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# **REGULAR MEETING OF THE BOARD OF DIRECTORS**



**March 5, 2019  
9:30 AM  
Senator Fabian Chavez Jr. Board Room  
PERA Building  
33 Plaza La Prensa  
Santa Fe, NM 87507**

New Mexico Retiree Health Care Authority  
Regular Meeting

BOARD OF DIRECTORS

**ROLL CALL**

**March 5, 2019**

	<b>Member in Attendance</b>		
Mr. Sullivan, President			
Mr. Montañño, Vice President			
Mr. Crandall, Secretary			
Mr. Propst			
Ms. Goodwin			
Mr. Linton			
Ms. Saunders			
Mr. Eichenberg			
Ms. Larranaga-Ruffy			
Mr. Rael			
Ms. Moon			

## NMRHCA BOARD OF DIRECTORS

March 2019

Mr. Wayne Propst  
Executive Director  
Public Employees Retirement Association  
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Santa Fe, NM 87507  
PO Box 2123  
Santa Fe, NM 87504-2123  
[Wayne.Propst@state.nm.us](mailto:Wayne.Propst@state.nm.us)  
W: 505-476-9301

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505-247-1530

Mr. Joe Montaña, Vice President  
NM Assoc. of Educational Retirees  
5304 Hattiesburg NW  
Albuquerque, NM 87120  
[Jmountainman1939@msn.com](mailto:Jmountainman1939@msn.com)  
505- 897-9518

Ms. Pamela Moon  
NM Association of Counties  
One Civic Plaza  
10<sup>th</sup> Floor, Suite 10045  
Albuquerque, NM 87102  
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Mr. Doug Crandall  
Retired Public Employees of New Mexico  
14492 E. Sweetwater Ave  
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[dougcinaz@gmail.com](mailto:dougcinaz@gmail.com)

The Honorable Mr. Tim Eichenberg  
NM State Treasurer  
2055 South Pacheco Street  
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Santa Fe, NM 87505  
[Tim.Eichenberg@state.nm.us](mailto:Tim.Eichenberg@state.nm.us)  
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Ms. Therese Saunders  
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Ms. Leanne Larranaga-Ruffy  
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33 Plaza La Prensa  
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505-476-9332

Regular Meeting of the  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
BOARD OF DIRECTORS

March 5, 2019  
9:30 AM  
Senator Fabian Chavez Jr. Board Room  
PERA Building  
33 Plaza La Prensa  
Santa Fe, NM 87507

AGENDA

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11. 2020 Preliminary Plan Discussion	Mr. Archuleta, Executive Director	62
12. Other Business	Mr. Sullivan, President	
13. Executive Session Pursuant to NMSA 1978, Section 10-15-1(H)(6) To Discuss Limited Personnel Matters	Mr. Sullivan, President	
14. Date & Location of Next Board Meeting	Mr. Sullivan, President	

April 2, 2019, 9:30AM  
Alfredo R. Santistevan Board Room  
4308 Carlisle Blvd. NE., Suite207  
Albuquerque, NM 87107

15. Adjourn

**ACTION SUMMARY**

**RETIREE HEALTH CARE AUTHORITY/REGULAR BOARD MEETING**

**February 5, 2019**

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<u>APPROVAL OF MINUTES:</u> December 4, 2018	Approved	3
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UNITEDHEALTHCARE PROGRAM UPDATE	Informational	6
HUMANA PROGRAM UPDATE	Informational	6
2ND QUARTER BUDGET REPORT	Informational	7
OTHER BUSINESS [none]		

**MINUTES OF THE**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS**

**REGULAR MEETING**

**February 5, 2019**

**1. CALL TO ORDER**

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. in the Senator Fabian Chavez Jr. Board Room, PERA Building, 33 Plaza La Prensa, Santa Fe, New Mexico.

**2. ROLL CALL TO ASCERTAIN A QUORUM**

A quorum was present.

**Members Present:**

Mr. Tom Sullivan, President  
Mr. Joe Montaña, Vice President  
Mr. Doug Crandall, Secretary  
The Hon. Tim Eichenberg, NM State Treasurer  
Ms. Jan Goodwin  
Ms. LeAnne Larrañaga-Ruffy  
Ms. Pamela Moon  
Ms. Therese Saunders

**Members Excused:**

Mr. Terry Linton  
Mr. Lawrence Rael

**Staff Present:**

Mr. Dave Archuleta, Executive Director  
Mr. Neil Kueffer, Deputy Director  
Mr. Greg Archuleta, Director of Communication & Member Engagement  
Mr. Tomas Rodriguez, IT Manager  
Ms. Judith Beatty, Board Recorder

**Others Present:**

[See sign-in sheets]

**3. PLEDGE OF ALLEGIANCE**

Mr. Eichenberg led the Pledge.

#### **4. APPROVAL OF AGENDA**

The agenda was reprioritized to accommodate members (Ms. Goodwin and Mr. Eichenberg) who had to leave early for legislative committee meetings. Action Items 14 and 15 were moved up to follow Item 7.

**Mr. Crandall moved approval of the agenda, as amended. Ms. Goodwin seconded the motion, which passed unanimously.**

#### **5. APPROVAL OF REGULAR MEETING MINUTES: December 4, 2018**

**Mr. Montaño moved approval of the minutes of December 4, 2018 meeting, as submitted. Ms. Goodwin seconded the motion, which passed unanimously.**

#### **6. PUBLIC FORUM AND INTRODUCTIONS**

Chairman Sullivan welcomed new member Pamela Moon, representing the Association of Counties, to NMRHCA. Ms. Moon is Bernalillo County Accounting and Budget Director.

United Healthcare representative Dan Cadriel introduced Michelle Vollrath, UHC's new regional vice president for account management.

#### **7. COMMITTEE REPORTS**

Highlights from board members:

-- Chairman Sullivan reported that the Executive Committee met to review and approve today's agenda.

-- Mr. Crandall reported that the Finance Committee met last week. Items reviewed and approved will be addressed in today's meeting.

-- Ms. Goodwin reported that the Audit Committee met and reviewed the audit report, which Moss Adams will discuss today in open session.

-- Ms. Goodwin reported that the Wellness Committee met to review any uptake of wellness activities by members, with very disappointing results. Fewer gift cards were issued in 2018 than in 2017; however, the insurance companies also shared information on how many members are doing wellness activities through them. While the committee has focused on the carrot approach in the past, it is going to have to look at other options, because lowering healthcare costs is one of the best ways to improve solvency.

#### **14. NEW CONTRACT**

Mr. Kueffer reported that three different quotes were received in response to the RFP issued by the NMRHCA for GASB 75 accounting and financial reports. NMRHCA is required to prepare a schedule of employer allocations as of June 30 of each fiscal year, which is currently performed by Segal. Moss Adams currently performs the audit of the schedule of employer

allocations, and then the audited schedule must receive a concurring review, which would be done by the proposed vendor. Mr. Kueffer stated that the proposals received were from REDW, at a total cost of \$48,058, including GRT; Atkinson & Company, at a total cost of \$9,169.38, including GRT; and CliftonLarsonAllen, LLP, at a total cost of \$9,500, including GRT.

Mr. Kueffer requested approval of staff's recommendation for the selection of CliftonLarsonAllen, LLP. This vendor was selected based on its previous experience and knowledge of GASB reporting standards as well as performing similar services for PERA, ERB and NMRHCA.

Mr. Crandall stated that the Finance Committee agreed with staff's recommendation.

**Mr. Crandall moved for approval. Mr. Montañó seconded the motion, which passed unanimously.**

#### **15. OUT-OF-STATE TRAVEL REQUEST**

Mr. Kueffer stated that staff was requesting permission to attend the National Conference on the State and Local Governments Benefits Association (SALGBA), held April 7-10 in Fort Worth. NMRHCA is a member of SALGBA, which has 150 local jurisdictions with 375 members in 48 states, representing 5 million employees.

**Mr. Crandall moved for approval. Ms. Saunders seconded the motion, which passed unanimously.**

#### **8. EXECUTIVE DIRECTOR'S UPDATES**

##### **a. Board Member Appointment – Association of Counties**

Mr. Archuleta welcomed representative Pamela Moon to the NMRHCA board.

Mr. Archuleta noted the board seat for classified state employee representation remains open and has not been filled for more than eight years. He stated that he recently spoke with SPO Director Pamela Coleman about the possibility of finding someone to fill this seat.

Mr. Archuleta reported that this year's annual meeting and retreat is tentatively scheduled for July 10-12 in Taos, with accommodations at the Hotel Don Fernando de Taos.

##### **b. HR Update**

Mr. Archuleta said he was pleased to announce that there is only one vacant position remaining on staff. The agency will work with SPO to reclassify the position vacated by Neil Kueffer.



**c. Cigna – Express Scripts Purchase**

Mr. Archuleta stated that NMRHCA's relationship with Express Scripts has not changed with Cigna's purchase of Express Scripts in December for \$54 billion.

**d. Winter Newsletter**

Mr. Archuleta reviewed high points in the winter newsletter.

Mr. Montaña suggested putting the newsletter on the NMAER and AFT websites.

**e. Life and Disability RFP**

Mr. Archuleta reported that the RFP to be issued jointly by NMRHCA and other IBAC participants for Life and Disability has been delayed a number of times for various reasons, including staff turnover. He said the plan is to conduct finalist interviews in March.

**f. Legislative**

Mr. Archuleta stated that the text of HB 95 (increased contribution legislation), fiscal impact report and analysis were included in the Board Book.

Mr. Archuleta reported that the HFC took action on NMRHCA's appropriation for FY 2020, taking the lower of the two recommendations, so \$23 million will be added to the budget this year. The agency has the option of requesting a BAR, if needed, although to date it has not needed to exercise that option.

**g. November 30/December 31, 2018 SIC Report**

Mr. Archuleta reported November balances of \$645 million, falling to \$636 million in December. The hope is to reach the \$705 million goal for June 2019.

**9. ASSET ALLOCATION 6-MONTH REVIEW**

Wilshire Managing Director Thomas Toth presented this report.

Highlights:

- Expected return for the total portfolio is 62 basis points higher than the prior estimate, a return of 7.39 percent versus 6.77 percent.
- The increased expected return improves the probability of meeting expected return thresholds across the board. While the probability of a 5-year return over 7.25 percent was 46.4 percent, it is now 51.1 percent.
- The 62 basis point increase in expected return pushes the estimated solvency out to 2034 from 2033.

-- Reduction of total equity exposure from 50 percent to around 40 percent should have helped soften impact of market pullback in Q4 of 2018.

-- While inflation remains in check, late-cycle conditions can put upward pressure on price levels as tight labor conditions and compressed economic capacity can push costs higher. The addition of the real asset portfolio will be beneficial in managing those environments.

Responding to Mr. Crandall, Mr. Toth stated that Wilshire is very comfortable with the target that was adopted at midyear. He said the chance of reaching the \$705 million target by June 30 would be challenging, however, based on return alone.

#### **10. FY18 FINANCIAL AUDIT**

Aaron Hamilton, senior manager with Moss Adams, presented this report.

Highlights:

-- NMRHCA's net position increased by approximately \$78 million, or 13.5 percent, during FY 2018 compared to FY 2017: fair value of investments increased by \$69.6 million; cash balances increased by \$9.7 million; reserves for loss and loss adjustments increased by \$1 million; and contributions increased by approximately \$14.8 million. Claims paid and expenses increased by \$26 million.

-- The net OPEB liability decreased by \$183 million. This is the result of a strong investment period as well as changes in assumptions regarding the actuarial discount rate.

Mr. Hamilton stated that there were no issues with management, and things progressed in an orderly fashion with no hiccups along the way. The attitude from management was one of helpfulness, candor, and openness in response to questions from the auditor.

Mr. Hamilton stated that this was a clean audit and "as good as it gets." He said management did very well in cleaning up the prior year's findings.

#### **11. UNITEDHEALTHCARE PROGRAM UPDATE**

Account vice president Dan Cadriel made this presentation.

Highlights:

-- UnitedHealthcare, under the Medicare Advantage plan, is now carrying over 3,000 NMRHCA members on the plan.

-- As of September 1, 2018, Presbyterian is in UnitedHealthcare's Group Medicare Advantage PPO network.

#### **12. HUMANA PROGRAM UPDATE**

Representative Julie Bodenski made this presentation.

Highlights:

- The average age decreased from 69.2 to 69.0, resulting in increased age-in enrollments.
- There were 45 In Home Wellness Assessments completed in 2018, which assist in identifying gaps in care, facilitating follow up treatment and supporting wellness and prevention goals.
- Silver Sneakers participation decreased by 3.6 percent.
- Top 3 major clinical conditions by cost are musculoskeletal and connective tissue, digestive, and diabetes. There was a drop in cost with musculoskeletal claims, while there was a large claimant impact in digestive. The highest spend in pharmacy was in the diabetes category.

