

SUPPORT GOVERNOR'S REQUEST FOR HEALTH CARE AFFORDABILITY FUND

The Health Care Affordability Fund was passed in 2021 to improve affordability and expand coverage for families in New Mexico.

The Health Care Affordability Fund (HCAF) is funded through a **3.75%** health insurance premium surtax on insurance companies. **45%** of the revenue generated from the surtax goes to the general fund and **55%** goes to the HCAF. **In FY27 this is projected to be \$215.4 million.**

The Legislature must act now to ensure the Health Care Affordability Fund is used to **provide more New Mexicans affordable healthcare options!**



114%

Average premium cost increase expected nationwide due to expiration of federal assistance



100,000+

New Mexican residents expected to lose their healthcare coverage due to federal changes

Adopt the Executive Budget Recommendation for HCA's Budget, which:

- **Continues 10-15% premium reduction for small businesses** offering plans to their employees and their dependents.
- **Maintains lower costs for individuals on BeWell** (including \$0 premiums for Native Americans under 300% FPL) **and protects all enrollees from significant premium increases due to federal assistance that expired at the end of 2025.**
- Ensures BeWell and Medicaid enrollees who are immigrants with humanitarian status (e.g. **refugees, asylees, victims of trafficking and domestic violence**) **maintain health coverage** when they lose access to BeWell or Medicaid due to federal changes.
 - **BeWell** - Under 100% FPL, lost federal assistance January 1, 2026; 100-400% FPL will lose federal assistance January 1, 2027.
 - **Medicaid** - Losing eligibility October 1, 2026.
- **Shields over 88,000 low-income New Mexicans from a double federal penalty.** Starting in January 2027, failure to meet new Medicaid work reporting rules will cause them to lose Medicaid and be barred from federal BeWell assistance, *potentially leaving thousands just above the poverty line uninsured due to unaffordable insurance costs.*

SUPPORT GOVERNOR'S REQUEST FOR HEALTH CARE AFFORDABILITY FUND

Comparison of Governor's Budget Request and LFC Recommendation:

Budget Item	Executive Request	LFC Recommendation
Lower premiums for small businesses	\$53.6 million	\$50 million
Lower premiums and out-of-pocket costs on BeWell	\$103.7 million	\$75 million
Cap premiums for households above 400% FPL at no more than 8.5% of their income	\$38.1 million	\$0
Coverage for immigrants with humanitarian status (e.g. refugees, asylees, victims of trafficking and domestic violence) between 0-400% FPL losing BeWell assistance	\$30 million	\$20 million
Coverage for immigrants currently enrolled in Medicaid but who will lose eligibility in October	\$92.9 million	\$0
Fund administration	\$3.4 million	\$2 million
Coverage for DACA recipients	\$.7 million	\$.7 million
Subsidies for state employees under 250% FPL and national guard members on TRICARE	\$13.5 million	\$13.5 million
Medicaid costs outside HCAF purposes	\$30 million	\$30 million

The Health Care Affordability Fund is a targeted, sustainable funding source that is making care affordable for tens of thousands of hard working, tax paying residents who are struggling with healthcare costs.

