

ANNUAL MEETING OF THE BOARD OF DIRECTORS



**July 11/12 2019
9:30/9:00 AM
Hotel Don Fernando
1005 Paseo Del Pueblo Sur
Taos, NM 87571**

[July 12, 2019](#)

New Mexico Retiree Health Care Authority
Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

July 12, 2019

	Member in Attendance		
Mr. Sullivan, President			
Mr. Montaña, 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

July 2019

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

Mr. Lawrence Rael
100 Marquette Ave, 11th Floor
City/County Building
Albuquerque, NM 87102
F: 505-768-3700
lrael@cabq.gov

Ms. Jan Goodwin
Executive Director
Educational Retirement Board
PO Box 26129
Santa Fe, NM 87502-0129
jan.goodwin@state.nm.us
W: 505-827-8030
F: 505-827-1855

Mr. Terry Linton
Governor's Appointee
1204 Central Ave. SW
Albuquerque, NM 87102
terry@lintonandassociates.com
505-247-1530

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

Ms. Pamela Moon
NM Association of Counties
One Civic Plaza
10th Floor, Suite 10045
Albuquerque, NM 87102
pmoon@bernco.gov
505-468-1407

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

The Honorable Mr. Tim Eichenberg
NM State Treasurer
2055 South Pacheco Street
Suite 100 & 200
Santa Fe, NM 87505
Tim.Eichenberg@state.nm.us
W: 505-955-1120
F: 505-955-1195

Ms. Therese Saunders
NEA-NM, Classroom Teachers Assoc., & NM
Federation of Educational Employees
5811 Brahma Dr. NW
Albuquerque, NM 87120
tsaunders3@mac.com
505-934-3058

Mr. Tom Sullivan, President
Superintendents' Association of NM
800 Kiva Dr. SE
Albuquerque, NM 87123
tsullivan48@gmail.com
505-330-2600

Ms. Leanne Larranaga-Ruffy
Alternate for PERA Executive Director
33 Plaza La Prensa
Santa Fe, NM 87507
PO Box 2123
Santa Fe, NM 87504
Leanne.Larranaga@state.nm.us
505-476-9332

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

July 11 & 12, 2019
9:30 AM / 9:00 AM
Hotel Don Fernando de Taos
1005 Paseo Del Pueblo Sur
Taos, NM 87571

AGENDA – July 12th

1. Call to Order	President	Page
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	President	
4. Approval of Agenda	President	4
5. Public Forum and Introductions	President	
6. Executive Director's Update	Mr. Archuleta, Executive Director	
a. HR		
b. Legislative		
c. GASB 74/75		5
d. Wise and Well/Health Fair		
e. Medicare Summit – August 23		6
7. Provider Presentations Continued		
a. Delta Dental	Mr. Bolstad, Senior Account Mgr.	7
b. United Concordia	Ms. Anthony, Senior Client Mgr.	19
8. Life Insurance Contract (Action Item)	Mr. Kueffer, Deputy Director	30
9. Medical, Dental, Vision Consultant Selection (Action Item)	Mr. Kueffer, Deputy Director	34
10. Medical, Dental, Vision RFP (Action Item)	Mr. Kueffer, Deputy Director	35
11. CY2020 Plan Year Recommendations (Action Item)	Mr. Archuleta, Executive Director	57
12. 2020 Legislative Proposals	Mr. Archuleta, Executive Director	62
13. Other Business	President	
14. Date & Location of Next Board Meeting	President	
Tentative -- August 29, 2019, 9:30 AM		
Alfredo R. Santistevan Board Rm., Suite 207		
4308 Carlisle Blvd. NE		
Albuquerque, NM 87107		
15. Executive Session	President	
Pursuant to NMSA 1978, Section 10-15-1(H)(6) To Discuss Limited Personnel Matters		
16. Adjourn		



State of New Mexico
Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

Via Email

July 2, 2019

SAO Ref. No. 343-A

David Archuleta, Executive Director
Retiree Health Care Authority Schedule of Employer Allocations and Pension Amounts

david.archuleta@state.nm.us

Re: Authorization to Release FY2018 Retiree Health Care Authority Schedule of Employer Allocations and Pension Amounts Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 5/30/2019. The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and 2.2.2.13 NMAC. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

- the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
- the OSA will post the report on its public website; and
- the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per 2.2.2.10.M(4) NMAC, at a meeting held in accordance with the Open Meetings Act, if applicable.

Although no findings were reported in your report, please remember it is ultimately the responsibility of the governing authority of the agency to maintain adequate internal controls over financial reporting and compliance.

Sincerely,

A handwritten signature in blue ink, appearing to be "B. Colón", with a stylized flourish at the end.

Brian S. Colón, Esq.
State Auditor

cc: Moss Adams LLP



2019 MEDICARE SUMMIT

Hilton Doubletree Hotel
201 Marquette Ave NW
Albuquerque, NM 87102
505-247-3344

The New Mexico Association of Health Underwriters is pleased to announce the 2019 Medicare Summit on Friday, August 23, 2019 at the Hilton Doubletree Hotel. We anticipate over 200 Industry professionals to attend this year's event.

PARTICIPATION REGISTRATION

(if licensed, as it appears on your insurance license) Name:	Company Name:
Phone Number:	Email Address:
NM License Number:	Special Hotel Rates: \$109.00 per night Click here to make reservations or Call 1-800-584-8058 or 505-247-3344 Identify Yourself With: NM Association of Health Underwriters Use Group Code: NAH
Are you a NAHU member? Yes <input type="checkbox"/> No <input type="checkbox"/>	

Each session is worth one continuing education credit. Please select the sessions you will attend so that we can file your CE. These sessions will satisfy the Office of Superintendent's live CE requirement.

Admission Includes (2) Non-CE Guest Passes:

Morning Session		Afternoon Session	
<input type="checkbox"/>	Medicare 101 <i>Rosanne Tena, Senior Marketing Account Executive</i> <i>Presbyterian Health Plan</i>	<input type="checkbox"/>	Multi Generations <i>AnneMarie Ciepiela Henton</i> <i>VP Business Development</i> <i>Albuquerque Economic Development</i>
<input type="checkbox"/>	Social Security <i>Doug Lindsey, CFP</i> <i>MGM LLC</i> <i>Registered Investment Advisor</i>	<input type="checkbox"/>	Social Determinants of Health Panel Discussion <i>Paul Oostenbrug, Moderator</i> <i>Leigh Caswell, Vice President Community Health</i> <i>Presbyterian Healthcare Services</i> <i>Dan Vincent, Owner</i> <i>MedCare Senior Insurance Solutions</i> <i>David Archuleta, Executive Director</i> <i>NM Retiree Health Care Authority</i> <i>Cathryn Ana Glenday, LPCC</i> <i>Life Re-Created</i>
<input type="checkbox"/>	Lunch/Medicare Update <i>Dr. David R. Scrase, Cabinet Secretary for Health and Human Services Department of New Mexico</i> Number of Lunches* _____ x \$10.00 _____ Include lunch total with your admission total *Special Dietary Needs email jtm7105@aol.com	<input type="checkbox"/>	Ethics the NAHU Way <i>Ray Magnuson, Region 7 Vice President</i> <i>Magnuson Associates</i>

Morning session(s) are designed to educate Human Resources representatives and/or individual clients

Early Bird Rates: \$99.00 Member Admission | \$129.00 Non-Member Admission deadline is 7/31/2019
 Regular Rates: \$120.00 Member Admission | \$140.00 Non-Member Admission received after 7/31/2019
 Indicate the number of clients you wish to include _____

To reserve and pay for your space go to: <https://newmexicoahu.org/> click on "Meetings"
 Questions Contact: Julia Moore at jtm7105@aol.com or call 505-440-6906

Oral Health & NMRHCA

Delta Dental of New Mexico - NMRHCA 2019 Board Presentation/Updates

July 11, 2019

Delta Dental of New Mexico

- New Mexico 501(c)4 not-for-profit corporation, covering over 468,000 members
- Member of Delta Dental Plan Association, covering 78 million members nationwide. Affiliation with other Delta Dental Plans (MI, OH, IN, TN, AR, KY & NC)
- 2018 AM Best Credit Rating of A-
- Partnerships and support to:
 - ✓ UNM School of Dental Hygiene, Dona Ana Community College Hygiene, CNM Dental Assisting Program
 - ✓ Albuquerque Health Care for the Homeless
 - ✓ Special Olympics
 - ✓ Re-think your Drink (Placing of water stations at ABQ Sunport and City Hall. We are in process with Sandia High and committed to future areas)
 - ✓ American Heart Association

ORAL HEALTH – No Visits

Starting in 2019, Delta Dental added 1 additional routine cleaning for members (total of 3). Too soon within the plan year to report any increase.

No visits during the past two years?

Comp Plan - Data shows that 19 percent of your members had no visits in 2018. 12 percent (2,105 members) had no visits in two years. Very little change from 2017. At least 44% have had 2 cleanings since 1/1/19.

Basic Plan – Data shows that 28 percent of your members had no visits in 2018. 19 percent (1,091 members), had no visits in two years. Very little change from 2017. At least 39% have had 2 cleanings since 1/1/19.

Provider Communication/Contracting

Delta Dental of New Mexico listened to and is responding to questions of statewide provider accessibility. To address this issue in our current re-credentialing process, we are adding the Medicare Advantage requirement in our contract for all providers. So all DDNM providers will accept Medicare Advantage in our contracts. Our provider relations staff are hitting the road to begin this process for all network providers statewide.

Provider Communication/Contracting Cont'd

- Provider recruitment campaign in 2019
 - Mass mailing to all providers
 - Individual provider meetings
 - Targeted top provider recruitment strategy
 - Effective 6/1/19, newly contracted providers must elect to join all networks

Fraud, Waste, and Abuse – What is it?



- Up-Coding
- Non-delivery of care
- Playing with benefit years
- Submitting under an incorrect dentist
- Treatment below the standards of care
- Unnecessary services
- Providing documentation that is untrue

How big of a deal is it?

- How much money is lost to fraud each year?
 - According to the National Health Care Anti-Fraud Association (NHCAA), the estimate is **tens of billions of dollars... Each year!!**
 - 4.8% of claims have at least 1 line of F/W/A
- National Health Care Anti-Fraud Association. The Challenge of Health Care Fraud. Retrieved from www.nhcaa.org/resources/health-care-anti-fraud-resources/the-challenge-of-health-care-fraud.aspx

Red Flags

- Indications of falsified dentist information
- Indications of falsified/manipulated treatment information
 - Suspicious dates
 - Unbundling
 - Patterns/relationships
- Indications of unnecessary work
 - Patient attributes
 - Timing

New Mexico Dentists

- In 2018, \$828,248 in savings
- In 2018, 27 Dentists were on Focused Review
- In 2018, single largest refund was \$30K
- The infamous Gardner case

What Happens to a Claim?

- 96 percent of all claims pay without human intervention (ETS, Roosevelt)
- 1 percent do not pay due to missing claim information or improper claim form
- 3 percent reviewed by analyst
 - 17 percent of the 3 percent reviewed by a consultant (0.5% total claims)

Provider Network-Quality Measures

Delta Dental Network Difference

- Better, stronger dental networks in-state & nationwide
 - Delta Dental owns our networks
 - We don't lease our networks to other carriers, keeping quality control
 - We don't contract with leased networks, unknown how often checked or inspected
 - No hidden network access fees
 - Local provider relations team visits each office 3 times each year
 - Ensure they meet our rigorous criteria
 - Long-term relationships with dentists improves rate stability & provider stability
 - Patients can continue to see their dentist-key to patient satisfaction
 - Statewide recruitment of dentists
- Credentialing
 - Re-credentialed with Delta Dental every three years
 - Checked against Dental National Practitioner Databank for malpractice or actions against provider license

Questions?



July 2019

New Mexico Retiree Health Care Authority

Presented by: Stephanie Anthony
Senior Client Manager

Background and Methodology

Background

A survey was conducted among current New Mexico Retiree Health Care Authority members to gauge overall satisfaction with United Concordia Dental's services.

Method



Quantitative



Online Survey



June 3 – Jun 19, 2019

Who



Survey Population:

Active Subscriber Members with an Email Address*

2,850



Survey Respondents:

258 (9.1%)



Reside in:

NM (79%), TX (6%), AZ (2%),
CO (2%), FL (2%), Others (9%)

*Total active subscriber members = 19,786

NOTE ON SATISFACTION: Unless otherwise mentioned, % Satisfied includes top 3 points on the Likert 5-point satisfaction scale from 5=Very Satisfied to 1=Very Dissatisfied.

Summary

- Overall satisfaction with UCD is high (93%) as is Net Promoter Score (NPS) is +33.
- All scores are above 90%. Highest scores are for Dental Network (97%) and Claims Servicing (92%). Customer Service was close at 91%.
- Improvement themes: education on dental coverage and communications.

	Measure*	Score
	Overall Satisfaction	93%
	Customer Service	91%
	Dental Network	97%
	Claims Servicing	92%

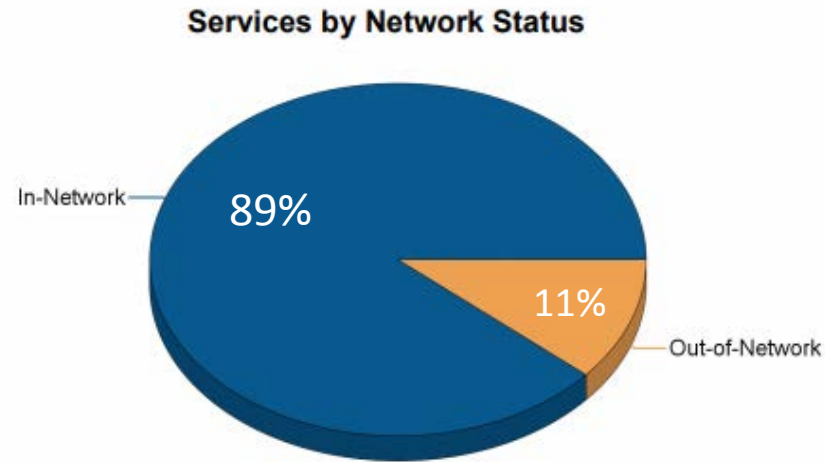
Net Promoter Score +33

Recommendations

- Educating members on their coverage and communications emerged as themes in this survey, focusing on these areas should be a priority.

*All measures are % Satisfied. Composite scoring was used for each measure from multiple questions. Overall Satisfaction is a composite score from Customer Service, Dental Network, and Claims Servicing. Unless otherwise mentioned, % Satisfied includes top 3 points on the Likert 5-point satisfaction scale from 5=Very Satisfied to 1=Very Dissatisfied.

