

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) 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: 9/30/25

Check all that apply:

Bill Number: Prefile - .232414.8SA

Original ☒ Correction ☐

Amendment ☐ Substitute ☐

Agency Name

and Code

HCA 630

Number:

Sponsor: Rep. Reena Szczepanski

Short HCAF

Person Writing

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	\$17,300.0	\$34,600.0 to \$39,790.0	Up to \$57,090.0	Recurring	HCAF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None

Duplicates/Relates to Appropriation in the General Appropriation Act: The 2025 Special Session General Appropriations Act includes an appropriation from the Health Care Affordability fund of \$17,300.0 to carry out the purpose of the bill.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill 1) clarifies and expands the circumstances under which the Health Care Authority (HCA) can provide programs to mitigate coverage losses and provides additional flexibility to develop programs outside Medicaid and the Marketplace; 2) expands eligibility for health care affordability initiatives through the state's Marketplace to those above 400% FPL if they meet all other eligibility requirements for the federal Advance Premium Tax Credit (APTC); and 3) clarifies that the HCA may expand program eligibility to those who lose eligibility for the APTC due to federal changes.

FISCAL IMPLICATIONS

HCA estimates the cost of maintaining existing federal support for the 6,300 individuals above 400% FPL would be \$17,300.0 in FY26, which represents half a fiscal year of support. That cost would increase to between \$34,600.0 and \$39,790.0 in FY27, assuming a full year fiscal year of coverage, with a 15% cost increase assumed in the higher range of the projection.

SIGNIFICANT ISSUES

Since 2021, the federal government has provided APTCs to eligible individuals and families with a household income above 400% of the Federal Poverty Level (FPL). These subsidies capped premiums for the second lowest cost Silver plan offered on the Health Insurance Marketplace at 8.5% of household income. These subsidies are scheduled to expire at the end of 2025 unless Congress acts and about 6,300 New Mexicans with incomes above 400% FPL will lose APTC eligibility. These individuals will not only lose the premium support that has helped them afford coverage, they will also face an additional 35% premium increase over to 2025 rates.

Impact of Premium Tax Credit Expiration for a Family of 3 at 400% FPL

Area	2026 Monthly Premium With Subsidies	2026 Monthly Premium Without Subsidies	Difference (\$)	Difference (%)
Bernalillo, Sandoval, Torrence, Valencia	\$755.08	\$2,240.51	\$1,485.43	197%

San Juan	\$755.08	\$3,039.55	\$2,284.47	303%
Dona Ana	\$755.08	\$2,937.33	\$2,182.25	289%
Santa Fe	\$755.08	\$2,848.58	\$2,093.50	277%
All Other Counties	\$755.08	\$3,136.71	\$2,381.63	315%

Note: Assumes a three-person household with two 55-year-olds and one 21-year-old; premium cost represents the second lowest cost Silver plan available.

This bill would enable HCA to provide premium support to individuals over 400% FPL.

ITD: No issues or impacts beyond the potential for needing to assist with possible changes to data interchange processes.

PERFORMANCE IMPLICATIONS

Without these changes, at least 6,300 New Mexicans will experience substantial premium increases, with older adults, rural residents, and families experiencing the greatest increases in their health care costs.

ADMINISTRATIVE IMPLICATIONS

To implement these changes on January 1, 2026, HCA would need to establish a program in partnership with BeWell, New Mexico's Health Insurance Marketplace, and health insurers offering coverage on the Marketplace to ensure premium reductions can be accurately and efficiently provided to consumers until the Marketplace IT platform can be configured to accomplish this within the system long-term. BeWell, New Mexico's Health Insurance Marketplace has confirmed that it can provide HCA with data to maintain coverage for those losing subsidies and will work diligently to integrate policy changes into its platform for a medium-term fully-integrated solution.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The New Mexico Legislature has already authorized HCA to protect coverage for individuals and families under 400% FPL. \$72,300.0 was appropriated for FY26 to ensure HCA was prepared for the loss of federal premium support for lower and moderate-income individuals purchasing coverage on the Marketplace.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without these changes, at least 6,300 New Mexicans will experience substantial premium increases, with older adults, rural residents, and families experiencing the greatest increases in their health care costs.

AMENDMENTS

None.