(PLEASE FIND THE AGENDA/TABLE OF CONTENTS ON PAGE 4.)

ANNUAL MEETING
OF THE
BOARD OF DIRECTORS

July 12/13, 2018
9:30/9:00 AM
Sagebrush Inn & Suites
1508 Paseo Del Pueblo Sur
Taos, NM 87571

July 13, 2018

New Mexico Retiree Health Care Authority
Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

July 13, 2018

	Member in Attendance		
Mr. Sullivan, President			
Mr. Montaño, Vice President			
Mr. Crandall, Secretary			
Mr. Propst			
Ms. Goodwin			
Mr. Linton			
Ms. Saunders			
Mr. Eichenberg			
Ms. Larranaga-Ruffy			
Mr. Smith			
Mr. Rael			

NMRHCA BOARD OF DIRECTORS

July 2018

Mr. Wayne Propst
Executive Director
Public Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507
PO Box 2123
Santa Fe, NM 87504-2123
Wayne.Propst@state.nm.us
W: 505-476-9301

Mr. James E. Smith
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Ms. Jan Goodwin
Executive Director
Educational Retirement Board
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F: 505-827-1855

Mr. Terry Linton
Governor's Appointee
1204 Central Ave. SW
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terry@lintonandassociates.com
505-247-1530

Mr. Joe Montaño, Vice President
NM Assoc. of Educational Retirees
5304 Hattiesburg NW
Albuquerque, NM 87120
Jmountainman1939@msn.com
505- 897-9518

Mr. Doug Crandall
Retired Public Employees of New Mexico
14492 E. Sweetwater Ave
Scottsdale, AZ 85259
dougcinaz@gmail.com

The Honorable Mr. Tim Eichenberg
NM State Treasurer
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Suite 100 & 200
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W: 505-955-1120
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Ms. Therese Saunders
NEA-NM, Classroom Teachers Assoc., & NM Federation of Educational Employees
5811 Brahma Dr. NW
Albuquerque, NM 87120
tsaunders3@mac.com
505-934-3058

Mr. Tom Sullivan, President
Superintendents' Association of NM
800 Kiva Dr. SE
Albuquerque, NM 87123
tlsullivan48@gmail.com
505-330-2600

Ms. Leanne Larranaga-Ruffy
Alternate for PERA Executive Director
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Mr. Lawrence Rael
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Annual Meeting of the
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

July 12 & 13, 2018
9:30 AM / 9:00 AM
Sagebrush Inn & Suites
1508 Paseo Del Pueblo Sur
Taos, NM 87571

AGENDA – July 13th

			Page
1.	Call to Order	President	
2.	Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3.	Pledge of Allegiance	President	
4.	Public Forum and Introductions	President	
5.	Executive Director's Update a. HR b. Legislative c. GASB 75 d. 2019 Dental Rates	Mr. Archuleta, Executive Director	 5
6.	Provider Presentations Continued a. United Concordia b. Delta Dental c. Davis Vision d. The Standard	Mr. Archuleta, Executive Director	 20 24 33 41
7.	Wellness, A Look Back	Ms.MacLean, Solutions Group	46
8.	Wise and Well Strategic Plan	Ms. Loehr, Solutions Group	61
9.	Life & Disability RFP (Action Item)	Mr. Kueffer, Deputy Director	80
10.	CY2019 Plan Year Recommendations (Action Item)	Mr. Archuleta, Executive Director	83
11.	2019 Legislative Proposals	Mr. Archuleta, Executive Director	85
12.	Other Business	President	
13.	Date & Location of Next Board Meeting Tentative -- August 28, 2018, 9:30 AM Alfredo R. Santistevan Board Rm., Suite 207 4308 Carlisle Blvd. NE Albuquerque, NM 87107	President	
14.	Executive Session Pursuant to NMSA 1978, Section 10-15-1(H)(6) To Discuss Limited Personnel Matters	President	
15.	Adjourn		

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

Investments & Pensions Oversight Committee

Representative Tomas E. Salazar, Chair
Senator George K. Muñoz, Vice Chair

Sustainability and Solvency
July 11, 2018

Tom Sullivan, President
Joe Montaño, Vice President
Doug Crandall, Secretary
David Archuleta, Executive Director

NMRHCA Benefits

Pre-Medicare

Premier PPO Plan

- Retiree - $241.44 per month
- Spouse/DP - $458.27 per month
- $800 deductible
- $4,500 OOP Max

Value Plan

- Retiree - $188.60 per month
- Spouse/DP - $357.95 per month
- $1,500 deducible
- $5,500 OOP Max

All

- Dental
- Vision
- Life Insurance up to $60,000

Medicare

Supplement

- Retiree - $199.96 per month
- Spouse/DP - $299.94
- Part B Annual Deductible $183
- Comprehensive Part D Prescription Coverage

Medicare Advantage Plans

- Retiree - $23.30 - $104.16 per month
- Spouse/DP - $34.95 - $156.25 per month
- Pres/BCBS – NM
- UHC/Humana – Nationwide
- OOP Max - $1,500 - $6,700

Market Plan Comparison

2018 Market Comparison of Commercially Available Plans (Pre-Medicare)

New Mexico Health Care Exchange Plans	Retiree Premium	Spouse Premium	Ret + Spouse Premium	Plan Type	Plan Level	Deductible Individual	Out-of-Pocket Max Individual	First Dollar Coverage: Y/N
Blue Cross Blue Shield - Age: 60 - Albuquerque	$903	$903	$1,807	HMO	Gold	$350	$7,350	N
NM Health Connections - Age: 60 - Albuquerque	$848	$848	$1,696	HMO	Gold	$500	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Albuquerque	$852	$852	$1,705	HMO	Silver	$1,400	$7,350	N
NM Health Connections - Age: 60 - Albuquerque	$825	$825	$1,649	HMO	Silver	$5,000	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Albuquerque	$703	$703	$1,407	HMO	Bronze	$5,500	$7,350	N
NM Health Connections - Age: 60 - Albuquerque	$605	$605	$1,210	HMO	Bronze	$7,200	$7,350	N
Blue Cross Blue Shield - Age: 60 - Santa Fe	$1,020	$1,020	$2,040	HMO	Gold	$350	$7,350	N
NM Health Connections - Age: 60 - Santa Fe	$953	$953	$1,905	HMO	Gold	$500	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Santa Fe	$971	$971	$1,941	HMO	Silver	$1,400	$7,350	N
NM Health Connections - Age: 60 - Santa Fe	$926	$926	$1,852	HMO	Silver	$5,000	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Santa Fe	$804	$804	$1,608	HMO	Bronze	$5,500	$7,350	N
NM Health Connections - Age: 60 - Santa Fe	$679	$679	$1,359	HMO	Bronze	$7,200	$7,350	N
Blue Cross Blue Shield - Age: 60 - Las Cruces	$1,133	$1,133	$2,266	HMO	Gold	$350	$7,350	N
NM Health Connections - Age: 60 - Las Cruces	$928	$928	$1,856	HMO	Gold	$500	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Las Cruces	$1,081	$1,081	$2,162	HMO	Silver	$1,400	$7,350	N
NM Health Connections - Age: 60 - Las Cruces	$902	$902	$1,805	HMO	Silver	$5,000	$7,350	Y
Blue Cross Blue Shield - Age: 60 - Las Cruces	$898	$898	$1,795	HMO	Bronze	$5,500	$7,350	N
NM Health Connections - Age: 60 - Las Cruces	$662	$662	$1,324	HMO	Bronze	$7,200	$7,350	N

Solvency Analysis

Revenue components

- Beginning of Year Invested Assets (Trust Fund Balance)
- Employer contributions (2 percent / 2.5 percent enhanced plans)
- Employee contributions (1 percent / 1.25 percent enhanced plans)
- Retiree plan rates (ranges by years of service and pre-Medicare/Medicare status)
- Retiree ancillary (100% paid by retiree)
- Taxation and Suspense Fund Revenue
- Medicare PDP & Manufactures Discount (direct subsidies, coverage gap, LIS)
- Miscellaneous (performance penalties, subrogation recoveries, buy-in revenue)
- Investment income

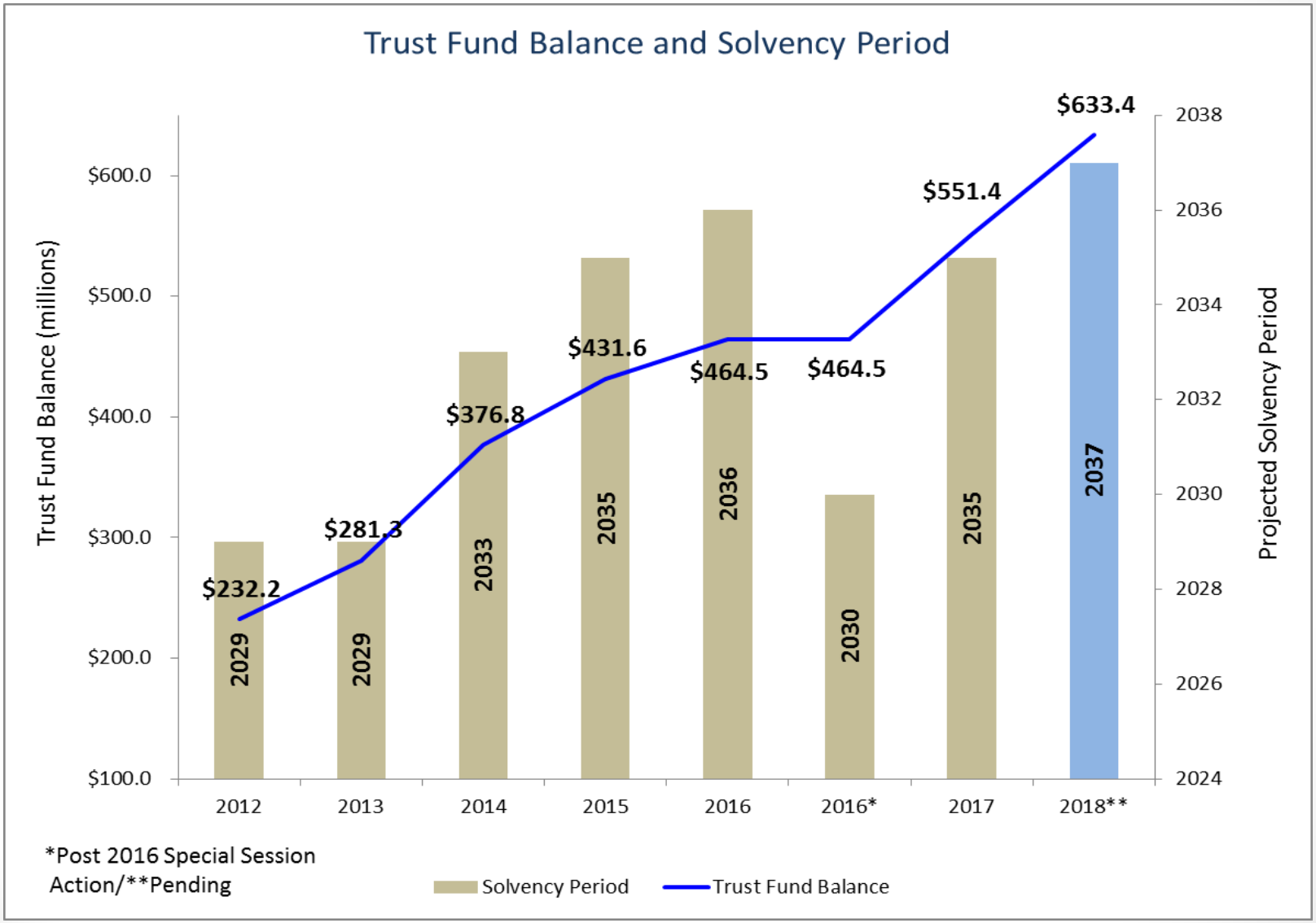
Expenditure components

- Medical and prescription costs (self-insured/fully-insured)
- Basic Life (subsidies completely eliminated by 2021)
- Retiree ancillary (100% paid by retirees)
- ASO and ACA fees (admin, PCORI fees, Reinsurance Fee, Health Insurer Fee)
- Program Support (agency operations)

Solvency Study

- Solvency Study Performed Annually
  - Analysis of future cash inflows and outflows
  - Used for strategic planning purposes
    - Plan design i.e., copays, deductibles, coinsurance
    - Subsidy levels
    - Network/medical and prescription drug access
- 2017 Projected Year of Deficit Spending - 2020
  - Expenditures exceed revenues - $9.1 million
- 2017 Projected Year of Insolvency: FYE 2035 (18 years)
  - FY35 Projected Expenditures - $1.2 billion
  - FY35 Projected Revenues - $1 billion
- Final 2018 Solvency Study (pending)

Solvency Results



GASB 74 &75

- GASB 74: Financial Reporting for Postemployment Benefits Other Than Pension Plans
  - Completed October 2017
  - Total OPEB Liability - $5.1 billion
  - Fiduciary Net Position - $575 million
  - Net OPEB Liability - $4.5 billion
  - Net position as percentage of total liability – 11.26%
- GABS 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
  - Completed June 15, 2018
  - Employer Allocations at of June 30, 2017
    - Employer Contributions
    - Employer Allocation Percentage
  - Applies to 301 employer groups
  - Rating agency impact - TBD

Medical Inflation

- According to the U.S. Bureau of Labor and Statistics, prices for medical care were 196.91% higher in 2018 versus 1990.
- Between 1990 and 2018: Medical care experienced an average inflation rate of 3.96% per year. This rate change indicates significant inflation. In other words, medical care costing $1,000 in the year 1990 would cost $2,969.08 in 2018 for an equivalent purchase. Compared to the overall inflation rate of 2.34% during the same period.

Source: (https://www.officialdata.org/Medical-care/price-inflation/1990)

- According to Centers for Medicare and Medicaid Services, national health spending is projected to grow at an average rate of 5.5 percent per year for 2017-26 and to reach $5.7 trillion by 2026.
- Projected spending and enrollment growth over the next decade is largely driven by fundamental economic and demographic factors: projected income growth, increase in prices for medical goods and services and enrollment shifts from private health insurance to Medicare related to the aging of the population.
- Among major payers for health care, growth in spending for Medicare (7.4 percent per year) and Medicaid (5.8 percent per year) are both substantial contributors to the rate of national health expenditure growth.
- The recent enactment of tax legislation that eliminated the individual mandate is expected to lead to a reduction in the insured rates.

Source: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/ForecastSummary.pdf

2007 Legislature

House Bill 728

- Identification of challenges
  - Projected solvency 2014
  - GASB Accounting Standards
  - Challenges of prefunding for future retirees
- Work group developed to study preservation of retiree health care benefits
  - Members from Office of the Governor, DFA, LFC, LCS, Staff and Board members from NMRHCA
- Specific tasks included:
  - Examination of long-term actuarial trends
  - Examination of contribution rates between retirees and active employees
  - Determine fund balances derived from state and political subdivision sources
  - Examine option to improve actuarial soundness
  - Evaluate the need for, and feasibility of, securing RHCA fund as irrevocable trust

HB 728 Work Group Recommendations

- General consensus from all work group participants regarding a balanced approach to include both current employers, employees and retirees
- Summary of recommendations:
  - Focus on solvency, ARC and UAAL
  - Solvency Period (25-year solvency / near term goal)
  - Employer/employee contribution increase
  - Suspense Fund Allocation
  - Adjust spouse and dependent subsidy
  - Adopt graduated subsidy based on age of retirement
- Conclusions
  - No single action by the Executive, Legislature, or NMRHCA will restore the balance needed to the current retiree insurance system
  - Ensure actions taken maintain the bond rates of the state and participating entities
  - Additional work should be undertaken to obtain input from retirees and active employees who participate in the program, to secure additional expertise to analyst policy options, and to develop further, joint recommendations from all parties

Actions Taken By Board of Directors

5-Year Strategic Plan (2013-2017)

- Phase out “family coverage” subsidies for multiple dependent children
- Increased cost sharing on prescription drug coverage
  - Coinsurance on all mail order prescriptions (including Medicare)
- Increased cost sharing of pre-Medicare Plans
  - Conversion of Gold/Silver/Bronze to Premier/Premier Plus
  - Elimination of Premier Plus Plan / addition of Value Plan
  - Increased deductibles/out-of-pocket maximums
  - Introduced copay differentials
- Reduced pre-Medicare retirees subsidies
- Reduced pre-Medicare spousal/domestic partners subsidies
- Elimination of basic life insurance
- Minimum age and years of service requirements (excludes enhanced plans)
- Established open enrollment period

Sustainability

Strategic Plan (2018 – 2022)

- Apply downward pressure on prescription drug costs for all members (network, contracts, cost sharing)
- Apply downward pressure on pre-Medicare medical plans (network, contracts, cost-sharing)
- Reduce pre-Medicare retiree subsidies
- Reduce pre-Medicare spousal/domestic partner subsidies
- Evaluate emerging and existing programs for inclusion in either plan coverage or incentive support
- Develop and implement value-based purchasing initiatives
- Continue to accommodate ongoing demographic trends and make program adjustments annually
- Provide plan participants with the information necessary to better manage their individual health care
- Increase employee/employer contributions (requires legislative action)

Sustainability Continued

Cost savings recommendations for 2019:

- 3rd Tier Network w/Blue Cross and Blue Shield
  - Lower deductible, copays and coinsurance
  - PPO Plan Flexibility
- Bundled Payment Incentives for Certain Procedures w/Presbyterian
  - Flat copay v. coinsurance
  - Knees, shoulders, hips, and hernias
- Increased Copayments for Brand Drugs
- Introduction of SaveOnSP (pre-Medicare plans)
  - Copay assistance program
  - Targets 80 specialty drugs
- Pilot Program w/Grand Rounds
  - Expert medical opinions
  - Targeted toward clinically complex or ambiguous medical situations
- Additional actions for 2019
  - Rate increases on all self-insured plans commensurate with loss ratios calculated annually
  - Rate increases for Medicare Advantage Plans as approved by CMS
  - Introduction of Naturally Slim program aimed at metabolic syndrome reversal, diabetes prevention and weight management

Near Term Actions & Activities

- Employee/employer contribution increase – 2019 Session
  - Beginning FY21
- Leverage procurement process
  - Fall 2018
    - Life & Disability Insurance
    - Actuarial and Benefits Consulting
  - Fall 2019 – Medical, Dental & Vision
- Expansion of Value Based Purchasing Agreements
- Education of membership
  - Lower costing facilities/services
  - Wellness and health improvements
  - Polypharmacy
- Leverage existing programs
  - Disease management
  - Case management

New Mexico Retiree Health Care Authority

David Archuleta, Executive Director

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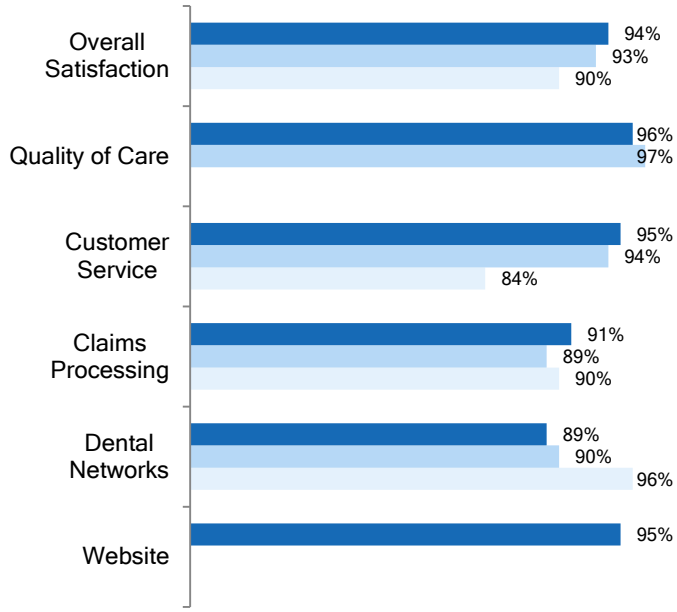
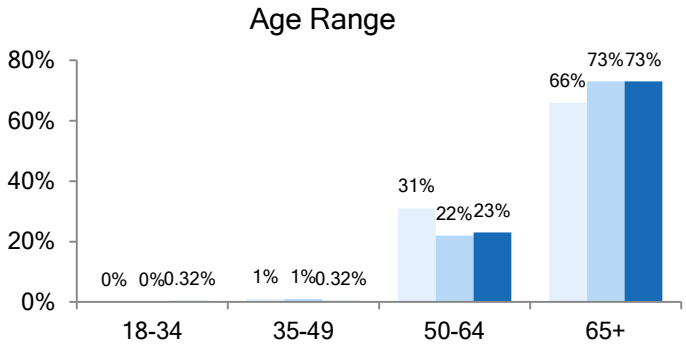
Please call 800-233-2576 / 505-222-6400

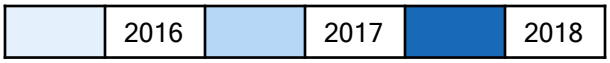
Or visit us at: www.nmrhca.org or www.facebook/nmrhca

Office Hours: 8:00AM – 5:00PM (Monday through Friday)

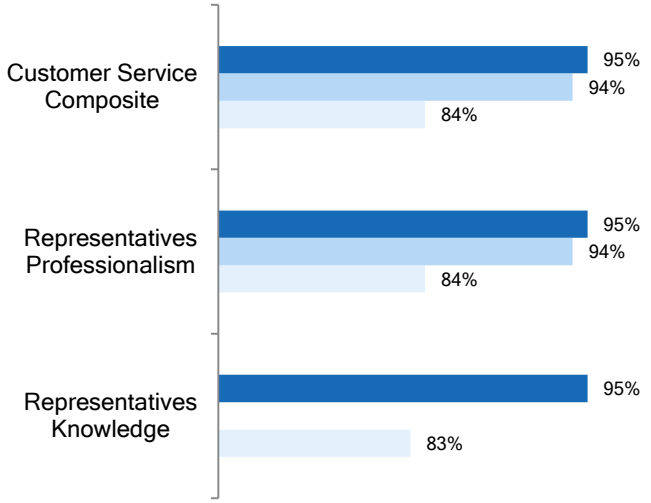




2018 Survey Statistics	
Surveys Sent	2,631
Responses	351
Response Rate	13.3%

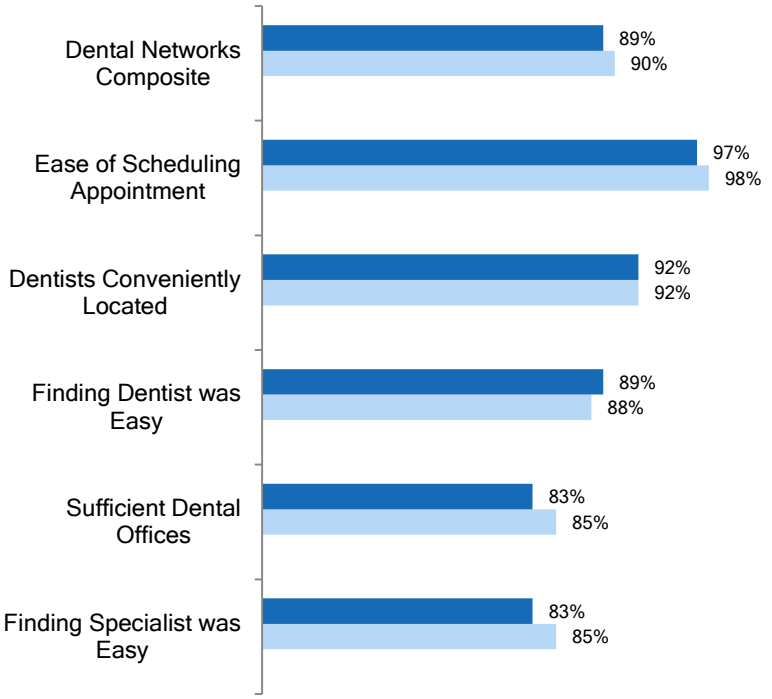


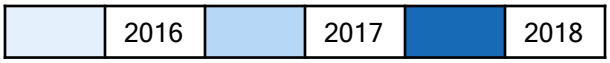
Customer Service – 95%



Dental Networks – 89%

*Research Note: Dental Networks Composite in 2016 consisted of one question regarding satisfaction with the ease of finding a dentist (96%). Addition of multiple satisfaction elements in 2017 means the composite score is not comparable year-over-year between 2016 and 2017/2018.