**13. 2ND QUARTER BUDGET REPORT**

Mr. Archuleta presented this report.

- In Q2 FY19, the agency collected \$175 million with expenditures of \$164 million. In FY18, the agency collected \$168 million with expenditures of \$163 million, for a net positive this year of \$6.2 million.

**16. OTHER BUSINESS**

None.

**17. EXECUTIVE SESSION**

None.

**18. DATE AND LOCATION OF NEXT BOARD MEETING:**

**FEBRUARY 5, 2019, 9:30 A.M.  
SENATOR FABIAN CHAVEZ JR. BOARD ROOM  
PERA BUILDING  
33 PLAZA LA PRENSA  
SANTA FE, NM 87507**

**19. ADJOURN**

Meeting adjourned at 11:25 a.m.

Accepted by:

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Tom Sullivan, President



# New Mexico State Personnel Office

2600 Cerrillos Road  
Santa Fe, New Mexico 87505-0127

## Classification Description

### BUSINESS OPERATIONS SPECIALIST SUPERVISOR

Class Title	Class Code	Pay Band	Alt Pay Band*
Business Operations Specialist Supv .	C1199S	65	

*\*In accordance with SPB Rule 1.7.4.10 NMAC, the assignment to alternative pay bands shall be reviewed annually to determine their appropriateness.*

#### Purpose

Devotes a substantial portion of time assigning and directly supervising work of at least two (2) full time equivalent employees\*\*, acting upon leave requests, conducting annual performance evaluations and recommending disciplinary actions. Interviewing and recommending selection of applicants and conducting training of personnel. All Business Operations Specialists not listed separately.

#### Nature of Work

The Business Operations Specialist Supervisor devotes a substantial portion of time assigning and directly supervising work of at least two (2) full time equivalent employees and provides program guidance and direction to business units and separate reporting activities on all matters pertaining to business and life-cycle acquisition processes. Defines and performs systems analysis and development tasks to improve workflow and operating efficiency. Makes recommendations to standardize procedures and processes and to introduce new technology or improve existing technology. Analyzes costs of existing operations and prepares a cost/benefit analysis of recommended changes.

#### Distinguishing Characteristics

*The omission of specific statements does not preclude management from assigning other duties which are reasonably within the scope of the duties.*

- Devotes a substantial portion of time assigning and directly supervising work of at least two (2) permanent/full time employees. Acts upon leave requests, conducts annual performance evaluations and recommends disciplinary actions.
- Conducts training of personnel; may interview and recommend selection of applicants.
- Provides career coaching through mentoring and arranges for outside training opportunities when possible.
- Makes well-informed, effective, and timely decisions and perceives the impact and implications of those decisions.
- Makes point of view in a clear and convincing manner.
- Listens effectively and clarifies information as needed.
- Identifies and analyzes problems; weighs relevance and accuracy of information; generates and evaluates alternative solutions; makes recommendations.
- Writes in a clear and concise manner.

## BUSINESS OPERATIONS SPECIALIST SUPERVISOR

- Develops networks and builds alliance; collaborates across boundaries to build strategic relationships and achieve common goals.
- Builds and manages workforce based on organizational goals, budget considerations, and staffing needs
- Ensures that employees are appropriately recruited, selected, and appraised; addresses performance issues.
- Keeps up to date on occupationally specific technological developments; makes effective use of technology to achieve results.
- Employees in this role perform program management functions with expertise in a field or occupation and may function as a consultant, requiring high levels of complexity, problem solving, and/or accountability.
- Employees operate independently within diversified procedures and standards.
- Employees may handle deposits and cash transactions.
- Employees proactively interact with staff members and customers to directly influence and impact results of the programs and agency mission.

### **Recommended Education and Experience for Full Performance\*\*\***

Bachelor's degree in Business Administration, Public Administration or Accounting and two (2) years of directly related job experience in the areas of budgeting, accounting, auditing, purchasing, cash management and/or financial management, one (1) year of which must be supervisory.

### **Minimum Qualifications**

Associates Degree in Business Administration, Public Administration or Accounting and two (2) years of directly related job experience in the areas of budgeting, accounting, auditing, purchasing, cash management and/or financial management. Any combination of education from an accredited college or university in a related field and/or direct experience in this occupation totaling four (4) years may substitute for the required education and experience.

### **Knowledge and Skills**

*Note: This information has been produced by compiling information and documentation provided by O\*NET. O\*NET™ is a trademark of the U.S. Department of Labor, Employment and Training Administration.*

#### **Knowledge**

**Leadership** - Knowledge of leading through influence and persuasion by establishing mutual trust, respect, and loyalty, through shared beliefs, values, and goals; Being cognizant of subordinates' needs, goals, and aspirations, and to carefully consider these personal variables when making decisions.

**English Language** — Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition, and grammar.

**Administration and Management** — Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

**Public Safety and Security** — Knowledge of relevant equipment, policies, procedures, and strategies to promote effective local, state, or national security operations for the protection of people, data, property, and institutions.

**Communications and Media** — Knowledge of media production, communication, and

## BUSINESS OPERATIONS SPECIALIST SUPERVISOR

dissemination techniques and methods. This includes alternative ways to inform and entertain via written, oral, and visual media.

**Computers and Electronics** — Knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming.

**Customer and Personal Service** — Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

**Law and Government** — Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.

**Education and Training** — Knowledge of principles and methods for curriculum and training design, teaching and instruction for individuals and groups, and the measurement of training effects.

**Telecommunications** — Knowledge of transmission, broadcasting, switching, control, and operation of telecommunications systems.

### Skills

**Leadership** - Displaying attributes that makes employees willing to follow; applying effort to increase productiveness in areas needing the most improvement; establishing a spirit of cooperation and cohesion for achieving goals; making the right things happen on time; providing performance feedback, coaching, and career development to individuals to maximize their probability of success; giving subordinates the authority to get things accomplished in the most efficient and timely manner.

**Critical Thinking** — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

**Complex Problem Solving** — Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.

**Judgment and Decision Making** — Considering the relative costs and benefits of potential actions to choose the most appropriate one.

**Systems Analysis** — Determining how a system should work and how changes in conditions, operations, and the environment will affect outcomes.

**Writing** — Communicating effectively in writing as appropriate for the needs of the audience.

**Active Listening** — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

**Coordination** — Adjusting actions in relation to others' actions.

**Reading Comprehension** — Understanding written sentences and paragraphs in work related documents.

**Speaking** — Talking to others to convey information effectively.

**Active Learning** — Understanding the implications of new information for both current and future problem-solving and decision-making.

## BUSINESS OPERATIONS SPECIALIST SUPERVISOR

**Statutory Requirements:** N/A

**Conditions of Employment:** Working Conditions for individual positions in this classification will vary based on each *agency's utilization, essential functions, and the recruitment needs* at the time a vacancy is posted. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities.

**Default FLSA status:** Exempt. FLSA status may be determined to be different at the agency level based on the agency's utilization of the position.

**Bargaining Unit:** N/A

**Established:** 04/27/2012      **Revised:**

*\*\*Means two (2) or any combination of full-time equivalent (FTE) status that equals at least two (2) regular or term status employees in non-temporary positions.*

*\*\*\*Adapted from the United States Bureau of Labor Statistics and are intended to illustrate the typical education and experience required for this occupation. Not to be construed as minimum qualifications.*

*Note: Classification description subject to change. Please refer to the SPO website [www.spo.state.nm.us](http://www.spo.state.nm.us) to ensure this represents the most current copy of the description.*





# New Mexico State Personnel Office

2600 Cerrillos Road  
Santa Fe, New Mexico 87505-0127

## Classification Description

### BUSINESS OPERATIONS SPECIALIST, ALL OTHER

Class Title	Class Code	Pay Band	Alt Pay Band*
Business Operations Specialist-B	C1199B	50	
Business Operations Specialist-O	C1199O	55	
Business Operations Specialist-A	C1199A	60	

*\*In accordance with SPB Rule 1.7.4.10 NMAC, the assignment to alternative pay bands shall be reviewed annually to determine their appropriateness.*

#### Occupation Description

All business operations specialists not listed separately.

#### Nature of Work

Provides program guidance and direction to business units and separate reporting activities on all matters pertaining to business and life-cycle acquisition processes. Defines and performs systems analysis and development tasks to improve workflow and operating efficiency. Makes recommendations to standardize procedures and processes and to introduce new technology or improve existing technology. Analyzes costs of existing operations and prepares a cost/benefit analysis of recommended changes.

#### Distinguishing Characteristics of Levels

*Note: Examples of Work are intended to be cumulative for each progressively higher level of work. The omission of specific statements does not preclude management from assigning other duties which are reasonably within the scope of the duties.*

#### Basic

- Employees in this Role perform standardized work procedures focusing on agency policies and procedures, state and federal laws, rules and regulations and administrative techniques. This may involve procedures, operating manuals, control and reporting systems and ensuring that federal, state and local laws are complied with.
- Employees interact with team members/customers to produce results within organizational structure and agency's mission.
- Employees perform at a limited level of complexity, problem solving and/or accountability.

#### Recommended Education and Experience for Full Performance

Associates degree in Business Administration or Accounting and (2) years of directly related job experience in the areas of budgeting, accounting, auditing, purchasing, cash management and/or financial management.

## BUSINESS OPERATIONS SPECIALIST, ALL OTHER

### Minimum Qualifications

High School diploma or Equivalency and one (1) year of experience in office administration, budgeting, purchasing, finance, accounting, auditing, cash management and/or contract management.

### Operational

- Employees in this Role independently perform in a defined skill area.
- Employees interact with team members/customers to produce results within organizational structure and agency's mission.
- Employees provide specialized and/or technical support services in the preparation, negotiation, and/or review of professional and technical services and contracts ensures compliancy with local, state, federal, and other regulatory guidelines that impact business operations.
- Employees in this role are responsible for duties focused on human resources, fiscal, information systems, investigations, procurement, and other business operations functions.

### Recommended Education and Experience for Full Performance\*

Associates Degree in Business Administration, Public Administration or Accounting and four (4) years of directly related job experience in the areas of budgeting, accounting, auditing, purchasing, cash management or financial management.

### Minimum Qualifications

High School diploma or Equivalency and two (2) years of experience in office administration, budgeting, purchasing, finance, accounting, auditing, cash management and/or contract management.

### Advanced

- Employees in this role perform program management functions with expertise in a field or occupation and may function as a consultant, requiring high levels of complexity, problem solving, and/or accountability.
- Employees operate independently within diversified procedures and standards.
- Employees may handle deposits and cash transactions.
- Employees proactively interact with staff members and customers to directly influence and impact results of the programs and agency mission.

### Recommended Education and Experience for Full Performance

Bachelor's degree in Business Administration, Public Administration or Accounting and two (2) years of directly related job experience in the areas of budgeting, accounting, auditing, purchasing, cash management and/or financial management.

### Minimum Qualifications

Associates Degree in Business Administration, Public Administration or Accounting and two (2) years of directly related job experience in the areas of office administration, budgeting, purchasing, finance, accounting, auditing, cash management and/or contract management. Any combination of education from an accredited college or university in a related field and/or direct experience in this occupation totaling four (4) years may substitute for the required education and experience.

## BUSINESS OPERATIONS SPECIALIST, ALL OTHER

### Knowledge and Skills

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### Knowledge

**English Language** — Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition, and grammar.

**Administration and Management** — Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

**Public Safety and Security** — Knowledge of relevant equipment, policies, procedures, and strategies to promote effective local, state, or national security operations for the protection of people, data, property, and institutions.

**Communications and Media** — Knowledge of media production, communication, and dissemination techniques and methods. This includes alternative ways to inform and entertain via written, oral, and visual media.

**Computers and Electronics** — Knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming.

**Customer and Personal Service** — Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

**Law and Government** — Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.

**Education and Training** — Knowledge of principles and methods for curriculum and training design, teaching and instruction for individuals and groups, and the measurement of training effects.

**Telecommunications** — Knowledge of transmission, broadcasting, switching, control, and operation of telecommunications systems.

### Skills

**Critical Thinking** — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

**Complex Problem Solving** — Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.

**Judgment and Decision Making** — Considering the relative costs and benefits of potential actions to choose the most appropriate one.

**Systems Analysis** — Determining how a system should work and how changes in conditions, operations, and the environment will affect outcomes.

**Writing** — Communicating effectively in writing as appropriate for the needs of the audience.

## BUSINESS OPERATIONS SPECIALIST, ALL OTHER

**Active Listening** — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

**Coordination** — Adjusting actions in relation to others' actions.

**Reading Comprehension** — Understanding written sentences and paragraphs in work related documents.

**Speaking** — Talking to others to convey information effectively.

**Active Learning** — Understanding the implications of new information for both current and future problem-solving and decision-making.

