HEALTH CARE
AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
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August 10, 2026

Interested Parties:

The New Mexico Health Care Authority (HCA), through the Medical Assistance Division (MAD), is proposing to amend the New Mexico Administrative Code (NMAC) rule *8.200.400, General Recipient Rules, General Medicaid Eligibility, 8.245.400, Medicaid Eligibility, Specified Low Income Medicare Beneficiaries, 8.250.400,Medical Assistance Program Eligibility, Qualified Individuals Whose Income Exceeds QMB and SLIMB, 8.281.600, Institutional Care, Benefit Description, 8.291.400, Affordable Care, Eligibility Requirements, 8.291.410, Affordable Care, General Recipient Requirements, 8.296.400, Other Adults, Recipient Requirements,* and *8.296.600, Other Adults, Benefits Description.*

Section 9-8-6 NMSA 1978, authorizes the Department Secretary to promulgate rules and regulations that may be necessary to carry out the duties of the Department and its divisions.

Notice Date: August 11, 2026
Hearing Date: September 11, 2026
Adoption Date: Proposed as January 1, 2027
Technical Citations: Section 71103, 71104, 71107, 71112, and 71119 of the Working Families Tax Cut legislation

Background
The Working Families Tax Cut legislation (also referred to as HR1) was signed into law on July 4, 2025, and makes several changes to the Medicaid program effective January 1, 2027. HR1 introduces the following changes to Medicaid:

6-month renewal periods for Other Adults Medicaid
For renewals of the Other Adults Medicaid category, which covers adults ages 19-64 with income less than 133% of the federal poverty level, initiated on or after January 1, 2027, the renewal period will be for 6-months. The current renewal period is 12 months so the change to 6 months requires individuals to renew more often. Native Americans are exempt from 6-month renewals and will continue to have 12-month renewal periods.

The new 6-month renewal changes impact Other Adult Medicaid renewals starting with renewals due on or after March 31, 2027, because those were initiated through the 90-day ex-parte renewal process during January 2027. January and February 2027 Other Adult Medicaid renewals were initiated prior to January 1, 2027, and can be renewed for 12 months.

Community Engagement (Work or activity Requirements) for Other Adults Medicaid
Individuals as a condition of eligibility for Other Adults Medicaid must meet community engagement (CE) requirements. CE requires individuals to complete at least 80 hours of work or activities during the month prior to their application month. At renewal recipients must meet work or activities of 80 hours a month for any one month during their current certification period.

An individual meeting, an exclusion does not need to meet CE requirements and is evaluated for an exclusion during the application month and at the renewal determination. The following is the list of CE requirement exclusions:

1. An individual under age 16 in the former foster care eligibility group;
2. American Indian or Alaska Native;
3. A parent, guardian, caretaker relative or family caregiver of a dependent child under the age of fourteen (14) or disabled individual;
4. A veteran with a disability rated as total;
5. An individual who is medically frail (blindness or disability, substance abuse disorder, disabling mental disorder, or other significant physical, intellectual or developmental disabilities);
6. An individual who is compliant with the Temporary Assistance for Needy Families (TANF) program, or who is a member of a household that receives Supplemental Nutrition Assistance Program (SNAP) benefits and is not exempt from work requirements;
7. A participant in a drug addiction or alcohol treatment and rehabilitation program;
8. An inmate of a public institution; or
9. A woman who is pregnant or entitled to postpartum medical assistance.

An individual meeting an exception must meet CE requirements one month prior to the application month. At renewal, recipients must meet work or qualifying activities of 80 hours a month for any one month during their current certification period. The following is a list of CE requirement exceptions:

1. An individual under age 19;
2. An individual who is entitled to, or enrolled for, benefits under Medicare Part A, or enrolled for benefits under Medicare Part B;
3. An individual who is in a mandatory categorically needy eligibility group; or
4. An individual who was an inmate of a public institution within the past 90 days.