Network Utilization



Average network discount 29%

Provider Network Changes

Total of 880 unique Providers, practicing in over 3,200 locations across New Mexico

- **51 New Contracted Providers**
- **21 Provider Terminations**



2018 Member Usage vs. Non Usage

All Services

	Unique Users	Non Users	% Users	% Non Users
Retiree	14,945	4,832	75.60%	24.40%
Spouse	4,767	1,710	73.60%	26.40%
Child	666	314	68.00%	32.0%
Total	20,378	6,857	74.80%	25.20%

Preventive Services – Oral Evaluations and Routine Cleanings

	Unique Users	Non Users	% Users	% Non Users
Retiree	13,455	6,322	68.00%	32.00%
Spouse	4,234	2,243	65.40%	34.60%
Child	622	358	63.50%	36.50%
Total	18,311	8,924	67.20%	32.80%

My Dental Benefits

Engaging and knowing your benefits can make you Healthier and a smarter health care consumer.

Most benefit inquiries can be handled conveniently online using our simple, self-service member portal. Create a **MyDentalBenefits** account to better manage your insurance coverage!

Use your **MyDentalBenefits** account to:

- ✓ Check claim status quickly
- ✓ See what your plan covers and how much we'll pay
- ✓ Print ID cards
- ✓ Find a dentist
- ✓ Evaluate your oral health with *My Dental Assessment*

After your plan's effective date, you are able to create your account.

Here's how:

- ✓ Go to **UnitedConcordia.com/MDB**
- ✓ Select **Member**
- ✓ Enter the **ID number** found on your insurance card and **your birthdate**. You can also use the Social Security Number of the contract holder in place of the ID number.
- ✓ Each dependent (spouse, children aged 14 years or older, or in some states, domestic partner) covered by a United Concordia dental plan must create an individual **MyDentalBenefits** account.

Manage Your Benefits
Anywhere, Anytime



Use your mobile device to
access **MyDentalBenefits**
on-the-go and manage
your coverage at any time.

Member Outreach Programs



Member Email Program:

- Value added contact through the 6 week Welcome series of emails
 - On going monthly newsletters
 - Topics Examples: Wellness tips, Dental Health Assessment, Network Dentist savings, Predeterminations, understanding EOB's



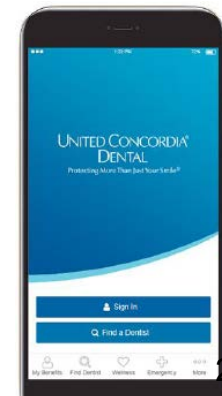
Smile for Health Wellness Outreach:

- Email and text outreach to educate members on wellness and drive use of their SFH Wellness benefit



Member Wellness text Program:

- Value added contact through a series of 12 text messages
- Opt in by texting smile to 465-465



Smile for Health–Wellness

Enhanced benefits to treat periodontal (gum disease) for eligible members who have one of the following health conditions:

- Diabetes
- Cardiovascular (heart) disease
- Cerebral vascular disease (including stroke)
- Lupus
- Oral cancer
- Organ transplant
- Rheumatoid arthritis

Additional Services* (per plan year)	Covered Amount
Periodontal (gum disease) Maintenance – one additional procedure above your plan's standard limit	100%**
Scaling & Root Planing [†]	
Periodontal Surgery – four procedures [‡]	

** Your standard plan's frequency limitations (how often services are covered), annual maximum (the maximum amount your plan will pay toward services during the plan year), and other details still apply.

Member Engagement Update

	Members Enrolled in My Dental Benefits	Members Enrolled in SFHW	Members Received Care
May 2018	2,582	241	184
May 2019	2,809	300	243



THANK YOU !



**Group Basic Life and AD&D, Group Voluntary Life and AD&D, and Group Long Term Disability Coverage
New Contract - Action Item**

Background

The New Mexico Public School Insurance Authority (NMPSIA), State of New Mexico (SONM), Albuquerque Public Schools (APS) and New Mexico Retiree Health Care Authority (NMRHCA) commonly referred to as the interagency benefits advisory committee (IBAC) are subject to the requirements contained in the Health Care Purchasing Act (the Act), 13-7-1 NMSA 1978. The Act requires the IBAC to enter into a cooperative effort to provide plans of “health care benefits” for the benefit of eligible participants of the respective agencies. In order to leverage the purchasing power of the consolidated group, it has become the IBAC’s practice to extend its purchasing efforts to other areas, including life, disability and consulting services. However, the responding proposals do not always result in the maximum benefit applied equally to each agency. Therefore, each agency is required to evaluate the technical and financial proposals independently and make recommendations to each of their governing authorities based upon the best interest of their respective organizations.

A timeline of procurement activities and events that occurred is shown below:

Action	Responsible Party	Due Dates
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
7. Submission of Proposal	Potential Offerors	March 5, 2019
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

Scope of Work

The Contractor shall perform the following work specific to NMRHCA:

New Mexico Retiree Health Care Authority (NMRHCA)

1. Quote only the current Additional Retiree and Dependent Life plan designs, on a fully insured basis.

The Additional Life plan does not have AD&D benefits. Duplicate the current Life plan design as closely as possible.

2. The current Basic Life plan was converted to Additional Life, effective January 1, 2018, and will be phased out by January 1, 2021. The current Basic Life coverage will be “rolled over” to the existing Additional Life plan. Coverage amounts under the current Basic Life plan will be added to any existing Additional Life elections, and must be grandfathered, with no Evidence of Insurability requirements.
3. Coverage for all current enrollees in the Basic Life plan will be continued under the Additional Life plan but only to the amount of coverage that existed under the Basic Life plan (\$6,000). Retirees will pay 100% of premium for any amount over that. Effective with the 2018 plan year, Retirees who were covered under the Basic Life plan will then be allowed to either keep or drop the amount of coverage they previously had under the Basic Life plan, and will begin paying 100% of premium for any amount they elect under the Additional Life plan.
4. The NMRHCA in 2018 paid 75% of the premium for Retirees enrolled in the Basic Life plan; however, the NMRHCA will phase out their contribution over a graduated period of time 50% (2019), 25% (2020), and 0% (2021).

NMRHCA:

- Will pay 100% of premium in plan year 2017
- Will pay 75% of premium in plan year 2018
- Will pay 50% of premium in plan year 2019
- Will pay 25% of premium in plan year 2020
- Will cease all contributions to premium, beginning with plan year 2021

Evaluation

The Evaluation Committee members are as follows:

Katherine Chavez, Benefits and Wellness Operations Manager, NMPSIA
Neil Kueffer, Deputy Director RHCA
Mark Tyndall, Director, APS
Cynthia Maestas, State of NM Risk Management Division
Janet Montoya, State of NM Risk Management Division
Tammy Martinez, State of NM Risk Management Division

Technical Advisors are as follows:

Gary Petersen, Vice President, Consulting Actuary, Segal Company
Dr. Nura Patani, Actuary, Segal Company
Ernestine Chavez, Executive Director, NMPSIA
Richard Valerio, Deputy Director, NMPSIA
David Archuleta, Executive Director, RHCA
Ann Johnson, Benefits Analyst, APS

This Evaluation Committee Report summarizes all criteria used in scoring the technical responses prior to the release of the Completed Cost Response form. Each agency contributed one score for each category of the

technical specifications, with the State of New Mexico submitting the average of the three scores taken from each evaluator.

The criteria used to evaluate the technical and business specifications were as follows:

Factors – correspond to section IV.B and IV C	Points Available
A. Technical Specifications	
B. 1. Organizational Qualifications	100
B. 2. Client Service Qualifications	100
B. 3. Administrative Capabilities	100
B. 4. Organizational References	100
B. 5. Oral Presentations	100
B. 6. Mandatory Specification	
B.6.a) Refer to Exhibit 2A for Mandatory Specification	200
B. Business Specifications	
C.1. Financial Stability	Pass/Fail
C.2. Letter Of Transmittal	Pass/Fail
C.3. Signed Campaign Contribution Disclosure Form	Pass/Fail
C.4. Cost	
Exhibit 3: Cost Options 1 and 3	200
Exhibit 4: Quoting Long Term Disability	100
TOTAL	1000 points
C.5.A. New Mexico Preference - Resident Vendor Points per Section IV C. 6	
C.5.B. New Mexico Preference - Resident Veterans Points per Section IV C.6	

Projected Financial Impact

	Current	1st Proposal	BAFO	BAFO Difference	Current Increase	
Standard	\$ 10,329,280.00	\$ 10,955,728.00	\$ 10,673,120.00	\$ (282,608.00)	\$ 343,840.00	3.3%
Securian	\$ 10,329,280.00	\$ 10,841,394.00	\$ 10,759,750.00	\$ (81,644.00)	\$ 430,470.00	4.2%
Hartford	\$ 10,329,280.00	\$ 11,309,159.00	\$ 11,309,159.00	\$ -	\$ 979,879.00	9.5%
Dearborn	\$ 10,329,280.00	\$ 11,785,164.00	\$ 11,785,164.00	\$ -	\$ 1,455,884.00	14.1%

	Dearborn National	The Hartford	Securian	The Standard*
Organizational Qualifications	88.7	95.4	73.8	96.7
Client Service Qualifications	81.3	89.7	95.0	93.7
Administrative Capabilities	84.7	98.0	71.7	94.7
Organizational References	95	0	29.5	100
Mandatory Specifications	195.8	192.5	160.4	200.0
Oral Presentations	75.6	97.5	73.1	71.7
Life Cost	179.5	181.3	189.0	200.0
Disability Costs	100	93	0	67
Total Points	900.5	847.3	692.5	923.7

Requested Action: Based upon final contract negotiations, NMRHCA staff respectfully requests approval of a - 1-year agreement, renewable for up to 3 additional years with The Standard Life Insurance Company.

Medical, Dental, Vision RFP – Action Item*

Background: Consistent with the requirements contained in the Health Care Purchasing Act, the New Mexico Retiree Health Care Authority (NMRHCA) in cooperation with the other members of the interagency benefits advisory committee including: Albuquerque Public Schools, New Mexico Public School Insurance Authority and the State of New Mexico are preparing to issue a request for proposals (RFP) for medical, dental, and vision services (“the big bid”) scheduled for release in late September / early October 2019.

NMRHCA staff is currently working with the APS staff, who will serve as the procurement manager for the big bid, to finalize an RFP for benefit consulting services specific to the big bid. In order to streamline the procurement process all IBAC members have agreed to recommend to their governing organizations to enter into a Memorandum of Understanding with APS for benefit consulting services and pay their prorated portion of the contract.

Scope of Work:

Medical, dental, vision and Medicare Advantage Plans.

Proposed Timeline:

The RFP is scheduled for release late September / early October with a contract negotiations beginning in January - March and new contracts issued by July 1, 2020. Work has already begun and is expected to continue through the fall/winter.

Action Item: NMRHCA staff respectfully requests approval to issue an RFP for medical, dental, and vision services.

Selection of Medical, Dental, Vision and Medicare Consultant – Action Item

Summary of the Evaluation Committee Activity: An RFP for consulting services related to the upcoming medical, dental, vision and Medicare RFP (RFP# 19-060MG-RA) was issued on May 6, 2019, by the Interagency Benefits Advisory Committee (IBAC) consisting of the New Mexico Retiree Health Care Authority (NMRHCA), Albuquerque Public Schools (APS), New Mexico Public School Insurance Authority (NMPSIA) and State of New Mexico (SONM).

See attached RFP for instructions, terms and conditions, scope of work, overview, and evaluation criteria.

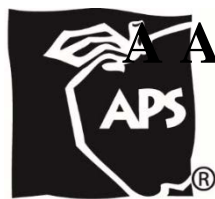
Responses to the RFP were received from the following vendors:

- The Segal Company, Gallagher Benefit Services, Aon Risk Insurance Services West, and Lockton Dunning Series

The Evaluation Committee was comprised of members from the IBAC including: Ann Johnson, Benefits Analyst, APS; Richard Valerio, Deputy Director, PSIA, Neil Kueffer, Deputy Director, RHCA; Clinton Nicely, Director and Amber Espinoza-Trujillo, Bureau Chief, RMD. The procurement staff at APS served as Procurement Manager for the RFP.

Summary: Each of the IBAC Evaluation Committee members submitted their respective scores and supporting justification to the Procurement Manager with the average of the scores used to develop the initial ranking of each offer. Best and Final interviews were conducted on Friday, June 28 with the 3 highest scored offerors.

Action Item Request: NMRHCA staff respectfully requests approval to enter into a memorandum of understanding with APS to pay for NMRHCA's prorated portion of the cost associated with the upcoming medical, dental, vision and Medicare procurement upon final contract negotiations between APS and the selected vendor.



ALBUQUERQUE PUBLIC SCHOOLS REQUEST FOR PROPOSAL

RFP 19-060MG-RA

RFP TITLE: Consultant for IBAC Medical, Dental, & Vision Plan Procurement

RFP Schedule

Action	Date & Time
RFP Issued	05/06/2019
Pre-proposal Meeting	NA
Pre-proposal Location	NA
Deadline for Questions	5/17/2019 @ 5:00pm (local time)
Deadline for Acknowledgement of Receipt Form	5/24/2019 @ 5:00pm (local time)
RFP Due Date and Time	6/7/2019 @ 3:00pm (local time)
<i>Proposals must be received by the due date and time. No late proposals will be accepted. The only acceptable evidence to establish the time of receipt is the date/time stamp imprint from the APS Procurement bid clock.</i>	
Evaluation of Proposals	TBD
Contract Negotiations	TBD

RFP Buyer Contact Information

Name	Marilee P. Gallacher
Phone Number	505-878-6118
E-Mail	Marilee.Gallacher@aps.edu
<i>Any inquiries or requests regarding clarification of this RFP document shall be submitted to the buyer in writing. Offerors may contact ONLY the buyer regarding the terminology stated in the procurement documents.</i>	

RFP Submittal Location

Physical Address (No USPS Mail*) For Walk-in Delivery or Carrier Service (UPS, FedEx, etc.)	USPS Mailing Address Allow 5 additional business days for APS internal delivery
Albuquerque Public Schools ATTN: Procurement Department 6400 Uptown Blvd. NE, Suite 500E Albuquerque, NM 87110	Albuquerque Public Schools ATTN: Procurement Department, City Center, Suite 500E P.O. Box 25704 Albuquerque, NM 87124-0704
Ensure that the following RFP information is clearly labeled on the sealed package containing the RFP submission. Please note: if the sealed proposal is placed inside a carrier envelope or package for shipping, all of this information must be re-written and clearly visible on the outermost envelope or package containing the sealed proposal: <ul style="list-style-type: none"><input type="checkbox"/> Offeror's Business Name (not an individual's name)<input type="checkbox"/> RFP Number & Title<input type="checkbox"/> RFP Due Date & Time *APS does not have a mailbox on site. US Postal Service Mail is accepted only at the PO Box address. If a letter or parcel is mailed via the USPS to the APS physical address, it will NOT reach our office.	

