

# Health Insurance Marketplace Affordability Program

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October 2022



# What we'll cover today

The basics of New Mexico's  
Marketplace Affordability Program  
(Beginning January 1, 2023).

Recent federal changes

New Mexico Premium Assistance  
and Turquoise Plans

# Major savings for New Mexicans in 2023

- The Inflation Reduction Act will lower premiums for New Mexicans, including an extension funding to eliminate the “subsidy cliff”
- New Mexico’s Health Care Affordability Fund will lower premiums further for most beWellnm enrollees
- Lower-and-mid-income consumers will also see options with much lower out-of-pocket costs

# The Health Care Affordability Fund

- To address affordability and to expand coverage, SB 317 was passed by the Legislature and signed by Governor Lujan Grisham in April 2021.
- SB 317 created the Health Care Affordability Fund (HCAF):
  - Creates a revenue stream that funds efforts to reduce health insurance costs for individuals, families, and small businesses.
  - OSI is responsible for implementing these programs.
  - The legislature approved appropriations during the 2022 legislative session.





# New Mexico's Health Insurance Marketplace Affordability Program

Beginning January 1, 2023, New Mexico will offer enhanced premium and out-of-pocket assistance on beWellnm.

- **Who qualifies?** Enhanced premium assistance will be available to individuals who qualify for APTCs up to 400% FPL. Enhanced out-of-pocket assistance will be available to individuals who qualify for APTCs up to 300% FPL.

# Eligibility for Federal Financial Assistance

- **Who qualifies?** Individuals and families who:
  - Do not have access to other Minimum Essential Coverage (such as Medicare, Medicaid, or “affordable” employer-based health insurance)
    - Employer-based health insurance is defined as being “affordable” if it is less than 9.78% of a household’s income for an individual
  - Are citizens or qualifying legally-residing non-citizens; and
  - Are not incarcerated

# Federal Premium Tax Credits

- Premium Tax Credits (PTCs) cap Marketplace premiums based on household income.
- Lower-income people pay a lower percentage of household income than higher-income people.
- The credit is refundable and advanceable.
  - Can be paid out monthly to make premiums more affordable.

# Changes under the Inflation Reduction Act

- The Inflation Reduction Act extends enhanced federal premium subsidies for 3 more years (through 2025)
- Significantly reduces costs for those under 400% FPL by updating the premium sliding scale
- Eliminates the “subsidy cliff” that previously limited premium subsidies to those under 400% FPL



# New Mexico Premium Assistance

- **Who is eligible?**

- Individuals and families up to 400% FPL who qualify for federal premium tax credits on beWellnm

