

New Mexico State Health Benefits State Employee Premium Assistance Program Guidance

This guidance is issued pursuant to Senate Bill 376 (2025), which was signed into law by Governor Michelle Lujan Grisham on April 7, 2025. The bill reforms the state's contribution schedule for medical, dental, and vision insurance offered to state employees through the New Mexico Health Care Authority (HCA) State Health Benefits (SHB) Division.

The bill sets the minimum state contribution at 80% of the cost of insurance for all state employees who work for the executive, judicial, and legislative branches. (State legislators do not qualify for state contributions).

The new law creates a premium assistance program for state employees with a total household income below 250% of the Federal Poverty Level who do not have access to Medicaid. This guidance establishes the SHB Premium Assistance Program (SEPA), SEPA eligibility criteria, and premium reduction percentages for the remainder of the 2025 Benefits Year. These changes will not trigger a special enrollment period that allows state employees to add new members to their plan. New members can be added during open enrollment in Fall 2025.

Effective Date

This guidance is effective July 1, 2025.

2025 SEPA Eligibility Criteria

SEPA uses the Federal Poverty Level (FPL) as a measurement of household income to determine eligibility for most households. By considering total household income instead of employee salary alone, HCA can base eligibility on a more complete picture of a household's finances. The FPL is updated annually by the federal government to account for inflation and changes in the cost of living. The 2025 BeWell Marketplace Coverage Year FPL amounts will be used for the period between July 1 and December 31, 2025. State employees with a household income between 138-250% FPL are eligible for SEPA. See **TABLE 1** for the applicable FPL amounts. There is also a salary-based eligibility tier for state employees whose annual state salary is less than \$50,000 who purchase coverage only for themselves. Employees can [click here](#) for a preliminary, unofficial eligibility screening.

If a state employee is eligible for Medicaid, they are not eligible for the SHB Premium Assistance Program. Medicaid is a comprehensive health coverage program that does not charge premiums or out-of-pocket costs for covered services. To apply for Medicaid, please visit yes.nm.gov. If an eligible state employee is enrolled in a Family Plan or Employee + Children Plan and children are

in the household, a lower premium reduction will apply to account for eligibility for the Children's Health Insurance Program (CHIP). SHB will not conduct CHIP eligibility determinations. State employees are encouraged to apply for CHIP via yes.nm.gov.

TABLE 1: 2025 SEPA Federal Poverty Levels

Family Size	138% FPL	175% FPL	212% FPL	250% FPL
1	\$20,783	\$26,355	\$31,927	\$37,650
2	\$28,207	\$35,770	\$43,333	\$51,100
3	\$35,632	\$45,185	\$54,738	\$64,550
4	\$43,912	\$55,685	\$67,458	\$79,550
5	\$50,480	\$64,015	\$77,550	\$91,450
6	\$57,905	\$73,430	\$88,955	\$104,900
7	\$65,329	\$82,845	\$100,361	\$118,350
8	\$72,754	\$92,260	\$111,766	\$131,800

Note: For households with more than 8 members, add \$5,380 for each additional person.

2025 SEPA Premium Reduction Percentages

There are three FPL tiers that determine the percentage of premiums that eligible households pay. SEPA Group 1 have household incomes between 138-175% FPL; SEPA Group 2 have household incomes between 175-212% FPL; and SEPA Group 3 have household incomes between 212-250% FPL. **TABLE 2** shows the FPL-based contribution percentages.

TABLE 2: Percent of Premium Employee Pays under SEPA, based on FPL

Coverage Category	SEPA Group 1 138-175% FPL	SEPA Group 2 175-212% FPL	SEPA Group 3 212-250% FPL
Employee Only	0%	5%	10%
Employee + Partner	0%	5%	10%
Employee + Children	5%	10%	15%
Family	5%	10%	15%

There is a fourth SEPA eligibility group that is available to employees purchasing coverage for themselves only. Employees with a salary between \$37,650 and \$50,000 who purchase coverage for themselves only and do not qualify for the FPL-based program criteria pay 10% of the cost of insurance.

Bi-weekly Employee Contributions under SEPA

The tables on the following page show the contribution amounts for employees who qualify for SEPA.



HEALTH CARE
AUTHORITY

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FY26 SEPA Group 1 Contribution Amount, per Pay Period (138-175% FPL)					
	Presbyterian HMO	BCBS HMO	BCBS PPO	Delta Dental	EyeMed
Employee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Employee + Partner	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Employee + Children	\$32.43	\$32.43	\$37.72	\$1.87	\$0.33
Family	\$53.15	\$53.15	\$61.82	\$2.44	\$0.42

FY26 SEPA Group 2 Contribution Amount, per Pay Period (175-212% FPL)					
	Presbyterian HMO	BCBS HMO	BCBS PPO	Delta Dental	EyeMed
Employee	\$18.02	\$18.02	\$20.96	\$0.81	\$0.15
Employee + Partner	\$40.54	\$40.54	\$47.15	\$1.62	\$0.28
Employee + Children	\$64.87	\$64.87	\$75.44	\$3.74	\$0.66
Family	\$106.31	\$106.31	\$123.64	\$4.87	\$0.84

FY26 SEPA Group 3 Contribution Amount, per Pay Period (212-250% FPL)					
	Presbyterian HMO	BCBS HMO	BCBS PPO	Delta Dental	EyeMed
Employee	\$36.04	\$36.04	\$41.91	\$1.63	\$0.30
Employee + Partner	\$81.08	\$81.08	\$94.30	\$3.25	\$0.57
Employee + Children	\$97.30	\$97.30	\$113.16	\$5.60	\$0.99
Family	\$159.46	\$159.46	\$185.47	\$7.31	\$1.26

