

LFC Requester:

Harry Rommel

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: 1/30/2026

Check all that apply:

Bill Number: HB241Original Correction Amendment Substitute

Sponsor: Tara I. Lujan and Pamelya
Herndon and Reena Szczepanski

Agency Name**and Code**

New Mexico Medical Board-

Number:

446

Person Writing

Monique Parks, Interim Exec.

Analysis:

Director

Short Title: Medical Malpractice Court
Notices

Email moniquem.parks@nm**Requiring** _____**Phone:** 505-490-3903 :mb.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
	(133.1)	(135.2)	Recurring	

(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		133.1	135.2	268.3	Recurring	OSF
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB241 proposed to amend the Uniform Licensing Act, in the following substantive ways:

The proposed Legislation

- (a) enlarges the time required under law from fifteen (15) days to thirty (30) days for the New Mexico Medical Board (NMMB) to hold a hearing to licensees whose licenses have been summarily suspended;
- (b) requires “a court in New Mexico” to notify the Medical Board if a licensed physician is named as a defendant in a malpractice claim (NOTE: It is unclear if this applies to federal sitting in New Mexico which the New Mexico Legislature lacks jurisdiction over);
- (c) requires the courts to “notify the [NMMB] if/when such claims against a licensed medical professional are amended or dismissed “to no longer include a licensee as a defendant;”
- (d) requires the NMMB to review all “malpractice claims” that result in a “payment” of \$1,000,000.00; and
- (e) requires the NMMB to maintain a database of all “notification reports” from courts made pursuant to the act displaying “all active malpractice claims,” “payments made by or on behalf of a as a direct result of the licensee’s care, and disciplinary actions against the licensee.”

FISCAL IMPLICATIONS

Implementation would require significant increase in New Mexico Medical Board (“NMMB”) staff, including professional staff (i.e., attorneys) to analyze notifications from courts, conduct claim reviews, manage data accuracy, respond to inquiries, and address disputes. New positions may include attorneys, investigators, and administrative support. Specialty-specific clinical reviewers and professionals may be required for complex cases, increasing personnel or contractual costs.

Estimated Impact:

- Significant increase in annual operating expenditures at New Mexico Medical Board.

SIGNIFICANT ISSUES

The New Mexico Medical Malpractice Act, Section 41-5-27, NMSA 1978, already requires reporting of “judgments” arising under that Act. At this time, the NMMB is not receiving reports from the Courts as appear to be required by this statute. For that reason, the NMMB recently sent a letter to all New Mexico District Court Clerk’s Offices and the Administrative Office of the Courts requesting that New Mexico state courts comply with the requirements of this statute. The relevant statute in the New Mexico Medical Malpractice Act reads as follows:

Within thirty days of entry of judgment, the clerk of the district court from which judgment issues shall forward the name of every health care provider against whom a judgment is rendered under the Medical Malpractice Act to the appropriate board of professional registration and examination for review of the fitness of the health care provider to practice his profession. In cases where judgments are entered against hospitals or other institutional health care providers, on the basis of respondent superior or some other derivative theory of recovery, the clerk of the district court shall forward the name of the individual health care provider whose negligence caused the injury to that health care provider's board of professional registration and examination for such review. Review of the health care provider's fitness to practice shall be conducted in accordance with law.

Because most “claims” made involving allegations of medical malpractice, that the proposed statutory language appears aimed at causing “court[s] of New Mexico” to be required to make reports to the state licensing authority (NMMB) so that it can be informed of all medical malpractice cases. It should be noted that the NMMB regulates a variety of medical professional licensees including, but not limited to, medical doctors (MD), physician assistants (PA), osteopathic physicians (DO), podiatric physicians (DPM), as well as several other licensee types.

The lack of specificity in the proposed statute regarding the definition of “courts” and “defendants” is significant. Is this aimed at all individuals licensed by the NMMB...or just physician holding MD or DO licenses? And are “courts” – or court clerks - able to conduct this function accurately? Given the lack of reporting already required of state district court clerks under the Medical Malpractice Act to the NMMB, this question bears consideration.

In addition, the New Mexico Medical Board would itself require significant additional funding for staff to carry out the spirit and letter of the proposed legislation. As a starting point, one or more additional attorneys would be required at NMMB to accurately interpret reports coming from the courts, and to determine whether the substance of the reports received should be added/reported to the public profiles of individual licensees.

PERFORMANCE IMPLICATIONS

As referenced above, the New Mexico Medical Board would require significant additional staffing to comply with this proposed legislation.

ADMINISTRATIVE IMPLICATIONS

The proposed legislation would tend to bring the NMMB in line with certain other states' medical licensing laws, as well as the practices encouraged by the Federation of State Medical Boards, to publish on individual licensees' public-facing profiles, each licensee's exposure to medical malpractice claims.

Under the proposed legislation, the New Mexico Medical Board would be required to promulgate and amend rules in order to incorporate the changes made by HB241. Automatic review of qualifying claims may significantly increase the Medical Board's workload. Without additional staffing, funding, or access to specialty-specific clinical expertise, the Board may experience delays or backlogs. This could reduce the Board's ability to prioritize complaints involving ongoing or systemic risks to patient safety.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The proposed statutory language would conflict with current NMMB Rule 16.10.10.12 NMAC which states:

"Any information or report submitted to the board under this part, or pursuant to 42 U.S.C. [11131-11152](#), as amended, shall be confidential and shall be disclosed only to the licensee or applicant, unless otherwise authorized or required by law."

The foregoing regulation would need to be amended to be consistent with the proposed legislation.

TECHNICAL ISSUES

HB241 requires the Medical Board to implement and maintain a database of malpractice claim notifications and outcomes. This raises concerns regarding data standardization, verification, and accuracy, particularly where information is reported by multiple entities, including insurers, hospitals, and licensees. The proposal does not establish procedures for correcting errors, updating case status, or removing dismissed claims, nor does it identify mechanisms for resolving disputed information. Rule-making authority by the NMMB is necessary.

HB 241 will require the courts to report any malpractice claim filed against a NMMB licensee, but does not specify a required period, which may be problematic.

This bill does not contain an effective date and, as a result, would go into effect **90 days after the Legislature adjourns if enacted**.

OTHER SUBSTANTIVE ISSUES

Is it prudent public policy for the legislature of the State of New Mexico to require the NMMB to publicly report mere "claims" (i.e., complaints filed in court containing unproved allegations of medical malpractice) on the website of the New Mexico Medical Board?

The state of New Mexico could be placed in the position of amplifying/publicizing allegations of malpractice that are found to be without merit. This poses a public policy issue involving important

constitutional issues of due process that should be carefully considered by the legislature. **If the legislature enacts the proposed legislation, as written (i.e., without mechanisms for licensees to object to court/NMMB reporting of malpractice “claims”), litigation involving the NMMB should be anticipated.**

As a matter of public policy the NMMB suggests that the legislature consider imposing claim reporting requirements on the courts to all licensing boards of health professionals, as well as similar public reporting requirements via the websites of such licensing authorities with authority over health care providers participating in the NM Patient Compensation Fund, such as Nurse Practitioners (NPs), Certified Registered Nurse Anesthetists (CRNAs), Certified Nurse Midwife (CNMs), etc.

ALTERNATIVES

Examine and consider other states’ statutory and regulatory treatment of malpractice claims. For example, look at the Federation of State Medical Boards’ recommendations set forth in their 2000 report entitled "Report of the Special Committee on Physician Profiling" (attached; and at <https://www.fsmb.org/siteassets/advocacy/policies/physician-profiling---profile-guide.pdf>). The medical regulatory boards in Texas, California, Virginia, Florida, and other states handle the public reporting of “claims” slightly differently.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The proposed legislation would impose significant practical burdens on the NMMB and the courts which could not be carried without significant additional funding and resources to both NMMB and the courts. However, the spirit of the proposed legislation could bring New Mexico closer to being in alignment with other states’ regulatory schemes as related to public-reporting of medical malpractice claims.

AMENDMENTS

Define the term “court in New Mexico.”

Ensure adequate funding for the NMMB to carry out the intended actions.