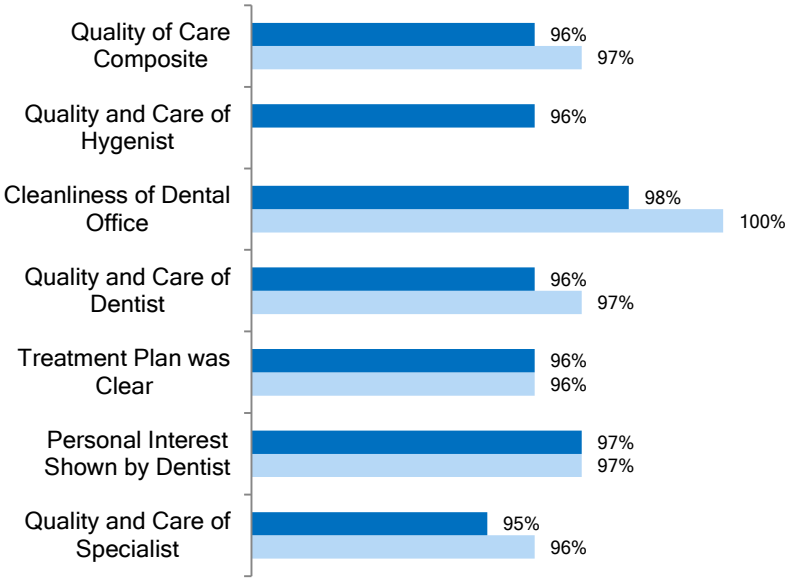




**Denotes question not asked in 2017

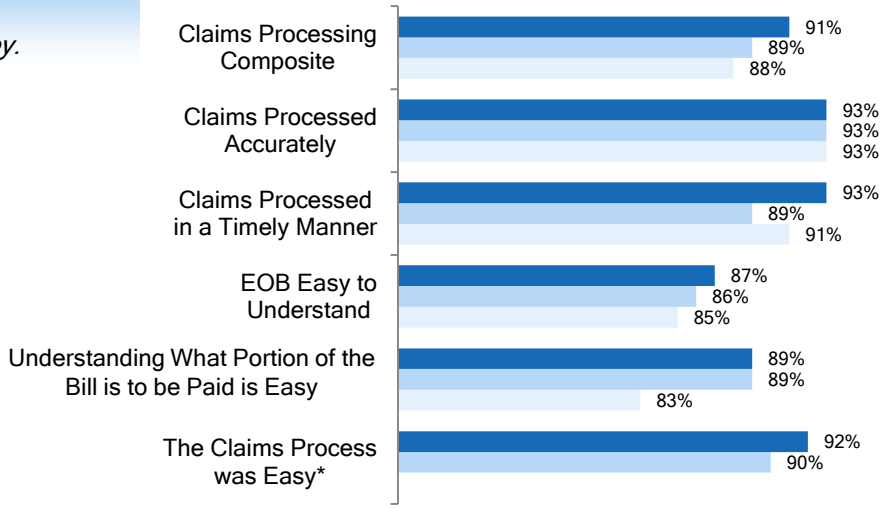
Quality of Care - 96%

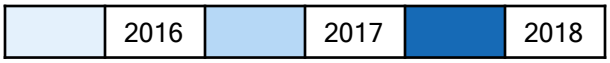
Questions were not in the 2016 survey.



Claims Processing - 91%

**Question not in the 2016 survey.*

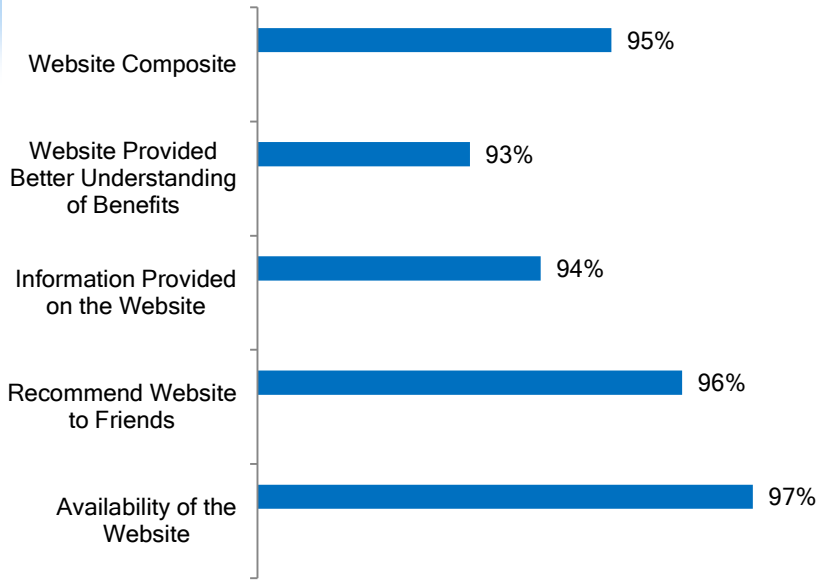




*Denotes new question in 2017

Website - 95%

New category for 2018.



2016 2017 2018

*Denotes new question in 2017

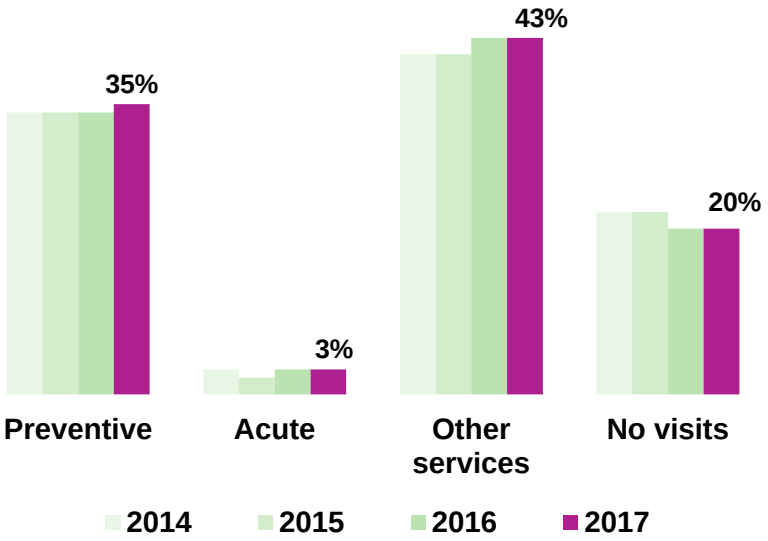
Oral Health & NMRHCA

Statistics and Information

July 13, 2018

ORAL HEALTH TRENDS COMP PLAN

Shows your members' use of preventive, extensive, other services and no visits for each 12-month reporting period.



Four or More Cleanings	55	0.45%
Three Cleanings	406	3.30%
Two Cleanings	5283	42.96%
One Cleaning	2516	20.46%
No Cleanings	4037	32.83%

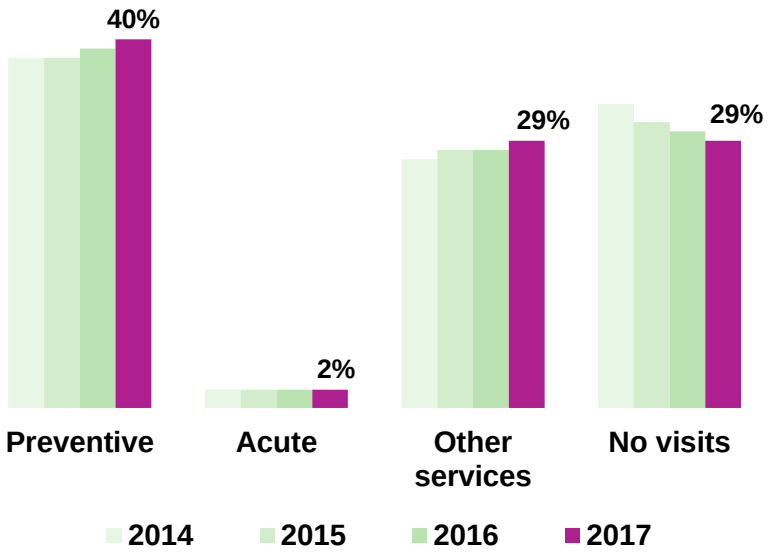
No visits during the past two years

Data shows that 20 percent of your members had no visits in 2017. 12 percent (1,959 members) had no visits in two years. The percentage change is no different from the 2016 data shown last year

DELTA DENTAL

ORAL HEALTH TRENDS BASIC PLAN

Shows your members' use of preventive, extensive, other services and no visits for each 12-month reporting period.



Four or More Cleanings	7	0.16%
Three Cleanings	70	1.59%
Two Cleanings	1677	38.13%
One Cleaning	863	19.62%
No Cleanings	1781	40.50%

No visits during the past two years

Data shows that 29 percent of your members had no visits in 2017. 18 percent (1,044 members) had no visits in two years. This is almost no change from the 2016 data shown last year.

DELTA DENTAL

REDUCE COSTS WITH PREVENTIVE CARE Comp Plan

Regular preventive care tends to reduce overall costs over time. Below is a comparison of patients who received preventive *care in the year prior to the reporting period* to those who did not. Comparisons are annual cost per patient for January 1 through December 31, 2017

$485 (Up from $462 in 2016)

Total cost per patient with NO regular preventive procedures
These patients were categorized as "acute" in the prior year

$386 (Up from $369 in 2016)

Total cost per patient with regular preventive procedures
These patients were categorized as "preventive" in the prior year

20% less

REDUCE COSTS WITH PREVENTIVE CARE Basic Plan

Regular preventive care tends to reduce overall costs over time. Below is a comparison of patients who received preventive care *in the year prior to the reporting period* to those who did not. Comparisons are annual cost per patient for January 1 through December 31, 2017

$234 (Down from $242 in 2016)

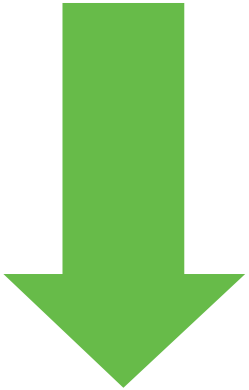
Total cost per patient with NO regular preventive procedures

These patients were categorized as "acute" in the prior year

$259 (Down from $261 in 2016)

Total cost per patient with regular preventive procedures

These patients were categorized as "preventive" in the prior year



11% more

Update of PPONew Mexico Provider Access

State of New Mexico Provider Counts and Participation Activity

	Unique Providers	Participating Providers	Percentage
As of 1/1/18 –	1,017	880	86.53%
As of 7/1/18 -	1,014	885	87.28%

Put Your Smile to the Test
A couple minutes. A few questions.
A lifetime of great oral health.
A helpful tool to those members avoiding a visit.

Wouldn't it be nice to know if you were at risk for oral disease before it became a problem? By taking just a few minutes to answer some simple questions about yourself and your oral health, our *myDentalScore* tool will assess your level of oral disease risk and your oral health needs. Visit *myDentalScore* today to find out how your oral health scores. Your risk is rated and sent to you via email and gives the score meaning as a sample:

What these scores mean for you:

Your answers suggest that you may have early stage periodontal disease. Please note, this is not a diagnosis. While your risk score suggests a generally low risk that any such disease will worsen, you should see your dentist for a clinical evaluation. Your dentist can then confirm or correct your risk and disease scores using clinical measurements only they can provide, make any diagnosis, and work with you to control or resolve any disease

Delta Dental Partnering with American Heart Association

Delta Dental of New Mexico is finalizing a partnership with American Health Association here in New Mexico. As requested, we will be present at events to speak about the connection of Oral Health and it's relation to heart disease, heart symptoms and stroke. Much will be in the Albuquerque area, but also other cities as requested. This involves health fairs and some senior living facilities. We are and will be actively involved with seniors at events such as the Heart Ball, Go Red for Women, Vestido Rojo and Go Red for Native American Women. With our association and support with the Dental Hygienists at local colleges, we have access to students who will participate by attending the events to further educate your Retiree/Senior members within the State.

If NMRHCA is a sponsor of an event, please reach out to DDNM for assistance.

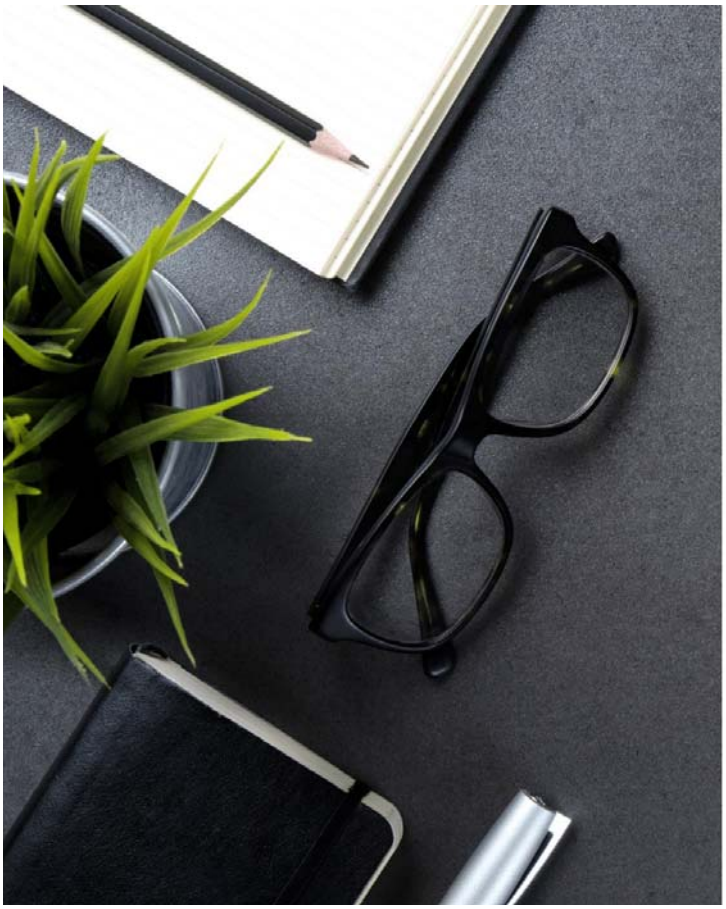
Questions?

Welcome

CLIENT ANNUAL REVIEW | July 12, 2018]

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

DAVIS VISION EYECARE REFRAMED℠



DAVIS VISION EYECARE REFRAMED℠ 2

1. Introductions
2. NMRHCA- What's New?
3. What's New With Davis Vision?
4. Utilization & Performance
5. Questions?

DavisVision

Davis Vision is now part of Versant Health

New look for the name you trust

What this means for you and your employees

We're investing millions of dollars in technologies, training and service to make every experience with us a great one. We are dedicated to you, providing high quality plans and a passion for service.

We have a new look that reflects our renewed commitment to you. Only the appearance of the brand will change; our contract with you - your plan, level of service and quality of care - remain the same.

Who is Versant Health?

Versant Health offers Davis Vision and Superior Vision, each of which provides unique and tailored managed vision care solutions. Together, every kind of vision care sits under one roof, with a dedication to quality and a passion for service.

Our mission is to help members enjoy the wonders of sight through healthy eyes and vision.

I have some questions. Where can I go for answers?

Please visit **versanthealth.com**. Feel free to contact us should you have additional questions.

from VersantHealth

(800) 999-5431 | davisvision.com

Your 2017 Highlights

Enrollment

40,665 Lives

Utilization

21,264 Claims, 52%

In-network Utilization

96% In-network

Overall Member Satisfaction

98% Satisfaction

Paid-in-full Frame

78% Received a Paid-in-full Frame

Eye Exams

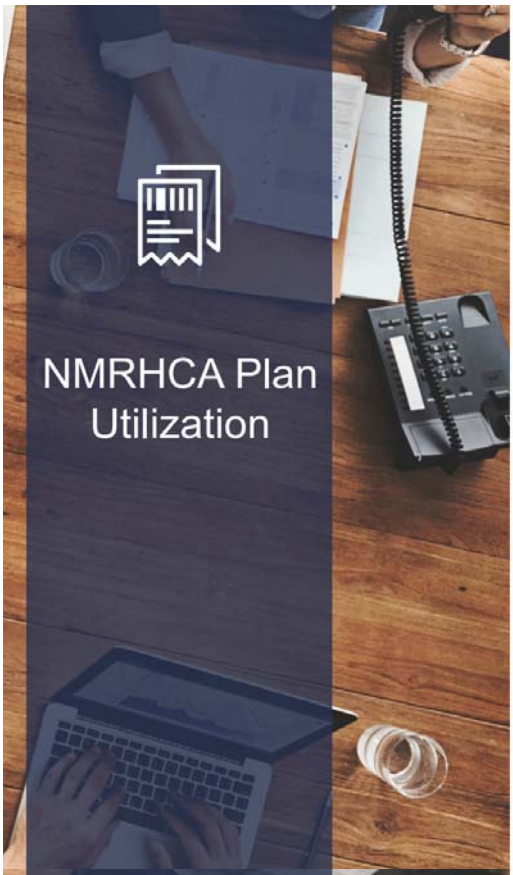
32% Exam Utilization

Additional Savings

$1,277,718 Addtl. Savings from Lens Coverage

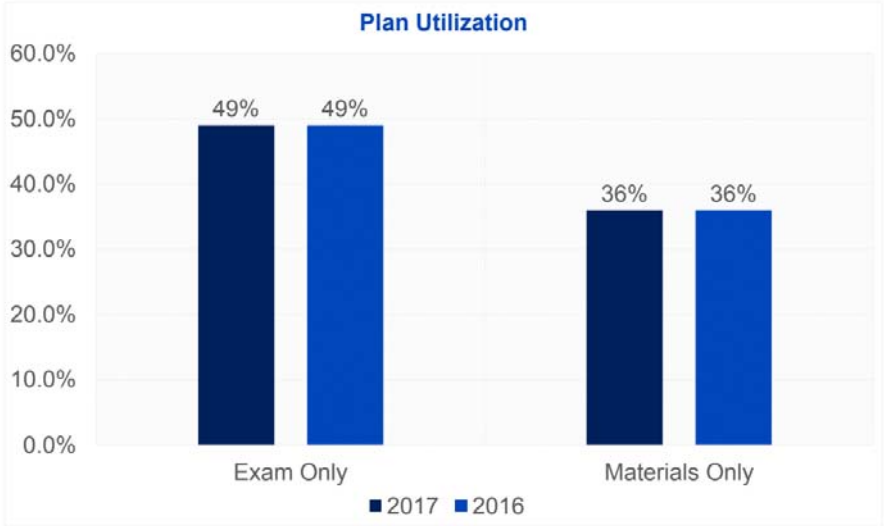
Top 5 Lens Options

1. **Polycarbonate**
2. **Plastic Photosensitive Lenses**
3. **Premium Progressive**
4. **Scratch Coating**
5. **Anti-reflective Coating (ARC) – Premium**



