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REGULAR MEETING OF THE BOARD OF DIRECTORS



**June 2, 2020
9:30 AM**

**Online: <https://global.gotomeeting.com/join/160857589>
Telephone: 1-312-757-3121 / Access Code: 160-857-589**

New Mexico Retiree Health Care Authority
Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

June 2, 2020

	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. Bhakta			
Ms. Moon			
Ms. Madrid			

NMRHCA BOARD OF DIRECTORS

JUNE 2020

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Mr. Joe Montaña, Vice President
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Ms. Pamela Moon
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Mr. Doug Crandall, Secretary
Retired Public Employees of New Mexico
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Regular Meeting of the
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

June 2, 2020
9:30 AM

Online: <https://global.gotomeeting.com/join/160857589>
Telephone: 1-312-757-3121 / Access Code: 160-857-589

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14. Executive Session Pursuant to NMSA 1978, Section 10-15-1(H)(6) To Discuss Limited Personnel Matters	Mr. Sullivan, President	
15. Date & Location of Next Board Meeting	Mr. Sullivan, President	
	July 9 & 10, 2020, TBD Via: Teleconference GoToMeetings	

16. Adjourn

ACTION SUMMARY

NM RETIREE HEALTH CARE AUTHORITY/REGULAR BOARD MEETING

May 5, 2020

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MINUTES OF THE
NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS
REGULAR MEETING/VIA TELECONFERENCE

May 5, 2020

1. CALL TO ORDER

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. via video conference.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Mr. Tom Sullivan, President
Mr. Joe Montañño, Vice President
Mr. Doug Crandall, Secretary
The Hon. Tim Eichenberg, NM State Treasurer
Mr. Sanjay Bhakta
Ms. Jan Goodwin
Ms. LeAnne Larrañaga-Ruffy
Mr. Terry Linton
Ms. Leane Madrid
Ms. Pamela Moon
Ms. Therese Saunders

Members Excused:

None.

Staff Present:

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

3. PLEDGE OF ALLEGIANCE

Mr. Sullivan led the pledge.

4. APPROVAL OF AGENDA

Mr. Crandall moved approval of the agenda, as published. Ms. Saunders seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES: April 14, 2020

Mr. Montañó moved approval of the April 14 minutes, as submitted. Mr. Crandall seconded the motion, which passed unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

There were no speakers.

7. COMMITTEE REPORTS

Chairman Sullivan reported that the Executive Committee met to set today's agenda.

Mr. Crandall said the Finance Committee/Investment Committee met, and all items addressed are on today's agenda for action.

8. EXECUTIVE DIRECTOR'S UPDATES

a. Board Member Appointments

i. State Personnel Classified Member

Mr. Archuleta announced that Leane Madrid, a division director at the State Personnel Office, has been appointed to fill this seat on the board. Ms. Madrid has been a state employee for 19 years and was previously employed at the New Mexico Department of Vocational Rehabilitation as well as the Regulation & Licensing Department. Ms. Madrid has spent the last 14 years at SPO.

ii. Municipal League

Mr. Archuleta announced that Sanjay Bhakta, Chief Financial Office at the City of Albuquerque, has replaced Lawrence Rael on the board. Mr. Bhakta previously served as Deputy State Auditor and prior to that as Chief Financial Officer/Administrative Services Division Director for the Department of Finance & Administration.

b. FY21 Operating Budget

Mr. Archuleta reported that the FY21 operating budget was submitted to DFA and the Legislative Finance Committee last Wednesday. Item 11 on today's agenda (Executive Director Compensation), which was authorized in the General Appropriation Act, was not included in the board's approval of the budget at the April meeting.

c. HR Updates

Mr. Archuleta updated the board on new hires and vacancies.

Mr. Archuleta stated that, given that NMRHCA has only 26 employees, it is critical that vacant positions be filled as soon as possible. Direction received from the State Personnel Office on April 22 stated that advertised positions funded by non-general fund sources are not subject to the hiring freeze and may be filled, but must be justified. The agency is working on the justification process to provide additional documentation along with the normal information provided as part of that.

d. Magellan Healthcare Security Incident

Mr. Archuleta reported that, on April 20, he received notice from Presbyterian Health Plan that there has been an incident connected with Magellan Healthcare, which is associated with Presbyterian Health Plan, regarding an unauthorized third party disruption in their operations. Presbyterian and Magellan are investigating the incident to determine whether any personal health information was disclosed. In the past when there was a breach, Presbyterian and NMRHCA offered free credit monitoring services for up to a year to the parties directly affected.

e. Legislative

Mr. Archuleta said he would be having a conversation with Sen. Bobby Gonzales later this week. As he briefly mentioned to the Executive Committee, Sen. Gonzales remains willing to help NMRHCA see its proposed legislation through in the future, although it seems very unlikely that there will be any movement in this direction in the next session. Rep. Lara, co-sponsor of HB 45, also remains willing to help NMRHCA, although that will be contingent upon his reelection.

f. COVID-19

Mr. Archuleta referred to a YTD (through 3/31) breakdown shared by Express Scripts of claims volume, utilization, and gross cost information for the entire population of 100+ million people covered through Express Scripts. Claims increased 175 percent from February to March for Hydroxychloroquine and Chloroquine, which are important for members being treated for lupus and rheumatoid arthritis, and in response, Express Scripts created anti-stockpiling quantity limits to help protect the supply of five COVID-related therapies.

Mr. Archuleta said there has also been an increase in the use of antidepressants, sleep aids and anxiety medication. SilverCloud, an online platform with programs to help people deal with stress and to offer support for people navigate through the crisis, is a resource being made available to NMRHCA through Express Scripts. Presbyterian has also sent out a postcard to members identifying therapy and counseling resources. Livongo also has a mental wellness resource that they are making available to members.

Ms. Saunders asked if any COVID cases have been reported among NMRHCA members. Mr. Archuleta responded that confirmation hasn't been received about the treatment because the CPT codes were not developed until mid March, so the codes have been coming in showing people being treated for a respiratory issue or influenza.

Blue Cross Blue Shield and Presbyterian representatives informed the board that reported cases are minimal to date

g. Case No. D101-cv-2019-025446

Mr. Archuleta reported that the judge's decision is still pending.

h. Minimum Age and Years-of-Service Requirements Rule Change

Mr. Archuleta stated that, on May 22, NMRHCA will hold the rulemaking hearing either virtually or in person in the boardroom. Comments received so far are on the NMRHCA website, from Dexter Consolidated Schools and Ruidoso Municipal Schools as well as from three individuals, have expressed support for the rule change.

Chairman Sullivan suggested contacting Sen. John Sapien and Sen. Gay Kernan and making them aware that NMRHCA has followed up with the scheduling of the rules hearing, as both have expressed support for it.

i. March 31, 2020 SIC Report

Mr. Archuleta reported \$43 million in losses during the month of March, down to \$715 million from December's high of \$780 million.

9. FY20 CONTRACT AMENDMENTS

Mr. Archuleta said staff is proposing to amend existing agreements with Express Scripts and Presbyterian Health Plan based on projected expenditures through April 24, 2020, given the potential for a significant increase in medical and prescription plan costs between May and the end of June. He said \$5.3 million remains available to support contract amendments.

Mr. Archuleta requested approval to amend the compensation sections of the following contracts, as follows:

- Presbyterian Health Plan Self-Insured: \$2,250,000
- Express Scripts: \$3,000,000.

Mr. Archuleta additionally requested approval to enter into a new small purchase agreement with Risk Sense for conducting an IT Risk Assessment in the amount of \$11,000.

Mr. Crandall said the Finance Committee recommended approval of these requests.

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

10. FY21 CONTRACT AMENDMENTS/NEW CONTRACTS

Mr. Archuleta presented a list of existing contracts that need to be amended as well as new contracts for FY21. The amounts listed were based on FY20 projections.

Mr. Archuleta said the FY21 approved operating budget for the Healthcare Benefits Administration program included \$355,191,600, of which \$345,000,000, the total proposed amount for the 10 contracts listed, would leave an unencumbered balance of \$10,191,600 (available for mid/end-year adjustments). Items 1 and 2 (Express Scripts and The Standard) were in place today, and Items 3-10 were the contracts that the board approved in February to begin negotiating. Contract names were not included pending approval by the State Purchasing Division.

Mr. Archuleta said the eight proposed contracts administered through Program Support total \$614,000 out of a \$663,400 approved FY21 operating budget.

Mr. Archuleta requested approval of the proposed contract amendments and new contracts listed for FY21.

Mr. Crandall stated that the Finance Committee recommended approval of this request.

Mr. Crandall so moved. Mr. Linton seconded the motion, which passed unanimously.

11. EXECUTIVE DIRECTOR COMPENSATION

Chairman Sullivan commented that it had come to his attention that the board may have inadvertently singled Mr. Archuleta out from thousands of other state employees that were granted raises during the legislative session when action was deferred on his compensation. He said it was not the board's intent to inadvertently or otherwise send a message to staff and member organizations that there is a lack of confidence in the Executive Director's performance. For that reason, he asked Mr. Crandall and the Finance Committee to take another look at this.

Mr. Crandall said the Finance Committee reviewed this and determined that, among all Executive Directors, Mr. Archuleta was singled out as not getting a raise. The original issue was that it was the board's responsibility to compensate its only employee, Mr. Archuleta, but the Finance Committee felt it was inappropriate to single him out when every other Executive Director has been approved. He said this doesn't preclude the board from later on giving Mr. Archuleta a different raise, no raise, or something else.

Mr. Crandall moved that the Executive Director's compensation be included as part of the overall Appropriations Act. Mr. Montañó seconded the motion.

Mr. Eichenberg commented that he thought it was appropriate to single out Mr. Archuleta because he is the board's only employee not covered by the legislature, and it offers an opportunity for the board to tell him how much he is appreciated and respected for the work he does.

The motion passed unanimously.

12. 2021 PRELIMINARY PLAN DISCUSSION

Mr. Archuleta said the recent issue with the COVID-19 virus has made things a little less certain in terms of planning based on projected expenses. Losses to the trust fund, combined with a likely decrease in projected employer/employee contributions or limited growth, will have an impact. Any actions taken

in the upcoming special legislative session will also potentially impact the bottom line. As information becomes available, and there is more certainty, it will be incorporated into the assumptions.

Mr. Archuleta reviewed items to be addressed and actions to be taken as part of the preliminary plan discussion:

1. Attestation of Intent to Preclude Payment of Excise Tax: In 2013, the board adopted the Attestation of Intent to preclude the payment of the “Cadillac tax,” which was supposed to take effect in 2018, but after being pushed down a couple of years, last year it was done away with altogether. At the time, failure to adopt the attestation resulted in a \$400 million increase in the UAAL. The attestation states that the board will modify its plans in the future to bring the value of the plans under the threshold described as part of the Affordable Care Act. Currently, NMRHCA’s long-term solvency analysis and GASB valuation assumes NMRHCA will continue to modify its plan designs to remain under the excise tax threshold. The value of the Premier Plans is expected to exceed the threshold in 2021, and the value of the Medicare Supplement Plan is expected to exceed the threshold in 2023.

Mr. Archuleta stated that, to incorporate the previously held assumptions, the board will have to reaffirm its intent despite the repeal of the Cadillac tax and will be asked to take action at the June meeting.

2. Pre-Medicare/Medicare Supplement Plan Rates: Increase retiree premiums in accordance with projected medical trend for all self-insured plans based on loss ratios calculated in May. Estimates will be available at the June meeting. NMRHCA’s long-term solvency projections include 8 percent and 6 percent respective rate increased as part of its baseline assumptions in order to keep pace with rising medical costs.

3. Medicare Advantage Defaulting Strategy: Revise default strategy based on 2019 Medical, Dental, Vision, EAP and Medicare Programs RFP (pending State Purchasing Division approval).

4. Pre-Medicare Plan Design: Staff is working with Mike Madalena to identify certain copay adjustments necessary to avoid any significant differential between NMRHCA and its IBAC partners.

5. Pre-Medicare Subsidies: Depending on where solvency lies, reconsider subsidy reductions discussed in the past or which are included as part of the plan moving forward.

6. Additional Variables Impacting Solvency Report/Year End Goals:

- Changes to minimum age and increased years of service rules
- 2020 special legislative session: employee/employer contributions
- Implementation of Livongo Diabetes Management Program
- Additional programs resulting from 2019 Medical, Dental, Vision, EAP and Medicare Programs RFP (pending State Purchasing Division approval)
- 4th year of 4-year basic life phase-out

13. OTHER BUSINESS

Nominating Committee

Chairman Sullivan reminded the board that the first item of business at each July annual meeting has been board reorganization. He said he and Mr. Montañó will both be stepping down (Mr. Montañó in September), and he recommended that a nominating committee be appointed.

Mr. Linton and Ms. Larrañaga-Ruffly agreed to be on the nominating committee. Mr. Linton said he would be happy to serve as chair and to present a slate in July. Chairman Sullivan said he would work with Mr. Linton and Ms. Larrañaga-Ruffly.

Mr. Crandall said he would serve as Chair if nominated.

Other

Mr. Archuleta said that, in planning for the next 12-18 months, staff is assuming that they will be under either some kind of work conditions or some sort of social distancing requirements. With that said, staff is canceling the Summer Wise and Well health fair scheduled on June 19. In addition, all of the fall switch enrollment meetings will not take place and staff will be moving to narrating the presentations, having them posted online, and sending out information. Retirees are being informed in the May newsletter that an alternative format will be adopted for the fall.

Mr. Archuleta added that, while the agency is eager to resume regular operations, it would be modifying operations in the Santa Fe and Albuquerque offices to protect employees and customers.

Retreat location

Mr. Archuleta said that information received from the Governor's Office later this month will drive the agency's decision on the nature of the July retreat.

14. EXECUTIVE SESSION

None.

- 15. DATE AND LOCATION OF NEXT BOARD MEETING:
JUNE 2, 2020, 9:30 A.M.
ALFREDO R. SANTISTEVAN BOARD ROOM
4308 CARLISLE BOULEVARD, N.E., SUITE 207
ALBUQUERQUE NM 87107**

ADJOURN

Meeting adjourned at 10:45 a.m.

Accepted by:

Tom Sullivan, President



Thank you to our valued customers for your continued support.

May 1, 2020

Dear Valued Partner,

Delta Dental of New Mexico understands the financial challenges that our clients have faced in the wake of the COVID-19 pandemic. In response, we are pleased to announce our Pandemic Relief Program. The intent of this program is to help ease the financial burden for our clients and demonstrate our committed partnership.

Clients with effective dates of April 1, 2020, or prior, are eligible.

The Pandemic Relief Program consists of the following:

1. Premium/Administrative Credit:

- Delta Dental of New Mexico will credit clients **one month** of premium (fully insured) or administration fee (ASO). The credit will be reflected on our June invoice and will be based on the actual premium or administration fee calculated within Delta Dental's billing system for April. Retroactive adjustments will not be considered in determining the credit.
- The credit will be stated in a separate line item on the June invoice.
- If the credit is greater than the amount of the June invoice, the additional credit will be applied to future invoices until the full credit has been exhausted.
- Any retroactivity will still be reflected within the June invoice, just as it is every month.
- This is a one-time credit, and there will be no retroactivity refunds reflected on future invoices. For example, if a client adds a new subscriber in August with an effective date of February 1, we will not credit the premium for that subscriber back to the group for the month of April.

2. Current Rate Extension:

- Delta Dental of New Mexico ASO clients with renewal dates between June 1, 2020, and May 31, 2021, will receive no increase to their current administration rates upon renewal for a one-year period.
- Fully insured clients with renewal dates of June 1, 2020, through May 1, 2021, will experience no change to their current rates at time of renewal for a one-year time frame.
- We will continue to administer clients under a multiyear contract according to the terms of the existing contract.
- If a client has a rate cap provision in place, the current rates will continue forward for one year provided the anniversary date falls between June 1, 2020, and May 1, 2021.
- If you have already received and agreed to a renewal rate that is a decrease from your current rate, for an effective date of June 1, 2020, or later, Delta Dental will honor the renewal offer as yet another gesture of our appreciation of your continued business.
- As always, your account manager is prepared to work with you as a valued client on any plan options that you are considering, as well as a multiyear rate proposal if desired.

We sincerely hope that our Pandemic Relief Program will help our clients during this uncertain time. Thank you for your continued support.

If you have any questions, please reach out to your Delta Dental account manager.

