STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE
Russell Toal

DEPUTY SUPERINTENDENT
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BULLETIN 2022-006

APRIL 20, 2022

TO: HEALTH INSURANCE ISSUERS SELLING HEALTH BENEFIT PLANS IN THE SMALL GROUP MARKET THAT MEET QHP STANDARDS

RE: SMALL BUSINESS HEALTH INSURANCE PREMIUM RELIEF INITIATIVE FOR COVERAGE ACTIVE JULY 1, 2022 UNTIL DECEMBER 31, 2022

THIS BULLETIN 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 Bulletin sets forth program parameters, requirements for issuers, and the Office of Superintendent of Insurance's (OSI's) responsibilities for forthcoming emergency rules that establish the Small Business Health Insurance Premium Relief Initiative.

Primary Issuer Contact for Matters Related to the Initiative

By May 1, 2022, all issuers subject to this Bulletin shall provide the name, title, email address, and phone number of their primary contact for all matters related to the Small Business Premium Relief Initiative to Colin.Baillio@state.nm.us. If the contact changes at any point during the year, the issuer should notify the agency promptly.

Premium Reduction Percentage

All issuers subject to this Bulletin must reduce premium charges to small group Qualified Health Plan (QHP) purchasers by 10% for policies in effect on or after July 1, 2022 on or off-exchange. The Premium Reduction Percentage will be in effect from July 1, 2022 through December 31, 2022. This period of time will be referred to as the 2022 Program Year. OSI will issue a bulletin for the 2023 Program Year (January 1, 2023 – December 31, 2023) by October1, 2022.

The reduction may be applied in one of two ways during the 2022 Program Year:

1. Issuers may discount the premium by reducing the amount charged for approved rate by 10% beginning July 1, 2022.

2. Issuers may apply a credit for July coverage in the invoice to small group QHP purchasers.

Each issuer must inform OSI of its preferred method for Program Year 2022 no later than June 1, 2022. If an issuer elects to apply a credit, it should also inform OSI whether the credit will be applied during the applicable billing month or the following month. It is OSI's strong preference that issuers transition to applying the credit during the applicable billing month as soon as is feasible. An issuer that initially elects to apply the credit the following month may request to switch to the applicable billing month at any time. OSI may consider requests and provide additional guidance to the carrier on how to transition.

Monthly Issuer Reporting

Issuers must submit data to OSI on a monthly basis in order to receive payment for the discount/credit provided. Issuers should not report restatements from previous months on this template. Reconciliation will occur on an annual basis, following the 2022 Program Year (see "Annual Issuer Reporting and Reconciliation" on the HCAF webpage). 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 OSI, issuers must submit to OSI:

1. A completed version of the Monthly Reporting Template posted on the initiative's webpage: https://www.osi.state.nm.us/pages/misc/small-business-health-insurance-premium-relief-initiative.

2. An invoice specifying the amounts owed by OSI for the applicable coverage month.

Monthly Payments to Issuers

Upon verification of the submitted data and invoice described above, OSI will issue monthly electronic payments to issuers no later than 15 business days after the necessary documentation is received. TABLE 1 shows the reporting and payment deadlines for the 2022 Program Year.

TABLE 1: Monthly Reporting and Payment Deadlines

Coverage Month	Issuer Reporting Deadline	OSI Payment Deadline
July 2022	August 3, 2022	August 24, 2022
August 2022	September 6, 2022	September 27, 2022
September 2022	October 5, 2022	October 26, 2022
October 2022	November 3, 2022	November 28, 2022
November 2022	December 5, 2022	December 27, 2022
December 2022	January 5, 2023	January 26, 2022

Annual Issuer Reporting and Reconciliation

By March 1, 2023, all issuers subject to this Bulletin must submit the following documents to OSI using the secure online data sharing portal provided to the issuer's primary contact:

1. A completed version of Annual Reporting Template which can be found on the initiative's webpage: https://www.osi.state.nm.us/pages/misc/small-business-health-insurance-premium-relief-initiative.

2. An attestation to the accuracy of the submission, signed by a senior executive.

No later than May 12, 2023, OSI will inform issuers of reconciliation amounts. If an issuer owes the Fund, the refund payment must be made to OSI no later than June 15, 2023. If the Fund owes an issuer, OSI will make issue payment of the refund amount no later than June 15, 2023. If an issuer wishes to dispute reconciliation amounts after OSI notification, it must submit the dispute to Colin.Baillio@state.nm.us no later than May 19, 2023.

TABLE 2: Reconciliation Deadlines

Reconciliation Activity	Deadline
Submission of Annual Data	March 1, 2023
OSI Notice of Reconciliation Amounts	May 12, 2023
Submission of Reconciliation Disputes	May 19, 2023
Reconciliation Payments Due	June 15, 2023

Small Business Notification

All issuers subject to this Bulletin must notify small group QHP purchasers of the premium discount/credit. Issuers may include the notice in renewal letters issued within 60 days of July 1, 2022, or in a separate letter describing the initiative. All letters must be approved by OSI.

