

LFC Requester:

Henry Jacobs

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: 01/28/2025

Check all that apply:

Bill Number: HB 195

Original x Correction
Amendment Substitute

Sponsor: Rep. Reena Szczepanski
Short Title: COLLECTION OF MEDICAL MALPRACTICE JUDGMENTS

Agency Name and Code Number: 305 - New Mexico Department of Justice
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Table with columns: Appropriation (FY26, FY27), Recurring or Nonrecurring, Fund Affected

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Table with columns: Estimated Revenue (FY26, FY27, FY28), Recurring or Nonrecurring, Fund Affected

(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:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: House Bill 195 (“HB 195”) seeks to enact a new section of Chapter 42, Article 10 to prohibit the collection of medical malpractice judgments from a provider’s personal income or assets in certain circumstances. HB 195 also seeks to prohibit plaintiffs in medical malpractice cases from making certain frivolous allegations.

Section 1: Proposes enacting certain prohibitions in the collection of medical malpractice judgments.

- Subsection A proposes prohibiting plaintiffs in medical malpractice claims from collecting medical malpractice judgments against an independent provider’s personal income or assets if a court finds that the independent provider maintained (1) qualification pursuant to Section 41-5-5 of the Medical Malpractice Act (“MMA”), **or** (2) an insurance policy with a policy limit sufficient to cover the applicable per-occurrence limit on recovery as specified in Section 41-5-6 of the MMA.
- Subsection B proposes allowing a court to reduce or nullify a damage award if the court finds that the plaintiff made allegations (1) irrelevant to the adjudication of the claims; **or** (2) to coerce or induce settlement; **or** (3) that rely on the independent provider’s personal income or assets.
- Subsection C proposes defining “independent provider” for purposes of this section as “a natural person who is a licensed physician, chiropractic physician, pediatric physician, certified registered nurse anesthetist, physician assistant, certified nurse practitioner, certified clinical nurse specialist or certified nurse-midwife who is not an employee of a hospital or an outpatient health care facility.”

Section 2: proposes that the provisions of HB 195 would apply to medical malpractice claims brought on or after the effective date of the legislation.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relation: House Bill 99 (“HB 99”), House Bill 107 (“HB 107”), and House Bill 143 (“HB 143”) seek to, among other things, make amendments to the MMA, which may impact HB 195 to the extent that HB 195 cites the MMA sections that the bills seek to amend.

- HB 195, HB 99, HB 107, and HB 143 seek to amend statutory definitions in Section 41-5-3 of the MMA. The proposed amendments by HB 99, HB 107, and HB 143 include amending the statutory definition of “independent provider” in Section 41-5-3(G), which appear to differ from the definition proposed in Section 1, Subsection C of HB 195.
- HB 99 seeks to amend Section 41-5-5 of the MMA, which may impact Section 1, Subsection A, Paragraph 1 of HB 195 because the prohibition on collection of judgments against the personal income of an “independent provider” is contingent on whether a court finds that an “independent provider maintained ... qualification under the provisions of the [MMA] pursuant to Section 41-5-5[.]”
- HB 99, HB 107, and HB 143 seek to amend Section 41-5-6 of the MMA, which may impact Section 1, Subsection A, Paragraph 2 of HB 195 because the prohibition on collection of judgments against the personal income of an “independent provider” is contingent on whether the court finds that an “independent provider maintained ... an insurance policy with a policy limit sufficient to cover the applicable per-occurrence limit on recovery specified in Section 41-5-6" of the MMA.

TECHNICAL ISSUES

The definition of “independent provider” in Section 1, Subsection C of HB 195 is different than the statutory definition of “independent provider” in Section 41-5-3(G) of the MMA. Consider mirroring the language if appropriate, or alternatively, HB 195’s definition of “independent provider” could reference Section 41-5-3(G) expressly. For example, HB 195 omits reference to a doctor of osteopathy, which is currently included in the MMA’s definitions.

OTHER SUBSTANTIVE ISSUES

While not impacting the legality of HB 195, it is worth noting: Section 1(B) of HB 195, which grants courts discretion to reduce or nullify damage awards, does not replace existing legal tools for addressing irrelevant or coercive claims; rather, it supplements them as an additional safeguard. New Mexico courts have several pre-judgment tools to dismiss irrelevant, frivolous, or coercive claims, including motions under New Mexico Rules of Civil Procedure 1-012 and 1-011 sanctions. Rule 1-012(B)(6) allows dismissal for failure to state a claim, while Rule 1-012(F) permits motions to strike redundant, immaterial, impertinent or scandalous matter. These motions may be filed before responding to a pleading, within thirty days if no response is allowed, or initiated by the court at any time. Rule 1-011 requires that every signed pleading certify “good ground” to support it and not be interposed for delay. Violations may result in pleadings being stricken or disciplinary action being taken against attorneys or parties.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A