1	AN ACT
2	RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
3	AMENDING THE HEALTH CARE CONSOLIDATION OVERSIGHT ACT TO
4	REQUIRE REVIEW OF PROPOSED TRANSACTIONS THAT INVOLVE MERGERS,
5	ACQUISITIONS OR OTHER ACTIONS THAT CHANGE CONTROL OF A
6	HOSPITAL OR CERTAIN HEALTH CARE PROVIDER ORGANIZATIONS;
7	BROADENING THE DEFINITION OF "TRANSACTION", OVER WHICH THE
8	HEALTH CARE AUTHORITY HAS REVIEW AUTHORITY; PROVIDING
9	WHISTLEBLOWER PROTECTION; PROVIDING FOR ENFORCEMENT OF THE
10	ACT; PRESCRIBING ADMINISTRATIVE PENALTIES; REPEALING THE
11	DELAYED REPEAL OF THE ACT.
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
14	<b>SECTION 1.</b> Section 59A-63-1 NMSA 1978 (being Laws 2024,
15	Chapter 40, Section 1) is recompiled as Section 24A-9-1 NMSA
16	1978 and is amended to read:
17	"24A-9-1. SHORT TITLEChapter 24A, Article 9 NMSA
18	1978 may be cited as the "Health Care Consolidation Oversight
19	Act"."
20	<b>SECTION 2.</b> Section 59A-63-2 NMSA 1978 (being Laws 2024,
21	Chapter 40, Section 2) is recompiled as Section 24A-9-2 NMSA
22	1978 and is amended to read:
23	"24A-9-2. DEFINITIONSAs used in the Health Care
24	Consolidation Oversight Act:
25	A. "acquisition" means the direct or indirect

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- B. "affiliation" means a business arrangement in which one person, directly or indirectly, is controlled by, is under common control with or controls another person;
  - C. "authority" means the health care authority;
- D. "control" means the power to direct or cause the direction of the management and policies of a hospital, directly or indirectly, including through the ownership of voting securities, through licensing, lease or franchise agreements or by contract other than a commercial contract for goods or nonmanagement services, unless the power is the result of a public appointment, general election or corporate office held by an individual;
- E. "essential services" means health care services covered by the state medicaid program, health care services that are required to be included in health plans pursuant to state or federal law and health care services that are required to be included in qualified health plans offered through the New Mexico health insurance exchange;
- F. "health care provider" means a person certified, licensed, registered or otherwise authorized under

- G. "health care provider organization" means a person that is in the business of delivering or managing the delivery of health care services, whether incorporated or not, including physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, dental services organizations and any other organization that contracts with health insurers for payment for health care services but does not include hospitals;
- H. "health insurer" means a person required to be licensed or subject to the New Mexico Insurance Code or the insurance laws of any other state in connection with the business of health insurance, excluding insurance producers;
- I. "hospital" means a hospital licensed by the authority or its successor health facility licensing agency, but "hospital" does not include a state university teaching hospital or a state-owned special hospital;
- J. "independent health care practice" means a health care provider organization entirely owned or controlled by one or more health care providers who are individuals and who provide health care services through the health care provider organization to patients in New Mexico;
  - K. "management services organization" means a

1	person that provides all or substantially all of the
2	administrative or management services under contract with a
3	hospital, including administering contracts with health
4	plans, third-party administrators and pharmacy benefit
5	managers, on behalf of the hospital;
6	L. "office" means the office of superintendent of
7	insurance;
8	M. "party" means a person that is a party to a
9	transaction subject to the Health Care Consolidation
10	Oversight Act;
11	N. "person" means an individual, association,
12	organization, partnership, firm, syndicate, trust,
13	corporation or other legal entity;
14	0. "secretary" means the secretary of health care
15	authority; and
16	P. "transaction" means any of the following:
17	(l) a merger of a hospital in New Mexico
18	with another hospital or with a person controlling a
19	hospital;
20	(2) an acquisition of one or more hospitals
21	or a person controlling a hospital in New Mexico;
22	(3) any affiliation or contract or other
23	agreement that results in a change of control of a hospital
24	in New Mexico, including with a management services
25	organization or health insurer;

