



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

Fall 2019 Switch Enrollment
Pre-Medicare
Effective January 1, 2020

Tom Sullivan, President

Joe Montaño, Vice President

Doug Crandall, Secretary

David Archuleta, Executive Director

Agenda

- Agency Background Information
 - Purpose
 - Mission and Strategic Goals
 - Budget & Finance
 - Solvency Results
 - Fundamental Challenges
- 2020 Pre-Medicare Monthly Premiums
 - Premier
 - Value Plan
- Plan Changes
- Updates and Reminders

Mission and Strategic Goals

Mission

- Maintain comprehensive and affordable health insurance benefits for public retirees and eligible dependents

Strategic Goals

- Fiduciary Responsibility
 - Extend the solvency of the program
 - Trust-fund contributions and investment earnings
 - Avoid deficit spending
- Customer Service
 - Communication
 - Education
 - Wellness Programs
- Administration
 - Cost-Effective Procurement
 - Identification of programs and services
 - Comprehensive services and access to care

Budget & Finance

FY20 Operating Budget

Healthcare Benefits Administration

- Uses:
 - Benefits - \$358 million
 - ACA Fees - \$42,000
 - Agency Operations - \$3.1 million
- Sources:
 - **EE/ER Contributions - \$124.6 million**
 - **Retiree Contributions - \$170 million**
 - Tax & Rev Suspense Fund - \$32.9 million
 - Misc. Revenue - \$30.2 million
 - Interest - \$100,000

Program Support (26 FTE)

- Salaries & Benefits - \$2 million
- Contractual Services - \$616,000
- Other Costs - \$538,000

