

LFC Requester:

Harry Rommel

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis) 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: 1/9/26 **Bill Number:** SB0001 **Original** ☒ **Amendment** ☐ **Substitute** ☐

Short Title: INTERSTATE MEDICAL LICENSURE COMPACT

Sponsor: Sen. Trujillo, Sen. Tobiassen, Sen. Herndon, Sen. Duhigg, Sen. Matthews

Name and Code Number: HCA 630

Person Writing: Keenan Ryan

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.00	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
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Total	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA
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(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB2525 enacts the Interstate Medical Licensure Compact into New Mexico law, creating an expedited pathway for physicians to obtain medical licenses in multiple participating states. The compact allows eligible physicians—those meeting strict education, training, licensure, and disciplinary-history standards—to receive full, unrestricted medical licenses in other member states without repeating the entire licensure process. Physicians must designate a “state of principal license,” which verifies eligibility, conducts background checks, and coordinates with an interstate commission that administers the compact. The compact is intended to improve access to medical care, particularly across state lines, while preserving each state’s authority to regulate the practice of medicine.

FISCAL IMPLICATIONS

See Significant Issues below.

SIGNIFICANT ISSUES

HCA has committed to pursuing a medical compact in New Mexico’s application for the federal Rural Health Transformation Program fund administered through the Centers for Medicare and Medicaid Services (CMS). **If the State of New Mexico does not succeed in enacting a physician compact during the 2026 legislative session, there is the potential for a clawback of federal funding from CMS (the timing and amount of funding tied to any potential clawback is unclear). The HCA received \$211.5 M in federal funding for Year 1 of the Rural Health Transformation Program, and some portion of this funding could be at risk if this compact bill does not pass.**

PERFORMANCE IMPLICATIONS

This compact may streamline the process for out-of-state Medicaid provider enrollment. SB2525 would allow physicians to provide service across state lines with a home state license. This could increase access to health care across state lines. Providers from compact member states would be required to enroll as a NM Medicaid provider and follow all applicable provider requirements in order to be reimbursed.

ADMINISTRATIVE IMPLICATIONS

None for the HCA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to a number of health care provider compact bills that are under consideration during the 2026 Legislative Session.

TECHNICAL ISSUES

None for the HCA.

OTHER SUBSTANTIVE ISSUES

None for the HCA.

ALTERNATIVES

None suggested.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequence of not passing this legislation is the potential clawback of federal funding from CMS for the Rural Health Transformation Program. The plan to pursue health care worker compacts helped NM HCA scoring for the RHT award. New Mexico was awarded \$211 million for calendar year 2026. It is unclear what proportion of the award would be recouped from CMS.

AMENDMENTS

None