LEWIS & ELLIS
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Health Care Affordability Fund Program Cost, Enrollment, and Sustainability Analysis

New Mexico Health Care Authority

State of New Mexico

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INTRODUCTION

The State of New Mexico's Health Care Authority (HCA) has implemented several affordability initiatives designed to lower health coverage costs and reduce barriers to enrollment for individuals, families, and small employers. The Health Care Affordability Fund (HCAF) provides a dedicated funding source for programs that support premium assistance and cost-sharing assistance in the individual market, as well as premium relief in the small group market.

Lewis & Ellis, LLC (L&E) analyzed the HCAF programs included in HCA's scope for this report, including projected state costs and enrollment impacts. The modeled programs are the Small Business Premium Relief Initiative, DACA Coverage Program, and the Health Insurance Marketplace Affordability Program offered through BeWell, New Mexico's Health Insurance Marketplace. The estimates are presented for plan years 2027 and 2028, and for State Fiscal Years 2027 and 2028 (FY27 and FY28).

This report has been prepared for the HCA to support annual legislative reporting and policy decision-making for HCAF programs. The analysis reflects program parameters, data, and policy information available at the time the analysis was performed. Actual results may differ from the estimates due to changes in enrollment, premiums, federal or state policy, issuer behavior, and other factors discussed in this report.

EXECUTIVE SUMMARY

The HCAF supports programs designed to lower health coverage costs for New Mexicans in the individual and small group markets. L&E projected the state cost and enrollment impact of the Small Business Premium Relief Initiative; the DACA Coverage Program; and the Health Insurance Marketplace Affordability Program, including New Mexico Premium Assistance, Native American Premium Assistance, Medicaid Transition Premium Relief, Puente Health Program, Middle Income Households Program, and State Out-of-Pocket Assistance through Turquoise plan variants.

Table 1: State Cost Summary by Program, Best Estimate

HCAF Program ($ millions)	PY2027	FY2027	PY2028	FY2028
Small Business Premium Relief	51.0	49.5	54.2	52.6
Marketplace Affordability Program	231.5	192.0	176.0	204.9
DACA Coverage Program	0.5	0.5	0.6	0.5
Total HCAF Programs Modeled	283.0	242.0	230.8	258.0

The projections reflect best-estimate assumptions for enrollment, premiums, member behavior, and program eligibility. Actual results may differ from the estimates due to changes in enrollment, premiums, federal or state policy, state program parameters, issuer participation, and consumer or employer responses to changes in coverage costs.

Table 2 summarizes potential program sustainability options identified for HCAF.

Table 2: Summary of Potential Program Sustainability Options

Option	Timing	Proposed Change	Estimated Impact ($ millions)
Option 1	PY2028	Reduce the enhanced premium assistance benchmark for eligible consumers under 200% of the Federal Poverty Level (FPL) from 10% to 5%.	19.0
Option 2	PY2028	Adopt the Inflation Reduction Act premium sliding scale up to 300% of the Federal Poverty Level and increase required contributions at higher income levels up to 600% of the FPL.	55.6

PROGRAM PARAMETERS

SMALL BUSINESS PREMIUM RELIEF INITIATIVE

The Small Business Premium Relief Initiative provides state funding to reduce premiums for small employers that purchase fully insured small group coverage. The program applies to coverage purchased in the small group market and is intended to make employer-sponsored coverage more affordable for small businesses and their employees.

For the projection period modeled in this report, L&E reflected premium relief percentages by metal tier. State subsidy costs were estimated by applying the applicable premium relief percentage to projected issuer premium revenue for the eligible small group coverage enrollees. The program's current parameters reduce Bronze and Silver premiums by 10%, and Gold and Platinum premiums by 15%. Since employers determine how premium savings are allocated between employer and employee premium contributions, the amount of premium relief ultimately reflected in employee contributions may vary across employers.