1	(4) a formation of a new corporation,
2	partnership, joint venture, trust, parent organization or
3	management services organization that results in a change of
4	control of an existing hospital in New Mexico;
5	(5) a sale, mortgage, purchase, lease, new
6	affiliation or other agreement that results in a change of
7	control of a hospital in New Mexico or the real estate on
8	which the hospital is located; and
9	(6) an acquisition of one or more
10	independent health care practices by a health care provider
11	organization that is owned or affiliated with a health
12	insurer."
13	<b>SECTION 3.</b> Section 59A-63-3 NMSA 1978 (being Laws 2024,
14	Chapter 40, Section 3) is recompiled as Section 24A-9-3 NMSA
15	1978 and is amended to read:
16	"24A-9-3. APPLICABILITYPROVISIONS ADDITIONALCONTROL
17	PRESUMPTIONS
18	A. The oversight power of the authority pursuant
19	to the Health Care Consolidation Oversight Act applies to
20	proposed transactions.
21	B. Being subject to the Health Care Consolidation
22	Oversight Act does not preclude or negate any person
23	regulated pursuant to the Insurance Holding Company Law.
24	C. Control is presumed to exist if a person,

directly or indirectly, owns, controls, holds fifteen percent  $_{\rm HJC/HB}$  586

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or more of the power to vote or holds proxies representing fifteen percent or more of the voting securities of any other person. The presumption may be rebutted by a showing in the manner provided by Section 59A-37-19 NMSA 1978 that control does not in fact exist."

SECTION 4. Section 59A-63-4 NMSA 1978 (being Laws 2024, Chapter 40, Section 4) is recompiled as Section 24A-9-4 NMSA 1978 and is amended to read:

"24A-9-4. CONFIDENTIALITY.--Except for the information provided pursuant to Paragraphs (2) through (6) of Subsection E of Section 24A-9-6 NMSA 1978, all documents, materials or other information in the possession or control of the authority that are obtained by or disclosed to the authority, the authority's contracted experts, the attorney general, the office or any other governmental entity in the course of a review under the Health Care Consolidation Oversight Act are confidential."

SECTION 5. Section 59A-63-5 NMSA 1978 (being Laws 2024, Chapter 40, Section 5) is recompiled as Section 24A-9-5 NMSA 1978 and is amended to read:

"24A-9-5. TIMING OF REVIEW OF NOTICE AND TOLLING.--

A. A notice of a proposed transaction shall be deemed complete by the authority on the date when all the information required by the Health Care Consolidation Oversight Act is submitted by all the parties to the

- B. Within thirty days after the notice of a proposed transaction is filed, the authority shall notify the parties in writing if the notice is complete or, if the notice is incomplete, specify what additional information must be submitted.
- C. Should the scope of the proposed transaction be significantly modified from that outlined in the initial notice, the time periods set out in the Health Care Consolidation Oversight Act shall be restarted by the authority.
- D. The time periods shall be tolled during any time in which the authority has requested and is awaiting further information from the parties to a transaction necessary to complete its review."
- SECTION 6. Section 59A-63-6 NMSA 1978 (being Laws 2024, Chapter 40, Section 6) is recompiled as Section 24A-9-6 NMSA 1978 and is amended to read:
- "24A-9-6. NOTICE OF PROPOSED TRANSACTION--GENERAL PROVISIONS--REQUIREMENTS--CONSULTATIONS--EXPERTS--PAYMENT OF COSTS.--
- A. At least one person that is a party to a proposed transaction shall submit to the authority a written notice of the proposed transaction in the form and manner prescribed by the authority. The parties shall pay the

