

SUPPORT HB 4: HEALTH CARE AFFORDABILITY FUND DISTRIBUTIONS



Sponsored by House Majority Floor Leader Reena Szczepanski

Since passage in 2021, the Health Care Affordability Fund (HCAF) has made healthcare for New Mexicans more affordable than ever. Drastic federal funding cuts that impact Medicaid and BeWell financial assistance threaten these affordability gains, jeopardizing healthcare coverage for New Mexican families.

NOW is the time to fully leverage the Health Care Affordability Fund (HCAF) for New Mexicans. HB 4 increases the share of surtax revenue dedicated to the HCAF, over the next several years, until the fund reaches 100% distribution, creating sustainable, reliable investments in healthcare affordability for New Mexicans.

Distribution changes to HCAF by HB 4:

- FY 2027 - 55% (No change to current distribution)
- FY 2028 - 80%
- FY 2029 - 95%
- Starting in FY 29, 5% will be directed to the Behavioral Health Program Fund (BHPF), with any unspent BHPF dollars reverting back to the Health Care Affordability Fund.

PASSED House Health & Human Services: 8-2.

PASSED House Appropriations & Finance: 10-7.

PASSED House Floor: 48-19.

PASSED Senate Floor: 24-13.

HB 4 will keep coverage affordable, prevent New Mexicans from losing healthcare, and preserve the gains the state has worked so hard to achieve.

Why the HCAF?

The HCAF was created by state legislation in 2021 as a flexible tool to use revenue generated within the healthcare system to proactively and directly improve healthcare coverage affordability for New Mexicans. **Increasing the HCAF distribution level will secure the resources needed to continue to make sustained, targeted investments in maintaining and improving affordability,** such as:

- Providing premium and out-of-pocket assistance for low- and middle-income residents, continuing to boost record BeWell enrollment.
- Supporting small businesses with discounts on insurance they provide to employees.
- Keeping access to affordable coverage options for state employees and National Guard members.
- Protecting communities most at risk of coverage loss due to federal policy changes.

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Increasing the HCAF Distribution Is Essential

- Federal action is dramatically increasing the pressure on New Mexico's healthcare coverage system.
- Federal enhanced tax credits that make coverage on BeWell more affordable expired on December 31, 2025.
- Approximately 100,000 New Mexicans will lose Medicaid coverage due to federal changes.
- New Mexicans in humanitarian immigration statuses will be locked out of Medicaid and federal tax credits on BeWell.

PASS HB 4 TO KEEP NEW MEXICANS COVERED!

Scan here for the the Systems Impact fact sheet



How the HCAF helps New Mexicans



Subsidies have more than doubled BeWell enrollment, boosting Exchange enrollment by over **125%**.



2,257 Native Americans are enrolled in BeWell coverage. Native Americans who make under 3x the federal poverty level have \$0 premium plans.



4,700 small businesses use the Fund to provide employees insurance.



Over half of Exchange enrollees—**53%**—chose a plan for **less than \$10/month**.



Covers state employees with incomes under 2.5x the federal poverty level.



Offers **New Mexico National Guard members access to affordable healthcare coverage.**