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NEW MEXICO | OFFICE OF SUPERINTENDENT OF INSURANCE

BULLETIN 2022-018

October 3, 2022

TO: **HEALTH INSURANCE ISSUERS SELLING HEALTH BENEFIT PLANS IN THE SMALL GROUP MARKET THAT MEET QHP STANDARDS**

RE: **SMALL BUSINESS HEALTH INSURANCE PREMIUM RELIEF INITIATIVE PREMIUM REDUCTION PERCENTAGE FOR COVERAGE ACTIVE JANUARY 1, 2023 UNTIL JUNE 30, 2023; PAYMENT TIMELINE AND RECONCILIATION FOR PROGRAM YEAR 2023**

THIS BULLETIN is issued pursuant to NMSA 1978, Section 59A-23F-11, which established the Health Care Affordability Fund to "reduce premiums for small businesses and their employees." This Bulletin sets forth program parameters, requirements for issuers, and the Office of Superintendent of Insurance's (OSI's) responsibilities for forthcoming emergency rules that establish the Small Business Health Insurance Premium Relief Initiative.

Primary Issuer Contact for Matters Related to the Initiative

By December 1, 2022, all issuers subject to this Bulletin shall provide the name, title, email address, and phone number of their primary contact for all matters related to the Small Business Premium Relief Initiative to Colin.Baillio@state.nm.us. If the contact changes at any point during the year, the issuer should notify the agency promptly.

Premium Reduction Percentage

All issuers subject to this Bulletin must reduce premium charges to small group Qualified Health Plan (QHP) purchasers by the credit amount of 10% for coverage active on January 1, 2023 on or off-exchange. The Premium Reduction Credit described in this bulletin will be in effect from January 1, 2023 through June 30, 2023. This period of time will be referred to as "the first half of the 2023 Program Year." OSI will continue the credit through the rest of 2023 unless legislative appropriation requires an adjustment. OSI will issue a subsequent bulletin shortly after the state budget is signed into law.

The 10% premium reduction shall be applied by providing a credit for coverage in the invoice to small group QHP purchasers. Each issuer must inform OSI of whether the credit will be applied during the applicable billing month or the following month. It is OSI's strong preference that issuers transition to applying the credit during the applicable billing month as soon as is feasible. An issuer that initially elects to apply the credit the following month may request to switch to the applicable billing month at any time. OSI may consider requests and provide additional guidance to the carrier on how to transition.

Monthly Issuer Reporting

Issuers must submit data to OSI on a monthly basis in order to receive payment for the discount/credit provided. Until additional guidance related to retroactive adjustments is released, issuers should not report retroactive adjustments/restatements from previous months on this template. Reconciliation will occur on an annual basis, following the 2022 Program Year (see "Annual Issuer Reporting and Reconciliation" on the HCAF webpage (https://bit.ly/3LXA70f). No later than the third business day following each applicable coverage month, using the secure online data sharing portal provided to the issuer's primary contact by OSI, issuers must submit to OSI:

1. A completed version of the Monthly Reporting Template posted on the initiative's webpage: https://www.osi.state.nm.us/pages/misc/small-business-health-insurance-premium-relief-initiative.

2. An invoice specifying the amounts owed by OSI for the applicable coverage month. This invoice should include the date, the issuer's contact information, and a note that the invoice is related to the New Mexico Small Business Health Insurance Premium Relief Initiative.

Monthly Payments to Issuers

Upon verification of the submitted data and invoice described above, OSI will issue monthly electronic payments to issuers no later than 15 business days after the necessary documentation is received. TABLE 1 shows the reporting and payment deadlines for the 2023 Program Year.

