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REGULAR MEETING OF THE BOARD OF DIRECTORS



**June 1, 2021
9:30 AM**

**Online: <https://global.gotomeeting.com/join/580375517>
Telephone: 1-571-317-3122/ Access Code: 580-375-3122**

New Mexico Retiree Health Care Authority
Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

June 1, 2021

	Member in Attendance		
Mr. Crandall, President			
Ms. Saunders, Vice President			
Ms. Larranaga-Ruffly, Secretary			
Mr. Scroggins			
Mr. Linton			
Mr. Salazar			
Mr. Eichenberg			
Mr. Cushman			
Mr. Bhakta			
Ms. Moon			
Ms. Madrid			
Mr. Trujillo			

NMRHCA BOARD OF DIRECTORS

June 2021

Mr. Greg Trujillo
Interim Executive Director
Public Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507
PO Box 2123
Santa Fe, NM 87504-2123
W: 505-476-9301

Mr. Sanjay Bhakta
NM Municipal League
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City/County Building
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sbhakta@cabq.gov

Mr. Rick Scroggins
Interim Executive Director
Educational Retirement Board
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F: 505-827-1855

Mr. Terry Linton
Governor's Appointee
PO Box 25485
Albuquerque, NM 87125
Terry.linton@hubinternational.com
505-250-4070

Mr. Tomas E. Salazar, PhD
NM Assoc. of Educational Retirees
PO Box 66
Las Vegas, NM 87701
salazarte@plateautel.net
505-429-2206

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

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

The Honorable Mr. Tim Eichenberg
NM State Treasurer
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Tim.Eichenberg@state.nm.us
W: 505-955-1120
F: 505-955-1195

Ms. Therese Saunders, Vice President
NEA-NM, Classroom Teachers Assoc., & NM
Federation of Educational Employees
5811 Brahma Dr. NW
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505-934-3058

Mr. Loren Cushman
Superintendents' Association of NM
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Ms. Leane Madrid
Classified State Employee
2600 Cerrillos Rd.
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Ms. Leanne Larranaga-Ruffy, Secretary
Alternate for PERA Executive Director
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Santa Fe, NM 87504
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505-476-9332

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

June 1, 2021

9:30 AM

Online: <https://global.gotomeeting.com/join/580375517>

Telephone: 1-571-317-3122 / Access Code: 580-375-517

AGENDA

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1. Call to Order	Mr. Crandall, President	
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	Mr. Crandall, President	
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5. Approval of Regular Meeting Minutes May 4, 2021	Mr. Crandall, President	6
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9. 2022 Plan Discussion	Dr. Patani, PhD, ASA, MAAA, Segal Co. Mr. Archuleta, Executive Director	17
10. Broad Preferred Medicare Network	Mr. Molberg, Senior Account Exec. Express Scripts	29
11. Mental Health Parity and Addiction Equity Act Opt Out (Action Item)	Mr. Archuleta, Executive Director Ms. Swanson, JD, LL.M., Segal Co.	34
12. Initiation of Proposed Rule Making & Designation of Hearing Officer (Action Item)	Ms. Archuleta, Executive Director Ms. Jacobi, Attorney, Rodey	37
13. Annual Board Retreat/Meeting	Mr. Archuleta, Executive Director	58
a. Logistics		
b. Board Policies and Procedures		
c. Code of Conduct		
d. Election of Officers & Committee Assignments		
e. Open Meetings Act Resolution		
14. Other Business	Mr. Crandall, President	
15. Executive Session	Mr. Crandall, President	
Pursuant to NMSA 1978, Section 10-15-1(H)(7) Pertaining to Threatened or Pending Litigation		
16. Date & Location of Next Board Meeting	Mr. Crandall, President	
July 15, 2021 – 9:30AM – UNM Taos Campus/Don Fernando Conference Rm - TBD		

July 16, 2021 – 9:00AM – UNM Taos Campus/Don Fernando Conference Rm - TBD

17. Adjourn

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

May 4, 2021

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 teleconference.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Mr. Doug Crandall, President
Ms. Therese Saunders, Vice President
Ms. LeAnne Larrañaga-Ruffy, Secretary
Mr. Sam Collins, Deputy State Treasurer
Mr. Loren Cushman
Mr. Terry Linton
Ms. Leane Madrid
Dr. Tomas Salazar
Mr. Rick Scroggins

Members Excused:

Mr. Sanjay Bhakta
Ms. Pamela Moon
Mr. Greg Trujillo

Staff Present:

Mr. Dave Archuleta, Executive Director
Mr. Neil Kueffer, Deputy Director
Ms. Judith S. Beatty, Board Recorder

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA

Ms. Saunders moved approval of the agenda, as published. Mr. Linton seconded the motion, which passed unanimously by roll call vote.

5. **APPROVAL OF REGULAR MEETING MINUTES: April 6, 2021**

Ms. Larrañaga-Ruffy moved approval of the April 6 meeting minutes, as submitted. Chairman Crandall seconded the motion, which passed unanimously by roll call vote.

6. **PUBLIC FORUM AND INTRODUCTIONS**

None.

7. **COMMITTEE REPORTS**

- Chairman Crandall said the Executive Committee met last Friday to discuss today's agenda.
- Ms. Larrañaga-Ruffy reported that the Finance Committee meet last week and reviewed related items on today's agenda.
- Mr. Linton said the Wellness Committee plans to meet in the next 3-4 weeks.

8. **EXECUTIVE DIRECTOR'S UPDATES**

a. **Operations**

- This may be the last virtual meeting of the year, as the state continues to improve, and the hope is that the June meeting will in person, with an option to participate virtually, at the PERA Building in Santa Fe.
- The State Personnel Office has notified the NMRHCA that they have repealed their requirement, imposed last year, that agencies seek certain exemptions for recruitment and other personnel actions. This will streamline the NMRHCA's process to a large extent.
- Regarding plans for PERA to take over the handling of NMRHCA's HR needs from the State Personnel Office, the process is moving ahead, but there is currently an unexpected delay in the approval process.
- Mr. Archuleta reviewed HR updates.

b. **Pharmacy Benefit Management Consultant RFP**

- Responses to the RFP were due yesterday, with interviews scheduled on May 20-21. A recommendation will be brought to the board at the June meeting. A list of questions submitted from various vendors is available on the website.

c. **FY22 Operating Budget**

- The FY22 Operating Budget was submitted to DFA and Legislative Finance Committee last week pending approval from the Finance Committee, which met last week to review the budget. Since the April board meeting, the NMRHCA has received the compensation

package for staff, an extra \$33,600 to accommodate the 1.5 percent pay raise authorized for state employees. There was a transfer of \$67,000 from the Healthcare Benefits Administration Program to support the pay increases. An additional 1.5 percent was made available for what the state considers frontline workers. The NMRHCA feels that its customer services representatives meet the eligibility requirements for the increase because they are technically “government interviewers” who assist with government filled applications. A decision is pending from the State Personnel Office.

d. MHPAEA Compliance

- On April 2, the Labor, Health and Human Services, and Treasury Departments issued FAQs Set 45 in response to amendments to the Mental Health Parity and Addiction Equity Act (MHPAEA) enacted through the Consolidated Appropriations Act, 2021. It requires plans to report mental health and substance abuse disorder (SUD) benefits to offer those benefits in parity with medical/surgical benefits. Under these amendments, the NMRHCA is required to perform and document comparative analyses of the design and application of non-quantitative treatment limitations. Segal has clarified that this means the NMRHCA is supposed to be ready to provide information as soon as the Department of Labor starts to collect it. This includes how the plan designs work, how the agency treats copayments, coinsurance and other cost-sharing issues for mental health parity. It is likely staff will recommend that the board request an exemption to this because of the additional cost involved. A recommendation will be made to the board at either its June or July meeting.

e. Legislative

- The Legislative Council Service met yesterday and assigned chairmanships. He has not had an opportunity to review who was assigned to what, but of interest to the NMRHCA will be the IPOC and LFC assignments.
- As a result of SB345, board members will receive a slight pay cut. In-person meetings 4 hours are longer are now \$95, and less than 4 hours are \$45. Virtual meetings are also \$45.

f. Opioid/Generic Drug Pricing Litigation

- Last week, Mike Madalena provided all of the information requested regarding the opioid litigation. Generic drug pricing litigation remains ongoing. As discussed before, NMRHCA is awaiting a decision from the AG’s Office about pursuing its own litigation in this matter.

g. State of New Mexico, Ex.Rel., Hector Balderas, Attorney General v. Bristol-Myers Squibb Company, et al

- NMRHCA received a subpoena after the April board meeting. This litigation has been ongoing for the last 4-5 years. It requests a lot of information, fairly broadly, covering the last 20 years regarding Plavix, a blood thinner used for heart attacks. The 38-page subpoena lists a significant number of documents and other information. The NMRHCA’s response, prepared by the Rodey Firm, objects to everything outside of a copy of the NMRHCA’s organizational chart, strategic plan, and requests for information for its formularies.

h. Virtual Wellness Event

- The event was concluded the week before last, and a huge round of applause and gratitude for all of the hard work of participants to make this happen. Although 300 people registered, fewer participated, but turnout was good. There were a lot of positive comments. This allowed the agency to reach people who live in places like Farmington, Raton and Roswell.

Ms. Saunders said she attended the virtual wellness event on both days, and thought it was very well presented and very interesting. She enjoyed it a lot and thought other people did, too.

- This year's switch enrollment will be held virtually.

i. March 31, 2021 SIC Report

- The trust fund balances in March hit \$987.8 million.
- This year has been one of the better years in terms of what the agency has collected versus what it has paid. Fewer people had procedures done, saving a significant amount of money. However, it is possible there will be a waterfall of future claims as a result.

9. FY21 Q3 BUDGET REVIEW

Mr. Archuleta reviewed highlights from the FY21 Q3 budget.

[Agenda reprioritized.]

11. 2022 PRELIMINARY PLAN DISCUSSION

Mr. Archuleta reviewed recommendations that would be made to the board at the annual retreat:

1. Pre-Medicare/Medicare Supplement Plan Rates: Long-term solvency projections include annual 8% and 6% respective rate increases. Changes are based on the overall loss ratio, which has not been calculated at this point.
2. Pre-Medicare Plan Design -- Senate Bill 317, No Behavioral Health Cost Sharing: According to Dr. Madalena, elimination of cost sharing for behavioral health services is projected to exceed \$2.7 million annually. This includes \$1.3 million in prescription spend and \$1.4 million in medical spend.
3. Pre-Medicare Plan Design – Hinge Health (BCBS) Pilot Program: Designed to provide physical rehabilitation. Will be presented to Wellness Committee for recommendation. Estimated savings are \$1.8 million.
4. Broad Performance Medicare Network (Medicare Supplement): NMRHCA staff is evaluating ESI's Board Performance Medicare Network, aimed at providing deeper discounts from 90-day providers and leverage a pharmacy's performance. The pharmacies that perform best, pay less, and those that don't perform as well pay more Direct and Indirect Remuneration, which is passed on to NMRHCA. Staff will make a final recommendation at the annual meeting. Estimated savings are \$600,000 through June 2022.

Chairman Crandall said there was going to be a discussion at the Executive Committee meeting about changing the subsidy for spouses. He asked that this be removed, as he does not want to have any discussion at this point about lowering subsidies or lowering their percentages while the legislature continues to take money from the NMRHCA. He said he feels the NMRHCA has done enough. He added that he would add it back to the agenda if anyone requested it.

Dr. Salazar noted that Senate Bill 317 was sold on dynamic scoring rather than static scoring, the idea being that the bill would bring about benefit at some point. He suggested quantifying that in terms of benefit as opposed to looking at a static impact. Chairman Crandall commented that Dr. Salazar had raised an interesting point and recommended further discussion at the July meeting.

Mr. Archuleta said he believed Dr. Salazar was referring to evidence suggesting that, as a result of investments in mental health and substance abuse disorder, there would be some sort of reduction in other areas of claims spent. He did not know whether the NMRHCA would get to take credit for that as part of either its solvency or future liabilities in terms of what it reports according to GASB, but Dr. Madalena might have some thoughts to share on that in July. Dr. Patani added that Segal could certainly discuss this, as well.

10. FY21/22 CONTRACT AMENDMENTS

Mr. Kueffer said staff is proposing to amend an existing contract with Presbyterian Health Plan for Medicare Advantage Program services. Based on projected expenditures through April 27, 2021, the NMRHCA anticipates a shortfall. It also wants to take additional growth in May and June into account. He requested approval to amend the compensation sections of the Presbyterian Medicare Advantage Plan totaling \$700,000 to accommodate projected costs through the remainder of FY22. Despite growth in participation, expenditures related to this contract are down by nearly \$3 million compared to FY20, leaving \$9.4 million available for year-end adjustments, if necessary.

Mr. Kueffer presented a list of existing contracts that need to be amended in order to meet the NMRHCA's business obligations regarding the administration of both the Healthcare Benefits Administration Program and Program Support. Proposed amounts for FY22 were based on FY21 projected expenditures as a baseline, with variables. He requested approval.

Mr. Kueffer presented a list of 9 small contracts administered through Program Support, totaling \$556,117. He requested approval.

Ms. Larrañaga-Ruffy stated that the Finance Committee reviewed these requests and recommended approval.

Ms. Larrañaga-Ruffy moved for approval. Mr. Linton seconded the motion, which passed unanimously by roll call vote.

12. DELTA DENTAL NETWORK ENHANCEMENT

JoLou Trujillo-Ottino made a presentation. Delta's network has grown substantially over the years, and it proposes to switch over to its Point-of-Service network, which allows the PPO network and Premier network to be treated as in-network, leaving only true out-of-network non-participating providers in the out-of-network. This will increase provider access for all members by 7.8 percent.

13. OTHER BUSINESS

Mr. Kueffer said the July retreat was scheduled on July 15 and 16 in Taos.

14. EXECUTIVE SESSION

None.

15. DATE AND LOCATION OF NEXT BOARD MEETING

June 1, 2021
9:30 AM
Via: GoToMeetings

16. ADJOURN

Meeting adjourned at 10:45 a.m.

Accepted by:

Doug Crandall, President



New Mexico State Personnel Board

State Personnel Office

Michelle Lujan Grisham
Governor

Ricky A. Serna
Acting Director

State Personnel Board
Christine B. Romero, Chair
Laura A. Liswood, Vice Chair
Jerry Manzagol, Member

Memorandum

To: All State of NM Employees
From: Ricky Serna, Acting Director
Date: May 6, 2021
Subject: Return to Office Update

As New Mexico's COVID-19 positivity rate remains low and the number of fully vaccinated residents continues to increase, the administration is beginning discussions about state employees safely returning to the office and resuming public-facing constituent operations.

As always, the state's priority and guiding principle is the health and safety of its employees and all New Mexicans. To that end, we are developing guidance to ensure employees follow COVID-safe practices and exercise COVID-mitigation measures as recommended by the CDC, the NMDOH, and the state's public health experts. We are committed to providing this guidance in advance of your return to the office and ensuring you have reasonable and timely notice of the date you will be expected to return.

