

5 (2) the availability, accessibility and
6 quality of current and future health care services to any
7 community likely to be affected by the proposed transaction or
8 acquisition, including the accessibility of culturally
9 responsive care and access to services in medically underserved
10 areas;

11 (3) the health care market share of a party
12 and whether the proposed transaction or acquisition is likely
13 to foreclose competitors of a party from a segment of the
14 market or otherwise likely to increase barriers to entry in a
15 health care market;

16 (4) wages, salaries, benefits and working
17 conditions of employees of the hospital, including employment
18 protections and contract provisions involving labor conditions
19 that are required to comply with state and federal law;

20 (5) patient and payer cost trends and
21 containment of total state health care spending;

22 (6) health care quality, incident and similar
23 reports or filings and related litigation involving any
24 hospital or health care provider organization owned by the
25 parties that will acquire control following the transaction or

.230523.2

1 acquisition and each person that controls such parties or their
 2 provision of health care services within or without New Mexico
 3 to the extent relevant to assess the availability,
 4 accessibility, affordability or quality of care or coverage in
 5 the relevant markets; and

6 (7) such other factors that the office deems
 7 necessary or appropriate to complete its comprehensive review.

8 F. Following completion of a comprehensive review
 9 above, the receipt of input from the authority, and if
 10 consulted, the attorney general and other state agencies and
 11 input from public forums and other public comments, the office
 12 shall approve the proposed transaction or acquisition, with or
 13 without conditions, unless the office determines that an
 14 administrative hearing is necessary to consider disapproval
 15 because of a substantial likelihood of:

16 (1) a significant reduction in the
 17 availability, accessibility, affordability or quality of care
 18 for patients of health care services; or

19 (2) any anticompetitive effects from the
 20 proposed transaction or acquisition that outweigh the benefits
 21 of the transaction or acquisition.

22 G. The superintendent shall make a final
 23 determination to approve a proposed transaction or acquisition
 24 with or without conditions or disapprove a proposed transaction
 25 or acquisition and, if disapproved, issue a final order within

.230523.2

underscored material = new
 [bracketed material] = delete

1 thirty days after the administrative hearing."

2 SECTION 8. A new section of the New Mexico Insurance
3 Code, Section 59A-63-16 NMSA 1978, is enacted to read:

4 "59A-63-16. [NEW MATERIAL] POSTING PUBLIC
5 INFORMATION--PUBLIC COMMENT--PUBLIC COMMENT FORUMS.--

6 A. Within ten days of receipt of a complete notice
7 of a proposed transaction or acquisition, the office shall post
8 the notice on its website, including the summaries,
9 descriptions and statements required in the notice but
10 excluding the material transaction or acquisition documents.

11 B. The office shall publish a statement briefly
12 describing a notice of proposed transaction or acquisition in
13 at least one newspaper of general circulation or other media
14 that is prevalent in the area affected by the transaction or
15 acquisition. The office shall also provide the statement to
16 municipal and county officials; Indian nations, tribes and
17 pueblos; military installation commands; state legislators and
18 the state's congressional delegation; any labor organization
19 that represents employees of the impacted hospital or health
20 care provider organization; and county health councils in the
21 area affected by the transaction or acquisition.

22 C. With respect to website, newspaper and other
23 disseminations and communications described in Subsection B of
24 this section, the office shall provide details on how the
25 public can provide comments and offer multiple methods to

.230523.2

underscored material = new
~~[bracketed material]~~ = delete

1 provide the comments on a notice of a proposed transaction or
2 acquisition by telephone or in writing by mail or electronic
3 mail, anonymously or by a third party and such methods shall
4 provide opportunities to submit comments in languages other
5 than English.

6 D. If the office conducts a comprehensive review,
7 at least one public comment forum shall be held in the New
8 Mexico service area or areas of the hospital or health care
9 provider organization that is party to or the subject of the
10 proposed transaction or acquisition.

11 E. At least ten calendar days prior to the public
12 comment forum, the office shall post to the office's website
13 information about the public comment forum and a link on the
14 website to materials relevant to the proposed transaction or
15 acquisition. The forum notice and the materials shall be in a
16 format that is easy to find and easy to read and include
17 information on how to submit comments.

18 F. The office shall publish a notice of a public
19 comment forum in at least one newspaper of general circulation
20 or other media that is prevalent in the area affected by the
21 transaction or acquisition. The office shall provide the
22 notice of the public comment forum to municipal and county
23 officials; Indian nations, tribes and pueblos; military
24 installation commands; state legislators and the state's
25 congressional delegation; any labor organization that

.230523.2

1 represents employees of the affected hospital or health care
2 provider organization; and county health councils in the area
3 affected by the transaction or acquisition.

4 G. Public comment on a proposed transaction or
5 acquisition that is subject to comprehensive review shall be
6 provided in the same manner as provided in Subsection C of this
7 section.

