HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Cabinet Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Kyra Ochoa, Deputy Secretary
Dana Flannery, Medicaid Director

New Mexico's Small Business Health Insurance Premium Relief Initiative
HCAF BULLETIN 2025-002

FAQ for Small Business Group Issuers

JUNE 5, 2025

1. **What is the Small Business Health Insurance Premium Relief Initiative?**
   Small businesses are the backbone of New Mexico's economy. To help small businesses and their employees with health insurance costs, the New Mexico State Legislature passed, and Governor Michelle Lujan Grisham signed, a new law that provides funding to the New Mexico Health Care Authority (HCA) to reduce health insurance premiums for small businesses that purchase coverage in the small group market. The Small Business Health Insurance Premium Relief Initiative (also called "the Initiative") is the program that achieves this goal.

2. **What is changing for the Small Business Health Insurance Premium Relief Initiative for July–December of the 2025 Program Year?**
   1. All participating Issuers must reduce premium charges for small group Qualified Health Plan (QHP) purchasers by **15% for all Gold and Platinum** plans as of July 1, 2025. Bronze and Silver plans will continue to receive a 10% discount.
   2. All employer letters must be approved by HCA unless the Issuer is inserting the language in the July – December 2025 HCAF Bulletin into a letter that was previously approved.

3. **What is the implementation period?**
   In order to provide operational flexibility, Issuers are permitted to begin applying increased credits for Gold and Platinum plans starting no later than the September invoice. All purchasers must continue to receive a premium reduction credit of no less than 10% across all metal levels until the 15% premium credit can be applied monthly to the Gold and Platinum plans. The additional 5% for the Gold and Platinum plans must be applied retroactively to the August invoice for July coverage, if applicable.

4. **What are the requirements for the September implementation period?**
   If an Issuer opts to begin applying the increased Gold and Platinum credits on the September invoice, the issuer must notify HCA by **June 13, 2025**, and include any credits owed to small

group purchasers for August invoices (the July coverage month) on September invoices (August coverage month).

5. **What is the implementation period for Issuers monthly reporting?**

   To support the Issuers in their system configuration work for accurate reporting of new premium percentages and compliance with reporting requirements, HCA will allow a transition period for necessary adjustments, with a final deadline no later than when the September 2025 invoice is provided to the HCA.

6. **Is there a change to the annual Issuer Reporting and Reconciliation?**

   There is no change to the Annual Issuer Reporting and Reconciliation calendar.

7. **Is there a change to the Small Business Notification?**
   The Small Business Notification has been updated to include language regarding the new 15% premium reduction credit and the timeframe for which the credit will appear on the customer invoice offering two approved implementation options. See the HCAF Bulletin for details.

8. **Is the Issuer required to obtain preapproval of the Small Business Notification Letter prior to issuance?**

   All letters must be approved by HCA. However, if an Issuer uses the pre-approved HCA letter language provided, no additional review or approval by HCA is required.

9. **Does the Small Business monthly customer invoice require a metal tier breakout?**

   No, the Issuers are not required to provide a metal tier breakout on the monthly customer invoice.

10. **Who should business owners contact if they have questions about the Initiative?**

    Business owners should first contact their Issuer with any questions about the discount/credit. If they need additional information, they may also contact HCA at HCAFcomments@hca.nm.gov.