FY26 SEPA Group 4 Contribution Amount, per Pay Period (Employee-Only Coverage with Salary between \$37,650 to \$50,000)					
	Presbyterian HMO	BCBS HMO	BCBS PPO	Delta Dental	EyeMed
Employee	\$36.04	\$36.04	\$41.91	\$1.63	\$0.30

Automatic SEPA Income-based Eligibility Determinations

Automatic SEPA income-based eligibility determinations will be conducted for state employees on an annual basis through a partnership with the New Mexico Taxation and Revenue Department (TRD). TRD will use the most recent available tax returns to determine FPL based on the household's Adjusted Gross Income and household size. TRD will provide the FPL for state employees enrolled in SHB who are determined eligible, and HCA will enroll members in the applicable SEPA eligibility group. EASI Gov will send an email to all state employees determined eligible through this automated process. The email will have the subject line "Notification of Automatic Enrollment in SEPA" and appear as follows:

Notification of Automatic Enrollment in SEPA

06/06/25

NAME
STREET ADDRESS
CITY, STATE, ZIP

We have good news for you. This notice is to inform you that you have been deemed eligible for a reduced cost premium benefit under New Mexico's State Employee Premium Assistance (SEPA) program. You do not need to take any action to receive this benefit.

Your new bi-weekly premium rate will be: **(RATE)**

Your new premium rate will be reflected on your paycheck issued July 25th, 2025. Please check your paycheck on that date and contact EASI Gov, Inc. at 1-855-618-1800 if you need assistance regarding your benefits or find any discrepancy.

For more information about SEPA and your state benefits, please visit www.mybenefitsnm.com or email SEPA@easitpa.com.

EASI Gov

Applying for the Premium Assistance Program

If a state employee believes they are eligible for the SEPA but are not determined eligible through the automated process or that they have been enrolled in the incorrect eligibility

category, they may apply for the program through EASI Gov by calling (855) 618-1800 or emailing SEPA@easitpa.com. SHB members will need to submit proof of income and other household information to complete an application. Applications must be submitted by June 13, 2025.

Applying for an Exception due to Unique Household Circumstances

If a state employee wishes to request a reconsideration due to exceptional circumstances, they may call (855) 618-1800 or email SEPA@easitpa.com to discuss unique household circumstances that may qualify them for the program. This may include recent changes in household composition, significant income changes, those who make less than 138% FPL but are ineligible for Medicaid.

Proof of Household Income

State employees must submit proof of household income to be determined eligible for SEPA. The documents state employees submit to EASI Gov to confirm household income must show an income amount that closely matches the income amount reported to EASI Gov. For example, if someone in a household has a different job than last year, the state employee should send EASI Gov recent pay stubs from their new job, instead of last year's tax return or W2. Here are types of proof of household income that state employees can submit:

- 1040 federal or state tax return. Must contain your first and last name, income amount, and tax year. If you file Schedule 1, you must submit it with your 1040.
- Wages and tax statement (W-2 and/or 1099, including 1099 MISC, 1099G, 1099R, 1099SSA, 1099DIV, 1099SS, 1099INT). Must contain your first and last name, income amount, tax year, and employer name (if applicable).
- Pay stub. Must contain your first and last name, income amount, and pay period or frequency of pay with the date of payment. If a pay stub includes overtime, tell us the average overtime amount per paycheck.
- Self-employment ledger documentation (can be a Schedule C, the most recent quarterly or year-to-date profit and loss statement, or a self-employment ledger). Must contain your first and last name, company name, and income amount. If you're submitting a self-employment ledger, include the dates covered by the ledger, and the net income from profit/loss.
- Social Security Administration Statements (Social Security Benefits Letter). Must contain first and last name, benefit amount, and frequency of pay.
- Unemployment Benefits Letter. Must contain your first and last name, source/agency, benefits amount, and duration (start and end date, if applicable).

Allowable Income Standards

Employees can use the following measures of income to qualify for SEPA:

- The annual household income in the most recent available tax return.
- The monthly household income during the month before the employee submits a SEPA application.
- The projected annual household income during the upcoming benefits year with a letter of attestation explaining the household circumstances.

Types of Income That Must Be Reported

For 2025, SHB will use a household's adjusted gross income (AGI) as the standard for SEPA income determinations. AGI is your total gross income from all sources minus certain adjustments listed on Schedule 1 of Form 1040. Your AGI is calculated before you take your standard or itemized deduction on Form 1040. For information about how to calculate AGI, visit <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income#calculateagi>.

Households with Domestic Partners

If a state employee is enrolling a domestic partner in coverage, the domestic partner and any children of the domestic partner will be considered part of the tax household for SEPA eligibility purposes. State employees must submit income information for their domestic partner to qualify for SEPA.

Reporting Household Changes that May Impact Eligibility

If a state employee who has been determined eligible for SEPA experiences a change that may impact SEPA eligibility, the employee must report these changes to EASI Gov as soon as possible. Changes that must be reported include:

- Increases or decreases in household income
- Adding a dependent to your household due to birth, adoption, foster care
- Marriage or divorce
- Death
- You remove a dependent from your tax household for any reason other than adoption or foster care

Knowingly Misreporting Income

If a state employee knowingly misreports income to gain access to SEPA or increase the amount of assistance they get, SHB may revoke future SEPA eligibility.

Contact Us

If you have any questions about SEPA eligibility, please email SEPA@easitpa.com or call (855) 618-1800.