

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 586

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
AMENDING THE HEALTH CARE CONSOLIDATION OVERSIGHT ACT TO REQUIRE  
REVIEW OF PROPOSED TRANSACTIONS THAT INVOLVE MERGERS,  
ACQUISITIONS OR OTHER ACTIONS THAT CHANGE CONTROL OF A HOSPITAL  
OR CERTAIN HEALTH CARE PROVIDER ORGANIZATIONS; BROADENING THE  
DEFINITION OF "TRANSACTION", OVER WHICH THE HEALTH CARE  
AUTHORITY HAS REVIEW AUTHORITY; PROVIDING WHISTLEBLOWER  
PROTECTION; PROVIDING FOR ENFORCEMENT OF THE ACT; PRESCRIBING  
ADMINISTRATIVE PENALTIES; REPEALING THE DELAYED REPEAL OF THE  
ACT.

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

**SECTION 1.** Section 59A-63-1 NMSA 1978 (being Laws 2024,  
Chapter 40, Section 1) is amended to read:

"59A-63-1. SHORT TITLE.--~~[This act]~~ Chapter 59A, Article  
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underscored material = new  
[bracketed material] = delete

1 63 NMSA 1978 may be cited as the "Health Care Consolidation  
2 Oversight Act".

3 SECTION 2. Section 59A-63-2 NMSA 1978 (being Laws 2024,  
4 Chapter 40, Section 2) is amended to read:

5 "59A-63-2. DEFINITIONS.--As used in the Health Care  
6 Consolidation Oversight Act:

7 A. "acquisition" means ~~[an agreement or activity~~  
8 ~~the consummation of which results in a person acquiring,~~  
9 ~~directly or indirectly, the control of a hospital in New Mexico~~  
10 ~~and includes the acquisition of voting securities, membership~~  
11 ~~interests, equity interests or assets]~~ the direct or indirect  
12 purchase or other procurement in any manner, including through  
13 a lease, a license, a transfer, an exchange, an option, a  
14 proxy, a conveyance or a joint venture, of all or substantially  
15 all of the assets, equity or operations of a person;

16 B. "affiliation" means a business arrangement in  
17 which one person, directly or indirectly, is controlled by, is  
18 under common control with or controls another person;

19 C. "authority" means the health care authority  
20 ~~[department];~~

21 D. "control" means the power to direct or cause the  
22 direction of the management and policies of a hospital,  
23 ~~[whether]~~ directly or indirectly, including through the  
24 ownership of voting securities, through licensing, lease or  
25 franchise agreements or by contract other than a commercial

1 contract for goods or nonmanagement services, unless the power  
 2 is the result of [~~an official position with~~] a public  
 3 appointment, general election or corporate office held by an  
 4 individual;

5 E. "essential services" means health care services  
 6 covered by the state medicaid program, health care services  
 7 that are required to be included in health plans pursuant to  
 8 state or federal law and health care services that are required  
 9 to be included in qualified health plans offered through the  
 10 New Mexico health insurance exchange;

11 F. "health care provider" means a person [~~qualified~~  
 12 ~~or licensed~~] certified, licensed, registered or otherwise  
 13 authorized under state law to perform or provide health care  
 14 services in New Mexico;

15 G. "health care provider organization" means a  
 16 person that is in the business of delivering or managing the  
 17 delivery of health care services, whether incorporated or not,  
 18 including physician organizations, physician-hospital  
 19 organizations, independent practice associations, provider  
 20 networks, accountable care organizations, dental services  
 21 organizations and any other organization that contracts with  
 22 health insurers for payment for health care services but does  
 23 not include hospitals;

24 [~~G.~~] H. "health insurer" means a person required to  
 25 be licensed or subject to the Insurance Code or the insurance

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1 laws of any other state in connection with the business of  
2 health insurance, [~~or health care~~] excluding insurance  
3 producers;

4 [~~H.~~] I. "hospital" means a hospital licensed by the  
5 [~~department of health~~] authority or its successor health  
6 facility licensing agency, but "hospital" does not include a  
7 state university teaching hospital or a state-owned special  
8 hospital;

