



Michelle Lujan Grisham, Governor
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Frequently Asked Questions Senate Bill 376 Implementation

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What is Senate Bill 376?

Senate Bill 376 is a bill that passed during the 2025 legislative session that increases the state contribution to employee insurance costs, creates a new premium assistance program for lower-income state employees, and enacts other reforms that ensure long-term sustainability for State Health Benefits.

How much does the State contribute to the cost of insurance under the new law?

The state contributes at least 80% of the cost of insurance for state employees who are eligible to purchase insurance through State Health Benefits. Some employees may also qualify for extra premium assistance.

Does the 80% state premium contribution apply to family coverage?

Yes, the 80% contribution applies to all coverage categories, including:

- Employee only
- Employee and spouse
- Employee and child/children
- Family
- Employee and domestic partner
- Family with domestic partner

What portion of premiums did the state pay before SB 376?

The amount the state paid was based on the employee's salary. You can see how much the state contributed in the table below.



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Salary	State Contribution	Employee Contribution
Over \$60,000	60%	40%
\$50,000-60,000	70%	30%
Under \$50,000	80%	20%

What is the State Employee Premium Assistance (SEPA) program?

The State Employee Premium Assistance (SEPA) program is a new program created by Senate Bill 376 to make health insurance more affordable for state employees with lower household incomes. It reduces the amount employees pay for their medical, dental, and vision insurance. You can use the Health Care Authority's [SEPA Eligibility Screening Tool](#) to see if you may be eligible based on your household income.

Who is eligible for SEPA?

You may qualify for SEPA if:

- You work in the executive, judicial, or legislative branch (not as a state legislator), **and**
 - Your total household income is between 138% and 250% of the Federal Poverty Level (FPL) or you earn a state salary between \$37,650 and \$50,000 and are enrolled in Employee-only coverage, **and**
 - You are not eligible for Medicaid.

How will my household income be determined?

The New Mexico Taxation and Revenue Department (TRD) will use the **most recent tax returns** to calculate your household's Adjusted Gross Income and household size. This information determines your income based on the Federal Poverty Level (FPL). If you are not determined eligible through this process but think you may be eligible, you can submit proof of income to EASI Gov by emailing SEPA@easitpa.com or by calling (855) 618-1800.



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Do I need to apply to be considered for SEPA?

Not initially. Most eligible employees will be automatically enrolled based on information from TRD. If you don't receive an eligibility notice and believe you qualify, you can apply through EASI Gov by June 13.

What are SEPA groups and contribution levels?

There are three groups:

- **Group 1 (138–175% FPL):** 0–5% of premium cost
- **Group 2 (175–212% FPL):** 5–10% of premium cost
- **Group 3 (212–250% FPL):** 10–15% of premium cost

You may also qualify to pay 10% of premiums if your annual salary is less than \$50,000 and you are only purchasing coverage for yourself. See the table below for the SEPA eligibility groups.

Coverage Category	SEPA Group 1 138-175% FPL	SEPA Group 2 175-212% FPL	SEPA Group 3 212-250% FPL	\$37,650-\$50,000 Employee Only	All Others
Employee Only	0%	5%	10%	10%	20%
Employee + Spouse	0%	5%	10%	N/A	20%
Employee + Children	5%	10%	15%	N/A	20%
Family	5%	10%	15%	N/A	20%

What if I believe I have been placed in the wrong SEPA group or incorrectly determined to be ineligible?

You can request a review by contacting SHB through EASI Gov. You will need to provide documentation on income and household information.

What if my household circumstances recently changed?

If you experienced a recent significant change (like a loss of income, household composition change, or ineligibility for Medicaid despite low income), you may



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qualify for an exception. Call (855) 618-1800 or email SEPA@easitpa.com to request a reconsideration.

When does the SEPA program start?

SEPA goes into during the first pay period of Fiscal Year 2026 and will appear on employee paychecks on July 25, 2025.

How do I know what I'll pay under SEPA?

Your premium amount will depend on your SEPA group and coverage type. [Click here](#) to complete a basic eligibility screening or visit www.mybenefitsnm.com to view the Fiscal Year 2026 premium rates.

Will the new premium rates affect my FSA election amount?

No. FSAs are a voluntary election and are set by the employee up to IRS limits. Because the election is not based on premiums, it will not be affected.

Will the new contribution schedule lower premiums for State of New Mexico Retirees?

No. The new contribution schedule only applies to state employees enrolled in State Health Benefits through the Health Care Authority.

Can I add members of my family to my health plan now that premiums are lower?

You can add members of your family to your health plan during Open Enrollment in the Fall of 2025 for coverage that starts on January 1, 2026. You cannot add new members during the current benefit year unless they have a qualifying event, such as the birth of a child or getting married.

How much are premiums going up in FY26?

Gross rates for medical insurance are going up by 20.1%. Gross rates for dental and vision insurance are decreasing by 10%. However, most state employees will



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see a reduction in how much they pay due to the changes in the contribution schedule.

Where can I find the premium rate sheet?

Visit www.mybenefitsnm.com to view the FY26 premium rate sheet.

Will new employees on probation have their premium rate changes take effect after the new fiscal year or after the end of their probation?

The premium rate changes and changes to the contribution schedule will take effect for all state employees during the first pay period of the new fiscal year, regardless of probationary status.

Will PERA contributions be affected by changes to insurance contributions?

The new contribution schedule will not affect PERA contributions because PERA contributions are based on your salary, not take-home pay.

Where can I get help or more information?

If you have questions about SB 376, please email SHB.Questions@hca.nm.gov and we will work to provide a response promptly. If you have questions about applying for SEPA, call EASI Gov at (855) 618-1800 or email SEPA@easitpa.com.