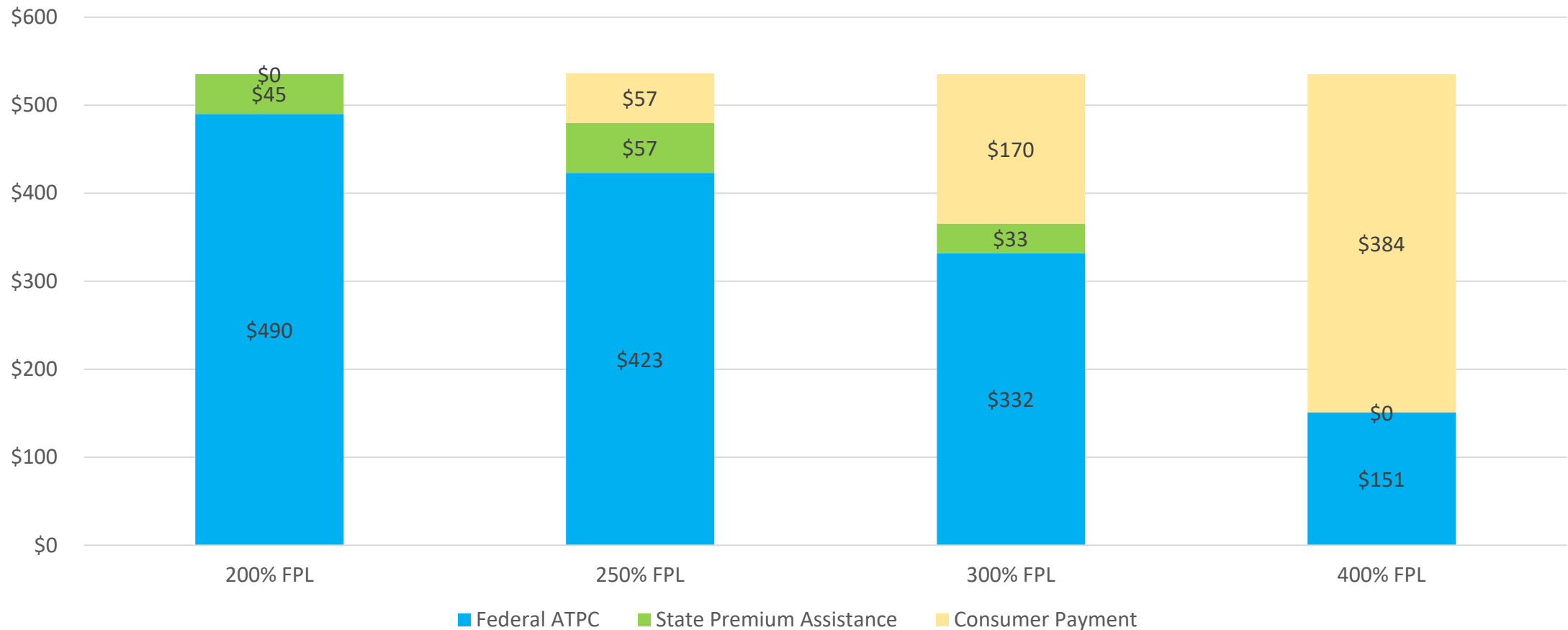
- **What does it do?**

- Provides no-cost premium options up to 200% FPL
- Reduces premiums for those between 200-400% FPL
- Provides no-cost premium options for Native Americans up to 300% FPL who qualify for beWellnm and reduced premiums between 300-400% FPL

# New Mexico's Premium Sliding Scale

Federal Poverty Level	NM Sliding Scale (Premium as % of income)	ACA/IRA Sliding Scale (Premium as % of income)
Up to 150% FPL	0%	0%
150-200% FPL	0%	0-2%
200-250% FPL	0-2%	2-4%
250-300% FPL	2-5%	4-6%
300-400% FPL	5-8.5%	6-8.5%
400%+ FPL	8.5% (no state funds)	8.5%

