NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

New Mexico Health Insurance Exchange Progress Report

Presentation to Legislative Health and Human Services Committee
Joint Meeting with the Federal Funding Stabilization and Affordability Subcommittee

August 18, 2026

Key Takeaways

- New Mexico has made purchasing insurance through the health insurance exchange more affordable by expanding state subsidy assistance.
- As premium costs soar nationwide, New Mexico insulated enrollees from the impact by absorbing a greater share of the costs.
- New Mexico may need to consider cost-containment measures to ensure the long-term sustainability of the fund.

Key Responsibilities of Agencies

Health Care Authority

- Manages the Health Care Affordability Fund, which funds the affordability programs that lower premiums and out of pocket costs for eligible individuals on the exchange
- Coordinates with BeWell for healthcare coverage
- Holds a seat on BeWell's governing board

BeWell

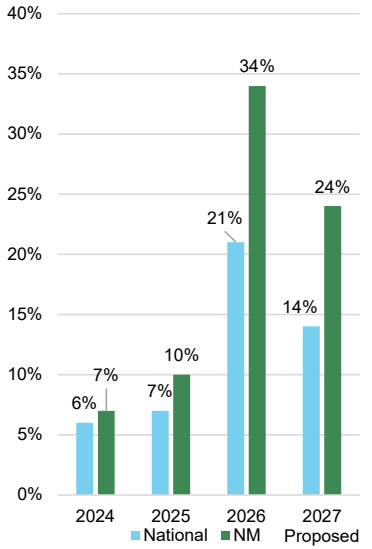
- New Mexico's Health Insurance Exchange
- Operates as independent state-based marketplace with governing Board of Directors
- Runs enrollment operations and publishes enrollment dashboards
- Enrolls New Mexicans in ACA-compliant health and dental plans, offering standardized options and enrollment support

Office of the Superintendent of Insurance

- Guarantees that plans sold on the Exchange meet state and federal consumer protection requirements
- Approves which health plans (Qualified Health Plans) can be sold on BeWell
- Reviews and approves rates
- Holds a seat on BeWell's governing board

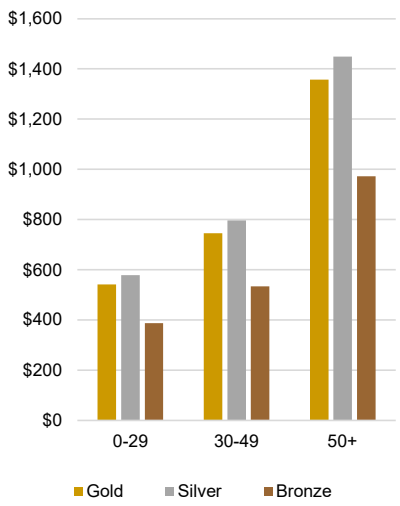
Exchange Premiums

Average Premium Increase from the Previous Year



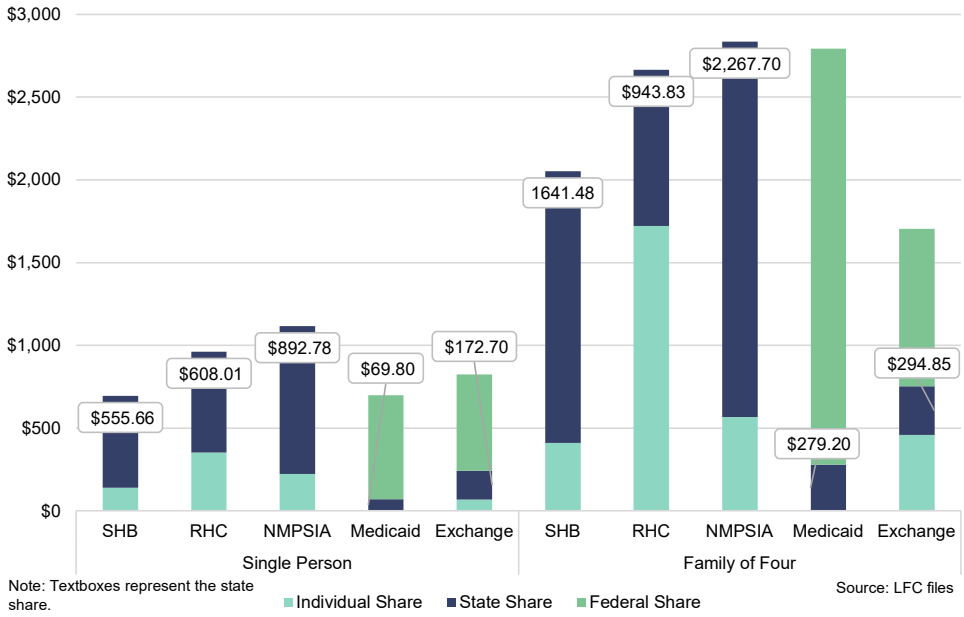
Source: KFF and Healthcare.gov

2026 Average Marketplace Premiums by Age Group



Source: LFC analysis of marketplace premiums

Monthly Coverage Costs of Most Commonly Enrolled-In Plans



Note: Textboxes represent the state share.

Source: LFC files

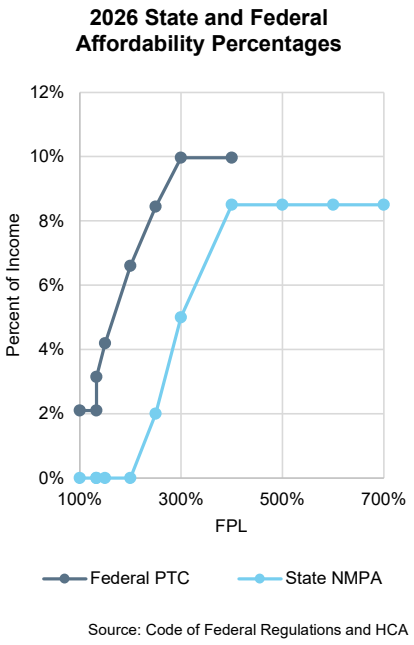
Exchange Subsidies

Federal: Advance Premium Tax Credits

- **Eligibility:** Income between 100 and 400 percent FPL.
- **Funding:** Federal funding paid to insurers, subject to end of year reconciliation.
- **Income contribution:** Between 2.1% to 9.96%
- **Projected 2026 cost:** $494.4 million

State: NM Premium Assistance

- **Eligibility:** All income levels determined by HCA.
- **Funding:** HCAF funding paid to insurers, not subject to reconciliation.
- **Income contribution:** Between 0% to 8.5%.
- **Projected 2026 cost:** $147 million



Source: Code of Federal Regulations and HCA

State: State Out-of-Pocket Assistance

- **Eligibility:** Income between 100 and 400 percent FPL.
- **Funding:** HCAF paid to insurers, subject to biannual reconciliation.
- **Cost-reduction:** out-of-pocket costs reduced up to 99 percent though turquoise plans.
- **Projected 2026 cost:** $39.1 million

Key Points

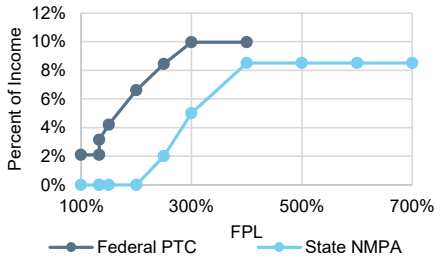
Premium Subsidies Keep Monthly Payments Below a Certain Percentage of Income on a Sliding Scale

Federal Poverty Level Incomes

Percent of FPL	Individual Income	Family of Four Income
100%	$15,960	$33,000
133%	$21,227	$43,890
200%	$31,920	$66,000
300%	$47,880	$99,000
400%	$63,840	$132,000
500%	$79,800	$165,000
600%	$95,760	$198,000
700%	$111,720	$231,000

Source: US HHS

2026 State and Federal Affordability Percentages



Source: Code of Federal Regulations and HCA

2026 Average Premium and Subsidy per Person

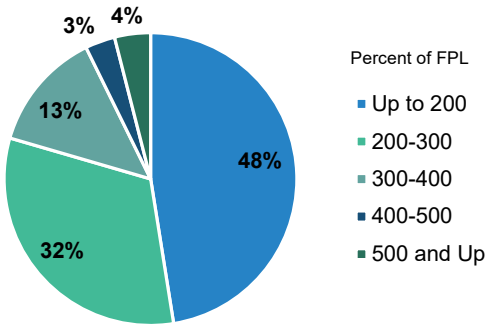
FPL	Premium Before Subsidy	Federal Subsidy	State Subsidy	Premium After Subsidy	Count of Single Members
<100	$752	$30	$721	$77	677
100-200	$869	$736	$121	$10	15,763
200-300	$818	$575	$172	$67	10,445
300-400	$882	$481	$151	$251	3,486
400-500	$894	$1	$502	$449	828
500-600	$942	$0	$509	$547	387
600-700	$954	$0	$499	$612	208
>=700	$969	$0	$393	$793	255
Unsubsidized Enrollees	$776	$0	$0	$776	1,926

Note: Following the expiration of pandemic-era subsidies, the federal government no longer provides a subsidy above 400 percent FPL.

Source: LFC analysis of BeWell data

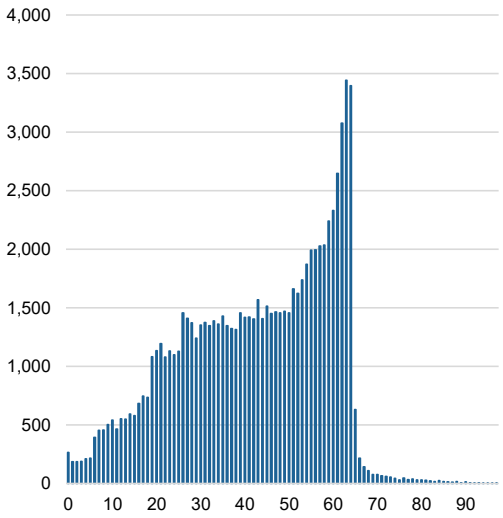
Enrollment on the Exchange is Concentrated Among Lower-income, older New Mexicans

