

FOR IMMEDIATE RELEASE:
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NM OFFICE OF SUPERINTENDENT OF INSURANCE STATEMENT RE: EXCEPTED BENEFIT PLANS

Santa Fe, NM - In 2019, the New Mexico Legislature enacted the Short-Term Health Plan and Excepted Benefit Act (the “Act”), which is codified at Section 59A-23G-1, *et seq. NMSA 1978*. Major medical plans, such as those available through an employer group or on the New Mexico Health Insurance Exchange, are required to provide the protections mandated by the Affordable Care Act (ACA). This includes coverage for pre-existing conditions, and limits on deductibles and out of pocket costs. “Excepted benefits” are insurance products that are not subject to the ACA mandates, and are often sold as a supplement to major medical coverage. Excepted benefits, such as non-health coverage (for example, auto insurance), limited health benefits, accident and sickness coverage, and supplemental health benefits, are ***NOT*** intended to take the place of a major medical plan and may appear to promise more than what is delivered.

The Act directs the Superintendent of Insurance to promulgate rules specifying the permissible content and terms of short-term health plans and excepted benefit plans sold in New Mexico. These standards are necessary to ensure that these products are not marketed and sold as substitutes for major medical plans to the detriment of the health of New Mexicans and to the major medical health insurance market.

The Act became effective on June 14, 2019. Since that date, insurers have asked the Superintendent to approve 891 excepted benefit coverage forms for sale in New Mexico. The Superintendent has received complaints that previously approved excepted benefit forms are being bundled and marketed as alternatives to major medical plans. The continued approval of excepted benefit forms without the standards contemplated by the Act could exacerbate the problems that the Act was intended to eliminate.

To ensure that the Act is properly implemented, to protect New Mexicans from purchasing insurance products that may not provide the promised, expected, or lawful benefits, and to allow adequate time for all stakeholders to participate in the rulemaking process required by the Act, the Superintendent announced today that he will not approve any excepted benefit form filings until rules and standards are in place that regulate the scope, content and marketing of those products. The Superintendent has initiated a rulemaking proceeding as directed in the Act. The Superintendent looks forward to working with all stakeholders to develop standards to ensure that New Mexicans have access to those excepted benefit products that provide meaningful benefits at a fair price without adversely impacting the major medical health insurance marketplace.

As with all insurance products, the Superintendent encourages consumers to fully evaluate any excepted benefit product before purchasing to ensure they understand the limits of their coverage. Additionally, consumers should ensure the product is approved by the Superintendent and sold by a licensed agent.

Please address questions or complaints related to excepted benefits coverage or other insurance matters to Viara Ianakieva at (505) 827-4651 or viara.ianakieva@state.nm.us.

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