Health Insurance Marketplace
Affordability Program

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What we’ll cover today

The basics of New Mexico’s Marketplace Affordability Program (Beginning January 1, 2023).

Recent federal changes

New Mexico Premium Assistance and Turquoise Plans
Major savings for New Mexicans in 2023

• The Inflation Reduction Act will lower premiums for New Mexicans, including an extension funding to eliminate the “subsidy cliff”

• New Mexico’s Health Care Affordability Fund will lower premiums further for most beWellnm enrollees

• Lower-and-mid-income consumers will also see options with much lower out-of-pocket costs
The Health Care Affordability Fund

- To address affordability and to expand coverage, SB 317 was passed by the Legislature and signed by Governor Lujan Grisham in April 2021.

- SB 317 created the Health Care Affordability Fund (HCAF):
  - Creates a revenue stream that funds efforts to reduce health insurance costs for individuals, families, and small businesses.
  - OSI is responsible for implementing these programs.
  - The legislature approved appropriations during the 2022 legislative session.
New Mexico’s Health Insurance Marketplace Affordability Program

Beginning January 1, 2023, New Mexico will offer enhanced premium and out-of-pocket assistance on beWellNm.

• **Who qualifies?** Enhanced *premium assistance* will be available to individuals who qualify for APTCs up to 400% FPL. Enhanced *out-of-pocket assistance* will be available to individuals who qualify for APTCs up to 300% FPL.
Eligibility for Federal Financial Assistance

- **Who qualifies?** Individuals and families who:
  - Do not have access to other Minimum Essential Coverage (such as Medicare, Medicaid, or “affordable” employer-based health insurance)
    - Employer-based health insurance is defined as being “affordable” if it is less than 9.78% of a household’s income for an individual
  - Are citizens or qualifying legally-residing non-citizens; and
  - Are not incarcerated
Federal Premium Tax Credits

- Premium Tax Credits (PTCs) cap Marketplace premiums based on household income.

- Lower-income people pay a lower percentage of household income than higher-income people.

- The credit is refundable and advanceable.
  - Can be paid out monthly to make premiums more affordable.
Changes under the Inflation Reduction Act

- The Inflation Reduction Act extends enhanced federal premium subsidies for 3 more years (through 2025)
- Significantly reduces costs for those under 400% FPL by updating the premium sliding scale
- Eliminates the “subsidy cliff” that previously limited premium subsidies to those under 400% FPL
New Mexico Premium Assistance

• **Who is eligible?**
  - Individuals and families up to 400% FPL who qualify for federal premium tax credits on beWellnm

• **What does it do?**
  - Provides no-cost premium options up to 200% FPL
  - Reduces premiums for those between 200-400% FPL
  - Provides no-cost premium options for Native Americans up to 300% FPL who qualify for beWellnm and reduced premiums between 300-400% FPL
New Mexico’s Premium Sliding Scale

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>NM Sliding Scale (Premium as % of income)</th>
<th>ACA/IRA Sliding Scale (Premium as % of income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 150% FPL</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>150-200% FPL</td>
<td>0%</td>
<td>0-2%</td>
</tr>
<tr>
<td>200-250% FPL</td>
<td>0-2%</td>
<td>2-4%</td>
</tr>
<tr>
<td>250-300% FPL</td>
<td>2-5%</td>
<td>4-6%</td>
</tr>
<tr>
<td>300-400% FPL</td>
<td>5-8.5%</td>
<td>6-8.5%</td>
</tr>
<tr>
<td>400%+ FPL</td>
<td>8.5% (no state funds)</td>
<td>8.5%</td>
</tr>
</tbody>
</table>
Cost of the Silver Benchmark Plan 50-year-old in Rating Area 1

Source: OSI calculations
Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 200% FPL in Rating Area 1

Source: OSI calculations
Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 250% FPL in Rating Area 1

Source: OSI calculations
Lowest Cost Turquoise Plan from Each Carrier for a 50-year-old at 300% FPL in Rating Area 1

Source: OSI calculations
Lowest Cost Gold Plan from Each Carrier for a 50-year-old at 400% FPL in Rating Area 1

Source: OSI calculations
Federal Cost Sharing Reductions

- Cost Sharing Reductions (CSRs) lower how much enrollees pay for services.
- The assistance is available for qualifying individuals up to 250% FPL.
- Eligible enrollees must select a Silver plan to receive federal CSRs.
How the ACA’s cost sharing assistance works

Individuals and families under 250% FPL qualify for federal Cost Sharing Reductions (CSRs) if they enroll in a **Silver plan**. CSRs reduce their out-of-pocket costs.