At the same time, we are working on the timely implementation of a non-emergency telework option for employees, where appropriate.

The administration is committed to working with our union partners and the HR community across agencies to ensure our strategies for returning to the office and non-emergency telework are thoughtful, comprehensive, and inclusive.

Thank you for your patience and continued service. If you have not already done so, we encourage you to schedule an appointment for your COVID-19 vaccine at vaccineNM.org.

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
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New Mexico Retiree Health Care Authority (CP)
Change in Market Value
For the Month of Apr 2021
 (Report as of May 17, 2021)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	182,511,189.87	-	-	-	438,751.85	1,663,975.50	184,613,917.22
Credit & Structured Finance	135,730,598.35	-	-	-	30,462.27	1,045,908.52	136,806,969.14
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	136,373,707.07	-	-	-	426,411.52	4,092,729.54	140,892,848.13
Non-US Emerging Markets Active Pool	105,937,131.53	-	-	-	177,650.89	2,058,853.53	108,173,635.95
Private Equity Pool	115,854,947.27	-	-	-	401,137.25	446,887.66	116,702,972.18
Real Estate Pool	87,254,169.01	-	-	-	171,379.90	(103,527.58)	87,322,021.33
Real Return Pool	39,497,287.82	-	-	-	136,397.62	305,663.20	39,939,348.64
US Large Cap Index Pool	160,899,727.33	-	-	-	137,817.68	8,509,457.95	169,547,002.96
US SMID Cap Alternative Weighted Index Pool	23,745,284.20	-	-	-	12,280.37	469,737.57	24,227,302.14
Sub - Total New Mexico Retiree Health Care Authority (C	987,804,042.45	-	-	-	1,932,289.35	18,489,685.89	1,008,226,017.69
Total New Mexico Retiree Health Care Authority (C	987,804,042.45	-	-	-	1,932,289.35	18,489,685.89	1,008,226,017.69

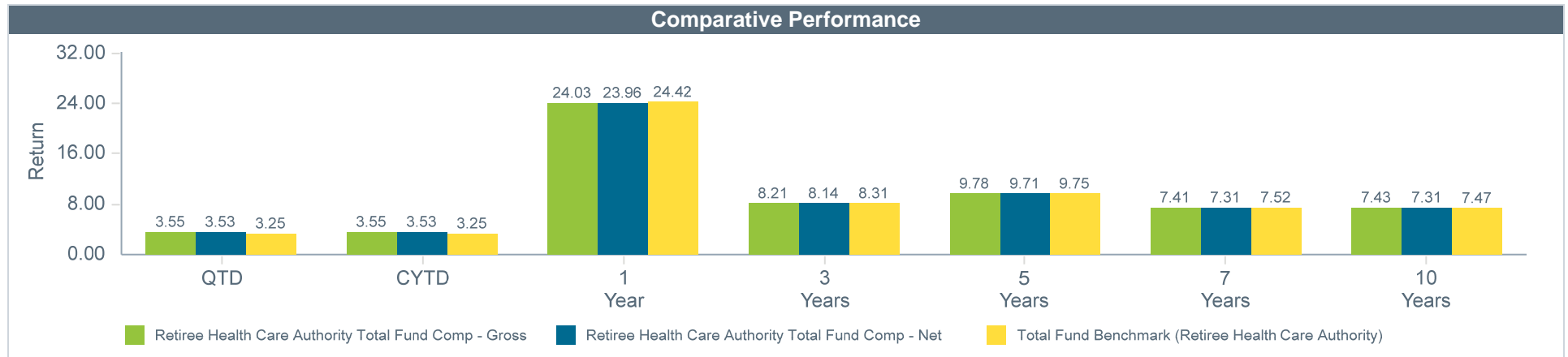
Retiree Health Care Authority



**New Mexico State Investment Council
Retiree Health Care Authority Total Fund Comp**

As of March 31, 2021

Overview	Asset Allocation vs. Target Allocation				
The New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.	Market Value (\$)	Allocation (%)	Target (%)	Difference (%)	
	Large Cap US Equity Index	160,899,725	16.29	14.00	2.29
	Small/Mid Cap US Equity Index	23,745,284	2.40	2.00	0.40
	Non-US Developed Markets Index	136,373,711	13.81	14.00	-0.19
	Non-US Emerging Markets Active	105,937,134	10.72	10.00	0.72
	US Core Bonds	182,511,174	18.48	20.00	-1.52
	Credit & Structured Finance	135,730,599	13.74	15.00	-1.26
	Private Equity	115,854,948	11.73	10.00	1.73
	Real Estate	87,254,171	8.83	10.00	-1.17
	Real Return	39,497,288	4.00	5.00	-1.00
Total Fund	987,804,033	100.00	100.00	0.00	



Comparative Performance

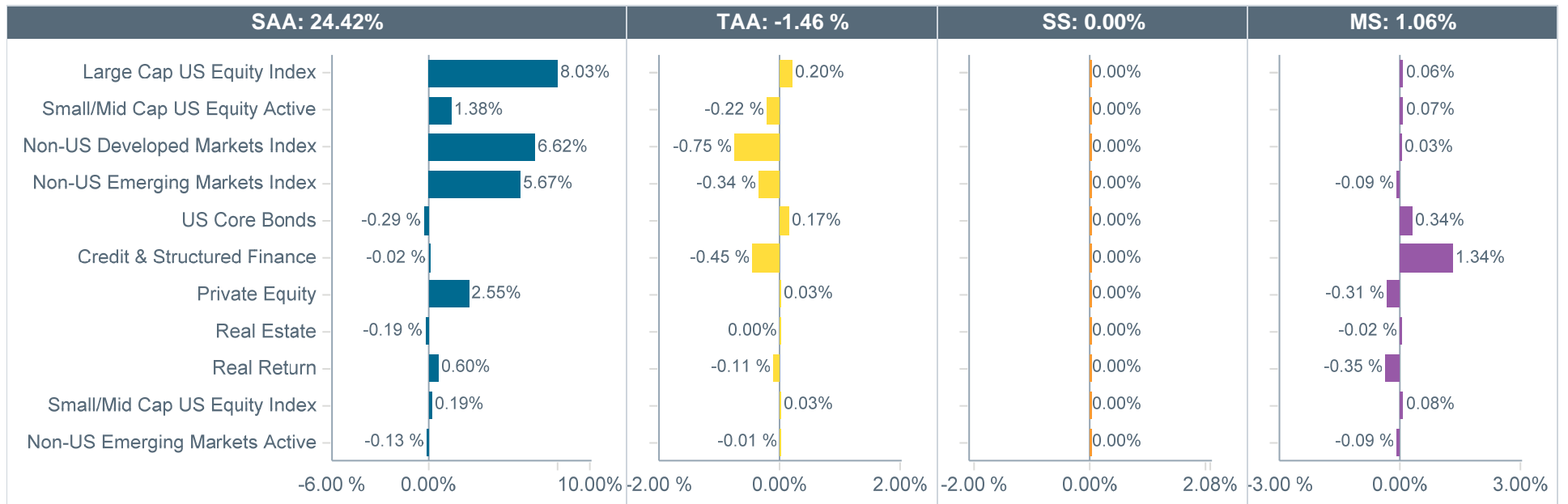
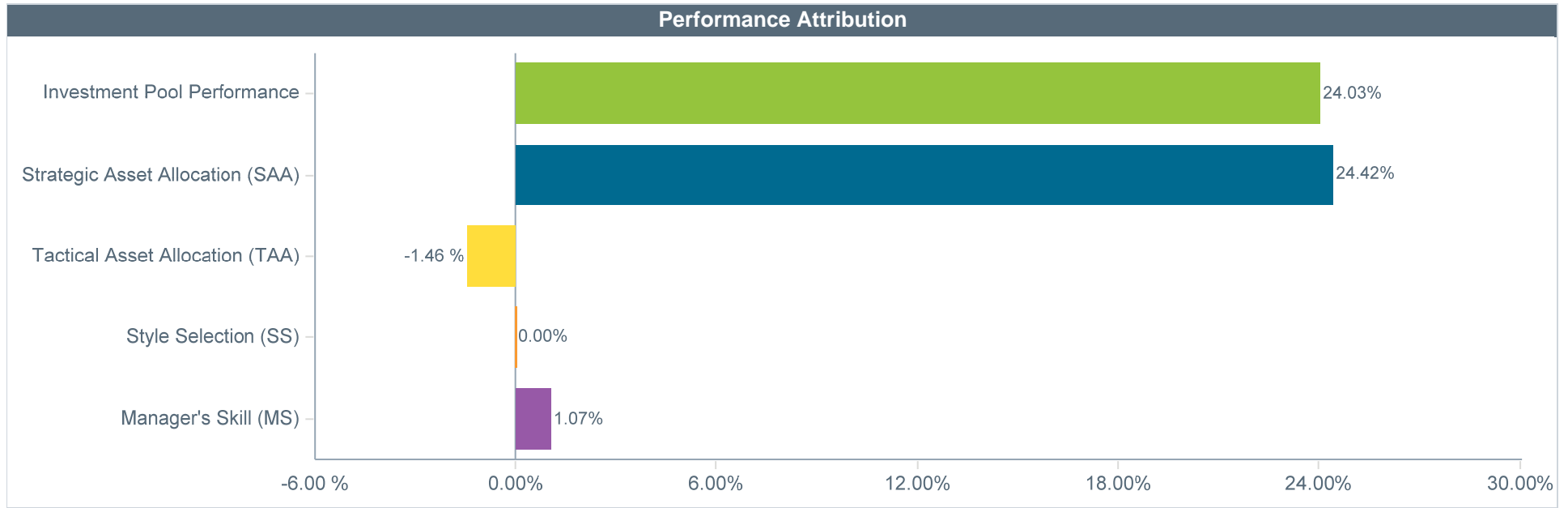
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018
Retiree Health Care Authority Total Fund Comp - Gross	3.55	3.55	24.03	8.21	9.78	7.41	7.43	9.88	13.27	-1.24
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	3.25	3.25	24.42	8.31	9.75	7.52	7.47	10.18	14.33	-1.86
Difference	0.30	0.30	-0.39	-0.10	0.03	-0.11	-0.04	-0.30	-1.06	0.62
Retiree Health Care Authority Total Fund Comp - Net	3.53	3.53	23.96	8.14	9.71	7.31	7.31	9.83	13.21	-1.32
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	3.25	3.25	24.42	8.31	9.75	7.52	7.47	10.18	14.33	-1.86
Difference	0.28	0.28	-0.46	-0.17	-0.04	-0.21	-0.16	-0.35	-1.12	0.54

Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	924,474,338	30,000,000	33,329,695	987,804,033	3.53

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees, except where noted otherwise. Performance includes receipt of additional units of the US Large Cap Index Pool effective July 1, 2020. Q4 2020 performance for the Cambridge US PE Index is preliminary.





Performance shown is gross of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation. Q4 2020 performance for the Cambridge US PE Index is preliminary.



New Mexico Retiree Health Care Authority

Overview of Segal Activities

Your Segal team and our ongoing and upcoming activities for the Authority

June 2021

Key Members of Your Segal Team



**Nura
Patani**

PhD, ASA, MAAA

Vice President &
Consulting Actuary
West Region Health
Practice Leader



**Melissa
Krumholz**

FSA, MAAA

Senior Health Consultant &
Actuary



**Mike
Madalena**

Madalena Consulting

Additional Resources

OPEB Valuation Team
Mary Kirby, FSA, FCA, MAAA
SVP & Consulting Actuary

OPEB Valuation Team
Vivian Caruso
Senior Actuarial Associate

Data Warehouse Team
Gerard Ruppert
Data Warehouse Architect

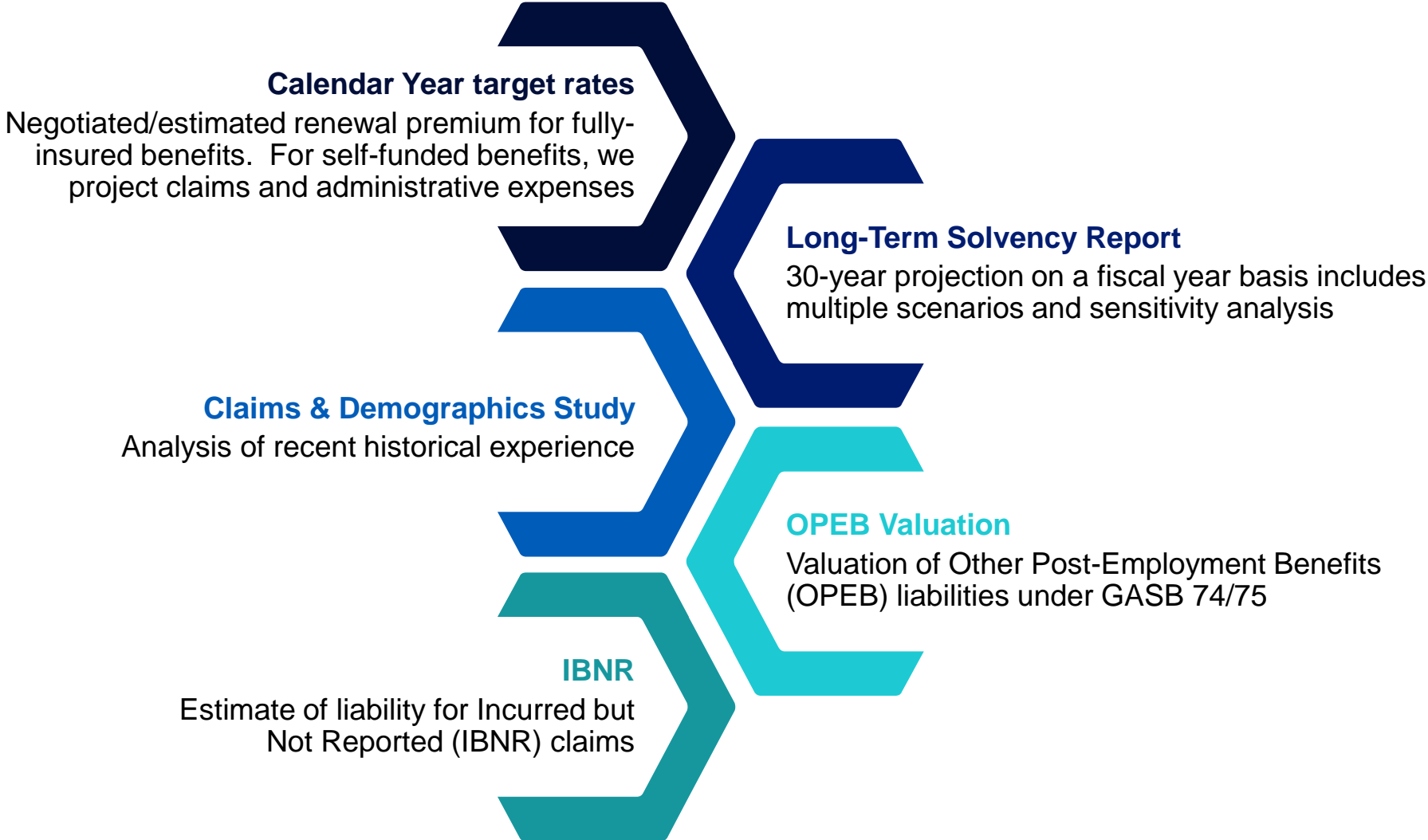
Health Analytics Team
Enrique Schultz, ASA, MAAA
Health Actuary

