

LFC Requester:

Allegra Hernandez

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov 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: January 26 2026 *Check all that apply:*
Bill Number: HB 143 Original Correction
 Amendment Substitute

Sponsor: Rep. Jones **Agency Name and Code** University of New Mexico-952
Short Title: Healthcare Changes **Number:** _____
Title: _____ **Person Writing** Kelly O'Donnell
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	(\$3,000)	non	SGF
	\$3,000	non	medical residency loan repayment fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
	Potentially high fiscal impact due to physician tax credit		recurring	SGF

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Loan repayment: SB 11, SB 14, and HB 66
Medical malpractice: HB 99 and HB 107
Tax credit: HB 142

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 143 expands provider recruitment incentives while substantially revising medical malpractice law. The bill increases the rural health care practitioner tax credit and broadens eligibility across a wide range of licensed health professionals, creates a new refundable physician income tax credit of \$50,000 per year for up to five years, and establishes a Medical Residency Loan Repayment Program, limited to physicians who completed residencies and/or fellowships in New Mexico, with a five-year in-state service obligation supported by a \$3.0 million nonreverting fund. It also requires the Health Care Authority to conduct regular Medicaid provider cost studies to inform reimbursement adequacy. In addition, the bill amends the Medical Malpractice Act by revising definitions, adjusting liability caps and provider personal liability limits, requiring Patient's Compensation Fund payments for medical care to be made as expenses are incurred, limiting punitive damages, and imposing sliding-scale caps on contingency attorney fees.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

This bill creates a **refundable** state income tax credit for physicians and dentists of up to \$50,000 per year for up to five years, allowing for a maximum \$250,000 cash transfer from the State to private individuals. The only apparent requirements for obtaining this very generous credit are: (1) practice in New Mexico and (2) outstanding medical education loan balance (of any type and amount). Tax credits can be strong recruitment incentives but can be highly inefficient and expensive if not carefully targeted. This provision would be greatly improved by more precise targeting, stronger definitions, and incentives for practice in underserved areas or with underserved populations.

This bill also creates the Medical Residency Loan Repayment Act. The definitions of medical resident and medical fellow, in addition to being inconsistent with how these terms are commonly used, require that the residency or fellowship be completed at "an an institution of higher education in New Mexico." Residencies and fellowships are not, as a rule, programs of an "institution of higher education." Rather, accredited medical residencies and fellowships are affiliated with institution of higher education, but are sponsored by ACGME-accredited programs, typically at hospitals or clinics. As drafted, this bill would exclude residents who completed programs sponsored by the New Mexico Primary Care Training Consortium. Further, limiting loan repayment to people who completed their graduate medical education in New Mexico reduces the effectiveness of this incentive as a tool of recruitment and retention.

Increasing the amount of rural health care practitioner tax credit will improve its effectiveness as an incentive for rural practice.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Loan repayment: SB 11, SB 14, and HB 66

Medical malpractice: HB 99 and HB 107

Tax credit: HB 142

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS