

LFC Requester:

Emily Hilla

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: 2-5-2026

Check all that apply:

Bill Number: HB316Original Correction Amendment Substitute Sponsor: D. Wonda Johnson

RURAL HOSPITAL

MALPRACTICE LABILITY

Short

Title:

Agency Name
and Code

Number:

Person Writing

Office of Superintendent of
Insurance -440Stephen ThiesEmail Stephen.Thies@osi.nPhone: 505-470-7366 : m.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY26 | FY27 | | |
| | | | |
| | | | |

REVENUE (dollars in thousands)

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

(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

BILL SUMMARY

Synopsis:

HB316 creates a program for the payment of medical malpractice liability insurance premiums for qualifying rural hospitals to be administered by the Department of Health. The bill additionally creates two nonreverting funds in the state treasury related to the program: the rural hospital malpractice liability insurance trust fund (the “trust fund”) and the rural hospital malpractice liability insurance program fund (the “program fund”).

HB316 makes an initial appropriation of one hundred million dollars to the trust fund from the general fund, which would be invested by the state investment officer. Distributions would then be made annually from the trust fund to the program fund in an amount equal to five percent of the average of the year-end market values of the trust fund for the immediately preceding three calendar years. The program fund would be used by the Department of Health to administer a program that offers premium grants to qualifying rural hospitals for the payment of malpractice liability insurance policy premiums.

The Department of Health would be required to administer the program, including by promulgating rules and forms, requiring reporting from participating hospitals, and submitting an annual report to the legislative finance committee and the legislative health and human services committee.

HB 316 carries an emergency clause and would take effect immediately upon passage by two-thirds of the House and Senate and signature by the governor.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS