



# NMRHCA

Quarterly Online Newsletter  
April 2019

## NMRHCA Initiates Communication Bridge With Its Active Employees

**D**uring the Fall of 2018, the New Mexico Retiree Health Care Authority (NMRHCA) initiated a rule change modifying the eligibility and years-of-service requirements to receive subsidies from NMRHCA. While the primary focus of our communications is directed toward retirees participating in the program, the rule-making process emphasized the need for improved communications between NMRHCA, employer groups and active employees.

With that said, NMRHCA will circulate a quarterly newsletter by email that contains helpful updates and information as active employees begin to prepare for retirement. This newsletter will be posted under the employer section of our website: [www.nmrhca.org](http://www.nmrhca.org).

**BACKGROUND.** Created in 1990, NMRHCA provides access to affordable health insurance for certain employees retiring from public service. NMRHCA is governed by an 11-member board of directors that broadly represents a mixture of active and retired public employees. NMRHCA currently represents 302 employee groups, including all school districts, charter schools, several universities, state agencies and the majority of local government organizations (cities, counties and municipalities).

NMRHCA also provides access to comprehensive medical, pharmacy, dental, vision and life insurance coverage for over 63,500 retiree and eligible dependents. If you are receiving this newsletter from your employer, it is likely that you are contributing (through payroll deduction) to NMRHCA and expect to have access to the benefits we provide upon retirement. These benefits, while not guaranteed, are a form of deferred compensation and provide an important recruitment and retention tool for employers.

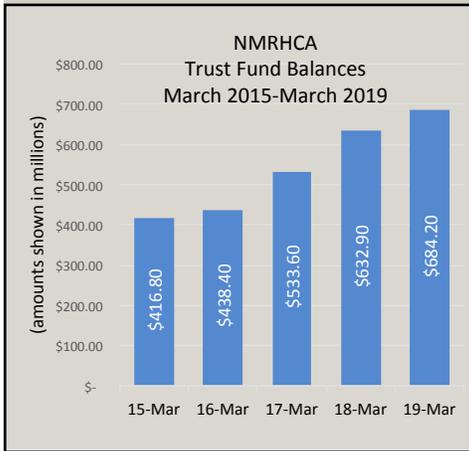
**CURRENT STATUS.** NMRHCA is facing significant long-term financial challenges. As of June 30, 2018, NMRHCA reported a solvency period through fiscal year 2037 (18 years), at which time expenditures are expected to exceed revenues and our trust fund will be completely exhausted. In addition, the rules associated with Governmental Accounting Standards Board (GASB) Statements 74 and 75, require NMRHCA to measure all outstanding liabilities and compare them to existing trust fund balances and projected revenues.

This measurement as of June 30, 2018 indicates that total liabilities exceed \$5 billion over the next 30 years, compared to the \$650 million trust fund balances yield a 13 percent funded ratio. While these numbers may seem startling, it is important to put things in perspective and make folks aware of changes they can expect, as the program evolves to accommodate the limited resources available to support the benefits offered to existing and future retirees.

**STRATEGIC PLAN.** In October 2017, the Board of Directors adopted a second iteration of its 5-Year Strategic Plan to include cost containment, liability limiting and revenue enhancements in order to continue addressing the long-term challenges facing the program. The Board of Directors remains committed to ensuring access to affordable health insurance coverages for existing and future plan participants.

The Board is also committed to making sure that retirees, employees, and employer groups are informed about changes to the program that may have a significant bearing or impact on their retirement plans.

*The New Mexico Retiree Health Care Authority fosters quality of life and peace of mind by responsibly administering affordable, secure health care benefits for public retirees and their families.*



## Medicare Seminars

The New Mexico Retiree Health Care Authority holds monthly seminars for retirees and active employees aging into Medicare. The meetings take place in our Albuquerque office (4308 Carlisle Blvd. NE, Suite 207) and our Santa Fe office (PERA Building Training Room, 33 Plaza La Prensa, Santa Fe), except as noted. The following is the schedule for 2019:

**May 15:** Albuquerque, 9:30 a.m.

**May 16:** Farmington Civic Center Conference Room A, 10:30 a.m.

**June 12:** Albuquerque, 9:30 a.m.  
Santa Fe, 1:30 p.m.

**July 17:** Albuquerque, 9:30 a.m.

**August 14:** Albuquerque, 9:30 a.m.  
Santa Fe, 1:30 p.m.

**September 11:** Albuquerque, 9:30 a.m.

**December 11:** Albuquerque, 9:30 a.m.  
Santa Fe, 1:30 p.m.

## Important Links:

New Mexico Retiree Health Care Authority:  
[www.nmrhca.org](http://www.nmrhca.org)

New Mexico Educational Retirement Board:  
[www.nmerb.org](http://www.nmerb.org)

Public Education Retirement Association:  
[www.nmpera.org](http://www.nmpera.org)

Retiring Soon and Wondering About NMRHCA Health Insurance?

## Frequently Asked Questions

### Q: Am I eligible?

A: If you receive a disability or normal retirement benefit from public service in New Mexico with an NMRHCA participating employer and you made contributions to NMRHCA for at least five years before your retirement date.

### Q: Can I insure my family?

A: Eligible dependents include a spouse or domestic partner (proper documentation may be required), a dependent child under the age of 26 or a dependent child over 26 who is wholly dependent on the retiree, with the disability having occurred before the limiting age. Dependents of Pre-Medicare retirees must be enrolled in the same plan as the retiree.

### Q: When do I enroll in NMRHCA?

A: Once you have established your retirement date with PERA or ERB, contact NMRHCA, and we will send you an application form. It is best to submit your application at least one month but not to exceed 60 days before your retirement date. You must enroll within 31 days of your last day of current medical coverage or your retirement date, whichever is later. If you do not enroll within that time frame, you cannot enroll until the next Open Enrollment period, which is every odd-numbered year (2021, 2023, 2025 ...).

### Q: What if I wish to be covered under a spouse's insurance?

A: You can delay enrolling in NMRH-

CA until your spouse's insurance ends. You must enroll within 31 days of your spouse's loss of coverage.

### Q: What if I return to work?

A: If your new employer offers health insurance, you are required to take that employer's coverage. When that employment ends, you must re-enroll with NMRHCA within 31 days from your last day of coverage, or you will have to wait until the next Open Enrollment period.

If you go back to work for a PERA or ERB entity, please check with those entities about how your retirement may be affected. If your return to work changes your previous retirement date with PERA or ERB to 2021 or later, you will be subject to NMRHCA's rule changes (of an age minimum requirement of 55 and increasing the years of service to get the maximum subsidy from 20 to 25 years).

Please contact NMRHCA if you have questions about the rule changes that are taking effect on Jan. 1, 2021.

### Q: How do I cancel coverage?

A: You must submit written notice to NMRHCA. Cancellation will take effect on the first day of the month following receipt of notification by NMRHCA. Effective date of cancellation is not retroactive.

### Q: How much do I have to pay upon signing up?

A: NMRHCA requires payment for two months of premiums up front.