- B. Upon receipt of a complete notice of a proposed transaction, the authority shall determine if the transaction is urgently necessary to maintain the solvency of a hospital or if there is an emergency that threatens the continued provision of immediate health care services. In such circumstances, the authority may agree to an immediate approval of a transaction with or without conditions.
- C. Entry into a binding agreement before a transaction is effectuated is not a violation of the Health Care Consolidation Oversight Act if the transaction remains subject to regulatory review and approval.
- D. If a party to the proposed transaction is a health insurer, the notice shall be submitted as an addendum to any filing required by Sections 59A-37-4 through 59A-37-10 NMSA 1978.
- E. The notice of the proposed transaction shall include:

The authority may retain actuaries,

accountants, attorneys or other professionals who are

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qualified and have expertise in the type of transaction under review as necessary to assist the authority in conducting its review of the proposed transaction.

- H. The parties shall not effectuate a transaction without the written approval of the secretary. The submitting party shall notify the authority in a form and manner prescribed by the authority when the transaction has been effectuated.
- I. Parties to a proposed transaction may request a pre-notice conference to determine if they are required to file a notice or to discuss the potential extent of the review.
- J. The authority shall provide all notices and documents received from any of the parties to a proposed transaction to the office and the attorney general. The attorney general may provide input to the authority about the potential effect of a proposed transaction relative to the Antitrust Act, the Unfair Practices Act or other state or federal law.
- K. Nothing in the Health Care Consolidation

  Oversight Act shall amend, modify, abrogate or otherwise

  affect the applicability or obligations of a party to a

  transaction or acquisition under any other state or federal

  law. The filing obligations under that act are in addition

  to any other obligation that may be required under other

2	SECTION 7. A new section of the Health Care	
3	Consolidation Oversight Act, Section 24A-9-6.1 NMSA 1978, is	
4	enacted to read:	
5	"24A-9-6.1. POSTING PUBLIC INFORMATIONPUBLIC	
6	COMMENTPUBLIC COMMENT FORUMS	
7	A. Within ten days of receipt of a complete notice	
8	of a proposed transaction, the authority shall post the	
9	information provided pursuant to Paragraphs (2) through (6)	
١0	of Subsection E of Section 24A-9-6 NMSA 1978.	
۱1	B. The authority shall publish a statement briefly	
l <b>2</b>	describing a notice of proposed transaction in at least one	
l <b>3</b>	newspaper of general circulation or other media that is	
۱4	prevalent in the area affected by the transaction. The	
15	authority shall also provide the statement to the following	
۱6	in the affected area:	
۱7	(1) municipal and county officials;	
18	(2) county health councils;	
١9	(3) Indian nations, tribes and pueblos;	
20	(4) military installation commands;	
21	(5) state legislators;	
22	(6) the state's congressional delegation;	
23	and	
24	(7) any labor organization that represents	
25	employees of the impacted hospital or health care provider HJC/HB Page ll	

organization.

- C. With respect to website, newspaper and other disseminations and communications described in Subsection B of this section, the authority shall provide details on how the public can provide comments and offer multiple methods to provide comments on a notice of a proposed transaction by telephone or in writing by mail or electronic mail, anonymously or by a third party, and such methods shall provide opportunities to submit comments in languages other than English.
- D. If the authority conducts a review, at least one public comment forum shall be held in the New Mexico service area or areas of the hospital or health care provider organization that is party to or the subject of the proposed transaction.
- E. At least ten calendar days prior to the public comment forum, the authority shall post to the authority's website information about the public comment forum and a link on the website to publicly available materials relevant to the proposed transaction. The forum notice and the materials shall be in a format that is easy to find and easy to read and shall include information on how to submit comments.
- F. The authority shall publish a notice of a public comment forum in at least one newspaper of general circulation or other media that is prevalent in the area

