

LFC Requester:

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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*****(Analysis must be uploaded as a PDF)*****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 1.14.2026*Check all that apply:***Bill Number:** HB 44Original ☒ Correction ☐Amendment ☐ Substitute ☐**Sponsor:** Rep. Gail Armstrong**Short** Dentist & Dental Hygienist**Title:** Compact**Agency Name
and Code**Regulation & Licensing Dept.
(RLD), 420**Number:****Person Writing**Jen Rodriguez**Phone:** 505.623.1701**Email** Jen.rodriguez@rld.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
Unknown*	Unknown*	Unknown*	Recurring	Dental Health Care Fund

(Parenthesis () indicate revenue decreases)

* There will be an impact on revenue, however, it is not possible to predict if this will bring in more licensees, or if this will decrease the cost of full licensure. Currently, the Board of Dental Health Care licenses 743 out-of-state practitioners, with renewal revenue of \$95,243 annually.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	70.0		70.0	Nonrecurring	Dental Health Care Fund
	N/A	8.0 + **Unknown	68.0 + **Unknown	76.0 + **Unknown	Recurring	Dental Health Care Fund

(Parenthesis () Indicate Expenditure Decreases)

**There could be an impact on operating budget due to an “annual assessment” and fees for “adverse actions in other states” that may be imposed on states as members of the Compact. See Note 2 and Note 4 in the “Fiscal Implications” section below.

SECTION III: NARRATIVE**BILL SUMMARY**

Synopsis: House Bill 44 (HB 44)

HB 44 would enter New Mexico in the Dentist and Dental Hygienist Interstate Compact (Dental Compact) and amend the Dental Health Care Act, §§ 61-5A-1 to -29, NMSA 1978 (Act), §61-5A-10 – Powers and Duties of the Board and Committee. It would allow out-of-state dentists and dental hygienists (collectively “dental professionals”) the privilege to practice (also referred to as “compact privileges”) in New Mexico and allow New Mexico dental professionals to use their license to practice in other states and jurisdictions under those same conditions. The Compact aims to enhance mobility for dental professionals, improve access to care, and ensure public safety through cooperative state regulation. It also facilitates the relocation of dental professional military members and their spouses. Twelve (12) states have enacted the Dental Compact; as of this date none are currently issuing compact privileges.

Dental Compact privileges must be obtained in each remote participating state where the dental professional wishes to practice without obtaining a license. Member states will determine the fee for compact privileges within their state. Currently, the Dental Compact does not require states to pay a participation fee, but it is contemplated in the future.

A state that wishes to join the Dental Compact must do the following and continue as a participating state:

1. Enact the Dental Compact into state law in a form that is not materially different than the model compact;
2. Participate in the Dental Compact Commission (Commission) data system;
3. Have a system in place for receiving and investigating complaints;
4. Notify the Commission of any adverse action or significant investigative information against an applicant or licensee;
5. Fully implement the background check requirements;
6. Comply with commission rules;

7. Accept the national exam;
8. Accept accredited education (predoctoral and doctoral) graduates for dentist licenses;
9. Accept accredited dental hygienist education for dental hygienist licenses;
10. Require successful completion of a clinical assessment for applicants;
11. Require continuing professional development (continuing education) for license renewal; and
12. Pay a participation fee to the commission if required.

Dental professionals in participating states can obtain a Dental Compact privilege to practice in other participating states, provided they meet the following specific requirements:

1. Have a qualifying license from a participating state;
2. Be eligible for a compact privilege;
3. Submit to the application process in any participating state where there is a compact privilege;
4. Pay commission and remote state fees for the compact privilege;
5. Meet any jurisprudence requirements established by the remote state;
6. Pass a national board examination;
7. Meet the educational requirements for dentists or dental hygienists;
8. Successfully complete a clinical assessment;
9. Report to the Commission any adverse action taken in a non-participating state;
10. Report address of primary residence and any change in primary residence to the Commission;
11. Consent to accept service of process by mail to their primary residence; and
12. Be subject to the remote state's regulatory authority, including scope of practice.

If a licensee has an “encumbered license” (meaning a license that a state licensing authority has limited via adverse action) they will lose compact privileges. Active military members and their spouses are exempt from commission fees and reduced or no fee to practice in a remote state.