RFP Term

Albuquerque Public Schools reserves the right to enter into a one (1) year contract with the awarded Offeror(s).
--

TABLE OF CONTENTS

TABLE OF CONTENTS	PAGE #
OFFEROR'S GENERAL INSTRUCTIONS	3
TERMS AND CONDITIONS	8
PROTESTS	12
SCOPE OF WORK	13
OVERVIEW	14
RFP SCHEDULE	14
EVALUATION CRITERIA	18
SUBMITTAL REQUIREMENTS	21
PRICE PROPOSAL	22
FORMS AND ATTACHMENTS	24
PROPOSAL CHECKLIST	32

OFFEROR'S GENERAL INSTRUCTIONS

1. **READ ALL DOCUMENTS:** Offerors must familiarize themselves with all documents contained herein; it is mandatory that all submitted offers be in compliance with all the provisions contained in the Request for Proposal. Offerors should promptly notify the Buyer of any ambiguity, inconsistency, error, or missing attachments which they may discover upon examination of the RFP.
2. **OFFICIAL CONTACT:** Offerors may contact **ONLY** the Buyer regarding the terminology stated in the procurement documents. Other APS employees do not have the authority to respond on behalf of APS.

Offerors **MAY NOT** contact other APS departments, employees or the evaluation committee. Any contact with an APS department, employee or evaluation committee may result in rejection of any proposal.

Any other verbal communication will be deemed unofficial and non-binding. Communication directed to parties other than the Buyer will have no legal bearing on this RFP or the resulting contract(s). Any response made by APS will be provided in writing to all Offerors by addendum; no verbal responses shall be authoritative.
3. **WRITTEN QUESTIONS:** Potential Offerors may submit written questions to the Buyer as to the intent or clarity of this RFP. All written questions must be addressed and submitted to the Buyer **NO LATER** than the date and time specified in this RFP. All times are subject to the local time zone. The Buyer will respond in a timely manner subject to the complexity of the questions. Buyer will **ONLY** respond to the written questions submitted and receive on or prior to the deadline in this RFP.
4. **SUBMISSION:** The submission of a proposal constitutes a representation by the Offeror that the Offeror has made all appropriate examinations, investigations, and analysis and has made provision as to the cost thereof in submitted proposal. By responding to this RFP, Offerors acknowledge and agree to the terms and conditions set forth in this RFP.
5. **ELECTRONIC RFP DOCUMENTS:** This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror's possession and the version maintained by APS, the Offeror acknowledges that the version maintained by APS shall govern.
6. **INCURRING COSTS:** Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. If applicable, any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.
7. **PROPOSAL OFFER FIRM:** Responses to this RFP, including proposal prices for services, will be considered firm for one hundred twenty (120) days after due date. If a best and final offer is requested, the offer is good for ninety (90) days after receipt of best and final offer.
8. **FORMS AND ATTACHMENTS:** It is the responsibility of every Offeror to ensure they have downloaded the latest version of each RFP, including any addendum(s) which may have been issued and posted on the APS Procurement Department Website.
9. **ADDENDUM(S):** No Addendum will be issued later than **FIVE (5)** days prior to the date for receipt of proposals, except an Addendum withdrawing the RFP or one which extends the date for receipt of proposals.

Offerors should revisit the website (<http://www.aps.edu/procurement>), then select, "See Current Bids and RFPs") prior to the due date before submitting their proposal to Albuquerque Public Schools. All addendums must be acknowledged in the submitted proposal.
10. **CORRECTIONS:** Corrections shall be initialed in ink by the Offeror signing the proposal. Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request to withdraw their proposal. The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.
11. **EXCEPTIONS:** Any exceptions to the scope of work and/or specifications shall be listed separately in the submitted proposal and unless otherwise stated, specifications and/or scope of work attached are the minimum requirements. Minor deviations to the specifications as listed, may be considered.

The Buyer, after review of the proposals may request clarifications on information submitted by any and all Offerors in a written format, with a specified deadline for response.

12. **DISTRICT DISCRETION:** APS reserves the right, pursuant NMSA 1978, §13-1-132, in its sole discretion to waive minor informalities in proposals submitted provided that such informalities have no effect on price, quality, quantity or any matter to be evaluated in making a selection and confer no material advantage on the Offeror whose nonconformity is waived. APS reserves the right to add to or delete from the Scope of Work set forth in this RFP.
13. **BRAND NAMES:** Where a brand-name or equal specification is used in a solicitation, the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition. If a vendor proposes an “equal” to scope of work/specifications, APS is the sole interpreter of the scope of work/specifications and sole judge as to whether the “equal” proposed complies with the scope of work/specifications.
14. **OFFEROR QUALIFICATIONS:** The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirement specified within this RFP. The Evaluation Committee may reject the proposal of any potential Offeror who is deemed not to be a responsible Offeror or fails to submit a responsive offer as defined in NMSA 1978, §13-1-83 and §13-1-85.
15. **AWARD:** APS reserves the right to award all, part or none of the Scope of Work set forth in this RFP. This procurement in no manner obligates Albuquerque Public Schools until a valid signed contract and/or valid Purchase Order is executed.
16. **PREFERENCES:** RFPs may be awarded preference in compliance with NMSA 1978, §13-1-21 for New Mexico In-State Resident Business and Resident Veteran Business. Offerors shall include in their proposal a copy of the certificate issued by State of New Mexico Taxation & Revenue. If Proposal is Joint Venture, Offeror shall state in submitted offer the percentage of work that will be performed by Resident Business and/or Resident Veteran Business. **PLEASE NOTE: An Offeror cannot be awarded both a resident preference and a resident veteran business preference. The New Mexico Preferences shall not apply when the expenditures for this RFP includes federal funds.**
17. **TIMELY SUBMISSIONS:** All Offeror proposals must be received for review and evaluation no later than the time and date specified in this RFP. Time is subject to local time. Albuquerque Public Schools does not accept proposals electronically, by fax, or email. **A hardcopy with an original signature MUST be submitted.**

It is the Offeror’s responsibility to ensure the proposal arrives before the due date and time. Offerors are cautioned that “late is late”. It is the responsibility of the Offerors to allow sufficient time for the hazards such as, traffic, weather, parking, locating the proper office, third party delivery, US Postal Service mail delivery, etc. Any and all proposals not received by the proposal submission due date and time shall be rejected. No late proposals will be accepted under any circumstances, not even if the delivery service is late or at fault. It is recommended to send your proposal early.

APS may in its sole discretion extend the time for the submission of proposals upon a finding that it is in the interest of APS to do so. Such extensions shall be by addendum(s), which may be issued before the submission due date.

18. **RFP CANCELLATION OR REJECTION:** In accordance with NMSA 1978, §13-1-131, this RFP may be canceled or proposals may be rejected in whole or in part when it is in the best interest of Albuquerque Public Schools.
19. **RFP OPENING:** Submitted proposals shall not be publicly opened. The contents of the proposals shall not be disclosed during any negotiations that may occur. A public log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to NMSA 1978, §13-1-116, the contents of proposals shall not be disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals. Awarded in this

context means the final required APS signature on the contract(s) resulting from the procurement has been obtained.

20. **RESPONSIBLE AND RESPONSIVE OFFER:** APS Procurement may reject the proposal of any potential Offeror who is not a responsible Offeror or fails to submit a responsive offer as defined in NMSA 1978, §13-1-83 and §13-1-85.
21. **SOLE RESPONSE:** Any sole response that is received may be rejected by APS depending on available competition and timely needs of APS. APS reserves the right to award the contract to the responsible Offeror submitted responsive proposals most advantageous and in the best interest of APS.
22. **NEGOTIATIONS:** APS reserves the right to discontinue negotiations with any Offeror.
23. **MULTI-AWARD:** APS reserves the right to multi-award contracts as necessary for adequate delivery or service in accordance with NMSA 1978, §13-1-153.
24. **AFTER AWARD:** After final contract is negotiated, approved and awarded, all proposal documents pertaining to this procurement will be open to the public, except for the material, which is proprietary or confidential. The Procurement Department will not disclose or make public any pages of a proposal on which the Offeror has stamped or imprinted “**Proprietary**” or “**Confidential**” subject to the following requirements.

Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Confidential data is normally restricted to confidential financial information concerning the Offeror’s organization and data that qualifies as trade secret in accordance with the Uniform Trade Act, NMSA 1978, §57-3A-7. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.
25. **ASSIGNMENT:** It is mutually understood and agreed that the successful Offeror(s) shall not assign, transfer, convey, sublet or otherwise dispose of the purchase order, contract, or his/her right, title of interest therein, or power to execute such purchase order or contract to any other person, company or corporation without the previous written consent of APS.
26. **GOVERNING BODY APPROVAL:** The award of this contract is not final until approved by the governing bodies (if applicable) and/or contract is signed by all parties.
27. **DEFINITIONS:** Definition of Terminology: This section contains definitions that are used throughout this procurement document, including appropriate abbreviations.

“**Agency**” or “**Contracting Agency**” shall mean Albuquerque Public Schools (APS).

“**Award of Contract**” shall mean a formal written notice by APS that a firm(s) has/have been selected to enter into a contract for services.

“**Contract**” shall mean an agreement for the procurement of items of tangible personal property or services.

“**Contractor**” shall mean the successful Offeror.

“**Determination**” shall mean the written documentation of a decision of a procurement manager including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

“**Desirable**” the terms “**may**”, “**can**”, “**should**”, or “**prefers**” identify a desirable or discretionary item or factor.

“**Evaluation Committee**” shall mean a body appointed by the Agency management to evaluate proposals and make selection recommendation.

“**Finalist**” is defined as an Offeror who meets all the mandatory specifications of the RFP and whose score on evaluation factors is sufficiently high to qualify that Offeror for further consideration by the Evaluation Committee.

“Mandatory” the terms **“must”**, **“shall”**, **“will”**, **“is required”**, or **“are required”**, identify a mandatory item or factor. Failure to meet a mandatory item or factor will result in the rejection of the Offeror’s proposal.

“Offer” – the term means “proposal”, “solution”, means all documents submitted to APS Procurement responding to RFP.

“Offeror”, **“Bidder”**, or **“Proposer”** is any person, corporation, or partnership who chooses to submit a proposal in response to this RFP.

“Owner” shall be Albuquerque Public Schools.

“Purchasing Agent” shall mean the RFP Buyer, as noted on the RFP Cover Sheet.

“Purchase Order” shall mean the document, which directs a Contractor to deliver items of tangible personal property or services pursuant to an existing contract.

“Request for Proposal” or **“RFP”** means all documents, including those attached or incorporated by reference, used for soliciting proposals.

“Responsible Offeror” shall mean an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that its financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services or items of tangible property described in the RFP.

“Responsive Offer” or **“Responsive Proposal”** shall mean a proposal which conforms in all material respects to the requirements set forth in the RFP.

TERMS AND CONDITIONS

1. **TERM:** APS reserves the right to procure the services/goods as described in this RFP and enter into a contract as described on RFP front cover.
2. **REQUEST(S) NOT DEFINED IN SCOPE OF WORK:** Contractor shall be held responsible to **NOT** fill requests which are clearly beyond the defined scope of this contract. Should such requests occur, Contractor has the responsibility of calling such violations to the attention of the APS Procurement Officer.
3. **TAXES:** APS holds a Class 9 Nontaxable Transaction Certificate and is exempt from payment of taxes on tangible personal property. A NTTC will be issued upon request.
4. **NON-APPROPRIATION:** APS' obligation to make payment under the terms of this RFP is contingent upon its appropriation of sufficient funds to make those payments. If APS does not appropriate funds for the continuation of this procurement, this procurement will terminate upon written notice of that effect to the Contractor. APS determination that sufficient funds have not been appropriated is firm, binding and not subject to review.
5. **PROCUREMENT CODE:** The Procurement Code, NMSA 1978, §13-1-28 through §13-1-199, imposes civil and misdemeanor criminal penalties for its violation. In addition, the New Mexico Criminal Statutes impose felony penalties for bribes, gratuities, and kickbacks.
6. **TERMINATION:** Either party may terminate this contract as follows:
 - A. Termination by the Contractor
 1. The Contractor may terminate this contract **only** if Albuquerque Public School District fails to comply with any provisions of this contract and after receiving notice of the noncompliance APS fails to cure the noncompliance within ten (10) days, or
 2. By written mutual agreement between the Contractor and APS.
 - B. Termination by APS
 1. For Cause
 - a. The occurrence of either one of the following events will justify termination for cause:
 - i. Contractor's persistent failure to perform the work in accordance with the contract documents (including but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment).
 - ii. Contractor's violation in any substantial way of any provisions of this contract.
 - b. If either one of the events identified above occur, APS may, after giving Contractor (and the surety, if any) ten (10) days written notice, terminate the service of Contractor, exclude Contractor from site, and take possession of the work. Contractor shall be paid for project costs incurred up to the date of termination but shall not be paid for loss of profits resulting from such termination.
 - c. Where Contractor's services have been so terminated by APS, the termination will not affect any rights or remedies of APS against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due the Contractor by APS will not release the Contractor from liability.
 2. For Convenience
 - a. Upon ten (10) days written notice to Contractor, APS may without cause and without prejudice to any other right or remedy of APS, elect to terminate the contract.
 - b. In such case, Contractor shall be paid (without duplication of any items):
 - i. For completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination.

- ii. For expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials or equipment as required by the contract document in connection with uncompleted work.
 - c. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.
7. **INDEMNIFICATION:** The Offeror shall be responsible for damage to persons or property that occurs as a result of Offeror's fault or negligence, or that of any of his/her employees, agents or subcontractors. Offeror shall save and hold harmless Albuquerque Public Schools against any and all losses, cost, damage, claims, expenses or liability in connection with the performance of the contract. Any equipment or facilities damaged by the Offeror's operation shall be repaired and/or restored to their original condition at the Offeror's expense.
8. **INSURANCE (If Applicable):** The successful Offeror shall purchase and maintain statutory limits of Worker's Compensation, Public Liability and Automobile Liability Insurance approved by APS at the time of contract award. Albuquerque Public Schools shall be included as a loss payee and/or additional insured. Public Liability and Automobile Liability insurance shall include at least the following coverage:

General Liability Insurance – per occurrence General Aggregate - \$2,000,000 Product/completed operations aggregate \$1,000,000	\$1,000,000
Bodily injury, per occurrence	\$1,000,000
Medical and medically-related expenses	\$5,000
Vehicle bodily injury, each occurrence, excluding medical and medically related expenses	\$750,000
Property Damage, per occurrence	\$1,000,000

Contractor shall furnish Owner with certificates of insurance with the contract documents and prior to the commencement of work.