Health Analytics Team
Andrew McDonald
Senior Actuarial Analyst

OPEB Valuation Team
James Cassidy
Senior Actuarial Associate

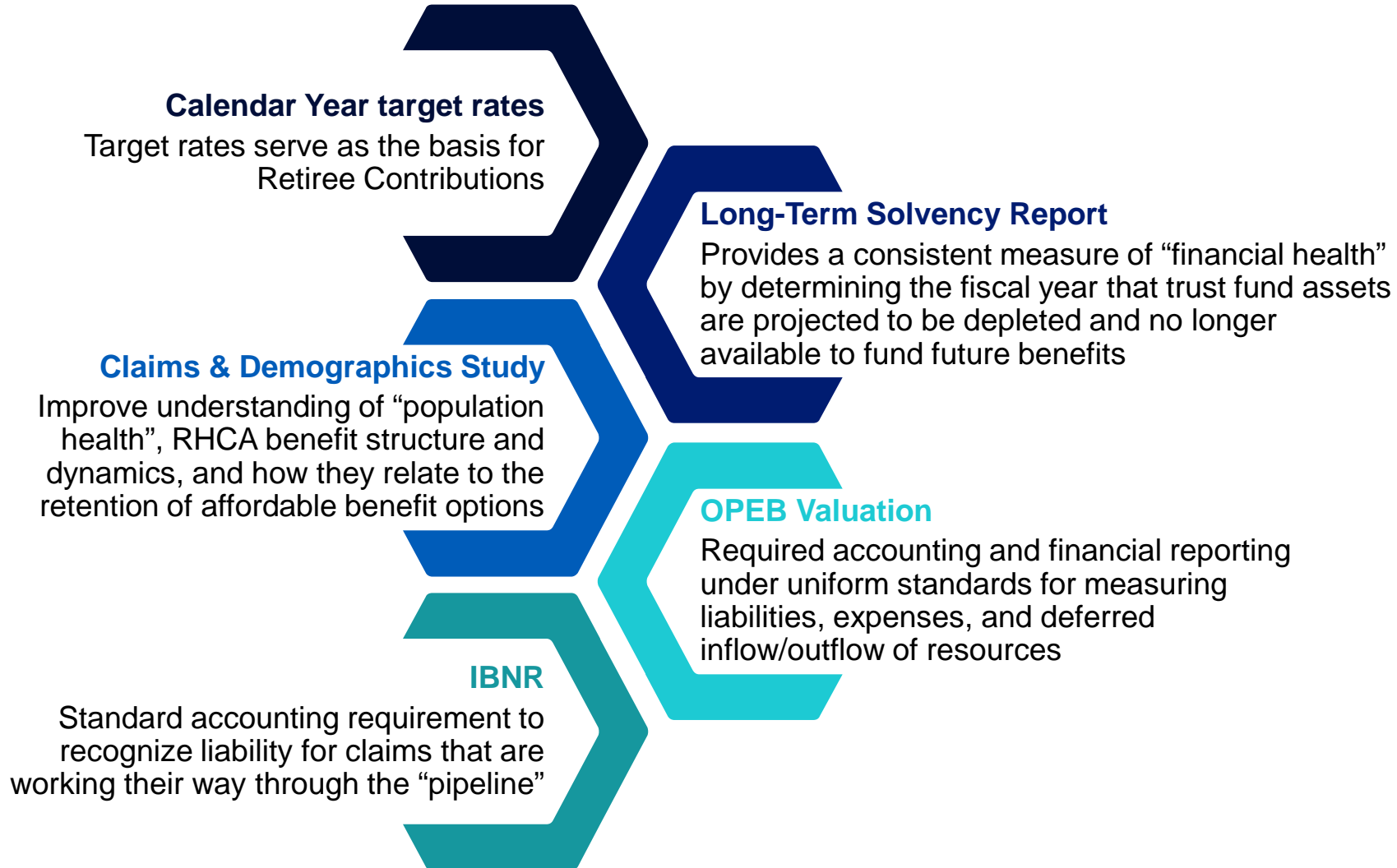
Data Warehouse Team
Jonathan Gruber
Health Economist

Primary Annual Services



Primary Annual Services

What insight does this provide?



Looking ahead to the RHCA Annual Meeting

- **Long-Term Solvency Modeling**

- Long term trend assumption considerations
- Baseline scenario
- Alternate contribution increase scenarios

- **Claims and Demographics Study**

- Utilization overview
- Changes in risk profile by plan
- COVID spotlight
 - Observed historical impact
 - Anticipated future impacts



New Mexico Retiree Health Care Authority Long-Term Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period
Scenario: CY21 Premium Increases including SB 317 Impact - Using the starting balance as of June 30, 2020

8% trend for Non-Medicare and Medicare medical and Rx in FY2021 and beyond; Annual Non-Medicare Medical Plan Changes in CY2025+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 5% in CY2021, and net 8% with plan changes thereafter, Medicare Rate Increase of 2% in CY2021, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2023; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.11 NMAC eff. Jul 2021; Includes Migration from the Premier Plan to the Value Plan from CY2021 through CY2024; Includes SB 317 impact for CY2022 through CY2026

Fiscal Year Beginning	REVENUE										EXPENDITURES							Rev. - Exp. Excluding Inv. Income	Fiscal Year End	EOY Invested Assets
	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue	Investment Income	Medical/Rx	Basic Life	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures				
7/1/2020	\$778,300,901	\$88,516,295	\$44,258,147	\$142,484,491	\$34,255,368	\$32,935,804	\$32,938,285	\$325,552	\$375,713,941	\$57,862,761	\$285,031,260	\$374,404	\$34,255,368	\$13,143,718	\$3,296,900	\$336,101,649	\$39,612,292	6/30/2021	\$875,775,953	
7/1/2021	\$875,775,953	\$88,516,295	\$44,258,147	\$148,026,235	\$36,760,305	\$36,888,100	\$34,055,559	\$324,558	\$388,829,200	\$64,600,640	\$304,504,190	\$0	\$36,760,305	\$13,650,666	\$3,379,323	\$358,294,484	\$30,534,716	6/30/2022	\$970,911,309	
7/1/2022	\$970,911,309	\$91,171,783	\$45,585,892	\$162,970,281	\$39,697,031	\$41,314,672	\$35,093,888	\$332,988	\$416,166,535	\$71,061,777	\$340,178,683	\$0	\$39,697,031	\$14,324,754	\$3,463,806	\$397,664,273	\$18,502,262	6/30/2023	\$1,060,475,348	
7/1/2023	\$1,060,475,348	\$93,906,937	\$46,953,468	\$177,175,824	\$42,385,757	\$46,272,433	\$36,101,209	\$328,258	\$443,123,885	\$77,166,714	\$374,480,501	\$0	\$42,385,757	\$14,920,985	\$3,550,401	\$435,337,644	\$7,786,241	6/30/2024	\$1,145,428,303	
7/1/2024	\$1,145,428,303	\$96,724,145	\$48,362,072	\$189,281,934	\$45,042,179	\$51,825,124	\$36,950,564	\$323,217	\$468,509,235	\$83,062,873	\$403,911,141	\$0	\$45,042,179	\$15,383,769	\$3,639,161	\$467,976,249	\$532,987	6/30/2025	\$1,229,024,163	
7/1/2025	\$1,229,024,163	\$99,625,869	\$49,812,935	\$202,479,432	\$48,525,577	\$58,044,139	\$37,927,529	\$327,473	\$496,742,954	\$88,825,895	\$436,165,841	\$0	\$48,525,577	\$16,000,217	\$3,730,140	\$504,421,775	(\$7,678,821)	6/30/2026	\$1,310,171,237	
7/1/2026	\$1,310,171,237	\$102,614,645	\$51,307,323	\$215,436,697	\$51,742,702	\$65,009,436	\$38,806,044	\$325,357	\$525,242,205	\$94,488,047	\$466,884,145	\$0	\$51,742,702	\$16,567,611	\$3,823,393	\$539,017,851	(\$13,775,646)	6/30/2027	\$1,390,883,638	
7/1/2027	\$1,390,883,638	\$105,693,085	\$52,846,542	\$228,399,145	\$55,033,846	\$72,810,568	\$39,650,690	\$319,989	\$554,753,866	\$100,135,869	\$498,122,870	\$0	\$55,033,846	\$17,076,651	\$3,918,978	\$574,152,345	(\$19,398,479)	6/30/2028	\$1,471,621,027	
7/1/2028	\$1,471,621,027	\$108,863,877	\$54,431,939	\$244,407,554	\$59,067,597	\$81,547,837	\$40,449,196	\$326,267	\$589,094,266	\$105,592,049	\$538,749,391	\$0	\$59,067,597	\$17,618,269	\$4,016,953	\$619,452,209	(\$30,357,943)	6/30/2029	\$1,546,855,133	
7/1/2029	\$1,546,855,133	\$112,129,794	\$56,064,897	\$259,963,332	\$62,767,412	\$91,333,577	\$41,070,952	\$325,981	\$623,655,944	\$110,677,969	\$579,213,172	\$0	\$62,767,412	\$18,082,910	\$4,117,376	\$664,180,870	(\$40,524,926)	6/30/2030	\$1,617,008,176	
7/1/2030	\$1,617,008,176	\$115,493,687	\$57,746,844	\$278,897,374	\$67,502,499	\$102,293,606	\$41,656,721	\$338,697	\$663,929,429	\$115,235,723	\$628,534,995	\$0	\$67,502,499	\$18,771,480	\$4,220,311	\$719,029,285	(\$55,099,855)	6/30/2031	\$1,677,144,044	
7/1/2031	\$1,677,144,044	\$118,958,498	\$59,479,249	\$298,239,730	\$72,008,016	\$114,568,839	\$42,138,436	\$345,652	\$705,738,421	\$119,054,382	\$680,005,362	\$0	\$72,008,016	\$19,428,499	\$4,325,819	\$775,767,696	(\$70,029,275)	6/30/2032	\$1,726,169,151	
7/1/2032	\$1,726,169,151	\$122,527,253	\$61,263,626	\$317,388,944	\$76,603,427	\$128,317,100	\$42,536,076	\$350,564	\$748,986,990	\$122,089,298	\$732,283,120	\$0	\$76,603,427	\$20,024,134	\$4,433,964	\$833,344,645	(\$84,357,655)	6/30/2033	\$1,763,900,795	
7/1/2033	\$1,763,900,795	\$126,203,071	\$63,101,535	\$335,993,758	\$81,889,013	\$143,715,152	\$42,798,412	\$359,342	\$794,240,283	\$124,210,136	\$788,430,028	\$0	\$81,889,013	\$20,691,500	\$4,544,813	\$895,555,354	(\$101,315,071)	6/30/2034	\$1,786,795,860	
7/1/2034	\$1,786,795,860	\$129,989,163	\$64,994,581	\$352,011,963	\$87,709,438	\$160,960,970	\$43,326,415	\$373,680	\$839,366,209	\$125,474,090	\$837,799,901	\$0	\$87,709,438	\$21,435,936	\$4,658,433	\$951,603,709	(\$112,237,500)	6/30/2035	\$1,800,032,451	
7/1/2035	\$1,800,032,451	\$133,888,838	\$66,944,419	\$364,488,978	\$93,005,315	\$180,276,286	\$43,715,744	\$373,421	\$882,693,000	\$126,440,435	\$874,924,020	\$0	\$93,005,315	\$22,041,674	\$4,774,894	\$994,745,903	(\$112,052,903)	6/30/2036	\$1,814,419,983	
7/1/2036	\$1,814,419,983	\$137,905,503	\$68,952,751	\$377,778,815	\$98,830,600	\$201,909,441	\$44,204,257	\$373,518	\$929,954,886	\$127,488,449	\$915,513,849	\$0	\$98,830,600	\$22,633,399	\$4,894,267	\$1,041,872,115	(\$111,917,229)	6/30/2037	\$1,829,991,203	
7/1/2037	\$1,829,991,203	\$142,042,668	\$71,021,334	\$390,623,245	\$104,629,645	\$226,138,574	\$44,528,035	\$374,084	\$979,357,584	\$128,808,311	\$953,173,508	\$0	\$104,629,645	\$23,187,485	\$5,016,623	\$1,086,007,261	(\$106,649,677)	6/30/2038	\$1,852,149,838	
7/1/2038	\$1,852,149,838	\$146,303,948	\$73,151,974	\$402,341,016	\$110,562,063	\$253,275,203	\$44,890,018	\$369,248	\$1,030,893,468	\$130,831,525	\$986,652,399	\$0	\$110,562,063	\$23,691,118	\$5,142,039	\$1,126,047,618	(\$95,154,150)	6/30/2039	\$1,887,827,213	
7/1/2039	\$1,887,827,213	\$150,693,066	\$75,346,533	\$415,581,998	\$117,180,297	\$283,668,227	\$45,240,543	\$369,266	\$1,088,079,930	\$133,894,699	\$1,023,391,223	\$0	\$117,180,297	\$24,245,364	\$5,270,590	\$1,170,087,474	(\$82,007,544)	6/30/2040	\$1,939,714,369	
7/1/2040	\$1,939,714,369	\$155,213,858	\$77,606,929	\$430,689,230	\$124,413,524	\$317,708,414	\$45,563,273	\$371,754	\$1,151,566,983	\$138,181,720	\$1,064,408,379	\$0	\$124,413,524	\$24,861,940	\$5,402,355	\$1,219,086,198	(\$67,519,215)	6/30/2041	\$2,010,376,874	
7/1/2041	\$2,010,376,874	\$159,870,274	\$79,935,137	\$448,093,532	\$132,551,843	\$355,833,424	\$45,795,372	\$381,004	\$1,222,460,585	\$143,871,257	\$1,110,689,299	\$0	\$132,551,843	\$25,573,503	\$5,537,413	\$1,274,352,057	(\$51,891,472)	6/30/2042	\$2,102,356,659	
7/1/2042	\$2,102,356,659	\$164,666,382	\$82,333,191	\$466,392,890	\$141,004,782	\$398,533,435	\$45,954,781	\$389,480	\$1,299,274,941	\$151,231,021	\$1,159,120,429	\$0	\$141,004,782	\$26,296,955	\$5,675,849	\$1,332,098,014	(\$32,823,074)	6/30/2043	\$2,220,764,607	
7/1/2043	\$2,220,764,607	\$169,606,374	\$84,803,187	\$485,682,959	\$150,079,281	\$446,357,447	\$46,061,030	\$399,723	\$1,382,990,000	\$160,640,541	\$1,210,118,678	\$0	\$150,079,281	\$27,040,308	\$5,817,745	\$1,393,056,012	(\$10,066,013)	6/30/2044	\$2,371,339,135	
7/1/2044	\$2,371,339,135	\$174,694,565	\$87,347,282	\$505,804,233	\$159,774,773	\$499,920,340	\$46,156,852	\$410,235	\$1,474,108,281	\$172,551,168	\$1,263,205,075	\$0	\$159,774,773	\$27,811,293	\$5,963,189	\$1,456,754,330	\$17,353,951	6/30/2045	\$2,561,244,254	
7/1/2045	\$2,561,244,254	\$179,935,402	\$89,967,701	\$527,063,392	\$170,134,173	\$559,910,781	\$46,256,032	\$421,023	\$1,573,688,504	\$187,491,306	\$1,319,148,308	\$0	\$170,134,173	\$28,608,299	\$6,112,268	\$1,524,003,048	\$49,685,456	6/30/2046	\$2,798,421,016	
7/1/2046	\$2,798,421,016	\$185,333,464	\$92,666,732	\$549,311,732	\$181,203,368	\$627,100,075	\$46,358,711	\$432,095	\$1,682,406,177	\$206,067,928	\$1,377,714,940	\$0	\$181,203,368	\$29,432,342	\$6,265,075	\$1,594,615,725	\$87,790,452	6/30/2047	\$3,092,279,395	
7/1/2047	\$3,092,279,395	\$190,893,468	\$95,446,734	\$572,900,678	\$193,031,425	\$702,352,084	\$46,465,037	\$443,459	\$1,801,532,885	\$228,989,695	\$1,439,396,974	\$0	\$193,031,425	\$30,284,481	\$6,421,702	\$1,669,134,582	\$132,398,303	6/30/2048	\$3,453,667,393	
7/1/2048	\$3,453,667,393	\$196,620,272	\$98,310,136	\$598,055,428	\$205,670,811	\$786,634,334	\$46,575,164	\$455,121	\$1,932,321,265	\$257,085,631	\$1,504,219,770	\$0	\$205,670,811	\$31,165,819	\$6,582,244	\$1,747,638,645	\$184,682,620	6/30/2049	\$3,895,435,644	
7/1/2049	\$3,895,435,644	\$202,518,880	\$101,259,440	\$624,820,733	\$219,177,626	\$881,030,454	\$46,689,250	\$467,090	\$2,075,963,473	\$291,318,322	\$1,572,465,329	\$0	\$219,177,626	\$32,077,511	\$6,746,801	\$1,830,467,266	\$245,456,207	6/30/2050	\$4,432,250,173	
7/1/2050	\$4,432,250,173	\$208,594,446	\$104,297,223	\$653,442,185	\$233,611,859	\$986,754,109	\$46,807,463	\$479,373	\$2,233,986,659	\$332,783,723	\$1,644,698,284	\$0	\$233,611,859	\$33,020,757	\$6,915,471	\$1,918,246,371	\$315,740,289	6/30/2051	\$5,080,774,185	
7/1/2051	\$5,080,774,185	\$214,852,280	\$107,426,140	\$683,515,628	\$249,037,656	\$1,105,164,602	\$46,929,975	\$491,980	\$2,407,418,261	\$382,767,505	\$1,719,740,228	\$0	\$249,037,656	\$33,996,810	\$7,088,357	\$2,009,863,052	\$397,555,208	6/30/2052	\$5,861,096,898	