**Statutory Requirements:** N/A

**Conditions of Employment:** Working Conditions for individual positions in this classification will vary based on each *agency's utilization, essential functions, and the recruitment needs* at the time a vacancy is posted. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities.

**Default FLSA status:** Non-Exempt. FLSA status may be determined to be different at the agency level based on the agency's utilization of the position.

**Bargaining Unit:** This position may be covered by a collective bargaining agreement and all terms/conditions of that agreement apply and must be adhered to.

**Established:** 07/07/2001      **Revised:** 9/20/2011, 10/19/2015 (Min Quals)

*\*Adapted from the United States Bureau of Labor Statistics and are intended to illustrate the typical education and experience required for this occupation.*

*Note: Classification description subject to change. Please refer to the SPO website [www.spo.state.nm.us](http://www.spo.state.nm.us) to ensure this represents the most current copy of the description.*



# New Mexico State Personnel Office

2600 Cerrillos Road  
Santa Fe, New Mexico 87505-0127

## Classification Description

### ELIGIBILITY INTERVIEWER, GOVERNMENT PROGRAM SUPERVISOR

Class Title	Class Code	Pay Band	Alt Pay Band*
Eligibility Interviewers, Govt Prgm Supv.	R4061S	60	

*\*In accordance with SPB Rule 1.7.4.10 NMAC, the assignment to alternative pay bands shall be reviewed annually to determine their appropriateness.*

#### Purpose

Devotes a substantial portion of time assigning and directly supervising work of at least two (2) full time equivalent employees\*\*, acting upon leave requests, conducting annual performance evaluations and recommending disciplinary actions. Interviewing and recommending selection of applicants and conducting training of personnel. Determines eligibility of persons applying to receive assistance from government programs and agency resources, such as welfare, unemployment benefits, social security, and public housing.

#### Nature of Work

Eligibility Interviewers, Government Program Supervisor devotes a substantial portion of time assigning and directly supervising work of at least two (2) full time equivalent employees and interviews applicants for government services and determine if they qualify for government assistance, such as welfare, unemployment benefits, Social Security benefits, and public housing. They prepare case files, determine the appropriate amount of payment, and follow up with recipients to determine their eligibility for services after a certain period.

#### Distinguishing Characteristics

*The omission of specific statements does not preclude management from assigning other duties which are reasonably within the scope of the duties.*

- Devotes a substantial portion of time assigning and directly supervising work of at least two (2) permanent/full time employees. Acts upon leave requests, conducts annual performance evaluations and recommends disciplinary actions.
- Conducts training of personnel; may interview and recommend selection of applicants.
- Provides career coaching through mentoring and arranges for outside training opportunities when possible.
- Makes well-informed, effective, and timely decisions and perceives the impact and implications of those decisions.
- Makes point of view in a clear and convincing manner.
- Listens effectively and clarifies information as needed.
- Identifies and analyzes problems; weighs relevance and accuracy of information; generates and evaluates alternative solutions; makes recommendations.
- Writes in a clear and concise manner.
- Develops networks and builds alliance; collaborates across boundaries to build strategic relationships and achieve common goals.

## ELIGIBILITY INTERVIEWER, GOVERNMENT PROGRAM SUPERVISOR

- Builds and manages workforce based on organizational goals, budget considerations, and staffing needs
- Ensures that employees are appropriately recruited, selected, and appraised; addresses performance issues.
- Keeps up to date on occupationally specific technological developments; makes effective use of technology to achieve results.
- Employees in this Role perform interviews and investigations, and conduct public relations and customer service for programs of a highly complex nature.

### **Recommended Education and Experience for Full Performance**

Associates degree in Business Administration or related field and four (4) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits or public housing, two (2) years of which must be supervisory

### **Minimum Qualifications**

High School diploma or GED and two (2) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits and/or public housing.

**For utilization at the Department of Veterans Services only:** Two (2) years of active duty service in the Armed Forces will substitute for the required experience listed above. Hiring preference will be given to Veterans of the Armed Forces.

### **Knowledge and Skills**

*Note: This information has been produced by compiling information and documentation provided by O\*NET. O\*NET™ is a trademark of the U.S. Department of Labor, Employment and Training Administration.*

#### **Knowledge**

**Leadership** - Knowledge of leading through influence and persuasion by establishing mutual trust, respect, and loyalty, through shared beliefs, values, and goals; Being cognizant of subordinates' needs, goals, and aspirations, and to carefully consider these personal variables when making decisions.

**Customer and Personal Service** — Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

**Clerical** — Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

**Law and Government** — Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.

**Mathematics** — Knowledge of arithmetic, algebra, geometry, calculus, statistics, and their applications.

**Administration and Management** — Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

**Computers and Electronics** — Knowledge of circuit boards, processors, chips, electronic

## ELIGIBILITY INTERVIEWER, GOVERNMENT PROGRAM SUPERVISOR

equipment, and computer hardware and software, including applications and programming

### Skills

**Leadership** - Displaying attributes that makes employees willing to follow; applying effort to increase productiveness in areas needing the most improvement; establishing a spirit of cooperation and cohesion for achieving goals; making the right things happen on time; providing performance feedback, coaching, and career development to individuals to maximize their probability of success; giving subordinates the authority to get things accomplished in the most efficient and timely manner.

**Speaking** — Talking to others to convey information effectively.

**Active Listening** — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

**Reading Comprehension** — Understanding written sentences and paragraphs in work related documents.

**Critical Thinking** — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

**Social Perceptiveness** — Being aware of others' reactions and understanding why they react as they do.

**Service Orientation** — Actively looking for ways to help people.

**Writing** — Communicating effectively in writing as appropriate for the needs of the audience.

**Complex Problem Solving** — Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.

**Coordination** — Adjusting actions in relation to others' actions.

**Judgment and Decision Making** — Considering the relative costs and benefits of potential actions to choose the most appropriate one.

**Statutory Requirements:** N/A

**Conditions of Employment:** Working Conditions for individual positions in this classification will vary based on each *agency's utilization, essential functions, and the recruitment needs* at the time a vacancy is posted. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities.

**Default FLSA Status:** Exempt.

**Bargaining Unit:** Not covered

**Established:** 07/27/2012      **Revised:**

*\*\*Means two (2) or any combination of full-time equivalent (FTE) status that equals at least two (2) regular or term status employees in non-temporary positions.*

*\*\*\*Adapted from the United States Bureau of Labor Statistics and are intended to illustrate the typical education and experience required for this occupation. Not to be construed as minimum qualifications.*

**ELIGIBILITY INTERVIEWER, GOVERNMENT PROGRAM SUPERVISOR**

*Note: Classification description subject to change. Please refer to the SPO website [www.spo.state.nm.us](http://www.spo.state.nm.us) to ensure this represents the most current copy of the description.*





# New Mexico State Personnel Office

2600 Cerrillos Road  
Santa Fe, New Mexico 87505-0127

## Classification Description

### ELIGIBILITY INTERVIEWERS, GOVERNMENT PROGRAMS

Class Title	Class Code	Pay Band	Alt Pay Band*
Eligibility Interviewers, Govt Prgm-B	R4061B	45	
Eligibility Interviewers, Govt Prgm-O	R4061O	50	
Eligibility Interviewers, Govt Prgm-A	R4061A	55	

*\*In accordance with SPB Rule 1.7.4.10 NMAC, the assignment to alternative pay bands shall be reviewed annually to determine their appropriateness.*

#### Occupation Description

Determine eligibility of persons applying to receive assistance from government programs and agency resources, such as welfare, unemployment benefits, social security, and public housing.

#### Nature of Work

Eligibility interviewers, government programs interview applicants for government services and determine if they qualify for government assistance, such as welfare, unemployment benefits, Social Security benefits, and public housing. They prepare case files, determine the appropriate amount of payment, and follow up with recipients to determine their eligibility for services after a certain period.

#### Distinguishing Characteristics of Levels

*Note: Examples of Work are intended to be cumulative for each progressively higher level of work. The omission of specific statements does not preclude management from assigning other duties which are reasonably within the scope of the duties.*

#### Basic

- Employees in this Role assist coworkers with customer service, clerical and fiscal duties related to eligibility determinations and may perform investigative duties with supervision and assist with documentation and reports.

#### Recommended Education and Experience for Full Performance

High School diploma or GED and two (2) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits and/or public housing.

#### Minimum Qualifications

High School diploma or GED and six (6) months of experience in general office administration.

#### Operational

- Employees in this Role interview and investigate applicants and recipients of public assistance, including but not limited to public housing, medical assistance, other government programs, and grants.

## ELIGIBILITY INTERVIEWERS, GOVERNMENT PROGRAMS

- Employees determine expenditures and evaluate reimbursable cost statements; provide information to applicants and current recipients; provide referrals to other resources available in the community; and keep records, track requirements and prepare reports.

### **Recommended Education and Experience for Full Performance**

Associates degree in Business/Office Administration or related field and two (2) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits or public housing.

### **Minimum Qualifications**

High School diploma or GED and one (1) year of experience in government assistance programs such as welfare, unemployment benefits, social security benefits and/or public housing.

### **Advanced**

- Employees in this Role perform interviews and investigations, and conduct public relations and customer service for programs of a highly complex nature.

### **Recommended Education and Experience for Full Performance**

Associates degree in Business Administration or related field and four (4) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits or public housing.

### **Minimum Qualifications**

High School diploma or GED and two (2) years of experience in government assistance programs such as welfare, unemployment benefits, social security benefits and/or public housing.

### **Knowledge and Skills**

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### **Knowledge**

**Customer and Personal Service** — Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

**Clerical** — Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

**Law and Government** — Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.

**Mathematics** — Knowledge of arithmetic, algebra, geometry, calculus, statistics, and their applications.

**Administration and Management** — Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

## ELIGIBILITY INTERVIEWERS, GOVERNMENT PROGRAMS

**Computers and Electronics** — Knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming

### Skills

**Speaking** — Talking to others to convey information effectively.

**Active Listening** — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

**Reading Comprehension** — Understanding written sentences and paragraphs in work related documents.

**Critical Thinking** — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

**Social Perceptiveness** — Being aware of others' reactions and understanding why they react as they do.

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**Complex Problem Solving** — Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.

**Coordination** — Adjusting actions in relation to others' actions.

**Judgment and Decision Making** — Considering the relative costs and benefits of potential actions to choose the most appropriate one.

**Statutory Requirements:** N/A

**Conditions of Employment:** Working Conditions for individual positions in this classification will vary based on each *agency's utilization, essential functions, and the recruitment needs* at the time a vacancy is posted. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities.

**Default FLSA Status:** Non-Exempt. FLSA status may be determined to be different at the agency level based on the agency's utilization of the position.

**Bargaining Unit:** This position may be covered by a collective bargaining agreement and all terms/conditions of that agreement apply and must be adhered to.

**Established:** 07/07/2001

**Revised:** 09/20/2011

*\*Adapted from the United States Bureau of Labor Statistics and are intended to illustrate the typical education and experience required for this occupation.*

*Note: Classification description subject to change. Please refer to the SPO website [www.spo.state.nm.us](http://www.spo.state.nm.us) to ensure this represents the most current copy of the description.*

**SEQUENCE OF EVENTS- RFP # 91-342-18-00001**

**Group Basic Life and AD&D, Group Voluntary Life and AD&D, and Group Long Term Disability Coverage**

**A.**

The Procurement Manager will make every effort to adhere to the following schedule:

<b>Action</b>	<b>Responsible Party</b>	<b>Due Dates</b>
1. Issue RFP	SPD	February 21, 2019
2. Acknowledgment of Receipt	Potential Offerors	February 25, 2019
4. Deadline to submit Questions	Potential Offerors	February 26, 2019
5. Response to Written Questions	NMPSIA Procurement Manager	February 28, 2019
6. References Due	SPD	March 1, 2019
<b>7. <i>Submission of Proposal</i></b>	<b><i>Potential Offerors</i></b>	<b><i>March 5, 2019</i></b>
8. Proposal Evaluation	Evaluation Committee	March 5, 2019-March 8, 2019
9. Selection of Finalists	Evaluation Committee	March 8, 2019
10. Oral Presentation(s)	Finalist Offerors	March 11, 2019-March 15, 2019
11. Finalize Contractual Agreements	Agency/Finalist Offerors	March 22, 2019
12. Contract Awards	Agency/ Finalist Offerors	April 4, 2019
13. Protest Deadline	SPD	+15 days

## FY20 LFC/Executive Recommendation Comparison

Overall, the FY20 appropriation recommendations proposed by the Legislative Finance Committee (LFC) and Executive provide for a range of growth between 6.7 and 7 percent for the Healthcare Benefits Administration Program, with the LFC recommendation being greater. The request assumed a 2 percent growth in participation and 5.1 percent growth in medical trend (medical and prescription combined). Table 1 highlights the FY19 approved operating budget, FY20 appropriation request and corresponding recommendations made by the LFC, Executive and action taken by the House Appropriations and Finance Committee.