Be healthy,



JoLou Ottino
Vice President of Sales and Marketing
Delta Dental of New Mexico

your Benefit Messenger



NMRHCA 2020 Newsletter Vol. 5 - Summer Edition

EXECUTIVE DIRECTOR'S UPDATE: CHANGES IN RESPONSE TO PANDEMIC

On behalf of the New Mexico Retiree Health Care Authority's (NMRHCA's) Board of Directors and staff, I hope this newsletter finds you and your families well and safe. Like everyone else, we are eager to move past the turmoil that has surrounded us and resume our lives with some sense of normalcy.

In the meantime, I want to share information that may be helpful in guiding your health care decisions and planning process over the course of the next year.

Let me begin by announcing several changes to our routine and seasonal business practices to which many of our retirees have become accustomed each year.

OFFICE HOURS

When it is safe to do so, our Albuquerque and Santa Fe offices will re-open and begin providing face-to-face assistance, based on the guidance and safety protocols provided by the Governor.

In the meantime, NMRHCA has modified its operational activities to accommodate social distancing requirements for the safety of our staff and members and will continue to serve our customers and provide support by mail, email and telephone.

FALL OPEN ENROLLMENT

Our annual fall switch enrollment activities will be moved to an online/telephonic format, the details of which will be announced in September. Please note: ALL NMRHCA plan participants will be mailed a document summarizing their existing coverage and options for switching coverage effective Jan. 1, 2021.

MEDICARE SEMINARS

The monthly Medicare Seminars will also be moved to an online/telephonic format, beginning in June. Additional details and information will be included in the packets sent to members who are aging into Medicare.

As executive director, one of the greatest pleasures of the position is visiting our members in their communities each fall. Traveling between Raton and Silver City, as well as Farmington and Hobbs, provides an incredible sense of appreciation for all that New Mexico has to offer.

Anyone involved in the process can attest to the joy it brings us each October. However, the decision to modify our planned work activities comes at a time when future infection rates, impact and prevalence of COVID-19 remains highly speculative.

What we do know, is that we want to
See EXECUTIVE on Page 2

NMRHCA MOVING TO DIFFERENT LOCATION IN ALBUQUERQUE

To better serve its members, the New Mexico Retiree Health Care Authority is excited to announce its planned move of its Albuquerque office to a new location.

On Sept. 1, NMRHCA will relocate to 6300 Jefferson St. NE 87109 (south of Osuna on the east side of the street), where it will share office space with the Public Employees Retirement Association (PERA). Please note that we are only moving our Albuquerque location; our Santa Fe office remains in the Santa Fe PERA building.

The partnership will allow Albuquerque members retiring from a qualified employer group under PERA a one-stop shopping experience for their retirement/health care benefits.

NMRHCA will retain its current toll-free number, 1-800-233-2576, and general email address, customerservice@state.nm.us, amid the move.

Please call our offices if you have any questions regarding our relocation.



EXECUTIVE DIRECTOR'S UPDATE: NMRHCA RESPONSE TO PANDEMIC

Continued from Page 1

avoid gathering a group of individuals who are most at-risk to the virus until we are absolutely certain that it is safe to do so.

DENTAL/VISION PLAN CHANGES

In the fall of 2019, NMRHCA collaborated with the State of New Mexico, Public Schools Insurance Authority and Albuquerque Public Schools in a joint procurement process for medical, dental and vision programs. The results established new agreements for the period beginning July 1, 2020 and concluding on June 30, 2024.

While qualified vendors have been selected, final contract negotiations remain pending and any member affected by the change will be individually notified in June.

RESOURCES

As we all continue to navigate through the situation that lies ahead, I would encourage members to use the resources that are available to help us get through the mental and emotional challenges a lot of people are experiencing. A complete list of resources specific to our membership by individual health plan is available by going to the COVID-19/News tab on our website: www.nmrhca.org.

Or you can call your provider(s) at the phone numbers provided on the back page of this newsletter for any questions you may have.

Most of us have had the opportunity to reflect upon what we value most in our lives since the announcement of this pandemic. My guess is, family and friends probably top most folks' list.

With that said, it is important, when possible, to relieve them of having to make important health care decisions on our behalf if we are unable to decide or communicate for ourselves.

Therefore, an important part of any estate planning includes completion of an Advanced Health Care Directive, which enables you to express specific instructions you have regarding your healthcare.

This includes consenting or refusing to consent to any care, treatment, service or procedure to maintain, diagnose or otherwise affect a physical or mental condition.

An Advanced Health Care Directive can be revoked or modified at any time but allows someone to make decisions



while of sound mind and body. This information is only shared with your family members, physician or health care institution.

A template can be found on our website by clicking on the Advance Health Care Directive link at www.nmrhca.org/forms.aspx.

In conclusion, I encourage each of you to stay safe and adhere to the guidelines and recommendations provided by the Centers for Disease Control and Prevention so we can all get back to seeing and spending time with our family and loved ones sooner, rather than later.

— David Archuleta
Executive Director

Health Plan Resources

BCBS

Virus Information Flier
COVID-19 Resources

Humana

Member Co-Pay News
Virus Information Flier
COVID-19 Resources

Presbyterian

Virus Information Flier
COVID-19 Resources

UnitedHealthcare

Member Co-Pay News
Virus Information Flier
COVID-19 Resources

A snapshot of NMRHCA's COVID-19/News page on our website that includes individual provider information.

NMRHCA AT A GLANCE:

IF YOU MOVE, PLEASE TELL US!

Too large a portion of our days is spent trying to track down our members to whom we may owe a refund or need to pass along important information. Please let us know if you have a new address!

If you wish to add or update an email address to your account, we would love to have that on file as well. You can call 800-233-2576 or email us at CustomerService@state.nm.us.

JUNE HEALTH FAIR CANCELED; ONLINE OFFERINGS COMING SOON

Out of an abundance of caution concerning our retirees, NMRHCA has decided to cancel its June 19 Wise and Well Health Fair scheduled for Santa Fe.

Even as restrictions are eased during the COVID-19 pandemic, it certainly makes no sense to put on a health and wellness event that puts any of our attendees at risk.

NMRHCA will look into presenting a Wise and Well Health Fair online in the coming months to give members information on wellness opportunities.

Once we have a better understanding of how to present a virtual seminar to provide health and wellness information to our members, we will let our members know how and when they can attend our virtual health fair.

Likewise, the agency understands that using online technology may not be the easiest form of communication

with its members, but for the safety for our population, it is currently the best means available.

Now may be the ideal time for our members to embrace technological capabilities on their preferred electronic devices to stay up to date on NMRHCA information.

The Albuquerque Journal recently reported about an education program, Teeniors (teeniors.org) that connects tech-savvy teenagers with New Mexico seniors for one-on-one coaching on their computers, tablets or smartphones. There is a fee associated with the program, but you can call 505-600-1297 for more information.

Or you can search on Google to find out how to become more tech savvy. For example, aginginplace.org recently published an article, "How To Become Tech-Savvy Seniors in 10 Days (just type that in your Google search or web browser to find the article).



An advantage in hosting a virtual health fair is that we'll be able to post the materials on our website for those unable to attend the live event. So our members can access information from the health fair on their schedule.

NMRHCA will re-examine face-to-face meetings when it can do so safely per state of New Mexico and federal guidelines.

Please remember, that you can also call us at 800-233-2576 for any questions regarding wellness or any other questions you may have related to our response to COVID-19.

NMRHCA CONSIDERING 7-MONTH DELAY IN 2021 RULE CHANGE EFFECTIVE DATES

The New Mexico Retiree Health Care Authority currently is considering a delay in the effective date of two rule changes that are going to affect new retirees in 2021.

Currently, all employees paying into NMRHCA with at least five years of service will earn a subsidy or discount on their health insurance through NMRHCA when they retire. The more years of service they have paying into NMRHCA, the bigger the subsidy. Retirees with 20 or more years of service qualify for the maximum subsidy NMRHCA offers.

Beginning Jan. 1, 2021, NMRHCA will require retiring employees (excluding enhanced plan members such as police, firefighters, corrections officers and some judges) to be at least 55 years old to qualify for the subsidy they've earned based on their years of service. Also, instead of earning the maximum subsidy for 20 or more years of service, employees must have at least 25 years of service.

The rules will help NMRHCA's long-term solvency to allow the agency to provide this benefit for future generations of retirees.

NMRHCA, however, is considering moving back the implementation date from Jan. 1, 2021 to July 31, 2021 to allow educators to work through their 2020-21 calendar years and retire before the rule changes take effect. NMRHCA currently is taking public comment on the proposal to delay the implementation of these rules.

Anyone wishing to comment has been instructed to email Greg Archuleta, NMRHCA Director of Communication and Member Engagement at gregoryr.archuleta@state.nm.us.

NMRHCA also will have held a video conference public hearing on the proposed delay on May 22, 2020 from 2:30-4:30 p.m., and public comment will have been available during that session. After the hearing, NMRHCA's Board of Directors will vote on the proposal to delay the rule changes effective date at its June 2 meeting.



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Find us on Facebook: <https://www.facebook.com/nmrhca>



CONTACT YOUR HEALTHCARE PROVIDERS DIRECTLY

Blue Cross Blue Shield

BCBSNM800-788-1792
BCBSNM Medicare Advantage.....877-299-1008
www.bcbsnm.com

Presbyterian Health Plan

Presbyterian Health Plan 888-275-7737
Presbyterian Medicare Advantage .800-797-5343
www.phs.org

Express Scripts

Express Scripts Medicare800-551-1866
Express Scripts Non-Medicare .. 800-501-0987
www.express-scripts.com

Humana

..... 866-396-8810
<https://our.humana.com/nmrhca>

UnitedHealthcare

.....866-622-8014
www.uhcretiree.com

United Concordia

..... 888-898-0370
www.ucci.com

Delta Dental

.....877-395-9420
www.deltadentalnm.com

Davis Vision

..... 800-999-5431
www.davisvision.com

Standard Insurance

.....888-609-9763
www.standard.com/mybenefits/newmexico_rhca

NMRHCA CONTACT INFORMATION

4308 Carlisle Blvd NE, Suite 104
Albuquerque, NM 87107-4849

33 Plaza La Prensa
Santa Fe, NM 87507

800-233-2576 (Toll Free)
505-476-7540 (Santa Fe)
505-884-8611 (Fax)

Email: customerservice@state.nm.us

Hours: 8 a.m.-5 p.m. Monday-Friday*
Please visit us online at www.nmrhca.org

*Check website for official opening and closing times

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

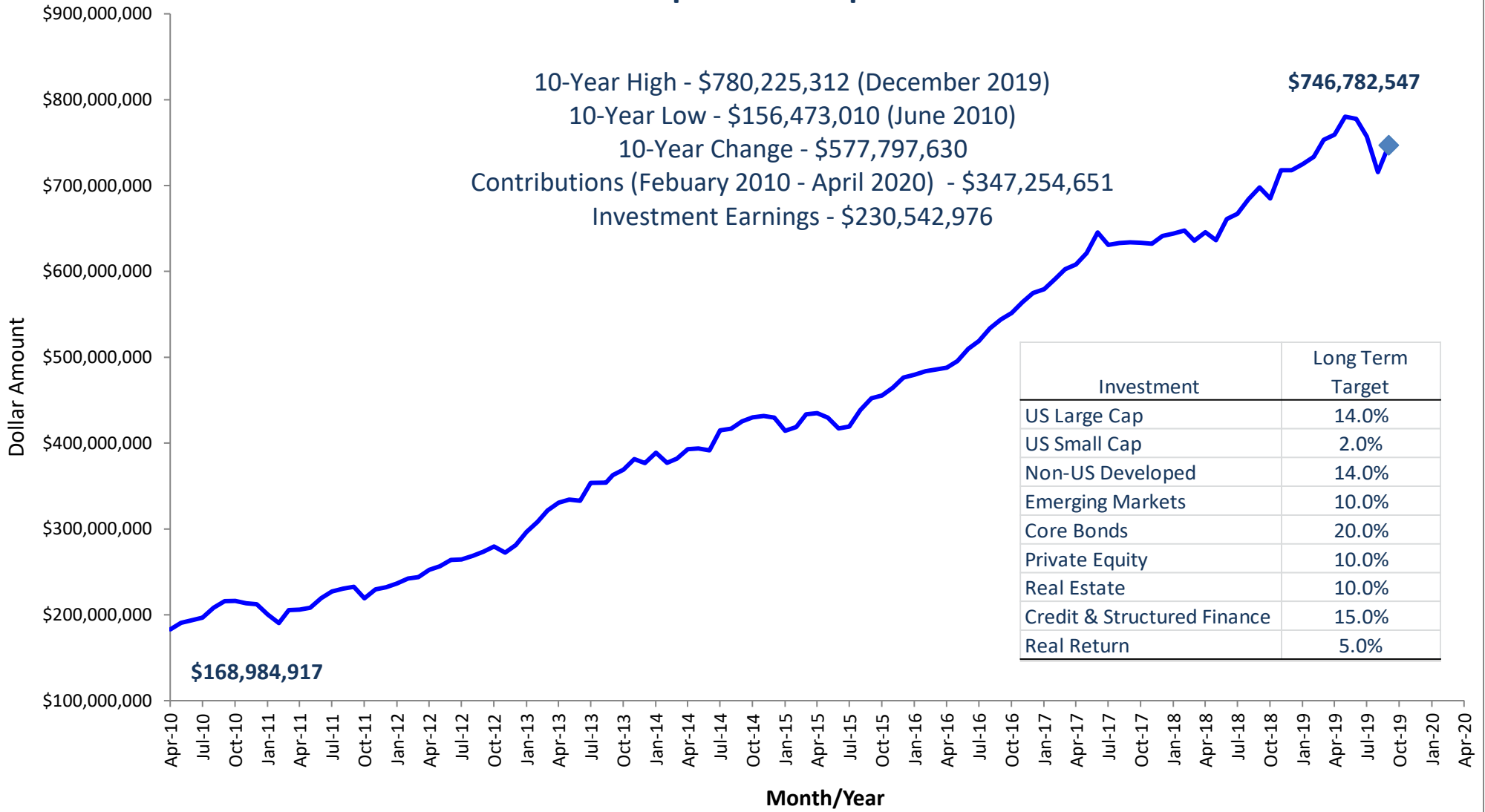
For the Month of Apr 2020

(Report as of May 19, 2020)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains-Realized & Unrealized	Market Value
Core Bonds Pool	162,844,923.27	2,000,000.00	-	-	404,051.65	3,260,006.68	168,508,981.60
Credit & Structured Finance	112,430,999.74	1,500,000.00	-	-	1,454.68	(7,719,206.79)	106,213,247.63
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	81,927,198.83	1,400,000.00	-	-	219,877.58	6,075,102.97	89,622,179.38
Non-US Emerging Markets Index Pool	58,840,201.69	1,000,000.00	-	-	104,499.73	5,568,013.35	65,512,714.77
Private Equity Pool	87,618,866.81	1,000,000.00	-	-	9,538.90	40,805.80	88,669,211.51
Real Estate Pool	78,023,343.81	1,000,000.00	-	-	190,358.21	(250,779.96)	78,962,922.06
Real Return Pool	33,126,219.89	500,000.00	-	-	65,114.00	852,357.00	34,543,690.89
US Large Cap Index Pool	90,881,954.33	1,400,000.00	-	-	98,430.13	10,416,194.72	102,796,579.18
US Small/Mid Cap Pool	9,995,742.27	200,000.00	-	-	3,995.75	1,753,282.69	11,953,020.71
Sub - Total New Mexico Retiree Health Care Aut	715,689,450.64	10,000,000.00	-	-	1,097,320.63	19,995,776.46	746,782,547.73
Total New Mexico Retiree Health Care Aut	715,689,450.64	10,000,000.00	-	-	1,097,320.63	19,995,776.46	746,782,547.73

NMRHCA Trust Fund Balance History April 2010 - April 2020

10-Year High - \$780,225,312 (December 2019)
 10-Year Low - \$156,473,010 (June 2010)
 10-Year Change - \$577,797,630
 Contributions (Febuary 2010 - April 2020) - \$347,254,651
 Investment Earnings - \$230,542,976



Investment	Long Term Target
US Large Cap	14.0%
US Small Cap	2.0%
Non-US Developed	14.0%
Emerging Markets	10.0%
Core Bonds	20.0%
Private Equity	10.0%
Real Estate	10.0%
Credit & Structured Finance	15.0%
Real Return	5.0%

**NEW MEXICO RETIREE HEALTH CARE AUTHORITY
STATE OF NEW MEXICO**

RESOLUTION INITIATING RULEMAKING PROCEEDINGS

WHEREAS, NMSA 1978, Section 10-7C-2 (1990) of the Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 to -16 (1990, as amended through 2009) (the “Act”), provides that the purpose of the Act “is to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico[,]” and to “provide eligible retirees, their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or by out-of-pocket payments by insureds[;]” and

WHEREAS, the Act, at NMSA 1978, Section 10-7C-5 (2002), created the New Mexico Retiree Health Care Authority (the “NMRHCA”) “to provide for comprehensive group health insurance programs” under the Act; and

WHEREAS, the Act, at NMSA 1978, Section 10-7C-6 (2003), created the board of directors of the NMRHCA (the “Board”), which shall be composed of no more than twelve members who represent certain constituencies receiving benefits under the Act or who are otherwise designated or deemed eligible to serve on the Board, to, among other things, implement the Act and determine the duties of its employees; and

WHEREAS, the Act, at NMSA 1978, Section 10-7C-7 (1998), provides that in order to achieve the purposes of the Act, the Board, among other things, “may take all actions reasonably necessary to implement” the Act, including, but not limited to: (i) Employing or contracting for persons to assist it in carrying out the Act; (ii) Promulgating and adopting necessary rules, regulations and procedures for implementation of the Act; and (iii) Promulgating and adopting rules and regulations governing eligibility, participation, enrollment, length of service and any other conditions or requirements for providing substantially equal treatment to participating employers; and

WHEREAS, the Board has previously promulgated its rule establishing subsidy levels on the basis of years of creditable service, codified at 2.81.11 NMAC (4/30/03) (the “Existing Rule”);

WHEREAS, the Board has previously considered a proposal to establish, through the rulemaking process, a minimum age requirement for the receipt of certain subsidies from the NMRHCA for persons who retire after January 1, 2020, under a non-enhanced retirement plan, with certain classes of retirees being grandfathered into the current class of retirees (the “Proposed Rule”); and

WHEREAS, the Executive Director of the NMRHCA (the “Executive Director”) has proposed that the Board consider amending the Existing Rule to modify the subsidy schedule thereunder to require 25 years of creditable service in order for participants to receive the maximum subsidy provided by the NMRHCA for eligible retirees who become eligible for

participation on or after January 1, 2020, and to adopt the Proposed Rule, after conducting public rule hearings concerning the proposal to amend the Existing Rule and the adoption of the Proposed Rule (the process required to effectuate the proposed amendments to the Existing Rule and adoption of the Proposed Rule under the Rules Act (defined below) and the Default Procedural Rule (defined below) is referred to herein as the “Rulemaking Proceedings”), in conformity with the Act and the Rules Act (defined below); and

WHEREAS, in April 2018, the New Mexico Attorney General’s Office promulgated its Default Procedural Rule for Rulemaking, codified at 1.24.25 NMAC (4/10/2018) (the “Default Procedural Rule”), which provides default procedural rules for public rule hearings for use by agencies that have not adopted their own procedural rules consistent with the State Rules Act, NMSA 1978, Sections 14-4-1 to -11 (1967, as amended through 2017) (the “Rules Act”), and to facilitate public engagement with the administrative rulemaking process in a transparent, organized, and fair manner; and

WHEREAS, the Default Procedural Rule provides that: (i) Agencies that have not adopted their own rules consistent with the Rules Act shall apply the Default Procedural Rule until such time as they have adopted their own rules; (ii) Agencies may adopt the Default Procedural Rule, in whole or in part as their own, or continue to use their existing rules, so long as those rules satisfy the requirements of the Rules Act and provide as much opportunity for public participation as provided by the Default Procedural Rule; and (iii) Agencies that adopt their own rules must submit a copy to the Attorney General’s Office within 30 calendar days of adoption, and post a copy of those rules on the agency’s website, if one exists; and

WHEREAS, as of this date, the Board has not adopted procedural rules for public rule hearings consistent with the Rules Act for the NMRHCA, and therefore, the Default Procedural Rule applies with respect to rulemakings by the Board for the NMRHCA, including the Rulemaking Proceedings;

WHEREAS, the Default Procedural Rule provides that: (i) The rulemaking process may be initiated by an agency when a notice for rule hearing is publicly posted pursuant to the Default Procedural Rule; (ii) The agency shall proceed with the rulemaking process by posting public notice, publishing the proposed rule for comment, and setting a public rule hearing in accordance with the Rules Act and any other applicable law; (iii) If the agency is a public body subject to the Open Meetings Act, NMSA 1978, Section 10-15-1 to -4 (1974, as amended through 2013) (the “OMA”), the decision to initiate the rulemaking process must be an action taken by vote of the public body in open session; and (iv) Once the agency initiates the rulemaking process, the agency must maintain a record as prescribed in NMSA 1978, Section 14-4-5.4 (2017); and

WHEREAS, the Board of the NMRHCA is a public body subject to the OMA, and therefore, any decision by the Board to initiate the Rulemaking Proceedings must be an action taken by vote of the Board in open session; and

WHEREAS, the Board, having considered the Executive Director’s proposal to undertake the Rulemaking Proceedings, desires to initiate the Rulemaking Proceedings in full conformity

with the Act, the Rules Act, the Default Procedural Rule, the OMA and any other applicable law in a transparent, organized and fair manner; and

WHEREAS, on this date, the Board convened a regular meeting at which it considered the adoption of this Resolution Initiating Rulemaking Proceedings (the “Resolution”) and voted to adopt said Resolution, all in full conformity with the OMA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NEW MEXICO RETIREE HEALTH CARE AUTHORITY THAT:

1. The Board’s adoption of this Resolution shall memorialize its decision to initiate the Rulemaking Proceedings.
2. The Executive Director, or his designee, is hereby authorized and directed to initiate the Rulemaking Proceedings by publicly posting a notice for a rule hearing concerning the proposed revisions to the Existing Rule and the adoption of the Proposed Rule pursuant to, and in conformity with, the Act, the Rules Act and the Default Procedural Rule.
3. The Executive Director, or his designee, is hereby authorized and directed to post public notice concerning the Rulemaking Proceedings, publish the proposed revisions to the Existing Rule and the Proposed Rule for public comment, and to set a public rule hearing on the proposed revisions to the Existing Rule and the proposed adoption of the Proposed Rule, in accordance with the Act, the Rules Act, the Default Procedural Rule and any other applicable law.
4. The Executive Director, or his designee, is hereby authorized and directed to act as the Board’s hearing officer and to preside over the Rulemaking Proceedings, including the public hearing contemplated in this Resolution, as required and in accordance with, the Act, the Rules Act, the Default Procedural Rule and any other applicable law.
5. The Executive Director, or his designee, shall maintain a record of the Rulemaking Proceedings contemplated in this Resolution, as prescribed in Section 14-4-5.4 of the Rules Act.
6. The Executive Director, or his designee, is hereby authorized and directed to do all acts and things necessary or desirable to effectuate the provisions of this Resolution and to undertake the Rulemaking Proceedings in full conformity with the Act, the Rules Act, the Default Procedural Rule, the OMA and any other applicable law.
7. This Resolution shall take effect immediately upon its adoption.

[Remainder of page left blank intentionally]

PASSED, ADOPTED AND APPROVED ON MAY 8, 2018.



Tom Sullivan, President
New Mexico Retiree Health Care Authority
Board of Directors

ATTEST:



Doug Crandall, Secretary
New Mexico Retiree Health Care Authority
Board of Directors

[Signature Page for Resolution Initiating Rulemaking Proceedings]

NOTICE OF PROPOSED RULEMAKING AMENDMENT AND PUBLIC RULE HEARING

The New Mexico Retiree Health Care Authority (NMRHCA) is considering amending the effective date of existing rule 2.81.11 NMAC - ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF AGE AND CREDITABLE SERVICE, amending sections 6 through 10 to July 31, 2021. The purpose of the amendment of existing sections of the rule is to delay the effective date of the minimum age and years of service requirement to coincide with the school year. A summary of the full text of the proposed rule follows:

Section 6 of the existing rule 2.81.11.6 NMAC establishes subsidy levels commensurate with a retiree's year of credited service with a participating employer for employees who become eligible for enrollment into the NMRHCA health care program on or after July 1, 2001, and their dependents, and subject to a minimum retiree age for employees who become eligible for enrollment into the NMRHCA health care program on or after January 1, 2021. The amendment changes the effective date to July 31, 2021.

Section 7 of the existing rule 2.81.11.7 NMAC provides definitions of credited service, disabled retiree, member of an enhanced retirement plan, the authority, state retirement agency, and subsidy effective January 1, 2021. The amendment changes the effective date to July 31, 2021.

Section 8 of the existing rule 2.81.11.8 NMAC provides for the NMRHCA to pay a percentage of the subsidy to monthly premiums of eligible retirees, which percentage is dependent on the years of credited service of the retiree and is 100% at 20 years of credited service. The amendment changes the years at which 100% is paid to 25 and changes the percentages for fewer years of credited service for retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2021. The amendment changes the effective date to July 31, 2021.

Section 9 of the existing rule 2.81.11.9 established subsidies for duty disability and non-duty disability retirees effective January 1, 2021. The amendment changes the effective date to July 31, 2021.

Section 10 requires that eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2021 be 55 years of age to receive subsidies. Section 9 is amended to clarify that disabled retirees receive a 100% subsidy regardless of years of service or age. Section 6 is amended to clarify that the objective of the part includes that subsidies will have a minimum age requirement for those retiring on or after January 1, 2021. The amendment changes the effective date to July 31, 2021.

The NMRHCA is authorized to promulgate rules to implement the Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 to -16 (1990, as amended through 2009) ("Act") by NMSA 1978, Section 10-7C-7 (1998). By resolution dated May 8, 2018, the NMRHCA resolved to undertake the rulemaking in conformity with the Act, the State Rules Act, NMSA 1978, Sections 14-4-1 to -11 (1967, as amended through 2017), the Default Procedural Rule for Rulemaking, 1.24.25 NMAC (4/10/2018) and the Open Meetings Act, NMSA 1978, Sections 10-15-1 to -4 (1974, as amended through 2013).

The NMRHCA is amending the effective date of minimum years of service and age requirements to receive the maximum subsidy provided by the program to from January 1, 2021 to July 31, 2021 in order to coincide with the school year. A study of NMRHCA's long-term solvency projections, NMRHCA 2017 Long-Term Solvency Model, is available at its website, <http://www.nmrhca.org/rule-change-proposal.aspx>.

The full text of the proposed rule may be obtained by contacting Greg Archuleta, Director of Communication and Member Engagement, New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107; telephone 505-222-6403 or 505-440-3366, to request a copy of the rule. The full text and this notice are also available on NMRHCA's website: <http://www.nmrhca.org/>.

A person may submit, by mail or electronic form, written comments on the proposed rule through the end of the public comment period, which ends May 22, 2020. Written comments should be submitted to Greg Archuleta, Director of Communication and Member Engagement, New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107. Written comments also will be accepted by email: gregoryr.archuleta@state.nm.us or by fax: (505) 884-8611. All written comments received by the agency will be posted on <http://www.nmrhca.org/> no more than 3 business days following receipt to allow for public review. Written comments will also be available for public inspection at New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107, as soon as restrictions on the current coronavirus (COVID-19) quarantine are lifted.

A public rule hearing on the proposed rule will be held before Greg Archuleta, Director of Communication and Member Engagement, NMRHCA, on May 22, 2020 from 2:30-4:30 p.m. via GoToMeeting video conference. Instructions to join are as follows:

NMRHCA Public Hearing: Proposed Delay of Rule Changes Effective Date

Fri, May 22, 2020 2:30 PM - 4:30 PM (MDT). Join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/646847293>

You can also dial in using your phone.

United States (Toll Free): 1 877 309 2073

- One-touch: tel:+18773092073,,646847293#

United States: +1 (646) 749-3129

- One-touch: tel:+16467493129,,646847293#

Access Code: 646-847-293

Individuals may submit data, views or arguments orally or in writing to the proposed rule at the public rule hearing. Persons offering written comments at the hearing must have 2 copies for the hearing officer.

Any individual with a disability in need of an auxiliary aid or service to attend or participate in the hearing, or who needs copies of the proposed rule in an accessible form may contact Greg Archuleta at 505-222-6403 or 505-440-3366 at least 10 days before the hearing.

Exhibit 2

List of notified parties of the New Mexico Retiree Health Care Authority's public comment period/May 22, 2020 public hearing an amendment to NMAC 2.81.11, sections 6-10 to DELAY the implementation date from Jan. 1, 2021 to July 31, 2021.

All State of New Mexico employee emails (DoIT email April 21)

All ERB participating employers (ERB, April 21)

Superintendents list (April 21)

NMRHCA Participating Employer Contacts (April 21)

NMRHCA Board of Directors

Tom Sullivan	tsullivan48@gmail.com
Joe Montañó	jmountainman1939@msn.com
Doug Crandall	dougcinaz@gmail.com
Jan Goodwin	jan.goodwin@state.nm.us
LeAnne Larrañaga-Ruffy	Leanne.Larranaga@state.nm.us
Therese Saunders	tsaunders3@mac.com
Pamela Moon	pmoon@bernco.gov
State Treasurer Tim Eichenberg	Tim.Eichenberg@state.nm.us
Julie Filatoff (Mr. Eichenberg's aide)	Julie.Filatoff@state.nm.us
Terry Linton	terry@lintonandassociates.com
Lawrence Rael	lawrencerael@cabq.gov
León Espinoza (Mr. Rael's aide)	leonespinoza@cabq.gov
Wayne Propst	Wayne.Propst@state.nm.us

NMRHCA Board Recorder

Judith Beatty	judithsbeatty@gmail.com
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New Mexico Legislative Finance Committee

Connor Jorgensen	connor.jorgensen@nmlegis.gov
Simon Miller	Simon.Miller@state.nm.us

New Mexico Register

Pamela Luján y Vigil	pamela.lujan@state.nm.us
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Sunshine Portal (Lisa Oldis)

Sunshine.Portal@state.nm.us
--

New Mexico Legislative Council Service

Amy Chavez-Romero	amy.chavez-romero@nmlegis.gov
Anthony Montoya	anthony.montoya@nmlegis.gov

Segal Actuarial Services

Nura Patani	npatani@segalco.com
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NMRHCA Health Plan Partners

