

SENATE BILL 175

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO JUDGMENTS; PROHIBITING PUNITIVE DAMAGE AWARDS IN
MEDICAL MALPRACTICE CASES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 41-5-7 NMSA 1978 (being Laws 1992,
Chapter 33, Section 5, as amended) is amended to read:

"41-5-7. MEDICAL EXPENSES [~~AND PUNITIVE DAMAGES~~].--

A. Awards of past and future medical care and
related benefits shall not be subject to the limitations of
recovery imposed in Section 41-5-6 NMSA 1978.

B. The health care provider shall be liable for all
medical care and related benefit payments until the total
payments made by or on behalf of it for monetary damages and
medical care and related benefits combined equals the health
care provider's personal liability limit as provided in

1 Subsection I of Section 41-5-6 NMSA 1978, after which the
2 payments shall be made by the fund.

3 C. Beginning January 1, 2027, any amounts due from
4 a judgment or settlement against a hospital or an outpatient
5 health care facility shall not be paid from the fund if the
6 injury or death occurred after December 31, 2026.

7 D. This section shall not be construed to prevent a
8 patient and a health care provider from entering into a
9 settlement agreement whereby medical care and related benefits
10 shall be provided for a limited period of time only or to a
11 limited degree.

12 ~~[E. A judgment of punitive damages against a health~~
13 ~~care provider shall be the personal liability of the health~~
14 ~~care provider. Punitive damages shall not be paid from the~~
15 ~~fund or from the proceeds of the health care provider's~~
16 ~~insurance contract unless the contract expressly provides~~
17 ~~coverage. Nothing in Section 41-5-6 NMSA 1978 precludes the~~
18 ~~award of punitive damages to a patient. Nothing in this~~
19 ~~subsection authorizes the imposition of liability for punitive~~
20 ~~damages where that imposition would not be otherwise authorized~~
21 ~~by law.]"~~

22 SECTION 2. A new section of the Medical Malpractice Act
23 is enacted to read:

24 "[NEW MATERIAL] PUNITIVE DAMAGES PROHIBITED.--Punitive
25 damages or any other exemplary damages shall not be awarded in

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underscored material = new
[bracketed material] = delete

1 a malpractice claim."

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