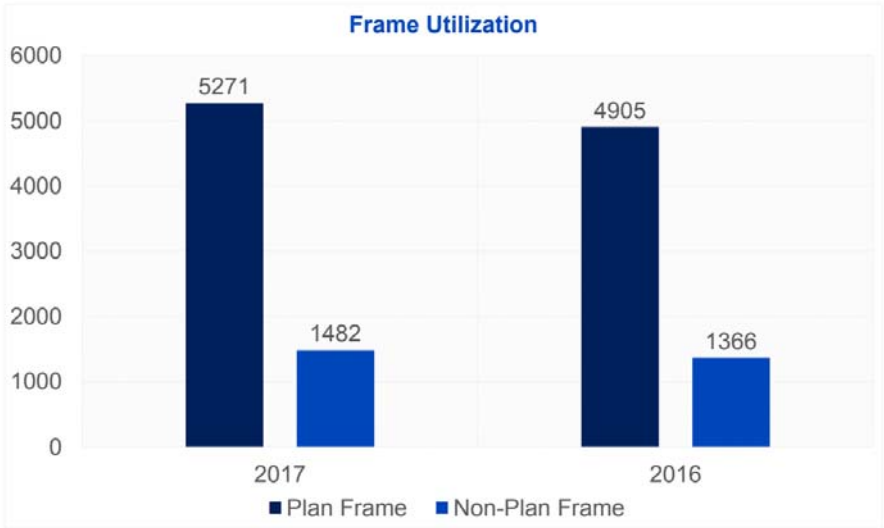
DAVIS VISION EYECARE REFRAMED™ 5

Plan utilization is down slightly year over year



DAVIS VISION EYECARE REFRAMED™ 6

Nearly 80% of NMRHCA members have no out of pocket on frames



2017 Claims

- Average Claim Dollar- $47.39 ($46.23 in 2016)
- Average per member per month cost - $55.46 ($58.14 in 2016)

DAVIS VISION EYECARE REFRAMED℠ 7

Year	Month	Subscribers	Members	Premiums	Paid	# Claims	Claims Paid	Administrative Expenses	Total Expense
2017	January	28,202	40,182	$190,114.54	$190,114.54	1,544	$140,016.99	$20,912.60	$160,929.59
2017	February	28,260	40,228	$189,272.97	$189,272.97	1,662	$150,995.63	$20,820.03	$171,815.66
2017	March	28,283	40,185	$188,880.35	$188,880.35	1,929	$176,570.40	$20,776.84	$197,347.24
2017	April	28,327	40,234	$188,499.88	$188,499.88	1,582	$144,501.10	$20,734.99	$165,236.09
2017	May	28,362	40,271	$187,768.53	$187,768.53	1,595	$145,492.13	$20,654.54	$166,146.67
2017	June	28,396	40,295	$187,368.95	$187,368.95	1,913	$168,839.16	$20,610.58	$189,449.74
2017	July	28,496	40,423	$186,303.84	$186,303.84	1,597	$141,280.15	$20,493.42	$161,773.57
2017	August	28,677	40,679	$184,932.78	$184,932.78	2,182	$193,095.72	$20,342.61	$213,438.33
2017	September	29,034	41,172	$187,134.70	$187,134.70	1,724	$155,827.14	$20,584.82	$176,411.96
2017	October	29,203	41,393	$188,205.09	$188,205.09	1,762	$162,503.05	$20,702.56	$183,205.61
2017	November	29,267	41,442	$188,458.91	$188,458.91	2,181	$199,677.02	$20,730.48	$220,407.50
2017	December	29,315	41,482	$188,678.86	$188,678.86	1,593	$148,620.81	$20,754.67	$169,375.48
Total		28,652	40,666	$2,255,619.40	$2,255,619.40	21,264	$1,927,419.30	$248,118.13	$2,175,537.43

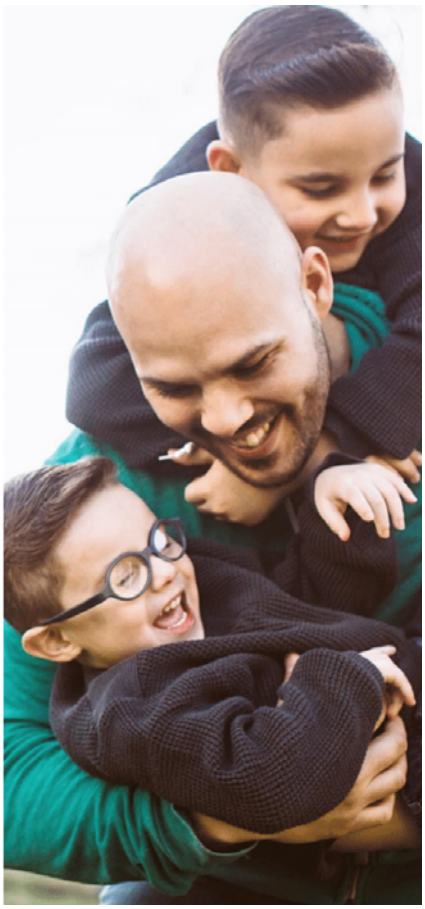
Year	Month	Subscribers	Members	Premiums	Paid	# Claims	Claims Paid	Administrative Expenses	Total Expense
2018	January	29,586	41,844	$190,399.20	$190,399.20	1,514	$147,349.80	$20,943.91	$168,293.71
2018	February	29,628	41,856	$190,535.16	$190,535.16	1,747	$153,350.19	$20,958.87	$174,309.06
2018	March	29,656	41,873	$190,638.87	$190,638.87	2,075	$182,959.31	$20,970.28	$203,929.59
2018	April	29,703	41,919	$190,870.76	$190,870.76	1,681	$150,001.46	$20,995.78	$170,997.24
2018	May	29,754	41,972	$191,134.44	$191,134.44	1,851	$165,381.27	$21,024.79	$186,406.06
Total		29,665	41,893	$953,578.43	$953,578.43	8,968	$799,042.03	$104,893.63	$903,935.66

Subscriber = Contract Holder Member = Contract Holder, Spouse and all covered Dependents

Adding It All Up

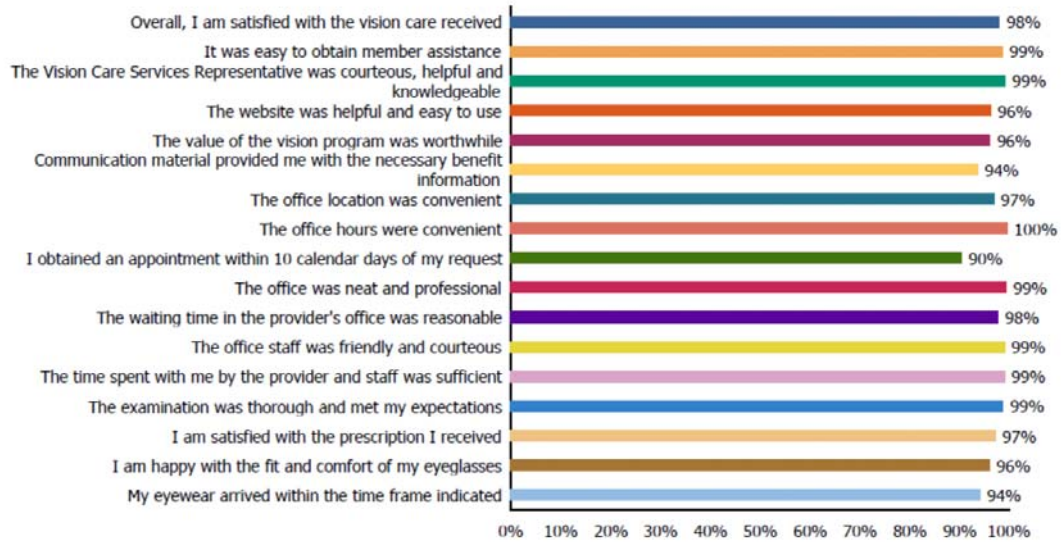
EXAM & EYEWEAR	AVERAGE RETAIL	DAVIS VISION MEMBER COST
Eye Exam	$103	**$10**
Glasses*	$238	**$15**
Photochromic Lenses (i.e. Transitions® Signature™)	$185	**$65**
1-Year Breakage Warranty	$30	**FREE**
Total Out-of-Pocket	**$556**	**$90**

Consumers' #1 priority in a vision plan is **LOW OUT-OF-POCKET COSTS.***

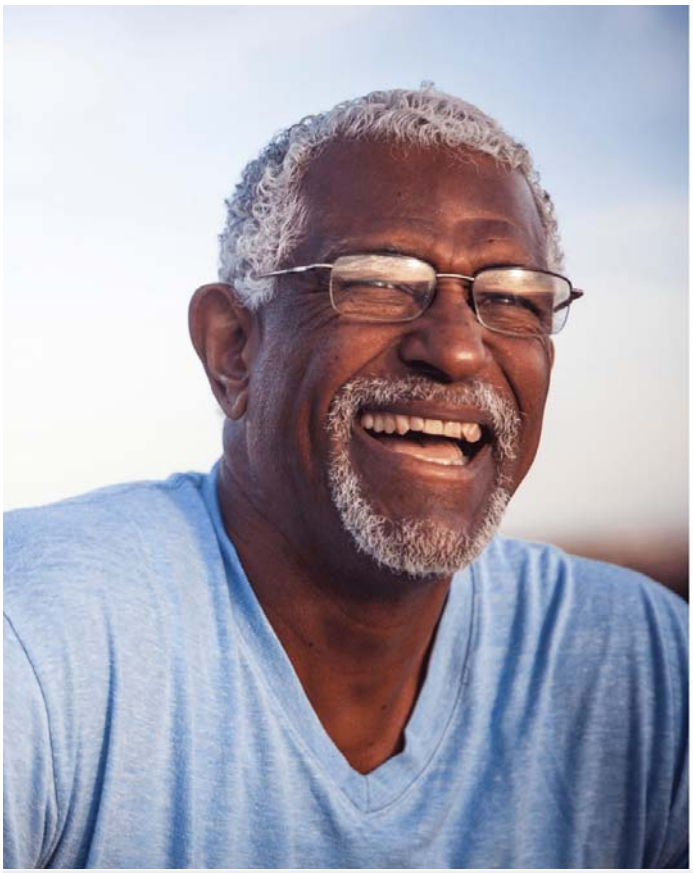


*Example includes cost of a Premier Tier Exclusive Collection frame and single vision lenses

Patient Satisfaction



* These results are compiled by soliciting and receiving responses from a statistically accurate sampling of the benefit recipients of this program.



DAVIS VISION EYECARE REFRAMED™ 11

Quality Customer Service

Live customer service 7 days / week

98% member satisfaction with customer service

24/7 access via web portal online

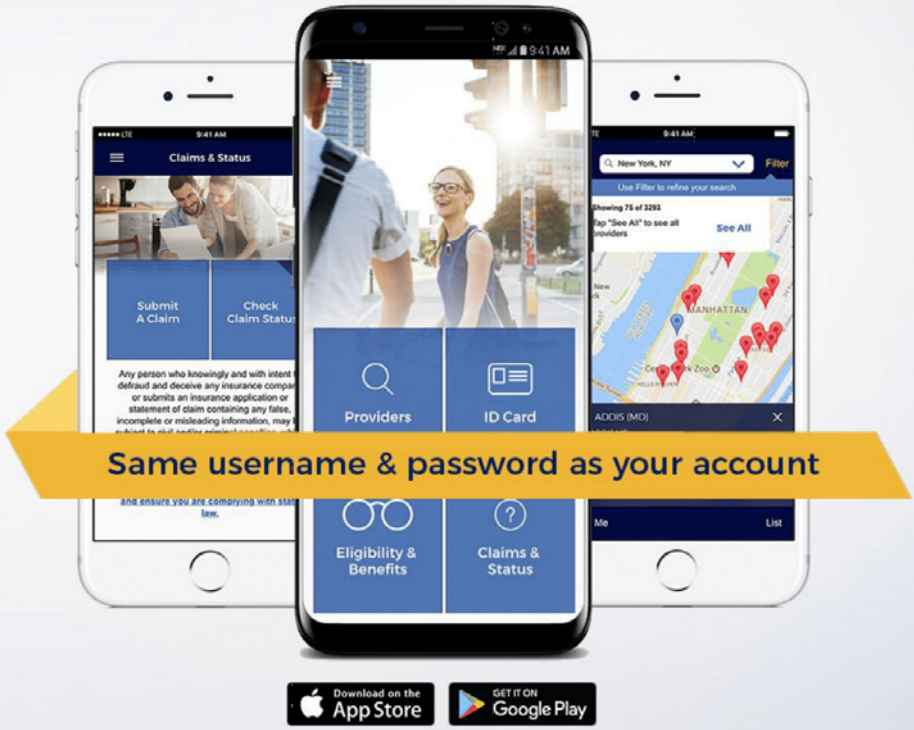
100% of calls administered in the U.S.

DAVIS VISION EYECARE REFRAMED™ 12

Access your vision benefits with the all-new

DAVIS VISION MEMBER APP.

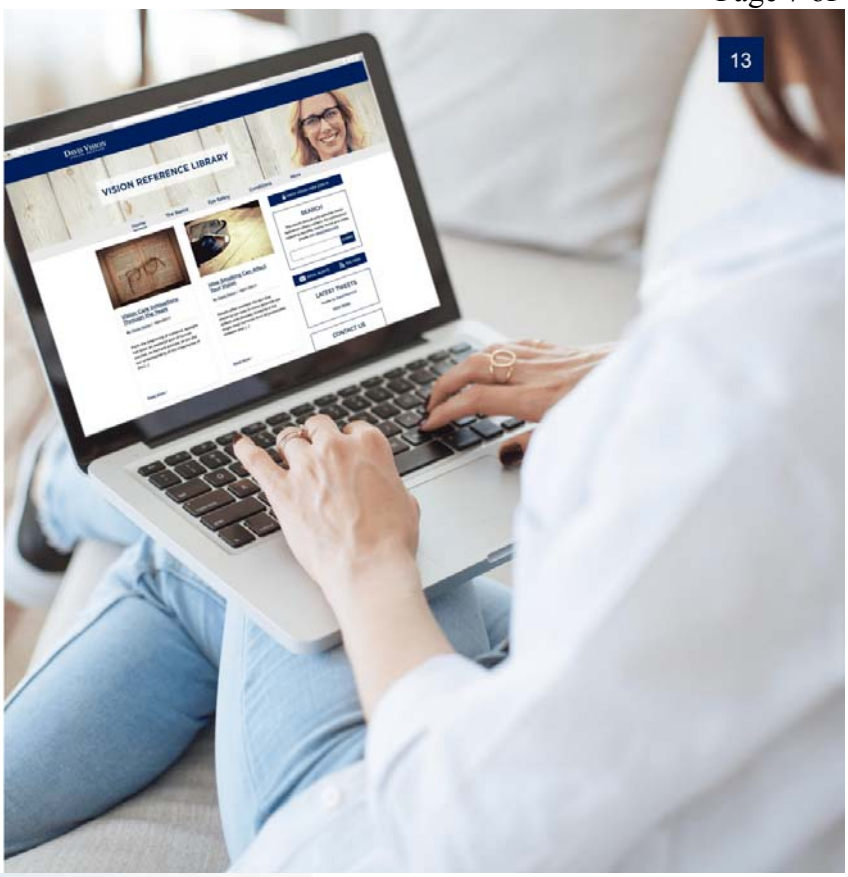
- Interactive Provider Search w/ Map & Directions
- Eligibility & Benefits
- Badge Alerts
- Biometric Login Feature
- Digital Claim Submission
- Member ID Card
- Claim Status



Vision Reference Library

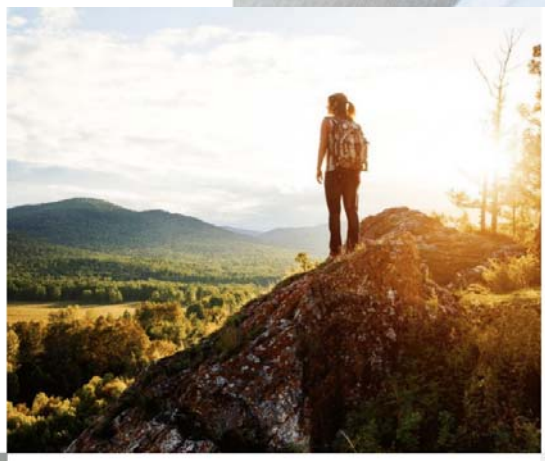
With regular content on eye health, fun facts, pro tips and the latest trends, this blog is focused on all things vision!

- Engaging articles on vision and wellness
- Trending topics and subject matter
- Easily shareable content for social channels



FIT FWD

Fit Fwd provides companies with tools and resources that can foster health and wellness among employees or enhance existing wellness programs.
davisvision.com/fitfwd



DAVIS VISION
EYECARE REFRAMED™

14

For Employees

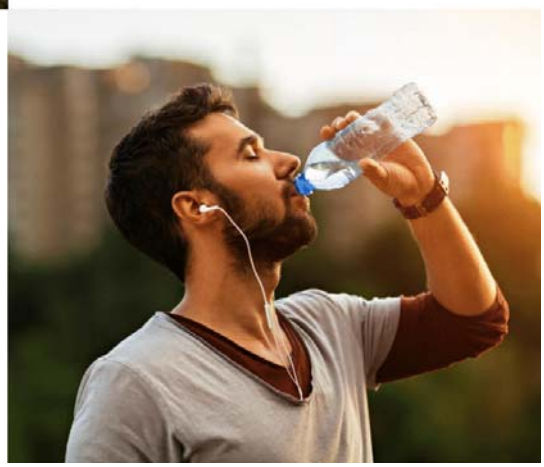
See how an eye exam can save time & money.
Understand & discuss results with your doctor.

An eye exam can detect a number of health and vision conditions before symptoms appear. Early detection and prevention are key to saving time, money and sight.

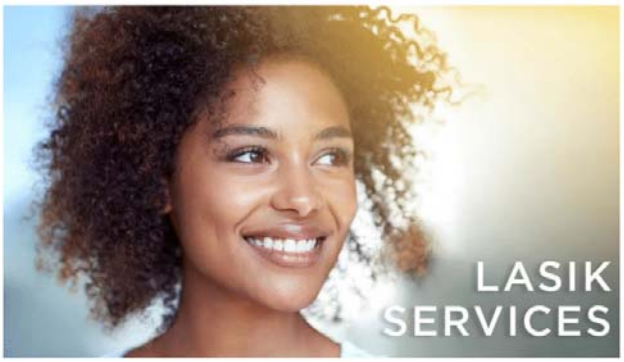
For Employers

Offer interactive, educational tools.
Share print-ready information.
Encourage wellness through prevention.

Eye exams can lead to reduced medical costs and improved productivity. Understand the value and ROI a premium vision benefit really offers.



No more glasses. No more contacts.



As a Davis Vision client, you receive the lowest prices on LASIK procedures guaranteed, making permanent vision correction a more affordable solution than ever.

- Free LASIK Consultation
- 900+ locations nationwide
- Under $1,000/eye for Conventional LASIK (usually $1,677/eye)

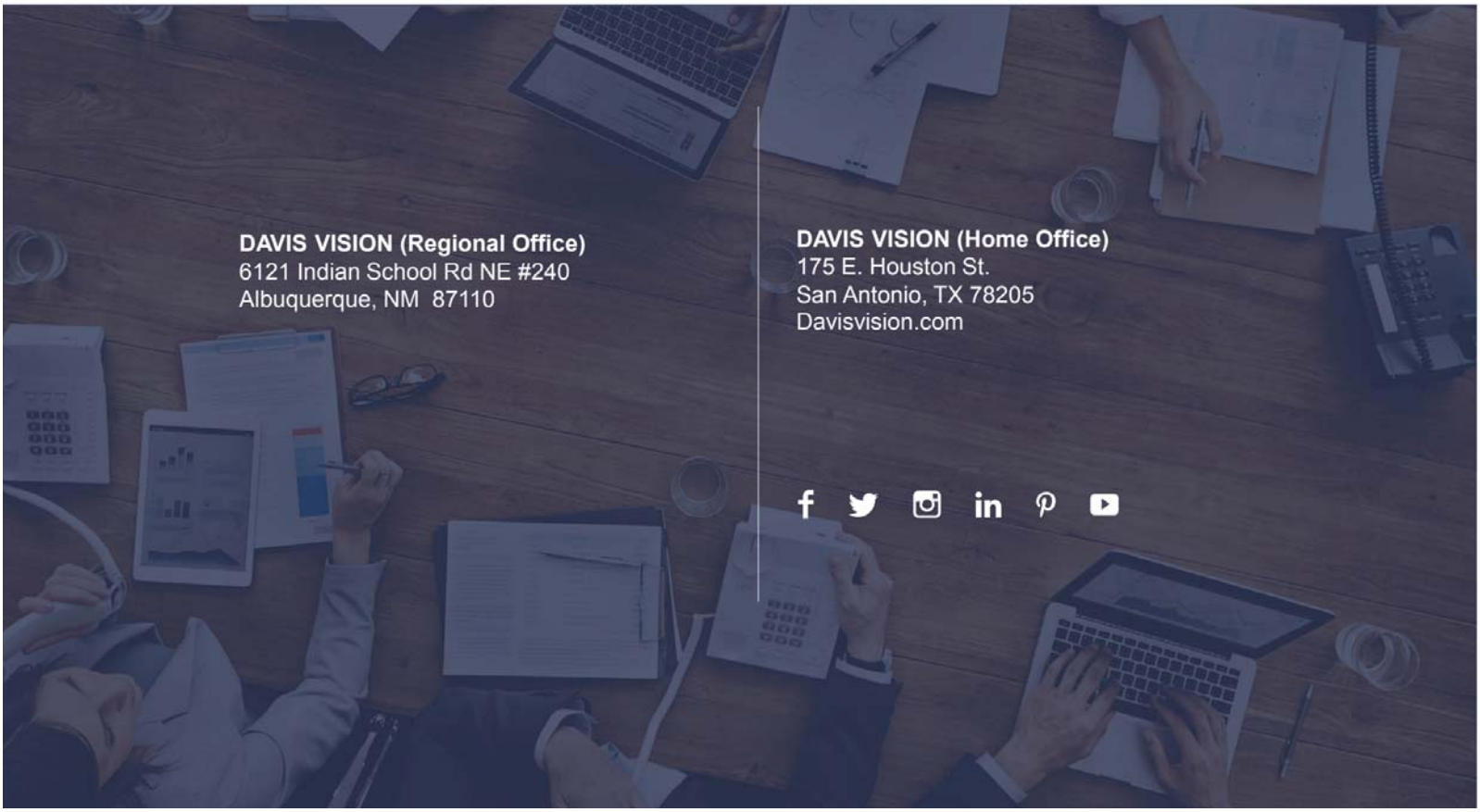
1 (855) 502-2020 | lasik.qualsight.com

Hear the world clearly.

