

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.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}

Check all that apply: Date 01/20/2024
Original **Amendment** _____ **Bill No:** HB145
Correction **Substitute** _____

Sponsor: Reps. Chavez, Chasey, and Szczepanski **Agency Name and Code** University of New Mexico-952
Short Title: Nurse Staff Ratio Requirements **Number:** _____
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SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$93,111,091	\$95,904,424	\$189,015,505	recurring	unfunded

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 145 requires the Department of Health to promulgate and enforce minimum nursing staff-to-patient ratios in licensed hospitals. HB 145 creates the ten member “staffing advisory committee” who will advise the Department of Health on matters relating to nurse staffing. HB 145 requires a hospital to comply with the nursing staff ratios established under this 2024 act and provides for potential civil action by any person or organization, including the Department of Health, for injunctive relief. HB 145 does contain an emergency clause and will take effect immediately.

FISCAL IMPLICATIONS

The University of New Mexico Hospital (UNMH) and the Sandoval Regional Medical Center (SRMC) have assumed that the ratios that would be promulgated by the staffing advisory committee could require additional nurse staffing of up to \$76,291,891 in FY25 and additional

unlicensed staff staffing of up to \$16,819,200 in FY25, for a total increase in staffing of \$93,111,091 in FY25; UNMH and SRMC have assumed a 3% per year inflation adjustment for FY26 and ongoing years.

SIGNIFICANT ISSUES

Hospitals currently have the flexibility under the direction of their Chief Nursing Officer to staff nurses and unlicensed personnel as appropriate and needed based on the hospital's census, acuity, and staffing availability. By mandating staffing ratios with less flexibility, hospitals may be forced to bring in additional nursing and unlicensed personnel, including more expensive contract labor to fill the required positions, even if the Chief Nursing Officer and nurse leaders did not find that the hospital's census and acuity necessitated that level of staffing. Regarding workforce availability, the New Mexico Health Care Workforce Report (2022) notes the number of RNs and CNSs practicing in New Mexico remains nearly 6,000 nurses below national benchmarks. Mandating staffing and removing the autonomy of hospital nursing leaders to make decisions in the best interest of patient care will contribute to higher levels of moral distress and burnout among nursing leaders, at a time when the nursing workforce is struggling to recover from the impacts of the Covid-19 pandemic.

PERFORMANCE IMPLICATIONS

An unfunded ongoing additional expense of nearly \$100M per year cannot be funded by UNMH and SRMC. This means that UNMH and SRMC would have to close hospital beds. The closing of those beds means fewer New Mexicans have access to hospital care, including care at New Mexico's only Level 1 Trauma Center. However, since the Emergency Medical Treatment and Labor Act (EMTALA) requires that hospitals evaluate all patients who arrive at the hospitals' emergency rooms, the very busy emergency rooms of UNMH and SRMC would be overwhelmed with patients who could not be admitted into hospital beds because the beds were closed. This bill places UNM hospitals in an impossible position where we would be unable to reconcile obligations related to health care access and patient care, workforce availability limitations, and federal law.

ADMINISTRATIVE IMPLICATIONS

The Department of Health would be burdened with complaints from patients held in emergency rooms because the hospitals were not able to admit those patients.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Hospitals will continue to have the flexibility needed for their Chief Nursing Officers to determine appropriate staffing based on census, acuity, and staffing availability.