<b>Table 1</b> (\$ shown in thousands)	FY19 Approved		Exec		HAFC
	Operating	FY20 Request	LFC Recommendation	Recommendation	
Personal Services & Employee Benefits	\$ 1,937.5	\$ 1,981.3	\$ 1,956.3	\$ 1,981.2	\$ 1,981.2
Contractual Services	\$ 333,017.0	\$ 356,747.3	\$ 356,747.3	\$ 355,360.0	\$ 355,360.0
Other	\$ 585.8	\$ 580.1	\$ 580.1	\$ 580.1	\$ 580.1
Other Financing Uses	\$ 3,047.6	\$ 3,166.0	\$ 3,141.0	\$ 3,135.9	\$ 3,135.9
<b>Total</b>	<b>\$ 338,587.9</b>	<b>\$ 362,474.7</b>	<b>\$ 362,424.7</b>	<b>\$ 361,057.2</b>	<b>\$ 361,057.2</b>
<b>Healthcare Benefits Administration</b>					
Contractual Services	\$ 332,450.7	\$ 356,100.7	\$ 356,100.7	\$ 354,743.4	\$ 354,743.4
Other	\$ 42.0	\$ 42.0	\$ 42.0	\$ 42.0	\$ 42.0
Other Financing Uses	\$ 3,047.6	\$ 3,166.0	\$ 3,141.0	\$ 3,135.9	\$ 3,135.9
<b>Subtotal</b>	<b>\$ 335,540.3</b>	<b>\$ 359,308.7</b>	<b>\$ 359,283.7</b>	<b>\$ 357,921.3</b>	<b>\$ 357,921.3</b>
<b>Program Support</b>					
Personal Services & Employee Benefits	\$ 1,937.5	\$ 1,981.3	\$ 1,956.3	\$ 1,981.2	\$ 1,981.2
Contractual Services	\$ 566.3	\$ 646.6	\$ 646.6	\$ 616.6	\$ 616.6
Other	\$ 543.8	\$ 538.1	\$ 538.1	\$ 538.1	\$ 538.1
<b>Subtotal</b>	<b>\$ 3,047.6</b>	<b>\$ 3,166.0</b>	<b>\$ 3,141.0</b>	<b>\$ 3,135.9</b>	<b>\$ 3,135.9</b>
<b>Total</b>	<b>\$ 338,587.9</b>	<b>\$ 362,474.7</b>	<b>\$ 362,424.7</b>	<b>\$ 361,057.2</b>	<b>\$ 361,057.20</b>
<b>FTE</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>

Table 2 provides a comparison of the incremental growth requested and recommended for each program compared to the approved FY19 operating budget. The LFC recommendation provided an additional \$23.7 million for Health Care Benefits Administration and \$93 thousand for Program Support. The Executive recommendation includes an additional \$22.4 million for Healthcare Benefits Administration and \$88 thousand for Program Support – a difference of \$1.3 million and \$5 thousand respectively.

<b>Table 2</b> (\$ shown in thousands)	FY19 Approved	FY20 Requested	LFC Recommended	Exec Recommended	HAFC
	Operating	Growth	Growth	Growth	
<b>Healthcare Benefits Administration</b>					
Contractual Services	\$ 332,450.7	\$ 23,650.0	\$ 23,650.0	\$ 22,292.7	\$ 22,292.7
Other	\$ 42.0	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	\$ 3,047.6	\$ 118.4	\$ 93.4	\$ 88.3	\$ 88.3
<b>Subtotal</b>	<b>\$ 335,540.3</b>	<b>\$ 23,768.4</b>	<b>\$ 23,743.4</b>	<b>\$ 22,381.0</b>	<b>\$ 22,381.0</b>
<b>Program Support</b>					
Personal Services & Employee Benefits	\$ 1,937.5	\$ 43.8	\$ 18.8	\$ 43.7	\$ 43.7
Contractual Services	\$ 566.3	\$ 80.3	\$ 80.3	\$ 50.3	\$ 50.3
Other Financing Uses	\$ 543.8	\$ (5.7)	\$ (5.7)	\$ (5.7)	\$ (5.7)
<b>Subtotal</b>	<b>\$ 3,047.6</b>	<b>\$ 118.4</b>	<b>\$ 93.4</b>	<b>\$ 88.3</b>	<b>\$ 88.3</b>
<b>Total</b>	<b>\$ 338,587.9</b>	<b>\$ 23,886.8</b>	<b>\$ 23,836.8</b>	<b>\$ 22,469.3</b>	<b>\$ 22,469.3</b>
<b>FTE</b>	<b>27</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>

Table 3 highlights the FY20 operating budget along with the requested and recommended growth expressed in terms of a percentage.

<b>Table 3</b> <b>(\$ shown in thousands)</b>	FY19 Approved Operating	FY20 Requested Growth	LFC Recommended Growth	Exec Recommended Growth	<b>HAFC</b>
<b>Healthcare Benefits Administration</b>					
Contractual Services	\$ 332,450.7	7.1%	7.1%	6.7%	6.7%
Other	\$ 42.0	0.0%	0.0%	0.0%	0.0%
Other Financing Uses	\$ 3,047.6	3.9%	3.1%	2.9%	2.9%
<b>Subtotal</b>	<b>\$ 335,540.3</b>	<b>7.1%</b>	<b>7.1%</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Program Support</b>					
Personal Services & Employee Benefits	\$ 1,937.5	2.3%	1.0%	2.3%	2.3%
Contractual Services	\$ 566.3	14.2%	14.2%	8.9%	8.9%
Other Financing Uses	\$ 543.8	-1.0%	-1.0%	-1.0%	-1.0%
<b>Subtotal</b>	<b>\$ 3,047.6</b>	<b>3.9%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>2.9%</b>
<b>Total</b>	<b>\$ 338,587.9</b>	<b>7.1%</b>	<b>7.0%</b>	<b>6.6%</b>	<b>6.6%</b>
<b>FTE</b>	<b>27</b>	<b>-4%</b>	<b>-4%</b>	<b>-4%</b>	<b>-4%</b>

Ultimately, the budget scenario proposed by the LFC provided greater ability to accommodate our liabilities in FY20, however, the Executive proposal was adopted and incorporated in the House Appropriations and Finance Committee Substitute for House Bills 2 and 3. NMRHCA does not anticipate the Senate will take action to change these amounts and the difference can be accommodated through budget adjustment authority granted in Section 10 of the bill which specifies the following: “the healthcare benefits administration program of the retiree health care authority may request budget increases from other state funds for claims”.

FIFTY-FOURTH LEGISLATURE  
FIRST SESSION, 2019

February 6, 2019

Mr. Speaker:

Your **STATE GOVERNMENT, ELECTIONS & INDIAN AFFAIRS COMMITTEE**, to whom has been referred

**HOUSE BILL 95**

has had it under consideration and reports same with recommendation that it **DO PASS**, and thence referred to the **APPROPRIATIONS & FINANCE COMMITTEE**.

Respectfully submitted,

\_\_\_\_\_  
Georgene Louis, Chair

Adopted \_\_\_\_\_  
(Chief Clerk)

Not Adopted \_\_\_\_\_  
(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 9 For 0 Against

Yes: 9

No: 0

Excused: None

Absent: None

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SENATE BILL 131

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Jeff Steinborn and Joanne J. Ferrary

AN ACT

RELATING TO PROCUREMENT; ESTABLISHING THE INTERAGENCY  
PHARMACEUTICALS PURCHASING COUNCIL; PROVIDING FOR COORDINATED  
PROCUREMENT OF PHARMACEUTICALS AND PHARMACEUTICAL BENEFITS  
AMONG CERTAIN STATE AGENCIES AND OTHER GOVERNMENTAL ENTITIES  
AND FOR REPORTING; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] INTERAGENCY PHARMACEUTICALS  
PURCHASING COUNCIL--CREATION--MEMBERSHIP--DUTIES.--

A. The "interagency pharmaceuticals purchasing  
council" is created and is administratively attached to the  
general services department. The council shall:

(1) review and coordinate cost-containment  
strategies for the procurement of pharmaceuticals and pharmacy  
benefits and the pooling of risk for pharmacy services by the

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1 constituent agencies;

2 (2) identify ways to leverage constituent  
3 agencies' pharmaceutical and pharmacy benefits procurement to  
4 maximize the purchasing power of New Mexico residents  
5 purchasing pharmaceuticals or pharmacy benefits in the private  
6 sector; and

7 (3) identify other cost-saving opportunities  
8 for New Mexico residents purchasing pharmaceuticals or pharmacy  
9 benefits in the private sector.

10 B. Pursuant to its review of these strategies and  
11 related data, the interagency pharmaceuticals purchasing  
12 council shall decide by vote which cost-containment strategies  
13 it will recommend. Constituent agencies shall make their own  
14 procurement decisions. The secretary of general services shall  
15 serve as director of the council and shall be responsible for  
16 the coordination of the day-to-day activities of the council.

17 C. The interagency pharmaceuticals purchasing  
18 council shall be composed of the following eleven members  
19 serving as voting, ex-officio members:

20 (1) the secretary of human services or the  
21 secretary's designee;

22 (2) the secretary of health or the secretary's  
23 designee;

24 (3) the secretary of children, youth and  
25 families or the secretary's designee;

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1 (4) the secretary of corrections or the  
2 secretary's designee;

3 (5) the director of the risk management  
4 division of the general services department or the director's  
5 designee;

6 (6) the executive director of the retiree  
7 health care authority or the executive director's designee;

8 (7) the executive director of the public  
9 school insurance authority or the executive director's  
10 designee;

11 (8) the superintendent of the Albuquerque  
12 public school district or the superintendent's designee;

13 (9) the president of the university of  
14 New Mexico or the president's designee; and

15 (10) two members, appointed by the governor,  
16 who are officers of, or representative of organizations that  
17 represent, county, municipal or local government entities that  
18 participate in consolidated purchasing of pharmaceuticals or  
19 pharmacy benefits with other constituent agencies.

20 D. The interagency pharmaceuticals purchasing  
21 council shall convene its first meeting by September 1, 2019 at  
22 the call of the secretary of general services. After the  
23 initial meeting of the council, it shall meet at least once  
24 quarterly at the call of the secretary of general services.  
25 Meetings of the council shall be subject to the Open Meetings

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1 Act. In addition to notice provided pursuant to that act, the  
2 secretary of general services shall provide written notice of  
3 each scheduled meeting of the council to the director of the  
4 legislative finance committee at least ten days before each  
5 meeting.

6 E. The interagency pharmaceuticals purchasing  
7 council shall review and coordinate cost-containment strategies  
8 for the procurement of pharmaceuticals and pharmacy benefits  
9 and the pooling of risk for pharmacy services by the  
10 constituent agencies. The cost-containment strategies that the  
11 council shall examine shall include:

12 (1) the benchmarking of pricing for  
13 pharmaceuticals and pharmacy benefits to the pricing that the  
14 state's medical assistance plans achieve for pharmaceuticals  
15 and pharmacy benefits; provided that the human services  
16 department shall seek federal authorization prior to making any  
17 changes to medical assistance pharmaceuticals purchasing or  
18 pharmacy benefits;

19 (2) active medical management to optimize  
20 health outcomes and reduce costs;

21 (3) the establishment of a common formulary  
22 for all pharmaceuticals and pharmacy benefits plans offered by  
23 constituent agencies;

24 (4) a single purchase agreement for all  
25 constituent agencies' pharmaceuticals and pharmacy benefits;

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underscoring material = new  
~~[bracketed material] = delete~~

1 (5) common procurement of expert services,  
2 including, at minimum, pharmacy benefits management, pharmacy  
3 benefits management oversight services, medical direction and  
4 actuarial services;

5 (6) identifying any opportunities to  
6 consolidate purchasing among two or more constituent agencies;

7 (7) identifying any opportunities for pooling  
8 risk among two or more constituent agencies or populations the  
9 constituent agencies serve;

10 (8) identifying any opportunities for  
11 consolidating purchasing with other entities and states of the  
12 United States;

13 (9) ensuring that all agencies, programs,  
14 clinics, hospitals and other health-related centers and  
15 entities, including those identified by the human services  
16 department pursuant to Paragraph (3) of Subsection A of Section  
17 27-2-12.13 NMSA 1978, that are eligible for pharmaceutical  
18 discounts pursuant to Section 340B of the federal Public Health  
19 Service Act participate in that Section 340B federal  
20 pharmaceutical price discount program;

21 (10) identifying any opportunities for  
22 maximizing the use of generic pharmaceuticals where safe and  
23 cost-effective to do so;

24 (11) negotiating advantageous pricing and  
25 incentives with insurers, pharmacy benefits managers,

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underscoring material = new  
~~[bracketed material] = delete~~

1 pharmacies, manufacturers, distributors and vendors of  
2 pharmaceuticals and other third-party entities involved in  
3 supplying pharmaceuticals, pharmacy benefits and management  
4 services to the council's constituent entities;

5 (12) identifying ways to leverage constituent  
6 agencies' pharmaceutical and pharmacy benefits procurement to  
7 maximize the purchasing power of New Mexico residents  
8 purchasing pharmaceuticals and pharmacy benefits in the private  
9 sector;

10 (13) identifying other cost-saving  
11 opportunities for New Mexico residents purchasing  
12 pharmaceuticals or pharmacy benefits in the private sector; and

13 (14) identifying any other opportunities for  
14 maximizing efficiency and a high standard of health care  
15 quality.