Blue Cross Blue Shield of New Mexico

Lori Bell

Lori_Bell@bcbsnm.com

Lisa Hentz

Lisa_Hentz@bcbsnm.com

Julie Lee

Julie_Lee@bcbsnm.com

Marlene Mier

Marlene_A_Mier@bcbsnm.com

Humana

Julie Bodenski

jbodenski@humana.com

Jessica Stolberg

jstolberg@humana.com

Presbyterian Health Plan

Linda Bunnell

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Kathy Garcia

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Miranda McKinney

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Ida Marie Perea

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Rosanne Tena

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Steve Valdez

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Keith Witt

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UnitedHealthcare

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Davis Vision

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Marianna Sandoval

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JoLou Ottino

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United Concordia

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stephanie.anthony@ucci.com

Debbie Holt

debby.holt@ucci.com

Express Scripts

Amy Daily

amy_daily@express-scripts.com

Amy Williams

awilliams3@express-scripts.com

Harris Zeyae

HAZeyae@express-scripts.com

The Standard

Martha Quintana

Martha.Quintana@standard.com

Stephanie Crouch

NM_IBAC@standard.com

Superintendents Association

Stan Rounds (Executive Director)

stan@nmcel.org

Travis Dempsey (President)

tldempsey@gisd.k12.nm.us

Alamogordo Public

Colleen Tagle (Deputy Superintendent)

colleen.tagle@alamogordoschools.org

APS

Todd Torgerson (HR Director)

todd.torgerson@aps.edu

Mark Tyndall (Senior Director, Employee Benefits)

mark.tyndall@aps.edu

**New Mexico Retiree Health Care Authority
Baseline Assumptions for Long-Term Solvency Projections**

Assumption	Prior Assumption July 2013	Prior Assumption July 2014	Prior Assumption July 2015	Prior Assumption July 2016	Current Assumption July 2017
Asset Balance	Use May 31, 2013 fund balance of \$279,487,430 as an estimate for 7/1/2013 fund balance	Use May 31, 2014 fund balance of \$369,131,762 as an estimate for 7/1/2014 fund balance	Use May 31, 2015 fund balance of \$429,925,522 as an estimate for 7/1/2015 fund balance	Use May 31, 2016 fund balance of \$455,592,072 as an estimate for 7/1/2016 fund balance	Use May 31, 2017 fund balance of \$551,412,183 as an estimate for 7/1/2017 fund balance
Investment Return	No Change	No Change	No Change	No Change	7.25%
Annual Growth in Payroll	FY13 payroll estimated to be \$3,983,932,770, increasing 2% through 6/30/14 and 4% thereafter	F20Y14 payroll estimated to be \$3,941,587,760, increasing 3% through 6/30/15 and 3.5% thereafter	F20Y15 payroll estimated to be \$4,040,779,736, increasing 3.5% annually	FY2016 payroll estimated to be \$4,126,747,451, increasing 3.5% annually	FY2017 payroll estimated to be \$4,165,647,339, increasing 0.0% through FY2019 and 3.5% thereafter
Percentage of Covered Payroll for Public Safety, et al	9.14%	No Change	No Change	No Change	No Change
Contribution Rates (Employer/Employee)					
Public Safety, et al	2.50%/1.25%	No Change	No Change	No Change	No Change
Other Occupations	2.50%/1.25%	No Change	No Change	No Change	No Change
Annual Growth in Retirees					
Non-Medicare	1.75% annually through 6/30/2015, then based on FY2009 open valuation output table	No Change	No Change	No Change	No Change
Medicare	5.8% through 6/30/2015, then based on FY2009 open valuation output table	No Change	No Change	No Change	No Change
Retiree Ancillary Costs	Assumed to equal premium expenses and is paid fully by retirees	No Change	No Change	No Change	No Change
Pension Tax Revenue	\$18,688,658 for FY13, increasing 12% thereafter	\$20,931,300 for FY2014, increasing 12% thereafter	\$23,443,056 for FY2015, increasing 12% thereafter	\$26,256,200 for FY2016, increasing 12% thereafter	\$28,306,470 for FY2017, frozen through FY2019 and increasing 12% thereafter
HB 728/573 Revenue	\$3 million annually, no sunset	No Change	No Change	No Change	Eliminated effective 1/1/2017
Rx Rebates	Rebates of \$5,798,571 estimated for FY13, increased at annual retiree growth rate	Rebates of \$8,407,050 estimated for FY14, reflecting proposed contract terms through FY18; all annual figures increased at retiree growth rate	Rebates of \$8,960,237 estimated for FY15, reflecting proposed contract terms through FY18; all annual figures increased at retiree growth rate	Rebates of \$8,566,058 estimated for FY2016, reflecting proposed contract terms through FY2018; all annual figures increased at retiree growth rate	Rebates of \$18,321,264 estimated for FY2017, reflecting proposed contract terms through FY2018; all annual figures increased at retiree growth rate
EGWP Revenue Components:					
Direct Subsidy	No Change: half of Medicare Rx trend, plus 1% for donut hole closure CY12 through CY20	CY2014-15 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend +1% for donut hole closure CY16 through CY20 (one half of Medicare Rx trend CY2021+)	CY2015-16 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend +1% for donut hole closure CY17 through CY20 (one half of Medicare Rx trend CY2021+)	CY2016 and CY2017 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend +1% for donut hole closure CY2018 through CY2020 (one half of Medicare Rx trend CY2021+)	CY2017 and CY2018 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend +1% for donut hole closure CY2019 through CY2020 (one half of Medicare Rx trend CY2021+)
Federal Reinsurance	CY13 & CY14 PMPM revenue estimated by ESI, increased at retiree growth rate	CY2014-15 projected by ESI; CY2016+ annual increase at only retiree growth rate	CY2015-16 projected by ESI; CY2017+ annual increase at only retiree growth rate	CY2016 and CY2017 projected by ESI; CY2018+ annual increase at only retiree growth rate	CY2017 and CY2018 projected by ESI; CY2019+ annual increase at only retiree growth rate
Low Income Subsidy	No Change: half of Medicare Rx trend, plus 1% for donut hole closure CY12 through CY20	0.0% annual increase to CY2014 estimate of \$2.85 PMPM	0.0% annual increase to CY2015 estimate of \$3.40 PMPM	0.0% annual increase to CY2016 estimate of \$3.40 PMPM	0.0% annual increase to CY2017 estimate of \$2.84 PMPM
Coverage Gap Discount Program	CY13 & CY14 PMPM revenue estimated by ESI, increased at retiree growth rate	CY2014-15 projected by ESI; CY2016+ annual increase at only retiree growth rate	CY2015-16 projected by ESI; CY2017+ annual increase at only retiree growth rate	CY2016 and CY2017 projected by ESI; CY2018+ annual increase at only retiree growth rate	CY2017 and CY2018 projected by ESI; CY2019+ annual increase at only retiree growth rate
Short Term Interest	\$54,802 projected for FY13, increasing 0.0% annually	\$0 projected for FY2014, increasing 0.0% annually	No Change	No Change	No Change
Subrogation	\$389,857 estimated for FY13, increased at retiree growth rate	\$239,932 estimated for FY2014, increased at retiree growth rate	\$277,326 estimated for FY2015, increased at retiree growth rate	\$327,942 estimated for FY2016, increased at retiree growth rate	\$279,589 estimated for FY2017, increased at retiree growth rate

**New Mexico Retiree Health Care Authority
Baseline Assumptions for Long-Term Solvency Projections**

<u>Assumption</u>	<u>Prior Assumption July 2013</u>	<u>Prior Assumption July 2014</u>	<u>Prior Assumption July 2015</u>	<u>Prior Assumption July 2016</u>	<u>Current Assumption July 2017</u>
Annual Trend					
Medical					
Medicare Advantage	8.00%	No Change	No Change	No Change	No Change
Medicare Supplement	8.00%	No Change	No Change	No Change	No Change
Medicare Rx	8.00%	No Change	No Change	No Change	No Change
Non-Medicare Medical	8.00%	No Change	No Change	No Change	No Change
Mental Health	Included in Medical Trend	No Change	No Change	No Change	No Change
Non-Medicare Rx	8.00%	No Change	No Change	No Change	No Change
Medical Rates	Annual Non-Medicare rate increases of 8% in 2014-2016, 3% Non-Medicare thereafter, 6% Medicare Supplement rate increases in 2014+	Annual Non-Medicare rate increases of 8% in 2015-2020 and 3% thereafter, 5% Medicare Supplement rate increase in 2015 and 6% thereafter	Annual Non-Medicare rate increases of 8% in 2016-2021 and 4% thereafter, 6% Medicare Supplement rate increase in 2016-2033 and 3% thereafter	2017 rates for Premier and new Value plan set per pricing exercise; Annual Non-Medicare rate increases of 8% in 2018-2022 and 4% thereafter, 6% Medicare Supplement rate increase in 2017-2030 and 3% thereafter	Annual Non-Medicare rate increases of 8% in 2018-2022 and 4% thereafter, 6% Medicare Supplement rate increase in 2017-2031 and 3% thereafter
Life Insurance	Assumes level total premium on Basic Life for duration of projection	Assumes level total premium on Basic Life for duration of projection	Assumes level total premium on Basic Life through CY17 decreasing 25% per year through CY21	No Change	No Change
Dental	6.00%	No Change	No Change	No Change	No Change
Vision	5.00%	No Change	No Change	No Change	No Change
Program Support	\$2,651,000 budgeted for FY2014, increasing 2.5% annually thereafter	\$2,929,300 budgeted for FY2015, increasing 2.5% annually thereafter	\$3,012,900 budgeted for FY2016, increasing 2.5% annually thereafter	\$3,118,300 budgeted for FY2016, increasing 2.5% annually thereafter	\$2,936,800 budgeted for FY2017, increasing 2.5% annually thereafter
Administrative Services Fee	Medical based on information from Mark for 2013-2016, increasing 2.00% annually thereafter; Rx based on existing contract terms in place through 6/30/2014	Individual fee components based on existing contract terms in place, increasing 2.00% annually thereafter	No Change	No Change	No Change
Plan Design Changes					
Medical					
Medicare	No changes for 1/1/2014 or beyond	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2031 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2032 and beyond such that projected claims and expenses remain beneath Excise Tax threshold
Non-Medicare	Consolidation of Non-Medicare plans in CY17, annual plan changes thereafter to keep projected claims beneath Cadillac Tax threshold	Consolidation of Non-Medicare plans in CY2017, annual plan changes in CY2021 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Consolidation of Non-Medicare plans in CY2017, annual plan changes in CY2022 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Beginning CY2017: Elimination of Premier Plus plan, introduction of Value plan, Premier plan OOP max increase to \$4,500, deductible and copays accumulating to OOP max; annual plan changes in CY2023 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Beginning CY2018, expanding value option to BCBSNM network; annual plan changes in CY2023 and beyond such that projected claims and expenses remain beneath Excise Tax threshold
Rx					
Medicare	No changes for 1/1/2014 or beyond	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Eliminate coverage for drugs now available over the counter (OTC); Annual plan changes in CY2031 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Add Voluntary Smart90 program; annual plan changes in CY2032 and beyond such that projected claims and expenses remain beneath Excise Tax threshold
Non-Medicare	No changes for 1/1/2014 or beyond	No changes for 1/1/2015 or beyond	No changes for 1/1/2016 or beyond	Eliminate coverage for drugs now available over the counter (OTC)	Add Voluntary Smart90 program
Basic Life and AD&D	No new entrants	No new entrants	No new entrants	No new entrants	No new entrants
Annual Index in Cadillac Tax Thresholds	3%	3%	3%	3%	3%

**New Mexico Retiree Health Care Authority
Baseline Assumptions for Long-Term Solvency Projections**

<u>Assumption</u>	<u>Prior Assumption July 2013</u>	<u>Prior Assumption July 2014</u>	<u>Prior Assumption July 2015</u>	<u>Prior Assumption July 2016</u>	<u>Current Assumption July 2017</u>
Annual Increase in PCORI Fee	3%	Projected increase in National Health Expenditures, per CMS Office of the Actuary	Projected increase in National Health Expenditures, per CMS Office of the Actuary	Projected increase in National Health Expenditures, per CMS Office of the Actuary	Projected increase in National Health Expenditures, per CMS Office of the Actuary
Member Rate Share					
Retiree					
Medicare	50%	No Change	No Change	No Change	No Change
Non-Medicare	35%	No Change	36% in CY2016+	No Change	No Change
Spouse					
Medicare	75%	No Change	No Change	No Change	No Change
Non-Medicare	60%	62% in CY2015+	64% in CY2016+	No Change	No Change
Child(ren)					
Medicare	100%	No Change	No Change	No Change	No Change
Non-Medicare	100%	No Change	No Change	No Change	No Change
Minimum Service to Receive Full Subsidy	20 years	No Change	No Change	No Change	No Change
Minimum Participation Age	None	No Change	No Change	No Change	No Change

Exhibit 4

This is an amendment to 2.81.11 NMAC, Sections 6 through 10, originally published in the New Mexico Register on December 27, 2018 (Volume XXIX, Issue 24), delaying the effective date of the amendments thereto from 1/1/21 to 7/31/21, effective 7/31/2021.

**TITLE 2 PUBLIC FINANCE
CHAPTER 81 RETIREE HEALTH CARE FUNDS
PART 11 ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF YEARS OF AGE AND CREDITABLE SERVICE**

2.81.11.6 OBJECTIVE: The objective of this rule is to establish subsidy levels commensurate with a retiree's years of credited service with a participating employer for employees who become eligible for enrollment into the NMRHCA health care program on or after July 1, 2001, and their dependents, and subject to a minimum retiree age for employees who become eligible for enrollment into the NMRHCA health care program on or after ~~January 1, 2021~~ July 31, 2021.
[2.81.11.6 NMAC - N, 2/14/2002; A, ~~4/1/2021~~ 7/31/2021]

2.81.11.7 DEFINITIONS:

- A. "Board"** means the board of directors of the NMRHCA.
 - B. "Credited service"** means the number of full years of employment with a participating employer as verified by the authority.
 - C. "Disabled retiree"** means an eligible retiree who has been authorized to retire due to disability by the appropriate state retirement agency.
 - D. "Member of an enhanced retirement plan"** means a member of a retirement plan as defined by Section 10-7C-15 NMSA 1978.
 - E. "Retiree health care authority" or "authority" or "NMRHCA"** means, the retiree health care authority established by chapter 6 laws of New Mexico, 1990 (Sections 10-7C-1 *et seq.*, NMSA 1978).
 - F. "State retirement agency"** means each of the agencies created and authorized by law to administer the educational retirement act, the public employees retirement act, the judicial retirement act, the magistrate retirement act, the public employees retirement reciprocity act, or the retirement program of an independent public employer on or before July 1, 1990.
 - G. "Subsidy"** means a set portion of the cost of an eligible retiree's monthly coverage, a varying percentage of which is borne by the authority as determined by the board.
- [2.81.11.7 NMAC - N, 2/14/2002; A, 12/30/2002; ~~4/1/2021~~ 7/31/2021]

2.81.11.8 NMRHCA CONTRIBUTION OF A PERCENTAGE OF A SUBSIDY TO MONTHLY PREMIUMS OF ELIGIBLE RETIREES:

A. Except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are members of an enhanced retirement plan and become eligible for participation on or after July 1, 2001, or are not members of an enhanced retirement plan and become eligible for participation on or after July 1, 2001 but before ~~January 1, 2021~~ July 31, 2021, and the eligible dependents of such retirees, the NMRHCA will contribute the following percentages of the subsidy to the monthly premiums according to the corresponding numbers of years of credited service with an NMRHCA-participating employer:

- (1)** Example: If the subsidy for a particular plan is one half the premium cost, then for a retiree with 20 years of credited service the NMRHCA would provide one hundred percent of the subsidy; half the cost.
- (2)** Example: For the same subsidy of one half the premium cost, the percent of subsidy for a retiree with eight years of credited service would be twenty-five percent of the fifty percent subsidy: twelve and one-half percent of the cost.

Years of credited service	Percentage of subsidy
5	6.25
6	12.50
7	18.75
8	25.00
9	31.25

10	37.50
11	43.75
12	50.00
13	56.25
14	62.50
15	68.75
16	75.00
17	81.25
18	87.50
19	93.75
20	100.00

B. Subject to 2.81.11.10 NMAC and except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after ~~January 1, 2021~~ July 31, 2021, and the eligible dependents of such retirees, the NMRHCA will contribute the following percentages of the subsidy to the monthly premiums according to the corresponding numbers of years of credited service with an NMRHCA-participating employer:

(1) Example: If the subsidy for a particular plan is one half the premium cost, then for a retiree with 25 years of credited service the NMRHCA would provide one hundred percent of the subsidy; half the cost.

(2) Example: For the same subsidy of one half the premium cost, the percent of subsidy for a retiree with twelve years of credited service would be thirty-eight and one-tenth percent of the fifty percent subsidy; nineteen and five-hundredths percent of the cost.

Years of credited service	Percentage of subsidy
5	4.76
6	9.52
7	14.29
8	19.05
9	23.81
10	28.57
11	33.33
12	38.10
13	42.86
14	47.62
15	52.38
16	57.14
17	61.90
18	66.67
19	71.43
20	76.19
21	80.95
22	85.71
23	90.48
24	95.24
25	100.00

[2.81.11.8 NMAC - N, 2/14/2002; A, 4/30/2003; A, ~~1/1/2021~~ 7/31/2021]

2.81.11.9 SUBSIDIES FOR DISABLED RETIREES: Notwithstanding any other provision of this rule:

A. The subsidy paid by the NMRHCA for a disabled retiree with a “duty disability,” as described in Subsection B of 2.81.7.10 NMAC, and to the dependents of such a retiree, shall be at the one hundred percent level, corresponding to the applicable maximum year level set forth in 2.81.11.8 NMAC, regardless of such retiree’s period of credited service and age.

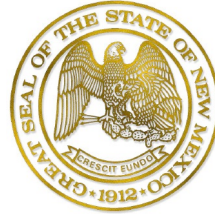
B. The subsidy paid by the NMRHCA for a disabled retiree with a “non-duty disability,” as described in Subsection C of 2.81.7.10 NMAC, and to the dependents of such a retiree, shall be as set forth in Subsection A of

2.81.11.9 NMAC, *provided*, that, as a condition of eligibility for benefits, such retiree has five or more years of credited service.

