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FISCAL IMPACT REPORT

SPONSOR	Hickey	LAST UPDATED	
	Extend Health Care Consolidation Act	ORIGINAL DATE	3/11/2025
SHORT TITLE	Repeal	BILL NUMBER	Senate Bill 389

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OSI		No Fiscal Impact	No Fiscal Impact	No Fiscal Impact	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Health Care Authority (HCA)

Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Senate Bill 389

Senate Bill 389 (SB389) extends the delayed repeal of the Health Care Consolidation Act for one year from July 1, 2025, to July 1, 2026. SB389 would extend the oversight authority of the Office of Superintendent of Insurance (OSI) to review proposed transactions that involve a hospital merger with another hospital, acquisition of one or more New Mexico hospitals, agreements that result in the change of control of a New Mexico hospital, formation of a new corporation or other business entity that results in change of control of an existing hospital in New Mexico, and sale, purchase, lease or any agreement that results in control of a New Mexico hospital.

FISCAL IMPLICATIONS

OSI does not anticipate any fiscal impact.

SIGNIFICANT ISSUES

OSI reports the Health Care Consolidation Act applies to hospital transactions. Current law lacks a notice requirement and does not provide a mechanism for public comment on proposed transactions that could adversely affect the availability, affordability, and accessibility of healthcare services. The bill does not include enforcement, fines, annual disclosures, or post-transaction oversight.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 389 relates to Senate Bill 14, which establishes a preliminary review period, requires OSI to hold public comment forums for proposed transactions that reach the comprehensive review period, includes enforcement provisions, creates whistleblower protections, and requires reporting about provider ownership.

RAE/hj/SL2