The HCA is implementing, at state option, the following short-term hardship exemptions from CE requirements. An individual meeting a short-term hardship exception must meet CE requirements one month prior to the application month. At renewal recipients must meet work or qualifying activities of 80 hours a month for any one month during their current certification period. The following is a list of CE requirement short-term hardship exceptions:

1. Hospitalized or living in a nursing home or similar facility and the individual requests this exception:
2. Living in a county currently under a federal emergency declaration;
3. Living in a county with a high unemployment rate (at or above the lesser of 8% or 1.5 times the national unemployment rate); or
4. An individual or their dependent must travel outside their community for an extended period of time to receive medical services necessary to treat a serious or complex medical condition that is not available within their community of residence and the individual requests this exception.

Individuals who do not meet an exclusion or exception must meet one of the following work or activities at application and renewal:

1. Working at least 80 hours a month;
2. Completing at least 80 hours of community service a month;
3. Participating in a work program for at least 80 hours a month;
4. Enrollment in an educational program at least half-time;

5. Engaging in any combination of activities 1 through 4 above for a total of at least 80 hours a month;
6. Having a monthly income of $580 a month (the applicable federal minimum wage multiplied by 80 hours); or
7. A seasonal worker having a monthly income of $580 per month (averaged over the preceding 6 months that is not less than the applicable federal minimum wage requirement multiplied by 80 hours).

The HCA verifies CE compliance or meeting an exclusion or exception at both application and renewal using available data sources. The HCA accepts self-attestation for some exclusions, exceptions, and activities. Documentation is required for certain exclusions and exceptions and qualifying activities that the HCA cannot verify using available data sources.

The HCA will provide a 30-day notice requesting verification of CE compliance or meeting an exclusion or exception for applicants and beneficiaries at renewal if unable to approve or renew Other Adult Medicaid using available data sources and an attestation or documentation is required.

Action on Updated Address Information

The HCA must regularly obtain updated address information from reliable data sources and act on that information. Reliable data sources include mail returned to the HCA by the United States Postal Service (USPS) with a forwarding address, the USPS National Change of Address (NCOA) database, and the HCAs contracted managed care organizations (MCOs).

In-state address changes: For updated address information received from a reliable data source the HCA must accept the information as reliable, update the beneficiary's case record and notify the beneficiary of the update.

Out-of-state address changes: The HCA must make a good-faith effort to contact the beneficiary to confirm that the beneficiary continues to meet the state residency requirement. If the HCA is unable to confirm that the beneficiary continues to meet state residency requirements, the HCA must provide advance notice of termination and fair hearing rights.

Whereabouts unknown: When beneficiary mail is returned the HCA must check the eligibility system and the most recently available information from a reliable data source for additional contact information. If updated in-state address information is available from a reliable data source, the HCA must accept the information as reliable. If the updated address information cannot be obtained and confirmed as reliable, the HCA must make a good-faith effort to contact the beneficiary to obtain the updated address information. If the HCA is unable to identify and confirm the beneficiary's address and the whereabouts remain unknown, the HCA must take appropriate steps to move the beneficiary to a fee-for-service delivery system or to terminate or suspend the beneficiary's coverage.

Good-faith effort: A good faith effort includes at least two attempts to contact the beneficiary, use of two or more modalities such as mail, phone, email, a reasonable period of time between contact attempts, and at least 30 calendar days for the beneficiary to respond to confirm updated address information.

Limiting Retroactive Medicaid

Retroactive Medicaid coverage is limited to one month for the Other Adults Medicaid category and two months for other Medicaid categories that allow retroactive Medicaid coverage. This is a change from the current 3-month retroactive period allowed for most Medicaid categories.

Quarterly use of the SSA Death Master File
Effective January 1, 2027, the HCA must check the Social Security Agency (SSA) death master file quarterly, treat the information as factual, and disenroll deceased individuals from Medicaid. Anyone incorrectly disenrolled must be retroactive reenrolled back to the date of termination.

The HCA is proposing to amend the rules as follows:

Throughout all NMACs:
1. Updates have been made to replace "HSD" with "HCA".
2. Updates have been made to align formatting and style requirements.

8.200.400 NMAC
Section 14, subsection A is revised to change three months to two months.

Section 14, subsection D is revised to limit retroactive Medicaid for the Other Adults Medicaid category to the month prior to the application month.

Subsection E is revised and renumbered to limit retroactive Medicaid for up to two months prior to the application month for listed Medicaid categories.