Hearing the world clearly is important, so we partner with EPIC Hearing Healthcare to provide you with quality, affordable hearing care. You have access to the largest network of audiologists and ENTs in the country and save up to 60% off retail prices on brand name hearing aids.

- Free Hearing Consultation
- 3-year extended warranty & 1-year supply of batteries
- $495 for Basic hearing aid technology (usually $1,400-$1,600)

1 (844) 246-0544 | epichearing.com/davisvision



Life Insurance for Eligible Retirees of New Mexico Retiree Health Care Authority

New Mexico Retiree Health Care Authority (NMRHCA) knows that no two retirees are alike. We all have different lifestyles, family situations, and benefit needs. With this in mind, NMRHCA offers a variety of life benefits to help retirees and their families achieve financial security.

Life Benefits at a Glance

<table>
<tr><th>Basic Life – Closed Class*</th><th>Coverage</th><th>Who pays the premium?</th></tr>
<tr><td>Retiree

*Remained continuously insured in a medical plan prior to 1/1/2012</td><td>$6,000</td><td>NMRHCA currently pays 100% of the cost. Starting 1/1/2018 a graded schedule of premium payment over time will result in the retiree paying 100% of the cost.[1]</td></tr>
<tr><th>Additional Life</th><th>Coverage</th><th>Who pays the premium?</th></tr>
<tr><td>Retiree</td><td>$10,000 Guarantee Issue (GI)

Choice of:
$2,000 | $15,000
$4,000 | $20,000
$6,000 | $40,000
$8,000 | $46,000
$10,000 | $60,000

Amounts above the GI require Evidence of Insurability and approval.</td><td>Retiree pays 100% of the cost.</td></tr>
<tr><th>Dependents Life**</th><th>Coverage</th><th>Who pays the premium?</th></tr>
<tr><td>Spouse

**Dependents are not allowed more coverage than the retiree</td><td>$10,000 Guarantee Issue (GI)

Choice of:
$2,000 | $15,000
$4,000 | $20,000
$6,000 | $40,000
$8,000 | $46,000
$10,000 | $60,000

Amounts above the GI require Evidence of Insurability and approval.</td><td>Retiree pays 100% of the cost.</td></tr>
<tr><td>Child(ren)

**Dependents are not allowed more coverage than the retiree</td><td>Choice of:
$2,500; $5,000; $10,000
per eligible dependent child
(under 26 years of age)</td><td>Retiree pays 100% of the cost.</td></tr>
</table>

[1] 1/1/2018 NMRHCA 75%, Retiree 25%
1/1/2019 NMRHCA 50%, Retiree 50%
1/1/2020 NMRHCA 25%, Retiree 75%
1/1/2021 NMRHCA 0%, Retiree 100%

Life Insurance for Eligible Retirees of New Mexico Retiree Health Care Authority

Other Provisions

Accelerated Benefit	If the retiree becomes terminally ill, they may be eligible to receive up to 75% of combined Basic and Additional Life benefits to a maximum of $25,000.
Conversion	If insurance ends or reduces, the retiree may be eligible to convert their life insurance to an individual life insurance policy without submitting proof of good health.
Repatriation Benefit	If the retiree dies more than 150 miles from their primary residence, we will pay the expenses incurred to transport their body to a mortuary near their primary place of residence, but not to exceed $5,000 or 10% of the life insurance benefit, whichever is less.
Travel Assistance	Designed to help the retiree respond to medical care situations and other emergencies the retiree and their family may experience while traveling 100 miles or more from home. Travel Assist provides information, referral, coordination and assistance services, including pre-trip assistance, medical assistance, emergency transportation, travel and technical assistance, legal services and medical supplies.
Life Services Toolkit	Comprehensive online tools and services can help the retiree create a will, make advanced funeral plans and put their finances in order. After a loss, beneficiaries can consult experts by phone or in person and obtain other helpful information online for up to 12 months after the date of death.
Funeral Assignment	This benefit allows the adult beneficiary to assign payment from the Life Insurance proceeds to the funeral home for expenses. The funeral home is paid directly by The Standard and any remaining life insurance benefits are paid to the beneficiary.
Continuation of Benefits for Dependents	If the retiree dies and had Spouse and Child Life enrollment, the Spouse and Child Life will continue for five months without premium payment.

This information is only a brief description of the group life insurance policy sponsored by NMRHCA. The controlling provisions will be in the group policy issued by The Standard. The group policy contains a detailed description of the limitations, reductions in benefits, exclusions and when The Standard and NMRHCA may increase the cost of coverage, amend or cancel the policy. A group certificate of insurance that describes the terms and conditions of the group policy is available for those who become insured according to its terms. For more complete details of coverage, contact 888.609.9763 ext. 0954 or access https://www.standard.com/mybenefits/newmexico_rhca/.

The Life Services Toolkit

Resources and Tools to Support You and Your Beneficiary

Group Life insurance through your employer gives you assurance that your family will receive some financial assistance in the event of a death. But coverage under a group Life policy from Standard Insurance Company (The Standard) does more than help protect your family from financial hardship after a loss. We have partnered with Morneau Shepell to offer a lineup of additional services that can make a difference now and in the future.

Online tools and services can help you create a will, make advance funeral plans and put your finances in order. After a loss, your beneficiary can consult experts by phone or in person, and obtain other helpful information online.

The Life Services Toolkit is automatically available to those insured under a group Life insurance policy from The Standard.

Services to Help You Now

Visit the Life Services Toolkit website at **standard.com/mytoolkit** and enter user name "assurance" for information and tools to help you make important life decisions.

- **Estate Planning Assistance:** Online tools walk you through the steps to prepare a will and create other documents, such as living wills, powers of attorney and health care agent forms.
- **Financial Planning:** Consult online services to help you manage debt, calculate mortgage and loan payments, and take care of other financial matters with confidence.
- **Health and Wellness:** Timely articles about nutrition, stress management and wellness help employees and their families lead healthy lives.
- **Identity Theft Prevention:** Check the website for ways to thwart identity thieves and resolve issues if identity theft occurs.
- **Funeral Arrangements:** Use the website to calculate funeral costs, find funeral-related services and make decisions about funeral arrangements in advance.

If you are a recipient of an Accelerated Benefit,[1] you may access the services for beneficiaries outlined on the next page.

continued on reverse

1 An Accelerated Benefit allows a covered individual who becomes terminally ill to receive a portion of the Life insurance proceeds while living, if all other eligibility requirements are met.

Standard Insurance Company
1100 SW Sixth Avenue
Portland, OR 97204

standard.com

Life Services Toolkit
SI **17526** (10/17) EE

Services for Your Beneficiary

Life insurance beneficiaries[2] can access services for 12 months after the date of death. Recipients of an Accelerated Benefit can access services for 12 months after the date of payment.

These supportive services can help your beneficiary cope after a loss:

- **Grief Support:** Clinicians with master's degrees are on call to provide confidential grief sessions by phone or in person. Your beneficiaries are eligible for up to six face-to-face sessions and unlimited phone contact.

  Our clinicians may offer your beneficiaries additional grief support through books sent to their home, based on each individual's needs. As part of this program, age-appropriate books can be sent for children and teens.

- **Legal Services:** Your beneficiaries can obtain legal assistance from experienced attorneys. They can:

  - Schedule an initial 30-minute office and a telephone consultation with a network attorney. Beneficiaries who wish to retain a participating attorney after the initial consultation receive a 25 percent rate reduction from the attorney's normal hourly or fixed-fee rates.

  - Obtain an estate-planning package that consists of a simple will, a living will, a health care agent form and a durable power of attorney.

- **Financial Assistance:** Your beneficiaries have unlimited phone access to financial counselors who can help with issues such as budgeting strategies, and credit and debt management, including hour-long sessions on topics requiring more in-depth discussion.

- **Support Services:** During an emotional time, your beneficiaries can receive help planning a funeral or memorial service. Work-life advisors can guide them to resources to help manage household repairs and chores; find child care and elder care providers; or organize a move or relocation.

- **Online Resources:** Your beneficiaries can easily access additional services and features on the Life Services Toolkit website for beneficiaries, including online resources to calculate funeral costs, find funeral-related services and make decisions about funeral arrangements.

Beneficiaries can participate in phone consultations or in-person meetings with trained grief counselors.

For beneficiary services, visit standard.com/mytoolkit (user name = support) or call the assistance line at 800.378.5742.

2 The Life Services Toolkit is not available to Life insurance beneficiaries who are minors or to non-individual entities such as trusts, estates, charities.

The Life Services Toolkit is provided through an arrangement with Morneau Shepell and is not affiliated with The Standard. Morneau Shepell is solely responsible for providing and administering the included service. This service is not an insurance product.

Travel Assistance

A Worldwide Assistance Service

Standard Insurance Company (The Standard) includes Travel Assistance with our group insurance policies through an arrangement with UnitedHealthcare Global. This provides an additional sense of security for your insured employees and their eligible family members any time they travel more than 100 miles from home or internationally for trips of up to 180 days. There's no enrollment process – insured employees are automatically covered.

A single phone call helps employees and their families with emergencies that may arise while traveling, including a wide range of medical, legal and travel-related issues. Travel Assistance can also help them with non-emergencies, such as trip planning.

Key Services of Travel Assistance

- **Pre-trip Assistance** including passport, visa, weather and currency exchange information, health hazards advice and inoculation requirements
- **Trip Assistance** including help with transferring funds, replacing credit cards and passports, emergency ticketing, and locating missing baggage
- **Medical Assistance** including locating medical care providers and interpreter services
- **Legal Assistance** including locating a local attorney, consular officer or bail bond services
- **24-Hour Health Information** including 24/7/365 access to registered nurses who can provide health and medication information, symptom decision support, and help understanding treatment options
- **Emergency Transportation Services**[1] including arranging and paying for emergency evacuation to the nearest adequate medical facility and medically necessary repatriation to the employee's home, including repatriation of remains
- **Companion Transportation Services** including returning travel companion if return travel is disrupted due to emergency transportation services[2] or returning dependent children if left unattended due to prolonged hospitalization
- **Personal Security Services** including logistical arrangements for ground transportation, housing and/or evacuation in the event of political unrest and social instability

How to Contact

Travel Assistance is accessible 24 hours a day, every day. For more information, contact your insurance advisor or call the Employee Benefits Sales and Service Office for your area today at 800.633.8575.

1 Must be arranged by UnitedHealthcare Global. Related medical services, medical supplies and a medical escort are covered where applicable and necessary.

2 Not available to Oregon residents.

Standard Insurance Company
1100 SW Sixth Avenue
Portland, OR 97204

standard.com

Travel Assistance
SI **9539** (5/17) PR/ER

Wellness: A Look Back

Susie MacLean, MS

Vice President – Health and Wellness Solutions

The Solutions Group

Good Measures
2017 Annual Report

The Solutions Group

A division of Presbyterian Healthcare Services

Executive Summary

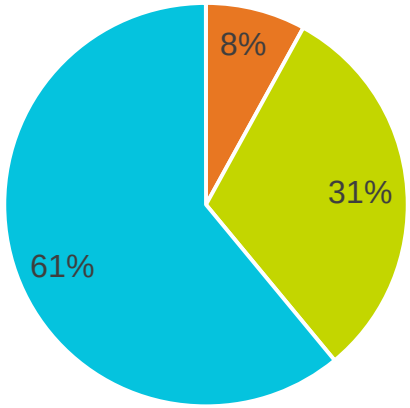
Good Measures and Presbyterian's The Solutions Group collaborated to outreach and support retirees.

- Through Presbyterian's The Solutions Group, Good Measures nutrition content reaches ~13,000 members monthly.
- In 2017, 197 retirees registered:
  - **100%** were targeted for outreach by Wellness Techs.
    - **80%** utilized the service (logged and/or were coached).
    - **75%** of those who used the service have had 2 or more coaching consultations.
  - **80%** have lost or maintained weight:
    - **56%** lost weight.
    - **10** pounds average weight loss, or just over 5% of starting weight.
    - **8.2%** average weight loss, for those who complete the DPP surpasses the 5-7% goal set by the Centers for Disease Control and Prevention.
  - **75%** of those with self-reported A1c data reduced their A1c:
    - 1.3 point reduction, on average.

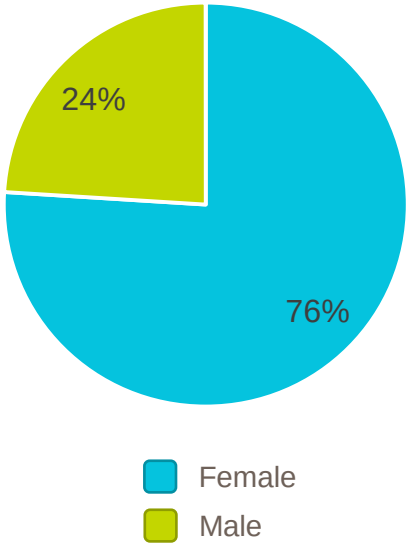
Participant Demographics

- The age breakdown remains similar to 2016, with the majority of members 65+.
- As with most client populations, the majority of those who sign up are female. However, we saw an increase in male participants, compared to 2016 when 85% of the NMRHCA participants were female.

Age Breakdown



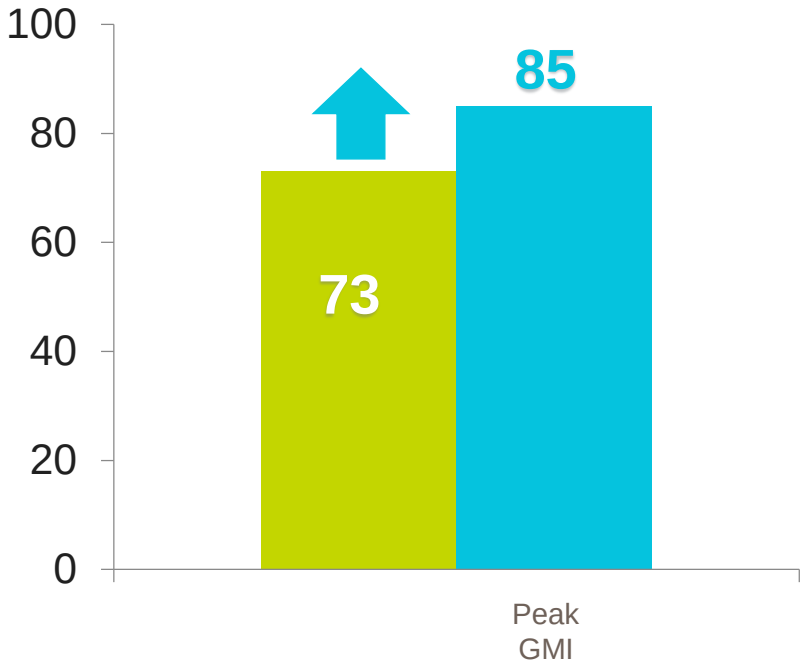
Gender Profile



n=197

Good Measures Index Increase

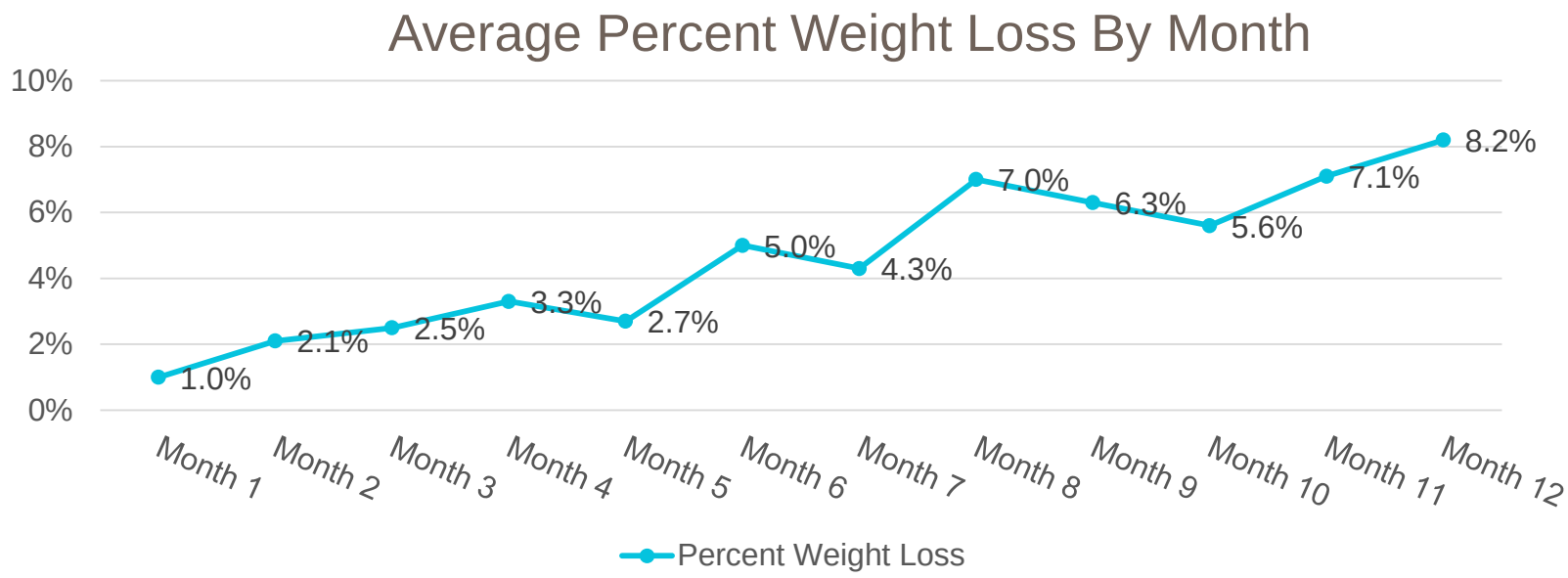
- Good Measures Index (GMI) is an indicator of personal nutritional balance.
- In 2017, the retirees had a higher percent increase in GMI than 2016: 16% vs.13% increase.



what's your index?

DPP Results Remain Strong

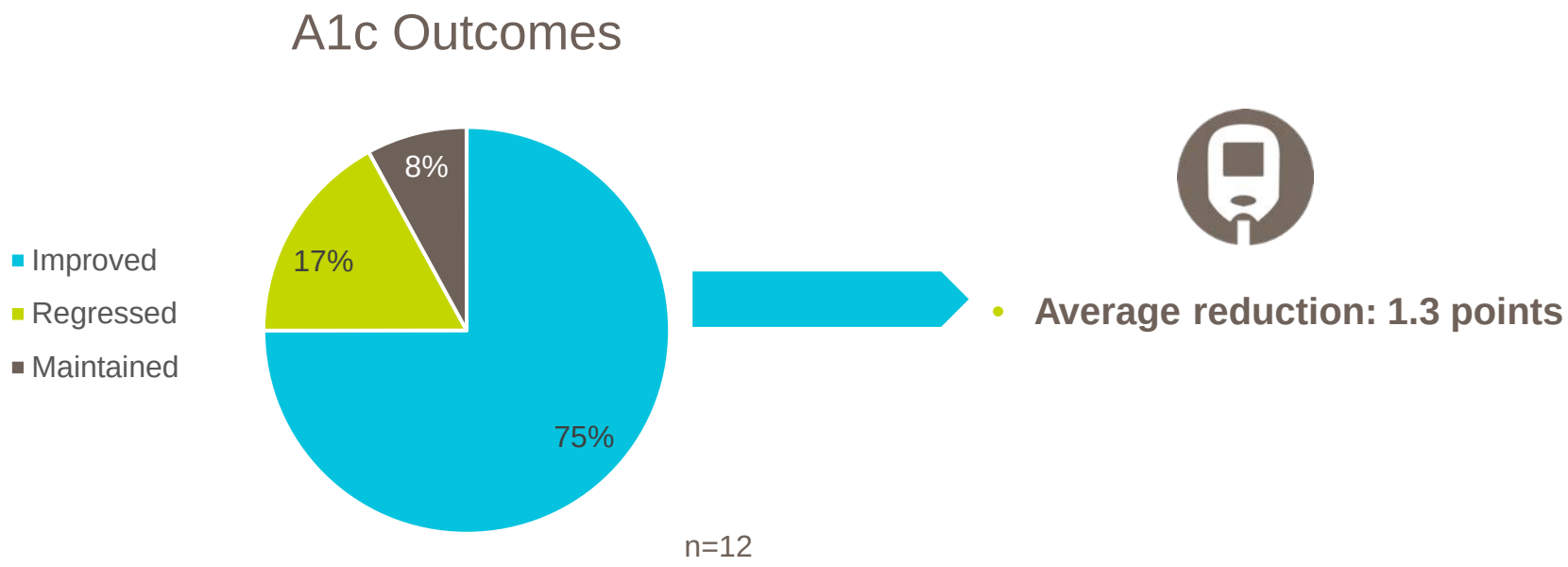
- 24 have been active in the DPP since the offering launched in the Fall of 2016.
  - Participants have been engaging in group sessions, Lifestyle Coach support and GM digital tools.
- 9 have completed, 8 are active, 5 disengaged after completing multiple sessions and 2 opted out.
- Achieved weight loss of 8.2% at 12 months surpasses the CDC target of 5-7% weight loss.