8 H. The office shall consider public comments and
9 input received during the public comment forum on a proposed
10 transaction or acquisition in the office's determination."

11 SECTION 9. A new section of the New Mexico Insurance
12 Code, Section 59A-63-17 NMSA 1978, is enacted to read:

13 "59A-63-17. [NEW MATERIAL] POST-TRANSACTION OVERSIGHT.--

14 A. The office may audit the books, documents,
15 records and data of a party to or the subject of a transaction
16 or acquisition that is subject to a conditional approval to
17 monitor the parties' compliance with the conditions established
18 by the office.

19 B. The office may contract with experts to assist
20 with monitoring ongoing compliance with imposed conditions.
21 The office shall designate the parties to the transaction or
22 acquisition that shall bear the reasonable cost of retaining
23 experts for post-transaction or acquisition oversight.

24 C. A hospital or health care provider organization
25 subject to a transaction or acquisition approved with

1 conditions may apply to the office to modify or terminate the
 2 conditions on the grounds that circumstances have changed to
 3 justify such modification or termination. The application
 4 shall be made public and subject to public input before the
 5 office acts on an application. The office may hold a public
 6 comment forum to consider the application.

7 D. The parties or the hospital subject to a
 8 transaction or acquisition that was approved or conditionally
 9 approved following comprehensive review shall submit one-, two-
 10 and five-year reports to the office, the attorney general and
 11 the authority in the form and manner prescribed by the office
 12 and upon future intervals determined at the discretion of the
 13 office. Reports shall:

- 14 (1) describe compliance with applicable
 15 conditions;
- 16 (2) describe the growth, decline and other
 17 changes in health care services provided in New Mexico;
- 18 (3) provide analyses of cost trends of the
 19 hospital;
- 20 (4) describe any material changes to the
 21 information provided to the office in connection with the
 22 comprehensive review; and
- 23 (5) provide any other information required by
 24 the office to monitor compliance with the conditions."

25 SECTION 10. A new section of the New Mexico Insurance

.230523.2

underscored material = new
 [bracketed material] = delete

1 Code, Section 59A-63-18 NMSA 1978, is enacted to read:

2 "59A-63-18. [NEW MATERIAL] WHISTLE BLOWER PROTECTION--
3 DEFINITIONS--POLICY REQUIRED--RETALIATION PROHIBITED--
4 PENALTIES.--

5 A. As used in this section:

6 (1) "good faith" means that a reasonable basis
7 exists as evidenced by the facts available;

8 (2) "retaliatory action" means any
9 discriminatory or adverse action taken by a hospital against a
10 whistle blower, including termination, discharge, demotion,
11 suspension, harassment or limitation on access to health care
12 services;

13 (3) "unlawful or improper act" means a
14 practice, procedure, action or failure to act on the part of a
15 hospital that is relevant to its obligations pursuant to the
16 Health Care Consolidation and Transparency Act, the Health Care
17 Consolidation Oversight Act or the office's or attorney
18 general's ability to exercise authority pursuant to those acts
19 that:

20 (a) violates a federal law or regulation
21 or a state law or rule;

22 (b) is illegal, immoral, illicit, unsafe
23 or fraudulent;

24 (c) constitutes malfeasance; or

25 (d) constitutes: 1) gross mismanagement;

1 2) a waste of funds; 3) an abuse of authority; or 4) a
2 substantial and specific danger to patients, consumers or the
3 public; and

4 (4) "whistle blower" means a health care
5 provider; patient; patient's representative or guardian; or
6 officer, employee, contractor, subcontractor or authorized
7 agent of a hospital who reveals information about an unlawful
8 or improper act by the hospital.

9 B. A hospital shall not, either directly or
10 indirectly, take any retaliatory action against a whistle
11 blower who:

12 (1) discloses to the office, the attorney
13 general, the authority or any other state, local government or
14 federal entity information about an action or a failure to act
15 that the whistle blower believes in good faith constitutes an
16 unlawful or improper act;

17 (2) provides information to or testifies
18 before a public body as part of an investigation, hearing or
19 inquiry into an unlawful or improper act; or

20 (3) objects to or refuses to participate in an
21 activity, policy or practice that the whistle blower believes
22 in good faith constitutes an unlawful or improper act.

23 C. Every hospital shall adopt, promulgate and
24 enforce a whistle blower protection policy that, at a minimum,
25 meets the requirements above to protect whistle blowers from

.230523.2

1 any form of retaliatory action by the hospital. The policy
2 shall be posted at each hospital workplace, published on the
3 hospital's website and given, by either written or electronic
4 communication, to every officer, employee, contractor or other
5 agent of the hospital.