16 F. The legislative finance committee shall annually  
17 review and validate the interagency pharmaceuticals purchasing  
18 council's progress. The legislative finance committee shall  
19 incorporate this information into its budget and policy  
20 analysis and recommendations for the council or any of the  
21 council's implementing constituent agencies.

22 G. As used in this section, "constituent agency"  
23 means:

24 (1) the human services department, including  
25 any medical assistance program it administers;

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underscored material = new  
~~[bracketed material] = delete~~

- 1 (2) the department of health;  
2 (3) the children, youth and families  
3 department;  
4 (4) the corrections department;  
5 (5) the risk management division of the  
6 general services department;  
7 (6) the retiree health care authority;  
8 (7) the public school insurance authority;  
9 (8) the publicly funded health care program of  
10 the Albuquerque public school district;  
11 (9) the university of New Mexico health  
12 benefits program for university employees and retirees;  
13 (10) the university of New Mexico hospitals;  
14 or  
15 (11) any local, county or municipal government  
16 that opts to participate in consolidated pharmaceuticals or  
17 pharmacy benefit purchasing.

18 SECTION 2. APPROPRIATION.--Four hundred thousand dollars  
19 (\$400,000) is appropriated from the general fund to the general  
20 services department for expenditure in fiscal year 2020 for  
21 staffing the interagency pharmaceuticals purchasing council and  
22 for professional services to evaluate and coordinate cost-  
23 containment strategies. Any unexpended or unencumbered balance  
24 remaining at the end of fiscal year 2020 shall revert to the  
25 general fund.

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Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

**SPONSOR** Steinborn/Ferrary **ORIGINAL DATE** 1/25/19  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Interagency Pharmacies Purchasing Council **SB** 131

**ANALYST** Felmley

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See fiscal impact				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department (GSD)  
 Children, Youth and Families Department (CYFD)  
 Human Services Department (HSD)  
 New Mexico Corrections Department (NMCD)  
 Office of Superintendent of Insurance (OSI)

### SUMMARY

#### Synopsis of Bill

Senate Bill 131 (SB 131) appropriates \$400 thousand from the general fund to the General Services Department (GSD) for a proposed interagency pharmaceutical purchasing council. The appropriation is to provide staffing and consultant services to support the council, which is administratively attached to GSD and tasked with coordinating cost-containment strategies for the statewide procurement of pharmaceuticals and pharmacy benefits management. The GSD secretary is named as the director of the council.

The council is composed of representatives from nine state agencies and other governmental entities (constituent agencies), plus two members appointed by the governor. The council will be required to hold its first meeting by September 1, 2019, and meet at least quarterly thereafter. Council meetings are subject to the Open Meetings Act, and there is an additional requirement that the LFC receive written advance notice of meetings.

The bill requires the LFC conduct an annual review and validation of the council's progress and incorporate this information into budget and policy analysis and recommendations for the council or any of the constituent agencies.

SB 131 mostly duplicates Senate Bill 349, which passed during the 2017 legislative session but was pocket vetoed by the governor. There are two changes to the bill this year. The first change is the \$400 thousand appropriation to staff and support the council. The second change expands the charge of the council, which is now directed to include in its review ways to leverage state savings to maximize the purchasing power of New Mexico residents in the private sector.

### **FISCAL IMPLICATIONS**

As drafted, the appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. The bill states any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund. However, the funding is for staff and consultant support for the council that can reasonably be expected to continue; if SB 131 or any other appropriation for the council is added to GSD's existing appropriation in the General Appropriation Act (GAA), the funds will be treated as recurring and nonreverting unless explicitly stated. The FIR tables for this bill therefore reflect a recurring appropriation.

SB 131 does not require cost savings as it pertains to pharmaceutical drug purchasing. It only creates a council to meet quarterly for in-depth discussions about cost containment strategies and coordination among the member entities. The council may vote to recommend certain strategies, but members shall make their own procurement decisions.

Depending on what recommendations the council makes, and on whether those recommendations are adopted by constituent agencies, the savings for the state could be significant. According to LFC analysis, the nine constituent state agencies spent a combined total of over \$703 million on prescription drugs in FY18, a 59 percent increase from the \$442 million spent in FY14. According to some reports, just one cost-containment technique, bulk purchasing of pharmaceuticals, can save between 2 and 5 percent of spend. Using that metric, the state could potentially save between \$14 million and \$35 million annually with bulk purchasing alone.

Four of the constituent agencies already collaborate on procuring health benefits – including prescription drugs – for their members. The New Mexico Retiree Health Care Authority, the New Mexico Public School Insurance Authority, the General Services Department and Albuquerque Public Schools are members of the interagency benefits advisory committee (IBAC), which is governed by the Health Care Purchasing Act (HCPA). The IBAC estimates it saves about \$10 million per year through its joint pharmacy benefits manager (PBM).

The CYFD notes that it is currently a member of the Minnesota Multistate Contracting Alliance



for Pharmacy (MMCAP), a multi-state bulk purchasing pool, and that it has succeeded at reducing its prescription drug costs. According to LFC analysis of CYFD’s prescription drug spending, the agency cut costs by almost 27 percent between FY17 and FY18. The MMCAP is a free group purchasing organization for government facilities, however, it does not serve Medicaid or public employee programs.

### **SIGNIFICANT ISSUES**

Several past assessments by the LFC evaluation unit have identified cost savings realized by state agencies when they collaborate and coordinate prescription drug purchasing. Evaluations have highlighted the IBAC agencies’ success with achieving lower drug costs through combining their market power, HSD’s use of risk corridors for high-cost hepatitis C drugs, and the savings gained by Department of Health (DOH) facilities and CYFD through participation in the MMCAP purchasing collaborative. LFC reports have concluded that the state could very likely attain even greater savings through expanded coordinated efforts.

HSD noted that the bill does not require it make any changes to its current practices regarding prescription drug purchasing, but expressed concerns that some potential council recommendations might have fiscal implications, and/or might not be applicable to the Medicaid program, and/or might not be allowed under federal Medicaid law and regulations.

The Office of Superintendent of Insurance (OSI) asserts that any council recommendations that are adopted and implemented will likely require OSI oversight, particularly any that are related to leveraging and cost-savings opportunities for the private sector. OSI therefore suggests the Superintendent of Insurance should be included as a member of the council.

### **ADMINISTRATIVE IMPLICATIONS**

The General Services Department (GSD) suggests the council would require significant administrative resources above the appropriation included in the bill. However, it appears that the appropriation included in SB 131 was drafted specifically to address GSD’s response to an earlier version of this bill, Senate Bill 354, 2017 session, and the agency did not provide any data to support its new assumption.

The Office of Superintendent of Insurance (OSI) does not currently have the staff needed to handle its existing PBM oversight responsibilities, as outlined in the Pharmacy Benefit Manager Regulation Act (Section 59A-61-3 NMSA 1978), and the agency suggests that any new oversight duties that evolve as a result of SB 131 will require additional administrative resources.

### **TECHNICAL ISSUES**

GSD expressed concerns that the bill may raise separation of power issues if GSD is required to enforce participation across the executive, legislative, judicial and local branches of government, and also notes that the bill lacks detail in regard to how participation in the council would be enforced, how savings would be measured, and how the LFC would evaluate and assess the council’s progress, amongst other issues.

JF/gb

**NEW MEXICO RETIREE HEALTH CARE AUTHORITY**  
**CHANGE IN NET ASSET VALUE**  
**FOR THE MONTH ENDED**  
**January 31, 2019**

	Large Cap Index	Non US Dev Index	Non US Emg Index	Small Mid Cap	Credit and Structure	Core Bond	Private Equity	Real Estate	Real Asset	Total
<b>Market Value 12/31/2018</b>	\$80,016,430.85	\$80,249,832.45	\$60,878,758.18	\$10,609,347.20	\$99,229,430.47	\$134,583,072.65	\$71,874,104.23	\$67,362,554.03	\$31,560,424.80	\$636,363,954.86
<b>CONTRIBUTIONS</b>	700,000.00	700,000.00	500,000.00	100,000.00	750,000.00	1,000,000.00	500,000.00	500,000.00	250,000.00	5,000,000.00
<b>WITHDRAWALS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>FEEES</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>INCOME EARNED</b>	104,783.94	102,302.92	26,470.70	3,369.49	12,875.86	315,869.36	34,071.97	285,719.36	73,811.18	959,274.78
<b>CAPITAL APPR/DEPR</b>	6,660,282.52	5,802,720.38	4,660,565.93	1,180,557.87	(1,048,756.83)	951,331.06	22,142.24	(225,636.26)	780,251.56	18,783,458.47
<b>Market Value 1/31/2019</b>	\$87,481,497.31	\$86,854,855.75	\$66,065,794.81	\$11,893,274.56	\$98,943,549.50	\$136,850,273.07	\$72,430,318.44	\$67,922,637.13	\$32,664,487.54	\$661,106,688.11



## **New Mexico Retiree Health Care Authority Board of Directors Review**

**05 March 2019**

**Rosanne Tena  
Senior Marketing Accounting Executive**

# Agenda

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- Presbyterian Today
- Your Membership at a Glance
- Clinical Engagement Programs
- New Care Management Options
- Pharmacy: How We Are Different
- Integration Example
- Customer Service
- Expanding Member Access, Member Choice
- Your Community is Our Community

*On average, PHP's Sales Team Members meet face-to-face with approximately 26 new retirees in home visits or seminars per month*