NOTE: Certificate holder shall be: Board of Education
Albuquerque Public Schools

Certificate of Insurance forwarded to: Albuquerque Public Schools- Procurement Department
P.O. Box 25704
Albuquerque, New Mexico 87125

9. **AUDIT:** APS reserves the right to audit the Contractor's records associated with this contract at any time during the contract period and for a period of up to three years following the expiration or termination of the agreement. Such audit may be conducted by APS personnel or a third party under contract with APS. APS shall give the Contractor reasonable notice prior to the conduct of any audit and upon receiving the notice from APS the Contractor agrees to fully cooperate with the auditors. If Contractor subcontracts any portion of its obligation to another party, Contractor shall guarantee APS' access to books and records of such party.
10. **GOVERNING LAW:** This RFP and any contract with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.
11. **INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor performing services for APS. The Contractor shall not accrue leave, retirement, insurance, or any other benefits afforded to employees of APS as a result of this procurement.
12. **DEBARMENT OR SUSPENSION:** A business (Contractor, Subcontractor or Supplier) that has either been debarred or suspended pursuant to the requirements of NMSA 1978, §13-1-177 through §13-1-180, and §13-

4-11 through §13-4-17 as amended, shall not be permitted to do business with APS and shall not be considered for award of the contract during the period for which it is debarred or suspended with APS.

13. **CONFLICT OF INTEREST:** By submitting a proposal, the Offeror certifies that no relationship exists between the Offeror and APS that interferes with fair competition or is a conflict of interest; and no relationship exists between such propose and another person or firm that constitutes a conflict of interest that is adverse to APS.
14. **NON-DISCLOSURE:** The Offeror shall not disclose any information relating to students, and employees of APS other than such information that may be authorized by the individual student or employee. Vendor agrees to indemnify and hold harmless APS from any damages, claims, liabilities, and costs including reasonable attorney fees in the event any unauthorized release of such information occurs.
15. **DELIVERY:** The goods shall be delivered free of the rightful claim of any third person, any security interest or other lien. Unless otherwise agreed all goods called for in this RFP shall be tendered in a single delivery and payment is due only upon such delivery (NET 30).
16. **FOB:** Unless stated otherwise, the price for goods is FOB: Destination (APS' designated address).
17. **DELAYS IN DELIVERY:** Time is of the essence and this purchase may be subject to termination for failure to deliver on time, unless delay was caused by APS. If delay in delivery is foreseen, Seller must notify the APS Requesting Department of late delivery, cause of late delivery and remedy for late delivery.
18. **INSPECTION:** Final inspection will be made at the destination upon completion of delivery of goods/services. Final inspection shall include any testing or inspection procedures required by the specifications.
19. **ACCEPTANCE:** Acceptance of delivery of goods/services shall not be considered acceptance of the goods/services furnished. Acceptance occurs when the Requesting Department, after a reasonable opportunity to inspect the goods/services, signifies to the seller that are goods/services are conforming and fails to make an effective rejection.
20. **BUYERS REVOCATION OF ACCEPTANCE:** Requesting Department can revoke acceptance of goods when it is discovered, in a reasonable time, that the Sellers nonconforming goods substantially impair the value of the goods.
21. **SELLERS RIGHT TO CURE A NONCONFORMING DELIVERY OF GOODS:** The Seller, upon notice of revocation of acceptance, shall correct without charge and deliver conforming goods in a reasonable time.
22. **PAYMENT:** Any invoice received and payment made shall be subject to APS' terms and conditions (NET 30) unless specifically waived by APS in a separate written document.
23. **ASSIGNMENTS:** The awarded contractor shall not assign nor delegate specific duties as part of this RFP not transfer any interest not assign any claims for money due or to become due under this RFP without the written consent of APS.

PROTESTS

Any Offeror who is aggrieved in connection with a solicitation or award of an Agreement may protest to the Purchasing Office in accordance with the requirements of the Contracting Procurement Regulations and the State Procurement Code. The protest should be made in writing within twenty-four (24) hours after the facts or occurrences giving rise thereto, but **NO LATER THAN** fifteen (15) calendar days after the facts or occurrences giving rise thereto (NMSA 1978, §13-1-172). The protest must be in writing and delivered to the Executive Director - Procurement Department, Albuquerque, New Mexico. See APS address information on RFP Cover Sheet.

1. In the event of a timely protest under this section, the Purchasing Agent and the Agency shall not proceed further with the procurement unless the Purchasing Agent makes a determination that the award of Agreement is necessary to protect substantial interests of the Contracting Agency (NMSA 1978, §13-1-173).
2. The Purchasing Agent or his/her Designee shall have the authority to take any action reasonably necessary to resolve a protest of an aggrieved Offeror concerning a procurement. This authority shall be exercised in accordance with adopted regulations, but shall not include the authority to award money damages or attorneys' fees (NMSA 1978, §13-1-174).
3. The Purchasing Agent or his/her Designee shall promptly issue a determination relating to the protest. The determination shall:
 - A. State the reasons for the action taken; and
 - B. Inform the protestant of the right to judicial review of the determination pursuant to NMSA 1978, §13-1-183.
5. A copy of the determination issued under NMSA 1978, §13-1-175 shall immediately be mailed to the protestant and other Offerors involved in the procurement in compliance with NMSA 1978, §13-1-176.

SCOPE OF WORK

OVERVIEW

The IBAC is a joint purchasing collective established by state statute which consists of the following entities (and their membership):

State of New Mexico's Risk Management Division
New Mexico Public Schools Insurance Authority
New Mexico Retiree Health Care Authority
Albuquerque Public Schools

All IBAC entities currently provide comprehensive medical, which will include Medicare Advantage, dental, and vision benefits to their members (employees/retirees and eligible dependents). A majority of these benefits are self-insured; though, there are some fully insured offerings as well. Plan designs and carriers differ. Please reference each entities' web site for additional information.

<http://nmrhca.org>

<https://www.generalservices.state.nm.us/rmd/benefits.html> or <https://www.mybenefitsnm.com>

<https://nmopsia.com/index.html>

<https://www.aps.edu/human-resources/benefits>

A focus of this RFP will be the pursuit of specific objectives related to the following elements of value-based purchasing and the IBAC will place emphasis on these items throughout the totality of this procurement cycle.

A. Value-Based Plan Design

- a. Cost-sharing (deductible, coinsurance or copayment) adjustment for member engagement.
- b. Cost-sharing adjustment for high-value service
- c. Cost-sharing adjustment for low-value service

B. Enhanced and Standardized Reporting

1. HEDIS
2. Market-based (but standardized) outcomes measurement
3. Increased detail for high-dollar claimants. Require medical plan administrator Case Manager to verify that member has been:
 - a. Correctly diagnosed
 - b. Implemented appropriate course of treatment for diagnosis

C. Value-Based Provider Reimbursement – Consideration to be given to opportunities both with and without medical plan administrator participation

1. Reference Pricing
2. Bundled Payments
3. Integrated Care Model Risk Sharing
4. Pay for Performance

RFP SCHEDULE

The RFP Buyer will make every effort to adhere to the RFP Schedule as noted on front cover of this RFP. The schedule is subject to change by addendum. The evaluation committee **MAY** interview the Offeror(s) of the top rated proposals; however, contracts may be awarded without such interviews and based solely on written offers. Finalists will be contacted to schedule interviews if required. If an interview is requested, evaluation scores will be re-scored to reflect written response and interview response.

PURPOSE OF THIS REQUEST FOR PROPOSAL

The purpose of the Request for Proposal (RFP) is to solicit sealed proposals, to establish a contract through competitive negotiations for the procurement of consulting/project management services to assist in the procurement of medical, dental and vision plans for The Interagency Benefits Advisory Committee (IBAC) and its approximately 200,000 members.

The scope of this procurement is limited to consulting services associated with the development of a comprehensive medical, dental and vision RFP, the evaluation of elements of the resulting proposals, provision of reports (both detailed and summaries) and assistance with finalist interviews.

Any inquiries or requests regarding this procurement should be submitted to the Procurement Manager in writing. See Cover Page of RFP. Offerors may contact ONLY the Procurement Manager regarding the procurement. Other state employees do not have the authority to respond on behalf of the Agency.

SUMMARY SCOPE OF WORK

APS is seeking a consultant to assist in the procurement of IBAC medical, dental and vision services effective July 1, 2020 for State of New Mexico Risk Management Division, New Mexico Public Schools Insurance Authority, New Mexico Retiree Health Care Authority and effective January 1, 2021 for Albuquerque Public Schools. The consultant will assist with the following services:

1. Develop an IBAC-specific Request For Proposal (RFP) for medical, including Medicare Advantage, dental, and vision services, based on input and direction from IBAC member agencies and assist with the state-mandated publication of the RFP.
2. Evaluate each proposal's Minimum Requirements and Financial sections and provide a report detailing the results of this analysis.
3. Evaluate the technical and service sections of the medical finalists and dental and vision finalists as selected by the IBAC.
4. Complete a comprehensive evaluation of the top medical, top dental and vision proposals for each category and provide a summary report.
5. Assist with finalist interviews including best and final offers.

PROPOSAL SPECIFICATIONS

Offerors should respond to the following specifications in the form of a thorough narrative to each mandatory specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

1. **Corporate Experience – Traditional Provider Network Valuations (18 Points):** Offerors must submit a statement of relevant corporate experience within the last five (5) years, including the experience of major subcontractors, if any. The narrative in response to this factor must thoroughly describe the Offeror's experience with providing consulting services related to medical, dental, and vision benefits-related purchases and services using a traditional valuation of provider network unit cost comparisons.

In this Section, the Offeror shall provide the following information (referencing the subsections in sequence) to evidence the Offeror's experience in delivering services such as those sought under this RFP:

- a. A brief statement of how long the Offeror has been performing the services sought under this RFP.
- b. A description of the experience level, technical and application knowledge, and public sector experience of the corporate resources that may be used for the services under this contract.
- c. A description of the service provided.

- d. A statement of why the Offeror believes these services constitutes relevant corporate experience to this procurement.
 - e. A list, if any of all current contractual relationships with the State of New Mexico (including any of the IBAC agencies) or those contracts completed in the past five years. The listing should include the contract number, contract term, and procuring State Agency for each reference.
- 2. Corporate Experience – Evaluation of Value Based Purchasing Initiatives (18 Points):** Offerors must submit a statement of relevant corporate experience including the experience of major subcontractors, if any. The narrative in response to this factor must thoroughly describe the Offeror’s experience with providing consulting services related to medical, dental, and vision benefits-related purchases and services specifically related to evaluating value based purchasing initiatives. See Overview on page 14 of this RFP.
- In this Section, the Offeror shall provide the following information (referencing the subsections in sequence) to evidence the Offeror’s experience in delivering services such as those sought under this RFP:
- a. A brief statement of how long the Offeror has been performing the services sought under this RFP.
 - b. A description of the experience level, technical and application knowledge, and public sector experience of the corporate resources that may be used for the services under this contract.
 - c. A description of the service provided.
 - d. A statement of why the Offeror believes these services constitutes relevant corporate experience to this procurement.
 - e. A list, if any of all current contractual relationships with the State of New Mexico (including any of the IBAC agencies) or those contracts completed in the past five years. The listing should include the contract number, contract term, and procuring State Agency for each reference.
- 3. Account Management (36 Points):** Offerors must submit resumes of all proposed professional staff members who will be performing services under the contract. Experience narratives shall be attached that describe the specific relevant experience of the staff members in relation to the role that member will perform for this contract. The narrative(s) must include the name of the individual(s) proposed and should include a thorough description of the education, knowledge, and relevant experience as well as certifications or other professional credentials that clearly shows how they are qualified to provide the required services to the IBAC.
- 4. Cost (25 Points):** The cost associated with the services to be performed under this proposal. The lowest costing Offeror’s quote will be used as the basis for all other calculations and receive the full 25 points. All other Offerors will be awarded points based on their relationship to the “basis” offer. Please ensure all proposals include and itemize appropriate GRT or other applicable taxes.
- 5. Corporate References (3 Points):** Offerors must submit three (3) external references from clients who have received similar services to those proposed by the Offeror for this contract, especially those projects in the public sector that have occurred within the past five (5) years. Each reference must include the name of the company, company current address, name of the contact person, telephone number, and the date and description of the services provided.

Note: The Offeror is responsible for verifying reference contact information. The Evaluation Committee is not obligated to try to locate persons not found at the numbers or places given in the proposals. Obsolete or wrong Contact information could result in a “fail” score in this category.

6. **Oral Presentation (50 Points):** If selected as a finalist, the Offeror shall provide the Evaluation Committee the opportunity to interview all proposed core staff during an oral presentation at a date, time, and place set by the Procurement Manager. The individuals who will be performing services under the contract shall present the Offeror's proposal to the Evaluation Committee.

EVALUATION CRITERIA

EVALUATION CRITERIA

Proposals must address each of the following criteria. Each proposal may be awarded points up to the numeric value listed. Points will be awarded in compliance with NMSA 1978, §13-1-21, for New Mexico In-State Resident Business and Resident Veteran Business. If proposal is a Joint Venture, Offeror shall state in submitted proposal the percentage of work that will be performed by Resident Business and/or Resident Veteran Business. Please Note: An Offeror cannot be awarded both a resident preference and a resident veteran business preference. Offerors shall include in their proposal a copy of certificate issued by State of New Mexico Taxation & Revenue. The Preference does not apply if APS is utilizing federal funds.

*****The Offeror should contact Buyer for clarification of evaluation criteria or terminology*****

	Possible Points	Points This RFP
Corporate Experience – Traditional Provider Network Valuations Offerors must submit a statement of relevant corporate experience including the experience of major subcontractors, if any. The narrative in response to this factor must thoroughly describe the Offeror’s experience with providing consulting services related to medical, dental, vision benefits-related purchases and services using a traditional valuation of provider network unit cost comparisons. See Proposal Specifications, Item 1.	18	
Corporate Experience – Evaluation of Value Based Purchasing Initiatives Offerors must submit a statement of relevant corporate experience including the experience of major subcontractors, if any. The narrative in response to this factor must thoroughly describe the Offeror’s experience with providing consulting services related to medical, dental, vision benefits-related purchases and services specifically related to evaluating value based purchasing initiatives to include elements from Proposal Specifications, Item 2.	18	
Account Management Offerors must submit resumes of all proposed professional staff members who will be performing services under the contract. Experience narratives shall be attached that describe the specific relevant experience of the staff members in relation to the role that member will perform for this contract. The narrative(s) must include the name of the individual(s) proposed and should include a thorough description of the education, knowledge, and relevant experience as well as certifications or other professional credentials that clearly shows how they are qualified to provide the required services to the Agency. See Proposal Specifications, Item 3.	36	
Corporate References Offerors must submit three (3) external corporate references from clients who have received similar services to those proposed by the Offeror for this contract, especially those projects in the public sector that have occurred within the past five (5) years. Offers that propose to use Subcontractors for significant portions of the scope of work must include three (3) external references for each major Subcontractor. Each reference must include the name of the company, company current address, name of the contact person, telephone number, and the date and description of the services provided. See Proposal Specifications, Item 5.	3	
Cost The cost associated with the services to be performed under this proposal. The lowest costing Offeror’s quote will be used as the basis for all other calculations and receive the full 25 points. All other Offerors will be awarded points based on their relationship to the “basis” offer. Please ensure all proposals include and itemize appropriate GRT or other applicable taxes.	25	

Total Possible Points	100	
Interview / Finalist Oral Presentation (if needed)	50	
New Mexico Resident Business Preference: Five percent of the total possible points to a resident business. Offeror shall include a copy of their In-State Certificate issued by State of New Mexico Taxation & Revenue Department.	5	
Veteran New Mexico Resident Business Preference: Ten percent of the total possible points to a resident veteran business. <ul style="list-style-type: none"> 10 points for Resident Veteran Business/Contractor with annual revenues of \$3 million or less as verified by State of NM Tax & Revenue. 	10	
Total Possible Awarded Points	100-160	

Note: FAILURE to adequately address and meet the above requirements may be cause for the proposal to be deemed non-responsive by the Buyer.