9 J. "independent health care practice" means a  
10 health care provider organization entirely owned or controlled  
11 by one or more health care providers who are individuals and  
12 who provide health care services through the health care  
13 provider organization to patients in New Mexico;

14 [~~I.~~] K. "management services organization" means a  
15 person that provides all or substantially all of the  
16 administrative or management services under contract with a  
17 hospital, including administering contracts with health plans,  
18 third-party administrators and pharmacy benefit managers, on  
19 behalf of the hospital;

20 [~~J.~~] L. "office" means the office of superintendent  
21 of insurance;

22 [~~K.~~] M. "party" means a person [~~taking part in~~]  
23 that is a party to a transaction subject to the Health Care  
24 Consolidation Oversight Act;

25 [~~L.~~] N. "person" means an individual, association,

1 organization, partnership, firm, syndicate, trust, corporation  
2 or other legal entity;

3 O. "secretary" means the secretary of health care  
4 authority; and

5 [~~M. "superintendent" means the superintendent of~~  
6 ~~insurance; and~~

7 ~~N.] P. "transaction" means any of the following:~~

8 (1) a merger of a hospital in New Mexico with  
9 another hospital or with a person controlling a hospital;

10 (2) an acquisition of one or more hospitals or  
11 a person controlling a hospital in New Mexico;

12 (3) any affiliation or contract or other  
13 agreement that results in a change of control of a hospital in  
14 New Mexico, including with a management services organization  
15 or health insurer;

16 (4) a formation of a new corporation,  
17 partnership, joint venture, trust, parent organization or  
18 management services organization that results in a change of  
19 control of an existing hospital in New Mexico; [~~and~~]

20 (5) a sale, mortgage, purchase, lease, new  
21 affiliation or [~~any~~] other agreement that results in a change  
22 of control of a hospital in New Mexico or the real estate on  
23 which the hospital is located; and

24 (6) an acquisition of one or more independent  
25 health care practices by a health care provider organization

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1 that is owned or affiliated with a health insurer."

2 SECTION 3. Section 59A-63-3 NMSA 1978 (being Laws 2024,  
3 Chapter 40, Section 3) is amended to read:

4 "59A-63-3. APPLICABILITY--PROVISIONS ADDITIONAL--CONTROL  
5 PRESUMPTIONS.--

6 A. The oversight power of the [~~office~~] authority  
7 pursuant to the Health Care Consolidation Oversight Act applies  
8 to proposed transactions [~~that involve a New Mexico hospital~~].

9 B. Being subject to the Health Care Consolidation  
10 Oversight Act does not preclude or negate any person regulated  
11 pursuant to the Insurance Holding Company Law.

12 C. Control is presumed to exist if a person,  
13 directly or indirectly, owns, controls, holds fifteen percent  
14 or more of the power to vote or holds proxies representing  
15 fifteen percent or more of the voting securities of any other  
16 person. The presumption may be rebutted by a showing in the  
17 manner provided by Section 59A-37-19 NMSA 1978 that control  
18 does not in fact exist."

19 SECTION 4. Section 59A-63-4 NMSA 1978 (being Laws 2024,  
20 Chapter 40, Section 4) is amended to read:

21 "59A-63-4. CONFIDENTIALITY.--Except for the information  
22 provided pursuant to Paragraphs (2) through (6) of Subsection E  
23 of Section 59A-63-6 NMSA 1978, all documents, materials or  
24 other information in the possession or control of the [~~office~~]  
25 authority that are obtained by or disclosed to the [~~office or~~]

1 authority, the authority's contracted experts, the attorney  
 2 general, the [authority] office or any other governmental  
 3 entity in the course of a review under the Health Care  
 4 Consolidation Oversight Act are confidential."

5 SECTION 5. Section 59A-63-5 NMSA 1978 (being Laws 2024,  
 6 Chapter 40, Section 5) is amended to read:

7 "59A-63-5. TIMING OF REVIEW OF NOTICE AND TOLLING.--

8 A. A notice of a proposed transaction shall be  
 9 deemed complete by the [~~office~~] authority on the date when all  
 10 the information required by the Health Care Consolidation  
 11 Oversight Act [~~or requested by the office~~] is submitted by all  
 12 the parties to the transaction, as applicable.