Note: 7 received scales, but did not start a class

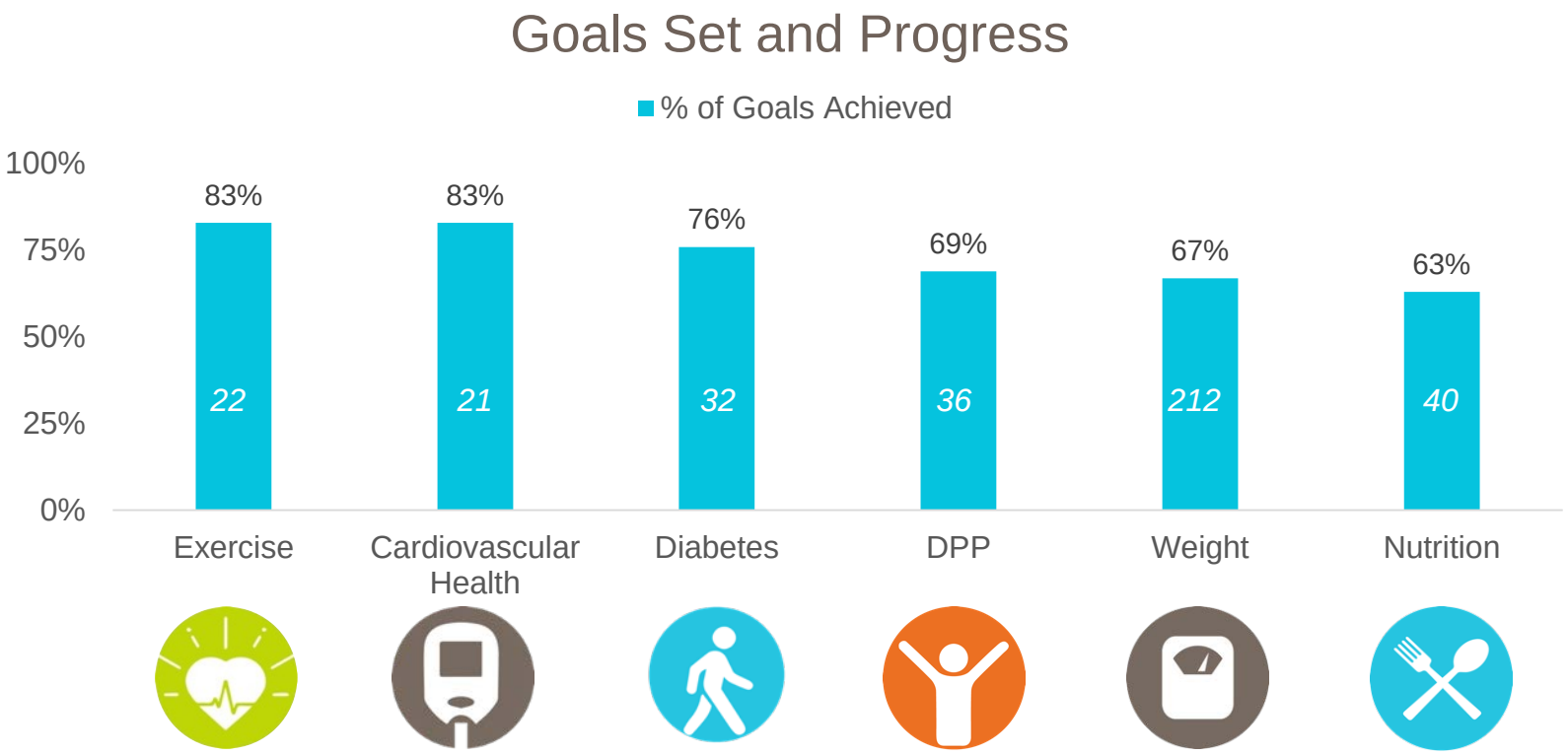
Positive Impact on A1c Measures

- **75%** reduced their A1c
  - Those who improved their A1c saw a 1.3 point reduction, on average.
  - Two participants regressed by only 0.1 point.
  - Starting average A1c for those who improved was 7.3%, whereas average starting for those who maintained and regressed were 6.2 and 5.9, respectively.
  - Every percentage point drop in A1c reduces the risk for microvascular complications by 37%.
  - Studies have shown that a 1% reduction in A1c translates to substantial savings ranging from ~$1,500 to $8,000.*



Goals Set by Members

- 60% of all goals set by members were weight-related.
    - Nutrition-related goals represent the second highest category of goals set by members.
- Overall, across goals, the average rate of achievement is 70%.



good measures™

CONNECTED DIABETES CARE

NEWMEXICO RETIREE HEALTH CARE AUTHORITY

- Holistic approach that keeps member at the center, integrates RD's and RN's in seamless diabetes coaching to optimize nutrition, lifestyle, medications, and diabetes management and decrease short and long-term risk for co-morbid conditions and complications.
- Assists patients in navigating complex comorbid conditions and maintaining focus on personal goals to regain health and well-being.
- Encourages members with T1D and T2D patients to attain optimal health status; encourages medication adherence.
- Empowers individuals to have confidence and active participation in their care.

Anywhere/anytime Access, Device Integration, with Human Expertise and Caring

The secure, HIPAA-compliant cloud technology

Data Insights and Human Expertise Drive Interventions

NEWMEXICO RETIREE HEALTH CARE AUTHORITY

- Assessment
- Care Plan Development
- Medication Adherence
- Acute Complications
- Barriers
- Implementation
- Monitoring
- Evaluation
- Autonomy

Julie generates data using tools

RD CDE RN and Julie ID trends and patterns

Coach provides insights and recommendations based on diet, exercise, insulin and BG trends.

Julie adjusts diet and lifestyle

Medication may be adjusted and biometrics improve

good measures

NMRHCA Wellness Program Data and Insights

2017-2018

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Prevention Strategies to Reduce Cost

Focus on high cost/prevalent chronic condition targets

- Diabetes
- Bone strength (fall risks)
- Hypertension
- Weight related chronic conditions

Additional preventive services

- Quit for Life - smoking cessation
- Early detection – 83 FOBT (Fecal Occult Blood Test) and 762 blood pressure screenings at switch enrollment
- 787 Flu and 100 Pneumococcal vaccines at switch enrollment

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Program Highlights

July 2017 – June 2018

- **761 unique individuals participated in at least one wellness activity** (645 during same time period 2016-2017)
- **Good Measures** – registered dietitian services
  - 188 engaged
  - 6 joined Diabetes Prevention Program
  - 5 joined Connected Diabetes Program
- ***Wellness at Work*** – online wellness platform
  - 243 active of 517 registered
- **Diabetes Learning Academies**
  - 314 attendees across four events – Albuquerque (2), Santa Fe, and Las Vegas
- **Email Video Courses** – Dinner with a Dietitian, Better Bone Health, and Change is Possible
  - 105 participants across all programs

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Future Targets

Recommendations guided by the NMRHCA Wellness Program Strategic Plan

- Continue to focus on diabetes and hypertension
  - Good Measures to improve lifestyle habits and chronic disease progression
    - Good Measures Diabetes Prevention Program/Connected Diabetes Care
  - More live, onsite Wellness Academies
  - Dinner with a Dietitian: DASH Diet for Hypertension
  - Promote Diabetes Self-Management Program offered in-person

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Future Targets

Recommendations guided by the NMRHCA Wellness Program Strategic Plan

- Other chronic condition targets
  - Weight management
  - Heart disease via diabetes and hypertension
  - Osteoporosis related to fall prevention
- Communication strategies
  - Continued outreach via home mailings and emails
  - Present at NMRHCA participating entity gatherings/meetings by invitation
- Targeted referral process
  - Based on Personal Health Assessment responses
    - Workshops, Disease Danagement, or smoking cessation
  - Blood pressure and A1c via self-reporting or EMR
    - Disease Management and Diabetes Prevention Program

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NEW MEXICO RETIREE HEALTH CARE AUTHORITY

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

WELLNESS PROGRAM

FIVE YEAR STRATEGIC PLAN

2018 – 2022

New Mexico Retiree Health Care Authority
Wellness Program Five Year Strategic Plan

Table of Contents

EXECUTIVE SUMMARY

The New Mexico Retiree Health Care Authority (NMRHCA) currently provides medical, dental, vision and life insurance benefits to over 62,000 retirees end eligible participants. The provision of these services presents significant long-term challenges associated with the growth and prevalence of chronic disease and the cost of treatments used to manage these conditions. Given the growing population of the retiree demographic and the increasing prevalence of lifestyle-related chronic diseases, health care is a monumental issue for NMRHCA. With much at stake and a demanding journey that lies ahead, there is a critical need for a proactive retiree wellness program to serve as a means to help offset the health care trends facing the program.

Retirees are an important demographic for wellness programs because this age group is growing, both as a proportion of the overall population and as a contributor to health care cost escalation. The intent of the NMRHCA Wellness Program is to improve the overall health of retirees through a variety of approaches, including physical activity, nutrition awareness and education, diabetes management, and support of other healthy behaviors. Below are the five-year goals for the NMRHCA Wellness Program:

1. Expand **COMMUNICATION** and **REACH**: Aggressively pursue methods that draw attention to wellness awareness, education and services.
2. Increase overall **ENGAGEMENT**: Achieve frequent participation and sustained engagement for a broader, positive impact on overall health status.
3. Target chronic disease **PREVENTION** and **MANAGEMENT**: Manage the health care continuum to include wellness management for the healthy, at risk, chronic disease and complex case management.
4. **INCENTIVIZE** participation and value-based care: Connect incentives to motivate engagement, bring awareness and increase participation.

Focusing on the five-year NMRHCA wellness goals will strengthen the program to improve the overall health profile of the population.

Health Profile of Population

Chronic Conditions

- PMPY includes both medical and pharmacy claims.
- While membership who had claims for treating chronic diseases decreased by 4.7%, spend increased 6.2%
- Taking non-chronic conditions into account, membership decreased 5.8% while spend increased 9.5%.
- Extreme changes in spend can be explained by low patient count.
    - Example: CHF decreased by 5 patients, but increased 41.4% in PMPY.

Chronic Conditions	Non-Medicare Patients		Percent Change in Membership	PMPY		Percent Change in PMPY
	2016	2017		2016	2017	
Diabetes	2,629	2,552	-2.9%	$14,881	$14,682	-1.3%
CAD	603	565	-6.3%	$19,865	$21,963	10.6%
Asthma	820	777	-5.2%	$12,902	$15,010	16.3%
COPD	564	504	-10.6%	$18,062	$18,942	4.9%
Hypertension	4,303	4,243	-1.4%	$11,510	$12,591	9.4%
Behavioral Health	3,019	2,902	-3.9%	$10,383	$10,790	3.9%
CHF	114	109	-4.4%	$37,212	$52,631	41.4%
Hyperlipidemia	4,231	4,021	-5.0%	$9,283	$8,622	-7.1%
Total	8,828	8,413	-4.7%	$11,127	$11,816	6.2%
Total (including those w/o chronic conditions)	17,335	16,331	-5.8%	$7,830	$8,572	9.5%

Number of Chronic Conditions

- Like the Health Profile of the Population, some extreme percent changes can be explained by low patient count
    - Total number of patients who had 6 conditions decreased from 22 to 20 (11% decrease), and Paid per Patient decreased 53.5% from $56,416 to $26,218.
    - Total number of patients who had 7 conditions increased from 2 to 4 (a 99.5% increase) and the Paid per Patient increased 153.5% from $22,259 to $56,442.
- Average percent change:
    - Patient Count:
        - When taking 7 conditions into account: 7.70% increase
        - When not taking 7 conditions into account: 5.41% decrease
    - Paid per Patient:
        - When taking 7 conditions into account: 24.80% increase
            - Therefore, with every 1% increase in population, the amount Paid per Patient has increased 3.22%
        - When not 7 conditions into account: 6.41% increase
            - Therefore, with every 1% decrease in population, the amount Paid per Patient has increased 1.18%
- Largest difference in Paid per Patient occurs when a patient is diagnosed with a single disease. Paid per Patient increases 61% from 0 chronic conditions to 1 chronic condition.

Number of Conditions	Number of Patients		Percent Change	Paid per Patient		Percent Change
	2016	2017		2016	2017	
0	8,507	7,917	-6.9%	$4,410	$5,124	16.2%
1	4,907	4,686	-4.5%	$8,650	$9,506	9.9%
2	2,474	2,318	-6.3%	$11,617	$12,206	5.1%
3	1,034	1,031	-0.3%	$15,828	$16,031	1.3%
4	320	283	-11.4%	$23,397	$20,470	-12.5%
5	69	71	2.5%	$27,485	$49,030	78.4%
6	22	20	-11.0%	$56,416	$26,218	-53.5%
7	2	4	99.5%	$22,259	$56,422	153.5%

What is healthy aging and wellness for retirees?

Health and wellness for retirees involves a complex interaction of numerous factors, including personal choices, life events, supportive environment, strong community action and a health system that contributes to the pursuit of good health. Maintaining control and choice over one's personal circumstances is vital if healthy aging and wellness are to take place. The Centers for Medicare and Medicaid Services (CMS) found that Medicare members actively enrolled and engaged in wellness programs were more aware of their mental health needs and had increased engagement with physicians and ancillary services. These programs "prevented or delayed normal deterioration that comes with age."[1]

Growth of the Medicare population and associated trends of increasing morbidity and functional decline, support the need for retiree oriented wellness programs that improve health and preserve or extend functional capabilities that will effectively improve retiree quality of life. Therefore, to gain recognition and give the wellness program an identity, NMRHCA has branded its program the **NMRHCA Wise and Well Program.** By consistently using the program's name across communication from all wellness carriers and NMRHCA staff, the member understands that the program is both here to stay and available to them. Finally, members may be more likely to participate and be inspired to adopt healthier habits by connecting to the program.

Introducing NMRHCA Wise and Well Program

NMRHCA is defining Wellness as *the active process of becoming aware of and making choices toward a healthy and fulfilling life.* The wheel below brings this definition to life by embracing six major components that encompass wellness for the NMRHCA Wise and Well program.

ELEMENT	DEFINITION
QUALITY OF LIFE	A measure of well-being focused on factors that affect physical and mental health—socioeconomic status, ability to perform activities of daily living, level of social support, and health risks and conditions.
HEALTH STATUS	Personal awareness of how well you feel and how comfortable you are on a daily basis.
HAPPY SOCIAL INTERACTION	Developing a sense of connection, belonging and a well-developed support system.
PHYSICAL ACTIVITY	Staying physically active to maintain a healthy weight and body composition, reduce the risk of weight-related medical conditions and maintain the health of your muscles, bones and joints.
NUTRITION POSITIVE BEHAVIORS	Devoting time to healthy eating, restful sleep, and healthy behaviors every day to ensure that your whole body stays as healthy as possible for as long as possible.
DISEASE MANAGEMENT	An approach of health care interventions and communications for populations with conditions where self-care efforts can be implemented. Disease management empowers individuals, working with health care providers to manage their disease and prevent complications.

BACKGROUND AND CONTEXT

Review of Retiree Wellness Programs

Many studies demonstrate that reduced inpatient admissions and health care costs, as well as improved health-related quality of life, are a direct result of participation in large-scale wellness programs. Programs that effectively engage retirees and change behavior as a direct result of participation, provide strong evidence of health improvements and decreased health care costs. Overcoming challenges to facilitate broader enrollment and sustained participation in these programs will further increase the impact of outcomes and health-related benefits.

The findings also demonstrate that activities of daily living (ADLs) are less impaired for retirees who have access to programs such as those made available through Silver Sneakers—thus providing an outcome that can be linked directly to decreases in morbidity, accidental injury, health care costs and, potentially, even mortality. Exploration of and investments in retiree fitness programs should continue as a means to improve the health and well-being of retirees. The combination creates the potential for reducing overall health care costs and the burden on an increasingly strained health care delivery system. However, given the rural nature of New Mexico combined with the broad age-group served by NMRHCA, not all members have the same access to programs and facilities commonly found in most major towns and cities. Therefore, the **NMRHCA Wise and Well Program** seeks to leverage all available resources to better serve all of its members.

Key Takeaways:

- Fitness programs, including Silver Sneakers, and a workplace wellness program demonstrated significant health care cost savings for participants.
- Reduced hospital utilization was a common outcome across evaluated senior fitness and wellness programs.
- Regular and sustained engagement was a key factor to program success.

Key Takeaways Specific to NMRHCA:

- NMRHCA offers Silver Sneakers with each of its Medicare Advantage Plan offerings.
- NMRHCA incentivizes engagement in additional fitness programs in communities where Silver Sneakers is not available.

Multiple studies have demonstrated the overall effectiveness of retiree wellness initiatives at improving emotional health, physical functioning and quality of life while reducing costs. Moreover, these studies show that such improvements are materially influenced by frequency of participation.

The Burden of Chronic Disease

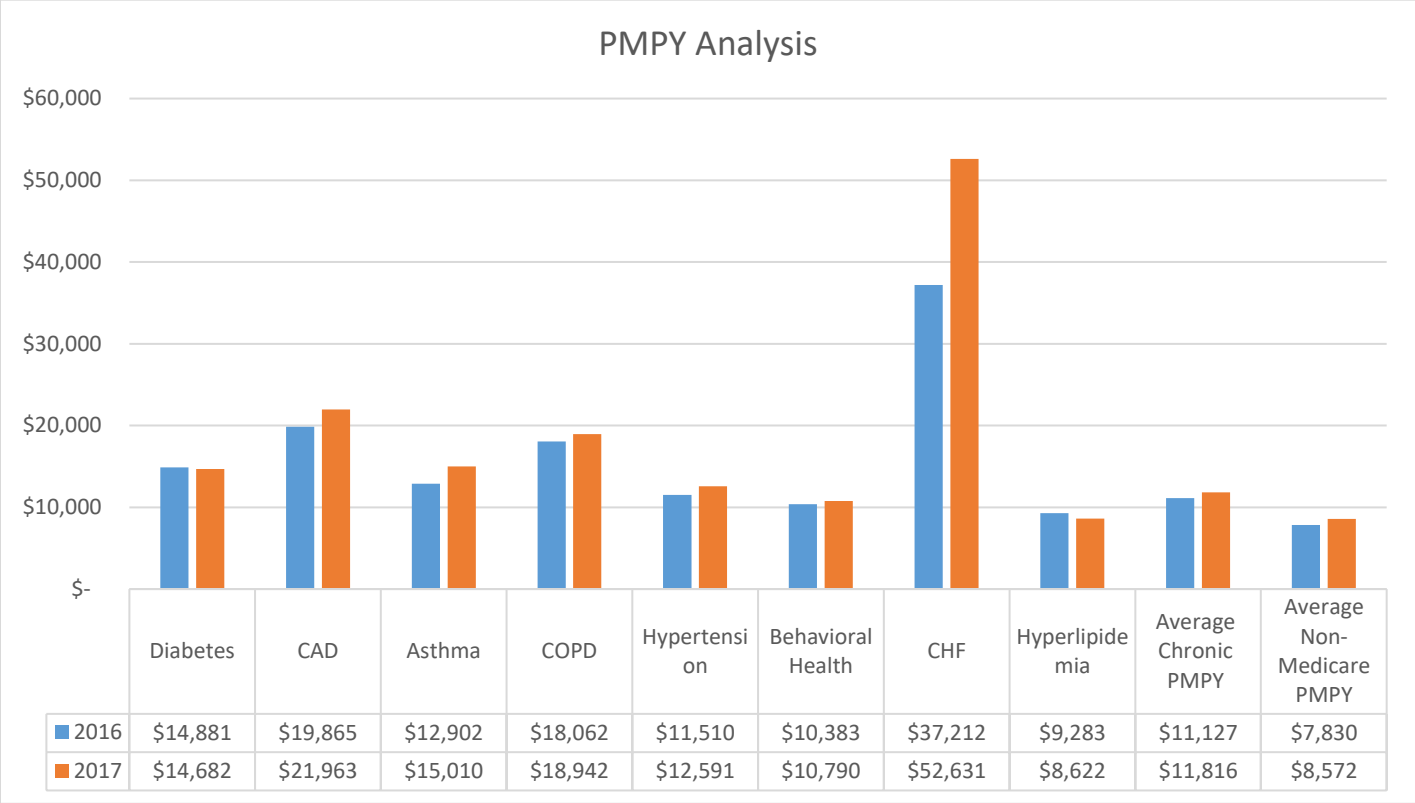
In any given year, those who have chronic conditions tend to have health care costs from 100 to 500 times greater than the costs for healthy employees. But healthy today doesn't mean healthy tomorrow. Up to 20 percent of low-risk employees will move to a higher-risk category within one year, according to research at the University of Michigan Health Management Research Center. When an employee moves out of low-risk status, an additional $350 per year is added to that person's health care expense.

Chronic disease and associated comorbidities are also taking on an ever-increasing role in driving Medicare spending. Nearly 91 percent of people age 65 and older have one or more chronic condition. More than half of this population are treated for five or more conditions, and this group accounts for a disproportionate amount of spending (79 percent).[5,6] Approximately one-fourth of people with chronic illness also have one or more limitations in activities of daily living (ADLs), such as walking, bathing, and dressing, and their health care spending often more than doubles in cost.[5,7,8] Not surprisingly, most people with activity limitations are Medicare members.[5]

"In addition to disease-related morbidity and functional decline, seniors often face loneliness, social isolation, and depression, which can have additional negative influences on their health and overall quality of life. These factors working in combination with chronic conditions and impairments can seriously compromise seniors' health and well-being. Social interactions have been shown to be associated with positive physiological benefits that can promote better health outcomes" 1 - Population Health Management Journal

PMPY Analysis

Congestive Heart Failure (CHF) is a stark contrast when compared to the other chronic conditions, both in terms of its increase from 2016 to 2017 and its comparison to the Average Chronic PMPY and the Average Non-Medicare PMPY



High Risk High Cost Analysis

- Extreme changes in PMPY (see Asthma and CHF) indicate the power of how a small patient count can drive up costs.
- Modest increase in cost (7.9%) despite 4.4% decrease in population.
- Positive sign that average percent within a chronic condition decreased 51% from 14.6% in 2016 to 7.0% in 2017.