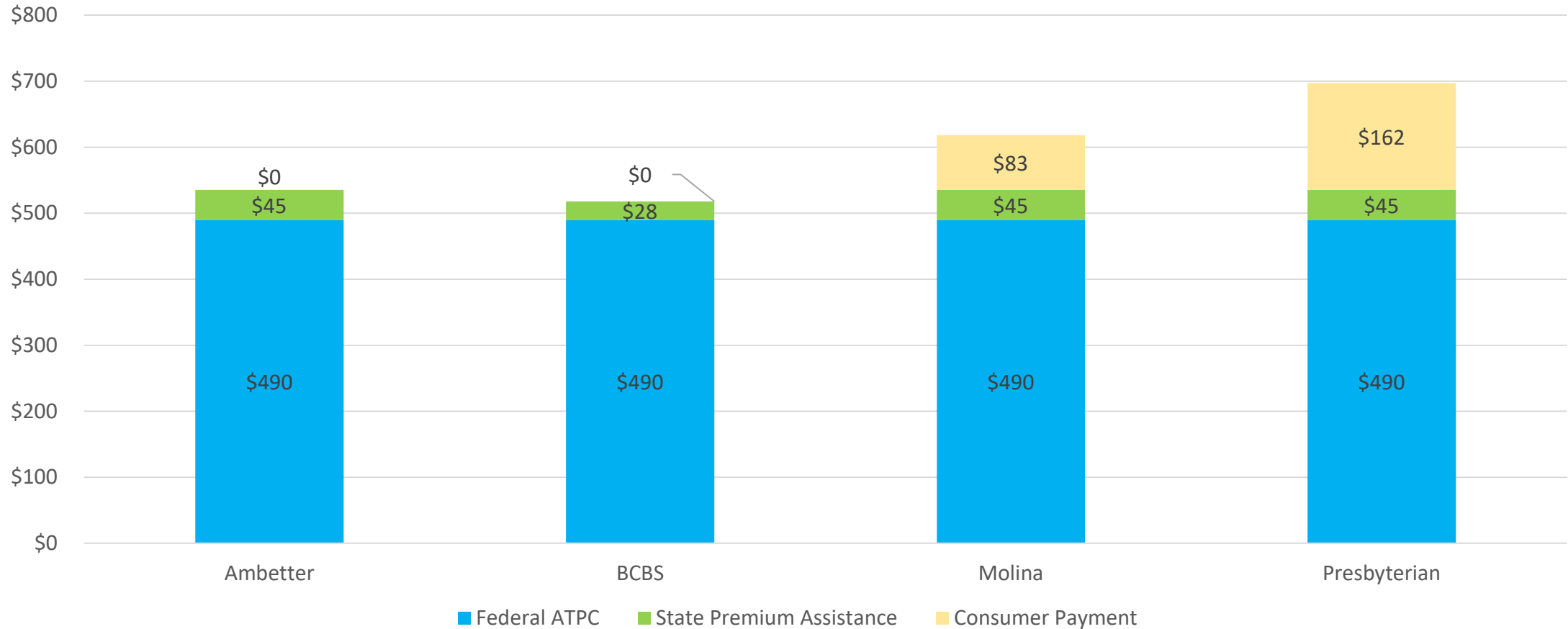
# Cost of the Silver Benchmark Plan 50-year-old in Rating Area 1



Source: OSI calculations



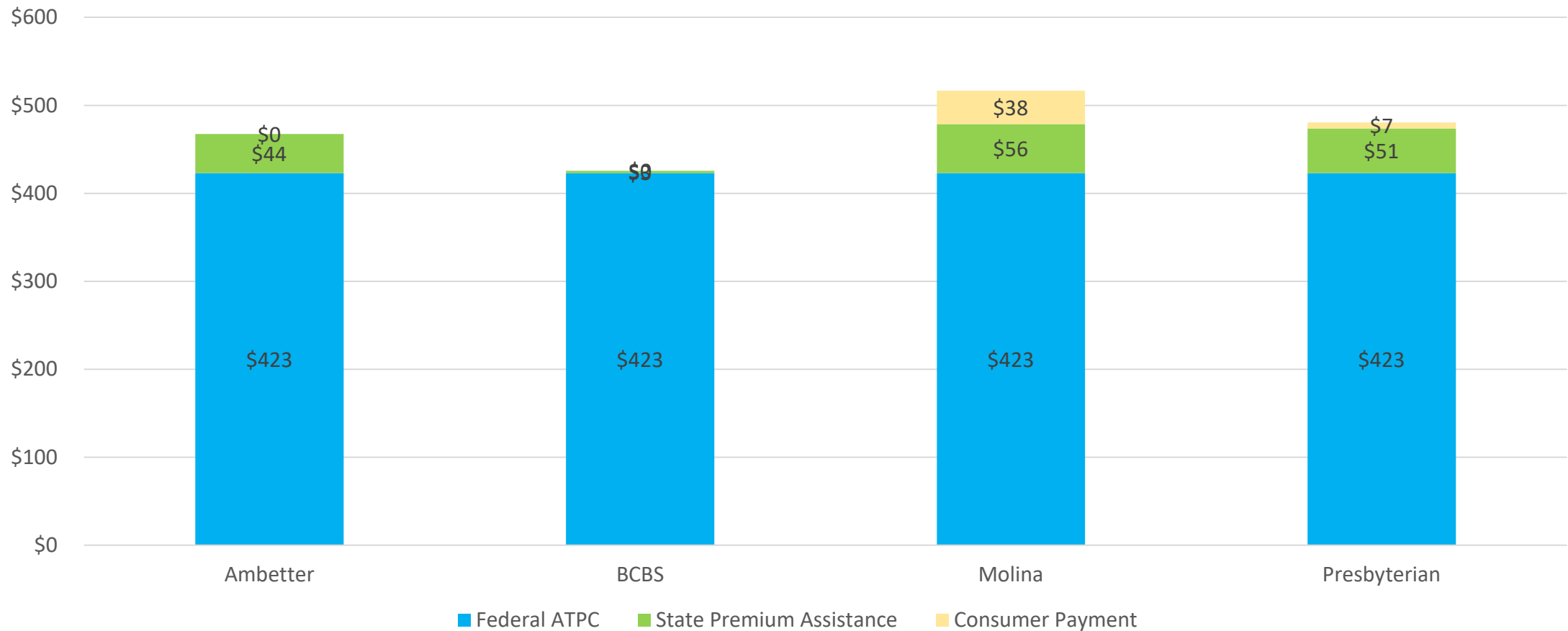
# Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 200% FPL in Rating Area 1