13 B. Within thirty days after the notice of a  
 14 proposed transaction is filed, the authority shall notify the  
 15 parties in writing if the notice is complete or, if the notice  
 16 is incomplete, specify what additional information must be  
 17 submitted.

18 [~~B.~~] C. Should the scope of the proposed  
 19 transaction be significantly modified from that outlined in the  
 20 initial notice, the time periods set out in the Health Care  
 21 Consolidation Oversight Act shall be restarted by the [~~office~~]  
 22 authority.

23 [~~C.~~] D. The time periods shall be tolled during any  
 24 time in which the [~~office~~] authority has requested and is  
 25 awaiting further information from the parties to a transaction

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1 necessary to complete its review."

2           SECTION 6. Section 59A-63-6 NMSA 1978 (being Laws 2024,  
3 Chapter 40, Section 6) is amended to read:

4           "59A-63-6. NOTICE OF PROPOSED TRANSACTION--GENERAL  
5 PROVISIONS--REQUIREMENTS--CONSULTATIONS--EXPERTS--PAYMENT OF  
6 COSTS.--

7           A. At least one person that is a party to a  
8 proposed transaction shall submit to the [~~office~~] authority a  
9 written notice of the proposed transaction in the form and  
10 manner prescribed by the [~~office~~] authority. The parties shall  
11 pay the reasonable costs and expenses incurred by the [~~office~~]  
12 authority in the performance of the [~~office's or~~] authority's  
13 duties pursuant to the Health Care Consolidation Oversight Act  
14 for costs associated with the [~~office's~~] authority's contracts  
15 with experts, unless determined otherwise by the  
16 [~~superintendent~~] secretary. The [~~office~~] authority shall  
17 notify parties before any costs are incurred when a transaction  
18 review requires the use of outside experts, including the  
19 estimated cost of their services.

20           B. Upon receipt of a complete notice of a proposed  
21 transaction, the [~~office~~] authority shall determine if the  
22 transaction is urgently necessary to maintain the solvency of a  
23 hospital or if there is an emergency that threatens the  
24 continued provision of immediate health care services. In such  
25 circumstances, the [~~office~~] authority may agree to an immediate

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1 approval of a transaction with or without conditions.

2 C. Entry into a binding agreement before a  
3 transaction is effectuated is not a violation of the Health  
4 Care Consolidation Oversight Act if the transaction remains  
5 subject to regulatory review and approval.

6 D. If a party to the proposed transaction is a  
7 health insurer, the notice shall be submitted as an addendum to  
8 any filing required by Sections 59A-37-4 through 59A-37-10 NMSA  
9 1978.

10 E. The notice of the proposed transaction shall  
11 include:

12 (1) [~~a list of the parties~~] the terms of the  
13 proposed transaction and copies of all transaction agreements  
14 between any of the parties;

15 (2) a list of the parties and identifying  
16 information;

17 [~~(2)~~] (3) a statement describing the proposed  
18 transaction, the goals of the proposed transaction and whether  
19 and how the proposed transaction affects health care services  
20 in New Mexico;

21 [~~(3)~~] (4) the geographic service area [~~of any~~  
22 ~~hospital~~] affected by the proposed transaction;

23 [~~(4)~~] (5) a description of the groups or  
24 individuals likely to be affected by the transaction; and

25 [~~(5)~~] (6) a summary of the health care

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1 services currently provided by any of the parties and any  
2 health care services that will be added, reduced or eliminated,  
3 including an explanation of why any services will be reduced or  
4 eliminated in the service area in which they are currently  
5 provided.

6 F. The ~~[office]~~ authority shall consult with the  
7 ~~[authority]~~ office about the potential effect of the proposed  
8 transaction and incorporate the ~~[authority's]~~ office's  
9 recommendations into the ~~[office's]~~ authority's final  
10 determination.

11 G. The ~~[office]~~ authority may retain actuaries,  
12 accountants, attorneys or other professionals who are qualified  
13 and have expertise in the type of transaction under review as  
14 necessary to assist the ~~[office]~~ authority in conducting its  
15 review of the proposed transaction.