affected by the transaction and provide the notice to the	
officials and other persons specified in Subsection B of this	
section.	
G. Public comment on a proposed transaction that	
is subject to review shall be provided in the same manner as	
provided in Subsection C of this section.	
H. The authority shall consider public comments	
and input received during the public comment forum on a	
proposed transaction in the authority's determination."	
<b>SECTION 8.</b> Section 59A-63-7 NMSA 1978 (being Laws 2024,	
Chapter 40, Section 7) is recompiled as Section 24A-9-7 NMSA	
1978 and is amended to read:	
"24A-9-7. REVIEW OF PROPOSED TRANSACTION	
A. Within one hundred twenty days of receiving a	
complete notice of a proposed transaction, the authority	
shall complete a review, confer with the office and either:	
(1) approve the proposed transaction;	
(2) approve the proposed transaction with	
conditions; or	
(3) disapprove the proposed transaction.	
B. The secretary shall notify the submitting party	
in writing of the authority's determination and the reasons	
for the determination.	
C. The review period may be extended if the	
parties agree to an extension.	

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1	E. The authority shall approve the proposed
2	transaction after the review if the authority determines
3	that:
4	(1) the parties to the proposed transaction
5	have demonstrated that the transaction will benefit the
6	public by:
7	(a) reducing the growth in patient
8	costs, including premiums and out-of-pocket costs; or
9	(b) maintaining or increasing access to
10	services, especially in medically underserved areas;
11	(2) the proposed transaction will improve
12	health outcomes for New Mexico residents; and
13	(3) there is no substantial likelihood of:
14	(a) a significant reduction in the
15	availability, accessibility, affordability or quality of care
16	for patients and other consumers of health care services; or
17	(b) anti-competitive effects from the
18	proposed transaction that outweigh the benefits of the
19	transaction."
20	<b>SECTION 9.</b> Section 59A-63-8 NMSA 1978 (being Laws 2024,
21	Chapter 40, Section 8) is recompiled as Section 24A-9-8 NMSA
22	1978 and is amended to read:
23	"24A-9-8. POST-TRANSACTION OVERSIGHT
24	A. The person that acquired control over the

hospital or independent health care practice through an

1 approved or conditionally approved transaction shall submit 2 reports to the authority and the office in the form and 3 manner prescribed by the authority annually for three years 4 after approval or conditional approval. Conditions to an 5 approval shall remain in effect for no longer than three 6 years from the date of the conditional approval. Reports shall: 7 В. 8 describe compliance with conditions 9 placed on the transaction, if any; 10 (2) describe the growth, decline and other changes in services provided by the person; and 11 12 growth trends of the hospital." 13

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(3) provide analyses of cost trends and cost

SECTION 10. A new section of the Health Care Consolidation Oversight Act, Section 24A-9-9 NMSA 1978, is enacted to read:

## "24A-9-9. ENFORCEMENT AND ADMINISTRATIVE FINES.--

- The authority shall enforce the provisions of Α. the Health Care Consolidation Oversight Act.
- B. A transaction that is covered by Section 24A-9-3 NMSA 1978 shall not be effectuated in New Mexico without the secretary's written determination that no review is needed or without the written approval, with or without conditions, of the secretary following review.
  - C. A person that violates a material or

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

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- (2) the nature of the proposed transaction and the circumstances of the parties involved;
- (3) the potential impact on the availability, accessibility, affordability or quality of care for patients of health care services in New Mexico; and
- (4) any anticompetitive effects from the proposed transaction.
- D. In the event of a failure to provide the required notice of proposed transaction, in addition to the imposition of administrative fines, the secretary may:

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

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

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

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

E. Money collected from the imposition of an administrative fine pursuant to the Health Care Consolidation Oversight Act shall be deposited in the state treasury to the credit of the current school fund as provided by Article 12, Section 4 of the constitution of New Mexico."

SECTION 11. A new section of the Health Care
Consolidation Oversight Act, Section 24A-9-10 NMSA 1978, is
enacted to read:

Nothing in the Health Care Consolidation Oversight Act limits
the authority of the attorney general to protect consumers in
the health care market or to protect the economy of the state
or any significant part of the state insofar as health care
is concerned under any state or federal law. The authority
of the attorney general to maintain competitive markets and
prosecute state and federal antitrust and unfair competition
violations shall not be narrowed, abrogated or otherwise
altered by that act."