Source: OSI calculations



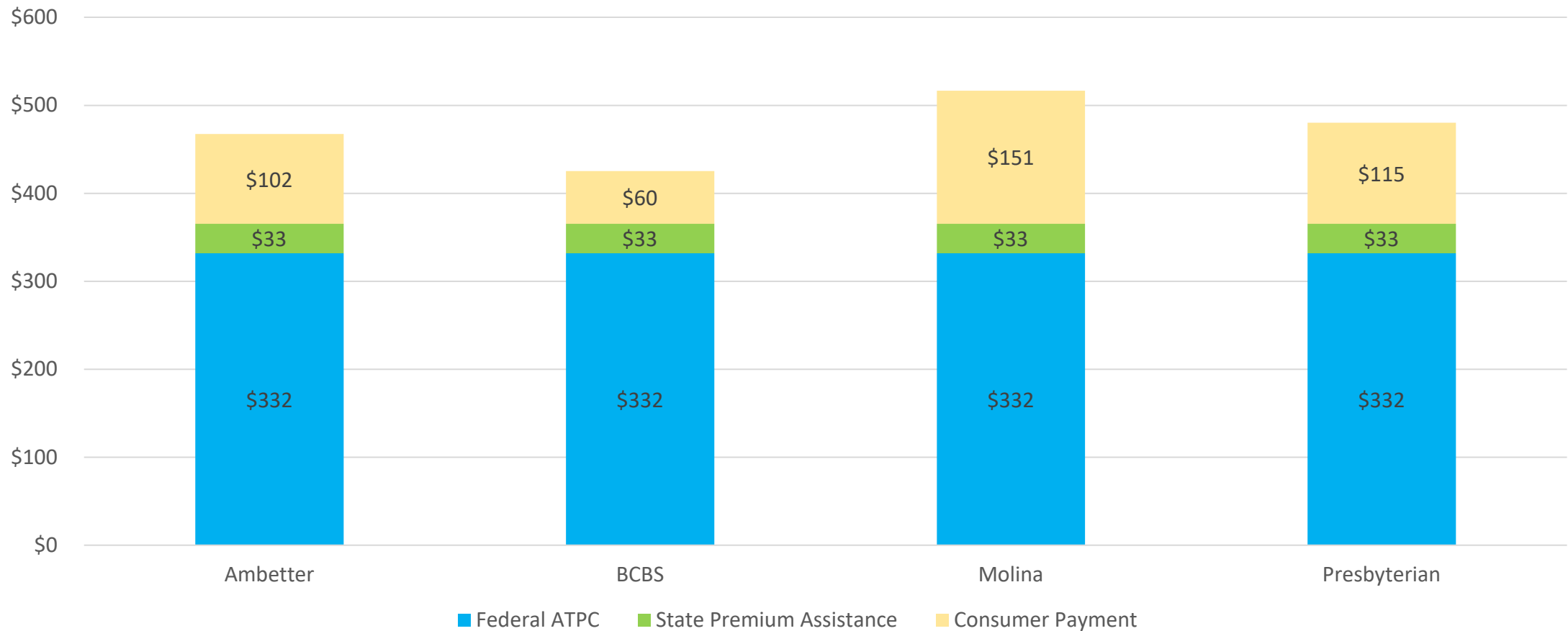
# Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 250% FPL in Rating Area 1



