

LFC Requestor: Rodriguez, Julisa

2024 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 234

Type: Introduced

Date (of THIS analysis): 1/26/2024

Sponsor(s): Dayan Hochman-Vigil

Short Title: Medical Malpractice Premium Assistance

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None.

Conflicts with: None.

Companion to: None.

Relates to: None.

Duplicates/Relates to an Appropriation in the General Appropriation Act: None.

## Section IV: Narrative

### 1. BILL SUMMARY

#### a) Synopsis

House Bill 234 (HB234) proposes to create a medical malpractice premium assistance fund in the office of the superintendent of insurance (OSI), and it appropriates seventy million dollars from the general fund to such OSI fund. This fund will be utilized to establish and administer a program to provide medical malpractice premium reimbursement to certain health care providers.

HB 234 bill is intended accomplish reimbursements to independent health care providers or independent health care provider groups not employed by a hospital or health system, for a percentage of the cost of those providers' or provider groups' annual medical malpractice premiums, depending on years of practicing in the state.

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

#### b) Significant Issues

Since the Office of Superintendent of Insurance (OSI) has oversight and regulation of insurance, OSI would administer and oversee the proposed new program. HB234 has the potential to improve access to care in the State from providers who would not otherwise be able to afford to practice here, as well as potentially lowering health care costs if the providers' malpractice cost saving are passed through to their patients.

### 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?  
 Yes  No
- Is this proposal related to the NMDOH Strategic Plan?  Yes  No
  - Goal 1:** We expand equitable access to services for all New Mexicans
  - Goal 2:** We ensure safety in New Mexico healthcare environments
  - Goal 3:** We improve health status for all New Mexicans

**Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

### **3. FISCAL IMPLICATIONS**

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

The office of the superintendent of insurance (OSI) must adhere to Procurement Code in distributing funds to public and private entities.

### **4. ADMINISTRATIVE IMPLICATIONS**

Will this bill have an administrative impact on NMDOH?  Yes  No

### **5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP**

None.

### **6. TECHNICAL ISSUES**

Are there technical issues with the bill?  Yes  No

### **7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)**

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

The office of the superintendent of insurance (OSI) is assigned to enact any regulations required to implement the HB234.

### **8. DISPARITIES ISSUES**

- The population is being served by HB234 is providers of health services who are independent health care providers or independent health care provider groups not employed by a hospital or health system.

- If the served population passes on the savings of reduced insurance premiums, HB234 may help lower health care costs in the State.

## **9. HEALTH IMPACT(S)**

- The population is being impacted by HB234 are providers of health services who are independent health care providers or independent health care provider groups not employed by a hospital or health system.
- The population being served by HB234 (providers of health services who are independent health care providers or independent health care provider groups not employed by a hospital or health system) would still have to fund malpractice insurance on their own cost, but only up to \$250,000.00.

## **10. ALTERNATIVES**

None.

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

If HB234 is not enacted, then no medical malpractice premium assistance fund would be created in the office of the superintendent of insurance (OSI), and no seventy million dollar appropriation from the general fund to such OSI fund would be made.

## **12. AMENDMENTS**

None.