16 H. The parties shall not effectuate a transaction  
17 without the written approval of the ~~[superintendent]~~ secretary.  
18 The submitting party shall notify the ~~[office]~~ authority in a  
19 form and manner prescribed by the ~~[office]~~ authority when the  
20 transaction has been effectuated.

21 I. Parties to a proposed transaction may request a  
22 pre-notice conference to determine if they are required to file  
23 a notice or to discuss the potential extent of the review.

24 J. The authority shall provide all notices and  
25 documents received from any of the parties to a proposed

1 transaction to the office and the attorney general. The  
 2 attorney general may provide input to the authority about the  
 3 potential effect of a proposed transaction relative to the  
 4 Antitrust Act, the Unfair Practices Act or other state or  
 5 federal law.

6 K. Nothing in the Health Care Consolidation  
 7 Oversight Act shall amend, modify, abrogate or otherwise affect  
 8 the applicability or obligations of a party to a transaction or  
 9 acquisition under any other state or federal law. The filing  
 10 obligations under that act are in addition to any other  
 11 obligation that may be required under other laws."

12 SECTION 7. A new section of the Health Care Consolidation  
 13 Oversight Act, Section 59A-63-6.1 NMSA 1978, is enacted to  
 14 read:

15 "59A-63-6.1. [NEW MATERIAL] POSTING PUBLIC INFORMATION--  
 16 PUBLIC COMMENT--PUBLIC COMMENT FORUMS.--

17 A. Within ten days of receipt of a complete notice  
 18 of a proposed transaction, the authority shall post the  
 19 information provided pursuant to Paragraphs (2) through (6) of  
 20 Subsection E of Section 59A-63-6 NMSA 1978.

21 B. The authority shall publish a statement briefly  
 22 describing a notice of proposed transaction in at least one  
 23 newspaper of general circulation or other media that is  
 24 prevalent in the area affected by the transaction. The  
 25 authority shall also provide the statement to the following in

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1 the affected area:

- 2 (1) municipal and county officials;
  - 3 (2) county health councils;
  - 4 (3) Indian nations, tribes and pueblos;
  - 5 (4) military installation commands;
  - 6 (5) state legislators;
  - 7 (6) the state's congressional delegation; and
  - 8 (7) any labor organization that represents
- 9 employees of the impacted hospital or health care provider  
10 organization.

11 C. With respect to website, newspaper and other  
12 disseminations and communications described in Subsection B of  
13 this section, the authority shall provide details on how the  
14 public can provide comments and offer multiple methods to  
15 provide comments on a notice of a proposed transaction by  
16 telephone or in writing by mail or electronic mail, anonymously  
17 or by a third party, and such methods shall provide  
18 opportunities to submit comments in languages other than  
19 English.

20 D. If the authority conducts a review, at least one  
21 public comment forum shall be held in the New Mexico service  
22 area or areas of the hospital or health care provider  
23 organization that is party to or the subject of the proposed  
24 transaction.

25 E. At least ten calendar days prior to the public

1 comment forum, the authority shall post to the authority's  
 2 website information about the public comment forum and a link  
 3 on the website to publicly available materials relevant to the  
 4 proposed transaction. The forum notice and the materials shall  
 5 be in a format that is easy to find and easy to read and shall  
 6 include information on how to submit comments.

7 F. The authority shall publish a notice of a public  
 8 comment forum in at least one newspaper of general circulation  
 9 or other media that is prevalent in the area affected by the  
 10 transaction and provide the notice to the officials and other  
 11 persons specified in Subsection B of this section.

12 G. Public comment on a proposed transaction that is  
 13 subject to review shall be provided in the same manner as  
 14 provided in Subsection C of this section.

15 H. The authority shall consider public comments and  
 16 input received during the public comment forum on a proposed  
 17 transaction in the authority's determination."

18 **SECTION 8.** Section 59A-63-7 NMSA 1978 (being Laws 2024,  
 19 Chapter 40, Section 7) is amended to read:

20 "59A-63-7. REVIEW OF PROPOSED TRANSACTION.--

21 A. Within one hundred twenty days of receiving a  
 22 complete notice of a proposed transaction, the [~~office~~]  
 23 authority shall complete a review, confer with the [~~authority~~]  
 24 office and either:

25 (1) approve the proposed transaction;

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1 (2) approve the proposed transaction with  
2 conditions; or

3 (3) disapprove the proposed transaction.