Assumptions with Fiscal Year Basis:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036+
Public Safety, et al Annual Payroll Growth	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Occupations Annual Payroll Growth	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-0.68%	-0.97%	2.60%	-1.42%	-1.54%	1.32%	-0.65%	-1.65%	1.96%	-0.09%	2.50%	3.90%	2.50%	3.99%	2.50%	varies
Annual Growth in Retirees age 65+	3.76%	4.05%	3.40%	3.36%	2.59%	3.27%	2.54%	2.57%	2.34%	1.71%	1.75%	1.34%	1.15%	1.34%	0.93%	varies
Non-Medicare Prescription Drug Rebate Trend	10.19%	8.48%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Medicare Prescription Drug Rebate Trend	3.66%	7.20%	0.58%	0.00%	0.00%	0.00%	0.00%									

New Mexico Retiree Health Care Authority Long-Term Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: CY21 Premium Increases including SB 317 Impact through solvency projection period - Using the starting balance as of June 30, 2020

8% trend for Non-Medicare and Medicare medical and Rx in FY2021 and beyond; Annual Non-Medicare Medical Plan Changes in CY2025+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 5% in CY2021, and net 8% with plan changes thereafter, Medicare Rate Increase of 2% in CY2021, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2023; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.11 NMAC eff. Jul 2021; Includes Migration from the Premier Plan to the Value Plan from CY2021 through CY2024; Includes SB 317 impact for CY2022 through solvency projection period with a 5.5% annual trend from CY2027 and beyond

Fiscal Year Beginning	REVENUE										EXPENDITURES							Rev. - Exp. Excluding Inv. Income	Fiscal Year End	EOY Invested Assets
	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue	Investment Income	Medical/Rx	Basic Life	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures				
7/1/2020	\$778,300,901	\$88,516,295	\$44,258,147	\$142,484,491	\$34,255,368	\$32,935,804	\$32,938,285	\$325,552	\$375,713,941	\$57,862,761	\$285,031,260	\$374,404	\$34,255,368	\$13,143,718	\$3,296,900	\$336,101,649	\$39,612,292	6/30/2021	\$875,775,953	
7/1/2021	\$875,775,953	\$88,516,295	\$44,258,147	\$148,026,235	\$36,760,305	\$36,888,100	\$34,055,559	\$324,558	\$388,829,200	\$64,600,640	\$304,504,190	\$0	\$36,760,305	\$13,650,666	\$3,379,323	\$358,294,484	\$30,534,716	6/30/2022	\$970,911,309	
7/1/2022	\$970,911,309	\$91,171,783	\$45,585,892	\$162,970,281	\$39,697,031	\$41,314,672	\$35,093,888	\$332,988	\$416,166,535	\$71,061,777	\$340,178,683	\$0	\$39,697,031	\$14,324,754	\$3,463,806	\$397,664,273	\$18,502,262	6/30/2023	\$1,060,475,348	
7/1/2023	\$1,060,475,348	\$93,906,937	\$46,953,468	\$177,175,824	\$42,385,757	\$46,272,433	\$36,101,209	\$328,258	\$443,123,885	\$77,166,714	\$374,480,501	\$0	\$42,385,757	\$14,920,985	\$3,550,401	\$435,337,644	\$7,786,241	6/30/2024	\$1,145,428,303	
7/1/2024	\$1,145,428,303	\$96,724,145	\$48,362,072	\$189,281,934	\$45,042,179	\$51,825,124	\$36,950,564	\$323,217	\$468,509,235	\$83,062,873	\$403,911,141	\$0	\$45,042,179	\$15,383,769	\$3,639,161	\$467,976,249	\$532,987	6/30/2025	\$1,229,024,163	
7/1/2025	\$1,229,024,163	\$99,625,869	\$49,812,935	\$202,479,432	\$48,525,577	\$58,044,139	\$37,927,529	\$327,473	\$496,742,954	\$88,825,895	\$436,165,841	\$0	\$48,525,577	\$16,000,217	\$3,730,140	\$504,421,775	(\$7,678,821)	6/30/2026	\$1,310,171,237	
7/1/2026	\$1,310,171,237	\$102,614,645	\$51,307,323	\$215,436,697	\$51,742,702	\$65,009,436	\$38,806,044	\$325,357	\$525,242,205	\$94,430,682	\$468,466,645	\$0	\$51,742,702	\$16,567,611	\$3,823,393	\$540,600,351	(\$15,358,146)	6/30/2027	\$1,389,243,772	
7/1/2027	\$1,389,243,772	\$105,693,085	\$52,846,542	\$228,399,145	\$55,033,846	\$72,810,568	\$39,650,690	\$319,989	\$554,753,866	\$99,899,092	\$501,374,907	\$0	\$55,033,846	\$17,076,651	\$3,918,978	\$577,404,382	(\$22,650,517)	6/30/2028	\$1,466,492,348	
7/1/2028	\$1,466,492,348	\$108,863,877	\$54,431,939	\$244,407,554	\$59,067,597	\$81,547,837	\$40,449,196	\$326,267	\$589,094,266	\$105,095,850	\$542,180,291	\$0	\$59,067,597	\$17,618,269	\$4,016,953	\$622,883,109	(\$33,788,843)	6/30/2029	\$1,537,799,355	
7/1/2029	\$1,537,799,355	\$112,129,794	\$56,064,897	\$259,963,332	\$62,767,412	\$91,333,577	\$41,070,952	\$325,981	\$623,655,944	\$109,890,214	\$582,832,771	\$0	\$62,767,412	\$18,082,910	\$4,117,376	\$667,800,469	(\$44,144,525)	6/30/2030	\$1,603,545,044	
7/1/2030	\$1,603,545,044	\$115,493,687	\$57,746,844	\$278,897,374	\$67,502,499	\$102,293,606	\$41,656,721	\$338,697	\$663,929,429	\$114,121,219	\$632,353,672	\$0	\$67,502,499	\$18,771,480	\$4,220,311	\$722,847,962	(\$58,918,532)	6/30/2031	\$1,658,747,731	
7/1/2031	\$1,658,747,731	\$118,958,498	\$59,479,249	\$298,239,730	\$72,008,016	\$114,568,839	\$42,138,436	\$345,652	\$705,738,421	\$117,574,609	\$684,034,066	\$0	\$72,008,016	\$19,428,499	\$4,325,819	\$779,796,400	(\$74,057,979)	6/30/2032	\$1,702,264,360	
7/1/2032	\$1,702,264,360	\$122,527,253	\$61,263,626	\$317,388,944	\$76,603,427	\$128,317,100	\$42,536,076	\$350,564	\$748,986,990	\$120,202,128	\$736,533,403	\$0	\$76,603,427	\$20,024,134	\$4,433,964	\$837,594,928	(\$88,607,938)	6/30/2033	\$1,733,858,551	
7/1/2033	\$1,733,858,551	\$126,203,071	\$63,101,535	\$335,993,758	\$81,889,013	\$143,715,152	\$42,978,412	\$359,342	\$794,240,283	\$121,869,527	\$792,914,076	\$0	\$81,889,013	\$20,691,500	\$4,544,813	\$900,339,402	(\$105,799,119)	6/30/2034	\$1,749,928,958	
7/1/2034	\$1,749,928,958	\$129,989,163	\$64,994,581	\$352,011,963	\$87,709,438	\$160,960,970	\$43,326,415	\$373,680	\$839,366,209	\$122,629,753	\$842,530,573	\$0	\$87,709,438	\$21,435,936	\$4,658,433	\$956,334,380	(\$116,968,171)	6/30/2035	\$1,755,590,541	
7/1/2035	\$1,755,590,541	\$133,888,838	\$66,944,419	\$364,488,978	\$93,005,315	\$180,276,286	\$43,715,744	\$373,421	\$882,693,000	\$123,037,478	\$879,914,878	\$0	\$93,005,315	\$22,041,674	\$4,774,894	\$999,736,761	(\$117,043,761)	6/30/2036	\$1,761,584,258	
7/1/2036	\$1,761,584,258	\$137,905,503	\$68,952,751	\$377,778,815	\$98,830,600	\$201,909,441	\$44,204,257	\$373,518	\$929,954,886	\$123,466,990	\$920,779,204	\$0	\$98,830,600	\$22,633,399	\$4,894,267	\$1,047,137,470	(\$117,182,584)	6/30/2037	\$1,767,868,663	
7/1/2037	\$1,767,868,663	\$142,042,668	\$71,021,334	\$390,623,245	\$104,629,645	\$226,138,574	\$44,528,035	\$374,084	\$1,046,299,584	\$124,103,060	\$958,728,458	\$0	\$104,629,645	\$23,187,485	\$5,016,623	\$1,091,562,211	(\$112,204,626)	6/30/2038	\$1,779,767,097	
7/1/2038	\$1,779,767,097	\$146,303,948	\$73,151,974	\$402,341,016	\$110,562,063	\$253,275,203	\$44,890,018	\$369,248	\$1,030,893,468	\$125,371,334	\$992,512,871	\$0	\$110,562,063	\$23,691,118	\$5,142,039	\$1,131,908,091	(\$101,014,622)	6/30/2039	\$1,804,123,810	
7/1/2039	\$1,804,123,810	\$150,693,066	\$75,346,533	\$415,581,998	\$117,180,297	\$283,668,227	\$45,240,543	\$369,266	\$1,088,079,930	\$127,602,076	\$1,029,574,021	\$0	\$117,180,297	\$24,245,364	\$5,270,590	\$1,176,270,272	(\$88,190,342)	6/30/2040	\$1,843,535,544	
7/1/2040	\$1,843,535,544	\$155,213,858	\$77,606,929	\$430,689,230	\$124,413,524	\$317,708,414	\$45,563,273	\$371,754	\$1,151,566,983	\$130,972,302	\$1,070,931,231	\$0	\$124,413,524	\$24,861,940	\$5,402,355	\$1,225,609,050	(\$74,042,067)	6/30/2041	\$1,900,465,779	
7/1/2041	\$1,900,465,779	\$159,870,274	\$79,935,137	\$448,093,532	\$132,551,843	\$355,833,424	\$45,795,372	\$381,004	\$1,222,460,585	\$135,653,245	\$1,117,570,908	\$0	\$132,551,843	\$25,573,503	\$5,537,413	\$1,281,233,666	(\$58,773,081)	6/30/2042	\$1,977,345,942	
7/1/2042	\$1,977,345,942	\$164,666,382	\$82,333,191	\$466,392,890	\$141,004,782	\$398,533,435	\$45,954,781	\$389,480	\$1,299,274,941	\$141,904,566	\$1,166,380,526	\$0	\$141,004,782	\$26,296,955	\$5,675,849	\$1,339,358,112	(\$40,083,171)	6/30/2043	\$2,079,167,337	
7/1/2043	\$2,079,167,337	\$169,606,374	\$84,803,187	\$485,682,959	\$150,079,281	\$446,357,447	\$46,061,030	\$399,723	\$1,382,990,000	\$150,097,086	\$1,217,778,081	\$0	\$150,079,281	\$27,040,308	\$5,817,745	\$1,400,715,415	(\$17,725,415)	6/30/2044	\$2,211,539,008	
7/1/2044	\$2,211,539,008	\$174,694,565	\$87,347,282	\$505,804,233	\$159,774,773	\$499,920,340	\$46,156,852	\$410,235	\$1,474,108,281	\$160,672,735	\$1,271,285,745	\$0	\$159,774,773	\$27,811,293	\$5,963,189	\$1,464,835,000	\$9,273,281	6/30/2045	\$2,381,485,024	
7/1/2045	\$2,381,485,024	\$179,935,402	\$89,967,701	\$527,063,392	\$170,134,173	\$559,910,781	\$46,256,032	\$421,023	\$1,573,688,504	\$174,149,727	\$1,327,673,415	\$0	\$170,134,173	\$28,608,299	\$6,112,268	\$1,532,528,155	\$41,160,349	6/30/2046	\$2,596,795,100	
7/1/2046	\$2,596,795,100	\$185,333,464	\$92,666,732	\$549,311,732	\$181,203,368	\$627,100,075	\$46,358,711	\$432,095	\$1,682,406,177	\$191,124,017	\$1,386,708,928	\$0	\$181,203,368	\$29,432,342	\$6,265,075	\$1,603,609,713	\$78,796,464	6/30/2047	\$2,866,715,581	
7/1/2047	\$2,866,715,581	\$190,893,468	\$95,446,734	\$572,900,678	\$193,031,425	\$702,352,084	\$46,465,037	\$443,459	\$1,801,532,885	\$212,292,354	\$1,448,885,631	\$0	\$193,031,425	\$30,284,481	\$6,421,702	\$1,678,623,239	\$122,909,646	6/30/2048	\$3,201,917,581	
7/1/2048	\$3,201,917,581	\$196,620,272	\$98,310,136	\$598,055,428	\$205,670,811	\$786,634,334	\$46,575,164	\$455,121	\$1,932,321,265	\$238,470,888	\$1,514,230,303	\$0	\$205,670,811	\$31,165,819	\$6,582,244	\$1,757,649,178	\$174,672,088	6/30/2049	\$3,615,060,557	
7/1/2049	\$3,615,060,557	\$202,518,880	\$101,259,440	\$624,820,733	\$219,177,626	\$881,030,454	\$46,689,250	\$467,090	\$2,075,963,473	\$270,608,288	\$1,583,026,441	\$0	\$219,177,626	\$32,077,511	\$6,746,801	\$1,841,028,378	\$234,935,095	6/30/2050	\$4,120,603,939	
7/1/2050	\$4,120,603,939	\$208,594,446	\$104,297,223	\$653,442,185	\$233,611,859	\$986,754,109	\$46,807,463	\$479,373	\$2,233,986,659	\$309,785,475	\$1,655,840,258	\$0	\$233,611,859	\$33,020,757	\$6,915,471	\$1,929,388,344	\$304,598,315	6/30/2051	\$4,734,987,729	
7/1/2051	\$4,734,987,729	\$214,852,280	\$107,426,140	\$683,515,628	\$249,037,656	\$1,105,164,602	\$46,929,975	\$491,980	\$2,407,418,261	\$357,271,876	\$1,731,495,010	\$0	\$249,037,656	\$33,996,810	\$7,088,357	\$2,021,617,834	\$385,800,427	6/30/2052	\$5,478,060,031	

