

LFC Requester:	
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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: 2/3/2026 *Check all that apply:*
Bill Number: SB 21 Original Correction
 Amendment Substitute

Sponsor: Elizabeth (Liz) Stefanics, Pete Campos, Martin Hickey, and Rex Wilson
Short: MEDICARE SUPPLEMENT OPEN ENROLLMENT
Agency Name and Code Number: Aging and Long-Term Services Department - 6400
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NA	NA	NA	NA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA	NA	NA	NA

(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	NA	NA	NA	NA	NA	NA

(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: Senate Bill 21 (SB 21) amends the New Mexico Medicare Supplement Act to require insurers that sell Medicare Supplement (Medigap) policies to provide an annual 60-day open enrollment period for eligible policyholders. As defined by SB 21, an eligible policyholder is a beneficiary, age sixty-five years or older, with Medicare Supplement (Medigap) coverage. The 60-day open enrollment period commences on the first day of the eligible policyholder's birthday month. This “birthday rule” allows eligible policyholders to change to a Medicare Supplement plan of equal or lesser benefit level without undergoing medical underwriting.

The bill intends to increase consumer choice and stabilize the Medigap insurance market by reducing barriers to switching plans.

FISCAL IMPLICATIONS:

No direct fiscal impact on ALTSD’s operating budget.

SIGNIFICANT ISSUES:

Federal law gives a one-time, 6-month open enrollment period when a Medicare beneficiary first enrolls in Part B; outside of that, guaranteed issue rights are very limited.¹

California, Oregon, Idaho, Kentucky, Louisiana, Oklahoma, Maryland, Nevada, Utah, Virginia and Wyoming allow annual plan changes around a beneficiary’s birthday. The birthday or anniversary rule allows a beneficiary the ability to change Medigap plans during a short window tied to the beneficiary's birthday. Illinois allows annual Medigap plan changes during a defined enrollment window.²

Many states, including New Mexico, do not provide annual guaranteed issue rights, and beneficiaries must face the underwriting process in order to apply for Medigap coverage. Consequently, they are frequently denied or cannot afford Medigap coverage due to their health conditions.³

Annual guaranteed enrollment ensures that beneficiaries—particularly those with chronic or worsening health conditions—can change plans when the need arises.

¹*When does federal law require guaranteed issue protections for Medigap?*: <https://www.kff.org/medicare/medigap-enrollment-and-consumer-protections-vary-across-states/>

² <https://medicareguide.com/medigap-birthday-rules-2025>

³ *When does federal law not provide guaranteed issue protections for Medigap?*

<https://www.kff.org/medicare/medigap-enrollment-and-consumer-protections-vary-across-states/>

New Mexico has **462,936 Medicare beneficiaries** (including Medicare Advantage and Original Medicare) (as of Sept. 2024), including **71,380 Medigap enrollees**.⁴ Annual enrollment expands access to certainty and affordability for thousands of residents.

In FY25 ALTSD's Aging and Disability Resource Center (ADRC) – State Health Insurance Assistance Program (SHIP) has received **over 2,000 calls** from constituents regarding eligibility and the right of guaranteed issue. Of the calls received, there are many examples of beneficiaries who have had a Medigap policy for many years and reach a point where the premium has increased so much that they can no longer afford to continue the coverage on their limited income. This forces them to make a very difficult decision about their options:

- Continuing current coverage at the expense of their quality of life.
- Drop the no-longer-affordable Medigap and continue with Original Medicare, which leaves them vulnerable to catastrophic medical costs since Medicare pays for 80%, leaving them responsible for 20% of their medical costs with no out-of-pocket limits.
- Switch from Original Medicare to Medicare Advantage (which includes out-of-pocket limits).

For many New Mexicans, switching to Medicare Advantage is not a viable option for the following reasons:

- **Provider Network Limitations:** Beneficiaries report that MAPs have restricted their access to preferred physicians and specialists.
- **Geographic Network Gaps:** In New Mexico specifically, a shortage of Medicare providers necessitates out-of-state medical care. However, many MAPs do not provide coverage for out-of-network providers, leaving beneficiaries with limited options.
- **Geographic Coverage Gaps:** In rural and frontier areas of the state, MAP options may be very limited, or plans may not be available

Expanding guaranteed-issue access aligns with documented challenges that Medicare beneficiaries face in obtaining affordable Medigap coverage outside limited enrollment windows; under current federal law, many beneficiaries may be denied coverage or charged higher premiums due to health status, which can limit access to affordable supplemental coverage and financial protection from out-of-pocket costs.⁵ Effective consumer education will be necessary to ensure policyholders understand and utilize the new enrollment rights and to help mitigate disparities in coverage opportunities.

SB 21 follows a national trend toward expanding guaranteed issue protections while limiting eligibility to individuals already enrolled in Medigap and allowing movement only to equal or lesser benefit plans.

PERFORMANCE IMPLICATIONS

No immediate performance impacts are anticipated for ALTSD upon enactment.

SB 21 is expected to improve consumer access and choice by allowing Medicare Supplement

⁴ *Medicare Monthly Enrollment (2024)*: <https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment/data>

⁵ <https://www.kff.org/medicare/medigap-may-be-elusive-for-medicare-beneficiaries-with-pre-existing-conditions/>

policyholders to change plans annually without medical underwriting.

ADMINISTRATIVE IMPLICATIONS

No direct administrative changes are required for ALTSD to implement SB 21.

SB 21 would require the Office of Superintendent of Insurance (OSI) to review and approve insurer notifications and to oversee compliance with new annual open enrollment provisions, creating modest additional administrative and regulatory responsibilities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

No known conflict or duplication.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 21 is not enacted, Medicare Supplement policyholders would continue to face medical underwriting barriers after initial enrollment. Many older adults with health conditions would remain unable to change plans even when premiums become unaffordable.

AMENDMENTS