<table>
<thead>
<tr>
<th>FPL Range</th>
<th>Cost Sharing Reduction</th>
<th>Normally Silver plans cover about 70% of costs on average but with a Cost Sharing Reduction, the plan covers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 150% FPL</td>
<td>Large Cost Sharing Reduction</td>
<td>94% of costs.</td>
</tr>
<tr>
<td>150.01-200% FPL</td>
<td>Medium Cost Sharing Reduction</td>
<td>87% of costs.</td>
</tr>
<tr>
<td>200.01-250% FPL</td>
<td>Small Cost Sharing Reduction</td>
<td>73% of costs.</td>
</tr>
</tbody>
</table>
State Out-of-Pocket Assistance (SOPA)

- **Who is eligible?**
  - Individuals and families up to 300% FPL who qualify for federal premium tax credits on beWellnm

- **What does it do?**
  - Reduces deductibles, maximum out-of-pocket limits, co-pays, and coinsurance for certain plans

- To benefit from SOPA, consumers must select a **Turquoise Plan**.
SOPA applicability

• SOPA will only apply to Silver plans for those under 200% FPL (similar to federal CSRs).

• SOPA will only apply to Gold plans for those between 200-300% FPL.
Turquoise Plans

- Turquoise Plans are plans that have extra savings on out-of-pocket costs that are provided by the State of New Mexico.

- When consumers shop for plans, they will see a “Turquoise Plan” marker to let them know which plans qualify for extra savings.

- There are 4 levels of Turquoise Plans, based on household.

- Reminder: Enrollees under 200% FPL must pick a Silver plan to get SOPA and enrollees between 200-300% FPL must pick a Gold plan to get SOPA. During the shopping process, these plans will be labeled as “Turquoise Plans.”
# SOPA Actuarial Value Requirements

## Actuarial Value of SOPA-eligible Plans

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>Marketplace Affordability Program AV Level for SOPA Plans</th>
<th>ACA AV Level for Relevant Federal Variants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 150% FPL</td>
<td>99% AV (Silver)</td>
<td>94% AV (Silver)</td>
</tr>
<tr>
<td>150.01-200% FPL</td>
<td>95% AV (Silver)</td>
<td>87% AV (Silver)</td>
</tr>
<tr>
<td>200.01-250% FPL</td>
<td>90% AV (Gold)</td>
<td>80% AV (Gold)</td>
</tr>
<tr>
<td>250.01-300% FPL</td>
<td>85% AV (Gold)</td>
<td>80% AV (Gold)</td>
</tr>
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### In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 1 Plans (Up to 150% FPL) from Each Carrier

<table>
<thead>
<tr>
<th></th>
<th>Ambetter</th>
<th>BCBS</th>
<th>Molina</th>
<th>Presbyterian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Out-of-Pocket</td>
<td>$80 individual/ $160 family</td>
<td>$100 individual/ $300 family</td>
<td>$130 individual/ $260 family</td>
<td>$1,000 individual/ $2,000 family</td>
</tr>
<tr>
<td>Combined Deductible</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Primary Care Visit</td>
<td>$0</td>
<td>10% coinsurance</td>
<td>5% coinsurance</td>
<td>$0</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>$3</td>
<td>20% coinsurance</td>
<td>5% coinsurance</td>
<td>$5</td>
</tr>
<tr>
<td>Preferred Generic Rx</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 2 Plans (150.01-200% FPL) from Each Carrier

<table>
<thead>
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<th>Molina</th>
<th>Presbyterian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Out-of-Pocket</td>
<td>$1,100 individual/ $2,200 family</td>
<td>$800 individual/ $2,400 family</td>
<td>$900 individual/ $1,800 family</td>
<td>$2,000 individual/ $3,000 family</td>
</tr>
<tr>
<td>Combined Deductible</td>
<td>$0</td>
<td>$65 individual/ $195 family</td>
<td>$250 individual/ $500 family</td>
<td>$0</td>
</tr>
<tr>
<td>Primary Care Visit</td>
<td>$0</td>
<td>10% coinsurance</td>
<td>5% coinsurance</td>
<td>$5</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>$5</td>
<td>20% coinsurance</td>
<td>5% coinsurance</td>
<td>$20</td>
</tr>
<tr>
<td>Preferred Generic Rx</td>
<td>$0</td>
<td>$0 after deductible</td>
<td>$0</td>
<td>$0</td>
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</table>
In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 3 Plans (**200.01-250% FPL**) from Each Carrier

