

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 450

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO HEALTH CARE; ENACTING THE CORPORATE PRACTICE OF
MEDICINE ACT.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Corporate Practice of Medicine Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Corporate Practice of Medicine Act:

A. "federally qualified health center" means a
health facility that the United States department of health and
human services has deemed to qualify for federal funds as a
federally qualified health center;

B. "health care entity" means a person that
provides or supports the provision of health care services to
patients in New Mexico, including a hospital, a health care

1 provider, an in-state or out-of-state telemedicine provider, a
2 health care staffing company, a health care provider
3 organization, a health care facility, a management services
4 organization or an organization of health care providers or
5 facilities; provided that "health care entity" does not mean a
6 federally qualified health center or an independent health care
7 practice;

8 C. "health care facility" means a hospital or other
9 facility licensed by the health care authority to provide
10 health care services in a health care setting, including an
11 inpatient facility; a health system consisting of one or more
12 health care entities that are jointly owned or managed; an
13 ambulatory surgery or treatment center; a residential treatment
14 center; a diagnostic, laboratory or imaging center; a
15 freestanding emergency facility's outpatient clinic or
16 rehabilitation facility; a hospice center; a long-term care
17 facility; and other therapeutic health settings; provided that
18 "health care facility" does not include an adult daycare
19 facility, a freestanding birth center, a child care facility or
20 a shelter care home;

21 D. "health care provider" means a person certified,
22 registered, licensed or otherwise authorized pursuant to state
23 law to perform or provide health care services to individuals
24 in the state;

25 E. "health care services" means the care,

1 prevention, diagnosis, treatment or relief of an illness,
2 injury, disease or other medical, dental, mental or behavioral
3 health or substance use disorder condition, including:

4 (1) inpatient, outpatient, habilitative,
5 rehabilitative, dental, palliative, home health, hospice or
6 mental or behavioral health services provided by a health care
7 entity; and

8 (2) retail and specialty pharmacy services,
9 including provision of drugs;

10 F. "health care staffing company" means a person
11 engaged in the business of providing, procuring for employment
12 or contracting health care personnel for a health care
13 facility; provided that "health care staffing company" does not
14 include an individual who independently provides the
15 individual's own services to a health care facility as an
16 employee or a contractor;

17 G. "hospital" means a hospital licensed by the
18 health care authority but does not include a state-owned
19 special hospital operated by the department of health;

20 H. "independent health care practice" means a
21 health care provider organization entirely owned or controlled
22 by one or more health care providers who are individuals and
23 who provide health care services through the health care
24 provider organization to patients in New Mexico;

25 I. "long-term care facility" means a nursing home

1 licensed by the health care authority to provide intermediate
2 or skilled nursing care;

3 J. "management services organization" means a
4 person that contracts with a health care entity to perform or
5 provide personnel to perform all or substantially all of the
6 administrative or management services relating to supporting or
7 facilitating the provision of health care services; and

8 K. "telemedicine provider" means a provider who
9 uses telecommunications and information technology to provide
10 clinical health care from a distance to evaluate, diagnose and
11 treat patients in real time or asynchronously.

12 SECTION 3. [NEW MATERIAL] PROHIBITIONS.--

13 A. A health care entity shall not indirectly or
14 directly interfere with, control or otherwise direct the
15 professional judgment or clinical decisions of a health care
16 provider except as required by licensing and accreditation.

17 B. A health care entity doing business in this
18 state shall not interfere with the professional judgment of a
19 health care provider making health care decisions, including
20 any of the following:

- 21 (1) determining what diagnostic tests are
22 appropriate for a particular condition;
- 23 (2) determining the need for referrals to, or
24 consultation with, another licensed health care provider;
- 25 (3) being responsible for the ultimate overall

1 care of the patient, including treatment options available to
2 the patient; and

3 (4) determining how many patients a health
4 care provider shall see in a given time period.

5 SECTION 4. [NEW MATERIAL] PRIVATE RIGHT OF ACTION--
6 DAMAGES--ENFORCEMENT BY ATTORNEY GENERAL.--

7 A. A person who has suffered injury by reason of an
8 act or practice in violation of the Corporate Practice of
9 Medicine Act may sue in district court. Upon a showing that
10 the Corporate Practice of Medicine Act is being or has been
11 violated and a showing that the plaintiff has suffered injury,
12 the court may award damages, punitive damages and injunctive
13 relief and shall award the cost of the suit, including
14 reasonable attorney fees.

15 B. Whenever the attorney general has reasonable
16 belief that a health care entity or its employees or agents are
17 engaging in or about to engage in an act or practice in
18 violation of the Corporate Practice of Medicine Act and
19 enforcement proceedings would be in the public interest, the
20 attorney general may bring an action in the name of the state
21 alleging violations of that act. An enforcement action by the
22 attorney general may be brought in the district court of the
23 county in which the health care entity or its employees or
24 agents that allegedly are engaging in or about to engage in an
25 act or practice in violation of the Corporate Practice of

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1 Medicine Act reside or have their principal place of business
2 or in the district court in any county in which the health care
3 entity or its employees or agents allegedly are engaging in,
4 have engaged in or are about to engage in an act or practice in
5 violation of the Corporate Practice of Medicine Act. In an
6 action filed by the attorney general pursuant to the Corporate
7 Practice of Medicine Act, the attorney general may petition the
8 district court for temporary or permanent injunctive relief and
9 restitution. The attorney general acting on behalf of the
10 state shall not be required to post bond when seeking a
11 temporary or permanent injunction in an action brought pursuant
12 to this section.

13 C. The relief provided in this section is in
14 addition to remedies otherwise available pursuant to common law
15 or other New Mexico statutes.

16 SECTION 5. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2025.