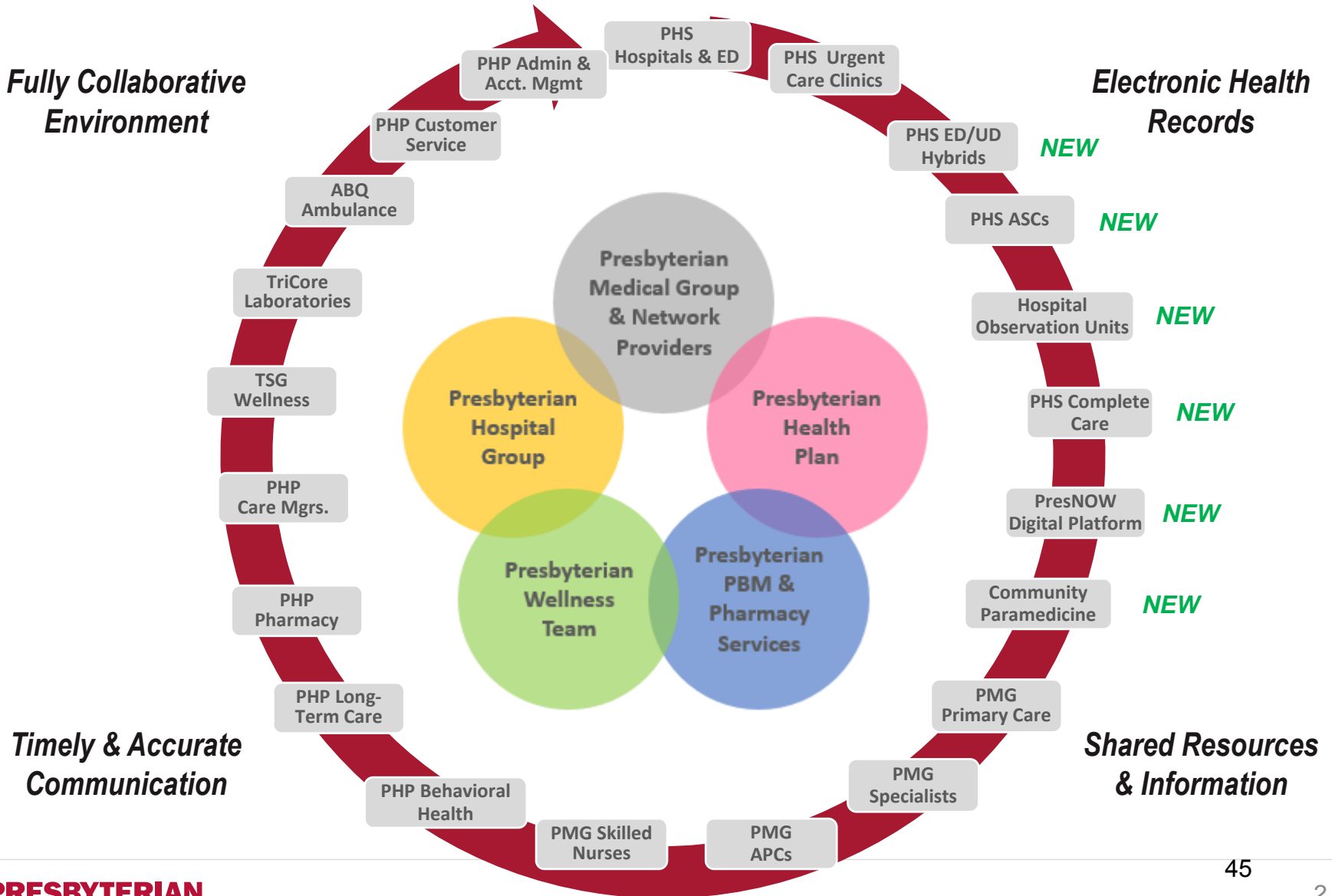


*296 new providers recruited by Presbyterian in 2018; 8 new PCPs so far in 2019*

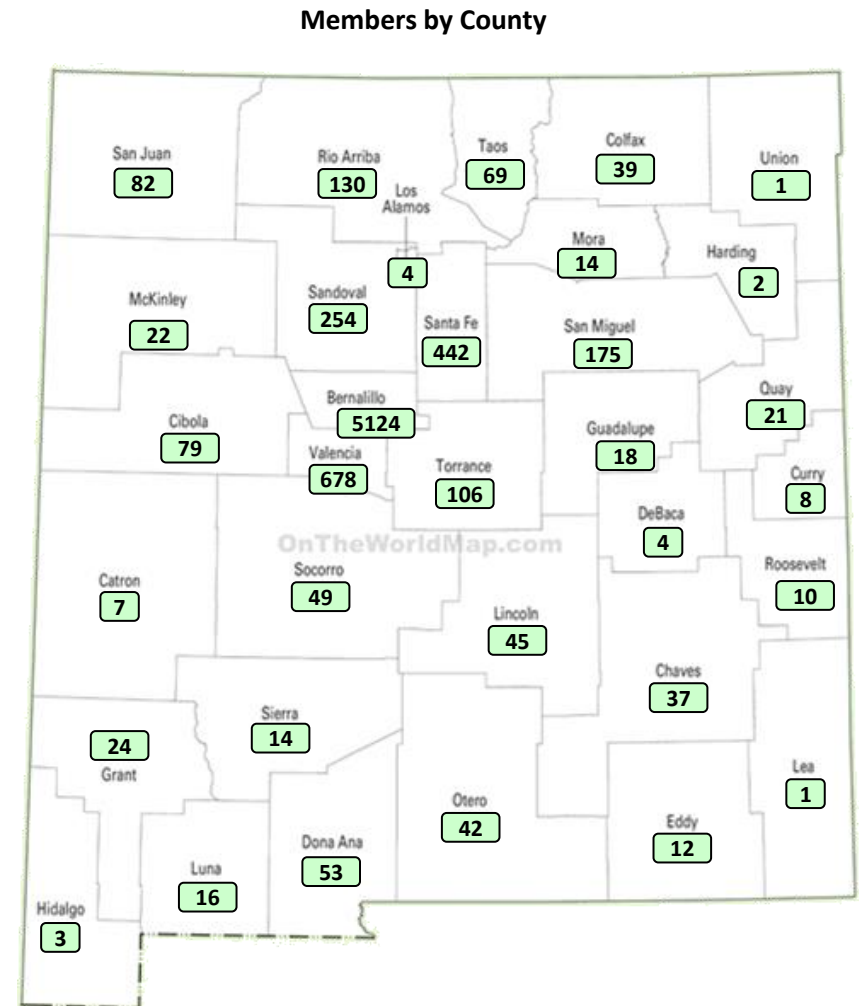
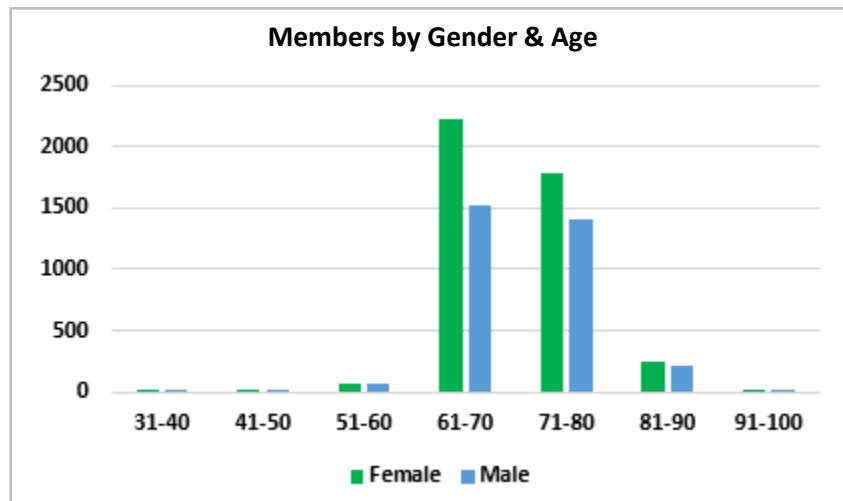
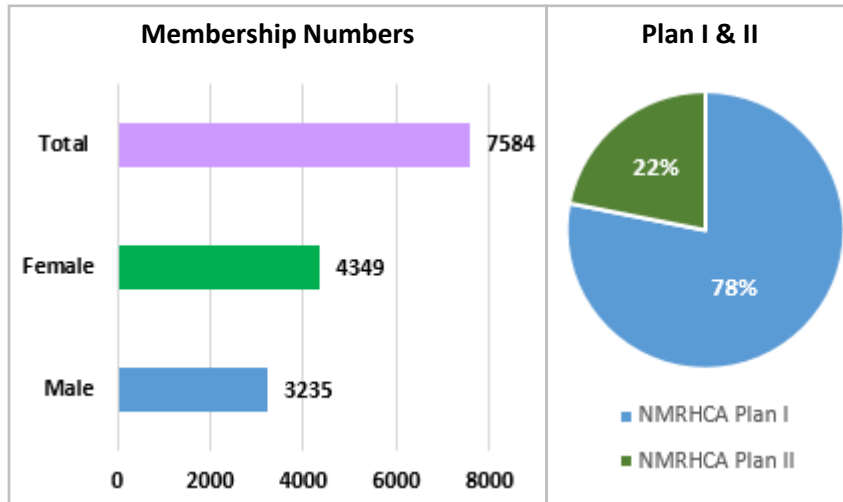
*Presbyterian's overall enrollment in SilverSneakers is higher than the national average of 37.9 % enrolled and 11.2% members participating – vs. national average of 25% and 7.2%, respectively*



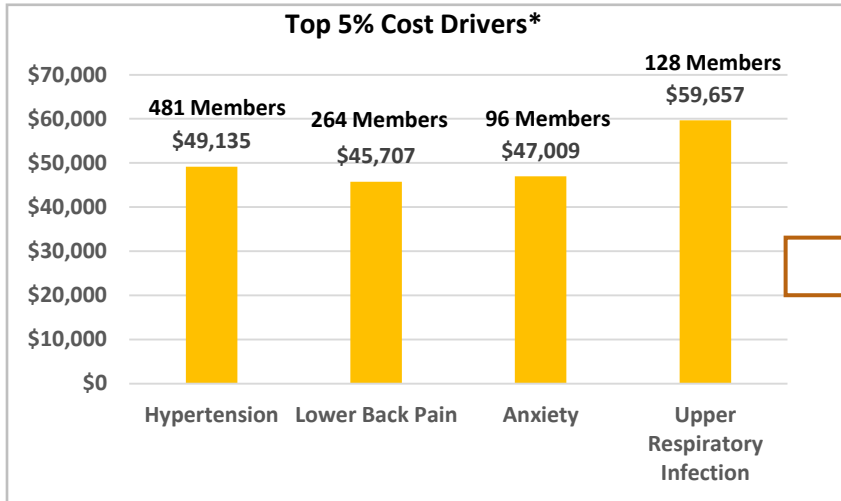
# Presbyterian Today



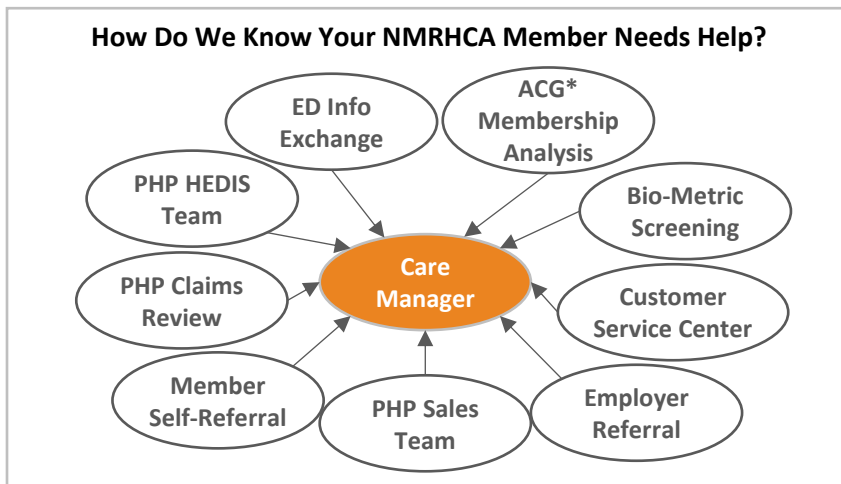
# Your Membership at a Glance



# Clinical Engagement Programs



- Primary and Associated Diagnoses**
- Hypertension**
    - Congestive Heart Failure
    - Coronary Artery Disease
    - Diabetes
    - Hyperlipidemia
  - Anxiety**
    - Depression
    - Adjustment Disorder
  - Lower Back Pain**
    - Pain
    - Substance Use Disorder
    - Musculoskeletal Signs & Symptoms
  - Upper Respiratory Infection**
    - Asthma
    - Chronic Obstructive Pulmonary Disorder (COPD)



\* John Hopkins Advanced Clinical Group System: Models and predicts a Member's health over time using age, gender, data from claims, electronic health records, etc.

**Three (3) Primary Triggers for Care Management / Disease Management**

- THE JOHNS HOPKINS ACG® SYSTEM  
ACG Top 5% Population Disease State Analysis
- New Mexico ED Information Exchange (EDIE), aka PreManage
- \$100K Claims Report

# New Care Management Options

12 Members  
currently enrolled in  
Complete Care

## Emergency Urgent Care Hybrids

- *Non-emergency care delivered in ED can be 10x the cost of Urgent Care*
- After decades of Member education, 16% of ED visits are still navigated to Urgent Care
- In ED/UC Hybrid, Member doesn't have to choose correct care site
- Retail-like sites relieve overcrowded EDs and provide convenient access

## Complete Care

- *Highly personalized, coordinated care for more complex needs*
- Medical Home model with providers specializing in complex care
- Longer visits, more resources to coordinate care
- Focus on care that is least intrusive
- Proven to prevent duplication, fragmentation, and costly ED visits and admissions from gaps in care

## Ambulatory Surgery Centers

- *Surgeries delivered at 30%-50% lower cost*
- Free-standing surgery centers at convenient locations
- Avoid congested hospitals and parking lots

## ABQ Ambulance Community Paramedicine



## Hospital Observation Units

- *Dedicated observation units eliminate delays and cut the time and costs of observation*
- Many overnight stays are for fluids, next set of labs, or just observation
- Observation patients mixed into general floors often encounter delays in tests and discharges

## PresNOW Digital Platform

- *Provide the right care, right now, at the right price*
- Primary Care appointment booking
- Urgent Care appointment booking
- Video Visits
- Online Visits
- Mobile and Web applications, e.g., behavioral health smartphone apps
- Access to Member & Provider materials
- Online payment option



# Pharmacy: How We Are Different

## Employers' Biggest Concerns



### Specialty drug costs

Average annual industry trend in specialty costs exceeds 21% over last 3 years



### Consumer engagement

78% of employers say lack of engagement is top obstacle to improving Member health



### Overall cost increases

Total health care costs have increased 82% over last 10 years



### Fragmented care

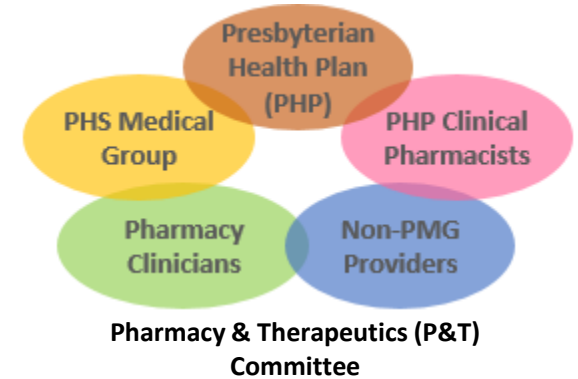
Poor healthcare coordination nearly doubles the cost of patient care

Unique In-house Specialty Pharmacy

Collaborate with PCP & Pharmacy Clinicians to ensure best Member outcomes

Identify equally effective lower-cost generic vs. brand

Identify polypharmacy and de-prescribe



2018	Peer	PHP
Rx PMPY	10.1	8.4

*We value the **quality of Member care** over the **quantity of prescriptions filled***

2018	PHP
Average Eligible Members	7,539
% Utilizing Members	65.9%
Total Rxs	14,325
Average Rxs PMPM	\$1.90
Brand Rxs / Generic Rxs	14.1% / 85.9%
Generic Efficiency	99.6%
Mail Rxs	9.6%

# Integration Example

**Problem:** Many Members have diabetes, which when unmanaged can trigger a cascade of other harmful life-long conditions.

