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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 127/aHHHC

SHORT TITLE: Medical Board Expedited Licensure

SPONSOR: Szczepanski

LAST ORIGINAL
UPDATE: 02/08/2026 **DATE:** 01/27/2026 **ANALYST:** Rommel

REVENUE* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
	\$0	Up to (\$120.0)	Up to (\$120.0)	Up to (\$120.0)	Up to (\$120.0)	Recurring	Other State Funds – NMMB Fees

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMMB	\$0	\$135.0	\$135.0	\$270.0	Recurring	Other state funds
NMMB	\$0	\$400.0	\$0	\$400.0	Nonrecurring	Other state funds
Total	\$0	\$535.0	\$135.0	\$670.0		Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 1

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

New Mexico Medical Board

Department of Health

SUMMARY

Synopsis of HHC Amendments to House Bill 127

The House Health and Human Services Committee (HHC) amendments to HB127 are as follows:

- 1) Specifies in Section 1, paragraph D, the Medical Board (NMMB) may issue a provisional license for up to two years to a graduate of a medical school outside the United States and

Canada recognized by the World Health Organization or the World Directory of Medical Schools and who fulfills several other requirements, including achievement of a passing score on step one and step two of the U.S. clinical examination.

The amended bill requires in Section 1, paragraph (E) that the physician have an offer of full-time employment in an underserved area.

NMMB may grant an expedited license to a qualified applicant licensed in another state or territory or D.C. Physicians that practice for two years under the expedited license may be granted an unrestricted license.

- 2) Section 1, paragraph L, requires the Department of Health to determine what constitutes an underserved community in New Mexico. The development of such definitions and metrics would need to align with the federal Health Resources and Services Administration (HRSA) definitions of underserved populations.

Synopsis of House Bill 127

House Bill 127 (HB127) requires the New Mexico Medical Board (NMMB) grant expedited licenses to practice medicine within 30 days to qualified applicants who are Foreign Trained Physicians that hold a license issued in a country located outside the US or Canada. The bill requires the NMMB shall grant an expedited license to a qualified applicant licensed in another state or territory of the US, DC, or a foreign country within 30 days.

House Bill 127 also repeals the current telemedicine license issued by the New Mexico Medical Board (Section 61-6-11.1 NMSA 1978) and replaces it with a Telehealth Registry in which a physician not licensed in New Mexico may become registered as a telehealth provider. The NMMB shall register a physician not licensed in this state as a telehealth provider if the physician holds a full unrestricted license to practice medicine in a US state or territory, demonstrates professional liability insurance, designates a registered agent for service of process in NM, and does not open an office in NM. The NMMB shall publish registry participant information on the website and may suspend or revoke registration.

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

NMMB estimates FY27 nonrecurring costs at \$400 thousand to develop the telemedicine registry. Recurring costs to staff and maintain the registry are estimated at \$135 thousand.

NMMB reports fiscal impact as follows:

Loss of telemedicine license revenue is estimated at 900 licenses every three years (approximately 300 licenses annually) at \$400 per license, resulting in an estimated revenue decrease of \$120,000 per year. Approximately \$135,000 annually in FY 2027 and FY 2028 is estimated to be required for implementation of the telehealth registry by the NMMB, including system development, promulgation of rules, staff workload, and ongoing operational costs.

SIGNIFICANT ISSUES

New Mexico faces a critical, chronic physician shortage across the disciplines. By 2030, New Mexico is projected to be short more than 2,100 physicians, including over 300 primary care providers. 32 of 33 counties in the state are classified as a health professional shortage area. In December 2025, there were over 1,300 online physician job postings according to data from the Workforce Solutions Department.

NMMB provides the following:

Section 1.D is new language. The NMMB has grave concerns regarding this language and believes this licensure requirement may lead to harm to the people of New Mexico which the NMMB is charged to protect. There is currently no process in NM that assesses a foreign physician's skill set and competence, including being able to adequately communicate and work within the American medical system.

The NMMB already grants licensure to applicants who are Foreign Trained Physicians via "eminence pathways" for physicians that are deemed to have "extraordinary ability" including "eminent specialist" or "university faculty".

Some countries do not provide or require of physicians formal postgraduate training and accreditation and Foreign Trained Physicians may differ widely in quality and competence.

Some states do allow licensure from specific countries who provide what is considered equivalent training: England, Scotland, Ireland, Australia, New Zealand, and the Philippines. [New Mexico does not currently allow licensure from these countries]

In order to fulfill its statutory charge to protect the public, the NMMB will require the authority to promulgate rules including:

- Ability to confirm the foreign physician is able to adequately communicate and work within the American medical system.
- A limit on "time out of practice" before becoming eligible to apply.
- Completion of post graduate training outside the US that is substantially similar to a residency program accredited by the ACGME in the US.
- Has been licensed to practice medicine for at least 5 years in countries who provide what is considered equivalent US postgraduate training such as Australia, Canada, United Kingdom, or any additional countries approved and added by the NMMB.

Section 2.A Telehealth Registration ... As written, the NMMB will lose statutory authority. The regulator must be given general disciplinary authority including fines, letters of admonition, publicly reported actions, stipulations, suspension, and revocation. The physician must provide health care within the scope of practice (practice standards) for a physician under the NM Medical Practice Act Standards of care and patient relationship: The standard of care delivered via telehealth must be equivalent to in-person care. A valid provider-patient relationship must be established through telehealth.

ADMINISTRATIVE IMPLICATIONS

NMMB must integrate their licensing database with a telemedicine registry and create an application, tracking mechanisms, and interface development with NMMB's licensing system. The Board would have to promulgate and amend their rules to incorporate the telemedicine registry directed by HB127.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 1, which enables New Mexico to join an interstate medical licensing compact, adopting its rules and bylaws. SB1 provides physicians a path to an expedited license to practice in New Mexico if they already hold a license in another compact state.

OTHER SUBSTANTIVE ISSUES

According to [data](#) from the American Association of Medical Colleges, 25 percent of all practicing physicians in the United States are international medical graduates (IMGs) - a category that includes both non-U.S. and U.S. citizens who complete their medical training abroad - helping to bridge a care gap that is projected to exceed 86,000 physicians by 2036. While the number of visas approved differs each year, in fiscal year 2024, new H-1B visas were approved for approximately 11,000 physicians, according to an [October 2025 Research Letter published in JAMA](#). Furthermore, those physicians disproportionately serve rural and high-poverty counties, the researchers found. They also are more likely to be primary care, rather than specialty, physicians who serve broad swaths of the community.¹

In September 2025, the Trump administration issued a [proclamation](#) requiring employers to pay a \$100 thousand fee for each new H-1B visa application. It has been speculated that foreign medical graduate physicians would be granted a National Interest Exception. To date, there are no reports of exceptions being granted.²

HLR/ct/dw/hg/sgs

¹ <https://www.aamc.org/media/75236/download?attachment>

² <https://www.aamc.org/news/hospitals-and-health-systems-depend-h-1b-visa-sponsored-physicians-so-what-happens-now>