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HOUSE BILL 306

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Christine Chandler

AN ACT

RELATING TO HOSPITALS; REQUIRING FINANCIAL TRANSPARENCY REPORTS FROM CORPORATIONS DOING BUSINESS IN NEW MEXICO AS HOSPITALS OR PROVIDERS OF MANAGEMENT SERVICES FOR HOSPITALS THAT SEEK THE BENEFIT OF MONETARY CAPS ON DAMAGES PROVIDED BY NEW MEXICO LAW; REQUIRING THE SUPERINTENDENT OF INSURANCE TO PUBLISH REPORTS; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of Chapter 59A, Article 2 NMSA 1978 is enacted to read:

"~~[NEW MATERIAL]~~ FINANCIAL TRANSPARENCY--HOSPITAL-RELATED INFORMATION--PUBLICATION ON SUPERINTENDENT'S WEBSITE.--

A. As used in this section, "hospital" means a facility licensed as a hospital in this state that offers inpatient services, nursing or overnight care on a twenty-four-

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1 hour basis for diagnosing, treating and providing medical,  
2 psychological or surgical care for three or more separate  
3 persons who have a physical or mental illness, disease, injury  
4 or rehabilitative condition or are pregnant and may offer  
5 emergency services. "Hospital" includes a hospital's parent  
6 corporation, subsidiary corporations or affiliates if  
7 incorporated or registered in New Mexico; employees and locum  
8 tenens providing services at the hospital; and agency nurses  
9 providing services at the hospital. "Hospital" does not mean a  
10 person or entity protected pursuant to the Tort Claims Act or  
11 the Federal Tort Claims Act.

12 B. A corporation doing business in New Mexico as  
13 either a hospital or a provider of management services for a  
14 hospital that seeks the benefit of monetary caps on damages  
15 provided by New Mexico law shall file annually with the  
16 superintendent the following information as applicable:

17 (1) for the hospital, whether it is  
18 incorporated as a nonprofit or for-profit corporation and the  
19 address of its corporate headquarters;

20 (2) for the hospital's parent corporation, how  
21 and where it is incorporated and the address of its corporate  
22 headquarters;

23 (3) all subsidiary or affiliate companies of  
24 the parent corporation, where each is incorporated or  
25 registered and the address of each corporate headquarters;

1 (4) the parent corporation's ownership stake  
2 in the New Mexico hospital and any other subsidiary and  
3 affiliate companies and, if not wholly owned, the names and  
4 percentages of other owners;

5 (5) the name and address of the corporation  
6 that provides management services to the hospital, whether it  
7 is a nonprofit or for-profit organization and its relationship  
8 with the hospital's parent corporation or any other subsidiary  
9 or affiliated company of the parent corporation;

10 (6) the net worth of the parent corporation;

11 (7) the net worth of the management  
12 corporation;

13 (8) the net worth of each subsidiary and  
14 affiliate company of the parent corporation and the management  
15 corporation;

16 (9) the annual compensation, reported as  
17 salary and specific other compensation, of the chief executive  
18 officer, chief operating officer and chief financial officer  
19 and compensation or reimbursement for members of the boards of  
20 directors of the hospital, the parent corporation, the  
21 management corporation and each subsidiary and affiliate  
22 company reported;

23 (10) hospital-related medical groups by  
24 specialty owned by the hospital, the parent corporation, the  
25 management corporation or a subsidiary or affiliate of these;

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1 (11) the percentage of health care providers  
2 by specialty practicing in hospital-related medical groups to  
3 the total number of health care providers by specialty  
4 practicing in the hospital's service area; and

5 (12) malpractice claims for the last ten years  
6 against the hospital, the hospital's medical group providers,  
7 the parent corporation, the management corporation and New  
8 Mexico subsidiaries and affiliates of those.

9 C. The superintendent shall publish the information  
10 collected by December 15, 2024 and by September 1 of each year  
11 thereafter. The information shall be posted as a searchable  
12 database on the superintendent's website. The superintendent  
13 may request and post other relevant information the  
14 superintendent deems necessary to provide full financial  
15 transparency to the public.

16 D. Failure of a corporation or other business  
17 entity subject to the provisions of this section to file the  
18 information required by this section shall bar the corporation  
19 or other business entity from claiming the benefits of any  
20 monetary caps on damages provided by New Mexico law."

21 SECTION 2. APPROPRIATION.--Fifty thousand dollars  
22 (\$50,000) is appropriated from the general fund to the office  
23 of superintendent of insurance for expenditure in fiscal years  
24 2024 and 2025 to collect, review and publish the hospital  
25 financial transparency reports required by Section 1 of this

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act. Any unexpended or unencumbered balance remaining at the  
end of fiscal year 2025 shall revert to the general fund.