Source: OSI calculations



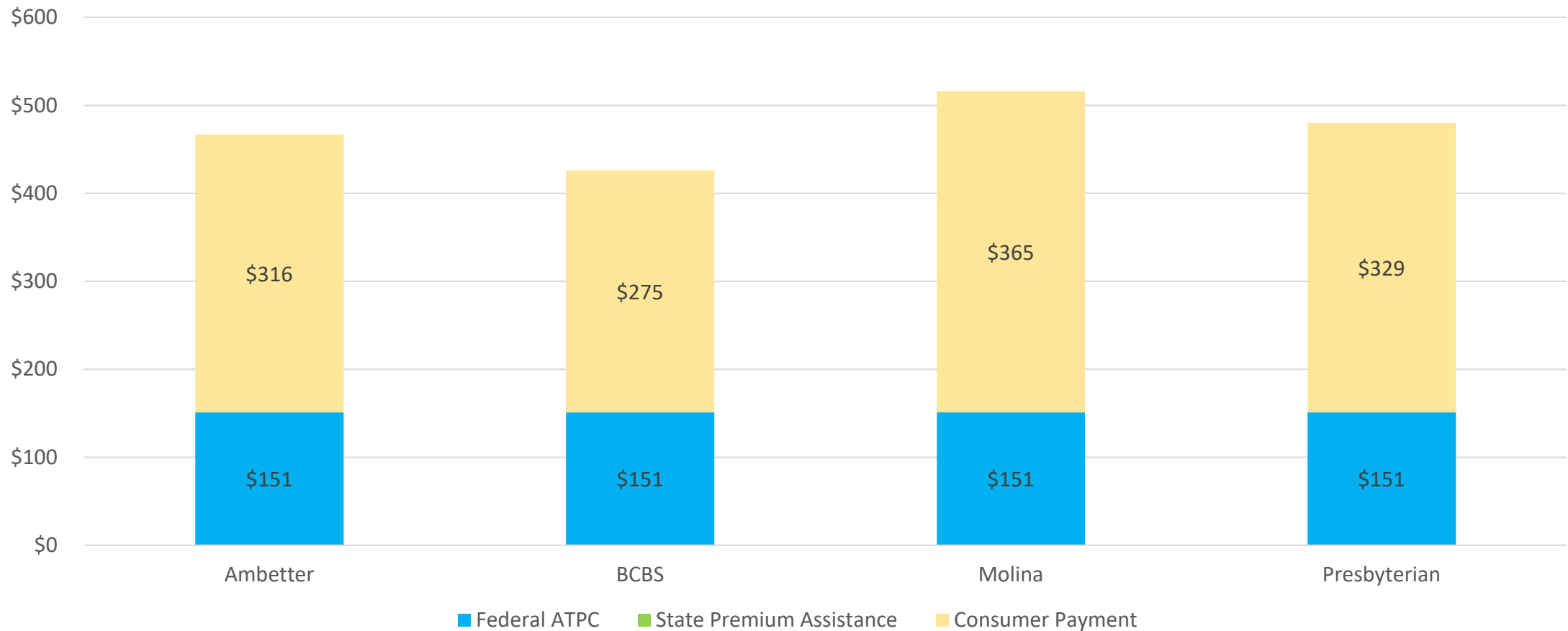
# Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 300% FPL in Rating Area 1



Source: OSI calculations



# Lowest Cost Gold Plan from Each Carrier for a 50-year-old at 400% FPL in Rating Area 1



Source: OSI calculations



# Federal Cost Sharing Reductions

- Cost Sharing Reductions (CSRs) lower how much enrollees pay for services.
- The assistance is available for qualifying individuals up to 250% FPL.
- Eligible enrollees must select a **Silver plan** to receive federal CSRs.