SECTION 12. A new section of the Health Care
Consolidation Oversight Act, Section 24A-9-11 NMSA 1978, is
enacted to read:

"24A-9-11. JURISDICTION.--New Mexico courts shall have personal jurisdiction over the parties to a transaction subject to the provisions of the Health Care Consolidation Oversight Act, including the parties to the transaction and any person affiliated with a party."

SECTION 13. A new section of the Health Care
Consolidation Oversight Act, Section 24A-9-12 NMSA 1978, is
enacted to read:

"24A-9-12. WHISTLEBLOWER PROTECTION--POLICY REQUIRED--RETALIATION PROHIBITED--PENALTIES.--

## A. As used in this section:

(1) "entity" means hospitals, management services organizations and health care provider organizations

(2) provides information to or testifies

- (3) objects to or refuses to participate in an activity, policy or practice that the whistleblower believes in good faith constitutes an unlawful or improper act.
- c. Every entity shall adopt, promulgate and enforce a whistleblower protection policy that, at a minimum, meets the requirements of Subsection B of this section to protect whistleblowers from any form of retaliatory action by the entity. The policy shall be posted at each entity's workplace, published on the entity's website and given, by either written or electronic communication, to every officer, employee, contractor or other agent of the entity.
- D. Except as otherwise provided in the Health Care Consolidation Oversight Act and in addition to any criminal charges or civil suits that may be brought against an entity for either an unlawful or improper act or retaliatory actions, the secretary may assess an administrative fine not to exceed ten thousand dollars (\$10,000) on an entity that the secretary finds has engaged in retaliatory action. Each retaliatory action or each day of violation may be considered a separate violation. If the secretary finds the entity willfully or repeatedly violated or continues to violate the prohibition against retaliatory actions, the secretary may

- E. The secretary shall give notice to the entity of the secretary's intention to assess an administrative fine and specify the findings of retaliatory action. The entity may request a hearing, which shall be conducted as provided in the Administrative Procedures Act. The secretary shall make final findings and decisions, which may include the time in which the entity must correct an unlawful or improper violation, and send a copy by registered mail to the entity. The decision of the secretary is a final agency action and may be appealed to the district court as provided in Section 39-3-1.1 NMSA 1978. The entity has thirty days in which to pay the administrative fine.
- F. An entity that fails to stop or correct a retaliatory action within the period allowed for its correction, which period shall not begin to run until the date of the final order or appeal, if applicable, may be assessed a separate administrative fine not to exceed fifteen thousand dollars (\$15,000) for each day during which the failure to stop or correct retaliatory action continues past the deadline for stopping or correcting the action.
- G. Administrative fines shall be deposited in the state treasury to the credit of the current school fund as required by Article 12, Section 4 of the constitution of New

-	nextee.	
2	H. The rights and remedies provided in this	
3	section shall not be waived by an agreement, policy form or	
4	condition of employment, including by an arbitration	
5	agreement.	
6	I. Nothing in this section shall be deemed to	
7	diminish the rights, privileges or remedies of a	
8	whistleblower or other person pursuant to any federal or	
9	state law or pursuant to any collective bargaining	
10	agreement."	
11	SECTION 14. A new section of the Health Care	
12	Consolidation Oversight Act, Section 24A-9-13 NMSA 1978, is	
13	enacted to read:	
14	"24A-9-13. AUTHORITYHOSPITAL OWNERSHIPANNUAL	
15	POSTING ON WEBSITEThe authority shall post hospital	
16	ownership annually on the authority's website and at any	
17	point in which there is a change of ownership of a hospital	
18	or the real estate on which a hospital stands."	
19	SECTION 15. REPEALLaws 2024, Chapter 40, Section 9	
20	is repealed.	
21	SECTION 16. EFFECTIVE DATEThe effective date of the	
22	provisions of this act is July 1, 2025	НЈС/НВ 586
23		Page 23