



State of New Mexico
House of Representatives
Santa Fe

JACK CHATFIELD

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COMMITTEES:
Education
Appropriations & Finance

INTERIM COMMITTEES:
Public School Capital Outlay Oversight Task Force

The Honorable Michelle Lujan Grisham
Governor, State of New Mexico
State Capitol, Room 400
480 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Dear Governor:

I am writing to request a special message for the upcoming legislative session that would allow the Legislature to consider House Bill 107 that would apply the medical malpractice cap changes adopted during the 2023 session for independent healthcare facilities, such as urgent care and ambulatory surgical centers, to also apply to all New Mexico hospitals.

The current financial pressures facing New Mexico's urban and rural hospitals require the Legislature to consider HB 107 as this legislation would mirror the same malpractice insurance premium relief that was provided by Senate Bill 523 from the 2023 session. The need for some level of financial relief for rural hospitals is particularly acute as we understand numerous rural hospitals across the state are on the verge of closing or dramatically reducing medical services to their local communities. A significant aspect of these financial pressures is related to increased medical malpractice (med mal) costs and the availability of med mal insurance where premiums have recently increased by more than 200 percent if a rural hospital can even find an insurance carrier. Just as the rationale for making med mal changes during the 2023 session was necessary to correct the negative consequences associated with the adoption of House Bill 75 in the 2021 session for independent healthcare facilities, New Mexico's rural hospitals require now a similar fix in the upcoming session to provide some badly needed financial relief.

However, it is not just rural hospitals who are dealing with operating losses that will eventually negatively impact the level of care that will be provided to New Mexico residents; urban hospitals are also facing increasing deficits and debt. For example, at an August 2023 hearing of the Legislative Finance Committee, the president and CEO of the New Mexico Hospital Association stated that two-thirds of the hospitals in the state saw their expenses exceed their revenue over the last 12 months. Equally important, it is important to realize the financial condition of the rural and urban hospitals are interconnected. If a rural hospital closes its door, patients from that local community must be transferred to an urban hospital and those hospitals are already bursting at the seams.

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While restoring the financial health of our state's urban and rural hospitals will require a multi-faceted approach, I believe an excellent starting point to addressing this important issue is providing immediate med mal relief for all of New Mexico's hospitals. HB 107 provides this much needed help, and I encourage you to provide a special message to permit HB107 to be considered during the 30-day session.

Thank you for your consideration of my request.

Sincerely,

A handwritten signature in black ink that reads "Jack Chatfield". The signature is written in a cursive style with a large, sweeping initial "J".

Jack Chatfield
State Representative District 67