# How the ACA's cost sharing assistance works

Individuals and families under 250% FPL qualify for federal Cost Sharing Reductions (CSRs) if they enroll in a **Silver plan**. CSRs reduce their out-of-pocket costs.

## Up to 150% FPL

### Large Cost Sharing Reduction

Normally Silver plans cover about **70%** of costs on average but with a Cost Sharing Reduction, the plan covers **94%** of costs.

## 150.01-200% FPL

### Medium Cost Sharing Reduction

Normally Silver plans cover about **70%** of costs on average but with a Cost Sharing Reduction, the plan covers **87%** of costs.

## 200.01-250% FPL

### Small Cost Sharing Reduction

Normally Silver plans cover about **70%** of costs on average but with a Cost Sharing Reduction, the plan covers **73%** of costs.

# State Out-of-Pocket Assistance (SOPA)

- **Who is eligible?**
  - Individuals and families up to 300% FPL who qualify for federal premium tax credits on beWellnm
- **What does it do?**
  - Reduces deductibles, maximum out-of-pocket limits, co-pays, and coinsurance for certain plans
- To benefit from SOPA, consumers must select a **Turquoise Plan**.

# SOPA applicability

- SOPA will only apply to **Silver plans** for those under 200% FPL (similar to federal CSRs).
- SOPA will only apply to **Gold plans** for those between 200-300% FPL.

# Turquoise Plans

- Turquoise Plans are plans that have extra savings on out-of-pocket costs that are provided by the State of New Mexico.
- When consumers shop for plans, they will see a “Turquoise Plan” marker to let them know which plans qualify for extra savings.
- There are 4 levels of Turquoise Plans, based on household.
- Reminder: Enrollees under 200% FPL must pick a Silver plan to get SOPA and enrollees between 200-300% FPL must pick a Gold plan to get SOPA. During the shopping process, these plans will be labeled as “Turquoise Plans.”

# SOPA Actuarial Value Requirements

## Actuarial Value of SOPA-eligible Plans

Federal Poverty Level	Marketplace Affordability Program AV Level for SOPA Plans	ACA AV Level for Relevant Federal Variants
Up to 150% FPL	99% AV (Silver)	94% AV (Silver)
150.01-200% FPL	95% AV (Silver)	87% AV (Silver)
200.01-250% FPL	90% AV (Gold)	80% AV (Gold)
250.01-300% FPL	85% AV (Gold)	80% AV (Gold)

# In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 1 Plans (Up to 150% FPL) from Each Carrier

	Ambetter	BCBS	Molina	Presbyterian
Max Out-of-Pocket	\$80 individual/ \$160 family	\$100 individual/ \$300 family	\$130 individual/ \$260 family	\$1,000 individual/ \$2,000 family
Combined Deductible	\$0	\$0	\$0	\$0
Primary Care Visit	\$0	10% coinsurance	5% coinsurance	\$0
Specialist Visit	\$3	20% coinsurance	5% coinsurance	\$5
Preferred Generic Rx	\$0	\$0	\$0	\$0

# In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 2 Plans (**150.01-200% FPL**) from Each Carrier

	Ambetter	BCBS	Molina	Presbyterian
Max Out-of-Pocket	\$1,100 individual/ \$2,200 family	\$800 individual/ \$2,400 family	\$900 individual/ \$1,800 family	\$2,000 individual/ \$3,000 family
Combined Deductible	\$0	\$65 individual/ \$195 family	\$250 individual/ \$500 family	\$0
Primary Care Visit	\$0	10% coinsurance	5% coinsurance	\$5
Specialist Visit	\$5	20% coinsurance	5% coinsurance	\$20
Preferred Generic Rx	\$0	\$0 after deductible	\$0	\$0