4 B. The [~~superintendent~~] secretary shall notify the  
5 submitting party in writing of the [~~office's~~] authority's  
6 determination and the reasons for the determination.

7 C. The review period may be extended if the parties  
8 agree to an extension.

9 D. In conducting a review of a proposed  
10 transaction, the [~~office~~] authority may consider the likely  
11 effect in New Mexico of the proposed transaction on:

12 (1) the potential reduction or elimination in  
13 access to essential services;

14 (2) the availability, accessibility and  
15 quality of health care services to [~~any community~~] the area  
16 affected by the transaction;

17 (3) the health care market share of a party  
18 and whether the transaction may foreclose competitors of a  
19 party from a segment of the market or otherwise increase  
20 barriers to entry in a health care market;

21 (4) changes in practice restrictions for  
22 [~~licensed~~] health care providers who work at the hospital;

23 (5) patient costs, including premiums and out-  
24 of-pocket costs;

25 (6) health care provider networks; [~~and~~]

1 (7) the potential for the proposed transaction  
2 to affect health outcomes for New Mexico residents; and

3 (8) current and future wages, benefits,  
4 working conditions, employment protections and restrictions and  
5 other terms and conditions of employment for employees of  
6 hospitals or health care provider organizations that are  
7 parties to or the subject of the proposed transaction.

8 E. The [~~office~~] authority shall approve the  
9 proposed transaction after the [~~comprehensive~~] review if the  
10 [~~office~~] authority determines that:

11 (1) the parties to the proposed transaction  
12 have demonstrated that the transaction will benefit the public  
13 by:

14 (a) reducing the growth in patient  
15 costs, including premiums and out-of-pocket costs; or

16 (b) maintaining or increasing access to  
17 services, especially in medically underserved areas;

18 (2) the proposed transaction will improve  
19 health outcomes for New Mexico residents; and

20 (3) there is no substantial likelihood of:

21 (a) a significant reduction in the  
22 availability, accessibility, affordability or quality of care  
23 for patients and other consumers of health care services; or

24 (b) anti-competitive effects from the  
25 proposed transaction that outweigh the benefits of the

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1 transaction."

2 SECTION 9. Section 59A-63-8 NMSA 1978 (being Laws 2024,  
3 Chapter 40, Section 8) is amended to read:

4 "59A-63-8. POST-TRANSACTION OVERSIGHT.--

5 A. The person that acquired control over the  
6 hospital or independent health care practice through an  
7 approved or conditionally approved transaction shall submit  
8 reports to the [~~office~~] authority and the [~~authority~~] office in  
9 the form and manner prescribed by the [~~office~~] authority  
10 annually for three years after approval or conditional  
11 approval. Conditions to an approval shall remain in effect for  
12 no longer than three years from the date of the conditional  
13 approval.

14 B. Reports shall:

15 (1) describe compliance with conditions placed  
16 on the transaction, if any;

17 (2) describe the growth, decline and other  
18 changes in services provided by the person; and

19 (3) provide analyses of cost trends and cost  
20 growth trends of the hospital."

21 SECTION 10. A new section of the Health Care  
22 Consolidation Oversight Act, Section 59A-63-9 NMSA 1978, is  
23 enacted to read:

24 "59A-63-9. [NEW MATERIAL] ENFORCEMENT AND ADMINISTRATIVE  
25 FINES.--



1           A. The authority shall enforce the provisions of  
2 the Health Care Consolidation Oversight Act.

3           B. A transaction that is covered by Section  
4 59A-63-3 NMSA 1978 shall not be effectuated in New Mexico  
5 without the secretary's written determination that no review is  
6 needed or without the written approval, with or without  
7 conditions, of the secretary following review.