MARKETPLACE AFFORDABILITY PROGRAM

The Marketplace Affordability Program reduces premiums and out-of-pocket costs for eligible consumers who enroll in qualified health plans through the BeWell Marketplace. For purposes of this report, L&E modeled the Marketplace Affordability Programs as distinct HCAF-funded individual market programs and summarized their combined cost in the individual market affordability results.

NEW MEXICO PREMIUM ASSISTANCE

New Mexico Premium Assistance supplements federal premium assistance for eligible Marketplace consumers. The assistance is calculated using the second lowest cost Silver plan (also known as the "benchmark plan") in the enrollee's rating area. In PY26, for eligible consumers under 200% of the FPL, the state premium assistance calculation uses an enhanced benchmark equal to 110% of the second lowest cost Silver plan premium (see **Option 1** below for PY28 changes). For eligible consumers at other FPLs, the calculation uses the second lowest cost Silver plan premium without the enhancement. The table below shows the required contribution for eligible enrollees after the Federal Premium Tax Credit (PTC) and New Mexico Premium Assistance (see **Option 2** below for PY28 changes).

Table 3: New Mexico Premium Assistance Scale

Federal Poverty Level	NMPA Sliding Scale (Premium as % of Income)
Up to 150%	0%
150% to 200%	0%
200% to 250%	0% to 2%
250% to 300%	2% to 5%
300% to 400%	5% to 8.5%
400%+	No NMPA Assistance[1]

For qualifying Native Americans who are members of a federally recognized tribe between 300% and 400% of the FPL, the New Mexico Premium Assistance Program reduces the required contribution for the benchmark plan using a sliding scale that ranges from 1% of income at 300% of the FPL to 8.5% of income at 400% of the FPL. The table below provides benchmark premium contribution percentages for eligible Native American enrollees with household income between 300% and 400% of the FPL.

Table 4: New Mexico Premium Assistance Scale for Native Americans

Federal Poverty Level	Native American Premium Assistance Premium as % of Income
300% FPL	1.0%
325% FPL	2.9%
350% FPL	4.8%
375% FPL	6.6%
400% FPL	8.5%

[1] 8.5% for 400%+ under the Middle Income Households Program.

MIDDLE INCOME HOUSEHOLDS

The Marketplace Affordability Program for Middle Income Households extends state-funded premium assistance to eligible Marketplace consumers with household income above 400% of the FPL. For this population, the state assistance caps the cost of the benchmark plan at 8.5% of household income, subject to eligibility and program rules established by the HCA.

NATIVE AMERICAN PREMIUM ASSISTANCE

Native American Premium Assistance is an HCA program that helps eligible Native American residents lower the monthly cost of health insurance purchased through BeWell. It applies to eligible members of federally recognized tribes who enroll in qualifying Marketplace coverage with household incomes up to 300% of the FPL. For eligible enrollees selecting qualifying plans, the lowest-cost plan from each issuer is available with a $0 monthly premium. The program is designed to make Marketplace coverage more affordable by combining the federal PTC with state assistance.

PUENTE HEALTH PROGRAM

The Puente Health Program was established in response to federal eligibility changes that caused certain lawfully present noncitizens to lose access to federal premium tax credits and cost-sharing support through the Marketplace. Beginning in 2026, Puente Health covered affected consumers with household incomes below 100% of the Federal Poverty Level. For plan year 2027, the program expands to affected consumers with household incomes from 100% through 400% of the Federal Poverty Level. Puente Health provides state-funded premium assistance through the Marketplace Affordability Program framework and provides eligible enrollees with access to Turquoise 3 out-of-pocket assistance.

MEDICAID TRANSITION PREMIUM RELIEF

The Medicaid Transition Premium Relief Program eliminates the first month's premium payment for eligible households with a member transitioning from Medicaid to Qualified Health Plan coverage through BeWell. The program is intended to reduce barriers to maintaining coverage when an individual loses Medicaid eligibility and moves to Marketplace coverage.

