



# NMRHCA

## Quarterly Online Newsletter January 2021

### Are You Ready for Rule Changes?

On July 31, 2021, the two New Mexico Retiree Health Care Authority rule changes officially will become part of the New Mexico Administrative Code.

The first rule will put in place a minimum age requirement of 55 years of age for any retiring employee contributing to NMRHCA to receive a subsidy on his or her health insurance premiums through us based on his or her years of service.

If any NMRHCA-participating employee's official retirement date is on or after July 31, 2021 and is under the age of 55, that employee will have to pay the full cost of the NMRHCA insurance each month until the birth month of that new retiree's 55th birthday.

When the birth month of the 55th birthday arrives, that retiree will receive a subsidy, or discount, on health insurance premiums. That subsidy is based on the number of years of service (starting with five years) that the retiree has paid to NMRHCA.

That leads to the second rule change. Currently, retirees with 20 or more years of service receive the maximum subsidy or discount NMRHCA provides. But on July 31 moving forward, retirees must have 25 years or more of service to get the maximum subsidy or discount on their health insurance through our agency. A retiree with 20 years of service still will earn a sizable subsidy, but those years no longer will give the retiree the maximum subsidy.

That retiree must reach 25 years of service to earn the maximum subsidy or discount on his or her health insurance premiums.

Here are your options if you are retiring on or after July 31 but won't be 55 years old:

1. Pay full price for your health insurance premiums through NMRHCA until the birth month of your 55th birthday, at which point you'll earn a subsidy/discount based on your years of service paying into NMRHCA.
2. Keep working until you reach 55, and you will earn a subsidy/discount on your health insurance based on your years of service.
3. Purchase an individual insurance plan through the marketplace and keep that until the birth month of your 55th birthday, when you become eligible for your subsidy/discount on your NMRHCA health insurance.
4. Go to work in the private sector and accept health insurance from that employer and quit on the birth month of your 55th birthday to get NMRHCA health insurance at the subsidy/discount you earned, based on your years of service.
5. Become a dependent on a spouse's health insurance until you turn 55 or until your spouse quits, whichever is later. Then, you can get NMRHCA insurance at a discounted rate, based on your years of service.

### NMRHCA Withstands Effects of Pandemic

As we look toward a better and brighter 2021, it's important to reflect upon the challenges and successes unique to 2020.

Obviously, news of the COVID-19 outbreak reached New Mexico in mid-March, changing our lives. The mix of office and school closures, combined with calamities in the stock market, led many of us to experience fear and anxiety.

Initially, questions such as "How bad is this?" and "How long will it last?" evolved into questions such as "Are we going to run out of groceries or toilet paper?"

Fortunately, several vaccines have been developed, and questions now include "Where and when can I get vaccinated?" Hopefully, most of you have heard that you can sign up for the vaccine (priority is given to those over 75 and those with health conditions) by going to [cvs.vaccine.nmhealth.org](http://cvs.vaccine.nmhealth.org).

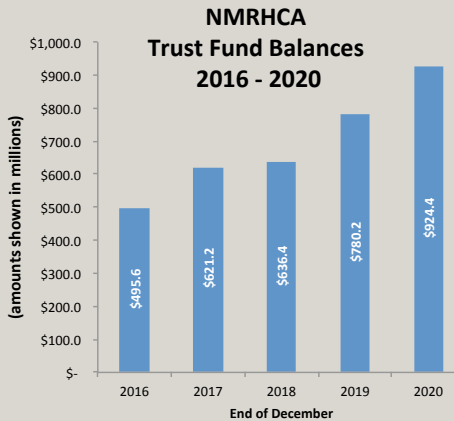
By now, most of us have either experienced or are close to someone directly affected by COVID-19. We know that it is real, we know that it is dangerous and we know that it is going to be with us for quite some time.

And yet, NMRHCA still increased its investment market value from \$780.2 million in December, 2019 to \$924.4 million in December, 2020 (see investment table on page 2).

See Agency on Page 2

*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.*

## Investments



## Seminars Have Moved To Online Format

The New Mexico Retiree Health Care Authority traditionally has traveled to human resource and retirement seminars around the state with PERA and ERB specialists to give employees an opportunity to find out how to sign up with NMRHCA when they're ready to retire and need health insurance.

If any employer group has an interest in NMRHCA providing information on the enrollment process to their employees via, the enrollment process with Medicare or discussing our minimum age rule and increased years of service to qualify for the maximum subsidy rule via video conferencing, contact us at [customerservice@state.nm.us](mailto:customerservice@state.nm.us), and we will get in touch with you.

### 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 Employees Retirement Association:  
[www.nmpera.org](http://www.nmpera.org)

## Agency Survives Pandemic Effects

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Our agency remains on pace to provide a valuable and affordable benefit to our current retirees and their dependents and offer that same opportunity to future retirees/dependents.

In addition, 2020 provided an incredible learning opportunity both personally and professionally.

Efforts to maintain the safety of our members and staff have required us to adopt modified work habits and improvise work schedules during periods of potential exposure.

Therefore, while the outlook continues to improve, working conditions remain less than ideal for in person interactions.

However, NMRHCA will continue to take part of Pre-Retirement seminars for active employees, and we are available at 1-800-233-3576 or by email at [customerservice@state.nm.us](mailto:customerservice@state.nm.us) to answer any questions you may have about your impending health insurance benefits as you draw closer to retirement.

Our customer service representatives are ready to assist you Monday-Friday from 8 a.m.-5 p.m. — even if you're not yet ready to retire but just have questions about the process. That way, you can make better-informed decisions when the time does arrive for you to start planning your retirement.

As we look to 2021 and beyond, we remain committed to researching and implementing programs to improve healthcare outcomes for our members while providing quality and affordable access to benefits.

In pursuit of this goal, NMRHCA staff is in the beginning stages of preparing a Request for Proposal for pharmacy benefits management (PBM) services which will be released later this year.

This procurement is particularly important as pharmacy trends continue to remain the primary driver behind increases in health care related expenditures.

While the industry develops solutions for chronic, complex and rare conditions, the cost of those treatments continues to grow exponentially, as many of you are aware.

In the immediate future, NMRHCA is pursuing legislation introduced by Senator Roberto "Bobby" J. Gonzales seeking changes to the Retiree Health Care Act.

Those changes include aligning dependent age limitations with those contained in the Patient Protection and Affordable Care Act, modifying the reference language for disabled dependents suffering from intellectual disability and eliminating reference to an obsolete program previously administered by NMRHCA.

On behalf of the NMRHCA Board of Directors and staff, we wish you a healthy and safe start to the beginning of your new year and look forward to seeing more retirees and active employees in our offices again, hopefully sooner, rather than later.

Sincerely,

— David Archuleta  
Executive Director