SUBMITTAL REQUIREMENTS

(For ease of evaluation, Proposals should be formatted in the order as listed below)

The Offeror is particularly encouraged to address all points that will be evaluated as described herein in each point of the evaluation criteria. If a factor of evaluation is not adequately responded to by the Offeror, the Offeror may be determined to be non-responsive.

Offeror shall submit one (1) original proposal clearly marked **ORIGINAL** on the binder cover, seven (7) identical copies clearly marked **COPY** on the binder covers, and one (1) identical electronic copy (flash drive clearly labeled with your company name and RFP number). *Email and fax copies are **NOT** an acceptable form of an electronic copy.*

PROPOSAL – DETAILED REQUIREMENTS

1. Proposal Format and Organization

Each Proposal shall be submitted in a three-ring binder, with Tab Dividers delineating each section, as identified below. Page format shall be 8-1/2" x 11" with foldout sheets (if any) allowed up to 11" x 17" in size. Foldout pages shall be counted as two pages **and shall be numbered as such**. Text will be no smaller than 10 point.

Proposals shall not exceed 60 pages total for all of the tabbed sections listed below, excluding Tab 1, 6 and 7. Each sheet face that is printed with text or graphics counts as one page. Tab Dividers do not count as pages, provided the only text or graphics on the dividers are the tab numbers and section titles. Front and Back covers do not count towards page count.

Tab 1 – Letter of Submittal

Tab 2 – Qualifications

Tab 3 – Experience

Tab 4 – Assigned Personnel to APS

Tab 5 – Approach/Methodology

Tab 6 – Price Proposal

Tab 7– Required Forms



2020 Plan Recommendations Action Item

2020 Proposed Plan Design Changes

Non-Medicare Premier PPO Plans

- No Change

Non-Medicare Value HMO Plans

- No Change

Medicare Supplement Plan

- No Change

Medicare Advantage Plans (TBD)

- TBD

Non-Medicare Premier/Value Plans

- Patient Assurance Program

2020 Proposed Monthly Plan Rates

Solvency 2044 / Deficit Spend 2023

Pre-Medicare Plans – 7% / Medicare Supplement – 5%

	2019	2020	Monthly	Annual
			Difference	Difference
BCBS/Presbyterian Premier				
Retiree	\$ 260.76	\$ 279.01	\$ 18.25	\$ 219.03
Spouse/Domestic Partner	\$ 494.92	\$ 529.56	\$ 34.64	\$ 415.73
Child	\$ 253.11	\$ 270.83	\$ 17.72	\$ 212.61
BCBS/Presbyterian Value				
Retiree	\$ 203.69	\$ 217.95	\$ 14.26	\$ 171.10
Spouse/Domestic Partner	\$ 386.58	\$ 413.64	\$ 27.06	\$ 324.73
Child	\$ 197.37	\$ 211.19	\$ 13.82	\$ 165.79

	2019	2020	Monthly	Annual
			Difference	Difference
Medicare Supplement				
Retiree	\$211.96	\$222.56	\$10.60	\$127.17
Spouse/Domestic Partner	\$317.94	\$333.83	\$15.90	\$190.76
Dependent Child	\$423.92	\$445.11	\$21.20	\$254.35

2020 Proposed Monthly Plan Rates – “Alternative” Solvency 2043 / Deficit Spend 2022

Pre-Medicare Plans – 6% /Medicare Supplement – 4%

	2019	2020	Monthly	Annual
			Difference	Difference
BCBS/Presbyterian Premier				
Retiree	\$ 260.76	\$ 276.41	\$ 15.65	\$ 187.75
Spouse/Domestic Partner	\$ 494.92	\$ 524.62	\$ 29.70	\$ 356.34
Child	\$ 253.11	\$ 268.30	\$ 15.19	\$ 182.24
BCBS/Presbyterian Value				
Retiree	\$ 203.69	\$ 215.91	\$ 12.22	\$ 146.66
Spouse/Domestic Partner	\$ 386.58	\$ 409.77	\$ 23.19	\$ 278.34
Child	\$ 197.37	\$ 209.21	\$ 11.84	\$ 142.11

	2019	2020	Monthly	Annual
			Difference	Difference
Medicare Supplement				
Retiree	\$211.96	\$220.44	\$8.48	\$101.74
Spouse/Domestic Partner	\$317.94	\$330.66	\$12.72	\$152.61
Dependent Child	\$423.92	\$440.88	\$16.96	\$203.48

Additional Considerations

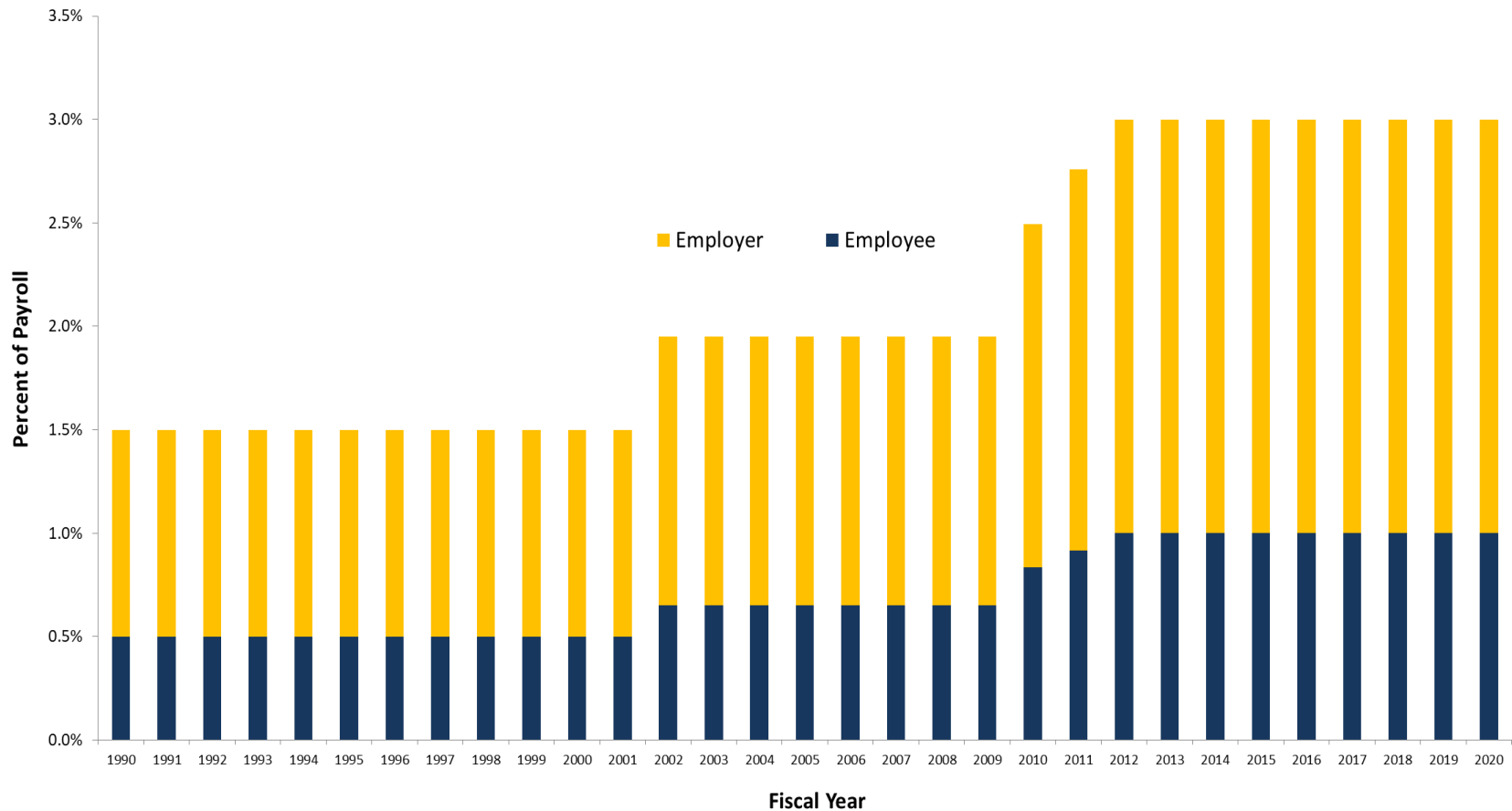
- Medicare Part D Changes
 - Unknown impact
 - Medicare Supplement and Medicare Advantage
- Currently evaluating options for mitigating financial impact to members and the plan
- Changes may require additional end-of-year action
- May require Special Meeting of the Board
- Medicare Advantage Rates
 - 2020 HIF Tax
- Fall communication strategy will emphasize “plan selection” and potential for change after switch enrollment ends



2020 Legislative Proposals

Historical Contributions

**Employer & Employee Contributions
1990 - 2020**



2017 Solvency Scenario

Deficit Spending: 2020 / Expenditures exceed revenues and assets 2035

	Begin	BOY Assets	Total Revenue	Investment Income	Total Expenditures	Rev - Exp Excluding Investment Income	EOY Assets	FY End
1	2017	\$ 551,412,183	\$ 344,188,722	\$ 41,051,156	\$ 314,567,412	\$ 29,621,309	\$ 622,084,648	2018
2	2018	\$ 622,084,648	\$ 361,726,324	\$ 45,626,962	\$ 347,220,795	\$ 14,505,529	\$ 682,217,140	2019
3	2019	\$ 682,217,140	\$ 383,855,329	\$ 49,480,849	\$ 383,300,667	\$ 554,663	\$ 732,252,651	2020
4	2020	\$ 732,252,651	\$ 410,501,620	\$ 52,755,627	\$ 419,679,270	\$ (9,177,650)	\$ 775,830,629	2021
5	2021	\$ 775,830,629	\$ 439,504,313	\$ 55,489,259	\$ 460,427,398	\$ (20,923,086)	\$ 810,396,802	2022
6	2022	\$ 810,396,802	\$ 471,836,256	\$ 57,430,749	\$ 508,333,325	\$ (36,497,069)	\$ 831,330,482	2023
7	2023	\$ 831,330,482	\$ 503,677,050	\$ 58,499,103	\$ 552,569,653	\$ (48,892,603)	\$ 840,936,982	2024
8	2024	\$ 840,936,982	\$ 535,937,644	\$ 58,824,655	\$ 595,062,496	\$ (59,124,853)	\$ 840,636,785	2025
9	2025	\$ 840,636,785	\$ 573,641,209	\$ 58,293,956	\$ 646,805,657	\$ (73,164,449)	\$ 825,766,292	2026
10	2026	\$ 825,766,292	\$ 611,941,888	\$ 56,729,432	\$ 698,524,632	\$ (86,582,744)	\$ 795,812,980	2027
11	2027	\$ 795,912,980	\$ 651,079,838	\$ 54,103,682	\$ 750,390,436	\$ (99,310,598)	\$ 750,706,064	2028
12	2028	\$ 750,706,064	\$ 659,858,859	\$ 50,203,990	\$ 812,333,053	\$ (116,474,464)	\$ 684,435,591	2029
13	2029	\$ 684,435,591	\$ 741,091,834	\$ 44,813,634	\$ 873,724,839	\$ (132,633,005)	\$ 596,616,220	2030
14	2030	\$ 596,616,220	\$ 793,359,579	\$ 37,681,040	\$ 947,115,040	\$ (153,755,461)	\$ 480,541,800	2031
15	2031	\$ 480,541,800	\$ 844,916,799	\$ 28,803,971	\$ 1,011,408,088	\$ (166,492,289)	\$ 342,854,482	2032
16	2032	\$ 342,854,482	\$ 895,365,843	\$ 18,741,755	\$ 1,064,060,875	\$ (168,598,032)	\$ 192,901,205	2033
17	2033	\$ 192,901,205	\$ 954,605,942	\$ 7,880,095	\$ 1,123,026,425	\$ (168,420,483)	\$ 32,360,816	2034
18	2034	\$ 32,360,816	\$ 1,023,122,931	\$ 218,424	\$ 1,188,312,013	\$ (165,189,181)	\$ (135,609,941)	2035
19	2035	\$ (132,609,941)	\$ 1,088,633,923	\$ -	\$ 1,248,455,738	\$ (159,821,815)	\$ (292,431,756)	2036

