

1 HOUSE BILL 552

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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5 and Marianna Anaya and Eleanor Chávez
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10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE MEDICAL CORPORATION
12 ACCOUNTABILITY ACT; REQUIRING HOSPITALS TO DISCLOSE INFORMATION
13 ON THEIR OWNERSHIP STRUCTURES; REQUIRING THE HEALTH CARE
14 AUTHORITY TO REPORT TO THE LEGISLATURE ON INFORMATION GATHERED
15 FROM HOSPITALS; PROHIBITING PRIVATE EQUITY FUNDS AND HEDGE
16 FUNDS FROM INTERFERING WITH THE PROFESSIONAL JUDGMENT OF HEALTH
17 CARE PROVIDERS.

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19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
21 cited as the "Medical Corporation Accountability Act".

22 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
23 Medical Corporation Accountability Act:

24 A. "affiliation" means a business arrangement in
25 which one person is directly or indirectly controlled by, is

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1 under common control with or controls another person;

2 B. "authority" means the health care authority;

3 C. "chief executive officer" means the highest-
4 ranking person in a company or other institution that is
5 ultimately responsible for making managerial decisions;

6 D. "control" means the power to direct or cause the
7 direction of the management and policies of a hospital, whether
8 directly or indirectly, including through the ownership of
9 voting securities, through licensing or franchise agreements or
10 by contract other than a commercial contract for goods or
11 nonmanagement services, unless the power is the result of an
12 official position with or corporate office held by an
13 individual;

14 E. "health care provider" means a person qualified
15 or licensed under state law to perform or provide health care
16 services;

17 F. "hedge fund" means a pool of funds by investors,
18 including a pool of funds managed or controlled by private
19 limited partnerships, if those investors or the management of
20 that pool or private limited partnership employ investment
21 strategies of any kind to earn a return on that pool of funds;

22 G. "hospital" means a hospital licensed by the
23 department of health or its successor health facility licensing
24 agency, but "hospital" does not include a state university
25 teaching hospital or a state-owned special hospital;

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1 H. "own" or "ownership" means:

2 (1) direct or indirect possession of equity in
3 the capital, stock or profits totaling more than five percent
4 of an entity;

5 (2) a controlling interest held by a private
6 equity fund; or

7 (3) a controlling interest held by a hedge
8 fund;

9 I. "person" means an individual, an association, an
10 organization, a partnership, a firm, a syndicate, a trust, a
11 corporation or another legal entity; and

12 J. "private equity fund" means a publicly traded or
13 nonpublicly traded company that collects capital investments
14 from individuals or entities and purchases a direct or indirect
15 ownership share or controlling interest of a health care
16 entity.

17 SECTION 3. [NEW MATERIAL] HOSPITAL REPORTING
18 REQUIREMENTS.--

19 A. Beginning January 1, 2026 and annually
20 thereafter, each hospital in the state that receives local or
21 state funding shall submit a report to the authority that
22 provides information on:

23 (1) the ownership structure of the hospital
24 that includes specific information on:

25 (a) the person that owns the hospital;

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1 (b) if applicable, any parent entities
2 that own the entity that owns the hospital;

3 (c) the person that operates the
4 hospital;

5 (d) any affiliation that the hospital
6 has;

7 (e) the person that owns the land on
8 which and facilities in which the hospital operates;

9 (f) any entities that the hospital owns;
10 and

11 (g) whether any of the persons listed in
12 this paragraph are a private equity fund or a hedge fund;

13 (2) the salary ranges for every type of health
14 care provider that is employed at the hospital; and

15 (3) the total compensation of the chief
16 executive officer of:

17 (a) the hospital;

18 (b) the owner of the hospital; and

19 (c) if applicable, the parent entity
20 that owns the entity that owns the hospital.

21 B. The authority shall promulgate rules to ensure
22 that every hospital that receives local or state funding is
23 held to the same reporting requirements and quality metrics.

24 C. Beginning July 1, 2026 and annually thereafter,
25 the authority shall provide a report to the legislature that

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1 summarizes the information collected from hospitals pursuant to
2 the Medical Corporation Accountability Act.

3 SECTION 4. [NEW MATERIAL] CORPORATE PRACTICE OF MEDICINE
4 PROHIBITED.--

5 A. A private equity fund or hedge fund involved in
6 any manner with a hospital or health care provider in this
7 state shall not:

8 (1) interfere with the professional judgment
9 of a health care provider in making health care decisions,
10 including:

11 (a) determining what diagnostic tests
12 are appropriate for a particular condition;

13 (b) determining the need for referrals
14 to, or consultation with, another health care provider;

15 (c) determining treatment options
16 available to the patient; or

17 (d) determining how many patients a
18 health care provider shall see in a given period of time or how
19 many hours a health care provider is required to work; or

20 (2) exercise control over, or be delegated the
21 power to:

22 (a) own or otherwise determine the
23 content of patient medical records;

24 (b) select, hire or fire health care
25 providers based, in whole or in part, on clinical competency or

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1 proficiency;

2 (c) set the parameters under which a
3 health care provider is required to enter into contractual
4 relationships with third-party payers;

5 (d) set the parameters under which a
6 health care provider is required to enter into a contractual
7 relationship with other health care providers for the delivery
8 of care;

9 (e) make decisions regarding coding and
10 billing procedures for patient care services; or

11 (f) approve the selection of medical
12 equipment and medical supplies used by health care providers to
13 provide services to patients.

14 B. A private equity fund or hedge fund shall not
15 enter into an agreement or arrangement with a health care
16 provider doing business in this state if the agreement or
17 arrangement would enable the private equity fund or hedge fund
18 to exercise control over the health care provider in a manner
19 that violates this section.

20 C. Nothing in this section shall be construed to
21 limit the liability of a hedge fund or private equity fund for
22 the hedge fund's or private equity fund's independent acts of
23 negligence.

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