



HUMAN SERVICES
DEPARTMENT

Susana Martinez, Governor
Sidonie Squier, Secretary
Ted Roth, Director

ISSUED ELECTRONICALLY
INTRA-DEPARTMENTAL MEMORANDUM
ISD-GI 12-69
DATE: October 11, 2012

TO: All ISD Employees
FROM: *TR* Ted Roth, Director
Income Support Division
RE: Treatment of Medical Loss Rebates (MLR)

The Medical Loss Rebate (MLR) is known as the 80/20 Rule under the Affordable Care Act (ACA). The 80/20 rule is a reimbursement from insurance carriers. This rebate is reimbursed to consumers if less than 80% of the premiums are spent on medical care, this percentage may be higher for larger groups markets. The remaining 20% of premiums will go towards administrative costs for insurance carriers. Under ACA insurance companies must pay impacted households by August 1, of each year.

How will MLR impact SNAP and TANF?

For SNAP & TANF purposes, these rebates are considered non-recurring lump-sum payments as the rebates may or may not be received by households each year. Non-recurring lump sum payments are excluded from income, including rebates per regulation at 8.139.510.9 (D) (9) and 8.106.510.9 (B) (5) NMAC.

If a household receives the rebate as a check or directly in their bank accounts, how do we treat this payment?

For SNAP, these rebates are counted as a resource in the month received and excluded as income per regulation at 8.139.510.9 (B) (a-d) NMAC.

For TANF, these rebates shall be considered a resource in the month received. The countable value is considered a liquid resource per regulation at 8.102.510.9 (B) (5) NMAC.

If rebates are in the form of a reduction from premiums or non-payment form it should not be counted as a resource because it is accessible to the participant per regulation at 8.139.510.10 (A) (8) and 8.102.520.8 (G) NMAC.

If you have questions regarding the GI, please contact Kristen Ortiz at 505-827-7233 or by e-mail at KristenR.Ortiz@state.nm.us.