

STATE OF NEW MEXICO

OFFICE OF SUPERINTENDENT OF INSURANCE

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NEW MEXICO
OFFICE OF
SUPERINTENDENT
OF INSURANCE

BULLETIN 2021-006

April 6 2021 8:30 AM

April 6, 2021

FILED

TO: EVERY 2021PY NEW MEXICO QUALIFIED HEALTH PLAN ISSUER
RE: COST SHARING CARRYOVER DURING SPECIAL ENROLLMENT PERIOD

The American Rescue Plan (“ARP”), in conjunction with the recently announced Special Enrollment Period (“SEP”), creates an unprecedented opportunity for thousands of New Mexicans to obtain more affordable health insurance. Unfortunately, concern about not receiving credit for out-of-pocket cost sharing contributions may deter a current plan enrollee from switching to higher value plan during this SEP. To mitigate such concerns and encourage enrollees to take full advantage of ARP price reductions, the New Mexico Office of Superintendent of Insurance (“OSI”) encourages every 2021 plan year Qualified Health Plan (“QHP”) issuer to give current QHP enrollees a carryover credit for cost sharing contributions the enrollee made prior to selecting a new QHP plan offered by the same issuer.

Beginning April 1, a current 2021 QHP enrollee will receive increased premium tax credits by going to [Healthcare.gov](https://www.healthcare.gov), resubmitting the application and reselecting a plan. During this process, an enrollee may learn that the additional premium tax credits will make plans with lower premiums and less cost sharing more affordable for their budget. The enrollee must then decide whether to purchase the upgraded plan. However, a significant barrier to changing plans is that any out-of-pocket (“OOP”) costs (deductibles and maximum OOP amounts) that have accrued to an enrollee’s original 2021 plan would normally not be applied to the deductible and maximum OOP costs for the new plan. Essentially, if the enrollee changes plans, the OOP costs for 2021 would reset and start accruing all over again.

This barrier to lower cost health insurance will be mitigated if issuers allow a members’ 2021 OOP expenditures to carry over to a new QHP *offered by the same issuer*. Considering the cost-savings current QHP enrollees can realize by selecting a new QHP, OSI strongly encourages QHP issuers to allow an enrollee’s 2021 OOP expenditures to carry over to a new QHP as long as that enrollee remains with the same issuer. OSI understands that this approach may create some logistical challenges for an issuer, but it could significantly benefit consumers and should help an issuer retain enrollees.

OSI requests that each QHP issuer notify us by email at viara.ianakieve@state.nm.us of its approach to OOP carryover no later than April 12, 2021. If an issuer elects to offer its enrollees a carry over for cost-sharing expenditures the issuer shall clearly inform all current enrollees of this policy, including a clear description of the impact of the policy on the member, and any limitations to the policy. The notice letter must include these elements:

- How any incurred OOP costs will be applied to a new plan;
- An example of how applying an incurred OOP amount will affect the deductible and maximum OOP (“MOOP”) expenses in a new plan;
- What happens when incurred 2021 OOP expenses exceed the deductible and MOOP in the new plan; and
- Any limitations to the carrier’s carryover policy.

Please send OSI this proposed notice to members at the email address provided above.

Whether or not an issuer allows for the carryover of accrued OOP expenses to a new plan, OSI expects every QHP issuer to inform its enrollees about the SEP and the opportunity to reduce the cost of health insurance. The notice also must inform enrollees what they can do to reduce the cost of their insurance and how they can get more information and help, as follows:

- If you are in a health plan from Healthcare.gov and already get help paying your monthly premium, you must update your account on Healthcare.gov and reselect your plan or pick a new plan with [INSERT CARRIER NAME] to begin getting even lower cost premiums. If you do not update your account, you will not get lower costs in 2022. However, premium tax credits will automatically be applied in next year’s tax filing season. If you are in need of reduced costs now, please log into your account on Healthcare.gov.
- If you are in a health plan from Healthcare.gov but did not qualify for help paying your monthly premium, it is likely that you will qualify for some financial help with your premium now. Log into your account on Healthcare.gov and update your application to see how much you can save, and then reselect your plan or pick a new plan with [INSERT CARRIER NAME].
- If you would like more help with claiming your premium tax credit or if you have questions, go to beWellnm.com or call 833-862-3935.

OSI hopes all QHP issuers decide to allow accrued OOP expenses for the 2021 plan year to apply to a new plan. Thank you for your cooperation.

ISSUED this 6th day of April, 2021


RUSSELL TOAL
Superintendent of Insurance