Chronic Condition for High Risk Claimants*	Patients		Percent Change	% Within Condition		Percent Change	PMPY		Percent Change
	2016	2017		2016	2017		2016	2017	
Diabetes	300	271	-9.7%	11.4%	10.6%	-6.9%	$83,277	$87,505	5.1%
CAD	95	91	-4.2%	15.8%	16.1%	2.2%	$89,697	$99,968	11.5%
Asthma	79	68	-13.9%	9.6%	8.8%	-9.2%	$80,092	$112,143	40.0%
COPD	86	76	-11.6%	15.2%	15.1%	-1.1%	$83,556	$93,491	11.9%
Hypertension	369	362	-1.9%	8.6%	8.5%	-0.5%	$81,031	$92,543	14.2%
Behavioral Health	232	226	-2.6%	7.7%	7.8%	1.3%	$76,406	$78,907	3.3%
CHF	43	47	9.3%	37.7%	43.1%	14.3%	$89,877	$113,877	26.7%
Hyperlipidemia	268	247	-7.8%	6.3%	6.1%	-3.0%	$77,080	$70,174	-9.0%
Total	616	589	-4.4%	14.6%	7.0%	-51.9%	$90,226	$97,351	7.9%
***High Risk is calculated as the average risk score of the population plus two standard deviations of that risk score**									

Metabolic Syndrome

Using the Cleveland Clinic (clevelandclinic.org) definition, Metabolic Syndrome is a collection of heart disease risk factors that increase your chance of developing heart disease, stroke, and diabetes. This condition is also known as Syndrome X, Insulin Resistance syndrome, and Dysmetabolic syndrome. According to a national health survey, more than one in five Americans have Metabolic Syndrome. The number of people with Metabolic Syndrome increases with age, affecting more than 40 percent of people in their 60s and 70s. Medicare beneficiaries with multiple chronic conditions are the heaviest users of health care services, including such high-cost services as hospitalizations and emergency department visits, which translates into increased Medicare spending.

Common consequences of Metabolic Syndrome include:

- Damage to the lining of coronary and other arteries; a key step toward the development of heart disease or stroke.
- Changes in the kidney's ability to remove salt, leading to high blood pressure, heart disease and stroke.
- Increase in triglyceride levels, resulting in an increased risk of developing cardiovascular disease.
- Increased risk of blood clot formation, which can block arteries and may cause heart attacks or strokes.
- Slowing of insulin production, which may signal the onset of type 2 diabetes, and the subsequent increased risk for heart attack or stroke.

Clinical Quality Performance

- With the exclusion of screenings for breast cancer, the number of patients obtaining their recommended evaluations decreased.
    - Breast Cancer Screenings- 60% increase from 2016 to 2017
    - Average decrease in obtained evaluations- 9%

Chronic Conditions	Clinical Quality Metrics	Percent Adherent
Diabetes-2016	A1C Test	84.21%
	Eye Exam	25.37%
	LDLC	74.06%
Diabetes-2017	A1C Test	82.68%
	Eye Exam	25.55%
	LDLC	63.60%
COPD-2016	Spirometry Testing	20.74%
COPD-2017		17.26%
Asthma-2016	Inhaler	50.98%
Asthma-2017		50.45%
CAD-2016	ACE Inhibitor	4.48%
	Statin	5.80%
CAD-2017	ACE Inhibitor	3.72%
	Statin	6.02%
Preventative Screening-2016	Cervical Cancer	19.89%
	Breast Cancer	27.65%
	Colorectal Cancer	48.44%
Preventative Screening-2017	Cervical Cancer	18.67%
	Breast Cancer	44.36%
	Colorectal Cancer	49.76%

Focus on Diabetes

NMRHCA is committed to the collaboration and implementation of programs aimed at preventing and controlling diabetes and its complications. Interventions that are both cost-saving and feasible may include: blood glucose control, blood pressure control, foot care, screenings and treatments for retinopathy (which causes blindness), blood lipid control (to regulate cholesterol levels) and screenings for early signs of diabetes related kidney disease and treatment. (World Health Organization.)

Diabetes is a major cause of blindness, kidney failure, heart attacks, stroke and lower limb amputation. Over time, diabetes can damage the heart, blood vessels, eyes, kidneys and nerves. The burden of diabetes can be reduced with simple lifestyle measures. Healthy diet, regular physical activity, maintaining a normal body weight and avoiding tobacco use are ways to prevent or delay the onset of type 2 diabetes. Diabetes can be treated and its consequences avoided or delayed with diet, physical activity, medication and regular screening and treatment for complications.

The complications and prevalence of diabetes commands an aggressive and proactive role within the **NMRHCA Wise and Well Program.** The table on page 11 outlines vigilant management of diabetes programs that will greatly contribute to fighting the detrimental and life-threatening complications of this disease within the retiree population.

Diabetes Analytics

Average number of conditions that a diabetic has (other than diabetes) is 1.3.

- Hypertension and hyperlipidemia were the most commonly diagnosed alongside diabetes

STATISTICS ABOUT DIABETES
(American Diabetes Association)

Prevalence: In 2015, 30.3 million Americans, or 9.4% of the population had diabetes. Approximately 1.25 million American children and adults have type 1 diabetes.

Undiagnosed: Of the 30.3 million adults with diabetes, 7.2 million were undiagnosed.

Prevalence in seniors: The percentage of Americans age 65 and older remains high, at 25.2%, or 12.0 million seniors (diagnosed and undiagnosed).

New Cases: 1.5 million Americans are diagnosed with diabetes every year.

Prediabetes: In 2015, 84.1 million Americans age 18 and older had prediabetes.

Deaths: Diabetes remains the 7th leading cause of death in the United States in 2015, with 79,535 death certificates listing it as the underlying cause of death, and a total of 252,806 death certificates listing diabetes as an underlying or contributing cause of death.

Cost of Diabetes (updated 3/6/2013)

- $245 billion: total costs of diagnosed diabetes
- $176 billion: direct medical costs
- $69 million: reduced productivity

After adjusting for population age and sex differences, average medical expenditures among people with diagnosed diabetes were 2.3 times higher than what expenditures would be in the absence of diabetes.

Diabetes and Most Common Conditions	Number of Patients		Medical Spend		Pharmacy Spend		Overall PMPY	
	2016	2017	2016	2017	2016	2017	2016	2017
Solely Diabetes	701	663	$6,098,542	$5,806,032	$2,914,980	$2,838,664	$12,857	$13,045
Diabetes + Hypertension	381	363	$5,528,130	$5,427,922	$1,766,626	$1,715,340	$19,139	$19,705
Diabetes + Hyperlipidemia	371	382	$3,198,440	$2,806,276	$1,516,284	$1,893,782	$12,720	$12,296

Compliance decreased 3.9% in a year while Paid per Patient increased 1.8%.

Compliance Status*	Percent of Patients		Paid per Patient	
	2016	2017	2016	2017
Compliant	53.6%	49.5%	$16,760.27	$17,062.97
Non-Compliant	46.4%	50.5%	$16,054.20	$15,871.39
***Compliant is defined as an 80+% possession ratio.**				

NMRHCA WISE and WELL PROGRAM APPROACH TO IMPROVE ENGAGEMENT and HEALTH OUTCOMES

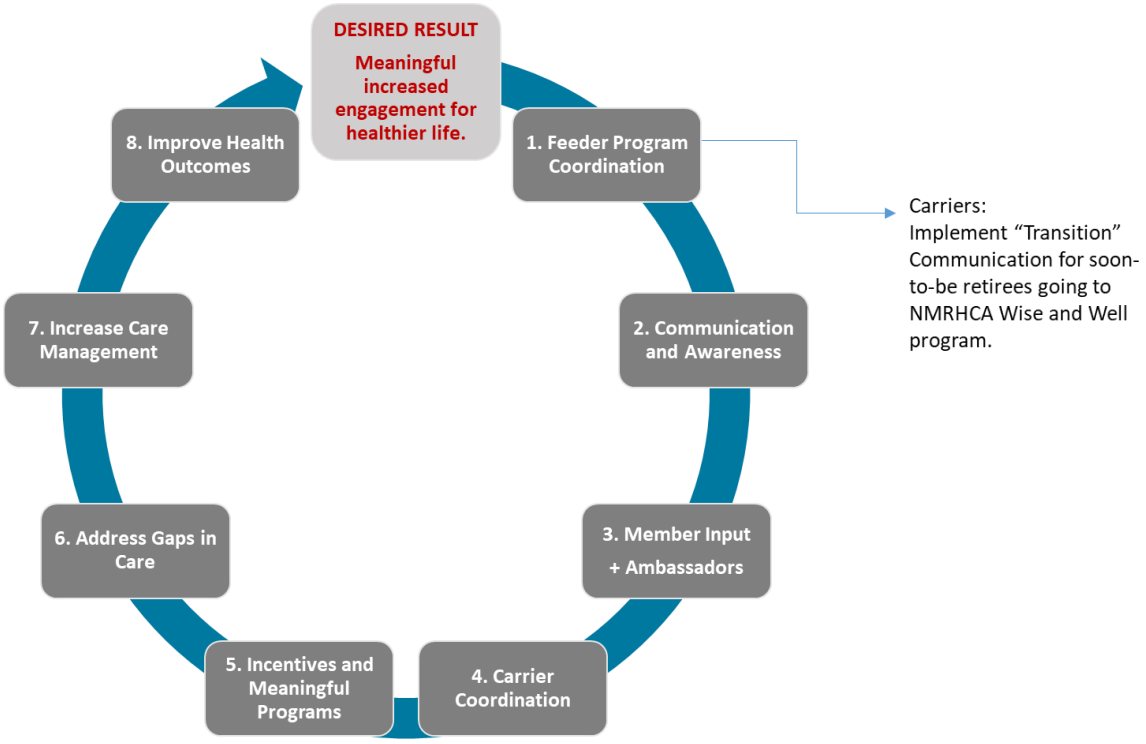
The fundamental purpose of the **NMRHCA Wise and Well Program** is to increase engagement in order to achieve better health outcomes for the member population thereby managing health care costs. Two approaches; the Visual Model and the Care Continuum model are described below to emphasize the paths necessary for focused care and resources.

The Visual Program Model

This visual representation highlights the general activities or initiatives that, when linked together, may lead to the desired result of *meaningful increased engagement for a healthier life.* These activities are further supported in detail with the goals, objectives and metrics outlined on page 13.

An ongoing assessment and review of these general activities will help make course corrections to produce better results and generate new possibilities throughout the development and implementation of the **NMRHCA Wise and Well Program**. This visual model approach helps create shared understanding of and focus on program inputs and methodologies related to projected outcomes.

Further, **NMRHCA Wise and Well Program** will use the following annual markers to determine progress within the program:
Year 1 and 2 – Reach, Awareness, Engagement (e.g. % of employees participating, change in activity levels)
Year 3 and 4 - Shift in Physiological Markers (e.g. weight, cholesterol, blood pressure)
Year 5 - Cost Avoidance and Savings (e.g. reductions in medical & pharmacy claims)



The Continuum of Care for the Population and Individuals.

Chronic Disease is increasing rapidly; the World Health Organization predicts that by the year 2020 chronic disease will account for three quarters of all deaths and warns that the causes of deaths today are attributable to diseases that were either preventable in the first place or could have been managed to prolong life expectancy. Effective prevention and management is a key goal for the **NMRHCA Wise and Well Program**. More than 400,000 people die each year in the United States as a direct result of obesity and sedentary lifestyle, and perhaps that same amount again is attributable to heart disease, hypertension, and type 2 diabetes.

Changes need to be on the horizon for the NMRHCA Wise and Well Program. The fact remains that the affordability to cover the costs associated with treating these diseases over a broad percentage of the population or for such long periods of time requires a wellness model based upon the continuum of care. Wellness incentive programs must become more aligned in order to direct retirees who are at risk into the best program for prevention and management. As retirees start to embrace the power of behavior change in managing health, they will be more inclined to take control of their own health and wellbeing.

In general, health risks flow from low to high. The same is true for health care costs. Low-risk individuals, may not stay low-risk forever.

- As many as 10-20% of low-risk individuals will move to a higher risk category in a year.

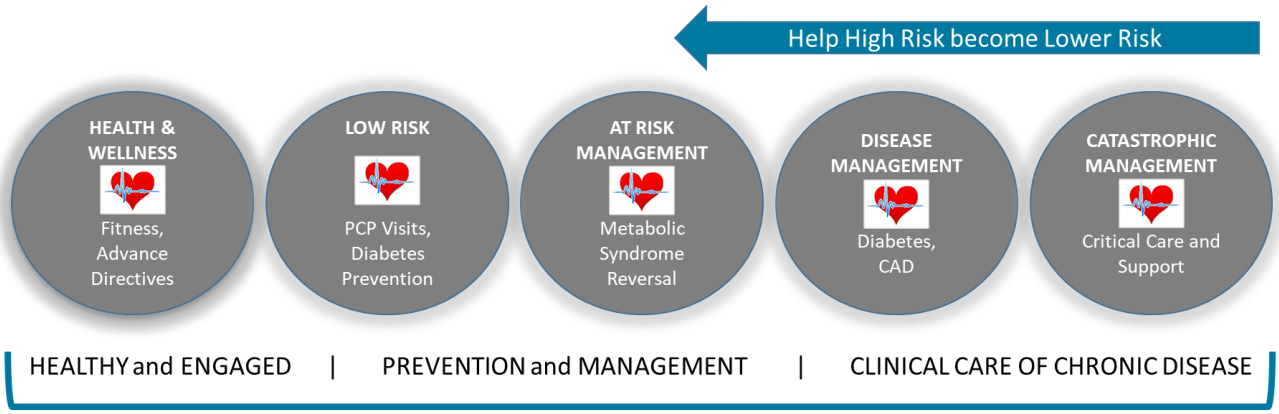
The intent of the **NMRHCA Wise and Well Program** is integration into the continuum of care to address both high and low risk retirees with appropriate interventions:

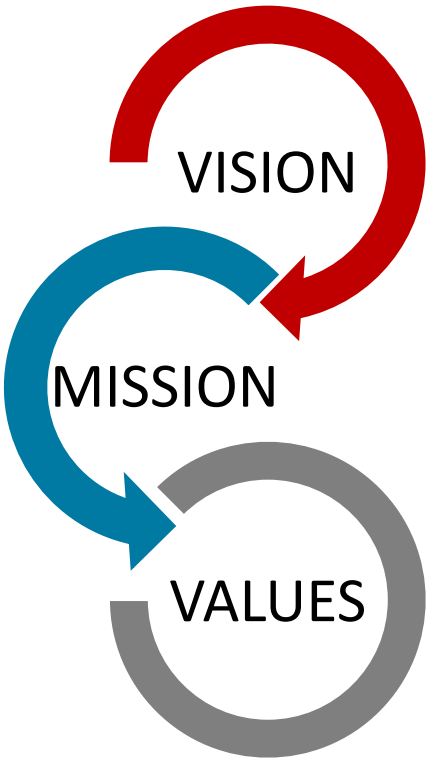
1. Healthy and Engaged (pre-prevention)
2. Prevention and Management
3. Clinical Care of Chronic Diseases

Success Factors associated with positive impact along the Continuum of Care:

- Partnerships with carriers must show a demonstrable impact on improved outcomes across a broad sample of the target population.
- The program must:
  - Be easy to access and use for the patient/consumer.
  - Operate in a way that seamlessly integrates with provider and health system workflow.
  - Include meaningful human interaction/coaching in order to sustain engagement over a long period of time.
  - Have some measure of positive social re-enforcement in the manner of a classic multi-step program.

3 - https://www.health.qld.gov.au/__data/assets/pdf_file/0025/156706/hlthsrvpln14.pdf





VISION

We believe in creating opportunities and encouraging our members to embrace the benefit of developing and maintaining healthy living habits to enjoy a happy retirement.

MISSION

Nurture, cultivate and encourage our community of retirees to discover and use all wellness offerings for an active life, active mind and social encounters in their retirement years.

CORE VALUES

Opportunity

We are dedicated to supporting RHCA members with every *opportunity* to access health and wellness needs and interests.

Partnerships

We will create *partnerships* with community centers and liaisons to bring wellness to you.

Personal Responsibility

We encourage and foster *personal responsibility* for making healthy choices.

Quality of Life

We connect wellness interventions and health care to things people care about to realize *quality of life*.

Sustainability

We dedicate financial resources to achieve *sustainability* and security with health care.

NMRHCA WISE and WELL PROGRAM - FIVE YEAR GOALS AND OBJECTIVES

GOALS	OBJECTIVES	METRICS
1. Expand COMMUNICATION and Reach Aggressively pursue methods that draw attention to wellness awareness, education and services.	1. Capture member success stories and testimonials; document and communicate. 2. Brand messages addressing individual apathy to inspire the desire to live a long, active and independent retirement life at home. 3. Develop community partnerships where members have deep connections to draw crowds and to have access to central meeting locations.	• Number of wellness events • Number of people attending wellness events • Total number of community outreach centers.
2. Increase ENGAGEMENT Achieve frequent participation and sustained engagement for a broader, positive impact on overall health status of retirees.	1. True on-site integration whenever possible to overcome barriers and expand reach. 2. Develop social tactics and approaches to increase engagement. 3. Maximize all carrier resources with one voice and consistent execution of objectives. 4. Implement Strategic Planning meetings with carriers designed for short term implementation, collaboration, and efficient use of all resources. 5. Proactively coordinate wellness efforts, culture, and awareness with Feeder Programs.	• Percent of plan participants completed personal health assessment • Member interest/feedback surveys • Program satisfaction surveys
3. Target Chronic Disease PREVENTION AND MANAGEMENT Manage the health care continuum to include wellness management for the healthy, at risk, chronic disease and complex case management.	1. Aggressively implement quality (over quantity) programs designed for pre-diabetes population and for managing current diabetes prevention. 2. Polypharmacy – Reduce number of adverse outcomes associated with taking 5 or more medications. 3. Deliver the right care at the right time, teach "Demand Management."* 4. Use specialized resources to help patients with chronic illnesses, catastrophic illnesses, or injuries to promote healthful, cost-effective interventions and outcomes.	• Percent of individuals referred to case management, engaged in case management • Percent of members receiving age-appropriate screenings • Identification and management of pre-diabetics • Percent of diabetics actively engaged in disease management programs
4. INCENTIVIZE Participation and Value-Based Care Connect incentives to motivate engagement, bring awareness and increase participation.	1. Reduce the number of preference sensitive surgeries and redirect care to lesser costing facilities. 2. Decide which behaviors, activities or health status to incentivize. 3. Incentivize adherence to diabetes population.	• Total number of completed coaching appointments • Percent of members receiving flu shots

***"Demand Management."** Wise consumerism includes seeking preventive care and avoiding unnecessary or routine use of hospital emergency rooms. "Approximately 55 percent of all emergency room visits are for non-urgent problems, and about 25 percent of all physician visits could have been treated at home," Powell said. "Demand can be managed by helping employees become more knowledgeable about when they need medical assistance and when they can take care of themselves." SHRM/Resources and Tools

NMRHCA WISE AND WELL:

DIABETES PROGRAMS from BCBSNM, Humana, and Presbyterian

<table>
<tr><th colspan="4">NMRHCA Wise and Well – Blue Cross Blue Shield of New Mexico</th></tr>
<tr><th></th><th>DIABETES PREVENTION
Low Risk and Pre-diabetic</th><th>DIABETES MANAGEMENT
Ongoing and Control</th><th>DIABETES EMERGING RISK
Utilization Management
Cost Containment</th></tr>
<tr><td>Objective</td><td>Reverse or delay the diagnosis of type 2 diabetes with lifestyle change.</td><td>To help people already diagnosed with diabetes take charge of their health.</td><td>Clinical management program focus: access to care, adherence to treatment plan, & behavior change.</td></tr>
<tr><td>Early Identification Processes</td><td>Well on Target portal Health Assessment.
Onsite screenings via Catapult Health</td><td>Members identified via online portal and claims and lab data.</td><td></td></tr>
<tr><td>Health Plan</td><td>Well onTarget online portal resources: Self-Management Programs & Check-Ins
• Manage Stress, Blood Pressure, Metabolic Syndrome
• Improve Nutrition, Get Active
• Preventive Health, Sleep Health, Dental Health
• Tobacco Cessation,
• Weight Management
• Diabetes Prevention/Management
Wellness Coaching (telephonic & secure messaging)
• Stress, Phys Activity, Nutrition
• Tobacco, Maintain Tobacco-free
• Blood Pressure, Cholesterol
• Manage Weight, Maintain Weight
• Diabetes Prevention/ Management
Naturally Slim- Metabolic and Pre-Diabetes Management
• Behavioral skills to promote long-term weight loss & risk reduction
• Services covered as preventive w/no out-of-pocket cost</td><td>Blue Care Connection programs: see Care Management section.