[2.81.11.9 NMAC - N, 2/14/2002; A, 12/30/2002; A, 4/30/2003; A, ~~4/1/2021~~7/31/2021]

2.81.11.10 AGE REQUIREMENT FOR SUBSIDIES: Except as otherwise provided in 2.81.11.9 NMAC, for eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after ~~January 1, 2021~~July 31, 2021, the minimum retiree age requirement to be eligible for subsidies is 55.

[2.81.11.10 NMAC - N, ~~4/1/2021~~7/31/2021]



Comments on the Proposal To Delay the Effective Date
Of 2.81.11 NMAC Sections 6-10

I am providing a comment in agreement with postponing this rule change until July 31, 2021. I am affected by this rule change and now with COVID19 and with current budget issues we are having at PHD, I am unable to hire appropriately to help with vacancies before my possible departure of retiring by 12/31/20. This added time would help me tremendously, and my program status. Please take this into consideration.

Vanessa Tavarez-Corral
Las Cruces
4/21/20

The proposed rule change amendment delaying the rule change until July 31, 2021 makes a great deal of sense. Please extend many thanks to the NMRHCA staff and members involved in this amendment to delay the effective date to 7/31/21.

I support this amendment to the rule change to delay the effective date to July 31, 2021 one hundred percent.

Daniel A. Collins
4/21/20

I was quite pleased to receive the email with information about the proposed rule change to the subsidy for healthcare insurance through NMRHCA. I wholeheartedly support the proposed rule change. Thank you for your concerns for State Employees.

Denise M. Narvaez
4/22/20

I wanted to provide my opinion regarding changing the dates/retirement/health changes from January 1 2021 to July 31 2021. I am totally in favor of the change and hope that you all strongly consider adapting the date change.

Thank you in advance,
Linda Elli
5/5/20

I am a public employee that will be affected by the proposed rule change. I will be eligible for retirement in January 2021. Without the amendment change to July of 2021 I will miss out on 21% of the healthcare benefit. This is a significant amount in my position. After eighteen years of service I would lose this percentage by only 28 days. I am sure that I am not the only one that would be affected. Please pass the proposed amended date to July 2021.

Thank You
David Trujillo
5/8/20

Due to COVID 19, the ending to this school year has been difficult and with not knowing what's in store for the fall, I am not going to leave my staff or students in times of turmoil. There is too much to get done and that an administrator takes care of in the way of distance learning. If the rule is not changed, it forces me to retire mid-year. We still do not know what to expect from this pandemic, even come December. It will force many principals, teachers, or anyone facing the same situation, to leave mid-year. This is unfair to staff, students and parents. We are dedicated employees and like to finish strong. With that being said, I am submitting my support for the rule change to go into effect in July 2021, rather than January 2021.

Thank you,
Clara DeArmond
Milan, NM
5/14/20

My name is Candy Salazar. I am a School Counselor in Grants, New Mexico. I am 47 years old and in June of this year, will have 25 years in public education with the great state of New Mexico. To avoid the retirement before 55 deadline which will result in my not receiving any premiums paid until I turn 55, I was being forced to retire by December 2020. Due to COVID 19, the ending to this school year has been difficult and with not knowing what's in store for the fall, I don't want to leave colleagues and co-work, as well as students and their families in times of turmoil. If the rule is not changed, it forces me to retire mid-year. We still do not know what to expect from this pandemic, even come December. It will force many principals, teachers, or anyone facing the same situation, to leave mid-year. This is unfair to staff, students and parents. We are dedicated employees and like to finish strong. With that being said, I am submitting my support for the rule change to go into effect in July 2021, rather than January 2021.

Candy Salazar
Grants, NM
5/15/20

I am writing to you to request the the effective date of the amendment to Rule 2.81.11 of the New Mexico Administrative Code be changed from January 1, 2021 to July 31, 2021.

I am an educator who will be affected by this change and would have to retire mid year as to not forego the eligibility of health care subsidy, leaving my school in search of a replacement. In any time this is difficult, but amid the COVID 19 pandemic, it will be even more difficult. When I sign my contract, I sign as a commitment for the entire year and want to fulfill my commitment to my employer, students, and families. Please consider the impact that this rule change would make on the education of our New Mexico students and extend the effective date to July 31, 2021.

Furthermore, I implore you to reconsider the rule change and consider options that would allow us to keep educators in our state.

Great appreciation for accepting our comments.
Sincerely,

Jennifer Lara
5/18/20

I wanted to express my gratitude to all of you for proposing amendments to delay implementation of the age 55 requirement. This proposal will assist those of us who are financially conflicted as to what the right decision is during these uncertain times? Thank you and I hope you ALL stay well♥

Respectfully,
Annette Thompson-Martinez
5/22/20

Ruidoso Municipal Schools

200 Horton Circle ~ Ruidoso, NM 88345
Phone: (575) 630-7000 ~ Fax: (575) 257-4150

Clinton Taylor
Director of Finance

Ruidoso High School
Shari John, Principal
(575) 630-7906

Ruidoso Middle School
Cecily Hooker, Principal
(575) 630-7801

White Mountain Elementary
Becca Ferguson, Principal
(575) 258-6300

Sierra Vista Primary
Angela Romero, Principal
(575) 258-6400

Director of Special Education
Dr. Melvina Torres
(575) 630-7015

Athletics/Activities Director
Kief Johnson
(575) 630-7912

Bilingual Coordinator
Mayra Lucero
(575) 258-6300

Dr. George Bickert
Superintendent



Mr. Jason Edmister
Associate Superintendent

April 24, 2020

New Mexico Retiree Healthcare Authority
PO Box 25406
Albuquerque, NM 87125

Dear Board of Directors:

Ruidoso Municipal School District respectfully requests that the effective date of amendment to Rule 2.81.11 of the New Mexico Administrative Code be changed to July 31, 2021, or extended to a later date.

The proposed change is a good first step, but this matter will need to be revisited again in the upcoming fiscal year. Our district has faced difficulty in recruiting and hiring qualified personnel even at the beginning of a school year. If the rule is left as is, with the effective date of January 1st, school districts will be faced with replacing personnel who have retired mid-year when there are few to no experienced applicants to fill the vacated positions.

We are grateful that your entity is accepting public comments regarding this matter and are confident you will make the appropriate decision.

Sincerely,

Dr. George Bickert
Superintendent



Dexter Consolidated Schools

PO Box 159

Dexter, New Mexico 88230

575-734-5420 (fax) 575-734-6813

May 1, 2020

Lesla Dodd
Superintendent

Heather Garner
High School Principal
575-734-5420 x710

Christina Ferguson
Middle School Principal
575-734-5420 x510

Bernadette Aragon
Elementary School
Principal
575-734-5420 x410

Shannon Aguilar
Special Education
Director
575-734-5420 x337

Jamila Miller
K-12 Programs Director
575-734-5420 x371

Diana Rivera
Technology Director
575-734-5420 x363

Board of Education

James Salas
President

Orlando Chavez
Vice President

Nancy Miles
Secretary

Andrea McGarrah
Member

Kristie Regalado
Member

NM Tax Exempt
#01-50309500-4

Dear New Mexico Retiree Health Care Authority

Please let this letter serve as my support of the proposed rule change which would amend the effective date of existing rule 2.81.11 NMAC – Establishing Subsidy Levels on the Basis of Age and Creditable Service amending sections 6 through 10 to July 31, 2021. The purpose of this amendment is to delay the effective date of the minimum age and years of service requirement to coincide with the school year.


I understand the need for New Mexico Retiree Health Care Authority to remain solvent in the future, and raising the age limit to 55 is a possible solution. The amendment to change the effective date from January 1, 2021 to July 31, 2021 only makes sense since the majority of entities that participate in the NMRCHA are school systems that operate on a July 1 to June 30 fiscal year. Typically, school staff retire at the end of the school year, so changing the effective date on the new rules to July 31, 2021 aligns with current retirement trends. If the rule is left at the effective date of January 1, 2021, this will require many school staff to consider retiring mid-year which is detrimental not only to the school district in having to find replacement staff mid-year but is also detrimental to our New Mexico students in having a change in teachers, administrators, counselors, custodians, etc. mid-year. In addition, in order to meet New Mexico Educational Retirement Board requirements, it would mean school staff would have to retire effective December 1, 2020 to meet the January 1, 2021 NMRHCA requirement. This could result in not only staff leaving mid-year, but staff leaving several weeks prior to mid-year. In the education field, it is hard enough to find and hire staff in the summer months. It is almost impossible when having to find replacement staff during the school year.

As educators, each year when we sign our contracts, we are committing to a full year of service to our school, colleagues, and most importantly to our students. If the existing date of January 1, 2021 stays intact, many educators across the state who are eligible to retire will be left with the dilemma of whether to fulfill their commitment of working a full year resulting in foregoing the eligibility for the subsidy or choose to ignore that commitment to their contract and their profession to retire mid-year to be eligible for the subsidy. This is not a choice that anyone committed to educating students should have to make.

Therefore, I do ask that you strongly consider changing the effective date to July 31, 2021 rather than January 1, 2021 so that this year’s educators can complete a full school year without having to make the difficult decision to retire mid-year.

Thank you for your consideration!

Sincerely


Lesla Dodd
Superintendent

Comments Submitted But Not Directly Related to the Proposal To Delay
The Effective Date of 2.81.11 NMAC Sections 6-10

I received your note that was sent to the HR departments across the state regarding the change in retirement health care. Do you realize what you have done?

What you have done is taken an understanding of the teachers of significant years, and changed the game. The state grandfathered those teachers that, in trust, came in under one rule, one goal line to shoot for after a long proud career and made sure no teacher trusts the system again.

I started 29 years ago, in this game. I have worked hard, made many significant differences in the students of Alamogordo. I planned on going another 5 or 6 years, AS LONG AS THINGS WERE GOOD. I have a great principal and assistant principal right now and would love to work for them those continuing years. But, I also know that administration is at the will of the district and those personnel can change at district discretion. The knowledge that I could leave if I needed to, if things were not as good as they are now is the most comforting feeling imaginable. With this arbitrary and capricious decision, the NMRHCA has placed me and hundreds of other teachers in a very precarious position.

Why would the state put itself into the position of losing even more teachers than they normally would? Teachers are not coming to New Mexico and this is not going to be the golden egg that lures them here. Did you consider the possibility that teachers would wait until November and retire? Can New Mexico afford to lose its tenured teachers, that would still proudly teach, if the rule started July 2021?

Do you realize that NM teachers are proud? Do you realize that NM teachers trust? Do you realize that NM teachers do not deserve to be disrespected this way. We work hard and we take great pride in what we do and how long we have done it. I would love to stay another 5 or 6 years, as do many of the older teachers I know. Please don't put your experienced teachers in the situation of having to decide:

1. Do we stay in and work the years we need to get to the new goalline of NMRHCA and hope situations stay good and don't turn sour?

OR

2. Do we get out, keep our health care, don't look back at the situation/gap/hole that we have left by leaving because teachers are NOT waiting in line to teach in NM?

Some food for thought. I believe this is a horrible mistake and NM will not be the better for it. I am just one of the boots on the ground, one of thousands in the trenches, and have been for a long time. I actually DO know of what I speak.

Dale Lindley
Alamogordo
4/21/20

I am writing as the spouse of a New Mexico state Employee who will be eligible for retirement in September of 2021. As I read the Notice of Proposed Rule making Amendment and Public Rule Hearing that deems to amend the current date of January 1, 2020 to July 31, 2021 to coincide with the school year.

My question to you is why not extend the date out to January 1, 2022 as the initial date was January 1, 2021, by giving the extra 6 months you will allow many who are eligible to retire the chance to pay for their health insurance at a reasonable rate. As it stands now those who are under 55 before this date will have to pay an amount that is just not right and makes it hard for them to retire as they are paying almost 3 times what they pay now. Some state employees I have spoken to are now waiting til they turn 55 to retire. Why should they have to wait til they turn 55 all because the board feels the need to impose this rule change.

I understand the situation that the fund is in and I also understand how some at the PERA in my opinion are overpaid for the work that they do. I was an state employee for over 25 years and retired in 2018 as I saw what was becoming of state government and the fund. I still do not believe it is fair that those employees who put in their 25 years but because they are under the age of 55 must get penalized and have to pay such high premiums.

I spoke at one of the meetings and mentioned how over the years administrations had cut back on hiring thus the fund was made unstable as less state employees were paying into the fund. The sad part is that the state passes a budget for positions, but in some cases they do not fill those positions in order for it to seem that they are saving the state money by not hiring for these positions.

I saw first hand how I needed to hire essential personnel for key jobs, but was told I couldn't all in the name of saving money but in fact it cost more when I had to outsource the job to a private company as that was deemed OK by the administration.

It's OK to spend more for a job by outsourcing it than to have it done In House by a vested State Employee. I just don't get where the state saves money and thus those vested state employees with 25 years but under the age of 55 get screwed by the rule change.

Mr. Archuleta I know you get a lot of e mails from a lot of frustrated employees and retirees who feel that the system is not working for them. I am grateful for my State Retirement as I earned it, and I feel that those employees who have also earned their retirement are entitled to the benefits that all retirees get without penalizing them because of their age and not falling within the dates set for retirement.

I hope you all consider extending the date to January 1, 2022, as this will be a huge help for a lot of state employees who will be eligible for retirement and can retire and pay a fair amount for their insurance and not have to worry that they have to pay 3 times the amount that someone who was eligible to retire before this deadline, thus taking what little retirement money they get in order to sustain insurance which they need.

Ronald S. Trujillo
4/21/20

I have reviewed the proposed rulemaking amendments, and my concern as a State of NM Employee is the amendment to Rule 2.81.11.8.

I am age 75, and currently I have 22.9 years of service credit. As I understand it, and which I counted on, is that according to Section 8, at 20 years of credited service the percentage subsidy to my monthly retirement would be 100%, meaning I could retire anytime after 20 years and still receive the 100%. As I understand the proposed amendment to this section, if approved, I would now have to wait until I have 25 years of credited service to receive 100%. I believe this is totally unfair for all state employees who relied on the current 20 year rule at 100%. To now change, what we relied on, to 25 years/100% would amount to an unconstitutional "ex post facto" amendment, not to mention a breach of contract. I believe that all state employees with 20 years of service and more, who relied on the 20year/@ 100%. should be grandfathered in at the mentioned years/100% we relied on.

Richard Crollett
4/21/20

I would like to submit comments on the proposed Rule Change to 2.8 NMAC concerning the subsidy for retiree health. I am a 25+ year state employee who has contributed to the health plan for all of my years of service. I will be 50 years old when I am eligible to retire in September of 2021. We were informed by RHCA two years ago that they were proposing a rule change to increase the age to be eligible for retiree health care to 55. I as a dedicated state employee was insulted and upset that 9/10th into the game, you are being allowed to change the rules and cut me completely out of access. I should at the least be allowed a percentage of health care for those 5 years until I am eligible under your totally arbitrary rule. I have asked if I could stop paying into RHCA since I will not benefit from the fund for at least 5 years into my retirement and was told no, I was required to continue contributing regardless of how it will affect me.

I understand the need to make the fund sustainable but I would also like to be able to afford to retire after completing my years of required service. I am requesting that you consider doing one of two things: moving your new arbitrary date to January 1, 2022, so it allows for state employees to change their health plan at the beginning of a health plan year. This date would also be in accordance with your original change date to January 1, 2021.

The other item I wish you to consider is that for the employees that have not reached age 55, you tier the level of coverage so we are allowed to receive some subsidized RHCA healthcare. This would make it a little more equitable for those employees who have contributed for all their years of service but do not meet your arbitrary age requirement. It is a total injustice for employees to be unable to retire because the RHCA is completely cutting them out of health care they have paid into for their entire career.

In closing, I ask that you sincerely consider those of us that have dutifully committed to the plan and make these changes.

Amber Espinosa-Trujillo
5/8/20

I am briefly relieved that the proposed effective date for the age requirement is 6 months later than the previously enacted date of 12/31/2020. However, I feel that this is only a temporary band-aid meant to alleviate NMHCA's unforeseen obligations during an economic downturn amidst a global pandemic.

