

Merger and Acquisition Act Definitions

24A-9-2. NMSA 1978 - DEFINITIONS.--As used in the Health Care Consolidation Oversight Act:

1. “**Acquisition**” means the direct or indirect purchase or other procurement in any manner, including through a lease, a license, a transfer, an exchange, an option, a proxy, a conveyance or a joint venture, of all or substantially all of the assets, equity or operations of a person;

2. “**Affiliation**” means a business arrangement in which one person, directly or indirectly, is controlled by, is under common control with or controls another person;

3. “**Authority**” means the health care authority;

4. “**Control**” means the power to direct or cause the direction of the management and policies of a hospital, directly or indirectly, including through the ownership of voting securities, through licensing, lease or franchise agreements or by contract other than a commercial contract for goods or nonmanagement services, unless the power is the result of a public appointment, general election or corporate office held by an individual;

5. “**Essential services**” means health care services covered by the state Medicaid program, health care services that are required to be included in health plans pursuant to state or federal law and health care services that are required to be included in qualified health plans offered through the New Mexico health insurance exchange;

6. “**Health care provider**” means a person certified, licensed, registered or otherwise authorized under state law to perform or provide health care services in New Mexico;

7. “**Health care provider organization**” means a person that is in the business of delivering or managing the delivery of health care services, whether incorporated or not, including physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, dental services organizations and any other organization that contracts with health insurers for payment for health care services but does not include hospitals;

8. “**Health insurer**” means a person required to be licensed or subject to the New Mexico Insurance Code or the insurance laws of any other state in connection with the business of health insurance, excluding insurance producers

9. “**Hospital**” means a hospital licensed by the authority or its successor health facility licensing agency, but “hospital” does not include a state university teaching hospital or a state-owned special hospital

10. **“Independent health care practice”** means a health care provider organization entirely owned or controlled by one or more health care providers who are individuals and who provide health care services through the health care provider organization to patients in New Mexico;

11. **“Management services organization”** means a person that provides all or substantially all of the administrative or management services under contract with a hospital, including administering contracts with health plans, third-party administrators and pharmacy benefit managers, on behalf of the hospital;

12. **“Office”** means the office of superintendent of insurance;

13. **“Party”** means a person that is a party to a transaction subject to the Health Care Consolidation Oversight Act;

14. **“Person”** means an individual, association, organization, partnership, firm, syndicate, trust, corporation or other legal entity;

15. **“Secretary”** means the secretary of health care authority; and

16. **“Transaction”** means any of the following:

(1) a merger of a hospital in New Mexico with another hospital or with a person controlling a hospital;

(2) an acquisition of one or more hospitals or a person controlling a hospital in New Mexico;

(3) any affiliation or contract or other agreement that results in a change of control of a hospital in New Mexico, including with a management services organization or health insurer

(4) a formation of a new corporation, partnership, joint venture, trust, parent organization or management services organization that results in a change of control of an existing hospital in New Mexico;

(5) a sale, mortgage, purchase, lease, new affiliation or other agreement that results in a change of control of a hospital in New Mexico or the real estate on which the hospital is located; and

(6) an acquisition of one or more independent health care practices by a health care provider organization that is owned or affiliated with a health insurer.”

Definitions related to Whistleblower Protection Section of HB 586

1. “**Entity**” means hospitals, management services organizations and health care provider organizations that are owned or affiliated with health insurers
2. “**Good faith**” means that a reasonable basis exists in fact as evidenced by the facts available
3. “**Retaliatory action**” means any discriminatory or adverse action taken by an entity against a whistleblower, including termination, discharge, demotion, suspension, harassment or limitation on access to health care services
4. “**Unlawful or improper act**” means a practice, procedure, action or failure to act on the part of an entity that violates the Health Care Consolidation Oversight Act or the authority’s or attorney general’s ability to exercise authority pursuant to that act
5. “**Whistleblower**” means a health care provider, officer, employee, contractor, subcontractor or authorized agent of an entity who reveals information about an unlawful or improper act by the entity