Assumptions with Fiscal Year Basis:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036+
Public Safety, et al Annual Payroll Growth	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Occupations Annual Payroll Growth	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate																

New Mexico Retiree Health Care Authority Long-Term Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period

Scenario: Baseline including SB 317 Impact through solvency projection period - Using the starting balance as of April 30, 2021

8% trend for Non-Medicare and Medicare medical and Rx in FY2022 and beyond; Annual Non-Medicare Medical Plan Changes in CY2024+; Annual Medicare Supplement & EGWP plan changes in CY2034+; Annual Non-Medicare Rate Increases of 8% in CY2022; and net 8% with plan changes thereafter, Medicare Rate Increase of 6% in CY2022, and net 6% with plan changes thereafter. Assumed rate of return of 7.25%; Payroll growth assumption of 3.0% beginning FY2023; Board Approved Change to Minimum Age Requirement and Years of Service for Maximum Subsidy in 2.81.1 NMAC eff. Jul 2021; Includes Migration from the Premier Plan to the Value Plan from CY2022 through CY2023; Includes SB 317 impact for CY2022 through solvency projection period with a 5.5% annual trend from CY2027 and beyond

Fiscal Year Beginning	BOY Invested Assets	REVENUE										EXPENDITURES								Rev. - Exp. Excluding Inv. Income	Fiscal Year End	EOY Invested Assets
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue	Investment Income	Medical/Rx	Basic Life	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures						
7/1/2021	\$1,008,226,018	\$94,498,321	\$47,249,161	\$141,202,072	\$33,300,763	\$36,888,100	\$38,556,116	\$234,345	\$391,928,878	\$74,865,011	\$293,483,484	\$0	\$33,300,763	\$13,107,871	\$3,247,100	\$343,139,218	\$48,789,660	6/30/2022	\$1,131,880,689			
7/1/2022	\$1,131,880,689	\$97,333,271	\$48,666,635	\$155,239,473	\$35,924,624	\$41,314,672	\$40,758,153	\$240,432	\$419,477,261	\$83,493,465	\$326,927,487	\$0	\$35,924,624	\$13,790,246	\$3,328,278	\$379,970,634	\$39,506,626	6/30/2023	\$1,254,880,780			
7/1/2023	\$1,254,880,780	\$100,253,269	\$50,126,635	\$167,525,417	\$38,320,927	\$46,272,433	\$41,935,887	\$237,016	\$444,670,748	\$92,043,090	\$359,332,510	\$0	\$38,320,927	\$14,248,559	\$3,411,484	\$415,312,594	\$29,358,154	6/30/2024	\$1,376,282,024			
7/1/2024	\$1,376,282,024	\$103,260,867	\$51,630,434	\$177,763,112	\$40,682,876	\$51,825,124	\$42,921,995	\$237,377	\$468,317,786	\$100,960,528	\$387,913,158	\$0	\$40,682,876	\$14,705,543	\$3,496,772	\$446,798,300	\$21,519,486	6/30/2025	\$1,498,362,038			
7/1/2025	\$1,498,362,038	\$106,358,693	\$53,179,347	\$190,334,029	\$43,788,685	\$58,004,139	\$44,057,368	\$236,540	\$495,998,711	\$109,147,892	\$419,062,895	\$0	\$43,788,685	\$15,310,690	\$3,584,191	\$481,746,460	\$14,252,251	6/30/2026	\$1,621,762,180			
7/1/2026	\$1,621,762,180	\$109,549,454	\$54,774,727	\$202,693,076	\$46,650,086	\$65,009,436	\$45,071,496	\$234,922	\$523,983,197	\$117,797,916	\$451,716,604	\$0	\$46,650,086	\$16,869,401	\$3,673,796	\$517,909,887	\$6,073,311	6/30/2027	\$1,745,633,407			
7/1/2027	\$1,745,633,407	\$112,835,397	\$56,417,969	\$215,077,297	\$49,574,517	\$72,810,568	\$46,042,381	\$231,046	\$552,989,716	\$126,495,734	\$485,004,950	\$0	\$49,574,517	\$17,963,923	\$3,765,640	\$554,719,031	(\$1,729,315)	6/30/2028	\$1,870,399,826			
7/1/2028	\$1,870,399,826	\$116,221,016	\$58,110,968	\$230,354,015	\$53,163,826	\$81,547,837	\$46,957,147	\$235,579	\$586,589,927	\$135,173,970	\$516,919,660	\$0	\$53,163,826	\$19,079,216	\$3,859,782	\$598,452,483	(\$11,862,556)	6/30/2029	\$1,993,711,240			
7/1/2029	\$1,993,711,240	\$119,707,646	\$59,853,823	\$245,216,317	\$56,448,917	\$91,233,577	\$47,668,504	\$235,373	\$620,453,727	\$143,773,574	\$563,933,342	\$0	\$56,448,917	\$17,370,550	\$3,956,276	\$641,708,665	(\$21,254,928)	6/30/2030	\$2,116,229,886			
7/1/2030	\$2,116,229,886	\$123,298,875	\$61,649,438	\$263,278,679	\$60,659,912	\$102,393,606	\$48,312,620	\$244,554	\$659,737,684	\$160,659,912	\$611,919,438	\$0	\$60,659,912	\$18,045,607	\$4,055,183	\$694,680,139	(\$3,942,455)	6/30/2031	\$2,233,447,434			
7/1/2031	\$2,233,447,434	\$126,997,842	\$63,498,921	\$281,743,687	\$64,660,501	\$114,568,839	\$48,840,063	\$249,576	\$700,559,428	\$160,149,096	\$662,040,455	\$0	\$64,660,501	\$19,690,693	\$4,156,563	\$749,548,211	(\$4,988,782)	6/30/2032	\$2,344,607,747			
7/1/2032	\$2,344,607,747	\$130,807,777	\$65,403,888	\$300,044,750	\$68,737,691	\$128,317,100	\$49,263,215	\$253,122	\$742,827,545	\$167,179,879	\$713,012,195	\$0	\$68,737,691	\$21,277,403	\$4,260,477	\$805,287,765	(\$62,460,221)	6/30/2033	\$2,449,867,405			
7/1/2033	\$2,449,867,405	\$134,732,010	\$67,366,005	\$317,820,753	\$73,429,893	\$143,715,152	\$49,734,312	\$259,460	\$787,057,586	\$174,349,338	\$762,873,356	\$0	\$73,429,893	\$23,093,522	\$4,366,989	\$860,603,759	(\$73,546,174)	6/30/2034	\$2,551,270,569			
7/1/2034	\$2,551,270,569	\$138,773,971	\$69,386,985	\$333,086,665	\$78,596,971	\$160,960,970	\$50,088,950	\$269,813	\$831,164,314	\$182,128,097	\$805,746,936	\$0	\$78,596,971	\$24,602,007	\$4,476,163	\$909,482,077	(\$78,317,762)	6/30/2035	\$2,655,080,964			
7/1/2035	\$2,655,080,964	\$142,937,190	\$71,468,598	\$344,988,714	\$83,289,624	\$180,276,286	\$50,485,985	\$269,626	\$873,716,020	\$189,727,109	\$840,888,379	\$0	\$83,289,624	\$26,280,485	\$4,588,067	\$950,026,556	(\$76,310,536)	6/30/2036	\$2,768,497,478			
7/1/2036	\$2,768,497,478	\$147,225,305	\$73,612,653	\$357,339,181	\$88,453,249	\$201,909,441	\$50,993,181	\$269,696	\$919,801,782	\$197,195,952	\$877,955,952	\$0	\$88,453,249	\$27,847,966	\$4,702,769	\$992,199,032	(\$72,397,250)	6/30/2037	\$2,894,191,895			
7/1/2037	\$2,894,191,895	\$151,642,065	\$75,821,032	\$369,231,740	\$93,587,594	\$226,138,574	\$51,300,327	\$270,105	\$967,991,436	\$207,502,521	\$911,361,931	\$0	\$93,587,594	\$29,971,379	\$4,820,338	\$1,032,167,741	(\$64,176,305)	6/30/2038	\$3,037,518,111			
7/1/2038	\$3,037,518,111	\$156,191,327	\$78,095,663	\$390,380,086	\$98,830,086	\$253,275,203	\$51,644,886	\$276,105	\$1,018,692,196	\$218,345,412	\$943,726,298	\$0	\$98,830,418	\$32,891,136	\$4,940,847	\$1,070,406,699	(\$51,714,504)	6/30/2039	\$3,204,149,020			
7/1/2039	\$3,204,149,020	\$160,877,066	\$80,438,633	\$392,946,552	\$104,698,525	\$283,668,227	\$51,968,380	\$266,626	\$1,074,863,910	\$230,940,173	\$979,183,171	\$0	\$104,698,525	\$32,452,490	\$5,064,368	\$1,112,398,554	(\$37,534,644)	6/30/2040	\$3,397,554,549			
7/1/2040	\$3,397,554,549	\$165,703,378	\$82,851,689	\$407,245,742	\$111,104,015	\$317,708,414	\$52,251,200	\$268,423	\$1,137,132,861	\$245,528,830	\$1,018,675,254	\$0	\$111,104,015	\$34,062,600	\$5,190,977	\$1,159,032,851	(\$21,899,991)	6/30/2041	\$3,621,183,389			
7/1/2041	\$3,621,183,389	\$170,674,480	\$85,337,240	\$423,662,058	\$118,313,325	\$355,833,424	\$52,420,664	\$275,102	\$1,206,516,842	\$262,355,342	\$1,063,085,711	\$0	\$118,313,325	\$34,761,297	\$5,320,751	\$1,211,481,084	(\$4,964,242)	6/30/2042	\$3,876,574,989			
7/1/2042	\$3,876,574,989	\$175,794,714	\$87,897,357	\$440,894,912	\$125,798,853	\$398,533,435	\$52,497,690	\$281,221	\$1,281,698,183	\$281,757,360	\$1,109,508,660	\$0	\$125,798,853	\$35,470,402	\$5,453,720	\$1,266,231,325	\$15,466,858	6/30/2043	\$4,175,799,207			
7/1/2043	\$4,175,799,207	\$181,068,555	\$90,534,278	\$459,034,374	\$133,834,299	\$446,357,447	\$52,505,187	\$288,617	\$1,363,622,756	\$304,183,249	\$1,158,338,079	\$0	\$133,834,299	\$36,196,645	\$5,590,114	\$1,323,959,137	\$39,663,619	6/30/2044	\$4,519,646,075			
7/1/2044	\$4,519,646,075	\$186,500,612	\$93,250,306	\$477,937,394	\$142,418,737	\$499,920,340	\$52,494,224	\$296,207	\$1,452,817,880	\$330,160,384	\$1,209,139,004	\$0	\$142,418,737	\$37,949,697	\$5,729,867	\$1,384,237,365	\$69,580,515	6/30/2045	\$4,918,386,974			
7/1/2045	\$4,918,386,974	\$192,095,630	\$96,047,815	\$497,903,235	\$151,590,269	\$559,910,781	\$52,481,074	\$303,997	\$1,550,332,801	\$360,297,803	\$1,262,665,514	\$0	\$151,590,269	\$39,728,124	\$5,873,114	\$1,447,857,021	\$102,475,780	6/30/2046	\$5,381,160,557			
7/1/2046	\$5,381,160,557	\$197,858,499	\$98,929,250	\$518,792,411	\$161,389,263	\$627,100,075	\$52,465,650	\$311,992	\$1,656,847,140	\$395,289,107	\$1,318,699,040	\$0	\$161,389,263	\$41,582,909	\$6,019,542	\$1,514,641,153	\$142,205,987	6/30/2047	\$5,958,655,651			
7/1/2047	\$5,958,655,651	\$203,794,254	\$101,897,127	\$540,930,779	\$171,859,133	\$702,352,084	\$52,447,867	\$320,196	\$1,773,601,441	\$435,935,884	\$1,377,700,592	\$0	\$171,859,133	\$43,365,076	\$6,170,440	\$1,585,095,242	\$188,506,199	6/30/2048	\$6,543,097,735			
7/1/2048	\$6,543,097,735	\$209,908,082	\$104,954,041	\$564,527,133	\$183,046,239	\$786,634,934	\$52,427,632	\$328,617	\$1,901,626,078	\$483,166,427	\$1,430,695,881	\$0	\$183,046,239	\$45,226,694	\$6,324,701	\$1,659,292,515	\$242,833,563	6/30/2049	\$7,268,797,726			
7/1/2049	\$7,268,797,726	\$216,205,324	\$108,102,662	\$589,622,803	\$195,000,147	\$881,030,454	\$52,404,851	\$337,259	\$2,042,703,201	\$538,049,711	\$1,504,949,155	\$0	\$195,000,147	\$47,158,876	\$6,482,819	\$1,737,547,988	\$305,155,204	6/30/2050	\$8,112,002,640			
7/1/2050	\$8,112,002,640	\$222,691,484	\$111,345,742	\$616,444,673	\$207,773,860	\$986,754,109	\$52,379,426	\$346,128	\$2,197,735,423	\$601,796,933	\$1,573,990,469	\$0	\$207,773,860	\$49,036,785	\$6,644,888	\$1,820,446,004	\$377,289,419	6/30/2051	\$9,091,088,993			
7/1/2051	\$9,091,088,993	\$229,372,229	\$114,686,114	\$644,607,640	\$221,424,052	\$1,105,164,602	\$52,351,255	\$355,231	\$2,367,981,122	\$654,166,779	\$1,645,692,927	\$0	\$221,424,052	\$50,989,633	\$6,811,012	\$1,906,917,623	\$461,043,499	6/30/2052	\$10,227,949,270			
7/1/2052	\$10,227,949,270	\$236,253,396	\$118,126,698	\$674,392,235	\$236,011,320	\$1,237,784,354	\$52,320,230	\$364,573	\$2,555,292,805	\$761,722,260	\$1,721,155,182	\$0	\$236,011,320	\$53,975,682	\$6,981,287	\$1,998,123,471	\$557,129,334	6/30/2053	\$11,546,800,864			
Assumptions with Fiscal Year Basis:																						
Public Safety, et al Annual Payroll Growth				FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037+			
Other Occupations Annual Payroll Growth				0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%			
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%			
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%			
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%			
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%			
Annual Investment Return				7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%			
Annual Growth in Retirees under age 65				-0.97%	2.60%	-1.42%	-1.54%	-1.32%	-0.65%	-1.65%	1.96%	-0.09%	3.90%	2.05%	1.42%	2.50%	3.99%	-0.07%	varies			
Annual Growth in Retirees age 65+				4.05%	3.40%	3.36%	2.59%	3.27%	2.54%	2.75%	2.34%	1.71%	1.75%	1.34%	1.15%	1.34%	0.93%					