Common approach to glucose monitoring is “finger-stick” method, which requires the Member to maintain a static record of their own results.

**Response:** PHP Medical Directors investigated continuous glucose monitoring and found it to be more effective because:

- Glucose levels are automatically and continuously tracked
- Glucose levels can be shared on smartphone with Member’s family and/or care givers

**Obstacles:** CGM kits are relatively costly as durable medical equipment (DME) benefit. When Member is prescribed a CGM kit, s/he has to request it from a DME provider, who may or may not have it in stock, and then travel to that DME provider to pick it up.

**Solution:** PHP’s solution—developed in concert with Pharmacy Team and Presbyterian Medical Group—is to make the CGM kit available as a pharmacy benefit available at retail pharmacies across New Mexico.

- Solution greatly improves Member’s access to kits and renewable supplies
- PHP has worked with preferred provider to reduce kit pricing and is passing price reduction directly to our Members

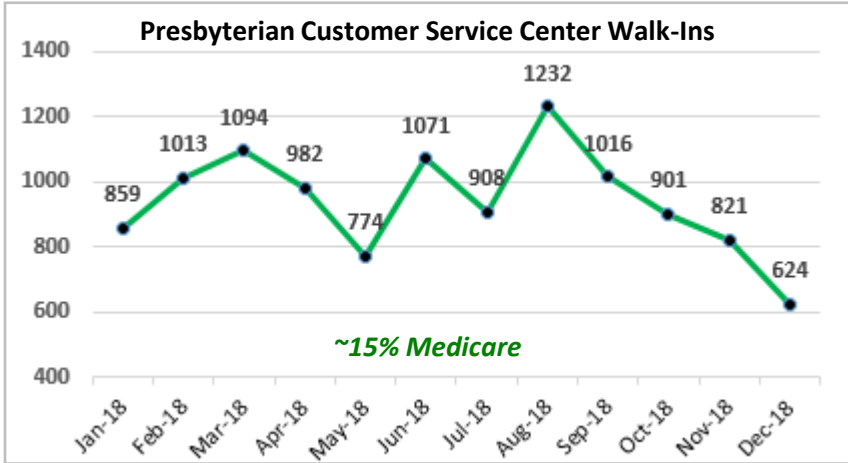
## Continuous Glucose Monitoring (CGM)



1. Simple auto-applicator
2. Sensor and transmitter
3. Display device

# Customer Service

Walk-In Service  
Unique to PHP



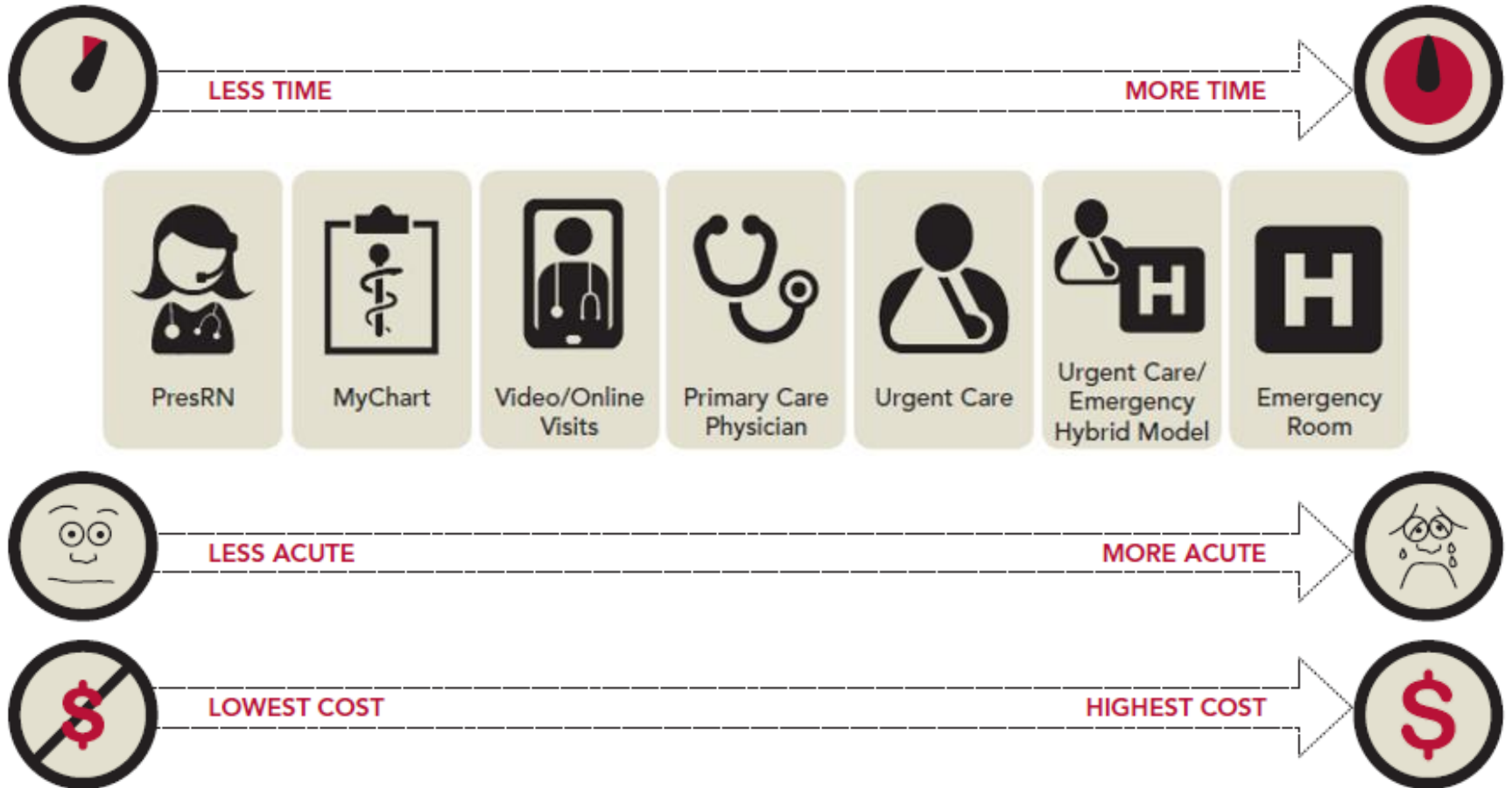
Service Category	Objective	2018
Service Level	80% ≤ 30 secs	80.59%
Abandonment Rate	< 4%	3.65%
Average Speed of Answer (s)	< 30 sec	26.47
Call Volume	N/A	151,121



Customer Service Performance Category	% Top Box*	Target	Total Responses
Courtesy and respect	97.1	92.5	31,121
Information and knowledge	96.4	92.5	31,084
Listen and show care	97.7	92.5	31,026
Overall experience	96.0	92.5	30,970
Answer your questions/address concerns to your satisfaction	96.8	92.5	30,722

\* Scores of 4-5 on scale of 1-4 are considered "Top Box."

# Expanding Member Access, Member Choice



# Your Community is Our Community

## Food as Medicine: Food Pharmacy Pilot at Presbyterian Kaseman Hospital

*Hunger affects nearly one in five families in Bernalillo County*

- Members with Presbyterian Medical Group PCPs are screened by a physician or advanced practice clinician
- If a Member needs food, a community health worker will explain the Food Pharmacy and provide a prescription
- Food will be provided for FREE to the Member
- The Food Pharmacy is open every Wednesday from 12-3 pm



## Center for Community Health: Healthy Eating as Health Priority

- **Kitchen Creations:** Cooking school for people with diabetes and their families
- **Demonstration Kitchen:** Presbyterian provided \$50K to Roadrunner Food Bank to develop this demonstration kitchen in their facility
- **La Cosecha Community-Supported Agriculture:** Offers Members opportunity to invest in local farms and receive weekly boxes of locally grown, organic produce
- **Racial and Ethnic Approaches to Community Health (REACH) Program:** Presbyterian received \$2.9 million award from Centers for Disease Control and Prevention (CDC) to link several sectors of local food system (production, distribution, consumption and education) to increase health in priority communities.
- **Better, Affordable Care • Healthy People, Health Communities •**

**GROWERS' MARKET**  
**TODAY!**  
7 a.m. to Noon  
Parking Lot on Central and Spruce







**BlueCross BlueShield  
of New Mexico**



# New Mexico Retiree Health Care Authority Board Meeting

March 5, 2019



# Member Engagement

## Member Rewards and Incentives

- Members can earn up to \$100 in rewards each year for the completion of screenings and preventive services (e.g. breast and colorectal cancer screenings, annual physicals and flu shots).
- Gift cards – \$25 each include retailers like Albertson's, Amazon, Barnes and Noble, iTunes, Safeway, Starbucks, Walgreens and Walmart.
- Members must register either online or telephonically. *Current results show that 54% register online.*
- Once a member registers, any Healthy Actions that have been earned up to that point will be available for redemption of the gift card. Members can set up auto-rewards. Once registered, with auto-rewards in place, any qualified activity will result in a gift card being earned. █

Since implementing this program in 2016, we have experienced a minimum of 45% membership participation with continued growth each year.

# Member Engagement

## Outbound Call Campaigns for Care Gaps

- Blue Cross and Blue Shield of New Mexico (BCBSNM) calls members directly to educate them on needed services and to assist in scheduling a visit to their PCP or specialist.
  - 2017, contacted 34% of MAPD members and 11% requested assistance to schedule a provider appointment
  - 2018, contacted 52% of MAPD members and 9% requested assistance to schedule a provider appointment

## Welcome / Welcome Back Calls

- Outreach campaign to highlight Plan benefits, answer member questions, and provide members with a warm outreach at the beginning of the Plan year or beginning of their coverage.
- Explain Medicare benefits to members turning 65 so they understand how their previous coverage will change.
- Offer to register members for the rewards program, explain the SilverSneakers® program and how to join, and offer to schedule annual wellness visits.



# Member Engagement

## In-Home Test Kits

- In-home test kits target members who are diabetic and requiring blood sugar and kidney disease tests. Also, targets members eligible for a colorectal cancer screening.
- Kits are free and shipped to members to take in the comfort of their own home. Return shipping is also free.
- Results are mailed directly to members and their physicians.

As of December 2018, return rate was 14% for diabetic kits, 16% for kidney disease and 22% for colorectal cancer (FIT kits). We received 770 in-home screenings for diabetic retinal exams and 117 in-home screenings for female osteoporosis.

## In-Home Risk Evaluation

- Trained clinicians visit the member's home and perform a comprehensive evaluation at no cost to the member. Some examples include:
  - Fall history (including household assessment of risks, such as lighting, carpet, stairs, grab bars, etc.)
  - Frailty assessment
  - Cognitive evaluation
  - Advance directive planning
- Members can ask questions and talk about any concerns they have about their health.
- After the evaluation, the clinician will provide a personalized list of recommendations to discuss with their provider.

In 2018 we completed 3,012 in-home evaluations in New Mexico.