Home states where the dental professional is licensed have exclusive control over adverse actions against that license. Remote states have control over the compact privilege to practice within their state. Adverse actions (i.e. disciplinary actions) and significant investigative information must be shared among states. Nothing in the Dental Compact prohibits participating states from utilizing an alternative program in lieu of discipline for a licensee, however, they cannot allow the licensee to practice via compact privilege while the licensee is subject to such alternative program. [An “alternative program” could be something such as a monitoring program if the practitioner deals with addition issues, etc.]

The Dental Compact establishes the Compact Commission who will oversee the Dental Compact. Each participating state will have one delegate commissioner, selected by the Board. The Compact Commission will be charged with rulemaking, data system management, and dispute resolution for its participating member states. The Compact Commission will have the authority to promulgate rules for all participating states. A coordinated database will be established and maintained to track licenses and disciplinary actions among the participating states.

The government of each participating state is required to implement and enforce the Dental Compact. The Compact Commission will determine if a participating state is in default of the

Dental Compact and may terminate the participating state from the Dental Compact if the default is not cured. The Compact Commission will also attempt to mediate any disputes between states and may provide for both mediation and binding arbitration as appropriate.

The compact became effective when enacted by the seventh state. Participating states can withdraw by repealing the Compact, however, such repeal would not be effective for 180 days after the repealing statute is passed.

The effective date of HB 44 would be May 20, 2026.

FISCAL IMPLICATIONS

NOTE 1: As the data system of the Dental Compact is not yet operational, it is unclear what IT requirements will be required of participating states. The Dental Compact currently is in the process of building out its data system infrastructure, and it is anticipated that the system will connect with participating states through an API interface. Such a system would require the Dental Healthcare Board and the Regulation and Licensing Department (RLD) to incur some costs to integrate the Dental Compact's API into the RLD's NM Plus licensing software system and to pay for the ongoing costs of the MuleSoft software to translate the data. The RLD has some experience in integrating APIs into its current licensing software system. As a result, there is an idea of what costs it can reasonably expect to incur in integrating API systems into NM Plus. While these costs can fluctuate based on various factors, the RLD anticipates a one-time cost for implementation of approximately seventy thousand dollars (\$70,000) for two APIs.

In addition, when utilizing the API process, NM Plus requires the use of MuleSoft, a Salesforce-based software, to process and translate the data that is received from an API. Multiple factors go into the costs involved with utilizing the MuleSoft software. The RLD estimates a recurring cost of utilizing the MuleSoft program to be approximately sixty thousand dollars (\$60,000) per year for two API's. However, since the Dental Compact is not yet operational, it is unknown how many API's will be required in the system.

An administrative rulemaking process, including a public hearing and all required publication of notices and proposed rules, would be required to update and amend current administrative rules issued pursuant to the Act if HB 44 is enacted. The RLD believes it can absorb the costs associated with the rulemaking processes for this bill within existing resources.

NOTE 2: The Dental Health Care Board (Board) may be required to pay an annual assessment based on a formula to be determined by the Compact Commission at some point in the future. The RLD is unable to determine at this time what the dollar amount of that annual assessment would be, or if it will actually be imposed in any given fiscal year.

NOTE 3: If HB 44 is enacted, the Board may incur out-of-state travel expenses for its Compact Commission delegate member to attend annual meetings. Per the Dental Compact By-Laws, travel reimbursements are subject to availability of budgeted funds of the Commission. It is unclear whether the travel costs will be covered by the commission, the attending delegates, or the Board itself. However, there is a possibility that expenses for one delegate's attendance will need to be covered. If the Board is responsible for these costs, the potential expenses—such as airfare, hotel, meals, Uber, taxi, etc.—are estimated to cost \$2,000 per day for the delegate, with an estimated four (4) days of travel and attendance each year. Therefore, the RLD anticipates a recurring

expense of eight thousand dollars (\$8,000) per year in FY26 and future years.

NOTE 4: With respect to Section 7 of the bill, “Adverse Actions,” the issuing state would incur expenses related to taking adverse action against a dental professional’s privilege to practice within a member state. The issuing state is responsible for paying any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located. Potential expenses that may be incurred by the RLD on behalf of the Board under this provision cannot be reasonably estimated at this time.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

The Dental Health Care Board provided the following statement to the RLD for inclusion in this FIR:

Licensure portability is especially important to our younger dentists and hygienists as they tend to move frequently after graduation. Currently in NM, a streamlined pathway for licensure is available for licensees in good standing via Expedited and Military licensure, which are issued within 30 days of completed application. NM has had a net outflow of both dentists and hygienists to neighboring states based on current ADA HPI data. This may accelerate that process if it is easier for our providers to get privileged in our bordering states. It is important to maintain the dental board's jurisdiction over all dentists and hygienists practicing in our state. It is unclear if having a "privilege" (instead of a license) will affect this.

