HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
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Notice of Program Guidance
Small Business Health Insurance Premium Relief Initiative
2026 First Half of Program Year

Issued October 6, 2025
Effective January 1

Updated December 15, 2025

This Notice of Program Guidance is issued pursuant to NMSA 1978, Section 59A-23F-11, which established the Health Care Affordability Fund to "reduce premiums for small businesses and their employees." This Guidance sets forth program parameters, requirements for issuers in the ACA-compliant fully-insured small group market, and the Health Care Authority's (HCA's) responsibilities under the Small Business Health Insurance Premium Relief Initiative.

Premium Reduction Percentage

All issuers subject to this Guidance must reduce premium charges to small group plan purchasers by the credit amount of 10% for all Bronze and Silver plans and 15% for all Gold and Platinum plans active on January 1, 2026. The premium reduction credit described in this Guidance will be effective from January 1, 2026, through June 30, 2026. This period will be referred to as "the first half of the 2026 Program Year." The premium reduction shall be applied by providing a credit for coverage in the invoice to small group plan purchasers following the applicable coverage month.

Monthly Issuer Reporting

Issuers must submit data to HCA monthly to receive payment for the discount/credit provided, no later than the third business day following each applicable coverage month, using the secure online data-sharing portal provided to the issuer's primary contact by HCA. Issuers must submit to HCA:

1. A completed version of the Monthly Reporting Template as posted on the Initiative's webpage: https://www.hca.nm.gov/small-business-health-insurance-premium-relief/.
2. An invoice specifying the amounts owed by HCA for the applicable coverage month. This invoice should include the date, the issuer's contact information, a unique invoice number, and a note that the invoice is related to the New Mexico Small Business Health Insurance Premium Relief Initiative.

Issuers should not report retroactive adjustments/restatements from previous months on this template. These adjustments/restatements will be handled during the annual reconciliation period.

Monthly Payments to Issuers

Upon verification of the submitted data and invoice described above, HCA will issue monthly electronic payments. TABLE 1 shows the reporting and payment deadlines for the 2026 Program Year.

TABLE 1: Monthly Reporting and Payment Deadlines for the 2026 Program Year

Coverage Month	Issuer Reporting Deadline	HCA Payment Target
January 2026	February 5, 2026	February 27, 2026
February 2026	March 5, 2026	March 31, 2026
March 2026	April 3, 2026	April 30, 2026
April 2026	May 5, 2026	May 29, 2026
May 2026	June 4, 2026	June 30, 2026
June 2026	July 3, 2026	July 31, 2026
July 2026	August 5, 2026	August 31, 2026
August 2026	September 3, 2026	September 30, 2026
September 2026	October 5, 2026	October 30, 2026
October 2026	November 5, 2026	November 30, 2026
November 2026	December 3, 2026	December 31, 2026
December 2026	January 5, 2027	January 29, 2027

Annual Issuer Reporting and Reconciliation

By March 5, 2026, all issuers subject to this Guidance must submit the following documents to HCA using the secure online data-sharing portal provided to the issuer's primary contact:

1. A completed version of the Annual Reporting Template can be found on the Initiative's webpage: https://www.hca.nm.gov/small-business-health-insurance-premium-relief/.
2. An attestation to the accuracy of the submission, signed by a senior executive. No later than May 7, 2027, HCA will inform issuers of reconciliation amounts. All reconciliation amounts owed to HCA, or the issuer, shall be included in the issuer's invoice submitted during June 2026. If an issuer wishes to dispute reconciliation amounts after HCA notification, it must submit the dispute to deanna.stock@hca.nm.gov no later than May 21, 2027.

TABLE 2: Reconciliation Deadlines

Reconciliation Activity	Deadline
Submission of Annual Data	March 5, 2027
HCA Notice of Reconciliation Amounts	May 7, 2027
Submission of Reconciliation Disputes	May 21, 2027
Reconciliation Payments Due	June 30, 2027

Small Business Notification

All issuers subject to this Guidance must notify small group plan purchasers of the premium reduction credit. All letters must be approved by HCA unless the language required in this Guidance is in a letter format that was previously approved.

> During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass a law establishing a Health Care Affordability Fund, and as of July 2024, the programs were transferred to the New Mexico Health Care Authority. Under the law, the Health Care Authority is responsible for reducing health insurance premiums for small businesses. The Legislature has appropriated additional funding for FY 2026 allowing for additional premium reductions for certain plans. Under the program, you will receive credit on your invoice that reduces your premium by 10% for Bronze and Silver plans and 15% for Gold and Platinum plans. This premium reduction is part of the Health Care Authority's Small Business Health Insurance Premium Relief Initiative. You do not need to take any action to receive this credit.
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> These discounts have been authorized for the coverage period between January and June of 2026. Please note that the Initiative is subject to legislative appropriation, and the reduction percentage could change from year to year. Should the reduction percentage change, [ISSUER NAME] will notify you in advance. If you have any questions about the Initiative, please visit https://bit.ly/3BwRSCE.

Advertising of Discounted/Credited Premiums

To ensure transparency, any advertising materials that display premiums at the discounted/credited price must make clear that the discount/credit is applied to the premium and results from New Mexico's Small Business Health Insurance Premium Relief Initiative. The materials should also provide a link to HCA's Small Business Initiative webpage and the HCA Office of the Secretary's phone number. All marketing materials, including those that reference the small business premium discount, must be approved by the Office of Superintendent of

Insurance. Please direct any questions regarding this Notice of Program Guidance to DeAnna Stock at 505-695-8496, or via e-mail at HCAF@hca.nm.gov.