2022 Preliminary Plan Discussion

1. Pre-Medicare/Medicare Supplement Plan Rates

Increase retiree premiums in accordance with projected medical trend for all self-insured plans based upon loss ratios calculated in May --- estimates will be 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 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 members grandfathered under the pre-July 2021 Rule Change, the self-insured plan rates for 2022 (based on 20 years of service) would have the following impact:

Subsidized

Pre-Medicare									
Incremental Change									
Plan	2021 Rate	1 - Percent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Value									
Retiree	\$ 228.85	\$ 231.14	\$ 233.43	\$ 235.72	\$ 238.00	\$ 240.29	\$ 242.58	\$ 244.87	\$ 247.16
Spouse/DP	\$ 434.33	\$ 438.67	\$ 443.02	\$ 447.36	\$ 451.70	\$ 456.05	\$ 460.39	\$ 464.73	\$ 469.08
Child	\$ 221.75	\$ 223.97	\$ 226.19	\$ 228.40	\$ 230.62	\$ 232.84	\$ 235.06	\$ 237.27	\$ 239.49
Premier									
Retiree	\$ 292.96	\$ 295.89	\$ 298.82	\$ 301.75	\$ 304.68	\$ 307.61	\$ 310.54	\$ 313.47	\$ 316.40
Spouse/DP	\$ 556.05	\$ 561.61	\$ 567.17	\$ 572.73	\$ 578.29	\$ 583.85	\$ 589.41	\$ 594.97	\$ 600.53
Child	\$ 284.37	\$ 287.21	\$ 290.06	\$ 292.90	\$ 295.74	\$ 298.59	\$ 301.43	\$ 304.28	\$ 307.12
Monthly Change									
Value									
Retiree		\$ 2.29	\$ 4.58	\$ 6.87	\$ 9.15	\$ 11.44	\$ 13.73	\$ 16.02	\$ 18.31
Spouse/DP		\$ 4.34	\$ 8.69	\$ 13.03	\$ 17.37	\$ 21.72	\$ 26.06	\$ 30.40	\$ 34.75
Child		\$ 2.22	\$ 4.44	\$ 6.65	\$ 8.87	\$ 11.09	\$ 13.31	\$ 15.52	\$ 17.74
Premier									
Retiree		\$ 2.93	\$ 5.86	\$ 8.79	\$ 11.72	\$ 14.65	\$ 17.58	\$ 20.51	\$ 23.44
Spouse/DP		\$ 5.56	\$ 11.12	\$ 16.68	\$ 22.24	\$ 27.80	\$ 33.36	\$ 38.92	\$ 44.48
Child		\$ 2.84	\$ 5.69	\$ 8.53	\$ 11.37	\$ 14.22	\$ 17.06	\$ 19.91	\$ 22.75
Annual Change									
Value									
Retiree		\$ 27.46	\$ 54.92	\$ 82.39	\$ 109.85	\$ 137.31	\$ 164.77	\$ 192.23	\$ 219.70
Spouse/DP		\$ 52.12	\$ 104.24	\$ 156.36	\$ 208.48	\$ 260.60	\$ 312.72	\$ 364.84	\$ 416.96
Child		\$ 26.61	\$ 53.22	\$ 79.83	\$ 106.44	\$ 133.05	\$ 159.66	\$ 186.27	\$ 212.88
Premier									
Retiree		\$ 35.16	\$ 70.31	\$ 105.47	\$ 140.62	\$ 175.78	\$ 210.93	\$ 246.09	\$ 281.24
Spouse/DP		\$ 66.73	\$ 133.45	\$ 200.18	\$ 266.90	\$ 333.63	\$ 400.36	\$ 467.08	\$ 533.81
Child		\$ 34.12	\$ 68.25	\$ 102.37	\$ 136.50	\$ 170.62	\$ 204.75	\$ 238.87	\$ 273.00

Applying the same assumption to members who join the plan following the 2021 Rule Change, under the age of 55 and no longer receive a subsidy, would have the following impact:

Non-Subsidized

Pre-Medicare									
Incremental Change									
Plan	2021 Rate	1 - Perent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Value									
Retiree	\$ 635.69	\$ 642.05	\$ 648.40	\$ 654.76	\$ 661.12	\$ 667.47	\$ 673.83	\$ 680.19	\$ 686.55
Spouse/DP	\$ 678.64	\$ 685.43	\$ 692.21	\$ 699.00	\$ 705.79	\$ 712.57	\$ 719.36	\$ 726.14	\$ 732.93
Child	\$ 221.75	\$ 223.97	\$ 226.19	\$ 228.40	\$ 230.62	\$ 232.84	\$ 235.06	\$ 237.27	\$ 239.49
Premier									
Retiree	\$ 813.79	\$ 821.93	\$ 830.07	\$ 838.20	\$ 846.34	\$ 854.48	\$ 862.62	\$ 870.76	\$ 878.89
Spouse/DP	\$ 868.83	\$ 877.52	\$ 886.21	\$ 894.89	\$ 903.58	\$ 912.27	\$ 920.96	\$ 929.65	\$ 938.34
Child	\$ 284.37	\$ 287.21	\$ 290.06	\$ 292.90	\$ 295.74	\$ 298.59	\$ 301.43	\$ 304.28	\$ 307.12
Monthly Change									
Value									
Retiree		\$ 6.36	\$ 12.71	\$ 19.07	\$ 25.43	\$ 31.78	\$ 38.14	\$ 44.50	\$ 50.86
Spouse/DP		\$ 6.79	\$ 13.57	\$ 20.36	\$ 27.15	\$ 33.93	\$ 40.72	\$ 47.50	\$ 54.29
Child		\$ 2.22	\$ 4.44	\$ 6.65	\$ 8.87	\$ 11.09	\$ 13.31	\$ 15.52	\$ 17.74
Premier									
Retiree		\$ 8.14	\$ 16.28	\$ 24.41	\$ 32.55	\$ 40.69	\$ 48.83	\$ 56.97	\$ 65.10
Spouse/DP		\$ 8.69	\$ 17.38	\$ 26.06	\$ 34.75	\$ 43.44	\$ 52.13	\$ 60.82	\$ 69.51
Child		\$ 2.84	\$ 5.69	\$ 8.53	\$ 11.37	\$ 14.22	\$ 17.06	\$ 19.91	\$ 22.75
Annual Change									
Value									
Retiree		\$ 76.28	\$ 152.57	\$ 228.85	\$ 305.13	\$ 381.41	\$ 457.70	\$ 533.98	\$ 610.26
Spouse/DP		\$ 81.44	\$ 162.87	\$ 244.31	\$ 325.75	\$ 407.18	\$ 488.62	\$ 570.06	\$ 651.49
Child		\$ 26.61	\$ 53.22	\$ 79.83	\$ 106.44	\$ 133.05	\$ 159.66	\$ 186.27	\$ 212.88
Premier									
Retiree		\$ 97.65	\$ 195.31	\$ 292.96	\$ 390.62	\$ 488.27	\$ 585.93	\$ 683.58	\$ 781.24
Spouse/DP		\$ 104.26	\$ 208.52	\$ 312.78	\$ 417.04	\$ 521.30	\$ 625.56	\$ 729.82	\$ 834.08
Child		\$ 34.12	\$ 68.25	\$ 102.37	\$ 136.50	\$ 170.62	\$ 204.75	\$ 238.87	\$ 273.00
Medicare Supplement									
Incremental Change									
Plan	2021 Rate	1 - Perent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Supplement									
Retiree	\$ 227.00	\$ 229.27	\$ 231.54	\$ 233.81	\$ 236.08	\$ 238.35	\$ 240.62	\$ 242.89	\$ 245.16
Spouse/DP	\$ 340.50	\$ 343.91	\$ 347.31	\$ 350.72	\$ 354.12	\$ 357.53	\$ 360.93	\$ 364.34	\$ 367.74
Child	\$ 454.00	\$ 458.54	\$ 463.08	\$ 467.62	\$ 472.16	\$ 476.70	\$ 481.24	\$ 485.78	\$ 490.32
Monthly Change									
Value									
Retiree		\$ 2.27	\$ 4.54	\$ 6.81	\$ 9.08	\$ 11.35	\$ 13.62	\$ 15.89	\$ 18.16
Spouse/DP		\$ 3.41	\$ 6.81	\$ 10.22	\$ 13.62	\$ 17.03	\$ 20.43	\$ 23.84	\$ 27.24
Child		\$ 4.54	\$ 9.08	\$ 13.62	\$ 18.16	\$ 22.70	\$ 27.24	\$ 31.78	\$ 36.32
Annual Change									
Value									
Retiree		\$ 27.24	\$ 54.48	\$ 81.72	\$ 108.96	\$ 136.20	\$ 163.44	\$ 190.68	\$ 217.92
Spouse/DP		\$ 40.86	\$ 81.72	\$ 122.58	\$ 163.44	\$ 204.30	\$ 245.16	\$ 286.02	\$ 326.88
Child		\$ 54.48	\$ 108.96	\$ 163.44	\$ 217.92	\$ 272.40	\$ 326.88	\$ 381.36	\$ 435.84

2. Pre-Medicare Plan Design – Laws 2021, Chapter 136 (Senate Bill 317) No Behavioral Health Cost Sharing

Laws of 2021, Chapter 136 added new sections to the Health Care Purchasing Act to prohibit the imposition of cost-sharing by health insurers (NMRHCA) on behavioral health services. The law defines behavioral health services to include inpatient hospitalizations, partial hospitalizations, residential treatment, detoxification, treatment of substance use disorder, intensive outpatient therapy, outpatient treatment and all medications. The law also defines cost-sharing as deductibles, coinsurance and copayments. The provisions of this bill become effective January 1, 2022 (FY22) and end on December 31, 2026 (FY27).

The fiscal impact associated with the passage of SB317 is based on paid claims from 2019, as opposed to 2020, to limit the impact of increased utilization of behavioral health services resulting from COVID-19. According to the analysis performed by Dr. Madalena, the elimination of cost-sharing for behavioral health services is projected to exceed \$2.7 million annually. This includes \$1.3 million in prescription spend and \$1.4 million in medical spend.

This estimate was developed using the Health Insurance Experiment (HIE), which analyzes how cost sharing effects behavior. Basically, a set of equations are used that were developed to measure how people used health care as a function of how rich their benefits were. Translation, the richer the benefits, the more they are utilized.

Through the remainder of 2021, behavioral health service treatments range from a \$20 copay when services are rendered in-network up to 50 percent of the cost when services are rendered out-of-network for members participating in one of our pre-Medicare plans. Prescription drug copays range between \$5 for 30 days (generic) to \$125 for 30 days (non-preferred brand name).

The impact of SB317 is being reanalyzed and incorporated into the solvency study for the time frame designated by the law, as well as removing the end date.

Estimated Cost - \$1.35 million in FY22 / \$2.7 million CY22.

3. Pre-Medicare Plan Design – Hinge Health (BCBS) Pilot Program

BCBS has proposed the addition of a 12-week digital care program for managing chronic musculoskeletal pain, particularly chronic knee and back pain. The program pairs members with a sensor and anytime access to a physical therapist. The goal is to increase the use of physical therapy and reduce the number procedures performed each year. Based on BCBS's pre-Medicare population, estimated number of participants in the program, minus the cost of the program, savings are estimated to approach \$1.8 million. A formal presentation will be presented to the Wellness Committee for their consideration and endorsement, prior to a final recommendation being made to the board.

Estimated Savings - \$1.8 million.

4. Broad Performance Medicare Network (Medicare Supplement)

NMRHCA staff is currently evaluating ESI's Board Performance Medicare Network aimed at providing deeper discounts from 90-day providers and leverage a pharmacies performance. The network charges pharmacies Direct and Indirect Remuneration (DIR), which promotes better adherence and health outcomes for the members. The pharmacies that perform best, pay less and those that don't perform as well pay more DIR, which is passed 100 percent back to NMRHCA.

The proposed network change would add a significant number of pharmacies were members can obtain their 90-day subscriptions, but also exclude several pharmacies. NMRHCA staff will be discussing the program as part of its mid-year review with ESI on May 4, prior to a final recommendation being made to the board in July.

Estimated Savings - ~~\$600~~750 thousand through June 2022.

5. Delta Dental Network Change

See Presentation

Broad Preferred Medicare Network

NETWORK RECOMMENDATION

Broad Performance Medicare Network



COMPREHENSIVE MEDICATION INCLUSION LIST

Plan covered medications, including acute, maintenance, and specialty can be filled via the AWP-, CMS-compliant network.



BROAD PHARMACY ACCESS

More than 63,000 pharmacies to choose from, including Express Scripts® Pharmacy and Accredo Specialty Pharmacy®.



IMPROVED MEMBER OUTCOMES

Measures adherence to diabetes, cholesterol, hypertension, Hep C therapies; non-infused disease modifying agents to treat MS; antiretroviral meds.