# In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 3 Plans (200.01-250% FPL) from Each Carrier

	Ambetter	BCBS	Molina	Presbyterian
Max Out-of-Pocket	\$1,600 individual/ \$3,200 family	\$1,500 individual/ \$4,500 family	\$3,000 individual/ \$6,000 family	\$3,000 individual/ \$6,000 family
Combined Deductible	\$850 individual/ \$1,700 family	\$500 individual/ \$1,500 family	\$400 individual/ \$800 family	\$0
Primary Care Visit	\$15	10% coinsurance	10% coinsurance	\$0
Specialist Visit	\$35	20% coinsurance	10% coinsurance	\$20
Preferred Generic Rx	\$15	\$0 after deductible	10% coinsurance after deductible	\$0



# In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 4 Plans (250.01-300% FPL) from Each Carrier

	Ambetter	BCBS	Molina	Presbyterian
Max Out-of-Pocket	\$3,000 individual/ \$6,000 family	\$2,900 individual/ \$6,000 family	\$3,000 individual/ \$6,000 family	\$3,000 individual/ \$6,000 family
Combined Deductible	\$1,850 individual/ \$3,700 family	\$750 individual/ \$2,250 family	\$925 individual/ \$1,850 family	\$1,000 individual/ \$2,000 family
Primary Care Visit	\$15	10% coinsurance	20% coinsurance after deductible	\$40
Specialist Visit	\$35	20% coinsurance	20% coinsurance after deductible	\$90
Preferred Generic Rx	\$15	No charge after deductible	10% coinsurance after deductible	\$0

# Lowest-Premium Turquoise Plan for a family of 4 with two kids making about \$38,600 a year in Mora

## Cost Savings with State and Federal Financial Assistance

- **Monthly Premium:** ~~\$1,236~~ \$0
- **Annual Max Out-of-Pocket:** ~~\$15,600~~ \$160 (99% reduction)
- **Annual Deductible:** ~~\$13,400~~ \$0
- **Primary Care:** ~~\$25~~ \$3
- **Specialist:** ~~\$100~~ \$10
- **Generic Medications:** ~~\$25~~ \$3

Source: OSI data and calculations



# Mid-Level Premium Turquoise Plan for a younger person making about \$27,000 a year in Albuquerque

Cost Savings with State and Federal Financial Assistance

- **Monthly Premium:** ~~\$313~~ \$15
- **Annual Max Out-of-Pocket:** ~~\$8,200~~ \$750 (91% reduction)
- **Primary Care:** ~~\$50~~ \$3
- **Specialist Visit:** ~~\$90~~ \$10

Source: OSI data and calculations



# Lowest-Premium Turquoise Plan for a couple making about \$27,400 a year in Farmington

Cost Savings with State and Federal Financial Assistance

- **Monthly Premium:** ~~\$919~~ \$0
- **Annual Max Out-of-Pocket:** ~~\$18,000~~ \$260 (99% reduction)
- **Annual Deductible:** ~~\$2,500~~ \$0
- **Primary Care:** ~~40% coinsurance~~ 5% coinsurance

Source: OSI data and calculations



# Lowest-Premium Turquoise Plan for a family of 3 making about \$69,000 a year in Dona Ana

Cost Savings with State and Federal Financial Assistance

- **Monthly Premium:** ~~\$961~~ \$99
- **Annual Max Out-of-Pocket:** ~~\$15,700~~ \$6,000 (62% reduction)
- **Mental Health Services:** Always \$0

Source: OSI data and calculations



# Questions?

Find more resources about the Marketplace Affordability Program on OSI's [HCAF landing page](#).

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