2018 Solvency Scenario

Deficit Spending: 2022 / Expenditures exceed revenues and assets 2037

	Begin	BOY Assets	Total Revenue	Investment Income	Total Expenditures	Rev - Exp Excluding Investment Income	EOY Assets	FY End
1	2018	\$ 633,374,610	\$ 356,825,111	\$ 46,877,991	\$ 330,664,233	\$ 26,433,782	\$ 706,403,479	2019
2	2019	\$ 706,686,277	\$ 380,118,818	\$ 51,991,860	\$ 358,667,571	\$ 21,451,247	\$ 779,846,586	2020
3	2020	\$ 779,846,586	\$ 406,264,206	\$ 56,997,559	\$ 393,610,936	\$ 12,653,270	\$ 849,497,415	2021
4	2021	\$ 849,497,415	\$ 434,717,034	\$ 61,646,356	\$ 433,122,746	\$ 1,594,288	\$ 912,738,058	2022
5	2022	\$ 912,738,058	\$ 467,915,543	\$ 65,617,252	\$ 483,260,580	\$ (15,345,037)	\$ 963,010,273	2023
6	2023	\$ 963,010,273	\$ 500,790,091	\$ 68,623,717	\$ 533,742,569	\$ (32,952,479)	\$ 998,681,512	2024
7	2024	\$ 998,681,512	\$ 532,627,040	\$ 70,737,418	\$ 578,613,021	\$ (45,985,981)	\$ 1,023,432,949	2025
8	2025	\$ 1,023,432,949	\$ 569,806,435	\$ 72,049,285	\$ 629,105,865	\$ (59,299,429)	\$ 1,036,182,804	2026
9	2026	\$ 1,036,182,804	\$ 607,582,366	\$ 72,491,192	\$ 680,190,945	\$ (72,608,578)	\$ 1,036,065,418	2027
10	2027	\$ 1,036,065,418	\$ 646,241,387	\$ 72,059,686	\$ 730,518,830	\$ (84,277,443)	\$ 1,023,847,660	2028
11	2028	\$ 1,023,847,660	\$ 690,379,496	\$ 70,596,215	\$ 790,593,019	\$ (100,213,524)	\$ 994,230,352	2029
12	2029	\$ 994,230,352	\$ 734,981,468	\$ 67,890,423	\$ 850,602,914	\$ (115,621,447)	\$ 946,499,329	2030
13	2030	\$ 946,499,329	\$ 786,594,598	\$ 63,664,647	\$ 923,327,142	\$ (136,732,544)	\$ 873,431,431	2031
14	2031	\$ 873,431,431	\$ 840,242,077	\$ 57,601,481	\$ 998,098,574	\$ (157,856,497)	\$ 773,176,415	2032
15	2032	\$ 773,176,415	\$ 895,924,244	\$ 49,606,462	\$ 1,073,822,963	\$ (177,898,719)	\$ 644,884,158	2033
16	2033	\$ 644,884,158	\$ 954,685,390	\$ 39,703,413	\$ 1,149,187,153	\$ (194,501,763)	\$ 490,085,807	2034
17	2034	\$ 490,085,807	\$ 1,019,637,564	\$ 28,276,996	\$ 1,219,754,121	\$ (200,116,557)	\$ 318,246,246	2035
18	2035	\$ 318,246,246	\$ 1,088,083,032	\$ 16,108,401	\$ 1,280,205,844	\$ (192,122,813)	\$ 142,231,834	2036
19	2036	\$ 142,231,834	\$ 1,158,055,022	\$ 3,949,662	\$ 1,343,523,018	\$ (185,467,996)	\$ (39,286,500)	2037
20	2037	\$ (39,286,500)	\$ 1,227,837,644	\$ -	\$ 1,407,762,590	\$ (179,924,946)	\$ (219,211,446)	2038

2019 Solvency Scenario

Deficit Spending: 2023 / Expenditures exceed revenues and assets 2044

	Begin	BOY Assets	Total Revenue	Investment Income	Total Expenditures	Rev - Exp Excluding Investment Income	EOY Assets	FY End
1	2019	\$ 684,913,335	\$ 371,758,307	\$ 51,090,294	\$ 332,197,568	\$ 39,560,739	\$ 775,564,368	2020
2	2020	\$ 775,564,368	\$ 393,441,596	\$ 57,150,346	\$ 368,009,049	\$ 25,432,547	\$ 858,147,261	2021
3	2021	\$ 858,147,261	\$ 419,974,750	\$ 62,778,773	\$ 404,441,051	\$ 15,533,699	\$ 936,459,733	2022
4	2022	\$ 936,459,733	\$ 450,473,616	\$ 67,946,563	\$ 449,005,131	\$ 1,468,485	\$ 1,005,874,781	2023
5	2023	\$ 1,005,874,781	\$ 479,697,144	\$ 72,521,104	\$ 490,864,538	\$ (11,167,395)	\$ 1,067,228,490	2024
6	2024	\$ 1,067,228,490	\$ 507,199,859	\$ 76,647,924	\$ 527,231,336	\$ (20,031,477)	\$ 1,123,844,938	2025
7	2025	\$ 1,123,844,938	\$ 539,619,994	\$ 80,359,245	\$ 570,503,124	\$ (30,883,129)	\$ 1,173,321,053	2026
8	2026	\$ 1,173,321,053	\$ 572,827,142	\$ 83,552,425	\$ 614,574,778	\$ (41,747,635)	\$ 1,215,125,842	2027
9	2027	\$ 1,215,125,842	\$ 607,169,846	\$ 86,214,309	\$ 659,095,773	\$ (51,925,927)	\$ 1,249,414,223	2028
10	2028	\$ 1,249,414,223	\$ 646,993,989	\$ 88,175,278	\$ 713,400,972	\$ (66,406,982)	\$ 1,271,182,519	2029
11	2029	\$ 1,271,182,519	\$ 687,570,850	\$ 89,232,059	\$ 768,361,849	\$ (80,790,999)	\$ 1,279,623,579	2030
12	2030	\$ 1,279,623,579	\$ 734,386,319	\$ 89,161,545	\$ 834,004,642	\$ (99,618,323)	\$ 1,269,166,801	2031
13	2031	\$ 1,269,166,801	\$ 783,215,660	\$ 87,695,046	\$ 902,375,587	\$ (119,159,927)	\$ 1,237,701,920	2032
14	2032	\$ 1,237,701,920	\$ 834,006,598	\$ 84,710,339	\$ 972,573,504	\$ (138,566,905)	\$ 1,183,845,354	2033
15	2033	\$ 1,183,845,354	\$ 886,725,788	\$ 80,222,395	\$ 1,041,384,911	\$ (154,659,123)	\$ 1,109,408,626	2034
16	2034	\$ 1,109,408,626	\$ 939,887,508	\$ 74,461,181	\$ 1,104,603,212	\$ (164,715,704)	\$ 1,019,154,103	2035
17	2035	\$ 1,019,154,103	\$ 992,006,460	\$ 67,814,471	\$ 1,159,570,627	\$ (167,564,167)	\$ 919,404,407	2036
18	2036	\$ 919,404,407	\$ 1,048,498,646	\$ 60,548,461	\$ 1,217,005,092	\$ (168,506,446)	\$ 811,446,422	2037
19	2037	\$ 811,446,422	\$ 1,107,979,199	\$ 52,775,780	\$ 1,274,988,467	\$ (167,009,268)	\$ 697,212,935	2038
20	2038	\$ 697,212,935	\$ 1,170,906,648	\$ 44,682,664	\$ 1,332,707,303	\$ (161,800,655)	\$ 580,094,944	2039
21	2039	\$ 580,094,944	\$ 1,240,501,950	\$ 36,424,185	\$ 1,395,886,730	\$ (155,384,780)	\$ 461,134,349	2040
22	2040	\$ 461,134,349	\$ 1,317,520,650	\$ 28,059,812	\$ 1,466,725,576	\$ (148,204,926)	\$ 340,989,234	2041
23	2041	\$ 340,989,234	\$ 1,402,937,427	\$ 19,634,535	\$ 1,543,273,542	\$ (140,336,115)	\$ 220,287,655	2042
24	2042	\$ 220,287,655	\$ 1,495,230,682	\$ 11,274,923	\$ 1,624,773,634	\$ (129,542,952)	\$ 102,019,626	2043
25	2043	\$ 102,019,626	\$ 1,595,497,546	\$ 3,285,129	\$ 1,711,143,273	\$ (115,645,727)	\$ (10,340,972)	2044
26	2044	\$ (10,340,972)	\$ 1,704,543,551	\$ -	\$ 1,802,396,793	\$ (97,853,241)	\$ (108,194,213)	2045

Previous Legislation

NMRHCA Sponsored

- 2013 – Introduced legislation requesting 2.5% total contribution increase – passed through multiple committees in both chambers, but received no floor votes
- 2014 – Introduced legislation requesting 2.5% total contribution increase – passed through multiple committees in both chambers and passed house floor vote
- 2015 – Introduced legislation requesting 1.25% contribution increase – passed through multiple committees in both chambers and passed house floor vote
- 2016 – Introduced legislation requesting 1.25% contribution increase – passed through multiple committees in both chambers and passed house floor vote

Enacted Legislation

- 2016 Special Session – SB7 Public Fund Distribution Changes
- Permanent removal of \$3 million annual special distribution from taxation and revenue suspense fund
- Removal of annual 12 percent increase in transfers received from taxation and revenue suspense fund regular distribution

Resulting Impact

- Solvency period reduced to 2030 (post SB7 implementation)
- Projected deficit spending 2020
- Reduction of over \$400 million revenues over life of Trust Fund
- Need for increase in employee & employer contributions

2019 Legislative Proposal

House Bill 95

- Increase employee/employer contributions from 3 percent to 4.5 percent incrementally from FY20 – FY23
- Increase employee/employer contributions under enhanced plans from 3.75 percent to 5.25 percent from FY20-23

	Non-Enhanced			Enhanced		
FY19 - Current	1.00%	2.00%	3.00%	1.25%	2.50%	3.75%
FY20	1.00%	2.50%	3.50%	1.25%	3.00%	4.25%
FY21	1.00%	3.00%	4.00%	1.25%	3.50%	4.75%
FY22	1.25%	3.00%	4.25%	1.50%	3.50%	5.00%
FY23	1.50%	3.00%	4.50%	1.75%	3.50%	5.25%

• Fiscal Impact

Legislative Proposal							Additional	Est.
	Employee	Employer	Total	Employee	Employer	Total	Revenue	GF Impact
FY19	1.00%	2.00%	3.00%	\$ 43,549,337.00	\$ 87,098,674.00	\$130,648,011.00	NA	NA
FY20	1.000%	2.500%	3.500%	\$ 43,549,337.00	\$ 108,873,342.50	\$152,422,679.50	\$ 21,774,668.50	\$ 11,976,067.68
FY21	1.000%	3.000%	4.000%	\$ 43,549,337.00	\$ 130,648,011.00	\$174,197,348.00	\$ 21,774,668.50	\$ 11,976,067.68
FY22	1.250%	3.000%	4.250%	\$ 54,436,671.25	\$ 130,648,011.00	\$185,084,682.25	\$ 10,887,334.25	
FY23	1.500%	3.000%	4.500%	\$ 65,324,005.00	\$ 130,648,011.00	\$195,972,016.00	\$ 10,887,333.75	

Moving Forward

Tailwinds

- March 2019 - \$729.2 million, up \$153.1 million, or 26.6 percent from March 2018*
- Recurring revenue through March was \$5.98 billion, up \$1.36 billion or 29.4 percent, from the same period a year ago*
- Tracking nearly \$290 million above the forecast, for FY19*
- Estimates of additional \$1.3 billion for FY21
- Forecast expected to remain strong for several years
- Public employee salary increases
- Impact of Rule Change

Headwinds

- Impact of Rule Change
- Excluded from other solvency discussions
- GASB 74/75 impact to bond ratings/capacity
- General discussion regarding use of projected surpluses (tax payer rebates)

*Source: https://nmlegis.gov/Entity/LFC/Documents/Revenue_Reports/Monthly_Revenue_Tracking/2019/March%202019%20Revenue%20Report.pdf

Employee / Employer Contribution Changes

Scenario I: 0.25% increase employer contribution / no change to the employee

- Deficit spending – 2024
- Revenues – additional \$11 million annually
- General Fund Impact - \$5.9 million
- Projected solvency – beyond 30 years
 - Projected EOY High (FY31) - \$1,474,277,523
 - FY50 – Revenues: \$2,637,270,883 / Expenditures: \$2,489,785,432 / EOY: \$1,507,496,624

Scenario II: 0.5% increase in employer contribution / no change to the employee

- Deficit spending – 2025
- Revenues – additional \$22 million annually
- General Fund Impact - \$11.8 million
- Projected solvency – beyond 30 years
 - Projected EOY High (FY33) - \$1,721,146,795
 - FY50 – Revenues: \$2,663,605,745 / Expenditures: \$2,489,785,432 / EOY: \$3,162,488,554

Scenario III: 0.5% increase in employer contribution / 0.25% increase in employee contribution

- Deficit spending – 2026
- Revenues – additional \$33 million annually
- General Fund Impact - \$17.7 million
- Projected solvency – beyond 30 years
 - Projected EOY High (FY50) - \$4,817,480,485
 - FY50 – Revenues: \$2,689,940,607 / Expenditures: \$2,489,785,432 / EOY: \$4,817,480,485

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period
Additional Scenarios: Proposed Legislation 1

9% trend for Non-Medicare and Medicare medical and 10% trend for Non-Medicare and Medicare Rx in CY2020; 8% trend for Non-Medicare and Medicare medical and Rx in FY2021 and beyond; Annual Non-Medicare Medical Plan Changes in CY2024+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 7% in CY2020, 8% in CY2021-2023, and net 8% with plan changes thereafter, Medicare Rate Increase of 5% in CY2020, 6% in CY2021-2033, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2022 consistent with GASB report; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.11 NMAC eff. Jan 2021; Effective FY21, 0.25% increase in employer contribution / no change to the employee contribution