8           C. A person that violates a material or substantive  
9 provision of the Health Care Consolidation Oversight Act or an  
10 order or rule of the authority issued or adopted in accordance  
11 with that act may be assessed an administrative fine by the  
12 secretary of not more than five thousand dollars (\$5,000) for  
13 each instance of violation unless the violation is willful and  
14 intentional, in which case the secretary may assess a fine of  
15 not more than ten thousand dollars (\$10,000) for each  
16 violation, except as provided in Paragraph (2) of Subsection D  
17 of this section. For purposes of calculating the fine, the  
18 secretary shall determine what constitutes an "instance of  
19 violation" based on:

20                   (1) the nature of the violation, including  
21 whether it is on a per-day, per-patient, per-instance or other  
22 basis;

23                   (2) the nature of the proposed transaction and  
24 the circumstances of the parties involved;

25                   (3) the potential impact on the availability,

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1 accessibility, affordability or quality of care for patients of  
2 health care services in New Mexico; and

3 (4) any anticompetitive effects from the  
4 proposed transaction.

5 D. In the event of a failure to provide the  
6 required notice of proposed transaction, in addition to the  
7 imposition of administrative fines, the secretary may:

8 (1) require the parties to the unnoticed  
9 transaction to submit a notice of proposed transaction to allow  
10 the authority to complete a preliminary review and:

11 (a) determine if the transaction should  
12 be subject to a review; and

13 (b) if needed, conduct such review to  
14 determine if the transaction should: 1) remain effectuated; 2)  
15 remain effectuated with conditions; or 3) be disapproved; and

16 (2) in the event of a willful and intentional  
17 failure to provide the notice of proposed transaction, impose  
18 an administrative fine of not more than fifteen thousand  
19 dollars (\$15,000) per day from the date on which the notice was  
20 required to be submitted to the authority to the date of  
21 issuance of an order approving, approving with conditions or  
22 disapproving the transaction.

23 E. Money collected from the imposition of an  
24 administrative fine pursuant to the Health Care Consolidation  
25 Oversight Act shall be deposited in the state treasury to the

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1 credit of the current school fund as provided by Article 12,  
2 Section 4 of the constitution of New Mexico."

3 SECTION 11. A new section of the Health Care  
4 Consolidation Oversight Act, Section 59A-63-10 NMSA 1978, is  
5 enacted to read:

6 "59A-63-10. [NEW MATERIAL] ACT NOT EXCLUSIVE--ATTORNEY  
7 GENERAL.--Nothing in the Health Care Consolidation Oversight  
8 Act limits the authority of the attorney general to protect  
9 consumers in the health care market or to protect the economy  
10 of the state or any significant part of the state insofar as  
11 health care is concerned under any state or federal law. The  
12 authority of the attorney general to maintain competitive  
13 markets and prosecute state and federal antitrust and unfair  
14 competition violations shall not be narrowed, abrogated or  
15 otherwise altered by that act."

16 SECTION 12. A new section of the Health Care  
17 Consolidation Oversight Act, Section 59A-63-11 NMSA 1978, is  
18 enacted to read:

19 "59A-63-11. [NEW MATERIAL] JURISDICTION.--New Mexico  
20 courts shall have personal jurisdiction over the parties to a  
21 transaction subject to the provisions of the Health Care  
22 Consolidation Oversight Act, including the parties to the  
23 transaction and any person affiliated with a party."

24 SECTION 13. A new section of the Health Care  
25 Consolidation Oversight Act, Section 59A-63-12 NMSA 1978, is

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1 enacted to read:

2 "59A-63-12. [NEW MATERIAL] WHISTLEBLOWER PROTECTION--  
3 POLICY REQUIRED--RETALIATION PROHIBITED--PENALTIES.--

4 A. As used in this section:

5 (1) "entity" means hospitals, management  
6 services organizations and health care provider organizations  
7 that are owned or affiliated with health insurers;

8 (2) "good faith" means that a reasonable basis  
9 exists in fact as evidenced by the facts available;

10 (3) "retaliatory action" means any  
11 discriminatory or adverse action taken by an entity against a  
12 whistleblower, including termination, discharge, demotion,  
13 suspension, harassment or limitation on access to health care  
14 services;

15 (4) "unlawful or improper act" means a  
16 practice, procedure, action or failure to act on the part of an  
17 entity that violates the Health Care Consolidation Oversight  
18 Act or the authority's or attorney general's ability to  
19 exercise authority pursuant to that act; and

20 (5) "whistleblower" means a health care  
21 provider or officer, employee, contractor, subcontractor or  
22 authorized agent of an entity who reveals information about an  
23 unlawful or improper act by the entity.

