
Addendum #1 to the New Mexico Health Insurance Marketplace Affordability Program Policy and Procedures Manual for the 2026 Plan Year

The Marketplace Affordability Program for Middle Income Households

Issued November 18, 2025



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](#).

The enhanced federal Premium Tax Credit (PTC) authorized by the American Rescue Plan Act of 2021 and extended by the Inflation Reduction Act of 2022 is scheduled to expire on December 31, 2025. During the 2025 regular legislative session, the New Mexico State Legislature appropriated HCAF funds to HCA to ensure that if these enhanced subsidies expire, eligible consumers with income under 400% of

the Federal Poverty Level (FPL) would be protected from significant premium increases. The HCA released the “2026 Plan Year Health Insurance Marketplace Affordability Program Policy and Procedures Manual” on May 13, 2025, which provides program guidance for programs serving those with income under 400% of the FPL.

On October 3, 2025, Governor Michelle Lujan Grisham signed House Bill 2, giving HCA the authority to extend financial assistance to eligible individuals with income above 400% of the FPL. \$17.3 million was appropriated from the HCAF for this purpose through House Bill 1. In an emergency [rule](#), the HCA established the regulatory framework to prevent individuals with income above 400% of the FPL from facing exorbitant premium increases that could lead to loss of coverage for thousands of New Mexicans.

This Addendum to the [2026 Policy and Procedures Manual](#) establishes the “Marketplace Affordability Program for Middle Income Households” (MIH, the Program). In the event that the federal government extends the federal program that caps premiums at 8.5% of income for eligible individuals with income over 400% of the FPL before January 1, 2026, this Addendum will not take effect.

Section I: Marketplace Affordability Program for Middle Income Households

The Marketplace Affordability Program for Middle Income Households addresses recent federal changes that impact coverage affordability for thousands of New Mexicans. The Program provides eligible individuals with income above 400% of the FPL state-funded premium assistance that caps the cost of the benchmark plan at 8.5% of household income. 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

In order to qualify for the Program, consumers must:

- 1) Be eligible to purchase a Qualified Health Plan (QHP) on the Marketplace;
- 2) Meet all eligibility criteria for the federal PTC except for household income requirements; and
- 3) Have a household income above 400% of the FPL.

B. Program Parameters

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.

The Marketplace Affordability Program for Middle Income Households provides premium assistance to eligible enrollees.

- 1) State-funded premium assistance can be used to purchase plans in any metal tier other than Catastrophic. (Note: Catastrophic and Platinum plans are not currently offered on the Marketplace.)
- 2) The premium assistance amount for the 2026 Plan Year (PY26) is calculated using the second lowest cost Silver plan (SLCSP).
- 3) State-funded premium assistance for eligible individuals with income over 400% of the FPL caps the cost of the SLCSP at 8.5% of household income.

Calculating Monthly New Mexico Premium Assistance Payments for Middle Income Households

For PY26, the SLCSP in the relevant rating area is the benchmark for calculating New Mexico Premium Assistance (NMPA). The monthly NMPA payment amount for this population is calculated using the following equation for individuals with income over 400% of the FPL:

$$\text{Gross Monthly Premium for Second Lowest Cost Silver Plan} - \text{Applicable Percentage of Income Established by Secretary} \times \text{Expected Annual Household Income as Outlined in 45 C.F.R. § 155.305(f)(i) / 12.}$$

Health Reimbursement Accounts

Qualified Small Employer Health Reimbursement Account (QSEHRA) payments reduce the NMPA 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 NMPA payment, leaving a \$20 net premium. If this individual received a \$60 QSEHRA payment, the NMPA will adjust to \$20 since the \$60 HRA payment negates most of the NMPA amount. In this situation, the NMPA 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 NMPA.

Note: The QSEHRA and NMPA eligibility is calculated in the BeWell system and will not directly impact carrier billing.

Special Enrollment Periods (SEP)

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

Section II: Reporting Requirements & Program Payments

Premium assistance for those eligible for MIH will be included in the NMPA state subsidy reports, which are provided to HCA for validation. HCA will issue MIH payments 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.

Consumers will not need to reconcile NMPA payments at the end of the year as they do for APTC. 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 MIH amount will need to be adjusted due to delayed consumer reporting or delayed BeWell staff processing. BeWell reconciles enrollment with issuers during monthly comparisons. Issuers may also report discrepancies with the MIH report monthly. BeWell oversees this process and should be consulted should any questions arise.

HCA may update this addendum when the BeWell system has a fully integrated solution, if any operational elements of this guidance change with these system updates.

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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.