Naturally Slim- Metabolic and Pre-Diabetes Management
• Builds behavioral skills to promote long-term weight loss and risk reduction
• Online access to Naturally Slim counselors
• Mobile app
• Claims-based billing for participation
• portal and viewable by his or her personal coach
• Small, private group of participants for support
• Services covered as preventive with no out-of-pocket cost to the member</td><td>Blue Care Connection programs: see Care Management section.</td></tr>
<tr><td>Community Resources</td><td colspan="3">Partnership with local Senior Centers and Oasis Long Term learning.
Partnership with community Cooperative Extension offices.</td></tr>
<tr><td>Care Management</td><td>Blue Care Connection Programs
• Lifestyle Management programs (telephonic coaching) that focus on the areas of Weight Management, Tobacco Cessation and Metabolic Syndrome.</td><td>Blue Care Connection Programs
• Lifestyle Management programs (telephonic coaching) that focus on the areas of Weight Management, Tobacco Cessation and Metabolic Syndrome.
• Condition Management telephonic support with an RN for members Diabetes & Pre-Diabetes, along with additional comorbidities such as Cardiovascular Disease, COPD and CHF.</td><td></td></tr>
<tr><td>Programs (type of access, e.g., on-site events, in-person, virtual, clinics)</td><td colspan="3">Naturally Slim® real world clinical results with employers published in two peer-reviewed journals
1. Evaluation of a Voluntary Work Site Weight Loss Program on Metabolic Syndrome. Conrad P. Earnest, PhD; Timothy S. Church, MPH, MD, PhD. October Issue 2015 (N=3880)
2. Evaluation of a Voluntary Work Site Weight Loss Program on Hypertension. Conrad P. Earnest, PhD; Timothy S. Church, MPH, MD, PhD. December Issue 2016 (N=5988)</td></tr>
<tr><td></td><td colspan="2">Journal of Metabolic Syndrome and Related Disorders1
• Metabolic Syndrome -50.7%
• Type II Diabetes Risk -55%</td><td>Journal of Occupational and Environmental Medicine2
• Blood Pressure Risk -50%
• Losing 5%+ of bodyweight -44%</td></tr>
<tr><td></td><td colspan="3">Quarterly webinars to include Diabetes Management education</td></tr>
<tr><td>Incentives</td><td>Members earn Blue Points for online portal activities and biometric screening. PreMedicare only.</td><td></td><td></td></tr>
</table>

NMRHCA Wise and Well – BCBSNM Medicare Advantage Prescription Drug Programs			
	DIABETES PREVENTION Low Risk and Pre-diabetic	DIABETES MANAGEMENT Ongoing and Control	DIABETES EMERGING RISK Utilization Management Cost Containment
Objective	**Reverse or delay the diagnosis of type 2 diabetes with lifestyle change.**	**To help people already diagnosed with diabetes take charge of their health.**	**Clinical management program focus: access to care, adherence to treatment plan, & behavior change.**
Early Identification Processes	• Primary Care Relationship • Screening Data • Current Data • HRA	• Primary Care Relationship • Screening Data • Current Data • Annual Physicals	• HRAs • Claims • IPM Data is then triggered against certain Clinical Intelligence Rules
Community Resources	Chronic Disease Self-Management Program (MyCD, NM DOH)	• Kitchen Creations (Diabetes Cooking Classes via NMSU Extension Services) • Diabetes Self-Management Program (NM DOH)	
Care Management	Solera - Medicare Diabetes Prevention Program (MDPP)	Longitudinal Care Management (LCM) focuses on members with complex medical and behavioral conditions who are at a high risk for adverse events/hospitalizations and who have a history of failed engagement through traditional care management.	Care Coordination and Early Intervention (CCEI) is a program designed to help members get the care they need to maintain or improve their current level of health. CCEI helps manage members with acute or chronic conditions that required an inpatient stay.
Case Management			Case Management program focuses on members experiencing high severity of symptoms who are in need of acute support and assistance. Members are typically referred from an inpatient setting and include home visits, provider appointment scheduling, phone calls, education, etc.
Programs (type of access, e.g., on-site events, in-person, virtual, clinics)	BCBS MAPD: ▪ Solera vendor solution for Medicare Diabetes Prevention Program (MDPP) ▪ No cost sharing for the beneficiary ▪ In person with limited virtual make up sessions ▪ Minimum of 12 months ▪ Blood test results and BMI indicating diabetes risk prior to enrollment ▪ Once in a lifetime benefit	BCBS MAPD LCM Program provides longer term monitoring for members who have chronic conditions, either medical or behavioral health (e.g., diabetes, depression, coronary artery disease, asthma, etc.), but are stable and may not meet the criteria for more intensive care management.	BCBS MAPD Case Management
Incentives	Value Based Reimbursement - 5% weight loss from baseline + attendance		

NMRHCA Wise and Well - Humana

	DIABETES PREVENTION Low Risk and Pre-diabetic	DIABETES MANAGEMENT Ongoing and Control	DIABETES EMERGING RISK Utilization Management Cost Containment
Objective	**Reverse or delay the diagnosis of type 2 diabetes with lifestyle change.**	**To help people already diagnosed with diabetes to take charge of their health.**	**Clinical management program focus: access to care, adherence to treatment plan, and behavior change.**
Humana Early Identification Process	• Primary Care Relationship (Plan Benefit) • Screening Data (Annual Routine Physical - Preventative) • Screening Data (Diabetes Screening - up to 2 per yr - Prevent) • Screening Data (Obesity Screening & Counseling) - Prevent) • Diabetic Eye Exam - (Plan Benefit) • Current Data • PHAs	• Primary Care Relationship (Plan Benefit) • Screening Data (Annual Routine Physical - Preventative) • Screening Data (Diabetes Screening - up to 2 per yr - Prevent) • Screening Data (Obesity Screening & Counseling) - Prevent) • Diabetic Eye Exam - (Plan Benefit) • Current Data • Diabetes Self-Management Training (Plan Benefit - Prevent) • Nutrition Therapy Services (Diabetic & Kidney Disease Patients (Plan Benefit - Preventative)	• Primary Care Relationship (Plan Benefit) • Screening Data (Annual Routine Physical - Preventative) • Screening Data (Diabetes Screening - up to 2 per yr - Prevent) • Screening Data (Obesity Screening & Counseling) - Prevent) • Diabetic Eye Exam - (Plan Benefit) • Current Data • Diabetes Self-Management Training (Plan Benefit - Prevent) • Nutrition Therapy Services (Diabetic & Kidney Disease Patients (Plan Benefit - Preventative)
	Humana Health Alerts - members, physicians & clinicians notified of gap(s) in care for Annual Wellness visit & Annual Exam (preventive services)	**Humana Health Alerts** - members and physcians, notified of gap(s) in care based on diabetes diagnosis (e.g. missing HbA1c test or annual eye exam)	**Humana Health Alerts** - members and physcians, notified of gap(s) in care based on diabetes diagnosis (e.g. missing HbA1c test or annual eye exam)
	MyHumana - customized content and personalized digital experience for members who are identified as having diabetes or being at increased risk of developing diabetes. Content is tailored to each member based on individual disease progression and severity, with member-specific diabetes-related lab values, educational content, gaps in care health reminders, and opportunities to enroll in clinical programs	**MyHumana** - customized content and personalized digital experience for members who are identified as having diabetes or being at increased risk of developing diabetes. Content is tailored to each member based on individual disease progression and severity, with member-specific diabetes-related lab values, educational content, gaps in care health reminders, and opportunities to enroll in clinical programs	**MyHumana** - customized content and personalized digital experience for members who are identified as having diabetes or being at increased risk of developing diabetes. Content is tailored to each member based on individual disease progression and severity, with member-specific diabetes-related lab values, educational content, gaps in care health reminders, and opportunities to enroll in clinical programs
	Humana Points of Care; online comprehensive health & education tools to assist Humana MA members. (e.g. community resource directories, information on specific health conditions, connection through virtual communities. Support & resources for care givers)	**Humana Points of Care**; online comprehensive health & education tools to assist Humana MA members. (e.g. community resource directories, information on specific health conditions, connection through virtual communities. Support & resources for care givers)	**Humana Points of Care**; online comprehensive health & education tools to assist Humana MA members. (e.g. community resource directories, information on specific health conditions, connection through virtual communities. Support & resources for care givers)
	Health Coaching services - one-on-one, ongoing relationship between a coaching professional and a member, to help the member: • Identify and set personal goals • Go through the stages of the behavior change process • Facilitate positive lifestyle changes Health coaching has a specific area of focus for blood glucose management, including foot care, eye exams, blood sugar checks, A1c, etc.	**Health Coaching services** - one-on-one, ongoing relationship between a coaching professional and a member, to help the member: • Identify and set personal goals • Go through the stages of the behavior change process • Facilitate positive lifestyle changes Health coaching has a specific area of focus for blood glucose management, including foot care, eye exams, blood sugar checks, A1c, etc.	**Health Coaching services** - one-on-one, ongoing relationship between a coaching professional and a member, to help the member: • Identify and set personal goals • Go through the stages of the behavior change process • Facilitate positive lifestyle changes Health coaching has a specific area of focus for blood glucose management, including foot care, eye exams, blood sugar checks, A1c, etc.
	SilverSneakers - free gym membership and website access for healthy activity and lifestyle	**SilverSneakers** - free gym membership and website access for healthy activity and lifestyle	**SilverSneakers** - free gym membership and website access for healthy activity and lifestyle
	Go365 wellness program that rewards healthy choices under prevention, fitness and education.	**Go365** wellness program that rewards healthy choices under prevention, fitness and education.	**Go365** wellness program that rewards healthy choices under prevention, fitness and education.
Community Resources	**Humana** See **Humana Points of Care** above, which has community resource directories and support through virtual communities.	**Humana** See **Humana Points of Care** above, which has community resource directories and support through virtual communities.	**Humana** See **Humana Points of Care** above, which has community resource directories and support through virtual communities.
Care Mgmt	**Humana** **Humana Health Alerts** - members, physicians and clinicians notified of gap(s) in care for Annual Wellness visit and Annual Exam (preventive services)	**Humana** **Humana Health Alerts** - members and physcians, notified of gap(s) in care based on diabetes diagnosis (e.g. missing HbA1c test or annual eye exam)	**Humana** **Humana Health Alerts** - members and physcians, notified of gap(s) in care based on diabetes diagnosis (e.g. missing HbA1c test or annual eye exam)
			Humana At Home clinical program - supports the overall health of the individual and any health or situational challenges the person is facing (e.g. diabetes and/or mulitiple chronic conditions). Member receives the appropriate level of support based on what is needed for his or her situation (e.g. evidence-based program includes face-to-face, telephonic and virtual interaction & support via licensed nurses, personal health coaches and social workers.) - *Disease Specific Best Practices* - identified from evidence based clinical guidelines and quality measures . The focus is on 6 conditions, including diabetes. The goal is to be action oriented to drive improved outcomes and lower costs for priortity conditions, such as diabetes.
			Diabetic foot ulcers - care manager focus on 20% of members predicted via analytics to be at risk of developing foot ulcers (e.g. in-home care managers physically view feet & complete survey). Telephonic care managers receive Health Alerts for survey on identified diabetic members.
		Utilization and Case Management; Supports all members with conditions such as Diabetes. The goal is to ensure that members get the right level of care, and any gaps in care are identified early to avoid adverse outcomes. If additional support is needed the case manager will refer to the appropriate clinical programs.	**Utilization and Case Management**; Supports all members with conditions such as Diabetes. The goal is to ensure that members get the right level of care, and any gaps in care are identified early to avoid adverse outcomes. If additional support is needed the case manager will refer to the appropriate clinical programs.
Case Mgmt			**Complex care management** - wrapped into Humana at Home disease management program
Programs (type of access, e.g., on-site events, in-person, virtual, clinics)	**Humana** Humana in Your Neighborhood; Educational outreach - (Program in a Box; health oriented classes - e.g. preventing falls, healthy sleep, healthy brain)/Humana Albuquerque. *Classes can be provided to post on NMRHCA Wellness site. Humana membership is not a requirement to attend.*	**Humana** Humana in Your Neighborhood; Educational outreach - (Program in a Box; health oriented classes - e.g. preventing falls, healthy sleep, healthy brain)/Humana Albuquerque. *Classes can be provided to post on NMRHCA Wellness site. Humana membership is not a requirement to attend.*	**Humana** **Humana At Home clinical program** - supports the overall health of the individual and any health or situational challenges the person is facing (e.g. diabetes and/or mulitiple chronic conditions). Member receives the appropriate level of support based on what is needed for his or her situation (e.g. evidence-based program includes face-to-face, telephonic and virtual interaction & support via licensed nurses, personal health coaches and social workers.) - Disease Specific Best Practices - identified from evidence based clinical guidelines and quality measures . The focus is on 6 conditions, including diabetes. The goal is to be action oriented to drive improved outcomes and lower costs for priortity conditions, such as diabetes.
	Humana in Your Neighborhood - Strength & Balance class/Humana Albuquerque. *Classes can be provided to post on NMRHCA Wellness site. Humana membership is not a requirement to attend.*	Humana in Your Neighborhood - Strength & Balance class/Humana Albuquerque. *Classes can be provided to post on NMRHCA Wellness site. Humana membership is not a requirement to attend.*	

NMRHCA Wise and Well - Presbyterian

	DIABETES PREVENTION Low Risk and Pre-diabetic	DIABETES MANAGEMENT Ongoing and Control	DIABETES EMERGING RISK Utilization Management Cost Containment
Objective	**Reverse of delay the diagnosis of type 2 diabetes with lifestyle change.**	**To help people already diagnosed with diabetes take charge of their health.**	**Clinical management program focus: access to care, adherence to treatment plan, & behavior change.**
Early Identification Processes	**Primary Care Relationship** **Screening Data** (Biometrics Screenings, Annual Routine Physical, Diabetes Screenings,) **Current Data** **Personal Health Assessment** - Wellness at Work **Predictive Analysis Data** **Premanaged Data** (real-time ER Access notification) **MyChart** (notification of preventive services and recommended screenings) **Recommended Pre-diabetes/Diabetes Screenings**		
	Wellness at Work - online wellness platform that provides healthy habit tracking (food, fitness, etc.), interaction with a health coach, wellness workshops, a health library, and resources based on individual Personal Health Assessment responses		
	Health Coaching services - one-on-one relationship between a coaching professional and a member, to help the member: -Identify and set personal goals -Go through the stages of the behavior change process -Facilitate positive lifestyle changes	**Disease Management Coaching**	**Disease Management Coaching**
Community Resources	**Paths to Health: Diabetes Self-Management Program** (formerly MyCD - Manage Your Chronic Condition)		
	Paths to Health: Chronic Disease Self-Management Program (formerly MyCD - Manage Your Chronic Condition)		
	Kitchen Creations: Diabetic Cooking Class		
	Provider referrals to Wellness Referral Center (state-wide referral center for community resources)		
Care Management	**Video Visits**		
	Patient Centered Medical Homes (PCMH) (proactively manage a population with an emphasis on coordination of care)		
	PMG PCMH (In addition PMG utilizes Evidence based approach to Diabetes with a Care team identifying, managing and supporting patients)		
	Diabetes Education Professional Provider Services (benefit)		
	Routine Physicals		
Case Management			**Complex Case Management**
		PHP Case Management	
	Utilization Management		
Programs (type of access, e.g. on-site events, in-person, virtual, clinics)	**Good Measures Better Health Program** (nutrition counseling with a Registered Dietitian to a address a variety of topics not already covered in another program)	**Diabetes Support Program** - work with a dietitian who specializes in diabetes management	
	Good Measures Virtual Diabetes Prevention Program (Recognized provider by the CDC of the National Diabetes Prevention Program)		
		Good Measures Diabetes Connected Care (for individuals already diagnosed with diabetes; counseling with a team of clinicians; virtual glucose monitoring)	
	National Diabetes Prevention Program (offered onsite by Presbyterian, currently available to the Albuquerque area)		
	The Solutions Group Health Coaching (available for individuals who complete a Personal Health Assessment and may not be a good fit for Disease Management or Good Measures)		
		Healthy Solutions (Individual coaching program)	
	Screening Events	**Mobile Screening Events**	
	Silver Sneakers (NMRHCA Senior Care Members)		
	Wellness at Work **Self Directed Online Workshops**		
	Wellness at Work **Food and Exercise Diary /Logs**		
	Dinner with a Dietitian: Diabetes Edition from The Solutions Group (self-directed email video course)		
	Diabetes Learning Academy (onsite event including educational presentations, cooking demo, catered lunch, and take-away resources)		
	Presbyterian Senior Connection (program open to adults 60+ that includes multiple monthly seminars on topics pertinent to seniors health and well-being, reduced gym membership and facility, social outings, and more)		
	Education and awareness through member and provider newsletters		

NMRHCA WISE AND WELL: CARRIER PROGRAMS and RESOURCES

	Wellness Awareness and Engagement	**Risk Reduction**	**Clinical Care of Chronic Disease**
Program Goal	Proactive reach to drive engagement and personal responsibility.	Improve health status, reduce or mange the progression of health risk and early chronic illness.	Improve health status through comprehensive integrated action with wellness, clinical support and case management.
Programs	• Biometric Screenings (B,P) • PHA (B,P,U,H) • Healthy Wellness Challenges(B, P) • Wellness Incentive Campaigns (B,P,U) • Wellness Webinars (B) • Health Library (B, P, U, H) • Wellness @ Work Portal (P) • Health/Wellness Trackers (B,P,U, H) • Wearables (B) • Custom Text Messages (B) • Wellness Coaching (B, U, H) • 24/7 Nurse Line (B, U, H) • Wellness Calendar (U) • Food and Exercise Diary/logs (P) • Online Health & Wellness workshops: Wellness at Work (P) • Diabetes Learning Academies (educational presentation& materials, cooking demo (P)) • Blood Pressure Learning Academy (educational presentation & materials, cooking demo(P)) • Dinner with a Dietitian: 4 week video course on cooking healthier with diabetes (P) • Better Bone Strength: 6 wk video course on nutrition & exercise to build & maintain bone strength and density (P) • Change is Possible: 9 wk video course on weight management & behavior change • Silver Sneakers (B, H, P- Sr Care Members) • Member Newsletters (P) • Member Services – PCSC (P) • Tobacco Quit Line (P) • Go365 Wellness Program (H)	• Preventive Screenings (B,P,U, H) • Self-Directed online Health and Wellness Courses (B, P) • Good Measures Diabetes Prevention Program, 1 year w/Registered Dietitian (P) • Good Measures Better Health program, 1 year w/Registered Dietitian (P) • Health Coaching - Telephonic and Online (P, H) • Wellness at Work Online Wellness Portal (P) • Video/Virtual Visits (P,T,U,H) • 24/7 Nurse Line (B,P,H) • Omada Health (B) • Quit for Life – tobacco cessation program(P,H) • Naturally Slim Program (B) • Dinner with/Dietitian – 4 week email video course focused on cooking healthier with diabetes • Better Bone Strength – 6 wk video course on nutrition and exercise to build, maintain bone strength and density (P) • Change is Possible – 9 wk video course on weight management & behavior change (P) • Promotion of community programs: Kitchen Creations for Type 2 Diabetes and Health Pathways for Stanford Manage Your Chronic Disease classes • Member Newsletters (P) • Member Services (P) • Tobacco Quit Line (P) • Nat'l Diabetes Prevention (P)	• Healthy Solutions Disease Management Programs including condition management, coaching and courses (P,H) • Care Coordination and Early Intervention, Education and Support before, during and after hospital admission (B) • Discharge Planning (U,H) • Case Management/Care Coordination (P, B, U) • Condition Management for Chronic Conditions (B,U,H) • Diabetes Management Programs (B,H) • 24/7 Nurse Line (P,U,H) • Video Visits (P,H) • Good Measures Better Health program, one year program w/Registered Dietitian – fill gaps between healthy and unmanaged chronic conditions • Behavioral Health (B,U,H) • Home Monitoring (U,H) • Community Transitions (U,H*) • Member Newsletters (P) • Member Services (P) • Tobacco Quit Line (P) • Utilization Management (P) • Transition of Care (P) *Humana care managers connect members to community resources as needed and available.
Scope	No Risk to Low Risk Offered to all Population	At Risk to Medium Risk All Population and Selected Individuals	High-Risk Selected Population with High-Risk Disease
Outcomes	PARTICIPATION AND ENGAGEMENT	LIFESTYLE MODIFICATION	CHRONIC DISEASE MANAGEMENT

Legend: B = BCBS P | H = Humana | P = Presbyterian | U = United Healthcare

MEASURES OF SUCCESS AND EVALUATION PLAN

TYPE	METRIC	Data Source	BASELINE	TARGET
Member Population Health Measures	Percent of plan participants completed personal health assessment	Vendor Data	TBD	TBD
	Percent of individuals referred to case management, engaged in case management	Health Plan Data	TBD	TBD
	1. Number of wellness events 2. Number of people attending wellness events	Vendor Data	TBD	TBD
	Percent of members receiving age-appropriate screenings	Health Plan Data		
	Total number of completed coaching appointments	Vendor/Health Plan Data		
	Total number of community outreach centers.	Vendor Data	TBD	TBD
	Percent of members receiving flu shots	Health Plan Data	TBD	TBD
	Identification and management of pre-diabetics	Health Plan Data	TBD	TBD
	Percent of diabetics actively engaged in disease management programs	Vendor/Health Plan Data	TBD	TBD
Member Input Measures	Member interest/feedback surveys	Organization/Vendor Data	TBD	TBD
	Program satisfaction surveys	Vendor Data	TBD	TBD

Footnotes

- 1 - http://www.modernhealthcare.com/article/20180226/NEWS/180229934
- 1 - https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3870597/
    - Population Health Management Journal
- 2 - https://www.cdc.gov/pcd/issues/2013/12_0137.htm
- 2 - https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/10StepsforWellness.aspx
- 2 - https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3870597/
- 3 - https://www.health.qld.gov.au/__data/assets/pdf_file/0025/156706/hlthsrvpln14.pdf

Life and Disability RFP – Action Item

Background: Consistent with the requirements contained in the Health Care Purchasing Act, the Mexico Retiree Health Care Authority (NMRHCA) in cooperation with the other members of the interagency benefits advisory committee including: Albuquerque Public Schools, New Mexico Public School Insurance Authority and the State of New Mexico are proposing to issue a request for proposals (RFP) for pharmacy benefit management services scheduled for release in early to mid-August 2018.

