

LFC Requester:

Emily Hilla

**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](mailto: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: 1-28-2026

Check all that apply:

Bill Number: HB187Original  Correction Amendment  Substitute 

Sponsor: Representative D. Wonda Johnson  
 Agency Name and Code Number: Office of Superintendent of Insurance -440  
 Person Writing: Melissa Robertson  
 Short Title: RURAL HOSPITAL MALPRACTICE LIABILITY INSURANCE ACT  
 Phone: 505-670-2704 : Email: Melissa.Robertson@osi.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		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None.

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

House Bill 187 (HB187) creates the “Rural Hospital Malpractice Liability Insurance Act” (Act). The Act establishes the “Rural Hospital Malpractice Liability Insurance Fund” (Fund) as a non-reverting fund in the state treasury. Subsection B of Section 3 allows a rural hospital to apply to the Department of Health, for a grant to assist in the payment of medical malpractice premiums.

The Act makes the Department of Health is responsible for administration of the Fund, development of reporting for rural hospitals that receive the grants, reporting annually on the grant awards and their effect on each hospital’s financial stability, their workforce, and ability to provide access to health care.

Subsection B, paragraph (1) of Section 3, requires that in order to be eligible for a grant, a rural hospital shall “demonstrate coverage, or an intent to be covered, by a medical malpractice liability insurance policy approved by the Department of Health.”

#### **FISCAL IMPLICATIONS**

None.

#### **SIGNIFICANT ISSUES**

The Office of Superintendent of Insurance has jurisdiction over casualty insurers. Pursuant to Section 59A-7-6(A)(36) NMSA 1978 medical malpractice insurance is a form of casualty insurance. Casualty insurers are required to submit any policies and forms to the Office of Superintendent of Insurance for review and approval pursuant to Chapter 59A, Article 17.

It is unclear from the wording of the Act whether approval of the policy by the Department of Health is intended provide for a perfunctory approval of the policy or a process that would Be more in depth which would encroach upon the authority of the OSI.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

**The Act does not address whether a provider who participates in the Fund would also be able to participate in the Patient Compensation Fund or be eligible to receives the benefits of the Medical Malpractice Act such as the limitations of liability.**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL  
AMENDMENTS**