
Addendum #2 to the New Mexico Health Insurance Marketplace Affordability Program Policy and Procedure Manual for the 2026 Plan Year

The Puente Health Program

Issued November 18, 2025



HEALTH CARE
AUTHORITY

Background

The Health Care Affordability Fund (HCAF, “the Fund”) was created in 2021 to reduce health care costs for New Mexicans. The law directs the New Mexico Health Care Authority (HCA) to implement several programs under the Fund, including a program to reduce health insurance premiums and out-of-pocket costs for individuals and families who qualify for federal financial assistance on BeWell, New Mexico’s Health Insurance Marketplace (BeWell, “the Marketplace”). New Mexico’s Health Insurance Marketplace Affordability Program (MAP) launched on January 1, 2023, and has been expanded and improved each year since. The program only applies to plans sold on BeWell’s individual market platform and is not available to consumers who enroll in coverage off-Marketplace. Additional materials can be found on HCA’s [HCAF webpage](#).

This Addendum to the [2026 Policy and Procedures Manual](#) is issued pursuant to NMSA 1978, Section 59A-23F-11, which established the Health Care Affordability Fund (HCAF) to “reduce health care premiums and cost sharing for New Mexico residents who purchase health care coverage on the New Mexico health insurance exchange” and to “provide resources for planning, design and implementation of health care coverage initiatives for uninsured New Mexico residents.” The HCAF is administered by the New Mexico Health Care Authority (HCA). The statute also authorizes HCAF to be used to “maintain coverage through the New Mexico health insurance exchange” if the Affordable Care Act is repealed, “in full or in part[,] . . . provided that coverage is prioritized for New Mexico residents with incomes below

two hundred percent of the federal poverty level.” The HCA filed emergency rules that include provisions governing a program to provide premium and out-of-pocket assistance to individuals impacted by recent federal changes.

Public Law 119-21 was signed into law on July 4, 2025, and makes several significant changes to eligibility for federal health coverage programs. The most immediate eligibility change that affects individuals currently enrolled in HCA’s Marketplace Affordability Program (MAP) is Section 71302. This section disallows many lawfully present non-citizens under 100% FPL who are subject to the ACA’s five-year waiting period for Medicaid from receiving the federal Premium Tax Credit (PTC) during this period. This would have serious negative consequences on the health and well-being of low-income New Mexicans who do not have access to other forms of affordable coverage.

To address the impact of Public Law 119-21, the HCA has established the Puente Health Program (the Program). This Addendum sets forth the parameters for the Puente Health Program for individuals on BeWell, New Mexico’s Health Insurance Marketplace (the Marketplace), with income under 100% of the Federal Poverty Level (FPL) and will lose eligibility for the federal PTC beginning Jan. 1, 2026, due to the recent federal changes. This Addendum describes the requirements for the Program in Plan Year 2026 (PY26), administrative policy and procedure requirements for financial support, and the reporting and payment timeline.

Section I: Health Insurance Marketplace Coverage Protection Program

The Puente Health Program is one of the Coverage Protection Programs that the HCA created to address recent federal changes. The Program maintains coverage affordability for low-income individuals who would otherwise lose coverage due to the changes in federal law mentioned above. The Program provides state-funded financial assistance to replace the loss of federal financial assistance for premiums and out-of-pocket costs for individuals and families who qualify. This Program only applies to plans sold on BeWell’s individual market platform and is not available to consumers who enroll in coverage off-Marketplace.

A. Eligibility

To qualify for the Program, consumers must:

- 1) Be eligible to purchase a Qualified Health Plan (QHP) on the Marketplace;
- 2) Be a lawfully present non-citizen who has been determined ineligible for the federal PTC under Section 71302 of Public Law 119-21; and
- 3) Have a household income at or below 100% of the FPL.

B. Program Parameters

The Puente Health Program provides premium and out-of-pocket assistance to eligible enrollees.

Effective Date

November 1, 2025, through January 15, 2026, for application shopping and enrollment; January 1, 2026, for coverage if enrolled by December 31, 2025, and February 1, 2026, for coverage if enrolled by January 15, 2026.

Premium Assistance

To reduce monthly premiums for eligible consumers, the Puente Health program provides premium assistance through the BeWell platform.

Premium Assistance Parameters for Puente Health Program

The affordability criteria for premium assistance under the Puente Health Program is the same as the HCA's MAP premium assistance program for individuals under 200% FPL.

1. State-funded premium assistance can be used to purchase a plan of any metal tier other than Catastrophic. Note: Platinum and Catastrophic plans are not currently offered on the Marketplace.
2. The premium assistance amount for PY26 is calculated using the second lowest cost Silver plan (SLCSP).
3. Consumers under 100% of the FPL do not have a consumer responsibility for the SLCSP premium.
4. Consumers are not required to reconcile state premium assistance payments at the end of the year.

Calculating Monthly Premium Assistance Payments

For PY26, the SLCSP in the consumer's rating area is the benchmark for calculating the premium assistance under the Program. For eligible individuals, the premium amount used to calculate the premium assistance will be 10% above the price of the SLCSP.