There are other unknowns with this compact. The compact currently has 12 states who have enacted legislation for the compact. As of the January 12, 2026 meeting, 11 states have participating commission members, with only one dentist as a commissioner. The Commission holds significant authority over the rules making process, and it is unclear how the lack of dentists or hygienists as commissioners will have on this process or the efficacy of the commission as a whole. The first Rules Hearing is scheduled for February 26, 2026, at which time the definition of “clinical assessment” and “background check” will be formalized.

On page 13 line 14, "If a remote state imposes an adverse action against a compact privilege that limits the compact privilege, that adverse action applies to all compact privileges in all remote states." It is unclear how that will be enforced. On page 15 line 2, it describes that only the issuing state can take action on the license. A remote state can only take action on the privilege and not the license. Also, item B starting on line 6 describes, “A participating state may take adverse action based on the significant investigative information of a remote state...” What determines “significant investigative information” that is not adverse action? Will the Board be able to issue subpoenas for investigative information in the other states? What investigative information would need to be provided to other states?

Section 6, item F on page 16 addresses state licensing subpoenas and that "the issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state where the witnesses or evidence is located." Item H discusses joint investigations between states, but is unclear how

this will function.

Section 7 item G on page 24 describes the financing of the Commission. There are unknown costs to participating states for the ongoing budget considerations. The November 24, 2025 Finance Committee meeting minutes demonstrate concerns with where ongoing funding will be obtained for the Data System and Secretariat (and other compact staffing considerations). FY26/27 for the Data System alone is estimated at \$189,000. The Committee discussed pursuing grants or other outside funding, but the potential for assessments and change in compact fees was discussed. The allowances for state assessments and licensee fees are outlined on page 25, line 5.

Further funding discussions in the January 12, 2026 full Commission Meeting indicates that although there is current funding from the ADA until the end of February 2026, they would still need \$24,000 per month until the end of the FY June 30, 2026 for a total of \$96,000. They hope that licensing fees will offset the ongoing cost in the future.

The Data System in which we will be required to participate is further discussed on page 30, line 11, but it is still unclear how the database will function. On page 31 line 24, it states that, "it is the responsibility of the participating states to monitor the database to determine whether adverse action has been taken against a licensee or license applicant." Board staff may have to proactively pull those reports to "monitor" the status of those practicing in NM with a privilege. There will also be costs for NM to integrate into this Data System. This will include costs associated with coding and IT changes to the current NM Plus system, ongoing reporting requirements, and staffing costs associated with these activities.

It is also not yet worked out in rules how participation in a board-mandated or in a self-referred HPWP will affect this reporting and remain confidential.

Lastly, the change to current professional background checks will impact the current contract with B&B Reporting, which currently uses name-based and SSN tracing. To be compliant with "the Federal Bureau of Investigation and the State criminal history record repository, as defined in 28 C.F.R. § 20.3(f)", the background reports would require fingerprint or other biometric-based checks and explicitly reference the FBI and state criminal history record repository.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The Dental Compact must be adopted in its entirety without any substantive changes in order for a state to be able to join the Compact. According to the Dental Compact website, <https://ddhcompact.org/> "[n]o substantive changes should be made to the model language. Any substantive changes may jeopardize the enacting state's participation in the Compact."

The Dental Compact was developed through a partnership between the Council of State Governments (CSG), the Department of Defense (DoD), the American Dental Association (ADA), and the American Dental Hygienists' Association (ADHA.) <https://ddhcompact.org/>

According to the website, twelve (12) states have adopted the Compact, but compact privileges have not been issued.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without passing this legislation, the licensing of Dentists and Dental Hygienists will continue as status quo, including expedited licensure for out-of-state practitioners.

AMENDMENTS

To ensure required amendments and additions to the administrative rules for the New Mexico Dental Healthcare Act are in place by the time HB 44 takes effect, along with necessary updates to the NM Plus licensing system and creation/implementation of the required shared database, the RLD requests the effective date for HB 44 be amended to January 1, 2027.