

LFC Requester:

Ruby Ann Esquibel

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 1/28/26

Check all that apply:

Bill Number: SB 21Original Correction Amendment Substitute

Sponsor: Elizabeth "Liz" Stefanics, Pete Campos, Martin Hickey, and Rex Wilson

Agency Name and Code Number:

New Mexico Retiree Health Care Authority 34300

Short Title: MEDICARE SUPPLEMENT OPEN ENROLLMENT

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$0	\$0	\$0		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

This legislation amends New Mexico's Medicare Supplement Act to require issuers of Medicare supplement (Medigap) policies to offer an annual open enrollment period for eligible policyholders age sixty-five and older. The bill establishes a guaranteed sixty-day open enrollment window beginning the first day of the month of an individual's birthday month, during which policyholders may switch to a Medicare supplement policy of equal or lesser value without medical underwriting or premium discrimination based on health status. It also prohibits new preexisting condition exclusions for coverage previously held and requires issuers to provide advance written notice of the open enrollment period, policyholder rights, and any premium or policy changes, subject to approval by the superintendent of insurance.

FISCAL IMPLICATIONS

Senate Bill 21 (SB21) has no direct fiscal impact on the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA is a public authority and health care purchaser operating under NMSA 1978, Chapter 10, Article 7C and the Health Care Purchasing Act (NMSA 1978, Sections 13-7-1 through 13-7-10). The bill does not require changes to premiums, benefits, or enrollment cycles established under statute or rule. Any administrative impacts are indirect and limited to member education.

SIGNIFICANT ISSUES

NMRHCA administers a self-insured Medicare Supplement (Medigap) plan that covers costs not paid by Medicare Parts A and B and includes Medicare Part D coverage through a carved-out Employer Group Waiver Plan (EGWP). As a public plan sponsor and benefit administrator, NMRHCA does not underwrite, medically rate, or deny coverage based on health status.

Enrollment and eligibility for NMRHCA coverage are governed by NMSA 1978, Chapter 10, Article 7C, Title 2, Chapter 81 NMAC, and the Health Care Purchasing Act. NMRHCA allows annual switch enrollment for current members across Medicare Advantage Prescription Drug (MAPD) and Medicare Supplement offerings; biennial open enrollment for non-enrolled retirees during January of odd-numbered years; advance notice to members approaching Medicare eligibility at age 65; and mid-year changes for CMS-aligned qualifying events.

SB 21 does not amend the Retiree Health Care Authority Act, NMAC 2.81, or the Health Care Purchasing Act. The bill regulates Medicare supplement issuer underwriting practices under the Insurance Code and is enforced by the Office of Superintendent of Insurance.

PERFORMANCE IMPLICATIONS

No performance impacts are anticipated. Existing NMRHCA enrollment systems, eligibility determinations, and CMS coordination processes remain unchanged.

ADMINISTRATIVE IMPLICATIONS

Administrative obligations created by SB 21 apply to Medicare supplement issuers, not to NMRHCA. NMRHCA does not issue insurance policies and is not required to establish an annual open enrollment period for non-enrolled retirees as a result of this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None identified

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 21 is not enacted, NMRHCA will continue to follow current enrollment processes. Some Medicare-eligible retirees may remain subject to commercial Medigap underwriting practices outside of the Authority's self-insured plan, despite being eligible to change coverage under NMRHCA rules.

AMENDMENTS

None