I myself have served the State of New Mexico for 27 years plus and would consider to stay the 30 years per the incentive created by the NMPERA in order to receive a 90% of income pension. However, NMHCA is preverbally forcing myself and hundreds of other state employees to decide between staying longer or leaving sooner in order to retain health care subsidies due to the implemented age restrictions. I am shocked that the NMPERA hasn't fought the NMHCA on this enactment that goes directly against what I believe they were trying to do (gain solvency) by initiating the incentive for longer service with the new 30 year/90% tier.

I feel it is punitive of the NMHCA to have enacted a minimum age requirement on top of years of service in order to continue the employer benefits for health care through subsidies especially for someone who started working for the State of NM effectively right out of high school. I myself worked full-time, attended school full-time and juggled a family all at the same-time. I earned several Associates, completed my Bachelors and went on to earn my MBA. I earned less than my fellow graduates working in private industry, some of those private industry workers eventually came to work with State Government later in life. They are "young" in their careers but are now old enough in age that this enactment will not effect them when they reach the required years of service. I could have retired at 25 years of service but chose to stay because I felt I still had a valuable career and room for advancement within State Government. I am 47 years of age and now I feel that I am being forced into retirement in order to maintain health benefits for myself and my dependent children - one which is in college and the other who is special needs and in high school.

I am enrolled in the Federal Department of Education's Public Service Student Loan Forgiveness Program which requires 10 years of payments while in public service in order to qualify for debt forgiveness. In obtaining my MBA I have accrued \$140K in student loans including interest. I have made 3 years of payments after obtaining my MBA, meaning I have 7 years of payments left. Those remaining years of payments must be made while working in public service. So, although I have more than 10 years of public service I was not making payments during those years (the loans were not made nor available for repayment during those prior years of service.) Now, if I am forced to retire, I find that I am left to pursue employment in either the Federal Govt, Non-profits, public schools etc. that do not pay into the NMPERA so as to not jeopardize that pension.

Amidst COVID-19 the search for employment has come to a standstill. The State of NM Govt' itself has enacted a hiring freeze, other public sector jobs have been discontinued and I fear that it won't be long before Federal Govt follows suit with hiring freezes and furloughs. I cannot afford to abandon my Student Loan Forgiveness Program!

I know that once I leave employment with State Government employment per the NMPERA rules I must accept whatever new employer's health plan that is offered. So, I ask: Why does it matter to the NMHCA what age a retiree is as long as they have the required years of service? To assist employees like me I also ask: Would the NMHCA please consider putting in another level of qualification - for either 26 years 8 months or 30 years of service and NO AGE LIMIT? That way the NMHCA is not punishing those of us who have literally worked more than half our lives dedicating service to the State of New Mexico. Thank you.

Most sincerely,
Theresa "Terry" Root

5/12/20

I am an employee at New Mexico Highlands University. I plan on retiring August 1, 2021, with my full 25 years of service with ERB. I will be 53 years old.

The subsidy change will affect me, even changing it to July, 31, 2021 – I will miss the July 31, deadline by one day.

Please take into consideration moving date to December 31, 2021 or August 31, 2021.

I can't retire June 30, 2021 because my retirement check will be impacted I get a penalty if I don't stay 25 years.

Would there be a possibility of getting grandfathered in, what options can you offer me. This does cause a hardship on me to pay \$600 plus on insurance versus \$200 plus.

It would be great when making these decisions to grandfather the people in and make the change for the new people coming in.

Please let me know your thoughts.

I really appreciate your consideration.

Respectfully,

Ivy Romero
5/20/20

Exhibit 6

SIGN-IN SHEET
RULE CHANGE AMENDMENT PUBLIC HEARING
5/22/20

Name	Oral Comment	Written Comment
1. Colleen Tagle	Yes	No
2. Ivy Romero	Yes	No (previously submitted)
3. Carment Merlano-Whitlock	Yes	No
4. Janet Gallegos	No	No
5. Veronica Gallegos	No	No
6. Jill (no last name given)	No	No
7. Miranda McKinney (The Solutions Group)	No	No
8. Greg Holguin	No	No
9. Melinda Bernal	No	No
10. Tammy Reid	No	Yes (using chat function)
11. Dana Critchlow	No	Yes (using chat function)
12. Kelli Venable	No	No
13. Laura Crawford	No	No
14. David Bredia	No	No
15. Kathy Bredia	No	No
16. Mary McIntyre	No	Yes (using chat function)
17. Mario R. Romero	No	Yes (using chat function)
18. Rosanne Tena (Presbyterian)	No	No
19. Lisa Hentz (BCBS)	No	No
20. Christina Gauthier	No	No
21. Keith Witt (Presbyterian)	No	No
22. Tom Sullivan (NMRHCA Board President)	No	No
23. Therese Sullivan (NMRHCA Board Member)	No	No
24. Pamela Moon (NMRHCA Board Member)	No	No
25. Leane Madrid (NMRHCA Board Member)	No	No



SIGN-IN SHEET (PAGE 2)
RULE CHANGE AMENDMENT PUBLIC HEARING
5/22/20

Name	Oral Comment	Written Comment
1. Geralyn Rossi	No	No
2. Prescilla Ortega-Mathis	No	No
3. Alicia Alba	No	No
4. Veronica Moreno	No	No
5. Teresa Padilla	No	No
6. Kelly King	No	No
7. Ann (no last name given)	No	No
8. Jan (no last name given)	No	No
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NEW MEXICO RETIREE HEALTH CARE AUTHORITY

PUBLIC HEARING VIA TELECONFERENCE

MAY 22, 2020

2:33 P.M.

Present:

Mr. Greg Archuleta, Presiding Officer, Director of Communication & Member Engagement, NMRHCA
Mr. Tom Sullivan, President, NMRHCA Board of Directors
Ms. Therese Saunders, Member, NMRHCA Board of Directors
Ms. Pamela Moon, Member, NMRHCA Board of Directors
Ms. Leane S. Madrid, Member, NMRHCA Board of Directors
Mr. David Archuleta, Executive Director, NMRHCA
Mr. Tomas Rodriguez, IT Manager, NMRHCA
Mr. Jason Ballard, Customer Service Manager, NMRHCA

- **CONSIDERATION OF AMENDING EFFECTIVE DATE OF EXISTING RULE 2.81.11 NMAC, ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF AGE AND CREDITABLE SERVICE, AMENDING SECTIONS 6 THROUGH 10 TO AN EFFECTIVE DATE OF JULY 31, 2021**

Presiding Officer Greg Archuleta explained the purpose of the hearing is for the Board of Directors of NMRHCA, or Board, to receive public comment, views, testimony, arguments, information, and data on a proposal considering the amendment of the effective date of the existing rule, the Board's current regulation, 2.82.11 NMAC, establishing subsidy levels on the basis of age and creditable service, amending Sections 6 through 10 to an effective date of July 31, 2021 rather than the current date of January 1, 2021. He said the Board and the staff of the Authority welcome everyone to this hearing, and stated that this hearing is being conducted in accordance with provisions of the Retiree Health Care Act, NMSA 1978, §10-7C-1 to 16 (1990, as amended through 2009), State Rules Act, NMSA 1978, Sections 14-4-1 to 11 (1967, as amended through 2017), and the Default Procedural Rule for Rulemaking, 1.24.25 NMAC (4/10/2018).

Mr. Archuleta stated that lobbyists present should be aware that the Lobbyist Regulation Act NMSA 1978 § 2-11-1 to 9, 1977, as amended through 2016, regulates activities before boards and commissions and rulemaking proceedings. Additional information and registration is available at the Secretary of State's Office.

Mr. Archuleta stated that public notice of this hearing was advertised in the New Mexico Register on April 21, 2020, and copies of the proposed rule have been available by requesting a copy from the Authority's Hearing Officer since the Notice of Proposed Rulemaking and Public Rule Hearing was published. The proposed rule was also published on the NMRHCA website at www.nmrhca.org. Copies of the rule are also available through the New Mexico Sunshine Portal

at www.sunshineportal.nm.com. A copy of the amendment will be displayed during this hearing, or attendees can go to the webpage to locate a copy.

Mr. Archuleta noted the following:

- The purpose of the amendment of existing sections of the rule is to delay the effective date amending the subsidy schedule, to increase the years for maximum subsidy for some plans, and amending the effective date establishing a minimum age requirement to receive subsidy for coverage.
- Section 8 of the existing rule 2.81.11 NMAC (or 2.81.11.8) provides for NMRHCA to pay a percentage of the subsidy to monthly premiums of eligible retirees, the percentage of which is dependent on the years of credited service of the retiree and is 100 percent at 25 years of credited service and changes the percentages for fewer years of credited service. The amendment delays the effective date for retirees who are non-members of an enhanced retirement plan and become eligible for participation on January 1, 2021 to July 31, 2021.
- Section 10 requires that eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2021 be 55 years of age to receive subsidies. The amendment changes that effective date to July 31, 2021.
- Section 6 is amended to clarify that the objective of the part that includes subsidies will have a minimum age requirement for those retiring on or after January 1, 2021. The amendment changes the effective date to July 31, 2021.

Mr. Archuleta stated that, as this is a public hearing, NMRHCA is required to record everyone in attendance on an attendance sheet. NMRHCA Executive Director David Archuleta, Jason Ballard, NMRHCA staff member in charge of recording the attendance sheet, and Tomas Rodriguez, NMRHCA staff member in charge of presenting exhibits and monitoring the chat function for today's videoconference, are present. Also participating are NMRHCA Board members Tom Sullivan, Therese Saunders, Leane Madrid, and Pamela Moon.

Mr. Archuleta provided instructions to people attending by phone or through GoToMeeting.com on how to record their name and affiliation, and whether they intended to comment.

Mr. Archuleta said the attendance sheet would be entered into the record as an exhibit, and written comments received prior to this hearing are considered pre-filed and are part of the rulemaking record. All relevant documentation is provided on the website for review by members of the public.

Mr. Archuleta asked speakers to direct their comments to the rule amendments, although they may refer to other rules that reasonably relate to the rule amendments under discussion or

that relate to their comments. Any documents speakers want included as part of their testimony should be emailed to him before tomorrow, when the comment period expires. An audio recording of the meeting is available on request by contacting Mr. Archuleta at 505-222-6403 or at gregoryrarchuleta@state.nm.us. The recording will become a part of the record at the New Mexico Sunshine Portal and on the NMRHCA website.

[All speakers were sworn.]

COMMENTS FROM EXECUTIVE DIRECTOR DAVID ARCHULETA

Executive Director David Archuleta discussed the background and history of this rule change.

Mr. Archuleta stated that, in July 2014, the NMRHCA Board of Directors adopted a recommendation to establish a minimum and increased years of service requirement to receive the maximum subsidy provided by the agency beginning January 1, 2020. In order to implement this recommendation, in 2018, the Board of Directors initiated the rulemaking process, notified employer groups, employees, legislative interim committees, and the general public through a paper of general circulation in New Mexico, and voted to approve the proposed rule in October 2018, amending the effective date to January 1, 2021.

Mr. Archuleta said that, in January 2020, several employers groups, mainly school districts, expressed concern regarding the established rule. During discussions with stakeholder groups, whose support the agency sought for HB 45, introduced by Rep. Salazar in the last session, despite concerns expressed regarding the impact of the established rule to future retirees, New Mexico Retiree Health Care Authority's financial well being remains fragile. According to its last solvency study, the NMRHCA is expected to begin deficit spending in fiscal year 2023, or two years from now, with projected expenditures expected to exceed all available revenue sources by 2044, or in 25 years. In addition, according to the last GASB valuation, actuarial accrued liabilities total \$3.9 billion as of June 30, 2019, compared to assets of \$756 million, resulting in a funded ratio of just under 19 percent.

Mr. Archuleta commented that, despite these challenges, the Board of Directors has agreed to consider extending the implementation of the rule establishing a rule of minimum age and increased years of service requirements to receive a subsidy from the program in response to concerns expressed regarding schoolteachers retiring in the middle of the school year. The negative financial impact as a result of the proposed change is measured between \$3,960,000 and \$4,125,000.

Mr. Archuleta said he would attempt to answer any questions posed by anyone in attendance.

[There were no questions.]

TESTIMONY FROM PUBLIC

-- Colleen Tagle, HR director at Alamogordo Public Schools, said she appreciated that the Board responded to the concerns expressed on behalf of the NEA, school superintendents and school board members about the impact of this rule. She noted that the public comment section on the NMRHCA website is divided into two spaces, one directly related to the postponement of the rule implementation, and another that refers to public comments not directly related to supporting or opposing the delay. As she reads those comments, she feels they do speak directly to the issue and contain a lot of personal stories from people who support the delay of the implementation. She said there have been several resignations related to the concern about the implementation of this rule change, and that the decline of this benefit is imminent and that the goalposts will move yet again. Ms. Tagle requested that the Board make a decision at the June meeting.

-- Ivy Romero, employee of New Mexico Highlands University, said she will complete her 25 years on August 1, 2021. She said the rule will not work for her if the cutoff date is July 31. She said it is not fair that rules are suddenly changed, since this causes hardship for families. She said this rule is looking more at teachers than support staff, and she would appreciate moving the date to January 2022.

-- Carmen Merlano-Whitlock said she supported the amendment, and that she appreciated everyone's hard work.

This concluded verbal comments.

QUESTIONS FROM PUBLIC

Presiding Officer Archuleta asked that all attendees record their name and any questions they have in the chat function along with any comments.

-- Question from Dana Critchlow, teacher, Las Cruces Public Schools: How will everyone be notified?

Mr. Archuleta responded that notice would be posted on the website, submitted to the Sunshine Portal, and submitted to the New Mexico Register. He said the agency will also notify each of the participating employer groups through a designated member of the HR department, or designated staff. In addition, the NMRHCA will also send out the notice to state employees' email through DoIT. The ERB will also send out emails to the employer groups to pass along to their employees on their behalf.

This concluded questions from attendees.

There were no comments in the chat function from attendees in opposition to delay of the start date.

Comments in favor were recorded from: Kelly King; Janet Gallegos; Dana Critchlow; Kathleen Brezina (Las Cruces Public Schools); George Holguin; Veronica Moreno; Tammy Reed (Alamogordo Public Schools).

The attendance sheet was entered in the record as Exhibit 7.

The comment period was closed.

The hearing record was closed at this time. Public comment, views, testimony, arguments, information, and data entered during this rule hearing will be considered by the Board of Directors during its regularly scheduled open meeting at 9:30 a.m. on June 2, 2020 by videoconference. The Board may take final action on the proposed rule, and give a concise, explanatory statement regarding the reasons for the rulemaking at that time, or defer action until a subsequent meeting. Members of the public are invited to attend by videoconference, with details provided on the NMRHCA website.

Presiding Officer Archuleta said the rule amendments adopted by the board would be filed with the State Records & Archives Center within 15 days of adoption in accordance with the State Rules Act, Default Procedural Rule for Rulemaking, and NMAC regulations. Adopted rules would become effective immediately upon their publication in the New Mexico Register.

ADJOURNMENT: 3:09 p.m.

Attestation of Intent (Action Item)

Background. In July 2013, the Board of Directors adopted an attestation of intent stating the following: “NMRHCA’s Board of Directors would like to state its intent to modify plan designs as necessary to preclude the payment of any excise tax established by 2010’s Patient Protection and Affordable Care Act (PPACA) beginning in 2018.” This action allows our consultants to incorporate certain assumptions with regard to future growth in plan expenditures, as well as the value of our unfunded liabilities. For example, in 2013 without acknowledgment of future plan adjustments, the excise tax would cause the then Unfunded Accrued Actuarial Liability (UAAL) to grow to \$3.8 billion, compared to the \$3.4 billion as measured by the previous year’s GASB valuation. Since 2013, the implementation of this tax was delayed twice and in late 2019 the excise “Cadillac” tax was fully repealed and will never take effect.

Currently, our long-term solvency analysis and GASB valuation (GAS 74) assume NMRHCA will continue to modify its plan designs (i.e., copays, deductibles and coinsurance) in order to remain beneath what the excise tax threshold would have been in each year. The value of our Premier Plans are expected to exceed this threshold in 2024 and the value of our Medicare Supplement Plan is expected to exceed this threshold in 2034. In order to incorporate previously held assumptions, with regard to future plan modification, the Board of Directors will have to reaffirm its intent, despite the laws repeal.

