

LFC Requester: Julisa Rodriguez

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:
Original [X] Amendment [ ]
Correction [ ] Substitute [ ]

Date 1/25/2024
Bill No: HB 234

Sponsor: Hochman-Vigil
Short Title: Medical Malpractice Premium Assistance

Agency Name and Code: 440 OSI
Number:
Person Writing: Tim Vigil
Phone: 505 690-0651 Email: Timothy.vigil@osi.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Table with 4 columns: Appropriation (FY24, FY25), Recurring or Nonrecurring, Fund Affected. Row 1: FY24, FY25, Nonrecurring, General Fund.

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Table with 5 columns: Estimated Revenue (FY24, FY25, FY26), Recurring or Nonrecurring, Fund Affected. Row 1: N/A, N/A, N/A.

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>		\$600	\$600	\$1,800	Recurring	OSI

(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**

Synopsis:

HB 234 creates a "medical malpractice premium assistance fund" and appropriates \$70,000,000 to the Office of Superintendent of Insurance (OSI) to develop and administer a program to provide medical malpractice premium assistance beginning in FY 25.

Section 2 specifies this is a non-recurring appropriation that can only be used for premium assistance, not operations.

**FISCAL IMPLICATIONS**

The bill limits the use of the funds for the assistance to healthcare providers for medical malpractice premiums.

The bill does not provide funds to OSI for the establishment and administration of the program, or any staff to take on these roles. As such, without a corresponding increase in funding and staffing, OSI would be tasked with distributing a significant amount of funding without the necessary resources for program development, an eligibility determination platform, or additional staff/contractors to process payments and monitor fraudulent claims.

**1) SIGNIFICANT ISSUES**

No recurring funding source is created. Failure to provide future appropriations will result in the amount of or the inability to provide future premiums assistance.

**PERFORMANCE IMPLICATIONS**

The OSI will need additional funding and staff to develop and administer the program.

**ADMINISTRATIVE IMPLICATIONS**

The OSI does not have the existing infrastructure to develop and administer this program. The OSI will require additional funding and staff to develop and implement the program.

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

None

## **TECHNICAL ISSUES**

None

## **OTHER SUBSTANTIVE ISSUES**

The legislation is silent on whether a provider who participate in the Patient Compensation Fund (PCF) is eligible for premium assistance.

## **ALTERNATIVES**

OSI has requested over \$35 million to reduce the deficit surcharge on independent health care providers and facilities.

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

Medical malpractice premium assistance provided by this bill will not be available.

## **AMENDMENTS**

The OSI recommends amendments that:

- 1) Provide an operational appropriation to the OSI for the development and administration of the program; and
- 2) Clarify whether a provider participating in the Patient Compensation Fund (PCF) is eligible for premium assistance.