A new Section 16 is created and called "Quarterly Screening to Verify Enrollee Status". The new section requires the HCA, no less than quarterly, to review the SSA death master file to determine whether Medicaid enrolled individuals are deceased.

8.245.400 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 13 is revised to remove outdated citizenship language and to refer to citizenship rules at 8.200.400.11 NMAC.

8.250.400 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 13 is revised to remove outdated citizenship language and to refer to citizenship rules at 8.200.400.11 NMAC.

8.281.600 NMAC
Section 13 is revised to remove the language allowing 3 months of retroactive Medicaid as retroactive Medicaid is limited to 2 months for Institutional Care.

8.291.400 NMAC
Section 7 is revised to comply with formatting requirements.

Section 8 is revised to include HCA's current mission statement.

Section 13 is revised to allow for two presumptive eligibility (PE) periods per 12-month period for individuals on the Other Adults Medicaid category that have a 6-month certification period. One PE period is allowed per 12-month period for Native Americans on the Other Adults category.

8.291.410 NMAC
Section 8 is revised to include HCA's current mission statement.

New language is added to Section 19 that the Other Adults category is renewed once every 6 months except for Native Americans who are exempt and will continue to be renewed once every 12 months.

A new Section 27 has been created regarding required HCA action on updated address information as described in the background section.

8.296.400 NMAC
Section 7 has been revised to add community engagement definitions.

Section 8 is revised to include the HCA's current mission statement.

Section 9 has been revised to add a new letter F with text about the new CE requirements.

A new section 10 has been added to include the new CE requirements. The new CE requirements mirror the Centers for Medicare and Medicaid Services (CMS) 42 code of federal regulations (CFR) provided in their interim final rule.

8.296.600 NMAC
Section 8 is revised to include the HCA's current mission statement.

Section 11 has been updated to refer to the correct MAGI renewal policy found at 8.291.410.19 NMAC.

I. RULE

These proposed rule changes will be contained in 8.200.400, 8.245.400, 8.250.400, 8.281.600, 8.291.400, 8.291.410, 8.296.400, and 8.296.600 NMAC. This register and the proposed rule are available on the HCA website at: https://www.hca.nm.gov/lookingforinformation/registers/ and https://www.hca.nm.gov/2026-comment-period-open/. If you do not have internet access, a copy of the proposed register and rule may be requested by contacting MAD at (505) 827-1337.

II. EFFECTIVE DATE

HCA proposes implementing this rule effective January 1, 2027.

III. PUBLIC HEARING

A public hearing to receive testimony on this proposed rule will be held on September 11, 2026, at 11:00 a.m. The hearing will be held in the Large Conference Room of the Administrative Services Division (ASD), 1474 Rodeo Rd, Santa Fe, NM 87505 and via Microsoft Teams.

Join Teams Meeting
Join: https://teams.microsoft.com/meet/292010912395589?p=W73iZJ4kPTmxkgQHb8
Meeting ID: 292 010 912 395 589
Passcode: qu6Up32C

Dial in by phone
+1 505-312-4308,,882708233# United States, Albuquerque
Phone conference ID: 882 708 233#

If you are a person with a disability and you require this information in an alternative format or require special accommodation to participate in the public hearing, please contact the MAD in Santa Fe at (505)

827-1337. The HCA requests at least ten (10) working days advance notice to provide requested alternative formats and special accommodation.

Copies of all comments will be made available by MAD upon request by providing copies directly to a requestor or by making them available on the MAD website or at a location within the county of the requestor.

IV. ADDRESS

Interested persons may address written comments to:

New Mexico Health Care Authority
Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Recorded comments may be left at (505) 827-1337. Interested persons may also address comments via electronic mail to: HCA-madrules@hca.nm.gov. Written mail, electronic mail and recorded comments must be received **no later than 5 p.m. MT on September 11, 2026**. Written and recorded comments will be given the same consideration as oral testimony made at the public hearing. All written comments received will be posted as they are received on the HCA website at https://www.hca.nm.gov/lookingforinformation/registers/ and https://www.hca.nm.gov/2026-comment-period-open/ along with the applicable register and rule. The public posting will include the name and any contact information provided by the commenter.