Requested Action. In order to avoid increasing our unfunded liabilities and reducing our solvency period, NMRHCA respectfully requests that the Board of Directors reaffirm its intent to modify its plan designs (pre-Medicare and Medicare Supplement) to limit the future value of those plans in order to remain under the threshold that would have been in effect based on the PPACA “Cadillac” tax provisions that were in place immediately prior to its repeal on December 20, 2019. No specific plan reduction items are being requested at this time.

2021 Preliminary Plan Discussion

1. Attestation of Intent to Preclude Payment of Excise Tax

June 2, 2020 Action Item

2. Pre-Medicare/Medicare Supplement Plan Rates

Increase retiree premiums in accordance with projected medical trend for all self-insured plans based on upon loss ratios calculated in May --- estimates will available by our regularly scheduled meeting in June. NMRHCA's long-term solvency projections include annual 8% and 6% respective rate increases as part of its baseline assumptions in order to keep pace with rising medical costs. Changes to this rate of increase in any given year are based on an evaluation of NMRHCA's overall loss ratio (how closely NMRHCA rates match actual costs) or any changes made to the plans' cost-sharing provisions (deductibles, out-of-pocket maximums, etc.). Applying this assumption to our self-insured plan rates for 2021 (based on 20 years of service) would have the following impact:

Pre-Medicare 8% / Medicare Supplement 6%				
Plan	2020 Rate	2021 Rate	Monthly Change	Annual Change
Value				
Retiree	\$ 217.95	\$ 235.39	\$ 17.44	\$ 209.23
Spouse/DP	\$ 413.64	\$ 446.73	\$ 33.09	\$ 397.09
Child	\$ 211.19	\$ 228.09	\$ 16.90	\$ 202.74
Premier				
Retiree	\$ 279.01	\$ 301.33	\$ 22.32	\$ 267.85
Spouse/DP	\$ 529.57	\$ 571.94	\$ 42.37	\$ 508.39
Child	\$ 270.83	\$ 292.50	\$ 21.67	\$ 260.00
Supplement				
Retiree	\$ 222.55	\$ 235.90	\$ 13.35	\$ 160.24
Spouse/DP	\$ 333.83	\$ 353.86	\$ 20.03	\$ 240.36
Child	\$ 445.11	\$ 471.82	\$ 26.71	\$ 320.48
Pre-Medicare 7% / Medicare Supplement 5%				
Plan	2020 Rate	2021 Rate	Monthly Change	Annual Change
Value				
Retiree	\$ 217.95	\$ 233.21	\$ 15.26	\$ 183.08
Spouse/DP	\$ 413.64	\$ 442.59	\$ 28.95	\$ 347.46
Child	\$ 211.19	\$ 225.97	\$ 14.78	\$ 177.40
Premier				
Retiree	\$ 279.01	\$ 298.54	\$ 19.53	\$ 234.37
Spouse/DP	\$ 529.57	\$ 566.64	\$ 37.07	\$ 444.84
Child	\$ 270.83	\$ 289.79	\$ 18.96	\$ 227.50
Supplement				
Retiree	\$ 222.55	\$ 233.68	\$ 11.13	\$ 133.53
Spouse/DP	\$ 333.83	\$ 350.52	\$ 16.69	\$ 200.30
Child	\$ 445.11	\$ 467.37	\$ 22.26	\$ 267.07
Pre-Medicare 6% / Medicare Supplement 4%				
Plan	2020 Rate	2021 Rate	Monthly Change	Annual Change
Value				
Retiree	\$ 217.95	\$ 231.03	\$ 13.08	\$ 156.92
Spouse/DP	\$ 413.64	\$ 438.46	\$ 24.82	\$ 297.82
Child	\$ 211.19	\$ 223.86	\$ 12.67	\$ 152.06
Premier				
Retiree	\$ 279.01	\$ 295.75	\$ 16.74	\$ 200.89
Spouse/DP	\$ 529.57	\$ 561.34	\$ 31.77	\$ 381.29
Child	\$ 270.83	\$ 287.08	\$ 16.25	\$ 195.00
Supplement				
Retiree	\$ 222.55	\$ 231.45	\$ 8.90	\$ 106.82
Spouse/DP	\$ 333.83	\$ 347.18	\$ 13.35	\$ 160.24
Child	\$ 445.11	\$ 462.91	\$ 17.80	\$ 213.65

3. Medicare Advantage Defaulting Strategy

Revised defaulting strategy based on 2019 Medical, Dental, Vision, EAP and Medicare Programs RFP – pending State Purchasing Division approval.

4. Pre-Medicare Plan Design

- a. Emergency room / urgent care interaction - model scenarios where ER copay is raised (waived if admitted) and UC copay are lowered. Intention is to create incentive for members to use UC.
- b. High tech radiology place of service interaction - model scenarios where HT radiology cost share is increased on facility and lowered for non-facility providers. Intention is similar to ER/UC - by lowering the OOP cost for members, change the behavior of members.
- c. Potentially explore PCP / specialist copay relationship - will need to be sensitive to unique needs of retirees and limited provider access.

5. Pre-Medicare Subsidies

- a. Spouse/domestic partner reduction – 2 percent / 36 to 34 percent

NMRHCA's five year strategic plan includes a provision to reduce the subsidies for pre-Medicare spouses. This would be the third phase of that process which has already reduced the subsidy level from 40% to 38% for plan year 2015 and from 38% to 36% in 2016.

- b. Retiree subsidy reduction – 1 percent / 64 to 63 percent

NMRHCA's five year strategic plan also includes a provision to reduce the subsidies for pre-Medicare retirees. This would be the second phase of that process as the maximum subsidy was reduced from 65% to 34% in 2016.

6. Additional Variables Impacting Solvency Report/Year End Goals:

- Changes to minimum age and increased years of service rules
- 2020 Special Legislative Session
 - Employee and employer contributions
- Implementation of Livongo Diabetes Management Program
- Additional programs resulting from 2019 Medical, Dental, Vision, EAP and Medicare Programs RFP – pending State Purchasing Division approval
- 4th year of 4-year basic life phase out

Memorandum

To: David Archuleta, Executive Director

From: Nura Patani, PhD, ASA, MAAA

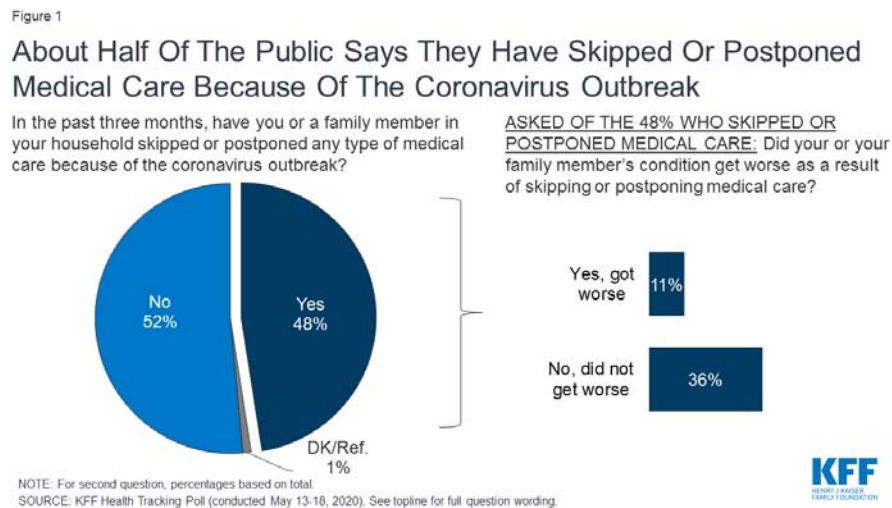
Date: May28, 2020

Re: Anticipated Impact of COVID-19 on Typical Health Plan Claims

The coronavirus disease 2019 (COVID-19) pandemic is rapidly evolving and will likely cause significant disruptions to the healthcare delivery system in the coming months. Health plan claim projections are likely to be impacted by:

- Direct costs for testing and treating the disease
- Indirect savings from reduced utilization of non-essential services

The pandemic has resulted in a temporary suspension of many healthcare services. The Centers for Medicare & Medicaid Services (CMS) on March 18 released recommendations that all elective surgeries and non-essential medical, surgical, and dental procedures be delayed during the COVID-19 outbreak¹. Several governors followed these recommendations by mandating cancellation of non-essential services in their state. At the same time, many individuals have voluntarily postponed medical care due to concerns related to COVID-19.



¹ The Centers for Medicare & Medicaid Services (2020). CMS Releases Recommendations on Adult Elective Surgeries, Non-Essential Medical, Surgical, and Dental Procedures During COVID-19 Response. Available at: <https://www.cms.gov/newsroom/press-releases/cms-releases-recommendations-adult-elective-surgeries-nonessential-medical-surgical-and-dental>.

The impact of these disruptions to the healthcare delivery system is significant. The American Hospital Association (AHA) estimates² that U.S. nonfederal hospitals will lose approximately \$161.4 billion during the four months from March to June 2020 as a result of these delayed and cancelled services. While some elective procedures may be deferred to later in the year (and even into 2021 due to patient hesitancy to enter hospitals) and others may not be performed at all, the AHA emphasized one potential downstream impact of delayed care:

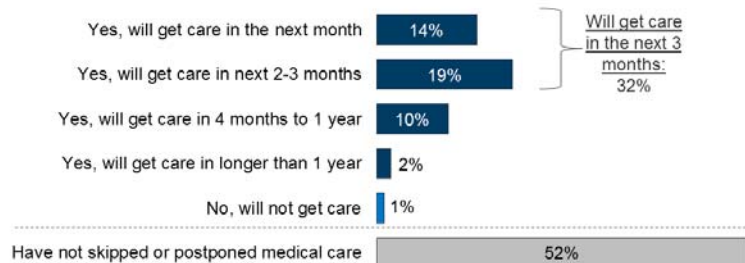
So-called elective procedures are not considered optional surgeries, but non-emergent. These procedures can alleviate pain, improve quality of life and be otherwise life changing for patients. For some, delaying care could create additional complications later. It remains to be seen what the long-term effects are of delaying care as a result of COVID-19, both in terms of costs for individuals and hospitals, and in terms of health outcomes.

In general, maintenance care including, but not limited to, routine office visits, chiropractic therapy, and physical therapy, is expected to be cancelled and not made up during the duration for which services are postponed. Material disruptions to expensive, critical care are not expected.

Figure 2

About A Third Say They Skipped Or Postponed Medical Care Due To The Coronavirus But Will Get Needed Care In Next Few Months

ASKED OF THE 48% WHO SKIPPED OR POSTPONED MEDICAL CARE: Thinking about the care you or your family member skipped or postponed, do you think you will eventually get this care, or not? IF YES: Will that be in the next month, within two to three months, within four months to one year, or longer than that?



NOTE: Percentages based on total.
SOURCE: KFF Health Tracking Poll (conducted May 13-18, 2020). See topline for full question wording.

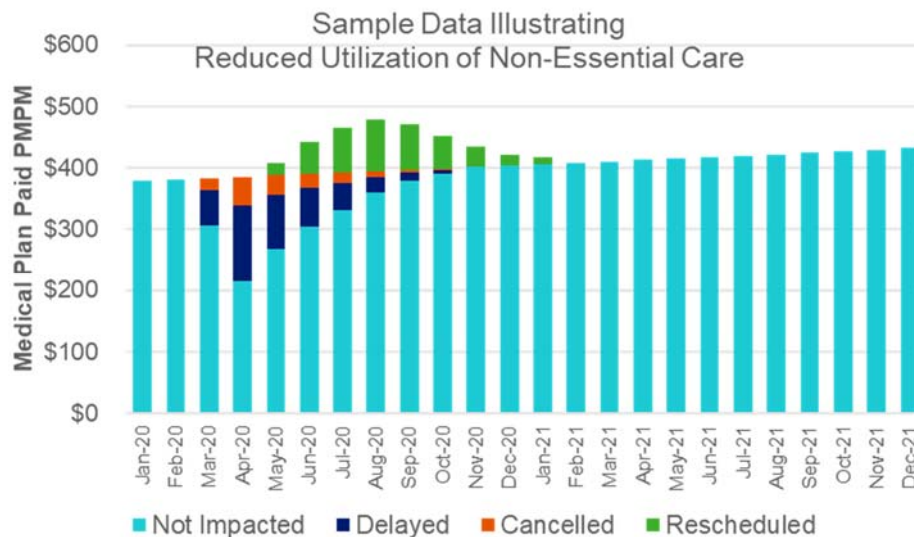


Segal has developed modeling to estimate the impact of both additional costs due to testing and treatment, as well as savings from the reduced utilization of non-essential care. Modeling was based on publicly available data, claims data in Segal's national database, statistical analysis of disease spread, and input from Segal's clinical experts. Modeling results and actual experience are expected to vary based on industry and region. Long-term implications to healthcare use and costs have not been contemplated.

In general, reduced utilization of non-essential care is expected throughout most of 2020 with the biggest disruptions occurring in the second quarter. Most of the delayed care is expected to return during the second half of 2020 and first half of 2021.

² American Hospital Association (2020). Hospitals and Health Systems Face Unprecedented Financial Pressures due to COVID-19. Available at <https://www.aha.org/guidesreports/2020-05-05-hospitals-and-health-systems-face-unprecedented-financial-pressures-due>

Segal has not performed any COVID-19 cost impact modeling on behalf of the New Mexico Retiree Health Care Authority (NMRHCA) at this time. The illustration below uses sample data to highlight the general pattern we expect to occur with delayed, cancelled, and rescheduled services. This is not intended to be representative of NMRHCA’s projected experience.



The direct costs of testing and treating COVID-19 are expected to be concentrated in the second quarter of 2020. In general, costs are expected to be more than offset by savings from reduced utilization of non-essential services.

In order to model the savings estimate for reduced utilization of non-essential care, we categorized all medical care experienced throughout 2019 from Segal’s SHAPE data warehouse into 16 service categories. The service categories were reviewed by Segal’s clinical experts and assumptions were derived for the percentage of care that will likely be delayed and the percentage of care that will likely never be performed while non-essential services are postponed. Significant variation in delayed and cancelled services is expected across service categories. We are not expecting significant changes to utilization patterns of expensive, critical inpatient care. Segal is continuously monitoring the accuracy of our modeling which is anticipated to become “smarter” as new data emerges.

The projections of future costs shown in this report are based on information available to Segal at the time they were made. Projections are not a guarantee of future results. Actual plan sponsor results may differ from the projections based on several factors including; location of covered members, adherence to national guidelines (e.g., social distancing) to contain the rate of transmission, new treatment developments, or additional outbreaks. Projections do not include any potential long-term costs for health issues related to COVID-19, nor do they include costs for vaccines (if available). Projections are not adjusted for underlying health conditions. Projections do not include any new funding or coverage policy changes contemplated by federal or state regulators.

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

July 9 & 10, 2020
10:30 AM / 9:30 AM
Via: Teleconference
GoToMeetings

AGENDA – July 9th

- | | |
|--|--|
| 1. Call to Order | Mr. Sullivan, President |
| 2. Roll Call to Ascertain Quorum | Ms. Beatty, Recorder |
| 3. Pledge of Allegiance | Mr. Sullivan, President |
| 4. Approval of Agenda | Mr. Sullivan, President |
| 5. Approval of Regular Meeting Minutes
June 2, 2020 | Mr. Sullivan, President |
| 6. Public Forum and Introductions | Mr. Sullivan, President |
| 7. Election of Board Officers (Action Item – 20 minutes) | Mr. Sullivan, President |
| a. Board Policies and Procedures | |
| b. Committee Assignments | |
| c. Code of Ethics/Financial Disclosure Form | |
| d. Open Meetings Act Resolution | |
| 8. Committee Reports | President |
| 9. Provider Introductions & Updates (80 minutes) | |
| a. Presbyterian Health Plan (10 minutes) | |
| b. Blue Cross Blue Shield of New Mexico (10 minutes) | |
| c. UnitedHealthcare (10 Minutes) | |
| d. Humana (10 Minutes) | |
| e. Express Scripts (10 minutes) | |
| f. Delta Dental (10 Minutes) | |
| g. Davis Vision (10 minutes) | |
| h. Standard Life (10 minutes) | |
| Recess for Lunch | |
| 10. Actuarial Presentations (40 minutes) | Mr. Madalena, Madalena Consulting
Ms. Patani, Segal Co. |
| 11. Review of Calendar Year 2021 Plan Changes (20 minutes) | Mr. Archuleta, Executive Director |

(Recess until 9:00AM, July 10, 2020, in the same location)

Approximately 2.5 hours of presentation materials.