24 B. An entity shall not take any retaliatory action  
25 against a whistleblower who:

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1 (1) discloses to the authority, the attorney  
2 general, the office or any other state, local or federal  
3 governmental body information about an action or a failure to  
4 act that the whistleblower believes in good faith constitutes  
5 an unlawful or improper act;

6 (2) provides information to or testifies  
7 before a public body as part of an investigation, hearing or  
8 inquiry into an unlawful or improper act; or

9 (3) objects to or refuses to participate in an  
10 activity, policy or practice that the whistleblower believes in  
11 good faith constitutes an unlawful or improper act.

12 C. Every entity shall adopt, promulgate and enforce  
13 a whistleblower protection policy that, at a minimum, meets the  
14 requirements of Subsection B of this section to protect  
15 whistleblowers from any form of retaliatory action by the  
16 entity. The policy shall be posted at each entity's workplace,  
17 published on the entity's website and given, by either written  
18 or electronic communication, to every officer, employee,  
19 contractor or other agent of the entity.

20 D. Except as otherwise provided in the Health Care  
21 Consolidation Oversight Act and in addition to any criminal  
22 charges or civil suits that may be brought against an entity  
23 for either an unlawful or improper act or retaliatory actions,  
24 the secretary may assess an administrative fine not to exceed  
25 ten thousand dollars (\$10,000) on an entity that the secretary

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1 finds has engaged in retaliatory action. Each retaliatory  
2 action or each day of violation may be considered a separate  
3 violation. If the secretary finds the entity willfully or  
4 repeatedly violated or continues to violate the prohibition  
5 against retaliatory actions, the secretary may assess an  
6 administrative fine not to exceed one hundred thousand dollars  
7 (\$100,000) for each violation.

8 E. The secretary shall give notice to the entity of  
9 the secretary's intention to assess an administrative fine and  
10 specify the findings of retaliatory action. The entity may  
11 request a hearing, which shall be conducted as provided in the  
12 Administrative Procedures Act. The secretary shall make final  
13 findings and decisions, which may include the time in which the  
14 entity must correct an unlawful or improper violation, and send  
15 a copy by registered mail to the entity. The decision of the  
16 secretary is a final agency action and may be appealed to the  
17 district court as provided in Section 39-3-1.1 NMSA 1978. The  
18 entity has thirty days in which to pay the administrative fine.

19 F. An entity that fails to stop or correct a  
20 retaliatory action within the period allowed for its  
21 correction, which period shall not begin to run until the date  
22 of the final order or appeal, if applicable, may be assessed a  
23 separate administrative fine not to exceed fifteen thousand  
24 dollars (\$15,000) for each day during which the failure to stop  
25 or correct retaliatory action continues past the deadline for

1 stopping or correcting the action.

2 G. Administrative fines shall be deposited in the  
3 state treasury to the credit of the current school fund as  
4 required by Article 12, Section 4 of the constitution of New  
5 Mexico.

6 H. The rights and remedies provided in this section  
7 shall not be waived by an agreement, policy form or condition  
8 of employment, including by an arbitration agreement.

9 I. Nothing in this section shall be deemed to  
10 diminish the rights, privileges or remedies of a whistleblower  
11 or other person pursuant to any federal or state law or  
12 pursuant to any collective bargaining agreement."

13 SECTION 14. A new section of the Health Care  
14 Consolidation Oversight Act, Section 59A-63-13 NMSA 1978, is  
15 enacted to read:

16 "59A-63-13. [NEW MATERIAL] AUTHORITY--HOSPITAL  
17 OWNERSHIP--ANNUAL POSTING ON WEBSITE.--The authority shall post  
18 hospital ownership annually on the authority's website and at  
19 any point in which there is a change of ownership of a hospital  
20 or the real estate on which a hospital stands."

21 SECTION 15. REPEAL.--Laws 2024, Chapter 40, Section 9 is  
22 repealed.

23 SECTION 16. EFFECTIVE DATE.--The effective date of the  
24 provisions of this act is July 1, 2025.