SAVINGS

Clients receive performance payments* based on pharmacy performance at in-network pharmacies, based on quality reporting

*Commonly referred to as Direct and Indirect Remuneration (DIR)

NETWORK RECOMMENDATION

Quality performance calculations

Average of Measure Scores

Step 1: Determine targeted pharmacy performance based on individual Part D Clinical Star measures and average*

Pharmacy Evaluation

Step 2: Pharmacy values applied using network-specific measurement criteria, to determine performance payment fees†

Pharmacy Payments

Step 3: Performance payments collected and passed through to participating plans quarterly. Annual reconciliation based on calendar year performance also completed.‡

*CMS Star Rating metrics and cut points are initial benchmarks for determining targeted pharmacy performance. †Targeted pharmacies also contribute separately to annual pharmacy bonus pool, which is collected independently from pharmacy payments to plans. ‡Final reconciliation of targeted pharmacy performance and final, total targeted claims will be completed within 180 days after the end of the calendar year.

NETWORK RECOMMENDATION

Pharmacy Coverage and Savings

- **Broad Coverage in New Mexico**
 - 0.8% of members will experience disruption
 - 57 pharmacies currently in network will no longer be in-network
 - 187 pharmacies in New Mexico currently limited to 30 day supplies will be allowed to dispense 90 days
- **National Coverage Enhancements**
 - 1,200 pharmacies in current 90-day network would no longer be in-network
 - 33,400 pharmacies not currently in 90 day network would be allowed to dispense 90 day supplies
 - Net gain of over 32,000 pharmacies in 90 day network
- **Plan Savings**
 - \$1.30 PMPM DIR program administrative fee
 - Gross annual savings is \$1.5M
 - Net annual savings is \$1.2M (net of admin fee)

Distance Summary						
Network Participation	Locations	% Locations	Retail Claims	% Retail Claims	Eligible Members	% Eligible Members
Not Impacted	2,669	97.9%	163,151	99.5%	21,623	99.2%
Impacted	57	2.1%	880	0.5%	172	0.8%
Under 2 Miles	38	66.7%	367	41.7%	78	45.3%
2 and 4 Miles	16	28.1%	478	54.3%	88	51.2%
Over 4 Miles	3	5.3%	35	4.0%	6	3.5%
Total	2,726	100%	164,031	100%	21,795	100%



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Memorandum

To: David Archuleta, Executive Director, New Mexico Retiree Health Care Authority

From: Nura Patani, PhD, ASA, MAAA
Amanda Swanson, JD, LLM

Date: May 25, 2021

Re: The Option to Opt Out of Mental Health Parity in the Face of Increased Enforcement

Introduction

The Department of Health and Human Services (HHS) continues to focus enforcement efforts on non-federal governmental plan compliance with the Mental Health Parity and Addiction Equity Act (MHPAEA)¹. There have also been lawsuits filed by private parties challenging plan compliance with MHPAEA. This memo reviews the process that sponsors of self-funded public sector plans², such as the New Mexico Retiree Health Care Authority (NMRHCA), must follow if they wish to opt out of compliance with MHPAEA. As always, NMRHCA should rely on legal counsel for authoritative advice about federal laws and regulations and their application to specific situations.

Background on MHPAEA

Final regulations implementing the MHPAEA³ were issued by the Departments of Health and Human Services, Labor, and the Treasury (the Departments) on November 13, 2013. The final rule generally became applicable for plan years beginning on or after July 1, 2014. As a result of additional legislation, the opioid crisis, and Federal regulatory initiatives, the Departments have worked since then to build a strong MHPAEA compliance assistance and enforcement program.

MHPAEA generally requires parity between medical/surgical (Med/Surg) and mental health/substance use disorder (MH/SUD) benefits. Under MHPAEA plans are required to comply with parity with respect to both financial requirements and quantitative treatment limitations (QTLs) (such as copayments, coinsurance, day or visit limits) and nonquantitative treatment limitations (NQTLs). NQTLs refer to wide range of medical management techniques

¹ A summary of enforcement activity by HHS and the Department of Labor was released in March 2020 and is available at <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/mhpaea-enforcement-2019.pdf>.

² Governing regulations found at 45 CFR 146.180(a)(6) discuss the impact of a plan sponsor's purchase of stop-loss or excess risk coverage on the ability to opt out of federal requirements. Plan sponsors considering opting out should review with their legal counsel whether the plan meets the definition of a self-funded plan under the opt-out regulations.

³ The final rule is available at <http://www.gpo.gov/fdsys/pkg/FR-2013-11-13/pdf/2013-27086.pdf>. The Departments also released a set of Answers to Frequently Asked Questions on the final rule, available at <http://www.dol.gov/ebsa/faqs/faq-aca17.html>.

such as prior authorization, network admission standards, and fail first policies. MHPAEA also imposes disclosure requirements.

The final rule requires plan sponsors to measure parity within six separate benefit classifications: 1) inpatient, in-network; 2) inpatient, out-of-network; 3) outpatient, in-network; 4) outpatient, out-of-network; 5) emergency care; and 6) prescription drugs.

Congress recently amended MHPAEA to impose clearer expectations around NQTL compliance. The Consolidated Appropriations Act, 2021 was signed into law on December 27, 2020. The Strengthening Parity in Mental Health and Substance Use Disorder Benefits provisions amend the MHPAEA, requiring group health plans to perform and document comparative analyses of the design and application of NQTLs. The Act requires group health plans to be prepared to make these comparative analyses available to the Departments upon request beginning 45 days after the date of enactment (February 10, 2021). The law also calls on the Federal Departments of Labor, Health and Human Services (HHS) and Treasury to issue additional implementing guidance. However, this guidance may not be released for as long as 18 months from the date of enactment (until June 2022).

Enforcement of MHPAEA continues to increase, making a mental health parity compliance review of your plan all the more important.

Opt-Out as a Measure to Mitigate Audit and Litigation Risk

Sponsors of self-funded non-federal governmental plans are able to avoid addressing parity compliance issues in the context of an HHS audit or litigation if they have chosen to opt out of MHPAEA. Specifically, self-funded non-federal governmental plans are permitted to elect an exemption from certain provisions of federal law, including the parity provisions⁴. By opting out of MHPAEA, NMRHCA could still choose to cover mental health and/or substance use disorder benefits, and can seek to achieve parity, while avoiding the resource-intensive process of responding to complex inquiries related to parity compliance. Further, if NMRHCA's self-funded plan is found out of compliance with MHPAEA, NMRHCA would not be liable for any period after the opt-out was elected.

Opt-Out Requirements

Electronic Filing

Plans generally must file an election with the Centers for Medicare & Medicaid Services (CMS) before the first day of the plan year (however, there are some special timing rules for collectively bargained plans). **This means the election must be filed for NMRHCA on or before June 30, 2021 to be effective for the 2021-2022 plan year.** The filing is submitted electronically through the Non-Federal Governmental Plans Module in the Health Insurance Oversight System

⁴ In addition to MHPAEA, such plans may also opt out of the following federal laws: the Newborns' and Mothers' Health Protection Act (addressing the length of hospital stays for childbirth), the Women's Health and Cancer Rights Act (addressing reconstructive surgery following mastectomies) and Michelle's Law (addressing extended coverage for students on a medically necessary leave of absence).

(HIOS)⁵. Registering with HIOS and submitting the opt-out election can be time consuming so plan sponsors should begin the process well in advance of the applicable plan year⁶.

Notice

Plans must notify each affected enrollee in writing of the election and explain the consequences. HHS has provided model notice language⁷. The plan can provide the notice by prominently including it in the summary plan description or equivalent descriptive materials provided to enrollees at the time of enrollment and annually. Initial notices must be provided prior to the first day of that plan year, **or on or before June 30, 2021 to be effective for the 2021-2022 plan year**, and renewal notices must be provided no later than the last day of each plan year. New opt-out submissions must provide a copy of the notice with the election document. Renewal opt-out submissions must certify that notice has been or will be sent.

Detailed Requirements

An opt-out election for NMRHCA plan must meet the following requirements:

- Be made in an electronic format;
- Be made in conformance with all the NMRHCA's rules, including any public hearing requirements;
- Specify the beginning and end dates of the period to which the election is to apply. This period can be either a single specified plan year or the “term of the agreement” for collectively bargained plans;
- Specify the name of the plan and the name and address of the plan administrator, and include the name and telephone number of a person CMS may contact regarding the election;
- State that the plan does not include health insurance coverage, or identify which portion of the plan is not funded through health insurance coverage;
- Specify each requirement from which NMRHCA elects to exempt the plan;
- Certify that the person signing the election document, including (if applicable) a third party plan administrator, is legally authorized to do so by NMRHCA;
- For initial elections, include as an attachment, a copy of the notice to plan enrollees; and
- For renewal elections, certify that the notice has been or will be provided to enrollees⁸.

Conclusion

Segal can assist NMRHCA if it decides to opt out of compliance with MHPAEA (and/or certain other federal requirements) with the notice requirements and other considerations of the opt out process.

⁵ Additional information is available at

https://www.cms.gov/CCIIO/Resources/Files/hipaa_exemption_election_instructions_04072011.html

⁶ The HIOS Non-Federal Governmental Plans User Manual is available at <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/HIOS-NonFed-UserManual.pdf>

⁷ http://www.cms.gov/CCIIO/Resources/Files/Downloads/model_enrollee_notice_04072011.pdf

⁸ <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/hipaa-exemption-guidance-7212014.pdf>

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AN ACT
RELATING TO PUBLIC EMPLOYEE RETIREMENT; INCLUDING OVERTIME
PAY REQUIRED FOR A REGULAR SCHEDULED TOUR OF DUTY IN THE
DEFINITION OF "SALARY" IN THE PUBLIC EMPLOYEES RETIREMENT
ACT; INCREASING EMPLOYEE CONTRIBUTION RATES FOR ALL MUNICIPAL
FIRE MEMBER COVERAGE PLANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-11-2 NMSA 1978 (being Laws 1987,
Chapter 253, Section 2, as amended) is amended to read:

"10-11-2. DEFINITIONS.--As used in the Public Employees
Retirement Act:

A. "accumulated member contributions" means the
amounts deducted from the salary of a member and credited to
the member's individual account, together with interest, if
any, credited to that account;

B. "affiliated public employer" means the state
and any public employer affiliated with the association as
provided in the Public Employees Retirement Act, but does not
include an employer pursuant to the Magistrate Retirement
Act, the Judicial Retirement Act or the Educational
Retirement Act;

C. "association" means the public employees
retirement association established under the Public Employees
Retirement Act;

1 D. "coverage plan funded ratio" means the ratio of
2 the actuarial value of the assets of a coverage plan to the
3 actuarial accrued liability of the association for payments
4 from the coverage plan, as determined by the association's
5 actuaries;

6 E. "disability retired member" means a retired
7 member who is receiving a pension pursuant to the disability
8 retirement provisions of the Public Employees Retirement Act;

9 F. "disability retirement pension" means the
10 pension paid pursuant to the disability retirement provisions
11 of the Public Employees Retirement Act;

12 G. "educational retirement system" means that
13 retirement system provided for in the Educational Retirement
14 Act;

15 H. "employee" means any employee of an affiliated
16 public employer;

17 I. "federal social security program" means that
18 program or those programs created and administered pursuant
19 to the act of congress approved August 14, 1935, Chapter 531,
20 49 Stat. 620, as that act may be amended;

21 J. "final average salary" means the final average
22 salary calculated in accordance with the provisions of the
23 applicable coverage plan;

24 K. "form of payment" means the applicable form of
25 payment of a pension provided for in Section 10-11-117

1 NMSA 1978;

2 L. "former member" means a person who was
3 previously employed by an affiliated public employer, who has
4 terminated that employment and who has received a refund of
5 member contributions;

6 M. "fund" means the funds included under the
7 Public Employees Retirement Act;

8 N. "member" means a currently employed,
9 contributing employee of an affiliated public employer, or a
10 person who has been but is not currently employed by an
11 affiliated public employer, who has not retired and who has
12 not received a refund of member contributions; "member" also
13 includes the following:

14 (1) "adult correctional officer member"
15 means a member who is employed as an adult correctional
16 officer or an adult correctional officer specialist by a
17 state correctional facility of the corrections department or
18 its successor agency;

19 (2) "adult probation and parole officer
20 member" means a member who is employed as a probation and
21 parole officer by the corrections department or its successor
22 agency;

23 (3) "juvenile correctional officer member"
24 means a member who is employed as a juvenile correctional
25 officer by the children, youth and families department or its

1 successor agency;

2 (4) "juvenile probation and parole officer
3 member" means a member who is employed as a probation and
4 parole officer by the children, youth and families department
5 or its successor agency;

6 (5) "municipal detention officer member"
7 means a member who is employed by an affiliated public
8 employer other than the state and who has inmate custodial
9 responsibilities at a facility used for the confinement of
10 persons charged with or convicted of a violation of a law or
11 ordinance;

12 (6) "municipal fire member" means any member
13 who is employed as a full-time nonvolunteer firefighter by an
14 affiliated public employer and who has taken the oath
15 prescribed for firefighters;

16 (7) "municipal police member" means any
17 member who is employed as a police officer by an affiliated
18 public employer, other than the state, and who has taken the
19 oath prescribed for police officers; and

20 (8) "state police member" means a member who
21 is an officer of the New Mexico state police and who has
22 taken the oath prescribed for such officers, except that a
23 state police member shall not include a member who is an
24 officer of the New Mexico state police division and who was
25 certified and commissioned as of June 30, 2015 in the former

1 motor transportation division or the former special
2 investigations division of the department of public safety;

3 O. "membership" means membership in the
4 association;

5 P. "pension" means a series of monthly payments to
6 a retired member or survivor beneficiary as provided in the
7 Public Employees Retirement Act;

8 Q. "public employer" means the state, any
9 municipality, city, county, metropolitan arroyo flood control
10 authority, economic development district, regional housing
11 authority, soil and water conservation district, entity
12 created pursuant to a joint powers agreement, council of
13 government, conservancy district, irrigation district, water
14 and sanitation district, water district and metropolitan
15 water board, including the boards, departments, bureaus and
16 agencies of a public employer, so long as these entities fall
17 within the meaning of governmental plan as that term is used
18 in Section 414(d) of the Internal Revenue Code of 1986, as
19 amended;

20 R. "refund beneficiary" means a person designated
21 by the member, in writing, in the form prescribed by the
22 association, as the person who would be refunded the member's
23 accumulated member contributions payable if the member dies
24 and no survivor pension is payable or who would receive the
25 difference between pension paid and accumulated member

1 contributions if the retired member dies before receiving in
2 pension payments the amount of the accumulated member
3 contributions;

4 S. "retire" means to:

5 (1) terminate employment with all employers
6 covered by any state system or the educational retirement
7 system; and

8 (2) receive a pension from a state system or
9 the educational retirement system;

10 T. "retired member" means a person who has met all
11 requirements for retirement and who is receiving a pension
12 from the fund;

13 U. "retirement board" means the retirement board
14 provided for in the Public Employees Retirement Act;

15 V. "salary" means the base salary or wages paid a
16 member, including longevity pay, for personal services
17 rendered an affiliated public employer. "Salary" shall not
18 include overtime pay, unless the overtime payment is required
19 for a regular scheduled tour of duty as set forth in
20 Section 207(k) of Title 29 of the United States Code and is
21 made on the regular payroll for the period represented by
22 that payment, allowances for housing, clothing, equipment or
23 travel, payments for unused sick leave, unless the unused
24 sick leave payment is made through continuation of the member
25 on the regular payroll for the period represented by that

1 payment, and any other form of remuneration not specifically
2 designated by law as included in salary for Public Employees
3 Retirement Act purposes. Salary in excess of the limitations
4 set forth in Section 401(a)(17) of the Internal Revenue Code
5 of 1986, as amended, shall be disregarded. The limitation on
6 compensation for eligible employees shall not be less than
7 the amount that was allowed to be taken into account under
8 the state retirement system acts in effect on July 1, 1993.
9 For purposes of this subsection, "eligible employee" means an
10 individual who was a member of a state system before the
11 first plan year beginning after December 31, 1995;

12 W. "state system" means the retirement programs
13 provided for in the Public Employees Retirement Act, the
14 Magistrate Retirement Act and the Judicial Retirement Act;

15 X. "state retirement system acts" means
16 collectively the Public Employees Retirement Act, the
17 Magistrate Retirement Act, the Judicial Retirement Act and
18 the Volunteer Firefighters Retirement Act; and

19 Y. "survivor beneficiary" means a person who
20 receives a pension or who has been designated to be paid a
21 pension as a result of the death of a member or retired
22 member."

