

STATE OF NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE



DEPUTY SUPERINTENDENT

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Medical Malpractice Premium Reduction

FAQs for Health Care Providers

Original Version Posted June 13, 2024; Updated June 28, 2024

The New Mexico State Legislature appropriated \$15.4 million to the New Mexico Office of Superintendent of Insurance (OSI) to address medical malpractice insurance costs for individual providers and independent group practices. The appropriation was part of a supplemental appropriation package passed in 2023 that provided each legislator and Governor Michelle Lujan Grisham with targeted appropriations for their key priorities. Governor Lujan Grisham prioritized funding for this program in her supplemental appropriation request.

This document is intended to provide additional detail around how the appropriation will be distributed to eligible providers in the state of New Mexico. OSI has developed an FAQ for independent health care providers and group practices that may have questions about the program.

Am I eligible to receive the Medical Malpractice Premium Reduction?

Individual providers and independent group practices operating in the State of New Mexico are eligible if they have paid for medical professional liability insurance coverage during 2023 to one of the following eligible carriers:

- Allied World Insurance Co
- Aspen American Insurance Co
- Doctors Co
- Great Divide Insurance Co
- Liberty Insurance Underwriters Inc
- Mag Mutual Insurance Co
- Medical Protective Co
- MMIC Insurance Inc
- NCMIC Insurance Co
- Norcal Insurance Co
- Proassurance Insurance Co of America
- Pro-Select Insurance Co
- Professional Solutions Insurance Co
- State Farm Fire and Casualty Co

Please note that payments will be issued to the policyholder.

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What do I need to do in order to ensure I receive my Medical Malpractice Premium Reduction payment?

No action is required on your part. The NM OSI will be monitoring Medical Malpractice Premium Reduction payments to ensure insurance companies are issuing accurate and timely payments in accordance with [Bulletin 2024-012](#).

How will the dollar amount of my Medical Malpractice Premium Reduction payment be calculated?

The amount of payment to be issued will be determined based on both the provider category and the premium paid for insurance coverage in 2023. The formula to determine the payment is shown in the table below.

| Provider Category | Payment |
|-------------------------------------|------------------------------|
| Obstetricians and related providers | 80.5% of 2023 Earned Premium |
| All other providers | 60.5% of 2023 Earned Premium |

For purposes of the Medical Malpractice Premium Reduction payment the definition of Obstetricians and related providers will include the following groups:

- Nurse mid-wife
- Family general practice with OB
- Gynecology
- Gynecology with IVF
- OBGYN

Who will be issuing my Medical Malpractice Premium Reduction payment?

The insurance company that provided your Medical Professional Liability – Claims Made or Medical Professional Liability – Occurrence insurance coverage during 2023 will be issuing your Medical Malpractice Premium Reduction payment.

Why haven't I received any Medical Malpractice Premium Reduction payment?

No funds have been issued to eligible providers through the end of June. Insurance companies are required to issue payments to eligible providers by September 1, 2024. (Please note that the payment due date has changed since this FAQ was originally published.)

Do hospitals qualify for the Medical Malpractice Premium Reduction?

No. The appropriation that was signed into law limits these funds to “independent providers and group practices.”

Are these payments taxable?

There may be circumstances in which these payments are considered a taxable event. OSI cannot provide tax advice. Providers are encouraged to consult with their trusted tax advisor.

Who should I contact if I have questions about the Medical Malpractice Premium Reduction?

Additional questions should be directed to mmpr.inquiry@state.nm.us.