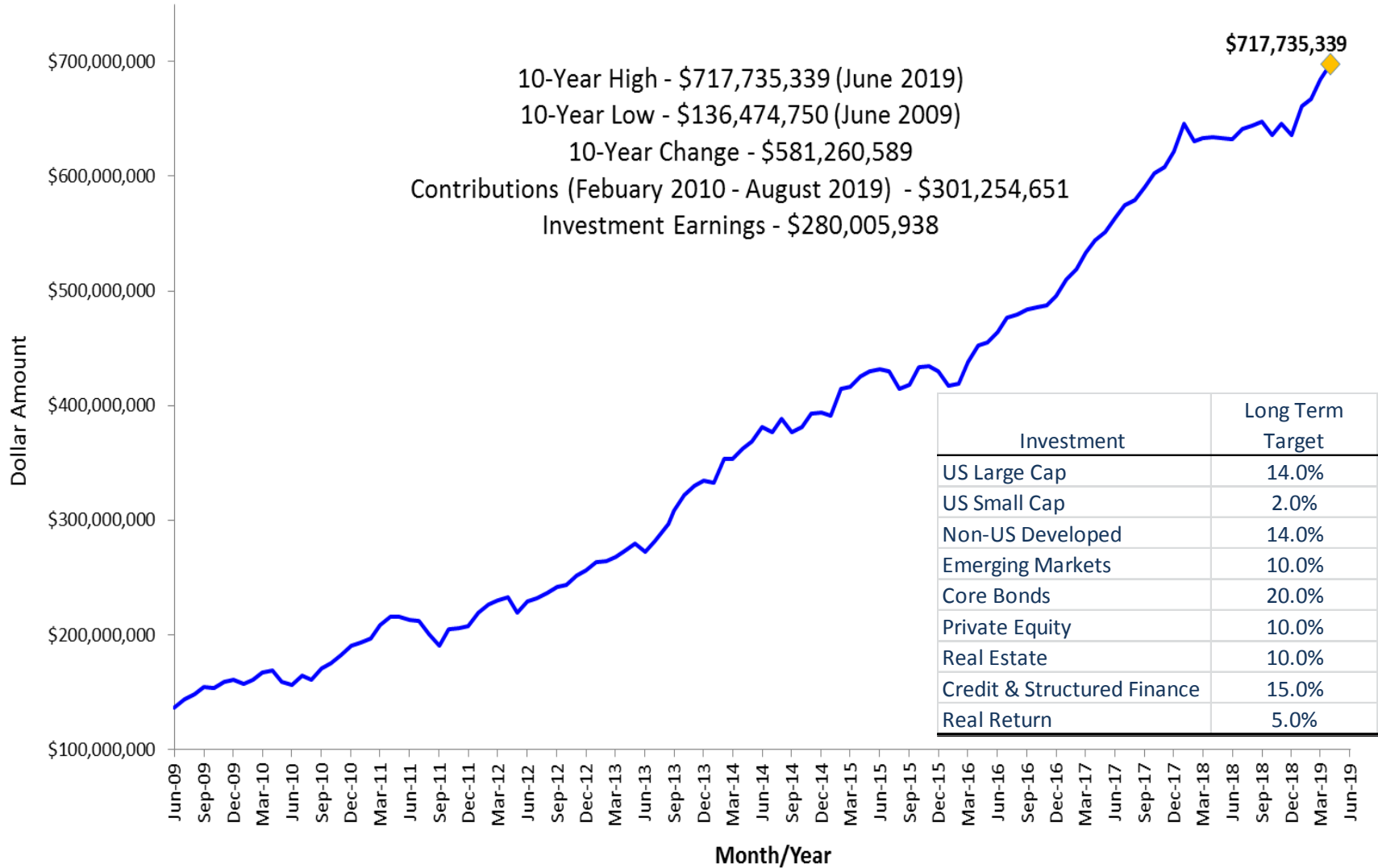
Finance

NMRHCA Trust Fund

- Investments held by State Investment Council; NMRHCA charged pro rata portion of investment fees
- 2018 Asset Allocation

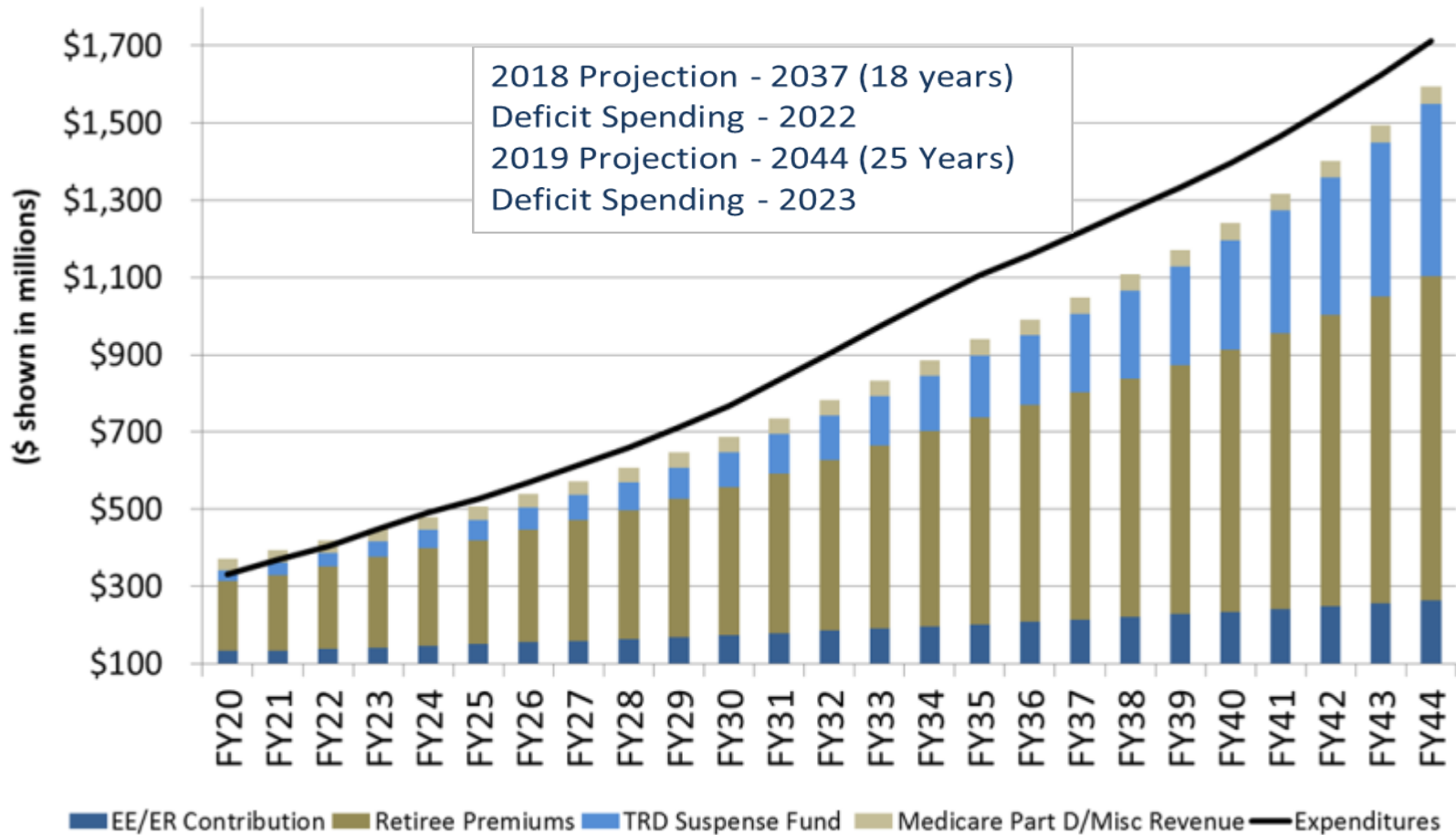
| Investment | 10-Year Expected Compound Return | Expected Risk |
|-----------------------------|----------------------------------|---------------|
| US Large Cap | 7.00% | 17.00% |
| US Small Cap | 7.00% | 17.00% |
| Non-US Developed | 7.50% | 18.00% |
| Emerging Markets | 7.50% | 26.00% |
| Core Bonds | 3.80% | 5.15% |
| Private Equity | 10.50% | 28.00% |
| Real Estate | 6.85% | 14.15% |
| Credit & Structured Finance | 6.55% | 8.10% |
| Real Return | 8.50% | 14.35% |

