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FISCAL IMPACT REPORT

SPONSOR <u>Matthews/Armstrong</u>	LAST UPDATED <u>3/20/25</u>
	ORIGINAL DATE <u>2/13/25</u>
SHORT TITLE <u>Interstate Medical Licensure Compact</u>	BILL NUMBER <u>House Bill 243/aSJC</u>
	ANALYST <u>Montano/Chilton</u>

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fee	No fiscal impact	\$50.0 to \$70.0	\$50.0 to \$70.0	\$50.0 to \$70.0	\$50.0 to \$70.0	Recurring	New Mexico Medical Board Fund

Parentheses () indicate revenue decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMMD	No fiscal impact	No fiscal impact	No fiscal impact		Recurring	Other state funds

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 46

Sources of Information

LFC Files

Agency Analysis Received From
 Regulation and Licensing Department (RLD)
 Department of Health (DOH)
 New Mexico Medical Board (NMMB)
 New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of Senate Judiciary Committee Amendment to House Bill 243

The SJC amendment to House Bill 243 makes numerous deletions and changes to the bill and to the language of the compact. Among the deletions are the following:

- Article 1 of the compact (Section 1), on the purpose of the compact, in its entirety and a clause in the definitions in Article 2 (Section 1) of the compact, stating that interstate commission rules have the effect of law in each state.
- Language which would have provided confidentiality for material provided to the boards

to the interstate commission

- Article 9 of the compact, dealing with joint investigations, in its entirety
- Two subsections of Article 14 of the compact, one making officers and employees of the interstate commission immune from civil liability for official acts and the other dealing with liability of employees and the executive director of the interstate commission.
- Section G of Article 14 of the compact, also dealing with liability of representatives of the interstate commission for unintentional acts within their official capacities.
- Part of Article 15, Section C of the compact stating that deference will be given by courts to rules and actions put forward by the interstate commission.
- Article 16 of the compact in its entirety, which dealt with oversight of the compact and required all branches of state government to enforce the compact's provisions and intent.
- In Article 17 of the compact a section which states that prevailing parties in lawsuits will be awarded costs of the proceedings.
- In Article 18 of the compact, a clause within Section F regarding obligations extending beyond termination of a state,
- Article 18, Section G of the compact stating that the interstate commission will not be responsible for costs relating to states in default or terminated from the interstate compact.
- In Article 21, Section B of the compact, the provision that withdrawal from the compact must occur with notice to the governor of each member state and one year has elapsed from passage of a law withdrawing from the compact.
- In Article 21, Section F of the compact, removing a clause allowing the interstate commission from delaying reinstatement for more than one year.
- Article 24, Sections A through D of the compact, which allow interstate medical licensure compact laws superior to any conflicting state laws.

In addition to these deletions, the amendment makes the following changes:

- In several locations, the jurisdiction of state and federal courts in New Mexico is added to those of the District of Columbia district court and that of the state where the interstate commission is housed.
- Regarding default procedures in Article 18A, the amendment adds language saying that language adopted for the compact in New Mexico is not grounds for default where that language differs from the compact language.

Synopsis of House Bill 243

House Bill 243 (HB243) enables New Mexico to join an interstate medical licensing compact, adopting its rules and bylaws. This would increase allopathic or osteopathic physicians' ability to achieve an expedited license to practice in New Mexico if they already held a license in another compact state.

SB46 would commit New Mexico to join with other states in the compact. It uses standard compact language used by each of the states that are party to the compact. The compact allows a second pathway to licensure alongside, but not replacing, the current New Mexico licensing methodology. In this second pathway, the locus of medical care being delivered is defined as the physician's location and, thus, under the control of the home state's medical board, although New Mexico's board could also discipline physicians independently.

The bill defines physician (to be licensed) as having passed required tests, being of allopathic or osteopathic training, having completed an approved residency, being licensed by a state board among the compact states, and having no convictions or state licensing-board- or controlled substances-license-related disciplinary actions for any offense.

SB46 mandates use of a common data system to identify public actions or complaints for access by compact states in which the physician is licensed and for identification of nonpublic complaints or actions at another compact's request. It allows for joint investigations of any allegations against a compact member-state physician and clarifies that findings of these investigations will subject a disciplined physician to actions by other compact states. If the state of primary licensure removes the licensure in that state, other states' licenses will be removed without other necessary actions; if a state other than the state of primary licensure disciplines a physician, other compact states may impose the same or lesser consequences on the physician or pursue a separate action.

