

LFC Requester:

Eric Chenier

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/28/26 **Bill Number:** HB172 **Original** **Amendment** **Substitute**

Short Title: SAFE STAFFING ACT & NURSING HOMES

Sponsor: Rep. Eleanor Chavez

Name and Code Number: HCA 630

Person Writing: Nancy Laster

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0.00	0.00	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0.00	0.00	0.00	NA	NA

(Parenthesis () indicate revenue decreases) *** If fines are incurred, where would those fines be counted as revenue?***

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	\$3,804.4	\$3,804.4	\$7,608.8	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

# of FTE	Division	Title	Range	Hourly rate	Annual Salaries	Insurance Rate Bi-weekly	Group Insurance	PERA	FICA	RHC	Total Benefits	TOTAL Cost	FFP*	GF Need	FF Need
1	DHI	Attorney	C11	50.84	106,200.00	288.29	7,500	20,400	8,100	2,100	38,100.00	144,300	50%	72,150	72,150
1	DHI	Healthcare Surveyor	C7	33.22	69,400.00	288.29	7,500	13,400	5,300	1,400	27,600.00	97,000	50%	48,500	48,500
14	DHI	Senior Healthcare Surveyor	C8	36.54	1,068,100.00	288.29	105,300	205,500	81,700	21,400	413,900.00	1,482,000	50%	741,000	741,000
1	DHI	Senior Business Operations Analyst	C6	30.20	63,100.00	288.29	7,500	12,100	4,800	1,300	25,700.00	88,800	50%	44,400	44,400
17	TOTAL SALARIES & BENEFITS				1,306,800	1,153.16	127,800	251,400	99,900	26,200	605,300	1,812,100		906,050	906,050

Other Operating Costs:	per person	17 fte	GF	FF
542100 - Instate M & F	200	3,400	1,700	1,700
542200 - Instate M & L	600	10,200	5,100	5,100
544100 - Office Supplies	1,200	20,400	10,200	10,200
544900 - Invent Exempt	5,600	95,200	47,600	47,600
546600 - Telecomm	3,000	51,000	25,500	25,500
	10,600	180,200	90,100	90,100

	TC	GF	FF
TOTAL Salaries and Benefits plus Operating Cost	1,992,300	996,150	996,150

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB0172, the Safe Staffing Act, establishes minimum nurse-to-patient staffing ratios in licensed hospitals and healthcare facilities across New Mexico. The bill mandates hospitals to develop and implement written staffing plans that comply with these ratios, considering patient acuity and staff skill mix. It requires the creation of a staffing advisory committee with representation from nurses and management to review compliance and make recommendations. Hospitals must report staffing levels and compliance data to the Health Care Authority (HCA), which will make this information publicly available. Enforcement will be carried out by HCA through inspections and compliance investigations, with penalties for violations including fines and injunctive relief. The bill also establishes a compliance process for staff or patients to report staffing violations.

FISCAL IMPLICATIONS

The Health Care Authority (HCA) Division of Health Improvement (DHI) estimates it would require both the addition of a new data reporting system application to track and manage the information, as well as the need for additional staff (17 FTE) to provide oversight to conduct surveys and complaint investigations and administrative support for those activities.

- HCA estimates a new data management and reporting system will need to be developed and implemented to collect and manage the data. It is unknown what the cost of such an application would be.
- HCA estimates it would take 4.0 FTE health care surveyors to survey 50 hospitals annually for compliance with the Act and posted staffing for each hospital unit.
- While the number of complaints of violations of the proposed act's requirements is unknown, the HCA bases FTE estimates on 200 complaint investigations, including necessary follow-ups, per year. HCA estimates it would take an additional 1 FTE complaint intake specialist, and 10 FTE nurse surveyors to investigate complaints annually.
- HCA estimates it would take a 1.0 FTE attorney to participate in or respond to court filings for injunctive relief.
- HCA estimates it would take 1.0 FTE annually to develop and maintain the HCA website for posting hospital reports, analyzing data and reporting performance, managing records requests, and associated tasks.
- Computer hardware for each additional FTE – ~\$1,500.00 per FTE = \$25,500.00 total
- Phone services for each additional FTE - \$792.00 per year per FTE = \$13,464 total
- IT services and enterprise applications and subscriptions for each additional FTE - \$873 per year per FTE - \$14,841.00 total per year
- Office space for each additional FTE.
- Rule promulgation and hearing costs.

SIGNIFICANT ISSUES

According to CMS Conditions of Participation, 42 CFR 482.23, hospitals must have adequate numbers of licensed registered nurses to provide care to patients as needed. The director of nursing must be an RN and is responsible for the operation of the service, including determining the types and number of nursing staff necessary to provide nursing care for all areas of the hospital.

Hospital staffing should be based on a multitude of factors including patient acuity, complexity of care, services offered by the hospital, staff's level of experience, number of support staff available, patient turnover, and competency of the staff available. The situation can change multiple times in a given period when referring to the acuity and needs of the patient.

The bill discusses a patient acuity system that would need to be evidence-based. Most such systems are based on documentation by nurses and would require training for all using the tool. If different systems use different acuity tools, there could be variability in outcomes for calculating the acuity and needs of the unit/hospital.

