

New Mexico's Small Business Health Insurance Premium Relief Initiative

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What we will
cover today

New Mexico's Small Business Health Insurance Premium Relief Initiative

- What is the initiative?
 - Who qualifies?
 - What do producers need to know?
 - Q&A
- 

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.



Small Business Health Insurance Premium Relief Initiative

- **Who is eligible?** Small businesses with fewer than 50 employees or full-time equivalents that purchase ACA-compliant small group plans.
- **Are off-exchange plans eligible?** Yes. The premium relief will be offered on and off-exchange.
- **What will the initiative do?** Reduce premiums by 10%.
- **When does the initiative start?** July 1, 2022.
- **How does it work?** Carriers will automatically apply a discount/credit to the employer's invoice. Some carriers may apply the credit the month after the applicable coverage month. OSI will reimburse carriers on a monthly basis.

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- **Will the relief only apply to plans when they renew?** The relief will apply to all eligible health plans providing coverage July 1, regardless of their renewal date.
- **Will the initiative continue in 2023?** Yes. A new program year will begin in 2023. Carriers will communicate any changes to small businesses in advance.
- **Will the premium reduction percentage ever change?** The initiative is subject to legislative appropriation. If funding amounts change, OSI may adjust the premium reduction percentage based on available funding. OSI intends to only make changes during the month of January in any given year. Insurers will communicate any changes to small businesses in advance.

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- **Do businesses need to take any action to receive the discount/credit?**
No. The reduction will be automatically applied.
- **Do self-funded/self-insured plans qualify for the premium reduction?** No.
Only fully-insured plans qualify for the premium reduction.
- **Can carriers advertise discounted rates?**
As long as advertising materials have been approved by OSI, discounted rates can be shown. Appropriate notification and disclaimers must be included in all materials.

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- **If a business renews coverage any month other than January, how will changes to the initiative affect the business?** If a business purchases coverage any time other than January and the premium reduction percentage changes due to changes in funding, the business may experience a change in premium the January following the month that coverage was purchased or renewed. This is because OSI only intends to make changes to the premium reduction percentage in January. Business owners should take this into account if they purchase coverage any month other than January. Please note that the premium reduction percentage will typically change in January and OSI will strive for consistency and predictability when requesting budgets from the legislature. (Example on next slide)

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- **If a business renews coverage any month other than January, how will changes to the initiative affect the business?**

Example 1: Walt's Car Wash renews coverage in October and the undiscounted monthly premium is \$10,000. The initiative lowers the premium by 10%, which means Walt pays \$9,000, saving \$1,000. Because funding is available, the legislature decides to approve funding for a 12% discount in the new year. Starting in January, Walt's premium will be \$8,800, saving \$1,200 per month, which is \$200 in additional savings.

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- **If a business renews coverage any month other than January, how will changes to the initiative affect the business?**

Example 2: Walt's Car Wash renews coverage in October and the undiscounted monthly premium is \$10,000. The initiative lowers the premium by 10%, which means Walt pays \$9,000, saving \$1,000. Because of a funding shortfall, the legislature can only fund a 9.5% discount in the new year. Starting in January, Walt's premium will be \$9,050, saving \$950 per month, which is \$50, which is \$50 less savings than when coverage was purchased in October.

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- **How will discounted/credited premiums be displayed on the SHOP?**
OSI is working with beWellnm to create a simple solution for the shopping platform to display notices about the program and the correct amount premium amount.
- **Does the premium reduction apply to dental or vision plans? No.**
The premium reduction only applies to health plans that are ACA-compliant.

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- **Upcoming virtual producer information sessions:**
 - May 3 from 1-2 PM MT
 - May 3 from 5-6 PM MT
 - May 10 from 1-2 PM MT
 - May 10 from 5-6 PM MT
 - May 17 from 1-2 PM MT
- OSI plans to create a producer FAQ
 - Send questions to Colin.Baillio@state.nm.us
- More resources will be posted on the initiative's [landing page](#)

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- Current rules for the initiative are temporary. **We want your feedback on how the initiative can be improved.**
- OSI will inform stakeholders when the public comment period for final rules opens.