The monthly premium assistance payment amount is calculated using the following equation:

$\text{Gross Monthly Premium for the Second Lowest Cost Silver Plan} \times 1.1 - \text{Contribution Percentage for Eligible Individuals Under 100\% FPL [0\%]}$
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A consumer's net premium cannot be lower than \$0. If the premium assistance for the Program is greater than the gross premium of the plan selected by the consumer, the premium will be reduced by the premium assistance payment to reach a \$0 consumer responsibility premium.

State Out-of-Pocket Assistance

To reduce consumer out-of-pocket costs, HCA builds upon the framework of the ACA's CSRs to enhance the AV of certain plans through the State Out-of-Pocket Assistance (SOPA) program. Issuers are required to submit variants that meet AV targets established by the HCA Secretary.

SOPA Applicability

SOPA applies to Turquoise plans with an underlying Silver plan for Puente Health-eligible individuals with income through 100% of the FPL.

Turquoise Variant Actuarial Value

As with HCA's MAP, a federal variant will be replaced with a state variant. For Puente Health, the Silver - 01 variant will be replaced by a -99 variant (Turquoise 1) approved for the MAP (see **Table 1**).

Table 1: Turquoise Variant

SILVER PLAN			
Income Range (FPL)	Current Federal Variant ID	Does SOPA Apply to Silver?	New Turquoise Variant ID
Under 100%	- 01	Yes	- 99

Turquoise Variants and Mid-Year Income and Household Status Changes

Some individuals and families may experience changes in income or other household circumstances during PY26 that could place them in an income cohort that corresponds with a Turquoise Variant that has a different underlying metal level than that in which they originally enrolled. For example, if an individual reports an income change that causes household income to shift from under 100% of the FPL at the time of enrollment to 205% of the FPL later in the year, that individual would now qualify for a Turquoise 3 Variant. In this circumstance, enrollees are permitted to switch plans to maintain enrollment in a Turquoise Variant. Changes made directly by enrollees could result in issues with eligibility until BeWell automates system updates, so enrollees should contact BeWell to make changes at this time.

Note: If the consumer is eligible for premium assistance under the Program and their household income increases to above 100% of the FPL, they will no longer qualify for the Program because they may be eligible for PTC and other state-funded subsidies, as well as other benefits through the Marketplace.

Health Reimbursement Accounts

Qualified Small Employer Health Reimbursement Account (QSEHRA) payments reduce the premium assistance amount commensurate with the QSEHRA contribution amount down to a consumer responsibility premium of \$0. For example, consider a consumer with a \$100 gross premium who qualifies for a \$80 premium assistance payment, leaving a \$20 net premium. If this individual received a \$60 QSEHRA payment, the premium assistance will adjust to \$20 since the \$60 QSEHRA payment negates most of the premium assistance amount. In this situation, the premium assistance amount will be reduced by \$20 and the consumer will owe \$20 to account for the remainder of the individual's premium payment. Consumers who accept an Individual Coverage Health Reimbursement Account (ICHRA) will not be eligible for premium assistance. Note: The QSEHRA and NMPA eligibility is calculated in the BeWell system and will not directly impact carrier billing.

Special Enrollment Period (SEP)

To qualify for the program after January 15, 2026, consumers must be eligible for a Special Enrollment Period (SEP), as defined in BeWell's [2026 Policy Manual](#).

Section II: Reporting Requirements & Program Payments

A. Puente Health - Premium Assistance Monthly Payments

BeWell will aggregate the premium assistance payment amounts for the Program for each issuer on a monthly basis in the monthly NMPA subsidy report and report the amounts to HCA along with an NMPA report file for validation. HCA will issue premium assistance payments for the Program to the issuer on a

monthly basis within the MAP Notice of Payment. Upon approval from HCA, BeWell will submit reporting to issuers on its standard subsidy reports. All invoices sent to consumers should clearly show the state payments received by the issuer to reduce the consumer's premium.

There may be instances where the premium assistance amount for the Program must be adjusted due to delayed consumer reporting or delayed BeWell staff processing. BeWell reconciles premium assistance for the Program during monthly comparisons with the issuers. Issuers may also report discrepancies with the premium assistance report for the Program monthly. BeWell oversees this process and should be consulted should any questions arise.

B. Puente Health - SOPA Payments and Reconciliation

SOPA payments are paid directly to the issuer by HCA in the form of monthly advance payments, subject to an end-of-year reconciliation. Advanced payments are calculated by multiplying the gross member-level premium by .042.

SOPA Reporting Requirements and Reconciliation

Issuers must reconcile advance SOPA payments annually based on actual utilization of the benefit. HCA will include Puente Health SOPA reconciliation guidance for PY26 in the MAP SOPA Reconciliation Guidance. Please note that issuers are expected to submit the amount the enrollee(s) would have paid for the same essential health benefits (EHB) claims had they been enrolled in the -01 Silver variant and the simplified methodology will be available.

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Please direct any questions regarding this Addendum to DeAnna Stock at 505-695-8496 or via email at HCAF@hca.nm.gov.