STATE OUT-OF-POCKET ASSISTANCE

State Out-of-Pocket Assistance reduces eligible consumers' cost sharing through Turquoise plan variants. These variants increase plan actuarial value by lowering deductibles, co-payments, coinsurance, and out-of-pocket maximums for eligible consumers. Turquoise 1 and Turquoise 2 are enhanced Silver cost-sharing variants available to consumers under 200% of the FPL. Turquoise 3 is an enhanced Gold cost-sharing variant available to eligible consumers from 200% through 400% of the FPL and eligible Puente Health Program enrollees.

Table 5: State Out-of-Pocket Assistance Plan Actuarial Values and Metal Levels

Plan	FPL Range	Actuarial Value	State Out-of-Pocket Assistance Metal Level
Turquoise 1	Up to 150% FPL	99% AV	Silver
Turquoise 2	150% to 200% FPL	95% AV	Silver
Turquoise 3	200% to 400% FPL	90% AV	Gold

Under the current State Out-of-Pocket Assistance payment approach, HCA issues monthly payments to issuers during the plan year and reconciles payments based on actual utilization. For PY27, the payment timing will be updated by moving away from monthly advance payments and using biannual lump-sum payments and reconciliation. The option is expected to reduce FY27 spending by $25 million by shifting that spending into FY28. Since this changes the timing of payments rather than the underlying plan year liability, it is not expected to create ongoing savings.

DACA COVERAGE PROGRAM

HCA also administers the DACA Coverage Program, which provides state-funded premium assistance for eligible Deferred Action for Childhood Arrivals recipients enrolled in qualifying off-Marketplace Clear Cost Gold health plans.

The DACA Coverage Program is a state-funded health coverage affordability program for DACA recipients who do not have access to other health insurance. It helps eligible consumers buy off-Marketplace Clear Cost Gold health plans similar to those available through BeWell. The program applies to New Mexico residents who are current DACA recipients or who have a pending application on file with U.S. Citizenship and Immigration Services. To qualify, a consumer must also not be incarcerated, must have household income at or below 400% of the FPL, and must not have access to other health coverage such as employer-sponsored insurance, TRICARE, Medicaid, or another third-party payer program.

METHODOLOGY

DATA AND MODELING APPROACH

L&E used enrollment, premium, plan, subsidy, and program eligibility information provided by the HCA, BeWell, issuers, and other available data sources to project program costs and enrollment. L&E reviewed the data for reasonableness and summarized it into modeling cohorts used to calculate premiums, federal subsidies, state subsidies, and expected enrollment responses.

The analysis uses a best-estimate scenario for each modeled program. The projections include expected changes in premiums, enrollment, metal distribution, eligibility categories, applicable

federal and state policy, and HCA program parameters. The fiscal year estimates were developed by mapping plan year projected costs and enrollment to the State Fiscal Year periods.

SMALL BUSINESS PREMIUM RELIEF MODELING

For the Small Business Premium Relief Initiative, L&E summarized small group enrollment and premium experience by relevant rating and plan characteristics, including issuer, metal tier, rating area, and renewal timing. Historical experience was used to inform baseline enrollment and premium projections before the premium relief program parameters were applied.

Projected premiums were developed by applying the expected premium changes to the base experience. Enrollment was projected using observed market experience and assumptions for employer response to premium changes. L&E also considered how changes in relative premiums by metal level may affect enrollment, as members may shift between metal tiers when the price difference between richer and leaner plans changes.

State subsidy costs were estimated by applying the applicable premium relief percentage to projected issuer premium revenue for the eligible small group coverage enrollees. The resulting subsidy cost was summarized on a total state subsidy basis and a per member per month (PMPM) basis for plan years and State Fiscal Years.

MARKETPLACE AFFORDABILITY PROGRAM MODELING

For the Marketplace Affordability Program, L&E grouped Marketplace enrollment into cohorts that reflect the characteristics needed to calculate federal and state assistance. These characteristics include rating area, age, income as a percentage of the FPL, plan metal tier, issuer, plan variant, federal subsidy eligibility, Native American status, Puente Health eligibility, and other program eligibility indicators.

