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FISCAL IMPACT REPORT

SPONSOR Duhigg LAST UPDATED _____
ORIGINAL DATE 02/01/2024
BILL
SHORT TITLE Health Care Consolidation Oversight BILL NUMBER Senate Bill 224
ANALYST Esquibel

APPROPRIATION* (dollars in thousands)

| FY24 | FY25 | Recurring or Nonrecurring | Fund Affected |
|-------------|------|---------------------------|---------------|
| \$1,500.0** | | Recurring | General Fund |

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

**Appropriation is for FY24 and FY25.

Senate Bill 224 is a companion to Senate Bill 15, Health Care Consolidation Oversight Act.

Sources of Information

LFC Files

Agency Analysis Received From
Attorney General's Office (NMAG)
Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Senate Bill 224

Senate Bill 224 would appropriate \$1.5 million in FY24 and FY25 from the general fund to the Office of Superintendent of Insurance to implement the provisions of the Health Care Consolidation Oversight Act, including personnel, contracts, and other expenses, contingent on Senate Bill 15 or similar legislation of the Second Session of the Fifty-Sixth Legislature becoming law.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$1.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

The Office of Superintendent of Insurance estimates 7 FTE and several contracts for professional services would be necessary to implement the provisions of Senate Bill 15, the Health Care Consolidation Oversight Act. These staffing costs are estimated between \$850 thousand and \$1 million per year.

SIGNIFICANT ISSUES

Under Senate Bill 15, the Superintendent of Insurance would be required to review and approve certain proposed transactions of healthcare entities in the state, including mergers, acquisitions, and changes in ownership.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 224 is a companion with Senate Bill 15, Health Care Consolidation Oversight Act.

Senate Bill 15 would create a review process that allows the Office of Superintendent of Insurance to determine whether proposed transactions that materially change the control of a healthcare entity could negatively impact the availability, accessibility, affordability, and quality of healthcare for New Mexicans.

RAE/rl/ne