6 D. Except as otherwise provided in the Health Care
7 Consolidation and Transparency Act and in addition to any
8 criminal charges or civil suits that may be brought against the
9 hospital for either its unlawful or improper act or its
10 retaliatory actions, the superintendent may assess an
11 administrative fine not to exceed ten thousand dollars
12 (\$10,000) on a hospital that the superintendent finds has
13 engaged in retaliatory action. Each retaliatory action or each
14 day of violation may be considered a separate violation. If
15 the superintendent finds that the hospital willfully or
16 repeatedly violated or continues to violate the prohibition
17 against retaliatory actions, the superintendent may assess an
18 administrative fine not to exceed one hundred thousand dollars
19 (\$100,000) for each violation.

20 E. The superintendent shall give notice to the
21 hospital of the superintendent's intention to assess an
22 administrative fine and specify the findings of retaliatory
23 action. The hospital may request a hearing, which shall be
24 conducted as provided for in the Administrative Procedures Act.
25 The superintendent shall make final findings and decisions,

.230523.2

1 which may include the time in which the hospital must correct
2 an unlawful or improper violation, and shall send a copy by
3 registered mail to the hospital as applicable. The decision of
4 the superintendent is a final agency action and may be appealed
5 to the district court as provided in Section 39-3-1.1 NMSA
6 1978. The hospital shall have thirty days to pay an
7 administrative fine.

8 F. A hospital that fails to stop or correct a
9 retaliatory action within the period allowed for its
10 correction, which period shall not begin to run until the date
11 of the final order or appeal, if applicable, may be assessed a
12 separate administrative fine not to exceed fifteen thousand
13 dollars (\$15,000) for each day during which the failure to stop
14 or correct the retaliatory action continues past the deadline
15 for stopping or correcting the action.

16 G. Administrative fines shall be deposited in the
17 state treasury to the credit of the current school fund as
18 required by Article 12, Section 4 of the constitution of New
19 Mexico.

20 H. The rights and remedies provided in this section
21 shall not be waived by an agreement, policy form or condition
22 of employment, including by an arbitration agreement.

23 I. Nothing in this section shall be deemed to
24 diminish the rights, privileges or remedies of a person
25 pursuant to any federal or state law or pursuant to any

.230523.2

1 collective bargaining agreement."

2 SECTION 11. A new section of the New Mexico Insurance
3 Code, Section 59A-63-19 NMSA 1978, is enacted to read:

4 "59A-63-19. [NEW MATERIAL] ENFORCEMENT AND ADMINISTRATIVE
5 FINES.--

6 A. The office shall enforce the provisions of the
7 Health Care Consolidation and Transparency Act.

8 B. A transaction or acquisition that is covered by
9 Section 59A-63-11 NMSA 1978 shall not be effective in New
10 Mexico without the superintendent's written determination that
11 no comprehensive review is needed or without the written
12 approval, with or without conditions, of the superintendent
13 following comprehensive review.

14 C. A person who violates a material or substantive
15 provision of the Health Care Consolidation and Transparency Act
16 or order or rule of the superintendent issued or adopted in
17 accordance with that act may be assessed an administrative fine
18 by the superintendent of not more than five thousand dollars
19 (\$5,000) for each instance of violation unless the violation is
20 willful and intentional, in which case the superintendent may
21 assess a fine of not more than ten thousand dollars (\$10,000)
22 for each violation, except as provided in Paragraph (2) of
23 Subsection D of this section. For purposes of calculating the
24 fine, the superintendent shall determine what constitutes an
25 "instance of violation" based on:

.230523.2

1 (1) the nature of the violation, including
 2 whether it is on a per day, per patient, per instance or other
 3 basis;

4 (2) the nature of the proposed transaction or
 5 acquisition and the circumstances of the parties involved;

6 (3) the potential impact on the availability,
 7 accessibility, affordability or quality of care for patients of
 8 health care services in New Mexico; and

9 (4) any anticompetitive effects from the
 10 proposed transaction or acquisition.

11 D. In the event of a failure to provide the
 12 required notice of proposed transaction or acquisition, in
 13 addition to the imposition of administrative fines, the
 14 superintendent may:

15 (1) require the parties to the unnoticed
 16 transaction to submit a notice of proposed transaction or
 17 acquisition to allow the office to complete a preliminary
 18 review and:

19 (a) determine if the transaction or
 20 acquisition should be subject to a comprehensive review; and

21 (b) if needed, conduct such
 22 comprehensive review to determine if the transaction or
 23 acquisition should: 1) remain effective; 2) remain effective
 24 with conditions; or 3) be disapproved;

25 (2) in the event of a willful and intentional

.230523.2

underscored material = new
 [bracketed material] = delete

1 failure to provide the notice of proposed transaction or
2 acquisition, impose an administrative fine of not more than
3 fifteen thousand dollars (\$15,000) per day from the date on
4 which the notice was required to be submitted to the
5 superintendent to the date of issuance of an order approving,
6 approving with conditions or disapproving the transaction or
7 acquisition; and

8 (3) if, following the comprehensive review and
9 administrative hearing, the superintendent determines that the
10 transaction or acquisition should not be approved, the
11 superintendent may deem the transaction or acquisition void or
12 require that it be unwound with respect to New Mexico.

