

BEFORE THE NEW MEXICO SUPERINTENDENT OF INSURANCE
AS CUSTODIAN OF THE PATIENT'S COMPENSATION FUND

IN THE MATTER OF DETERMINING)
PATIENT'S COMPENSATION FUND)
SURCHARGE RATES FOR CALENDAR)
YEAR 2025)
_____)

Docket No. 2024-0005

ORDER SETTING
PATIENT COMPENSATION FUND SURCHARGE RATES
FOR CALENDAR YEAR 2025

THIS MATTER comes before the New Mexico Superintendent of Insurance as Custodian of the Patient's Compensation Fund (hereinafter referred to as the "Custodian") upon her receipt of the Patient's Compensation Fund ("PCF") Advisory Board's Proposed Findings, Conclusions and Recommendations, submitted after the PCF Advisory Board conducted a properly noticed public hearing on PCF surcharge rates and assessments for deficit reduction on September 11, 2024, and again on October 11, 2024. The Proposed findings, Conclusions and Recommendations of the PCF Advisory Board are incorporated into this Order by reference. The Custodian, having reviewed the PCF Advisory Board's Proposed Findings, Conclusions and Recommendations, having reviewed the evidence from the hearing, and being otherwise fully advised in the premises, **HEREBY FINDS AND CONCLUDES:**

A. The Findings of Fact of the PCF Advisory Board are supported by substantial evidence in the record as a whole and unless otherwise modified below the PCF Custodian adopts those Findings of Fact as her own.

B. The PCF Advisory Board's Conclusions and Recommendations are adopted unless otherwise modified below.

IT IS THEREFORE ORDERED:

A. The PCF surcharges for independent providers shall be increased by 8.6%, with no deficit reduction amount being assessed against independent providers this year. The PCF Advisory Board's reasoning for the surcharge rate is sound and is accepted by the Custodian.

B. The Custodian allocates the \$35.9 million infusion from the Legislature 100% to the deficit attributable to independent physicians and surgeons. The legislative infusion eliminates the \$18.4 million deficit for independent physicians and surgeons as of December 31, 2023; any remaining funds that were appropriated by the Legislature are to be held as surplus for the benefit of the independent physicians & surgeons.

C. PCF surcharges for hospitals shall be increased by the amount recommended by the actuarial report and the PCF Advisory Board's Recommendation at the expected level which is 19.7% (See Exhibit 6 dated 9/4/2024 and attached as an addendum to the Pinnacle Report dated August 1, 2024). The 19.7% increase is the net sum of a recommended decrease in the surcharge of 5.7% and the recommended increase in the deficit surcharge of 26.8% ($26.8 - 5.7 = 19.7$). The net 19.7% surcharge increase does not include any provision for batch claims based on a statistical confidence level that the PCF would not be subject to batch claims found reasonable by the PCF Advisory Board.

D. PCF surcharges for provider owned entities will be assessed at 10% of the cumulative individual QHP surcharges for all individual QHPs who practice within the entity as recommended by the actuarial report and the PCF Advisory Board's Recommendation. The PCF will continue to compile data on a per procedure basis for provider owned entities for use in determining the most appropriate method for future surcharges.

E. The following class reassignments are made in accordance with the actuarial report and the PCF Advisory Board's Recommendations:

Code	Specialty	Current Class	New Class
10055	Hematology - No Surgery	1	2
10001	Acupuncture - Other than Acupuncture Anesthesia	2	3
10024	Dermatology - No Surgery	2	1
10056	Hospitalism	2	3
10078	Neurology - Including Child - No Surgery	2	3
10079	Neurology - Including Child - No Surgery - All Other	2	3
10080	Neurology - Including Child - No Surgery - Pain Management	2	3
10110	Pediatrics - No Surgery	3	2
10139	Pulmonary Diseases - No Surgery	4A	3
10124	Podiatrists/Chiropodists - No Surgery	4	3
10146	Radiology - Therapeutic - Minor Surgery	5	5A

F. Independent Outpatient Healthcare Facilities that are admitted to the PCF will be assessed the following surcharges in accordance with the actuarial report and the PCF Advisory Board's Recommendations.

Independent Outpatient Healthcare Facilities Rates		
Facility Type	Exposure Type	January 1, 2025 Indicated Rate at \$556,239 xs \$500,000 Limit
Cardiac Rehabilitation Centers	Per 100 Visits	39.39
College/University Health Centers	Per 100 Visits	17.54
Community Health Centers	Per 100 Visits	27.40
Dialysis Centers	Per 100 Visits	38.37
Home Health/Hospice Care	Per 100 Visits	7.61
Medical Laboratories	Per \$1,000 Receipts	1.86
Medispas	Per 100 Visits	27.40
Mental Health Counseling Centers	Per 100 Visits	28.71
Pathology Laboratories	Per \$1,000 Receipts	1.58
Physical/Occupational Rehabilitation Centers Quality	Per 100 Visits	32.00
Quality Control/Reference Laboratories	Per \$1,000 Receipts	1.67
Sleep Centers	Per 100 Visits	27.40
Substance Abuse Counseling Centers	Per 100 Visits	41.03
Surgery Centers	Per 100 Visits	152.25
Urgent Care Centers	Per 100 Visits	67.98
X-Ray/Imaging Centers	Per \$1,000 Receipts	1.86

G. These changes shall become effective January 1, 2025.

DONE AND ORDERED at Santa Fe, New Mexico, this 25th day of October 2024.



ALICE T. KANE
Superintendent of Insurance, as
Custodian of the PCF

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 25th day of October 2024, I filed the forgoing *Order Setting Patient Compensation Fund Surcharge Rates for Calendar Year 2025* through the OSI's e-filing system, which caused the parties to be served by electronic means, as more fully reflected on the eService recipients list for this case.

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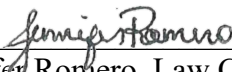
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