<table>
<thead>
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<th>Molina</th>
<th>Presbyterian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Out-of-Pocket</td>
<td>$1,600 individual/ $3,200 family</td>
<td>$1,500 individual/ $4,500 family</td>
<td>$3,000 individual/ $6,000 family</td>
<td>$3,000 individual/ $6,000 family</td>
</tr>
<tr>
<td>Combined Deductible</td>
<td>$850 individual/ $1,700 family</td>
<td>$500 individual/ $1,500 family</td>
<td>$400 individual/ $800 family</td>
<td>$0</td>
</tr>
<tr>
<td>Primary Care Visit</td>
<td>$15</td>
<td>10% coinsurance</td>
<td>10% coinsurance</td>
<td>$0</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>$35</td>
<td>20% coinsurance</td>
<td>10% coinsurance</td>
<td>$20</td>
</tr>
<tr>
<td>Preferred Generic Rx</td>
<td>$15</td>
<td>$0 after deductible</td>
<td>10% coinsurance after deductible</td>
<td>$0</td>
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In-network Cost Sharing Design Examples for the Lowest Premium Turquoise 4 Plans (250.01-300% FPL) from Each Carrier

<table>
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<tr>
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<th>BCBS</th>
<th>Molina</th>
<th>Presbyterian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Out-of-Pocket</td>
<td>$3,000 individual/ $6,000 family</td>
<td>$2,900 individual/ $6,000 family</td>
<td>$3,000 individual/ $6,000 family</td>
<td>$3,000 individual/ $6,000 family</td>
</tr>
<tr>
<td>Combined Deductible</td>
<td>$1,850 individual/ $3,700 family</td>
<td>$750 individual/ $2,250 family</td>
<td>$925 individual/ $1,850 family</td>
<td>$1,000 individual/ $2,000 family</td>
</tr>
<tr>
<td>Primary Care Visit</td>
<td>$15</td>
<td>10% coinsurance</td>
<td>20% coinsurance after deductible</td>
<td>$40</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>$35</td>
<td>20% coinsurance</td>
<td>20% coinsurance after deductible</td>
<td>$90</td>
</tr>
<tr>
<td>Preferred Generic Rx</td>
<td>$15</td>
<td>No charge after deductible</td>
<td>10% coinsurance after deductible</td>
<td>$0</td>
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</table>
Lowest-Premium Turquoise Plan for a family of 4 with two kids making about $38,600 a year in Mora

Cost Savings with State and Federal Financial Assistance

- Monthly Premium: $1,236 $0
- Annual Max Out-of-Pocket: $15,600 $160 (99% reduction)
- Annual Deductible: $13,400 $0
- Primary Care: $25 $3
- Specialist: $100 $10
- Generic Medications: $25 $3

Source: OSI data and calculations
Mid-Level Premium Turquoise Plan for a younger person making about $27,000 a year in Albuquerque

Cost Savings with State and Federal Financial Assistance

- **Monthly Premium:** $313 $15
- **Annual Max Out-of-Pocket:** $8,200 $750 (91% reduction)
- **Primary Care:** $50 $3
- **Specialist Visit:** $90 $10

*Source: OSI data and calculations*
Lowest-Premium Turquoise Plan for a couple making about $27,400 a year in Farmington

Cost Savings with State and Federal Financial Assistance

• Monthly Premium: $919 $0
• Annual Max Out-of-Pocket: $18,000 $260 (99% reduction)
• Annual Deductible: $2,500 $0
• Primary Care: 40% coinsurance 5% coinsurance

Source: OSI data and calculations
Lowest-Premium Turquoise Plan for a family of 3 making about $69,000 a year in Dona Ana

Cost Savings with State and Federal Financial Assistance

• Monthly Premium: $961 $99
• Annual Max Out-of-Pocket: $15,700 $6,000 (62% reduction)
• Mental Health Services: Always $0

Source: OSI data and calculations
Questions?

Find more resources about the Marketplace Affordability Program on OSI’s HCAF landing page.

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