13 E. Money collected from the imposition of an
14 administrative fine pursuant to the Health Care Consolidation
15 and Transparency Act shall be deposited in state treasury to
16 the credit of the current school fund as provided by Article
17 12, Section 4 of the constitution of New Mexico."

18 SECTION 12. A new section of the New Mexico Insurance
19 Code, Section 59A-63-20 NMSA 1978, is enacted to read:

20 "59A-63-20. [NEW MATERIAL] DISCLOSURE OF OWNERSHIP AND
21 CONTROL.--

22 A. Each hospital and health care provider
23 organization shall report the following information to the
24 office and the authority on an annual basis in a form and
25 manner required by the office:

.230523.2

1 (1) legal name of and any other names under
2 which it conducts business and operations;

3 (2) principle business address and the
4 addresses of all other locations;

5 (3) the name and contact information of a
6 representative;

7 (4) the name and business address for each
8 person that, with respect to the relevant hospital or health
9 care provider organization, has a controlling interest or is a
10 controlling person; and

11 (5) a current organizational chart showing the
12 business structure of the hospital or health care provider
13 organization, including:

14 (a) each person listed in Paragraph (4)
15 of this subsection; and

16 (b) affiliates of the hospital or the
17 health care provider organization.

18 B. The following health care provider organizations
19 are exempt from the reporting requirements provided in
20 Subsection A of this section:

21 (1) a health care provider or health care
22 provider organization that is owned or controlled by another
23 hospital or health care provider organization, if the owner or
24 controlling person is shown in the organizational chart and the
25 owner or controlling person provides the information required

.230523.2

1 pursuant to Subsection A of this section; and

2 (2) any newly formed or existing health care
3 provider organization.

4 C. By October 1, 2026 and annually thereafter, the
5 office shall prepare a public summary and analysis of the
6 ownership trends for hospitals and health care provider
7 organizations in New Mexico."

8 SECTION 13. A new section of the New Mexico Insurance
9 Code, Section 59A-63-21 NMSA 1978, is enacted to read:

10 "59A-63-21. [NEW MATERIAL] ACT NOT EXCLUSIVE--ATTORNEY
11 GENERAL.--Nothing in the Health Care Consolidation and
12 Transparency Act limits the authority of the attorney general
13 to protect consumers in the health care market or to protect
14 the economy of the state or any significant part of the state
15 insofar as health care is concerned under any state or federal
16 law. The authority of the attorney general to maintain
17 competitive markets and prosecute state and federal antitrust
18 and unfair competition violations shall not be narrowed,
19 abrogated or otherwise altered by that act."

20 SECTION 14. A new section of the New Mexico Insurance
21 Code, Section 59A-63-22 NMSA 1978, is enacted to read:

22 "59A-63-22. [NEW MATERIAL] JURISDICTION.--New Mexico
23 courts have personal jurisdiction over the parties to a
24 transaction or acquisition subject to the provisions of the
25 Health Care Consolidation and Transparency Act, including the

.230523.2

1 parties to the transaction or acquisition and any entity
 2 affiliated with a party."

3 SECTION 15. A new section of the New Mexico Insurance
 4 Code, Section 59A-63-23 NMSA 1978, is enacted to read:

5 "59A-63-23. [NEW MATERIAL] CONTINUED POST-TRANSACTION OR
 6 ACQUISITION OVERSIGHT OF TRANSACTIONS APPROVED OR CONDITIONALLY
 7 APPROVED UNDER THE HEALTH CARE CONSOLIDATION OVERSIGHT ACT.--On
 8 the effective date of the Health Care Consolidation and
 9 Transparency Act, an entity that had given notice of a proposed
 10 transaction or acquisition to the office in accordance with the
 11 Health Care Consolidation Oversight Act or that is still under
 12 review pursuant to that act or an entity that had acquired
 13 control over a hospital through an approved or conditionally
 14 approved transaction or acquisition and that is under
 15 post-transaction or acquisition oversight pursuant to that act
 16 shall continue to be overseen by the office as provided in that
 17 act. If an entity required to provide reports pursuant to that
 18 act proposes or makes material changes to a reviewable
 19 transaction or acquisition, that entity shall be reviewed as
 20 provided in the Health Care Consolidation and Transparency
 21 Act."

22 SECTION 16. EFFECTIVE DATE.--The effective date of the
 23 provisions of this act is July 1, 2025.

underscored material = new
 [bracketed material] = delete