# Member Engagement

## 24/7 Nurseline

- Provides members with access to registered nurses 24 hours a day, seven days a week.
- Nurses answer health questions and help members decide whether they should go to the emergency room or urgent care center or to make an appointment with their doctor.
- Members can also use the 24/7 Nurseline to address health concerns related to a variety of health care conditions ranging from chronic conditions such as asthma, back pain, and diabetes, to more minor needs such as dizziness, headaches, fevers, cuts, or burns.
- In 2017, New Mexico experienced 199 encounters with 103 redirects for a potential savings of \$9,400.
- In 2018, New Mexico experienced 414 encounters with 255 redirects for a potential savings of \$12,165.



# Member Engagement

## SilverSneakers®

The SilverSneakers® program is the nation's leading exercise program for active, older adults.

SilverSneakers® provides access to fitness equipment, group exercise classes, social networking, and online education.



A fitness benefit with access to over **15,000 fitness locations nationwide**



**Social connections** through events such as shared meals, holiday celebrations, and class socials

2018 Results for NMRHCA show that 1,092 members have enrolled, 533 are active, with a total of 2,267 visits to SilverSneakers® in 2018.

# Member Engagement

## Pharmacy Initiatives

### Medication Therapy Management Program

- Medication reviews include calling pharmacists for peer to peer consultation and providing outreach to members from a BCBSNM care coordinator.

### Pharmacy Performance Program

- BCBSNM collaborates with pharmacies to help educate members so they do not fill prescriptions that may be dangerous to their health.
- BCBSNM identifies members that have non-adherence and outreach is made to the provider and member.

In 2017 and 2018, we have seen the following generic and specialty utilization:

NMRCHA Plan 1	2017	2018
Membership	2,582	2,485
Generic Utilization	95.30%	94.80%
Specialty Claims	0.30%	0.30%

NMRCHA Plan 2	2017	2018
Membership	1,439	1,359
Generic Utilization	92.00%	92.30%
Specialty Claims	0.30%	0.10%

# Provider Engagement

As part of our commitment to quality performance, we are continually analyzing our network to ensure it addresses the needs of our members and contains high quality providers. BCBSNM has an enhanced two-way data exchange with providers that allows gaps to be closed at scheduled member appointments, leading to greater member satisfaction.

2018 NMRHCA MAPD Network		HMO
State	Provider Type	Network
NM	Allied Health Practitioners	5,796
NM	Ancillary Services	969
NM	Behavioral Health Facilities	2
NM	Behavioral Health Practitioners	1,615
NM	Hospital Based Physicians	3,857
NM	Hospitals	57
NM	Primary Care Physicians	3,040
NM	Primary Care Providers	1,697
NM	Specialists	2,368
<b>New Mexico Statewide Totals</b>		<b>19,401</b>

## Review of Board Actions 2015 - 2019

**Background:** The items listed below provide detailed information regarding specific actions taken by the Board of Directors, since 2014 (effective January 1, 2015) to improve the solvency of the program, reduce its unfunded liabilities and accommodate changing market conditions:

### Effective January 1, 2015:

**Trust Fund Balance: \$376.8 million**

**Solvency Projection: 2033**

1. Increased pre-Medicare rates by 8 percent and Medicare rates by 5 percent
2. Decreased pre-Medicare spousal subsidy by 2 percent (from 40 percent to 38)
3. Instituted minimum age of 55 in order to receive subsidies (except: PERA enhanced plans) after January 1, 2020
4. Increased years of service requirement for maximum subsidy from 20 to 25 (except: PERA enhanced plans) after January 1, 2020
5. Addition to 5-year Strategic Plan: conversion of basic life insurance to supplemental life

### Effective January 1, 2016:

**Trust Fund Balance: \$431.6 million**

**Solvency Projection: 2035**

1. Increased pre-Medicare rates by 8 percent and Medicare rates by 6 percent
2. Decreased pre-Medicare spousal subsidy by 2 percent (from 38 percent to 36)
3. Decreased pre-Medicare retiree subsidy by 1 percent (from 65 percent to 64)
4. Reduced multiple dependent subsidy by 12.5 percent (from 25 percent to 12.5)
5. Implemented timeline for phasing out subsidy of \$6,000 basic life policy beginning in 2018
6. Implemented enhanced wellness program with financial incentives

Deficit Spending Projection:

Solvency Projection

### Effective January 1, 2017:

**Trust Fund Balance: \$464.5 million**

**Solvency Projection: 2036/2030 revised**

#### **Pre-Medicare**

1. Eliminated Premier Plus Plan
2. Migrated Premier Plus Participants into Premier Plan
3. Created Value Plan
4. Adjusted rates commensurate with New Risk Pools

	<b>2016</b>	<b>2017</b>
a. Premier Plus – Retiree	\$326	NA
Premier Plus – Spouse	\$516	NA
Premier PPO – Retiree	\$175	\$225
Premier PPO – Spouse	\$331	\$400
Value HMO – Retiree	NA	\$175

Value HMO – Spouse NA \$331

Premier PPO: Presbyterian – NM Residents Only

BCBS – Nationwide including NM

Value HMO: Presbyterian – NM Residents Only

NM Health Connections – NM Residents Only

#### 5. Plan Enhancements

- a. Increased annual out-of-pocket maximum of Premier Plan by \$500 to \$4,500 to include \$800 deductible as well as medical copayments to maximum calculation creating net positive for high-cost members
- b. Implemented first dollar coverage (waive deductible and coinsurance) on all plans for advanced radiology services (CT, MRI and PET scans) received at free-standing imaging centers with \$100 copayment and \$125 for the Value Plan
- c. Implemented first dollar coverage (waive deductible and coinsurance) on all plans for physical therapy services as an alternative to surgery with same copayment as PCP visit with a maximum of 4 copayments per course of treatment

#### Medicare

1. Commitment to increase member awareness of Medicare Advantage offering through newsletters, website and seminars/workshops throughout 2017
2. All members will maintain the ability to select any eligible Medicare Plan
3. Members who do not make an active choice will be defaulted into the most appropriate Medicare Advantage offering when they turn 65 beginning January 2018
4. Increased Medicare Supplement rate by 6 percent

#### All Self-Insured Prescriptions Plans

1. Eliminated coverage for drugs available over the counter (OTC)
  - a. Primarily antihistamines (i.e. Clarinex), inhalable nasal steroids (i.e. Nasonex) and proton pump inhibitors (i.e. Nexium)

#### All

1. Eliminated Multiple Dependent Subsidy (12.5 percent in 2016)
2. Implemented Open Enrollment Period
  - a. Except for IRS Section 125 qualifying events enrollment into NMRHCA programs is not allowed outside of open enrollment period every other year

#### Effective January 1, 2018 Plan:

**Trust Fund Balance: \$551.4 million**

**Solvency Projection: 2035**

#### **Pre-Medicare/Medicare**

1. Increased pre-Medicare rates by 8 percent and Medicare rates by 6 percent
2. Expanded Value Option Resources to include BlueAdvantage (BAV) Network
3. Increase Cost Sharing/Narrow Network on Prescription Plan (Pre-Medicare/Supplement)
4. Voluntary Smart90 – Long-term medications

#### **Medicare**

5. Medicare Default Strategy
  - a. Presbyterian Pre-Medicare Members to UnitedHealthcare Plan I (revised)
  - b. BCBS and NM Health Connections to Humana Plan I

**No action necessary**

6. Market Check Agreement - Pre-Medicare/Medicare
7. Basic life insurance coverage phase out begins

**Effective January 1, 2019 Plan:**

**Trust Fund Balance: \$633.4 million**

**Solvency Projection: 2037**

1. Increased pre-Medicare rates by 8 percent and Medicare rates by 6 percent
2. Engagement in Value Based Purchasing Arrangements
  - a. Bundled payment agreements for hernias, laparoscopic cholecystectomies, shoulder arthroscopies, and knee arthroscopies
  - b. Introduction of 3 Tier Coverage through BCBS (Blue Preferred/Preferred Provider/Non-Preferred Provider)
3. Prescription drug copay increase for formulary/non-formulary brand drugs:

	2018		2019		Change	
Plans	Non-Specialty/Specialty					
	30%	30%	30%	30%	NA	NA
	\$25 Min	\$50 Min	\$30 Min	\$60 Min	\$5 Min	\$10 Min
Formulary	\$50 Max	\$100 Max	\$60 Max	\$120 Max	\$10 Max	\$20 Max
	50%	50%	50%	50%	NA	NA
	\$40 Min	\$100 Min	\$50 Min	\$100 Min	\$10 Min	NA
Non-Formulary	\$100 Max	\$150 Max	\$125 Max	\$250 Max	\$25 Max	\$100 Max

4. Addition of SaveOn Program – copay offset program
5. Addition of Naturally Slim Program – Wellness
6. Pilot Project w/Grand Rounds



# New Mexico Interagency Benefits Advisory Committee

Reference Based Reimbursement Initiatives

Mike Madalena

November 14, 2018

# Definitions and Background

- “Reference” is the selection of a unit cost allowance that reflects a rational total allowance for a specific service.
- There are considerable differences in the allowance for the same service (as defined by a procedure code) between places of service.
- Reference choices include (listed in order of relative expense):
  - Inpatient hospital
  - Outpatient hospital
  - Ambulatory surgical center
  - Physician office / free standing provider
- Services subject to the reference have a uniform clinical protocol. For example, a chest X-Ray is performed in the same fashion in an outpatient hospital setting and a free standing imaging center.
- Services subject to the reference have significant volume in the selected reference place of service.

# Definitions and Background - Continued

- Implementation is focused solely on reimbursement but is advantageous to both the plan and the member:
  - The plan benefits because of a lower unit cost allowance
  - The member benefits because coinsurance is calculated based on a lower allowance.
  - Strong network participation limits the likelihood that a member will be balance billed.
- Implementation can be either phased in or at a point in time. Both approaches are feasible with varying levels of difficulty. Selection of the strategy is highly dependent upon market conditions (e.g. supply of a given service)
- CMS has a proposed rule for the 2019 Outpatient Prospective Payment System (OPPS) that would limit payments for services rendered by off campus provider based departments (PBD) to fees paid under the RBRVS system.

# Currently Deployed Reference Based Allowance Systems

- Birth Diagnostic Related Groups –Reimbursement of both C-section and vaginal births at the same rate. In this case, the rate for a vaginal birth serves as the reference and a 30% C-section rate is assumed / allowed for in the hospital. Physician services are not included this system.
- Site of service differential – Physician services are reimbursed using a fee schedule that considers not only the service performed, but the location that the physician performed the service. For services that are safely performed in a non facility setting (determination made by Medicare), the physician reimbursement is higher in a non facility setting. By doing so, the physician is financially incited to render the service in a less expensive, non facility setting.
  - Example 1: Physician Visit for Evaluation and Management:
    - Facility place of service allowance: \$50.60
    - Non facility place of service allowance: \$ 69.40
  - Example 2: Shoulder Arthrogram:
    - Facility place of service allowance: \$68.41
    - Non facility place of service allowance: \$ 193.97
- Routine colonoscopy services – Ambulatory surgical fee schedules are a reasonable reference for outpatient hospital services. Since it's common to offer colon cancer screening services with no patient cost, this a logical step.

# Currently Deployed Reference Based Allowance Systems - Continued

- Lab and radiology services - A professional / free standing fee schedule is a logical reference for outpatient hospital services. These allowances are typically phased in over time, subject to budgetary constraints and goals.
- Top 100 procedures performed in an ASC - The ambulatory surgical fee schedule was selected as a reference for outpatient hospital services. These allowances are typically phased in over time, subject to budgetary constraints and goals. Services in this category range from cataract correction to orthopedic procedures.
- Example procedure in 2018 update for top 100 ASC procedures - Carpal Tunnel Surgery
  - 2017 Allowance in outpatient hospital setting: \$2,865.01
  - 2018 Allowance in ambulatory surgical center : \$717.50
  - 2018 Allowance in outpatient hospital setting : \$1,791.26

# Impact of Systems

- Approximately 19% of physician codes have a site of service differential (27% of physician spend)
  - Average differential for the 2018 professional fee schedule: \$277.61
- Approximately 39% of outpatient hospital services are priced in one of the reference systems (22% of outpatient hospital spend)
  - Multiple components of savings:
    - Control rate of growth.
    - Current savings in avoided fee schedule updates.
  - Per capita covered expense trend for acute outpatient hospital services reflect the impact of the reference based system and unit cost control:
    - 2014 per capita outpatient: \$944.96
    - 2015 per capita outpatient: \$1,020.48
    - 2016 per capita outpatient: \$1,047.35
    - 2017 per capita outpatient: \$1,011.01

# Opportunities

- Continue to monitor ASC and free standing utilization for other services that can serve as a reference for outpatient hospital
- Analyze utilization at free standing facilities (e.g. physician offices) to identify opportunities such as serving as a reference for outpatient hospital clinic based services.
- Analyze utilization in an outpatient hospital setting to identify opportunities such as serving as a reference for inpatient hospital services.