		REVENUE								EXPENDITURES								Rev. - Exp.		
Fiscal Year	BOY Invested	Employer	Employee	Retiree	Retiree		Medicare PDP &		Total	Investment			Ancillary	ASO & HC Reform	Total	Rev. - Exp.	Fiscal Year	EOY Invested		
Beginning	Assets	Contribution	Contribution	Medical	Ancillary	Tax Revenue	Manufacturers	Discount	Revenue	Income	Medical/Rx	Basic Life	Premiums	Fees	Program Support	Expenditures	Income	End	Assets	
7/1/2019	\$684,913,335	\$88,969,782	\$44,484,891	\$146,462,591	\$33,093,930	\$29,406,967	\$28,965,850	\$374,296	\$371,758,307	\$51,090,294	\$281,283,385	\$1,123,211	\$33,093,930	\$13,561,142	\$3,135,900	\$332,197,568	\$39,560,739	6/30/2020	\$775,564,368	
7/1/2020	\$775,564,368	\$99,819,396	\$44,484,891	\$160,265,675	\$35,366,319	\$32,935,804	\$31,047,346	\$371,780	\$404,291,211	\$57,543,645	\$315,009,154	\$374,404	\$35,366,319	\$14,044,875	\$3,214,298	\$368,009,049	\$36,282,161	6/30/2021	\$869,390,174	
7/1/2021	\$869,390,174	\$102,813,978	\$45,819,438	\$175,176,053	\$37,951,782	\$36,888,100	\$32,129,857	\$370,645	\$431,149,852	\$63,998,982	\$348,665,973	\$0	\$37,951,782	\$14,528,642	\$3,294,655	\$404,441,051	\$26,708,801	6/30/2022	\$960,097,957	
7/1/2022	\$960,097,957	\$105,898,398	\$47,194,021	\$193,082,675	\$40,982,922	\$41,314,672	\$33,131,013	\$380,272	\$461,983,972	\$70,077,585	\$389,466,376	\$0	\$40,982,922	\$15,178,812	\$3,377,021	\$449,005,131	\$12,978,841	6/30/2023	\$1,043,154,383	
7/1/2023	\$1,043,154,383	\$109,075,350	\$48,609,841	\$209,356,416	\$43,757,923	\$46,272,433	\$34,105,978	\$374,870	\$491,552,810	\$75,653,643	\$427,901,639	\$0	\$43,757,923	\$15,743,530	\$3,461,447	\$490,864,538	\$688,272	6/30/2024	\$1,119,496,298	
7/1/2024	\$1,119,496,298	\$112,347,610	\$50,068,137	\$223,363,077	\$46,499,472	\$51,825,124	\$34,938,662	\$369,114	\$519,411,196	\$80,880,002	\$460,961,275	\$0	\$46,499,472	\$16,222,606	\$3,547,983	\$527,231,336	(\$7,820,140)	6/30/2025	\$1,192,556,159	
7/1/2025	\$1,192,556,159	\$115,718,038	\$51,570,181	\$240,502,780	\$50,094,639	\$58,044,139	\$35,893,920	\$373,974	\$552,197,671	\$85,796,749	\$499,913,444	\$0	\$50,094,639	\$16,858,358	\$3,636,683	\$570,503,124	(\$18,305,453)	6/30/2026	\$1,260,047,456	
7/1/2026	\$1,260,047,456	\$119,189,580	\$53,117,286	\$257,916,985	\$53,414,797	\$65,009,436	\$36,762,508	\$371,557	\$585,782,149	\$90,309,708	\$539,989,928	\$0	\$53,414,797	\$17,442,453	\$3,727,600	\$614,574,778	(\$28,792,628)	6/30/2027	\$1,321,564,535	
7/1/2027	\$1,321,564,535	\$122,765,267	\$54,710,805	\$275,446,406	\$56,811,247	\$72,810,568	\$37,603,783	\$365,427	\$620,513,503	\$94,414,821	\$580,497,660	\$0	\$56,811,247	\$17,966,077	\$3,820,790	\$659,095,773	(\$38,582,270)	6/30/2028	\$1,377,397,086	
7/1/2028	\$1,377,397,086	\$126,448,225	\$56,352,129	\$296,637,901	\$60,974,154	\$81,547,837	\$38,405,114	\$372,596	\$660,737,956	\$97,952,254	\$629,894,517	\$0	\$60,974,154	\$18,615,992	\$3,916,309	\$713,400,972	(\$52,663,015)	6/30/2029	\$1,422,686,325	
7/1/2029	\$1,422,686,325	\$130,241,672	\$58,042,693	\$317,898,930	\$64,792,208	\$91,333,577	\$39,045,786	\$372,270	\$701,727,136	\$100,729,250	\$680,363,964	\$0	\$64,792,208	\$19,191,460	\$4,014,217	\$768,361,849	(\$66,634,713)	6/30/2030	\$1,456,780,862	
7/1/2030	\$1,456,780,862	\$134,148,922	\$59,783,974	\$343,017,300	\$69,678,781	\$102,293,606	\$39,657,919	\$386,792	\$748,967,294	\$102,534,009	\$740,305,039	\$0	\$69,678,781	\$19,906,249	\$4,114,573	\$834,004,642	(\$85,037,348)	6/30/2031	\$1,474,277,523	
7/1/2031	\$1,474,277,523	\$138,173,390	\$61,577,493	\$369,014,645	\$74,328,220	\$114,568,839	\$40,176,743	\$394,734	\$798,234,064	\$103,109,990	\$803,242,802	\$0	\$74,328,220	\$20,587,128	\$4,217,437	\$902,375,587	(\$104,141,523)	6/30/2032	\$1,473,245,990	
7/1/2032	\$1,473,245,990	\$142,318,591	\$63,424,818	\$395,322,671	\$79,070,291	\$128,317,100	\$40,621,741	\$400,343	\$849,475,554	\$102,348,034	\$867,976,376	\$0	\$79,070,291	\$21,203,964	\$4,322,873	\$972,573,504	(\$123,097,949)	6/30/2033	\$1,452,496,074	
7/1/2033	\$1,452,496,074	\$146,588,149	\$65,327,562	\$420,978,889	\$84,524,594	\$143,715,152	\$41,114,099	\$410,368	\$902,658,813	\$100,277,144	\$930,534,645	\$0	\$84,524,594	\$21,894,727	\$4,430,945	\$1,041,384,911	(\$138,726,098)	6/30/2034	\$1,414,047,120	
7/1/2034	\$1,414,047,120	\$150,985,793	\$67,287,389	\$444,583,992	\$90,530,762	\$160,960,970	\$41,522,875	\$426,742	\$956,298,523	\$97,142,371	\$986,867,184	\$0	\$90,530,762	\$22,663,548	\$4,541,718	\$1,104,603,212	(\$148,304,689)	6/30/2035	\$1,362,884,803	
7/1/2035	\$1,362,884,803	\$155,515,367	\$69,306,011	\$465,413,314	\$95,995,324	\$180,276,286	\$41,977,058	\$426,446	\$1,008,909,806	\$93,347,693	\$1,035,629,640	\$0	\$95,995,324	\$23,290,403	\$4,655,261	\$1,159,570,627	(\$150,660,821)	6/30/2036	\$1,305,571,675	
7/1/2036	\$1,305,571,675	\$160,180,828	\$71,385,191	\$487,468,999	\$102,006,132	\$201,909,441	\$42,531,944	\$426,557	\$1,065,909,092	\$89,176,716	\$1,086,323,410	\$0	\$102,006,132	\$23,903,907	\$4,771,643	\$1,217,005,092	(\$151,096,000)	6/30/2037	\$1,243,652,392	
7/1/2037	\$1,243,652,392	\$164,986,253	\$73,526,747	\$509,906,588	\$107,989,668	\$226,138,574	\$42,936,925	\$427,204	\$1,125,911,959	\$84,760,775	\$1,137,630,765	\$0	\$107,989,668	\$24,477,100	\$4,890,934	\$1,274,988,467	(\$149,076,508)	6/30/2038	\$1,179,336,659	
7/1/2038	\$1,179,336,659	\$169,935,841	\$75,732,549	\$532,515,829	\$114,110,676	\$253,275,203	\$43,385,612	\$421,681	\$1,189,377,390	\$80,306,198	\$1,188,584,355	\$0	\$114,110,676	\$24,999,065	\$5,013,207	\$1,332,707,303	(\$143,329,913)	6/30/2039	\$1,116,312,945	
7/1/2039	\$1,116,312,945	\$175,033,916	\$78,004,526	\$557,628,243	\$120,939,315	\$283,668,227	\$43,830,886	\$421,702	\$1,259,526,815	\$75,989,642	\$1,244,235,720	\$0	\$120,939,315	\$25,573,157	\$5,138,537	\$1,395,886,730	(\$136,359,915)	6/30/2040	\$1,055,942,671	
7/1/2040	\$1,055,942,671	\$180,284,933	\$80,344,661	\$585,693,699	\$128,402,463	\$317,708,414	\$44,257,547	\$424,543	\$1,337,116,260	\$71,893,756	\$1,305,844,768	\$0	\$128,402,463	\$26,211,345	\$5,267,001	\$1,465,725,576	(\$128,609,316)	6/30/2041	\$999,227,111	
7/1/2041	\$999,227,111	\$185,693,481	\$82,755,001	\$616,999,657	\$136,799,483	\$355,833,424	\$44,604,753	\$435,107	\$1,423,120,906	\$68,088,433	\$1,374,128,970	\$0	\$136,799,483	\$26,946,413	\$5,398,676	\$1,543,273,542	(\$120,152,636)	6/30/2042	\$947,162,908	
7/1/2042	\$947,162,908	\$191,264,286	\$85,237,651	\$650,128,959	\$145,520,956	\$398,533,435	\$44,889,593	\$444,786	\$1,516,019,666	\$64,726,979	\$1,446,025,741	\$0	\$145,520,956	\$27,693,295	\$5,533,643	\$1,624,773,634	(\$108,753,969)	6/30/2043	\$903,135,919	
7/1/2043	\$903,135,919	\$197,002,214	\$87,794,781	\$685,285,012	\$154,883,634	\$446,357,447	\$45,130,628	\$456,483	\$1,616,910,199	\$62,061,405	\$1,522,12									

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period
Additional Scenarios: Proposed Legislation 2

9% trend for Non-Medicare and Medicare medical and 10% trend for Non-Medicare and Medicare Rx in CY2020; 8% trend for Non-Medicare and Medicare medical and Rx in FY2021 and beyond; Annual Non-Medicare Medical Plan Changes in CY2024+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 7% in CY2020, 8% in CY2021-2023, and net 8% with plan changes thereafter, Medicare Rate Increase of 5% in CY2020, 6% in CY2021-2033, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2022 consistent with GASB report; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.11 NMAC eff. Jan 2021; Effective FY21, 0.5% increase in employer contribution / no change to the employee contribution

		REVENUE									EXPENDITURES							Rev. - Exp.		
Fiscal Year	BOY Invested	Employer	Employee	Retiree	Retiree	Medicare PDP &			Total	Investment			Ancillary	ASO & HC Reform	Total	Rev. - Exp.	Fiscal Year	EOY Invested		
Beginning	Assets	Contribution	Contribution	Medical	Ancillary	Tax Revenue	Discount	Miscellaneous	Revenue	Income	Medical/Rx	Basic Life	Premiums	Fees	Program Support	Expenditures	Income	End	Assets	
7/1/2019	\$684,913,335	\$88,969,782	\$44,484,891	\$146,462,591	\$33,093,930	\$29,406,967	\$28,965,850	\$374,296	\$371,758,307	\$51,090,294	\$281,283,385	\$1,123,211	\$33,093,930	\$13,561,142	\$3,135,900	\$332,197,568	\$39,560,739	6/30/2020	\$775,564,368	
7/1/2020	\$775,564,368	\$110,669,011	\$44,484,891	\$160,265,675	\$35,366,319	\$32,935,804	\$31,047,346	\$371,780	\$415,140,825	\$57,936,944	\$315,009,154	\$374,404	\$35,366,319	\$14,044,875	\$3,214,298	\$368,009,049	\$47,131,776	6/30/2021	\$880,633,087	
7/1/2021	\$880,633,087	\$113,989,081	\$45,819,438	\$175,176,053	\$37,951,782	\$36,888,100	\$32,129,857	\$370,645	\$442,324,955	\$65,219,190	\$348,665,973	\$0	\$37,951,782	\$14,528,642	\$3,294,655	\$404,441,051	\$37,883,904	6/30/2022	\$983,736,182	
7/1/2022	\$983,736,182	\$117,408,754	\$47,194,021	\$193,082,675	\$40,982,922	\$41,314,672	\$33,131,013	\$380,272	\$473,494,328	\$72,208,607	\$389,466,376	\$0	\$40,982,922	\$15,178,812	\$3,377,021	\$449,005,131	\$24,489,197	6/30/2023	\$1,080,433,985	
7/1/2023	\$1,080,433,985	\$120,931,016	\$48,609,841	\$209,356,416	\$43,757,923	\$46,272,433	\$34,105,978	\$374,870	\$503,408,477	\$78,786,182	\$427,901,639	\$0	\$43,757,923	\$15,743,530	\$3,461,447	\$490,864,538	\$12,543,939	6/30/2024	\$1,171,764,106	
7/1/2024	\$1,171,764,106	\$124,558,947	\$50,068,137	\$223,363,077	\$46,499,472	\$51,825,124	\$34,938,662	\$369,114	\$531,622,533	\$85,112,079	\$460,961,275	\$0	\$46,499,472	\$16,222,606	\$3,547,983	\$527,231,336	\$4,391,196	6/30/2025	\$1,261,267,381	
7/1/2025	\$1,261,267,381	\$128,295,715	\$51,570,181	\$240,502,780	\$50,094,639	\$58,044,139	\$35,893,920	\$373,974	\$564,775,348	\$91,234,253	\$499,913,444	\$0	\$50,094,639	\$16,858,358	\$3,636,683	\$570,503,124	(\$5,727,776)	6/30/2026	\$1,346,773,858	
7/1/2026	\$1,346,773,858	\$132,144,587	\$53,117,286	\$257,916,985	\$53,414,797	\$65,009,436	\$36,762,508	\$371,557	\$598,737,156	\$97,066,991	\$539,989,928	\$0	\$53,414,797	\$17,442,453	\$3,727,600	\$614,574,778	(\$15,837,621)	6/30/2027	\$1,428,003,228	
7/1/2027	\$1,428,003,228	\$136,108,924	\$54,710,805	\$275,446,406	\$56,811,247	\$72,810,568	\$37,603,783	\$365,427	\$633,857,160	\$102,615,334	\$580,497,660	\$0	\$56,811,247	\$17,966,077	\$3,820,790	\$659,095,773	(\$25,238,613)	6/30/2028	\$1,505,379,949	
7/1/2028	\$1,505,379,949	\$140,192,192	\$56,352,129	\$296,637,901	\$60,974,154	\$81,547,837	\$38,405,114	\$372,596	\$674,481,923	\$107,729,231	\$629,894,517	\$0	\$60,974,154	\$18,615,992	\$3,916,309	\$713,400,972	(\$38,919,048)	6/30/2029	\$1,574,190,132	
7/1/2029	\$1,574,190,132	\$144,397,958	\$58,042,693	\$317,898,930	\$64,792,208	\$91,333,577	\$39,045,786	\$372,270	\$715,883,422	\$112,226,442	\$680,363,964	\$0	\$64,792,208	\$19,191,460	\$4,014,217	\$768,361,849	(\$52,478,427)	6/30/2030	\$1,633,938,146	
7/1/2030	\$1,633,938,146	\$148,729,896	\$59,783,974	\$343,017,300	\$69,678,781	\$102,293,606	\$39,657,919	\$386,792	\$763,548,269	\$115,906,472	\$740,305,039	\$0	\$69,678,781	\$19,906,249	\$4,114,573	\$834,004,642	(\$70,456,373)	6/30/2031	\$1,679,388,245	
7/1/2031	\$1,679,388,245	\$153,191,793	\$61,577,493	\$369,014,645	\$74,328,220	\$114,568,839	\$40,176,743	\$394,734	\$813,252,467	\$118,524,935	\$803,242,802	\$0	\$74,328,220	\$20,587,128	\$4,217,437	\$902,375,587	(\$89,123,119)	6/30/2032	\$1,708,790,060	
7/1/2032	\$1,708,790,060	\$157,787,547	\$63,424,818	\$395,322,671	\$79,070,291	\$128,317,100	\$40,621,741	\$400,343	\$864,944,510	\$119,985,728	\$867,976,376	\$0	\$79,070,291	\$21,203,964	\$4,322,873	\$972,573,504	(\$107,628,994)	6/30/2033	\$1,721,146,795	
7/1/2033	\$1,721,146,795	\$162,521,174	\$65,327,562	\$420,978,889	\$84,524,594	\$143,715,152	\$41,114,099	\$410,368	\$918,591,837	\$120,331,894	\$930,534,645	\$0	\$84,524,594	\$21,894,727	\$4,430,945	\$1,041,384,911	(\$122,793,074)	6/30/2034	\$1,718,685,615	
7/1/2034	\$1,718,685,615	\$167,396,809	\$67,287,389	\$444,583,992	\$90,530,762	\$160,960,970	\$41,522,875	\$426,742	\$972,709,539	\$119,823,561	\$986,867,184	\$0	\$90,530,762	\$22,663,548	\$4,541,718	\$1,104,603,212	(\$131,893,673)	6/30/2035	\$1,706,615,503	
7/1/2035	\$1,706,615,503	\$172,418,713	\$69,306,011	\$465,413,314	\$95,995,324	\$180,276,286	\$41,977,058	\$426,446	\$1,025,813,152	\$118,880,915	\$1,035,629,640	\$0	\$95,995,324	\$23,290,403	\$4,655,261	\$1,159,570,627	(\$133,757,475)	6/30/2036	\$1,691,738,943	
7/1/2036	\$1,691,738,943	\$177,591,274	\$71,385,191	\$487,468,999	\$102,006,132	\$201,909,441	\$42,531,944	\$426,557	\$1,083,319,538	\$117,804,972	\$1,086,323,410	\$0	\$102,006,132	\$23,903,907	\$4,771,643	\$1,217,005,092	(\$133,685,553)	6/30/2037	\$1,675,858,362	
7/1/2037	\$1,675,858,362	\$182,919,013	\$73,526,747	\$509,906,588	\$107,989,668	\$226,138,574	\$42,936,925	\$427,204	\$1,143,844,718	\$116,745,770	\$1,137,630,765	\$0	\$107,989,668	\$24,477,100	\$4,890,934	\$1,274,988,467	(\$131,143,749)	6/30/2038	\$1,661,460,384	
7/1/2038	\$1,661,460,384	\$188,406,583	\$75,732,549	\$532,515,829	\$114,110,676	\$253,275,203	\$43,385,612	\$421,681	\$1,207,848,133	\$115,929,733	\$1,188,584,355	\$0	\$114,110,676	\$24,999,065	\$5,013,207	\$1,332,707,303	(\$124,859,170)	6/30/2039	\$1,652,530,946	
7/1/2039	\$1,652,530,946	\$194,058,781	\$78,004,526	\$557,628,243	\$120,939,315	\$283,668,227	\$43,830,886	\$421,702	\$1,278,551,679	\$115,555,098	\$1,244,235,720	\$0	\$120,939,315	\$25,573,157	\$5,138,537	\$1,395,886,730	(\$117,335,051)	6/30/2040	\$1,650,750,994	
7/1/2040	\$1,650,750,994	\$199,880,544	\$80,344,661	\$585,693,699	\$128,402,463	\$317,708,414	\$44,257,547	\$424,543	\$1,356,711,871	\$115,727,700	\$1,305,844,768	\$0	\$128,402,463	\$26,211,345	\$5,267,001	\$1,465,725,576	(\$109,013,705)	6/30/2041	\$1,657,464,989	
7/1/2041	\$1,657,464,989	\$205,876,960	\$82,755,001	\$616,999,657	\$136,799,483	\$355,833,424	\$44,604,753	\$435,107	\$1,443,304,385	\$116,542,330	\$1,374,128,970	\$0	\$136,799,483	\$26,946,413	\$5,398,676	\$1,543,273,542	(\$99,969,157)	6/30/2042	\$1,674,038,161	
7/1/2042	\$1,674,038,161	\$212,053,269	\$85,237,651	\$650,128,959	\$145,520,956	\$398,533,435	\$44,889,593	\$444,786	\$1,536,808,649	\$118,179,036	\$1,446,025,741	\$0	\$145,520,956	\$27,693,295	\$5,533,643	\$1,624,773,634	(\$87,964,985)	6/30/2043	\$1,704,252,212	
7/1/2043	\$1,704,252,212	\$218,414,867	\$87,794,781	\$685,285,012	\$154,883,634	\$446,357,447	\$45,130,628	\$456,483	\$1,638,322,851	\$120,918,545	\$1,522,127,192	\$0								

