

1 SENATE BILL 450

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Antoinette Sedillo Lopez

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10 AN ACT

11 RELATING TO HEALTH CARE; ENACTING THE CORPORATE PRACTICE OF
12 MEDICINE ACT.

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

15 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
16 cited as the "Corporate Practice of Medicine Act".

17 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
18 Corporate Practice of Medicine Act:

19 A. "federally qualified health center" means a
20 health facility that the United States department of health and
21 human services has deemed to qualify for federal funds as a
22 federally qualified health center;

23 B. "health care entity" means a person that
24 provides or supports the provision of health care services to
25 patients in New Mexico, including a hospital, health care

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1 provider, in-state or out-of-state telemedicine provider,
2 health care staffing company, health care provider
3 organization, health care facility, management services
4 organization or organization of health care providers or
5 facilities; provided that "health care entity" does not mean a
6 federally qualified health center or an independent health care
7 practice;

8 C. "health care facility" means a hospital or other
9 facility licensed by the health care authority to provide
10 health care services in a health care setting, including an
11 inpatient facility; health system consisting of one or more
12 health care entities that are jointly owned or managed;
13 ambulatory surgery or treatment center; residential treatment
14 center; diagnostic, laboratory or imaging center; freestanding
15 emergency facility's outpatient clinic or rehabilitation
16 facility; hospice center; long-term care facility; and other
17 therapeutic health setting; provided that "health care
18 facility" does not include an adult daycare facility,
19 freestanding birth center, child care facility or shelter care
20 home;

21 D. "health care provider" means a person certified,
22 registered, licensed or otherwise authorized pursuant to state
23 law to perform or provide health care services to individuals
24 in the state;

25 E. "health care services" means the care,

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1 prevention, diagnosis, treatment or relief of an illness,
2 injury, disease or other medical, dental, mental or behavioral
3 health or substance use disorder condition, including:

4 (1) inpatient, outpatient, habilitative,
5 rehabilitative, dental, palliative, home health, hospice or
6 mental or behavioral health services provided by a health care
7 entity; and

8 (2) retail and specialty pharmacy services,
9 including provision of drugs;

10 F. "health care staffing company" means a person
11 engaged in the business of providing, procuring for employment
12 or contracting health care personnel for a health care
13 facility; provided that "health care staffing company" does not
14 include an individual who independently provides the
15 individual's own services to a health care facility as an
16 employee or a contractor;

17 G. "hospital" means a hospital licensed by the
18 health care authority but does not include a state-owned
19 special hospital operated by the department of health;

20 H. "independent health care practice" means a
21 health care provider organization entirely owned or controlled
22 by one or more health care providers who are individuals and
23 who provide health care services through the health care
24 provider organization to patients in New Mexico;

25 I. "long-term care facility" means a nursing home

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1 licensed by the health care authority to provide intermediate
2 or skilled nursing care;

3 J. "management services organization" means a
4 person that contracts with a health care entity to perform or
5 provide personnel to perform all or substantially all of the
6 administrative or management services relating to supporting or
7 facilitating the provision of health care services; and

8 K. "telemedicine provider" means a provider who
9 uses telecommunications and information technology to provide
10 clinical health care from a distance to evaluate, diagnose and
11 treat patients in real time or asynchronously.

12 SECTION 3. [NEW MATERIAL] PROHIBITIONS.--

13 A. A health care entity shall not indirectly or
14 directly interfere with, control or otherwise direct the
15 professional judgment or clinical decisions of a health care
16 provider.

17 B. A health care entity doing business in this
18 state shall not:

19 (1) interfere with the professional judgment
20 of a health care provider making health care decisions,
21 including any of the following:

22 (a) determining what diagnostic tests
23 are appropriate for a particular condition;

24 (b) determining the need for referrals
25 to, or consultation with, another licensed health care

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1 provider;

2 (c) being responsible for the ultimate
3 overall care of the patient, including treatment options
4 available to the patient; and

5 (d) determining how many patients a
6 health care provider shall see in a given time period; or

7 (2) exercise control over or be delegated the
8 power to do any of the following:

9 (a) own or otherwise determine the
10 content of patient medical records;

11 (b) select, hire or fire health care
12 providers, allied health staff or medical assistants based, in
13 whole or in part, on clinical competency or proficiency;

14 (c) set the parameters pursuant to which
15 a health care provider shall enter into contractual
16 relationships with third-party payers;

17 (d) set the parameters pursuant to which
18 a health care provider shall enter into contractual
19 relationships with other health care providers for the delivery
20 of care;

21 (e) make decisions regarding coding and
22 billing procedures for patient care services; and

23 (f) approve the selection of medical
24 equipment and medical supplies for a health care provider.

25 SECTION 4. [NEW MATERIAL] PRIVATE RIGHT OF ACTION--

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1 DAMAGES--ENFORCEMENT BY ATTORNEY GENERAL.--

2 A. A person who has suffered injury by reason of an
3 act or practice in violation of the Corporate Practice of
4 Medicine Act may sue in district court. Upon a showing that
5 the Corporate Practice of Medicine Act is being or has been
6 violated and a showing that the plaintiff has suffered injury,
7 the court may award damages, punitive damages and injunctive
8 relief and shall award the cost of the suit, including
9 reasonable attorney fees.

10 B. Whenever the attorney general has reasonable
11 belief that a person is engaging in or about to engage in an
12 act or practice in violation of the Corporate Practice of
13 Medicine Act and enforcement proceedings would be in the public
14 interest, the attorney general may bring an action in the name
15 of the state alleging violations of that act. An enforcement
16 action by the attorney general may be brought in the district
17 court of the county in which the person that allegedly is
18 engaging in or about to engage in an act or practice in
19 violation of the Corporate Practice of Medicine Act resides or
20 has its principal place of business or in the district court in
21 any county in which the person allegedly is engaging in, has
22 engaged in or is about to engage in an act or practice in
23 violation of the Corporate Practice of Medicine Act. In an
24 action filed by the attorney general pursuant to the Corporate
25 Practice of Medicine Act, the attorney general may petition the

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1 district court for temporary or permanent injunctive relief and
2 restitution. The attorney general acting on behalf of the
3 state shall not be required to post bond when seeking a
4 temporary or permanent injunction in an action brought pursuant
5 to this section.

6 C. The relief provided in this section is in
7 addition to remedies otherwise available pursuant to common law
8 or other New Mexico statutes.

9 SECTION 5. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2025.