

# The Liability Landscape Just Changed — For Good.

If malpractice exposure has been part of why you haven't considered New Mexico, it's time to take another look.

For years, the structure of medical malpractice law in this state made practicing here feel riskier than it needed to be. Punitive damages were pled in roughly 92% of cases. Damage calculations were built on billed charges, not actual costs. **The system wasn't working for physicians — and we knew it.**

**So we changed it.**

Through years of sustained advocacy, the New Mexico Medical Society secured a comprehensive overhaul of the Medical Malpractice Act. These aren't minor tweaks. They are fundamental reforms that rebalance the system and give physicians — especially independent physicians — real, durable protection.

## Here's What Changed:



**Claims stacking is no longer a threat.** The definition of "occurrence" has been revised to prevent multiple claims from being stacked against a single incident. A long-standing source of compounding liability exposure has been closed.



**Damages are calculated on reality, not inflated billing.** Future medical expenses must now be valued based on what was actually paid for care — not what was billed. The era of runaway damage figures built on list-price billing is over.



**The Patient Compensation Fund is stable — permanently.** Hospitals will remain in the Fund in perpetuity. Medical expenses paid on behalf of the injured patient will be paid as incurred instead of as a lump sum payment from which legal expenses are deducted. That stability protects the broader malpractice environment for everyone practicing in New Mexico, now and into the future.



**Punitive damages can no longer be used as an opening move.** Previously pled in nearly every malpractice case, punitive damages are now barred from the complaint that initiates a lawsuit. They cannot even be introduced until a plaintiff demonstrates — by a preponderance of the evidence — that such a claim is warranted.



**The bar for awarding punitive damages is meaningfully higher.** Even when punitive damages are properly pled, the evidentiary standard for actually awarding them has been raised from preponderance of the evidence to clear and convincing evidence. That's a significant shift in how these cases can unfold.



**Punitive damages are now capped — specifically to protect independent physicians.** For independent physicians, their practices, and independent outpatient facilities, any award of punitive damages is capped at 1× compensatory damages. This directly addresses one of the most significant financial risks facing physicians who practice outside of large hospital systems.

Whether you're finishing residency, weighing a relocation, or thinking about opening an independent practice, the malpractice environment in New Mexico looks meaningfully different today than it did just a few years ago. The reforms are enacted. The protections are real.

New Mexico wants physicians who will plant roots here, build practices here, and care for patients here for the long term. We've built the legal foundation to make that sustainable.

**Come practice in a state that's done the work.**