L&E projected premiums by rating area, issuer, metal tier, and plan. The federal PTC was calculated using the projected second lowest cost Silver plan and federal subsidy rules. State premium assistance was then calculated for each applicable subprogram based on the program parameters described earlier in this report.

Enrollment changes were estimated by comparing projected consumer costs before and after the applicable federal and state policy changes. The projections reflect expected consumer response to changes in net premium and benefit value, including potential shifts by metal tier when a different plan becomes more attractive after subsidies and cost-sharing assistance are applied.

State Out-of-Pocket Assistance was estimated by projecting the expected difference in enrollee cost sharing between the plan variant that would otherwise apply absent State Out-of-Pocket Assistance and the applicable Turquoise plan variant. The baseline plan variant may be either the standard plan variant or the applicable federal cost-sharing reduction variant. The estimate reflects expected allowed claims, differences in deductibles, co-payments, coinsurance, out-of-pocket maximums between the baseline variant and the Turquoise variant, as well as induced utilization associated with richer benefits and the population expected to enroll in each Turquoise level. For this modeling, the projected State Out-of-Pocket Assistance cost

represents the incremental state-funded reduction in enrollee out-of-pocket costs attributable to the Turquoise plan variants after accounting for the plan design and any applicable federal cost-sharing reduction support.

Medicaid Transition Premium Relief was estimated by identifying eligible BeWell shopping groups with at least one household member expected to transition from Medicaid to BeWell coverage and qualify for first-month premium relief. L&E reflected expected Medicaid eligibility and renewal changes under recent federal legislation, excluding individuals expected to lose Medicaid eligibility due to noncompliance with work requirements because those individuals are not expected to qualify for subsidized BeWell coverage. The estimated Medicaid Transition Premium Relief cost reflects the first-month premium that would otherwise be owed by the applicable BeWell shopping group after other applicable federal and state premium assistance is applied.

The Marketplace results were summarized separately for each Marketplace Affordability Program. The total Marketplace Affordability Program estimate equals the sum of the modeled costs for New Mexico Premium Assistance, Native American Premium Assistance, the Puente Health Program, Middle Income Households Program, Medicaid Transition Premium Relief, and State Out-of-Pocket Assistance.

DACA COVERAGE PROGRAM MODELING

For the DACA Coverage Program, L&E grouped projected enrollment into cohorts reflecting the characteristics needed to estimate state premium assistance, including rating area, issuer, age, and FPL band. DACA Coverage Program premium assistance was estimated as the difference between the gross premium for the applicable off-Marketplace Clear Cost Gold plan and the required member premium cost for each modeled cohort. The required member premium cost was determined using the DACA Coverage Program member premium cost schedule by issuer, rating area, and FPL band. The member premium cost schedule was held flat over the projection period, consistent with the 0.0% DACA Coverage Program net premium trend assumption. The resulting DACA Coverage Program premium assistance amount was calculated as the Clear Cost Gold premium less the required member premium cost, floored at zero. Total state subsidy cost was then calculated by multiplying the DACA Coverage Program premium assistance amount by projected DACA enrollment for each cohort.

RESULTS

STATE SUBSIDY COST AND ENROLLMENT SUMMARY

Table 6 summarizes the estimated state subsidy costs, enrollment, and state subsidy PMPM for the three modeled programs. The total modeled cost reflects the combined cost of the Small Business Premium Relief Initiative, the Marketplace Affordability Program, and the DACA Coverage Program.

Table 6: State Subsidy Cost, Enrollment, and PMPM Summary, Best Estimate

Program	Metric	PY2027	FY2027	PY2028	FY2028
Small Business Premium Relief Initiative	State Subsidy ($ millions)	51.0	49.5	54.2	52.6
	Enrollment	33,635	33,903	33,096	33,361
	State Subsidy PMPM	126.34	121.65	136.44	131.39
Marketplace Affordability Program	State Subsidy ($ millions)	231.5	192.0	176.0	204.9
	Enrollment	76,883	74,883	70,160	73,662
	State Subsidy PMPM	250.20	238.89	264.69	257.23
DACA Coverage Program	State Subsidy ($ millions)	0.5	0.5	0.6	0.5
	Enrollment	72	72	72	72
	State Subsidy PMPM	587.24	562.31	639.52	612.59
Total HCAF Programs Modeled	**State Subsidy ($ millions)**	283.0	242.0	230.8	258.0

SMALL BUSINESS PREMIUM RELIEF INITIATIVE

Table 7 summarizes the estimated subsidy cost and enrollment impact of the program.

