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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 45

SHORT TITLE: Physician Assistant Licensure Compact

SPONSOR: Armstrong

LAST UPDATE: 1/21/2026 **ORIGINAL DATE:** 1/20/2026 **ANALYST:** Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NM Medical Board	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal		Recurring	Other state funds
NM Medical Board	No fiscal impact	Up to \$75.0	Indeterminate but minimal		Nonrecurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 10

Relates to House Bills 11, 12, 13, 14, 31, 32, 33, 44 and 50

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

New Mexico Medical Board
Health Care Authority
Department of Health

SUMMARY

Synopsis of House Bill 45

House Bill 45 (HB45) enters New Mexico into the Physician Assistant Licensure Compact (compact), facilitating the ability of physician assistants (PA) to practice in states participating in the compact aside from their home license state through a compact license. PAs using a compact license must adhere to the laws and regulations of the remote participating state in which they are practicing. To participate in the compact, a state must include a criminal background check in its PA licensing process, participate in the compact commission's shared data system, require an applicant to first obtain a home state license, grant compact privileges to licensees with an unencumbered license in another member state, use a nationally recognized national examination, and notify the commission of any adverse actions against a licensee. States maintain the authority to discipline a licensee, and the compact authorizes joint state investigations.

The compact commission would serve as the national administrative body. The compact grants qualified immunity to the commission, unless an act is willful or wanton misconduct. Member states may charge a fee for granting a compact license. The compact requires each state to select one delegate to participate in annual compact commission meetings. The commission may impose a state assessment or fee to cover staff and operations and would be responsible for maintaining a coordinated data and reporting system. The rest of HB45 addresses rulemaking authority, disputes, severability in case a state finds a provision unconstitutional, and binding effect, which in essence says the compact's rules and obligations are legally binding on states.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The New Mexico Medical Board (NMMB), which regulates PAs in New Mexico, would be required to recognize other PA licenses issued by participating states, which may have different practice acts and operate under different practice models.

States participating under the compact have the ability to assess fees to PAs applying for a compact privilege. Fees associated with PA licenses issued under the compact in New Mexico would need to be sufficient to cover the additional administrative burden. It is currently estimated that compact privileges would be available in early 2027. The commission also has the authorization to generate revenues, including through a compact privilege fee collected by states and transmitted to the commission.

NMMB would incur travel expenses for its delegate to attend annual commission meetings.

NMMB may also incur costs related to integrating its licensing databases with the compact commission's shared data system. This shared database contains confidential licensure, adverse action, and investigative information on all licensed individuals in member states.

SIGNIFICANT ISSUES

Any PA practicing under a compact privilege remains fully subject to the regulatory authority and discipline jurisdiction of the state in which they are practicing.

Once legislation becomes law, states must complete rulemaking, systems integration, and administrative preparations before compact privileges can be issued to out-of-state PAs.

NMMB believes the compact removes many of the barriers that limit PA mobility, helping to expand access to healthcare, particularly in rural and underserved areas. Many healthcare facilities are struggling to recruit and retain PAs, and the compact offers a more efficient pathway for onboarding qualified clinicians, including PAs acting for a physician, in participating states.

NMMB notes that efforts to enact a licensure compact for PAs is a positive step toward decreasing the barriers PAs face when they travel and practice. The compact allows PAs of a

member state to forgo the lengthy and complicated PA licensing process of another compact state, meaning they do not need an individual license from each state in which they seek practicing privileges. According to pacompact.org, there are currently 19 states that have enacted the PA compact.

PERFORMANCE IMPLICATIONS

The PA compact is similar to the Interstate Medical Licensure Compact and Nurse Licensure Compact in that they preserve state authority over scope of practice and discipline.

For New Mexico to participate under the compact, this bill cannot be materially altered.

ADMINISTRATIVE IMPLICATIONS

An administrative rulemaking process, including a public hearing and required publication of notices and proposed rules, may also be required. NMMB may need to absorb these costs.

The administrative staff who support NMMB would require training on how to report and obtain licensing and disciplinary action information using the compact's shared data system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In addition to HB45, the Legislature is also considering other workforce compacts:

- House Bill 10 Physician Assistant Interstate Compact
- House Bill 11 Audiology and Speech-Language Pathology Compact
- House Bill 12 Physical Therapy Licensure Compact
- House Bill 13 Occupational Therapy Licensure Compact
- House Bill 14 Dentist and Dental Hygienist Compact
- House Bill 31 EMS Personnel Licensure Interstate Compact
- House Bill 32 Counseling Licensure Compact
- House Bill 33 Psychology Interjurisdictional Compact
- House Bill 44 Dentist and Dental Hygienist Compact
- House Bill 50 Social Work Licensure Interstate Compact

OTHER SUBSTANTIVE ISSUES

According to the American Academy of Physician Assistants, 62 percent of PAs in New Mexico are working in medical specialties and 28 percent in primary care. PA practice acts vary by state, and some practice acts allow PAs to practice independently. New Mexico is not one of those.

The Department of Health (DOH) notes the 2025 New Mexico Health Care Workforce Committee reported that New Mexico was 284 PAs short of national benchmarks.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

States that adopt workforce compacts score higher in the competitive portion of the federal Rural Health Transformation grant program. New Mexico was awarded \$211.5 million per year for five years. If the state does not follow through with joining the compacts, New Mexico could

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lose out on hundreds of millions of dollars of future year funding.

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