

LFC Requester:

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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: 1/28/26 **Bill Number:** HB187 **Original** **Amendment** **Substitute**

Short Title: RURAL HOSPITAL MALPRACTICE LIABILITY INS. ACT

Sponsor: Rep. D. Wonda Johnson

Name and Code Number: HCA 630

Person Writing: Mario.Portillo

Phone: 505-699-7526 **Email:** Mario.Portillo@hca.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY26 | FY27 | | |
| \$0 | \$0 | \$0 | \$0 |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------------|------------------|
| FY26 | FY27 | FY28 | | |
| \$0 | \$0 | \$0 | \$0 | \$0 |
| | | | | |

(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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis

House Bill 187 creates the Rural Hospital Malpractice Liability Insurance Act, establishing a state-funded grant program administered by the Department of Health to help rural and frontier hospitals cover medical malpractice insurance premiums. The bill creates a non-reverting fund, sets eligibility and reporting requirements, appropriates \$66.0 million from the general fund, and takes effect immediately under an emergency clause.

FISCAL IMPLICATIONS

None. Specifically, the bill assigns program administration, rulemaking, grant awards, and reporting responsibilities to the Department of Health (DOH). Although rural hospitals are licensed by HCA, the bill does not impose new duties, oversight, or costs on HCA, nor does it require changes to licensing, reimbursement, or managed care contracts.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

HB 187 may reduce the financial burden of medical malpractice liability insurance, which is a significant and often unpredictable cost for rural and frontier hospitals.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None