Table 7: Small Business Premium Relief Results, Best Estimate

Measure	PY2027	FY2027	PY2028	FY2028
State Subsidy ($ millions)	51.0	49.5	54.2	52.6
Enrollment	33,635	33,903	33,096	33,361
State Subsidy PMPM	126.34	121.65	136.44	131.39

MARKETPLACE AFFORDABILITY PROGRAM

Table 8 summarizes the estimated state subsidy cost by Marketplace Affordability Program.

Table 8: Marketplace Affordability Program State Cost by Component, Best Estimate

Measure ($ millions)	PY2027	FY2027	PY2028	FY2028
New Mexico Premium Assistance	128.2	123.5	83.2	106.4
Middle Income Households	33.0	30.9	22.8	28.0
Native American Premium Assistance	1.3	1.2	2.0	1.6
Puente Health	20.7	14.2	20.9	20.8
Medicaid Transition Premium Relief*	0.7	0.4	0.3	0.5
State Out-of-Pocket Assistance	47.6	21.8	46.8	47.6
Total Marketplace Affordability Program	**231.5**	**192.0**	**176.0**	**204.9**

Note: The June data for the MTPR program was partially incomplete and adjustments will be made in the July report.

DACA COVERAGE PROGRAM

Table 9 summarizes the estimated state subsidy cost for the DACA Coverage Program.

Table 9: DACA Coverage Program State Subsidy, Best Estimate

Measure ($ millions)	PY2027	FY2027	PY2028	FY2028
DACA Coverage Program	0.5	0.5	0.6	0.5

PROGRAM SUSTAINABILITY OPTIONS

The options summarized in this section identify changes that could reduce HCAF program spending through changes to premium assistance parameters starting January 1, 2028. The options are included in the best-estimate program results shown above. L&E will continue to review and refine these estimates, including the underlying assumptions and drivers of savings, and additional detail on potential sustainability options will be included in future reports.

Table 10: Program Sustainability Options

Option / Timing	Program Area	Proposed Change	Estimated Impact ($ millions)
Option 1 / PY2028	Premium assistance benchmark	Reduce the enhanced benchmark multiplier for eligible consumers under 200% of the FPL from 10% to 5%.	19.0
Option 2 / PY2028	Premium contribution scale	Adopt the Inflation Reduction Act premium sliding scale up to 300% of the FPL and increase required contributions for higher income ranges up to 600% of the FPL.	55.6

PREMIUM ASSISTANCE BENCHMARK ENHANCEMENT (OPTION 1)

Option 1 would reduce the enhanced premium assistance benchmark for eligible consumers under 200% of the FPL. HCA currently applies a 10% multiplier on top of the second lowest cost Silver plan for this population. The enhanced benchmark was intended to provide lower-income enrollees access to additional $0 premium options. The option would reduce the enhancement to 5%.

The estimated premium assistance savings is $19 million in PY28.

PREMIUM SLIDING SCALE (OPTION 2)

Option 2 would revise premium assistance by aligning the state premium contribution scale with the Inflation Reduction Act scale up to 300% of the FPL and increasing required benchmark

premium contributions for consumers above 300% of the FPL up to a cap of 600% of the FPL. The option would reduce program spending by an estimated $56 million.

Table 11 compares the current percentage of household income spent on the benchmark plan premium to the percentage that would apply under Option 2.