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period
Additional Scenarios: Proposed Legislation 3

9% trend for Non-Medicare and Medicare medical and 10% trend for Non-Medicare and Medicare Rx in CY2020; 8% trend for Non-Medicare and Medicare medical and Rx in FY2021 and beyond; Annual Non-Medicare Medical Plan Changes in CY2024+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 7% in CY2020, 8% in CY2021-2023, and net 8% with plan changes thereafter, Medicare Rate Increase of 5% in CY2020, 6% in CY2021-2033, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2022 consistent with GASB report; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.11 NMAC eff. Jan 2021; Effective FY21, 0.5% increase in employer contribution / 0.25% increase in employee contribution

		REVENUE									EXPENDITURES							Rev. - Exp.			
Fiscal Year	BOY Invested	Employer	Employee	Retiree	Retiree	Medicare PDP &			Total	Investment			Ancillary	ASO & HC Reform	Total	Rev. - Exp.	Fiscal Year	EOY Invested			
Beginning	Assets	Contribution	Contribution	Medical	Ancillary	Tax Revenue	Discount	Miscellaneous	Revenue	Income	Medical/Rx	Basic Life	Premiums	Fees	Program Support	Expenditures	Income	End	Assets		
7/1/2019	\$684,913,335	\$88,969,782	\$44,484,891	\$146,462,591	\$33,093,930	\$29,406,967	\$28,965,850	\$374,296	\$371,758,307	\$51,090,294	\$281,283,385	\$1,123,211	\$33,093,930	\$13,561,142	\$3,135,900	\$332,197,568	\$39,560,739	6/30/2020	\$775,564,368		
7/1/2020	\$775,564,368	\$110,669,011	\$55,334,505	\$160,265,675	\$35,366,319	\$32,935,804	\$31,047,346	\$371,780	\$425,990,440	\$58,330,242	\$315,009,154	\$374,404	\$35,366,319	\$14,044,875	\$3,214,298	\$368,009,049	\$57,981,390	6/30/2021	\$891,876,000		
7/1/2021	\$891,876,000	\$113,989,081	\$56,994,541	\$175,176,053	\$37,951,782	\$36,888,100	\$32,129,857	\$370,645	\$453,500,058	\$66,439,399	\$348,665,973	\$0	\$37,951,782	\$14,528,642	\$3,294,655	\$404,441,051	\$49,059,007	6/30/2022	\$1,007,374,406		
7/1/2022	\$1,007,374,406	\$117,408,754	\$58,704,377	\$193,082,675	\$40,982,922	\$41,314,672	\$33,131,013	\$380,272	\$485,004,684	\$74,339,628	\$389,466,376	\$0	\$40,982,922	\$15,178,812	\$3,377,021	\$449,005,131	\$35,999,553	6/30/2023	\$1,117,713,588		
7/1/2023	\$1,117,713,588	\$120,931,016	\$60,465,508	\$209,356,416	\$43,757,923	\$46,272,433	\$34,105,978	\$374,870	\$515,264,144	\$81,918,721	\$427,901,639	\$0	\$43,757,923	\$15,743,530	\$3,461,447	\$490,864,538	\$24,399,605	6/30/2024	\$1,224,031,914		
7/1/2024	\$1,224,031,914	\$124,558,947	\$62,279,473	\$223,363,077	\$46,499,472	\$51,825,124	\$34,938,662	\$369,114	\$543,833,869	\$89,344,156	\$460,961,275	\$0	\$46,499,472	\$16,222,606	\$3,547,983	\$527,231,336	\$16,602,533	6/30/2025	\$1,329,978,602		
7/1/2025	\$1,329,978,602	\$128,295,715	\$64,147,858	\$240,502,780	\$50,094,639	\$58,044,139	\$35,893,920	\$373,974	\$577,353,025	\$96,671,758	\$499,913,444	\$0	\$50,094,639	\$16,858,358	\$3,636,683	\$570,503,124	\$6,849,901	6/30/2026	\$1,433,500,261		
7/1/2026	\$1,433,500,261	\$132,144,587	\$66,072,293	\$257,916,985	\$53,414,797	\$65,009,436	\$36,762,508	\$371,557	\$611,692,164	\$103,824,274	\$539,989,928	\$0	\$53,414,797	\$17,442,453	\$3,727,600	\$614,574,778	(\$2,882,614)	6/30/2027	\$1,534,441,921		
7/1/2027	\$1,534,441,921	\$136,108,924	\$68,054,462	\$275,446,406	\$56,811,247	\$72,810,568	\$37,603,783	\$365,427	\$647,200,818	\$110,815,847	\$580,497,660	\$0	\$56,811,247	\$17,966,077	\$3,820,790	\$659,095,773	(\$11,894,956)	6/30/2028	\$1,633,362,812		
7/1/2028	\$1,633,362,812	\$140,192,192	\$70,096,096	\$296,637,901	\$60,974,154	\$81,547,837	\$38,405,114	\$372,596	\$688,225,890	\$117,506,207	\$629,894,517	\$0	\$60,974,154	\$18,615,992	\$3,916,309	\$713,400,972	(\$25,175,081)	6/30/2029	\$1,725,693,938		
7/1/2029	\$1,725,693,938	\$144,397,958	\$72,198,979	\$317,898,930	\$64,792,208	\$91,333,577	\$39,045,786	\$372,270	\$730,039,708	\$123,723,633	\$680,363,964	\$0	\$64,792,208	\$19,191,460	\$4,014,217	\$768,361,849	(\$38,322,141)	6/30/2030	\$1,811,095,430		
7/1/2030	\$1,811,095,430	\$148,729,896	\$74,364,948	\$343,017,300	\$69,678,781	\$102,293,606	\$39,657,919	\$386,792	\$778,129,243	\$129,278,935	\$740,305,039	\$0	\$69,678,781	\$19,906,249	\$4,114,573	\$834,004,642	(\$55,875,399)	6/30/2031	\$1,884,498,966		
7/1/2031	\$1,884,498,966	\$153,191,793	\$76,595,897	\$369,014,645	\$74,328,220	\$114,568,839	\$40,176,743	\$394,734	\$828,270,871	\$133,939,879	\$803,242,802	\$0	\$74,328,220	\$20,587,128	\$4,217,437	\$902,375,587	(\$74,104,715)	6/30/2032	\$1,944,334,130		
7/1/2032	\$1,944,334,130	\$157,787,547	\$78,893,774	\$395,322,671	\$79,070,291	\$128,317,100	\$40,621,741	\$400,343	\$880,413,466	\$137,623,423	\$867,976,376	\$0	\$79,070,291	\$21,203,964	\$4,322,873	\$972,573,504	(\$92,160,038)	6/30/2033	\$1,989,797,516		
7/1/2033	\$1,989,797,516	\$162,521,174	\$81,260,587	\$420,978,889	\$84,524,594	\$143,715,152	\$41,114,099	\$410,368	\$934,524,862	\$140,386,643	\$930,534,645	\$0	\$84,524,594	\$21,894,727	\$4,430,945	\$1,041,384,911	(\$106,860,049)	6/30/2034	\$2,023,324,109		
7/1/2034	\$2,023,324,109	\$167,396,809	\$83,698,404	\$444,583,992	\$90,530,762	\$160,960,970	\$41,522,875	\$426,742	\$989,120,554	\$142,504,752	\$986,867,184	\$0	\$90,530,762	\$22,663,548	\$4,541,718	\$1,104,603,212	(\$115,482,658)	6/30/2035	\$2,050,346,203		
7/1/2035	\$2,050,346,203	\$172,418,713	\$86,209,357	\$465,413,314	\$95,995,324	\$180,276,286	\$41,977,058	\$426,446	\$1,042,716,498	\$144,414,138	\$1,035,629,640	\$0	\$95,995,324	\$23,290,403	\$4,655,261	\$1,159,570,627	(\$116,854,129)	6/30/2036	\$2,077,906,211		
7/1/2036	\$2,077,906,211	\$177,591,274	\$88,795,637	\$487,468,999	\$102,006,132	\$201,909,441	\$42,531,944	\$426,557	\$1,100,729,984	\$146,433,228	\$1,086,323,410	\$0	\$102,006,132	\$23,903,907	\$4,771,643	\$1,217,005,092	(\$116,275,107)	6/30/2037	\$2,108,064,331		
7/1/2037	\$2,108,064,331	\$182,919,013	\$91,459,506	\$509,906,588	\$107,989,668	\$226,138,574	\$42,936,925	\$427,204	\$1,161,777,478	\$148,730,766	\$1,137,630,765	\$0	\$107,989,668	\$24,477,100	\$4,890,934	\$1,274,988,467	(\$113,210,989)	6/30/2038	\$2,143,584,108		
7/1/2038	\$2,143,584,108	\$188,406,583	\$94,203,292	\$532,515,829	\$114,110,676	\$253,275,203	\$43,385,612	\$421,681	\$1,226,318,875	\$151,553,267	\$1,188,584,355	\$0	\$114,110,676	\$24,999,065	\$5,013,207	\$1,332,707,303	(\$106,388,428)	6/30/2039	\$2,188,748,948		
7/1/2039	\$2,188,748,948	\$194,058,781	\$97,029,390	\$557,628,243	\$120,939,315	\$283,668,227	\$43,830,886	\$421,702	\$1,297,576,544	\$155,120,554	\$1,244,235,720	\$0	\$120,939,315	\$25,573,157	\$5,138,537	\$1,395,886,730	(\$98,310,186)	6/30/2040	\$2,245,559,316		
7/1/2040	\$2,245,559,316	\$199,880,544	\$99,940,272	\$585,693,699	\$128,402,463	\$317,708,414	\$44,257,547	\$424,543	\$1,376,307,481	\$159,561,644	\$1,305,844,768	\$0	\$128,402,463	\$26,211,345	\$5,267,001	\$1,465,725,576	(\$89,418,095)	6/30/2041	\$2,315,702,866		
7/1/2041	\$2,315,702,866	\$205,876,960	\$102,938,480	\$616,999,657	\$136,799,483	\$355,833,424	\$44,604,753	\$435,107	\$1,463,487,864	\$164,996,227	\$1,374,128,970	\$0	\$136,799,483	\$26,946,413	\$5,398,676	\$1,543,273,542	(\$79,785,678)	6/30/2042	\$2,400,913,415		
7/1/2042	\$2,400,913,415	\$212,053,269	\$106,026,635	\$650,128,956	\$145,520,956	\$398,533,435	\$44,889,593	\$444,786	\$1,557,597,632	\$171,631,092	\$1,446,025,741	\$0	\$145,520,956	\$27,693,295	\$5,533,643	\$1,624,773,634	(\$67,176,002)	6/30/2043	\$2,505,368,505		
7/1/2043	\$2,505,368,505	\$218,414,867	\$109,207,434	\$685,285,012	\$154,883,634	\$446,357,447	\$45,130,628	\$456,483	\$1,659,735,504	\$179,775,685	\$1,522,127,192	\$0	\$154,883,634	\$28,460,463	\$5,671,984	\$1,711,143,273	(\$51,407,769)	6/30/2044	\$2,633,736,421		
7/1/2044	\$2,633,736,421	\$224,967,313	\$112,483,657	\$722,613,858	\$164,886,907	\$499,920,340	\$45,368,086	\$468,487	\$1,770,708,648	\$187											