NMRHCA Trust Fund Balance History June 2009 - June 2019



Fundamental Challenges

Projected Revenues and Expenditures
FY20 - FY44 Projected



Pre-Medicare Monthly Premiums/Copay Changes

(examples based on 20-years of service)

- Rate Increase --- 7 percent

| | 2019 | 2020 | Monthly Difference | Annual Difference |
|----------------------------------|-----------|-----------|-----------------------|----------------------|
| BCBS/Presbyterian Premier | | | | |
| Retiree | \$ 260.76 | \$ 279.01 | \$ 18.25 | \$ 219.00 |
| Spouse/Domestic Partner | \$ 494.92 | \$ 529.57 | \$ 34.65 | \$ 415.80 |
| Child | \$ 253.11 | \$ 270.83 | \$ 17.72 | \$ 212.64 |
| BCBS/Presbyterian Value | | | | |
| Retiree | \$ 203.69 | \$ 217.95 | \$ 14.26 | \$ 171.12 |
| Spouse/Domestic Partner | \$ 386.58 | \$ 413.64 | \$ 27.06 | \$ 324.72 |
| Child | \$ 197.37 | \$ 211.19 | \$ 13.82 | \$ 165.84 |

- Copays for behavioral and physical outpatient rehabilitation services now equal to PCP copay across both plans and tiers of coverage. Example:
- BCBS Premier Plan –
 - Tier I – PCP Visit: \$20/Rehabilitation Outpatient: \$20
 - Tier II – PCP Visit: \$30/Rehabilitation Outpatient: \$30

Updates

- Dental & Vision Plans – No Rate Change through 6/30/20
- Medical, Dental, and Vision RFP
 - Current agreements expire 6/30/20
 - New agreements effective 7/1/20
 - Potential for new partnerships/services
- Member of the Pharmaceuticals Purchasing Council
- 2020 Legislative Session
 - One time appropriation request
 - Proposed increase in employee and employer contributions
- 2020 Wise and Well Events
 - Las Cruces & Santa Fe Planned

Reminders

- Conversion of Basic Life Insurance Policy
 - 2020 – Retiree pays 75%
 - 2021 – Retiree pays 100%
- Rule Change
 - Minimum age of 55 beginning **January 1, 2021** (excludes retirees on enhanced plans)
 - Years of service requirements increase from 20 to 25 beginning **January 1, 2021** to receive maximum subsidy
- Open Enrollment Not Until January 1, 2021
 - MEDICAL ONLY
 - DOES NOT APPLY TO LIFE INSURANCE
- Moving/change of address --- please contact our office to let us know!

Presented by:

New Mexico Retiree Health Care Authority

For Information or Questions:

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

Or visit us at: www.nmrhca.org or

www.facebook.com/nmrhca

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