The following language must be included in the initial letter if the issuer is providing a **discount**:

> "During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass legislation establishing a Health Care Affordability Fund. On April 8, 2021, Governor Lujan Grisham signed Section 59A-23F-11 NMSA 1978 into law, which allows the New Mexico Office of Superintendent of Insurance (OSI) to reduce health insurance premiums for small businesses. Beginning July 1, 2022, a 10% discount will be applied to your monthly premium as part of the Small Business Health Insurance Premium Relief Initiative. You will see the 10% discount applied to your premium on all invoices received after July 1 through the rest of the year. You do not need to take any action to receive this discount.
>
> Please note that the initiative is subject to legislative appropriation and the discount percentage could change from year-to-year. Should the discount percentage change, it will typically occur on January 1. Businesses that do not renew coverage on January 1 should take this factor into consideration when selecting plans.
>
> [ISSUER NAME] will inform you in advance if any changes are made to the initiative. If you have any questions about the initiative, please visit https://bit.ly/381OiBI."

The following language must be included in the initial letter if the issuer is providing a **credit**. If the credit is applied on July invoices, issuers should include the first option in the brackets. If the credit is applied on August invoices, issuers should include the second option in the brackets.

> "During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass legislation establishing a Health Care Affordability Fund. On April 8, 2021, Governor Lujan Grisham signed Section 59A-23F-11 NMSA 1978 into law, which allows the New Mexico Office of Superintendent of Insurance (OSI) to reduce health insurance premiums for small businesses. Starting in ["July" OR "August"], a credit will be including in your invoice that reduces your July premium by 10%. This reduction will apply through the rest of the calendar year. This premium reduction is part of OSI's Small Business Health Insurance Premium Relief Initiative. You will see the 10% credit applied to your premium on all invoices received after ["July 1" OR "August 1"] through ["the rest of the calendar year" OR "January of 2023"]. You do not need to take any action to receive this credit.
>
> 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, it will typically occur on January 1. Businesses that do not renew coverage on January 1 should take this factor into consideration when selecting plans.

> [ISSUER NAME] will inform you in advance if any changes are made to the initiative. If you have any questions about the initiative, please visit https://bit.ly/381OiBI."

For new groups, issuers should include a letter with details about the initiative alongside other materials. The letter should include the language below. Bracketed information should be filled out by the issuer based on its preferred premium reduction method.

> "During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass legislation establishing a Health Care Affordability Fund. On April 8, 2021, Governor Lujan Grisham signed Section 59A-23F-11 NMSA 1978 into law, which allows the New Mexico Office of Superintendent of Insurance (OSI) to reduce health insurance premiums for small businesses. Beginning July 1, 2022, a 10% premium reduction will be applied to your monthly premium as part of OSI's Small Business Health Insurance Premium Relief Initiative. You will see the 10% ["discount" OR "credit"] applied to your premium on all invoices received throughout 2022. You do not need to take any action to receive this premium reduction.
>
> Please note that the initiative is subject to legislative appropriation and the discount percentage could change from year-to-year. Should the discount percentage change, it will typically occur on January 1. Businesses that do not renew coverage on January 1 should take this factor into consideration when selecting plans.
>
> [ISSUER NAME] will inform you in advance if any changes are made to the initiative. If you have any questions about the initiative, please visit https://bit.ly/381OiBI."

For all renewal notices issued for coverage with a start date after September 1, 2022, issuers should include the language below in renewal letters. Bracketed information should be filled out by the issuer based on its preferred premium reduction method.

> "During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass legislation establishing a Health Care Affordability Fund. On April 8, 2021, Governor Lujan Grisham signed Section 59A-23F-11 NMSA 1978 into law, which allows the New Mexico Office of Superintendent of Insurance (OSI) to reduce health insurance premiums for small businesses. Beginning July 1, 2022, a 10% premium reduction will be applied to your monthly premium as part of OSI's Small Business Health Insurance Premium Relief Initiative. You will see the

10% ["discount" OR "credit"] applied to your premium on all invoices received throughout 2022. You do not need to take any action to receive this premium reduction.

Please note that the initiative is subject to legislative appropriation and the discount percentage could change from year-to-year. Should the discount percentage change, it will typically occur on January 1. Businesses that do not renew coverage on January 1 should take this factor into consideration when selecting plans.

[ISSUER NAME] will inform you in advance if any changes are made to the initiative. If you have any questions about the initiative, please visit https://bit.ly/381OiBI."

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 is due New Mexico's Small Business Health Insurance Premium Relief Initiative. The materials should also provide a link to OSI's Initiative webpage and OSI's phone number. All marketing materials must be approved by OSI.

Please direct any questions regarding this bulletin to Colin Baillio at (505) 490-3178, or via e-mail at Colin.Baillio@state.nm.us.

ISSUED this 20th day of April, 2022.



RUSSELL TOAL
SUPERINTENDENT OF INSURANCE