Existing HCA regulation (NMAC 8.370.12.27.C Nursing Services: Staffing) addresses appropriate staffing for a hospital, requiring the following: "1) An adequate number of professional registered nurses shall be on duty at all times to meet the nursing care needs of the patients. There shall be qualified supervisory personnel for each service or unit to ensure adequate patient care

management; 2) The number of nursing personnel for all patient care services of the hospital shall be consistent with the nursing care needs of the hospital's patients; 3) The staffing pattern shall ensure the availability of professional registered nurses to assess, plan, implement, and direct the nursing care for all patients on a 24-hour basis.

DHI would require a new data reporting system application to track and manage the information to meet the needs of this bill. ITD would either need to find a third-party solution to provide this functionality, build a new system internally, or modify an existing system to meet the needs. Time and cost will depend on the complexity of the requirements.

PERFORMANCE IMPLICATIONS

New Mexico is experiencing a nursing shortage, and it may not be possible for facilities to comply with the provisions of this bill. Statistics from the New Mexico Healthcare Workforce Committee report published October 1, 2025, show that on average the number of advertised RN openings was more than 7,000. According to the same report, New Mexico institutions graduated 1,533 students in various RN programs (ASN, BSN, MSN). The students NM is producing cannot fill the openings as RNs retire or leave for other professions.

DHI does not have an existing performance measure around this workload. The proposed legislation would affect the current workload of DHI. It would require the promulgation of new regulations and require an additional 17.0 FTE to monitor compliance, process and investigate complaints, and enforcement actions.

There are studies that show that lower nurse to patient ratios produce better patient outcomes. A systematic review of longitudinal studies showed there was a "causal relationship between low RN staffing and mortality". [Nurse staffing levels and patient outcomes: A systematic review of longitudinal studies - ScienceDirect](#)

Financial implications for hospitals are an additional performance implication due to the potential need to add more clinical staff to payroll budgets. If the ratios do produce better outcomes, the financial cost of RN staffing could be balanced by better outcomes, shorter lengths of stay and other positive factors related to quality outcomes. [Costs and cost-effectiveness of improved nurse staffing levels and skill mix in acute hospitals: A systematic review - ScienceDirect](#)

Factors around nurse retention and turnover would need to be described and calculated in the same manner by each facility to validate the data that the hospitals are required to keep, report and post.

ITD would need to find the resources to determine a solution for the data reporting system necessitated by the bill. Whether it is a third-party solution, a new internally developed system, or modifications to an existing system, IT would incur resource demands for requirements gathering, purchasing/development, and testing. The exact resource demand would depend on the complexity of the system.

ADMINISTRATIVE IMPLICATIONS

- Promulgate rules, monitor, investigate complaints of alleged violations.
- Onsite surveys

- Create staffing advisory committee
- Ensure hospital policy and implementation for staffing ratios

Monitoring compliance with the proposed law would be a new and additional workload. Currently, DHI surveys hospitals either upon initial licensure of the hospital, when directed to do so by CMS, or when a state complaint is received. DHI would need additional staff to monitor compliance with all requirements of the proposed bill and investigate complaints. General Fund would be needed for salary and benefits, as well as rent, supplies, equipment, communication, travel, cars, copying, and information technology for new staff. Contract funds would also be needed to cover the costs of fair hearings for contested civil monetary penalties and other sanctions to enforce the provisions of the Act. Additional attorney time would be needed to participate in or respond to court filings for injunctive relief.

Estimated IT costs include laptop computer, smartphone, and standard Microsoft Office applications for each of the new staff outlined above. The numbers are included in the operating budget tables. The proposed bill would take effect immediately; however, it is assumed that costs would not be incurred until state fiscal year 2027.

As noted above, a new data management and reporting system would need to be developed and implemented to ensure that hospitals have a way to track and report their staffing levels to demonstrate compliance with the rules outlined in this bill. Detailed discovery sessions would be necessary to capture the requirements of this system before a cost and timeline could be estimated.

For assessment of the Nurse Licensure Compact Act of 2017, HCA would need to work closely with the New Mexico Board of Nursing.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is similar to bills introduced in previous sessions: HB 72 (2025 Regular Session), HB 145 (2024) and HB236 (2023).

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

This bill conflicts with nursing care oversight in a hospital. As stated above, CMS requires a director of nursing and directs the type and number of staff to provide care for specific patient populations in the facility.

Existing HCA regulation (NMAC 8.370.12.27.C) addresses adequate staffing to provide care, but does not mandate ratios.

Staffing ratios imposed in an emergency room setting could contradict federal EMTALA regulations. Emergency rooms cannot turn patients away who present to be seen. Every person presenting to the Emergency room must receive a medical screening to establish that the need is emergent or that an emergency medical condition exists. If an emergency does exist, the hospital must treat or stabilize and transfer to an appropriate level of care. [SOM - Appendix V](#)

ALTERNATIVES

Incentives could be offered to those facilities with high quality ratings such as Leapfrog or other benchmarking databanks. [Hospital Ratings and Reports | Leapfrog](#)

Leapfrog quantifies many data points and for nursing staffing Leapfrog takes into consideration the nurse-to-patient ratio, the nursing hours per patient day that are allotted to each unit in a facility, the percentage of RNs with at least a BSN degree (better outcomes have been associated with higher percentages of BSN prepared nurses, see [Changes in proportion of bachelor's nurses associated with improvements in patient outcomes - PMC](#)), and the proportion of care provided by temporary contract staff RNs.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None