2026 BeWell Enrollment by FPL



Source: LFC analysis of BeWell data

2026 BeWell Enrollment by Age



Source: LFC Analysis of BeWell Data

Premium Assistance for Individual by Income and Age
(Santa Fe Rating Area)

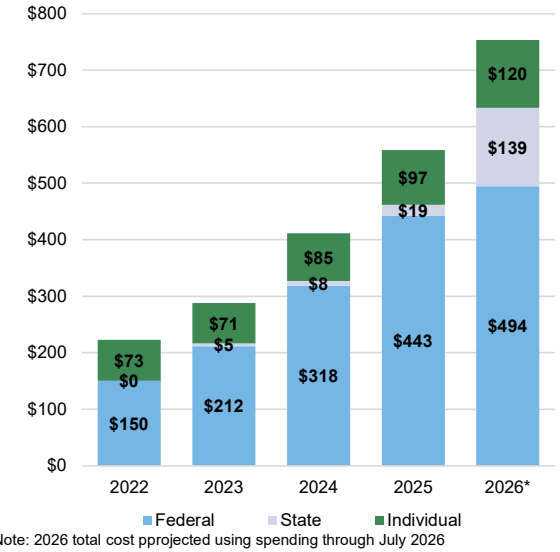
FPL	Age	Feds Pay	State Pays	Individual Pays
200%	21	$346.16	$227.73	$0.00
	40	$491.20	$242.24	$0.00
	55	$987.87	$291.90	$0.00
400%	21	$0.0	$69.52	$452.20
	40	$136.89	$77.67	$452.20
	55	$633.56	$77.67	$452.20
600%	21	$0.00	$0.00	$521.72
	40	$0.00	$0.00	$666.76
	55	$0.00	$485.13	$678.30

Note: Premiums increase by an assigned factor every year of age.

Source: LFC Analysis

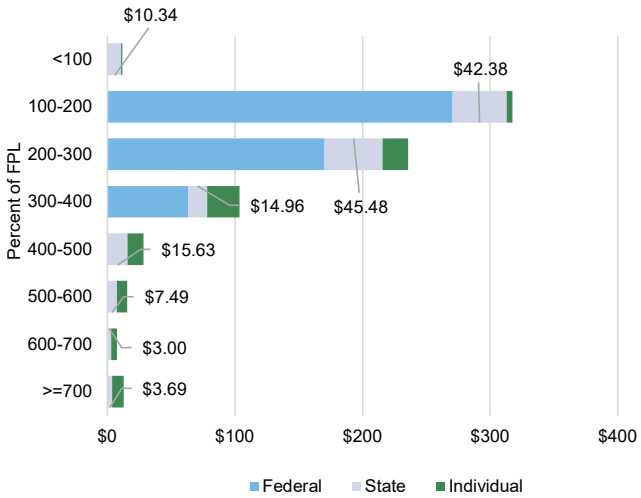
The State and Federal Government Share the Cost of Premium Subsidies, but the State's Share Substantially Increased for 2026

Total Premium Spending Over Time by Payer
(in millions)



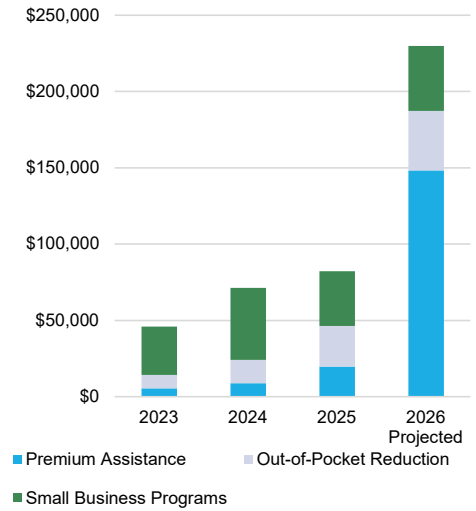
Note: 2026 total cost pprojected using spending through July 2026
Source: LFC analysis of BeWell da

2026 Projected Total Premium Spending by FPL and Payer
(state share labeled in millions)



Note: Projected annual spending based on January 2026 enrollment.
Source: LFC analysis of BeWell data

HCAF Program Spending
(in thousands)



Note: 2026 spending projected based on average spending though March.
Source: LFC analysis of HCA data

Federal Changes to Healthcare Programs may Impact Enrollment and Increase Administrative Burdens

IMPACTS TO ENROLLMENT

IMPACTS TO COST

IMPACTS TO ADMIN

2025 H.R.1: Medicaid work requirements and citizenship eligibility changes

2027 NBPP: Benefit defrayal, remove some special enrollment periods, new exchange audit requirements

Recommendations

- Strengthen income verification methods
- Enhance tracking/reporting of utilization
- Increase public reporting of methodology, policies, and data
- Consider modifications to income caps and program eligibility for HCAF sustainability