TABLE 1: Monthly Reporting and Payment Deadlines

Coverage Month	Issuer Reporting Deadline	OSI Payment Deadline
January 2023	February 3 2023	February 24 2023
February 2023	March 3 2023	March 24 2023
March 2023	April 5 2023	April 26 2023
April 2023	May 3 2023	May 24 2023
May 2023	June 5 2023	June 26 2023
June 2023	July 5 2023	July 26 2023
July 2023	August 3 2023	August 24 2023
August 2023	September 6, 2023	September 27, 2023
September 2023	October 5, 2023	October 26, 2023
October 2023	November 3, 2023	November 28, 2023
November 2023	December 5, 2023	December 27, 2023
December 2023	January 5, 2024	January 26, 2024

Annual Issuer Reporting and Reconciliation

By March 3, 2024, all issuers subject to this Bulletin must submit the following documents to OSI using the secure online data sharing portal provided to the issuer's primary contact:

1. A completed version of Annual Reporting Template which can be found on the initiative's webpage: https://www.osi.state.nm.us/pages/misc/small-business-health-insurance-premium-relief-initiative.

2. An attestation to the accuracy of the submission, signed by a senior executive.

No later than May 5, 2024, OSI will inform issuers of reconciliation amounts. If an issuer owes the Fund, the refund payment must be made to OSI no later than June 16, 2024. If the Fund owes an issuer, OSI will issue payment of the refund amount no later than June 16, 2024. If an issuer wishes to dispute reconciliation amounts after OSI notification, it must submit the dispute to Colin.Baillio@state.nm.us no later than May 26, 2024.

As noted above, OSI intends to issue additional guidance that allows issuers to report retroactive adjustments on a monthly basis. Once that guidance is published, issuers that use the process should follow the reconciliation process in the updated guidance.

TABLE 2: Reconciliation Deadlines

Reconciliation Activity	Deadline
Submission of Annual Data	March 1, 2024
OSI Notice of Reconciliation Amounts	May 5, 2024
Submission of Reconciliation Disputes	May 26, 2024
Reconciliation Payments Due	June 16, 2024

Small Business Notification

All issuers subject to this Bulletin must notify small group QHP purchasers of the premium reduction credit. All letters must be approved by OSI.

The following language must be sent to all active small groups prior to January 1, 2023. A version of this letter should also be included in enrollment packets for all new groups that enroll after January 1, 2023. If the credit is applied on January invoices, issuers should include the first option in the brackets and use June in the next bracket. If the credit is applied on February invoices, issuers should include the second option in the brackets and use July in the next bracket.

> "During the 2021 legislative session, the New Mexico Legislature worked with Governor Michelle Lujan Grisham to pass legislation establishing a Health Care Affordability Fund. On April 8, 2021, Governor Lujan Grisham signed Section 59A-23F-11 NMSA 1978 into law, which allows the New Mexico Office of Superintendent of Insurance (OSI) to reduce health insurance premiums for small businesses. Under the program, you will receive a credit on your invoice that reduces your premium by 10%. This premium reduction is part of OSI's Small Business Health Insurance Premium Relief Initiative. You will see the credit applied to your premium on all invoices received after ["January 1" OR "February 1, 2023"] through ["June 1, 2023" OR "July 1, 2023"]. You do not need to take any action to receive this credit.

> Please note that the initiative is subject to legislative appropriation and the reduction percentage could change from year-to-year. Should the reduction percentage change, [ISSUER NAME] will notify you in advance. If you have any questions about the initiative, please visit https://bit.ly/381OiBI."

Advertising of Discounted/Credited Premiums

To ensure transparency, any advertising materials that display premiums at the discounted/credited price must make clear that the discount/credit is applied to the premium and is due to New Mexico's Small Business Health Insurance Premium Relief Initiative. The materials should also provide a link to OSI's Initiative webpage and OSI's phone number. All marketing materials must be approved by OSI.

Please direct any questions regarding this bulletin to Colin Baillio at (505) 490-3178, or via e-mail at Colin.Baillio@state.nm.us.

ISSUED this 3rd day of October, 2022.

RUSSELL TOAL
Superintendent of Insurance