Table 11: Option 2 Benchmark Silver Premium Contribution Scale

FPL Range	Current % of Income Spent on Benchmark Silver Premium	Option 2 % of Income Spent on Benchmark Silver Premium
Under 150% FPL	0%	0%
150% - 200% FPL	0%	0% - 2%
200% - 250% FPL	0% - 2%	2% - 4%
250% - 300% FPL	2% - 5%	4% - 6%
300% - 400% FPL	5% - 8.5%	6% - 9%
400% - 500% FPL	8.5%	9% - 10.5%
500% - 600% FPL	8.5%	10.5% - 12%
Over 600% FPL	8.5%	N/A

KEY CONSIDERATIONS

FEDERAL AND STATE POLICY ENVIRONMENT

The Marketplace projections are sensitive to federal eligibility and subsidy rules. Changes to the federal PTC, federal Cost Sharing Reductions, eligibility rules for lawfully present noncitizens, and/or Marketplace enrollment procedures could materially change enrollment and state costs. State program parameters and legislative appropriations also affect the cost and impact of the modeled programs.

A key source of uncertainty in the Marketplace Affordability Program estimate is the limited information available to determine which individuals identified for additional review will be affected by the 2027 federal eligibility changes and will therefore qualify for Puente Health. For projection purposes, 50% of individuals in this category were included in the estimated Puente Health population. Under this assumption, the best estimate includes approximately 1,189 affected consumers, or roughly 2% of current Marketplace Affordability Program eligible enrollment in the April 1, 2026, BeWell enrollment file. This assumption has a material effect as each additional eligible consumer may affect premium assistance, Puente Health costs, and eligibility for Turquoise cost-sharing support.

ENROLLMENT RESPONSE

The projections incorporate assumptions regarding consumer and employer responses to changes in premiums, plan value, and eligibility. Actual enrollment experience may differ from the projected enrollment if consumer or employer responses differ from the modeled

assumptions. Marketplace enrollment is influenced by changes in net premiums, plan value, and eligibility, while small group enrollment depends in part on employer decisions regarding the cost of offering coverage.

Changes in relative premiums by metal tier can affect plan selection and the distribution of members across Bronze, Silver, Gold, Platinum, and Turquoise plan options.[3] In the Marketplace, richer cost-sharing assistance may also increase service utilization compared to less generous plan variants.

DATA AND OPERATIONAL CONSIDERATIONS

The estimates depend on the completeness and accuracy of enrollment, premium, plan, and subsidy data. Operational decisions by the HCA, BeWell, and issuers may also affect final program costs, particularly for programs that require eligibility determination, payment reconciliation, or mid-year adjustments.

[3] Platinum plans are not currently offered on the BeWell Marketplace.

APPENDICES

APPENDIX A: DATA RELIANCE

L&E relied on information and data provided by the HCA, BeWell, issuers, and publicly available sources. The data used in the analysis included Marketplace enrollment and plan information, premium and subsidy data, small group enrollment and premium data, program policy manuals, and other information provided during the course of the engagement.

APPENDIX B: CAVEATS AND LIMITATIONS

The guidance provided in this report is based on evaluating a specific set of assumptions and should be used to evaluate a range of potential outcomes. Actual experience will deviate from the projections evaluated.

The analysis reflects the program parameters and information available at the time the analysis was performed. L&E did not perform a detailed audit of the data. To the extent that the information is incomplete or inaccurate, the results in the report may be incomplete or inaccurate.

L&E made several assumptions in performing the analysis. Several of these assumptions are subject to material uncertainty, and it is expected that actual results could materially differ from the projections.

Examples of uncertainty inherent in the assumptions include, but are not limited to:

- Data Limitations
  - L&E relied on the data submitted from the New Mexico Health Care Authority for significant portions of this analysis. To the extent that the data is inaccurate, the analysis will be impacted.
- Enrollment Uncertainty
  - The small business analysis does not determine how employers allocate premium savings between employer and employee contributions.
  - The Marketplace analysis does not estimate every potential operational or behavioral response that could occur under the programs.
- Political and Health Policy Uncertainty
  - Future changes to federal or state law, marketplace operations, issuer participation, or program funding could affect the results.

