

LFC Requester:

RubyAnn Esquibel

AGENCY BILL ANALYSIS  
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)

and

[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment   
Correction  Substitute

Date 1/25/24

Bill No: HB107

Sponsor: Rep. Jack Chatfield  
Short Title: MEDICAL MALPRACTICE ACT: HOSPITALS AND OUTPATIENT HEALTH FACILITIES LIMITS OF RECOVERY

Agency Name and Code HCA-630  
Number: \_\_\_\_\_

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$0	\$0	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
\$0	\$0	\$0	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0	\$0	\$0	\$0	NA	NA

(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: House bill 107 (HB107) Amending the Medical Malpractice act to change the limitation of recovery on certain claims against hospitals and outpatient health care facilities that are hospital-controlled. HB107 is implementing the proposed change for the calendar year of 2025 and subsequent years by updating amount in punitive damages for injury or death. In the calendar year 2025 a decrease from four million dollars to one million dollars per occurrence and for calendar year 2026 and thereafter, the amount will be adjusted annually by the prior three-year average consumer price index for all urban consumers, per occurrence.

**FISCAL IMPLICATIONS**

None for HSD.

**SIGNIFICANT ISSUES**

None for HSD

**PERFORMANCE IMPLICATIONS**

None for HSD

**ADMINISTRATIVE IMPLICATIONS**

None for HSD

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

None for HSD

No IT impact.

**OTHER SUBSTANTIVE ISSUES**

Lowering the financial penalties on providers may attract more providers to the state or help keep more providers within the state, especially providers who work in specialties with large rates of malpractice, such as obstetricians. Per the same 2022 American Medical Association report, the number of doctors working in specialties with a high-risk of lawsuit were 7% higher in states with caps on non-economic damages.

<https://www.ama-assn.org/system/files/mlr-now.pdf>

**ALTERNATIVES**

Non recommended

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo

**AMENDMENTS**

None