Under SB46, an Interstate Medical Licensure Compact Commission would administer the compact overall—two members would be appointed from each compact state, one an allopathic and one an osteopathic physician. It would meet at least once per year, either in person or electronically and give public notice of meetings (open to the public except for personnel matters and those relating to investigations of individuals). The duties of the commission would include:

- Overseeing compact administration,
- Promulgating rules for the compact,
- Issuing advisory opinions to member states regarding the compact,
- Enforcing compact rules,
- Paying expenses, purchasing insurance and bonds, establishing a budget,
- Opening an office,
- Employing an executive director,
- Establishing personnel policies, a seal and bylaws; maintaining records,
- Accepting donations and grants,
- Leasing or purchasing needed property or selling property,
- Reporting annually to each legislature, including audit results,
- Coordinating education and training regarding the compact;
- Seeking patents, trademarks, and copyrights.

The bill provides procedures for dealing with a state that has defaulted on its obligations, with remedies including terminating the participation in the compact.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The New Mexico Medical Board (NMMB) projects that HB243 would increase the total number of physician license applications by 10 to 15 percent, in line with the average rate of increase experienced by other states who have joined the compact. This would translate to a revenue of \$50 to \$70 thousand.

SIGNIFICANT ISSUES

According to the Interstate Medical Licensure Compact's [website](#), "To participate in the Compact, a state's legislature must introduce and enact a bill authorizing the state to join. The language of the compact must be consistent in each state that joins. States participating in the Compact make an affirmative and informed choice to accept the Compact's terms – made possible by the formal legislation, adopted and signed into law."

NMMB notes:

Physicians licensed in New Mexico through the compact will have to obtain NM medical licenses and be subject to the NM Medical Practice Act. New Mexico will not surrender any authority to issue and regulate licensed physicians. The goal of joining the compact is to expand access to care by streamlining the licensing process for physicians and facilitate multi-state practice and telemedicine which would benefit both physicians and patients in New Mexico. States that participate in the compact see a significant increase in physician licensure in their state, which we anticipate would occur in New Mexico. The compact would not supersede New Mexico's autonomy and control over the practice of medicine. New Mexico would maintain control through a coordinated legislative and administrative process. The practice of medicine is defined in the compact as where the patient is located, not where the physician is located. As such, all initial disciplinary actions will be handled by the board of the state where the patient is located, which is the same as being handled by NMMB currently.

The Department of Health (DOH) adds:

According to the 2024 report published by the New Mexico Health Care workforce Committee, New Mexico continues to fall below acceptable benchmarks for the number of primary care physicians necessary to meet the needs of its residents. The data used in the report for physicians shows that in 2021 New Mexico would have needed 334 physicians to meet the needs of residents. While the number of providers has slightly improved since 2019, we continue to see a shortage of medical providers in New Mexico. As our population continues to age, we can anticipate the need for more primary care and specialty providers to meet the needs of the population.

The New Mexico Attorney General (NMAG) notes that HB243 may interact with existing state law:

HB243 will create a new pathway for licensure, and...does not change a member state's medical practice act or any applicable laws. However, pursuant to NMSA 1978, Section 61-6-13 (2023), New Mexico already has a physician expedited licensure framework. Section 61-6-1(A) states that upon receipt of a completed application, fees, and verification of licensure where the applicant actively holds a license to practice medicine, the New Mexico Medical Board may issue an expedited license as soon as practicable but no later than thirty (30) days. If HB243 is enacted, the Section 61-6-1(A) framework may only be applicable to physicians who do not hold a principal license in a compact states or physicians who do not want to utilize the compact. As such, it is unclear how Section 61-6-1 and HB24 will interact.

ADMINISTRATIVE IMPLICATIONS

NMMB would have to alter their rules to incorporate the Interstate Medical Licensure Compact-required language.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill was a duplicate of Senate Bill 46, although both HB243 and SB46 have been amended to be quite different.

TECHNICAL ISSUES

NMAG notes:

HB243 does not include an effective date. If signed into law, the legislation would go into effect 90 days after the Legislature adjourns. However, according to Section 2, Article 20, the bill proposes that the IMLC shall become effective and binding upon legislative enactment. Consider amending to include a matching clause.

OTHER SUBSTANTIVE ISSUES

DOH adds:

The Interstate Medical Licensure Compact will reduce the administrative burden and the time required to become licensed in New Mexico, which could increase available physicians. An increase in primary care providers could also reduce the number of emergency department visits. By having access to a primary care provider who can see a person within a day or two reduces the number of people seeking more routine medical care in emergency departments. In addition, by providing routine care and follow-up on chronic conditions, primary care providers reduce the need to seek emergency treatment for diseases that can be controlled through routine care.

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