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NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

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July 31, 2026

HB47- School Employee Insurance Programs

Participation Waiver Revocation Effective July 1, 2027

We are writing to inform you of upcoming changes required under HB47 that will impact current participation waiver practices. Attached is the current NMSA, you can find NMPSIA's governing statute 22-29-10 NMSA on pages 8-9 regarding participation waiver rules and regulations. **This section will be revised in the New Mexico Administrative Code (NMAC) to become compliant with new provisions in HB47 by the July 1, 2027 effective date.**

HB47 will require a rule change to the NMAC to remove existing waiver participation rules related to both formally approved participation waivers and automatic waivers for benefit-related coverages, participation waiver rules for risk-related coverages will remain in place. Effective July 1, 2027, any district or charter school currently operating under an approved waiver or automatic waiver for group health insurance coverage will no longer be permitted to continue using those provisions. All group health insurance coverage existing waivers, formal or automatic, will become null and void as of July 1, 2027, and new waivers will not be granted thereafter.

- If your district or charter school is currently offering a competing line of group health insurance coverage that was independently procured outside of NMPSIA either through a participation waiver or by an unreported competing line of group health insurance coverage, you should begin reviewing your current agreements immediately. Each school district and charter school must ensure that its insurance offerings are identified and brought into compliance with the new requirements established under HB47.
- **We have attached a NMPSIA Waiver Elimination of Coverage & Impact Form to help determine which benefits your school district or charter will need to opt into to be compliant, as well as how many benefits-eligible employees you anticipate will need to be brought into the NMPSIA benefit group for any waived line of group health insurance coverage. Please return this information no later than August 21, 2026.** You may email the signed form to Kaylynn.Roybal@psia.nm.gov. This will allow NMPSIA time to adequately plan for the number of benefits-eligible employees who may need to enroll and help ensure there is no lapse in coverage for your employees.
- Failure to return this form will result in your school district or charter school not participating in any potential special enrollment, meaning your employees may experience a lapse in coverage. They will need to wait until the October 2027 open enrollment with benefits effective January 1, 2028, or may be required to provide evidence of insurability for disability or life coverage.

- **For administrative ease, any districts or charter schools that will need to enroll employees in NMPSIA benefits due to the statutory changes outlined above, are strongly encouraged to utilize the October 2026 Open Enrollment period to enroll employees in NMPSIA benefits with benefits effective January 1, 2027.**
- The special enrollment period will occur in March 2027 for member districts and charters that are unable to utilize the October 2026 open enrollment period and who returned the data request form within the requested time frame, to allow for a July 1, 2027 effective date for affected employees.

There is an additional compliance consideration NMPSIA would like to highlight. In accordance with governing rules, participating school districts and charter schools ***may not*** separately ***offer any competing employee-benefits insurance coverage***. However, schools may offer supplemental or non-competing coverage that is not provided through the Authority.

NMPSIA understands that some of these distinctions may not have been closely evaluated in the past. However, moving forward, all districts and charter schools will be expected to ensure full compliance with NMPSIA rules and regulations. NMPSIA strongly encourages you to assess your current benefit offerings and waiver status to identify any necessary changes well in advance of the October 2026 open enrollment, the special enrollment planned for March 2027, ahead of the 7/1/2027 deadline.

NMPSIA recognizes that you or your leadership may have questions or concerns on behalf of employees. For example, some school districts and/or charter schools may currently utilize benefits such as VSP in place of NMPSIA's Davis vision offering. Historically, situations like this may have fallen under the approved automatic waiver provision if the coverage was 100% employee-paid. While this will no longer be permitted under HB47, NMPSIA wants to assure you that we are actively working to expand and strengthen the benefit options available to our members. As NMPSIA operates within state procurement laws, there may be some timing constraints. However, NMPSIA is committed to evaluating opportunities and making improvements where possible. NMPSIA appreciates your partnership and patience as NMPSIA works through these changes.

Additional guidance and updated rules will be shared as they become available. In the meantime, if you have questions, please contact Kaylynn.Roybal@psia.nm.gov.

Thank you for your attention to this important matter and for your ongoing commitment to compliance.