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

July 9 & 10, 2020
10:30 AM / 9:30 AM
Via: Teleconference
GoToMeetings

AGENDA – July 10th

1. Call to Order President
2. Roll Call to Ascertain Quorum Ms. Beatty, Recorder
3. Pledge of Allegiance President
4. Public Forum and Introductions President
5. Executive Director's Update Mr. Archuleta, Executive Director
 - a. Legislative
 - b. HR Updates
 - c. Albuquerque Office Relocation
 - d. COVID-19
 - e. May 31 & June 30, 2020 SIC Reports
6. Livongo Diabetes Management Program Mr. Cole, Sales
7. CY2021 Plan Year Recommendations (Action Item) Mr. Archuleta, Executive Director
8. 2021 Legislative Proposals Mr. Archuleta, Executive Director
9. Other Business President
10. Date & Location of Next Board Meeting President
Tentative -- August 27, 2020, 9:30 AM
Alfredo R. Santistevan Board Rm., Suite 207 / Teleconference
4308 Carlisle Blvd. NE
Albuquerque, NM 87107
11. Executive Session President
Pursuant to NMSA 1978, Section 10-15-1(H)(6) To Discuss Limited Personnel Matters – Executive Director Employee Evaluation
12. Adjourn

2019-2020 BOARD POLICIES AND PROCEDURES MISSION STATEMENT

The New Mexico Retiree Health Care Authority (“NMRHCA” or “Authority”) is committed to offering an affordable, comprehensive health care program for present and future eligible retirees and their dependents.

ADMINISTRATION

The Authority is governed by a Board of Directors (“Board”), which is composed of not more than 12 members (the “Board Members” or individually a “Board Member”). The Board is authorized to take all actions reasonably necessary to implement the Retiree Health Care Act (the “Act”). Currently, the Authority maintains two offices and a full time staff of 26 employees. The Authority offers comprehensive medical, dental, vision and life insurance to more than 63,000 retired public employees. NMRHCA receives revenue from premiums paid by retirees, contributions from active employees and their employers, and funding and revenue from other various sources. The Board and Authority administer the Authority’s Trust Fund (“Fund”), which is invested and managed by the New Mexico State Investment Council, as required by the Act.

Currently, the Authority has approximately ~~302~~300 participating public entities including all State agencies, public and charter schools, many counties and cities, as well as several universities.

ANNUAL REVIEW OF BOARD POLICIES AND PROCEDURES

The Board will review its Policies and Procedures annually. Proposed changes will first be solicited by NMRHCA staff from the Board’s Executive Committee. Once approved by the Executive Committee, the initial revised Policies and Procedures will be presented to the full Board at its next regularly scheduled meeting. The Board will review the changes and make final recommendations to the Executive Committee, which will meet to revise the Policies and Procedures in accordance with those recommendations, and then present the Board with the Policies and Procedures for final action at the next regularly scheduled Board meeting.

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OFFICERS, TERM OF OFFICE, DUTIES

Term of Office

Terms of office for the president and chairperson (the “Chairperson”), the vice president and vice-chairperson (the “Vice-Chairperson”), and the secretary (the “Secretary”) will be from the date elected until a successor is sworn in, unless the office is vacated, in which case, the next lower officer shall automatically assume the duties of the higher officer.

Procedure for Electing Officers

The Board will elect a slate of officers annually to serve for the ensuing twelve-month period.

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The three officers will comprise the Board's Executive Committee.

In the event of a vacancy in the office of Chairperson, the Vice-Chairperson will succeed the Chairperson. In the event of a vacancy in the office of the Vice-Chairperson, the Secretary will succeed the Vice-Chairperson. In the event of a vacancy in the office of Secretary, an election will be held at the next Board meeting. Nominations will be taken from the floor. The individual receiving the highest vote count will be elected to the office of Secretary.

Duties of the Chairperson

The duty of the Chairperson is, primarily, to ensure the integrity of the Board's processes and oversee the conduct of the Board at Board and committee meetings.

Duties of the Vice-Chairperson

The duty of the Vice-Chairperson is to act as temporary Chairperson in the absence of the Chairperson.

Duties of the Secretary

The duty of the Secretary is to act as temporary Chairperson in the absence of the Chairperson and Vice-Chairperson.

BOARD COMMITTEES

The Board has the following standing committees:

- 1 The Executive Committee, consisting of the officers of the Board.
- 2 The Audit Committee, consisting of four Board Members, including the Chairperson.
- 3 The Finance and Investment Committee consisting of five Board Members, including the Chairperson.
- 4 The Legislative Committee consisting of five Board Members, including the Chairperson
- 5 The Wellness Committee consisting of five Board Members.

The Chairperson is responsible for establishing membership in each standing committees. Additionally, the Chairperson has authority to establish, from time-to-time, other committees for specific purposes and will appoint the membership of those committees. All committee members are entitled to per diem and mileage, as authorized under 2.81.1.21, NMAC.

CODE OF CONDUCT

Board Members are expected to adhere to the highest ethical standards and, at all times, comply with their fiduciary responsibilities. Board Members will avoid any conflict of interest or perceived conflict of interest and may not have a direct financial or direct personal interest in any company or business that has a contractual obligation with the NMRHCA.

Board Members, as fiduciaries, should discharge their duties solely in the interest of the Authority and be governed by all applicable State and Federal laws, rules and regulations.

Each year at its annual meeting, Board Members will complete a financial disclosure form as set out in 2.81.3.8, NMAC.

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Board Members will adhere to all requirements set forth in 2.81.3, NMAC, which establishes a Code of Ethics for Board Members.

BOARD TRAVEL

Board Members must submit to the Chairperson any request to participate in an event requiring travel where that travel is paid for by the Authority.

Speakers: Any Board Member that accepts a request to be a speaker at a conference or seminar requiring travel will notify the Chairperson of the request and their intention to participate in their capacity as a member of the Authority.

Payment for Travel: All travel paid for by the Authority is subject to 2.81.1.21, NMAC, the New Mexico Per Diem and Mileage Act, NMSA 1978, 10-8-1 and current New Mexico Department of Finance and Administration rules and regulations.

PROCEDURES FOR CONDUCT OF NMRHCA BOARD MEETINGS

In general, the Board will follow a modified version of Robert's Rules of Order, Revised ("RRO"). In addition, the Board will adhere to the Open Meetings Act and all other applicable provisions of State laws and the Board's rules and regulations.

A quorum of the Board must be present in order to convene and conduct any official meeting. A quorum is a majority of Board Members. Once a quorum is present, action may be taken by majority vote of participating Board Members. Although physical attendance by Board Members is encouraged, Board Members may attend meetings by video conference or telephone, provided that each Board Member participating by video conference or telephonically telephone can be identified when speaking, all participants are able to hear each other at the same time, and members of the public attending the meeting are able to hear any Board Members who speak during the meeting.

Regular Meetings

The date, time, and place of the regular Board meeting will be established by Board action and be announced to the public pursuant to the requirements of the Open Meetings Act (Section 1015-1 et seq. NMSA 1978).

The Board will meet at least once a year.

Special or Emergency Meetings

A special meeting of the Board is a meeting other than a regular or emergency meeting and may be called by the Chairperson, Vice-Chairperson or any three (3) Board Members for the specific purposes specified in the call.

An emergency meeting of the Board is a meeting other than a regular or special meeting and may be called by the Chairperson, Vice-Chairperson, or any two (2) Board Members to consider a sudden or unexpected set of circumstances affecting the NMRHCA which require the immediate attention of the Board.

Public Notice

The New Mexico Open Meeting Act, Section 10-15-1, NMSA 1978, provides that any meeting of a quorum of the members of a public body held for the purpose of formulating public policy discussing public business, or taking action within the authority of the Board, or at which the discussion or adoption of any proposed resolution, rule, regulation, or formal action occurs will be held only after reasonable notice to the public. In accordance with the Open Meetings Act, the Board will establish, at least annually, what constitutes reasonable notice of its meetings.

Agenda

The Chairperson, in consultation with the Executive Committee and the Executive Director, will prepare an agenda for each regular meeting of the Board. The Executive Director will ensure timely dissemination of the agenda to the Board and public.

Any Board Member may request of the Chairperson to have an item placed on, or removed from, the agenda.

Open and Closed Meetings

In addition to requiring public notice of Board meetings, the Open Meetings Act requires all Board meetings to be open to the public at all times unless an exception found in the Open Meetings Act permits a closed meeting.

Minutes

Pursuant to the Open Meetings Act, written minutes will be kept of all public Board meetings, as well as committee meetings, and all minutes shall be open to public inspection. Draft minutes will be approved, amended or disapproved at the next meeting where a quorum is present. Draft minutes may be inspected by members of the public after completion in final draft form but will not become official until approved by the Board.

Board Meeting Attendance

Board Members will ensure strict compliance with 2.81.1.11, NMAC which governs Board meeting attendance.

EXECUTIVE DIRECTOR

General Provisions

The Executive Director will comply with the Code of Ethics established for the Authority (2.81.3, NMAC) and may not have a direct financial or direct personal interest in any company or business that has a contractual obligation with the NMRHCA.

The Executive Director will ensure that all employees of the Authority are aware of their rights and responsibilities and ensure at a minimum:

- 1 Confidentiality of retiree and dependent enrollment and medical and fiscal records.
- 2 No conflict of interest or appearance thereof with respect to participation on boards, corporations, or public or private organizations. No conflict of interest or appearance thereof with respect to professional, occupations, or business licenses.
- 3 Adherence to a pertinent professional code of ethics and standard of professional conduct as prescribed by the Board.
- 4 No solicitation of gifts, favors, or other items of value from persons with whom the NMRHCA transacts business or companies with whom the NMRHCA may contract.
- 5 No acceptance of unsolicited items of value that are of such character as to manifest, or appear to manifest, influence upon an employee in carrying out his/her responsibilities to the NMRHCA.

Responsibilities of the Executive Director

The Executive Director is responsible for organizational performance and exercises authority over the day-to-day operations of the Authority. The Executive Director is responsible for the management of all staff and the Board delegates authority for staff management to the Executive Director.

3. Regular Meetings: Notice of regular meetings will be made at least ten (10) days in advance of the meeting date.

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4. Special Meetings: A special meeting of the board is a meeting other than a regular or emergency meeting and may be called by the president, vice-president or any three (3) board members at least seventy-two (72) hours prior to the meeting date for the specific purposes specified in the call.

5. Emergency Meetings: An emergency meeting of the board is a meeting other than a regular or special meeting and may be called by the president, vice-president, or any two (2) board members only under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the NMRHCA from substantial financial loss. Within ten (10) days of taking action on an emergency matter, the NMRHCA shall report to the New Mexico Attorney General's office the action taken and the circumstances creating the emergency; provided that the requirement to report to the attorney general is waived upon the declaration of a state or national emergency.

6. Notification Process:

A. Regular Meetings: For the purposes of regular meetings described in paragraph 1 of this resolution, notice requirements are met if notice of the date, time, place and agenda (or information on how the public may obtain a copy of the agenda) is posted on NMRHCA's website and posted in the office(s) of the NMRHCA not less than ten (10) calendar days before the time the regular meeting is to commence. Within the same time frame, a copy of the notice must be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

B. Special and Emergency Meetings: For the purpose of special meetings and emergency meetings described in paragraphs 4 and 5 of this resolution, notice requirements are met by posting notice of the date, time, place and agenda in the offices of the NMRHCA. Additionally, if practicable, notice of the date, time, place and agenda (or information on how the public may obtain a copy of the agenda) may be placed on NMRHCA's website. Within the same time frame, telephonic notice will be provided to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

7. Accommodation of Individuals with Disabilities: In addition to the information specified above, all notices shall include the following language:

In general, all personnel decisions made by the Executive Director are final. However, the Authority may utilize an appeals process that allows for personnel decisions to be reviewed by the Board.

Employment of the Executive Director

Employment of the Executive Director will be by the Board. The terms of employment for the Executive Director will be subject to applicable policies as they pertain to exempt employees and conditions outlined by the Board.

The Board believes that the selection of an Executive Director is one of the most important tasks performed by the Board. To that end, the Board will carefully consider the following:

- Specifying what the Board expects the Executive Director to do;
- Specifying the education and experience the Board considers essential to performing the work of Executive Director;
- Developing and implementing a recruitment strategy for the position; and
- Applying screening processes, interviewing qualified candidates, and selecting the candidate deemed to be most qualified for the position.

Executive Director Evaluations

The Executive Committee of the Board is responsible for evaluating the Executive Director and will utilize mechanisms to provide periodic feedback on Executive Director performance and on the overall performance of the agency.

The Board endorses the use of an evaluation instrument as a tool in planning, goal setting, establishing shared understandings, providing feedback, and making other decisions. For this reason, the Board may implement a written evaluation form with the Executive Director, whether or not one is required by other controlling agencies such as the Department of Finance and Administration.

Sound personnel practices provide that evaluation instruments are most effective when done at least annually, when the raters and individual establish shared understandings at the beginning of the evaluation period concerning expectations and performance criteria, and when feedback is provided on an ongoing basis.

Executive Director Leave

The Executive Director will notify the Chairperson for approval when annual leave is to be taken. The notice will be given as far in advance as possible.

APPEAL OF BENEFIT DETERMINATIONS

The Board will not consider appeals of medical, dental or visions benefit determinations made by contracted carriers or staff of the Authority. As such, it is the policy of the Board that beneficiaries wishing to appeal benefit determinations made by contracted carriers or staff should make their appeal to the Office of the Superintendent of Insurance.

The Executive Director will report to the board the outcome of any appeals determined by the Office of the Superintendent of Insurance.

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NEW MEXICO RETIREE HEALTH CARE AUTHORITY
RESOLUTION NO. ~~2020~~2021-1

WHEREAS the Board of Directors of the New Mexico Retiree Health Care Authority (NMRHCA) met at its annual meeting at ~~9:30~~10:30 a.m. on July ~~11 and 12, 2019~~ and 10, 2020.

WHEREAS, Section 10-15-1(B) of the Open Meeting Acts (NMSA 1978, Section 10-15-1 to 4) states that, except as may be otherwise provided in the Constitution of the State of New Mexico or in the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policy-making body of any state agency, any agency or authority of any county, municipality, district or any political subdivision, held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations or ordinances, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meeting subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) of the Open Meetings Act requires the NMRHCA Board to determine at least annually in a public meeting what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT RESOLVED by the NMRHCA that the following is determined to constitute reasonable notice to the public of its meetings:

1. Location and Time of Meetings: Unless otherwise specified by the NMRHCA Board, regular meetings will be held on the first Tuesday of every month. All regular meetings may be held at a location in Albuquerque, ~~or Santa Fe,~~ or via Teleconference beginning at 9:30 a.m. or as indicated in the meeting notice.
2. Meeting Notice and Agenda: A meeting notice shall be prepared by the NMRHCA for each board meeting. Each meeting notice shall include either the agenda of the meeting or information on how the public may obtain a copy of the agenda of the meeting. Each meeting agenda shall consist of a list of specific items of business to be discussed or transacted at the meeting. Except for emergency matters, the NMRHCA shall take action only on items appearing on the agenda.

Except in the case of an emergency meeting, the agenda will be available to the public at least seventy-two (72) hours prior to the meeting from the Executive Director, whose office is located at ~~4308 Carlisle Blvd.~~6300 Jefferson Street NE, Suite ~~104~~105, Albuquerque, NM ~~87107~~87109. In the case of an emergency

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meeting, the agenda shall be made available to the public as soon as is reasonably possible.

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"If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service, contact the NMRHCA at 1-800-233-2576, at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the NMRHCA at 1-800-233-2576 if a summary or other type of accessible format is needed."

8. Closed Meetings: The NMRHCA Board may close a meeting to the public only if the subject matter of such discussion or action is exempted from the open meeting requirement under Section 10-15-1(H) of the Open Meetings Act or by the New Mexico Constitution.

A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the NMRHCA Board taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in a closed meeting.

B. If the decision to hold a closed meeting is made when the NMRHCA Board is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

C. Following completion of any closed meetings, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

D. Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the NMRHCA in an open public meeting.

9. Annual Meeting of NMRHCA Board: Pursuant to NMAC 2.81.1.12, the Board shall hold an annual meeting at such time as the Board determines.

Passed by the NMRHCA Board this ~~11th~~-9th day of July ~~2019~~2020.

Board President

David Archuleta, Executive Director