This report has been prepared for the New Mexico Health Care Authority for discussion purposes in relation to the Health Care Affordability Fund program cost, enrollment, and sustainability analysis. Any other use may not be appropriate. L&E understands that this report may be distributed to other parties; however, any user of this report must possess a certain level of expertise in actuarial science and/or health insurance so as not to misinterpret the data presented. Any distribution of this report should be in its entirety. Any third party with access to this report acknowledges, as a condition of receipt, that L&E does not make any representations or warranties as to the accuracy or completeness of the material. Any third party with access to

these materials cannot bring suit, claim, or action against L&E, under any theory of law, related in any way to this material.

APPENDIX C: DISCLOSURES

The Actuarial Standards Board (ASB), vested by the U.S.-based actuarial organizations, promulgates Actuarial Standards of Practice (ASOPs) for use by actuaries when providing professional services in the United States.

Each of these organizations require its members, through its Code of Professional Conduct, to observe the ASOPs of the ASB when practicing in the United States. ASOP 41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained in the following.

IDENTIFICATION OF THE RESPONSIBLE ACTUARIES

The responsible actuaries are:

Josh Hammerquist, FSA, MAAA, Vice President & Principal
Jason Doherty, FSA, MAAA, Vice President & Consulting Actuary
Matthew Damiani, ASA, MAAA, Consulting Actuary

The actuaries are available to provide supplementary information and explanation.

IDENTIFICATION OF ACTUARIAL DOCUMENTS

The date of this document is June 30, 2026. The date (a.k.a., "latest information date") through which data or other information has been considered in performing this analysis is June 26, 2026.

DISCLOSURES IN ACTUARIAL REPORTS

- This report has been prepared for the sole use of the Health Care Authority management to use in evaluating Health Care Affordability Fund program sustainability and modeling program costs. Lewis & Ellis, LLC, understands that the Health Care Authority may provide the report to the New Mexico Legislature and that it may be made public. Any distribution of this report should be made in its entirety.
- Lewis & Ellis, LLC, is not aware of anything that would impair or seem to impair the objectivity of the work.
- The purpose of this report is to assist the Health Care Authority with annual legislative reporting and evaluation of the Health Care Affordability Fund program costs, enrollment impacts, member affordability, and program sustainability.
- The responsible actuaries identified above are qualified as specified in the Qualification Standards of the American Academy of Actuaries.
- Lewis & Ellis, LLC, has reviewed the data provided for reasonableness but has not audited it. Lewis & Ellis, LLC, nor the responsible actuaries assume responsibility for items that may have a material impact on the analysis. To the extent that there are material

inaccuracies in, misrepresentations in, or a lack of adequate disclosure of the data, the results may be affected accordingly.
- Lewis & Ellis, LLC, is not aware of any subsequent events that may have a material effect on the findings.

ACTUARIAL FINDINGS

The actuarial findings of the report can be found in the body of this report.

METHODS, PROCEDURES, ASSUMPTIONS, AND DATA

The methods, procedures, assumptions, and data used can be found in the body of this report.

ASSUMPTIONS OR METHODS PRESCRIBED BY LAW

This report was prepared as prescribed by applicable law, statutes, regulations, and other legally binding authorities.

RESPONSIBILITIES FOR ASSUMPTIONS AND METHODS

The actuaries do not disclaim responsibility for material assumptions or methods.

DEVIATION FROM THE GUIDANCE OF AN ASOP

The actuaries do not believe that material deviations from the guidance set forth in an applicable ASOP have been made.

ACTUARIAL STANDARDS OF PRACTICE

L&E completed the analysis using sound actuarial practice. To the best of our knowledge, the methods used in the analysis comply with the applicable Actuarial Standards of Practice. The actuaries do not believe that material deviations from applicable Actuarial Standards of Practice have been made, and a summary of applicable ASOPs are listed below:

ASOP No. 23, Data Quality

ASOP No. 41, Actuarial Communication

ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act

ASOP No. 56, Modeling