NMRHCA staff is currently working with the other IBAC members and benefits consultant, the Segal Company to finalize the scope of work (draft below), sequence of events, deadlines, and evaluation criteria. NMPSIA staff will serve as procurement manager for this RFP cycle.

Scope of Work:

This procurement is to secure Life and Disability Insurance services to become effective July 1, 2019 (January 1, 2020 for APS). This procurement may will result in a multiple source award (e.g. NMRHCA may choose Vendor A, APS may choose Vendor B, etc., or all IBAC agencies may select one Vendor).

Scope of Work

A. The Contractor shall provide to the Agency the following insurance coverage and administrative services:

1. Insurance Coverage: Fully insured Basic and Accidental Death & Dismemberment (AD&D) insurance to eligible retirees, and Additional Life Insurance to eligible retirees, spouses and dependent children.

2. Licensing. Contractor will make application for, obtain, and continuously maintain in good standing all licenses and permits necessary to enable it to perform its obligations under this Contract in the State of New Mexico.

3. Pay for the design and distribution, to all eligible retirees and eligible dependents (collectively the "Members"), of materials describing the costs and benefits associated with the particular life insurance coverages offered to the Members by the Contractor. Materials shall be subject to review and approval by Agency prior to distribution. Contractor shall provide these materials far enough in advance to give Agency a reasonable opportunity to review such material and proposed changes, but in no case shall the material be provided to the Agency for review less than 30 days prior to distribution.

4. As requested by the Agency, conduct Member orientation meetings in locations (identified by Agency) to familiarize Members with the life insurance products and

related services. Contractor will also attend member enrollment meetings held prior to the beginning of the Plan year and throughout the state in order to provide Members and other employees/retirees with information regarding the life insurance products and related services. In addition, Contractor will attend new hire enrollment meetings as requested by the Agency from time-to-time.

5. Contractor shall, consistent with the Agency's then current claim administration procedures and practices and with the Contractor's applicable claim determination accuracy standard:

    a. Receive from Members claims for benefits and request for services, and expeditiously review such claims and request to determine what amount, if any is due, payable and/or allowable to such Member with respect thereto in accordance with provisions of the applicable life insurance policy; and

    b. Disburse or provide, to the person entitled thereto, benefit payments or authorization for services Contractor determines to be in accordance with provisions of the applicable life insurance policy.

    c. As requested by the Agency, provide periodic reports to the Agency detailing paid life insurance claims and make presentations to the Agency's Board of Directors, and/or committees thereof regarding the status of the life benefit programs.

6. Contractor will administer all aspects of the provision of insurance, including but not limited to, determining the following:

    a. eligibility for insurance;

    b. entitlement to benefits;

    c. amount of benefits payable;

    d. the information necessary to determine a, b, or c above;

    e. resolution of all matters when a review has been requested by Members; and

    f. establishment and enforcement of rules and procedures for the administration of the Group Policy attached hereto as Attachment 2 and a claim under it.

7. The Contractor shall not be considered to have failed to perform its obligations under the Contract if any delay or nonperformance on its part is due, in whole or in part of the Agency's failure to discharge its own obligations timely.

A number of factors will be considered in the selection process. The primary factors include pricing, financial stability; claim processing timeline, contractual compliance, reporting capabilities, performance guarantees, references, and customer service.

Proposed Timeline:

The RFP is scheduled for release early to mid-August with preliminary staff recommendations scheduled at the regular board meeting in December/January.

Action Item: NMRHCA staff respectfully requests approval to issue an RFP for Life and Disability Insurance in cooperation with other members of the IBAC.

NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

2019 Plan Recommendations

Final

Summary of Recommended Changes

NMRHCA Staff respectfully requests approval to implement the proposed changes for the upcoming plan year.

- 2019 Plan Rates
  - Premier Plan
  - Value Plan
  - Medicare Supplement
- 2019 Pre-Medicare Plan Design
  - 3rd Tier Coverage
  - Bundled Payment Agreement
- Prescription Drug Copays
  - Brand Increase
- Addition of SaveOn Program
- Addition of Naturally Slim Program
- Pilot Project w/Ground Rounds
  - Expert Medical Opinions

2019 Legislative Proposals

Current Funding Status

2017 Solvency Scenario: Deficit Spend 2020 / Expenditures exceed revenues and assets 2035 (3 percent of payroll)

FY Begin	BOY Assets	Total Revenue	Investment Income	Total Expenditures	Rev - Exp Excluding Investment Income	EOY Assets	FY End
2017	$ 551,412,183	$ 344,188,722	$ 41,051,156	$ 314,567,412	$ 29,621,309	$ 622,084,648	2018
2018	$ 622,084,648	$ 361,726,324	$ 45,626,962	$ 347,220,795	$ 14,505,529	$ 682,217,140	2019
2019	$ 682,217,140	$ 383,855,329	$ 49,480,849	$ 383,300,667	$ 554,663	$ 732,252,651	2020
2020	$ 732,252,651	$ 410,501,620	$ 52,755,627	$ 419,679,270	$ (9,177,650)	$ 775,830,629	2021
2021	$ 775,830,629	$ 439,504,313	$ 55,489,259	$ 460,427,398	$ (20,923,086)	$ 810,396,802	2022
2022	$ 810,396,802	$ 471,836,256	$ 57,430,749	$ 508,333,325	$ (36,497,069)	$ 831,330,482	2023
2023	$ 831,330,482	$ 503,677,050	$ 58,499,103	$ 552,569,653	$ (48,892,603)	$ 840,936,982	2024
2024	$ 840,936,982	$ 535,937,644	$ 58,824,655	$ 595,062,496	$ (59,124,853)	$ 840,636,785	2025
2025	$ 840,636,785	$ 573,641,209	$ 58,293,956	$ 646,805,657	$ (73,164,449)	$ 825,766,292	2026
2026	$ 825,766,292	$ 611,941,888	$ 56,729,432	$ 698,524,632	$ (86,582,744)	$ 795,812,980	2027
2027	$ 795,912,980	$ 651,079,838	$ 54,103,682	$ 750,390,436	$ (99,310,598)	$ 750,706,064	2028
2028	$ 750,706,064	$ 659,858,859	$ 50,203,990	$ 812,333,053	$ (116,474,464)	$ 684,435,591	2029
2029	$ 684,435,591	$ 741,091,834	$ 44,813,634	$ 873,724,839	$ (132,633,005)	$ 596,616,220	2030
2030	$ 596,616,220	$ 793,359,579	$ 37,681,040	$ 947,115,040	$ (153,755,461)	$ 480,541,800	2031
2031	$ 480,541,800	$ 844,916,799	$ 28,803,971	$ 1,011,408,088	$ (166,492,289)	$ 342,854,482	2032
2032	$ 342,854,482	$ 895,365,843	$ 18,741,755	$ 1,064,060,875	$ (168,598,032)	$ 192,901,205	2033
2033	$ 192,901,205	$ 954,605,942	$ 7,880,095	$ 1,123,026,425	$ (168,420,483)	$ 32,360,816	2034
2034	$ 32,360,816	$ 1,023,122,931	$ 218,424	$ 1,188,312,013	$ (165,189,181)	$ (135,609,941)	2035
2035	$ (132,609,941)	$ 1,088,633,923	$ -	$ 1,248,455,738	$ (159,821,815)	$ (292,431,756)	2036

2018 Solvency Scenario: Deficit Spend 2022 / Expenditures exceed revenues and assets 2037 (3 percent of payroll)

Begin	BOY Assets	Total Revenue	Investment Income	Total Expenditures	Rev - Exp Excluding Investment Income	EOY Assets	FY End
2018	$ 633,374,610	$ 356,825,111	$ 46,877,991	$ 330,664,233	$ 26,433,782	$ 706,403,479	2019
2019	$ 706,686,277	$ 380,118,818	$ 51,991,860	$ 358,667,571	$ 21,451,247	$ 779,846,586	2020
2020	$ 779,846,586	$ 406,264,206	$ 56,997,559	$ 393,610,936	$ 12,653,270	$ 849,497,415	2021
2021	$ 849,497,415	$ 434,717,034	$ 61,646,356	$ 433,122,746	$ 1,594,288	$ 912,738,058	2022
2022	$ 912,738,058	$ 467,915,543	$ 65,617,252	$ 483,260,580	$ (15,345,037)	$ 963,010,273	2023
2023	$ 963,010,273	$ 500,790,091	$ 68,623,717	$ 533,742,569	$ (32,952,479)	$ 998,681,512	2024
2024	$ 998,681,512	$ 532,627,040	$ 70,737,418	$ 578,613,021	$ (45,985,981)	$ 1,023,432,949	2025
2025	$ 1,023,432,949	$ 569,806,435	$ 72,049,285	$ 629,105,865	$ (59,299,429)	$ 1,036,182,804	2026
2026	$ 1,036,182,804	$ 607,582,366	$ 72,491,192	$ 680,190,945	$ (72,608,578)	$ 1,036,065,418	2027
2027	$ 1,036,065,418	$ 646,241,387	$ 72,059,686	$ 730,518,830	$ (84,277,443)	$ 1,023,847,660	2028
2028	$ 1,023,847,660	$ 690,379,496	$ 70,596,215	$ 790,593,019	$ (100,213,524)	$ 994,230,352	2029
2029	$ 994,230,352	$ 734,981,468	$ 67,890,423	$ 850,602,914	$ (115,621,447)	$ 946,499,329	2030
2030	$ 946,499,329	$ 786,594,598	$ 63,664,647	$ 923,327,142	$ (136,732,544)	$ 873,431,431	2031
2031	$ 873,431,431	$ 840,242,077	$ 57,601,481	$ 998,098,574	$ (157,856,497)	$ 773,176,415	2032
2032	$ 773,176,415	$ 895,924,244	$ 49,606,462	$ 1,073,822,963	$ (177,898,719)	$ 644,884,158	2033
2033	$ 644,884,158	$ 954,685,390	$ 39,703,413	$ 1,149,187,153	$ (194,501,763)	$ 490,085,807	2034
2034	$ 490,085,807	$ 1,019,637,564	$ 28,276,996	$ 1,219,754,121	$ (200,116,557)	$ 318,246,246	2035
2035	$ 318,246,246	$ 1,088,083,032	$ 16,108,401	$ 1,280,205,844	$ (192,122,813)	$ 142,231,834	2036
2036	$ 142,231,834	$ 1,158,055,022	$ 3,949,662	$ 1,343,523,018	$ (185,467,996)	$ (39,286,500)	2037
2037	$ (39,286,500)	$ 1,227,837,644	$ -	$ 1,407,762,590	$ (179,924,946)	$ (219,211,446)	2038

Funding Status Based on Increase in Employee & Employer Contributions:

Proposal A: proposes an increase in employee and employer contributions from 3 percent to 4.5 percent of payroll (employee: 1-1.5 percent / employer and maintains the 2 to 1 ratio of contributions from the employer to the employee beginning in FY21 and fully phased in by FY24. This scenario reduces the pre-Medicare retiree subsidy from 64 percent to 60 percent beginning in 2021 through 2024 and reduces the pre-Medicare spousal subsidy from 36 percent to 30 percent beginning in 2021 through 2024.

Proposal A			
	Employee	Employer	Total
1990 - 2001 (12 years)	0.500%	1.000%	1.500%
2002 - 2009 (8 years)	0.650%	1.300%	1.950%
2010 (1 year)	0.833%	1.660%	2.493%
2011 (1 year)	0.917%	1.840%	2.757%
2012 - 2020 (8 years)	1.000%	2.000%	3.000%
2021	1.125%	2.250%	3.375%
2022	1.250%	2.500%	3.750%
2023	1.375%	2.750%	4.125%
2024 and beyond	1.500%	3.000%	4.500%

Projection Exceeds Forecast Period – Projected BOY Assets $7.3 - $7.6 billion in 2049

Proposal B: proposes an increase in employee and employer contributions from 3 percent to 4.5 percent of payroll (employee: 1-1.75 percent / employer: 2-2.75 percent) and applies a 1 to 1 ratio of "all new" contributions from the employer to the employee beginning in FY21 and fully phased in by FY23. This scenario reduces the pre-Medicare retiree subsidy from 64 percent to 60 percent beginning in 2021 through 2024 and reduces the pre-Medicare spousal subsidy from 36 percent to 30 percent beginning in 2021 through 2026 (1 percent per year).

Proposal B			
	Employee	Employer	Total
1990 - 2001 (12 years)	0.500%	1.000%	1.500%
2002 - 2009 (8 years)	0.650%	1.300%	2.493%
2010 (1 year)	0.833%	1.660%	2.757%
2011 (1 year)	0.917%	1.840%	2.757%
2012 - 2020 (8 years)	1.000%	2.000%	3.000%
2021	1.250%	2.250%	3.500%
2022	1.500%	2.500%	4.00%
2023 and beyond	1.750%	2.750%	4.50%

Projection Exceeds Forecast Period – Projected BOY Assets $7.3 - $7.6 billion in 2049

Proposal C: proposes an increase in employee and employer contributions from 3 percent to 4 percent of payroll (employee: 1-1.25 percent / employer: 2-2.75 percent) and maintains the 2 to 1 ratio of contributions from the employer to the employee beginning in FY21 and fully phased in by FY24. This scenario reduces the pre-Medicare retiree subsidy from 64 percent to 60 percent beginning in 2021 through 2024 and reduces the pre-Medicare spousal subsidy from 36 percent to 30 percent beginning in 2021 through 2024.

Proposal C			
	Employee	Employer	Total
1990 - 2001 (12 years)	0.500%	1.000%	1.500%
2002 - 2009 (8 years)	0.650%	1.300%	2.493%
2010 (1 year)	0.833%	1.660%	2.757%
2011 (1 year)	0.917%	1.840%	2.757%
2012 - 2020 (8 years)	1.000%	2.000%	3.000%
2021	1.125%	2.500%	3.625%
2022 and beyond	1.250%	2.750%	4.000%

Projection Exceeds Forecast Period – Projected BOY Assets $4.3 - $4.6 billion in 2049

Proposal D: proposes an increase in employee and employer contributions from 3 percent to 4 percent of payroll (employee: 1-1.5 percent / employer: 2-2.5 percent) and applies a 1 to 1 ratio of "all new" contributions from the employer to the employee beginning in FY21 and fully phased in by FY23. This scenario reduces the pre-Medicare retiree subsidy from 64 percent to 60 percent beginning in 2021 through 2024 and reduces the pre-Medicare spousal subsidy from 36 percent to 30 percent beginning in 2021 through 2026 (1 percent per year).

Proposal D			
	Employee	Employer	Total
1990 - 2001 (12 years)	0.500%	1.000%	1.500%
2002 - 2009 (8 years)	0.650%	1.300%	2.493%
2010 (1 year)	0.833%	1.660%	2.757%
2011 (1 year)	0.917%	1.840%	2.757%
2012 - 2020 (8 years)	1.000%	2.000%	3.000%
2021	1.125%	2.125%	3.250%
2022	1.250%	2.250%	3.500%
2023	1.375%	2.375%	3.750%
2024 and beyond	1.500%	2.500%	4.000%

Projection Exceeds Forecast Period – Projected BOY Assets $4.3 - $4.6 billion in 2049

Background:

10-7C-3. Legislative findings and declaration of policy.

A. The legislature finds and declares that public employees face a severe problem in securing continuing medical insurance when they retire. Medical care inflation has far exceeded the general inflation rate for the past decade. It is expected that at least some of the factors that have contributed to this phenomenon will continue into the foreseeable future. As the public employee population grows older, the ratio of retirees to active employees is expected to continue to rise. This factor will be exacerbated as the life expectancy of the aged improves and the post-world war two generation approaches retirement age. Financial problems faced by the federal medicare system are becoming more serious, and it is apparent that there will be attempts to shift those costs to the public employer and employee. More such cost shifting is likely, and one of the purposes of the Retiree Health Care Act is, within the constraints of what can be afforded by the taxpayers, to alleviate this burden on the retiree as much as possible.

B. The legislature further finds and declares that the public employees covered by the Retiree Health Care Act have entered into public employment in circumstances where they have received in exchange for their services a present salary and an expectation of receiving a future stream of benefits, including payment of certain retirement benefits. The legislature declares that the expectation of receiving future benefits may be modified from year to year in order to respond to changing financial exigencies, but that such modification must be reasonably calculated to result in the least possible detriment to the expectation and to be consistent with any employer-employee relationship established to meet that expectation. The legislature does not intend for the Retiree Health Care Act to create trust relationships among the participating employees, retirees, employers and the authority administering the Retiree Health Care Act nor does the legislature intend to create contract rights which may not be modified or extinguished in the future; rather the legislature intends to create,

through the Retiree Health Care Act, a means for maximizing health care services returned to the participants for their participation under the Retiree Health Care Act.

C. The legislature further finds and declares that nothing in the Retiree Health Care Act shall prohibit the legislature from increasing or decreasing participating employer and employee contributions, eligible retiree premiums or group health insurance coverages or plans, and that participation in the Retiree Health Care Act by retired and active public employees shall not be construed to establish rights between the retired and active public employees and the state for health care benefits which cannot be modified or extinguished in the future to meet changes in economic or social conditions.

D. The legislature further finds and declares that the health care coverage provided under the Retiree Health Care Act shall constitute a state group health insurance plan, separate subsequent state group health insurance plan, state group insurance plan, separate subsequent state group insurance plan, state medical group insurance plan and separate subsequent state medical group insurance plan for the purposes of Sections 10-11-121, 10-12-15, 10-12A-11 and 22-11-41 NMSA 1978.

E. The legislature further finds and declares that participation of current retirees in the Retiree Health Care Act is predicated on State ex rel. Hudgins v. Public Employees Retirement Board 58 N.M. 543, 273 P.2d 743 (1954); the additional monthly participation fee to be paid by current retirees as a condition of participation in the Retiree Health Care Act is in lieu of the lump-sum consideration paid by the retirees who were the relators in that case.

History: Laws 1990, ch. 6, § 3.

In addition:

G. Notwithstanding any other provision in the Retiree Health Care Act and at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

New Mexico Retiree Health Care Authority
July 2018 Long-Term Solvency Modeling

Scenario Name	2017 Solvency Model*	Baseline 1	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1D	Baseline 2	Baseline 2A	Baseline 2B	Scenario 2C	Scenario 2D
CY2018 Plan Changes: Non-Medicare											
Discontinue NMHC Value plan effective 6/30/18	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
CY2019 Plan Changes: Non-Medicare											
Add 3rd BCBS Premier plan tier with restricted network	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
SaveOnSP Copay Assistance Program	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Increase brand copays	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
CY2019 Plan Changes: Medicare											
Increase brand copays	☐	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
$250 inpatient hospital copay	☐	☐	☑	☑	☐	☐	☐	☑	☑	☐	☐
Increase Part B cost share $50	☐	☐	☐	☑	☐	☐	☐	☐	☑	☐	☐
CY2019 Premium Rate Changes: Non-Medicare											
Premier	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	9.0%/10.0%/10.0%**	9.0%/10.0%/10.0%**	9.0%/10.0%/10.0%**	9.0%/10.0%/10.0%**	9.0%/10.0%/10.0%**
Value	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%
CY 2019 Premium Rate Changes: Medicare											
	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Non-Public Safety Contribution Rate (EE/ER)* **											
FY2019 & FY2020	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%
FY2021	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.125%/2.25%	1.25%/2.25%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.125%/2.25%	1.25%/2.25%
FY2022	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.25%/2.50%	1.50%/2.50%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.25%/2.50%	1.50%/2.50%
FY2023	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.375%/2.75%	1.75%/2.75%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.375%/2.75%	1.75%/2.75%
FY2024	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.50%/3.00%	1.75%/2.75%	1.0%/2.0%	1.0%/2.0%	1.0%/2.0%	1.50%/3.00%	1.75%/2.75%
Pre-Medicare Rate Share Retiree/Spouse											
CY2019 & CY2020	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%
CY2021	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	37.0%/66.0%	37.0%/65.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	37.0%/66.0%	37.0%/65.0%
CY2022	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	38.0%/68.0%	38.0%/66.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	38.0%/68.0%	38.0%/66.0%
CY2023	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	39.0%/69.0%	39.0%/67.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	39.0%/69.0%	39.0%/67.0%
CY2024	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/68.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/68.0%
CY2023	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/69.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/69.0%
CY2024	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/70.0%	36.0%/64.0%	36.0%/64.0%	36.0%/64.0%	40.0%/70.0%	40.0%/70.0%
Projected Year of Deficit Spending	FY2021	FY2023	FY2023	FY2023	FY2029	FY2029	FY2023	FY2023	FY2023	FY2029	FY2029
Assets as of July 1, 2036	($292,431,756)	$140,620,624	$203,592,864	$269,940,844	$2,566,524,859	$2,654,305,752	$171,150,761	$234,123,000	$300,470,981	$2,599,089,980	$2,686,769,743
Projected Year of Insolvency	FY2035	FY2037	FY2038	FY2038	Exceeds Projection Period	Exceeds Projection Period	FY2037	FY2038	FY2038	Exceeds Projection Period	Exceeds Projection Period

*2018 Solvency Model reflects the terms of the new PBM contract effective 7/1/2018, whereas the 2017 model does not.
**Rate Changes for Retiree/Spouse/Dependent
***Public Safety Contribution Rates assumed to be 1.25 X Non-Public Safety Rates