23 SECTION 2. Section 10-11-90 NMSA 1978 (being Laws 1987,
24 Chapter 253, Section 90, as amended) is amended to read:

25 "10-11-90. MUNICIPAL FIRE MEMBER COVERAGE PLAN 1--

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1 MEMBER CONTRIBUTION RATE.--A member under municipal fire
2 member coverage plan 1 shall contribute eight percent of
3 salary with the first full pay period in the calendar month
4 in which municipal fire member coverage plan 1 becomes
5 applicable to the member, except that a member whose annual
6 salary is greater than twenty-five thousand dollars (\$25,000)
7 shall contribute:

8 A. beginning July 1, 2021 and continuing through
9 June 30, 2022, eleven percent of salary;

10 B. beginning July 1, 2022 and continuing through
11 June 30, 2023, eleven and one-half percent of salary;

12 C. beginning July 1, 2023 and continuing through
13 June 30, 2024, twelve percent of salary;

14 D. beginning July 1, 2024 and continuing through
15 June 30, 2025, twelve and one-half percent of salary; and

16 E. beginning July 1, 2025 and thereafter, thirteen
17 percent of salary."

18 SECTION 3. Section 10-11-96 NMSA 1978 (being Laws 1987,
19 Chapter 253, Section 96, as amended) is amended to read:

20 "10-11-96. MUNICIPAL FIRE MEMBER COVERAGE PLAN 2--
21 MEMBER CONTRIBUTION RATE.--A member under municipal fire
22 member coverage plan 2 shall contribute eight percent of
23 salary with the first full pay period in the calendar month
24 in which municipal fire member coverage plan 2 becomes
25 applicable to the member, except that a member whose annual

1 salary is greater than twenty-five thousand dollars (\$25,000)
2 shall contribute:

3 A. beginning July 1, 2021 and continuing through
4 June 30, 2022, eleven percent of salary;

5 B. beginning July 1, 2022 and continuing through
6 June 30, 2023, eleven and one-half percent of salary;

7 C. beginning July 1, 2023 and continuing through
8 June 30, 2024, twelve percent of salary;

9 D. beginning July 1, 2024 and continuing through
10 June 30, 2025, twelve and one-half percent of salary; and

11 E. beginning July 1, 2025 and thereafter, thirteen
12 percent of salary."

13 SECTION 4. Section 10-11-102 NMSA 1978 (being
14 Laws 1987, Chapter 253, Section 102, as amended) is amended
15 to read:

16 "10-11-102. MUNICIPAL FIRE MEMBER COVERAGE PLAN 3--
17 MEMBER CONTRIBUTION RATE.--A member under municipal fire
18 member coverage plan 3 shall contribute eight percent of
19 salary with the first full pay period in the calendar month
20 in which municipal fire member coverage plan 3 becomes
21 applicable to the member, except that a member whose annual
22 salary is greater than twenty-five thousand dollars (\$25,000)
23 shall contribute:

24 A. beginning July 1, 2021 and continuing through
25 June 30, 2022, eleven percent of salary;

1 B. beginning July 1, 2022 and continuing through
2 June 30, 2023, eleven and one-half percent of salary;

3 C. beginning July 1, 2023 and continuing through
4 June 30, 2024, twelve percent of salary;

5 D. beginning July 1, 2024 and continuing through
6 June 30, 2025, twelve and one-half percent of salary; and

7 E. beginning July 1, 2025 and thereafter, thirteen
8 percent of salary."

9 SECTION 5. Section 10-11-108 NMSA 1978 (being
10 Laws 1987, Chapter 253, Section 108, as amended) is amended
11 to read:

12 "10-11-108. MUNICIPAL FIRE MEMBER COVERAGE PLAN 4--
13 MEMBER CONTRIBUTION RATE.--A member under municipal fire
14 member coverage plan 4 shall contribute twelve and
15 eight-tenths percent of salary with the first full pay period
16 in the calendar month in which municipal fire member coverage
17 plan 4 becomes applicable to the member, except that a member
18 whose annual salary is greater than twenty-five thousand
19 dollars (\$25,000) shall contribute:

20 A. beginning July 1, 2021 and continuing through
21 June 30, 2022, fifteen and eight-tenths percent of salary;

22 B. beginning July 1, 2022 and continuing through
23 June 30, 2023, sixteen and three-tenths percent of salary;

24 C. beginning July 1, 2023 and continuing through
25 June 30, 2024, sixteen and eight-tenths percent of salary;

1 D. beginning July 1, 2024 and continuing through
2 June 30, 2025, seventeen and three-tenths percent of salary;
3 and

4 E. beginning July 1, 2025 and thereafter,
5 seventeen and eight-tenths percent of salary."

6 SECTION 6. Section 10-11-114 NMSA 1978 (being
7 Laws 1987, Chapter 253, Section 114, as amended) is amended
8 to read:

9 "10-11-114. MUNICIPAL FIRE MEMBER COVERAGE PLAN 5--
10 MEMBER CONTRIBUTION RATE.--A member under municipal fire
11 member coverage plan 5 shall contribute sixteen and
12 two-tenths percent of salary with the first full pay period
13 in the calendar month in which municipal fire member coverage
14 plan 5 becomes applicable to the member, except that a member
15 whose annual salary is greater than twenty-five thousand
16 dollars (\$25,000) shall contribute:

17 A. beginning July 1, 2021 and continuing through
18 June 30, 2022, nineteen and two-tenths percent of salary;

19 B. beginning July 1, 2022 and continuing through
20 June 30, 2023, nineteen and seven-tenths percent of salary;

21 C. beginning July 1, 2023 and continuing through
22 June 30, 2024, twenty and two-tenths percent of salary;

23 D. beginning July 1, 2024 and continuing through
24 June 30, 2025, twenty and seven-tenths percent of salary; and

25 E. beginning July 1, 2025 and thereafter,

1 twenty-one and two-tenths percent of salary."

2 SECTION 7. APPLICABILITY.--The provisions of Section 1
3 of this act apply to a member's salary or wages earned on or
4 after the effective date of this act.

5 SECTION 8. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2021. _____

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Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

ORIGINAL DATE 03/05/21

SPONSOR SFC LAST UPDATED _____ HB _____

SHORT TITLE Certain Overtime Pay as Salary in PERA SB 90/SFCS

ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
	\$2,093.1	\$2,093.1	Recurring	PERA
	(\$32,400.0)		Nonrecurring	PERA

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The Senate Finance Committee substitute for Senate Bill 90 (SB90/SFCS) includes overtime pay required for a regular scheduled tour of duty for fire protection or law enforcement activities in the definition of “salary” for purposes of calculating pensions under the Public Employees Retirement Act. SB90/SFCS would affect employees subject to overtime exemption set forth in Section 207(k) of the U.S. Fair Labor Standards Act, specifically municipal fire members and municipal police members.

Additionally, SB90/SFCS will increase the member contribution to the retirement fund by 1.5 percent in fiscal year 2022.

The effective date of the bill is July 1, 2021.

FISCAL IMPLICATIONS

SB90/SFCS will increase employee contributions by 1.5 percent in FY22. Based on the FY20 payroll of \$139.5 million reported in FY20 comprehensive annual financial report (CAFR), the 1.5 percent increase will raise an additional \$2.1 annually. Additionally, PERA actuaries estimated the provisions of SB90/SFCS would increase municipal fire plan liabilities by \$32.4 million.

PERA actuaries estimate the 1.5 percent increase will be sufficient to pay for any additional liabilities but will not improve the funded ratio of the plan. The PERA analysis is based on an investment return assumption of 7.25 percent.

SIGNIFICANT ISSUES

The PERA retirement plan is composed of five individual pension plans: state general, state police and corrections, municipal general, municipal police, and municipal fire. According to data contained in PERA’s comprehensive annual financial report (CAFR), the municipal fire plan pays the highest monthly benefit and has the second lowest retirement age of the five plans included under PERA. Additionally, the municipal fire plan has the second lowest funded ratio of all PERA plans:

Comparison of PERA Retirement Plans
(based on 2020 CAFR)

Plan	Total Retirees	Average Monthly Benefit	Avg. Age at Retirement	Plan Funded Ratio
State General	16,518	\$2,118	57.7	59.9%
State Police/Corrections	1,234	\$2,467	51.2	127.2%
Municipal General	11,463	\$2,013	58.2	76.7%
Municipal Police	3,045	\$2,994	47.8	74.9%
Municipal Fire	1,644	\$3,089	47.9	60.0%

On average, municipal fire members retire just under 10 years before state employees and receive a benefit 46 percent richer. Municipal fire members retire three years earlier than state police members and receive a benefit 25 percent greater, with a funded ratio of less than half of the state police plan.

Most municipal firefighters are in coverage plans 4 and 5, the contributions for which are shown in the table below:

Current Municipal Fire Contribution Rates
(from FY20 CAFR)

	Employee	Employer	Total
Plan 4	14.30%	21.65%	35.95%
Plan 5	17.70%	21.65%	39.35%

OTHER SUBSTANTIVE ISSUES

Affected members and their employers would pay higher contributions to the pension plan. However, the amount of the increased contributions is not known. PERA estimates, for the average firefighter, six hours of regularly scheduled overtime is excluded for each payroll period of 14 days.

While members of the Municipal Police Division and certain correctional officers are also eligible under the provisions of SB90, because of shift structure differences, the accumulation of qualified

Fair Labor Standards Act hours will likely be minimal and not add measurably to the liabilities of the Municipal Police Division. For example, most municipal police officers work four 10-hour shifts per week and only work overtime on an ad hoc or voluntary basis.

CJ/rl

**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 Act, at NMSA 1978, Section 10-7C-15 provides for contributions from participating employers and employees based on an employee’s salary; and

WHEREAS, the Board has previously promulgated its rule establishing a definition of “salary” and “annual salary” for the purpose of calculating the participating employer, employee contributions, codified at 2.81.5.7 NMAC (4/30/03) (the “Existing Rule”);

WHEREAS, the Existing Rule was consistent with the definition for salary established by the Legislature in the Public Employees Retirement Act at NMSA 1978, Section 10-11-2 (“PERA Definition”); and

WHEREAS, the Legislature recently amended the Public Employees Retirement Act to amend the PERA Definition; and

WHEREAS, the Executive Director of the NMRHCA (the “Executive Director”) has proposed that the Board consider amending the Existing Rule to modify the definition of salary and annual salary to be consistent with the PERA Definition (the “Proposed Rule”), 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/her 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/her designee, is hereby authorized and directed to post public notice concerning the Rulemaking Proceedings, substantially in the form attached hereto as **Exhibit A**, 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/her 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/her 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/her 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 June 1, 2021.

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

ATTEST:

LeAnne Larranaga, Secretary
New Mexico Retiree Health Care Authority
Board of Directors

[Signature Page for Resolution Initiating Rulemaking Proceedings]



BOARD OF DIRECTORS
DOUG CRANDALL
CHAIR
THERESE SAUNDERS
VICE CHAIR
LEANNE LARRAÑAGA-RUFFY
SECRETARY
DAVID ARCHULETA
EXECUTIVE DIRECTOR

NOTICE OF PROPOSED RULEMAKING AND PUBLIC RULE HEARING

The New Mexico Retiree Health Care Authority (NMRHCA) is considering amending the existing rule 2.81.5.7 NMAC - DEFINITIONS. The purpose of the amendment of the rule is to amend the definition of "Salary" to reflect recent changes to the complement definition of salary under the Public Employees Retirement Act, NMSA 1978 Section 10-11-1 et seq. ("PERA Act"). A summary of the full text of the amendment and proposed rule follows:

The existing rule 2.8.5.7 NMAC provides for a definition of salary for the purpose of calculating employee and employer contributions. The existing rule follows a definition provided under the PERA Act and excludes overtime from the definition. The PERA Act was amended in the most recent legislative session to include overtime. The amendment changes the definition of salary to match the amended definition of salary in the PERA Act. The proposed rule also would follow any subsequent changes that the Legislature makes to the definition of salary in the PERA Act.

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 June 1, 2021, 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 full text of the amendment and proposed rule may be obtained by contacting Neil Kueffer, Deputy Director, New Mexico Retiree Health Care Authority, Jefferson St. NE, Suite 150, Albuquerque, New Mexico 87109; telephone 505-222-6408, 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 amendment and proposed rule through the end of the public comment period, which ends August 11, 2021. Written comments should be submitted to Neil Kueffer, Deputy Director, New Mexico Retiree Health Care Authority, 6300 Jefferson St. NE, Suite 150, Albuquerque, New Mexico 87109. Written comments also will be accepted by email: neil.kueffer@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, 6300 Jefferson St. NE, Suite 150, Albuquerque, New Mexico 87109.

A public rule hearing on the amendment and proposed rule will be held before Neil Kueffer, Deputy Director, NMRHCA, on August 11, 2021 from 3:00PM – 5:00PM at the NMRHCA's Board Room, located at 6300 Jefferson St. NE, Suite 150 in Albuquerque, NM, 87109. Individuals may submit data, views or arguments orally or in writing to the amendment and 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 amendment and proposed rule in an accessible form may contact Neil Kueffer at 505-222-6408 at least 10 days before the hearing.

2020-2021 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 64,000 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 ~~300~~302 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.

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.

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.

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 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.

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.

DRAFT

This rule was filed as 2 NMAC 81.3.

TITLE 2 PUBLIC FINANCE
CHAPTER 81 RETIREE HEALTH CARE FUNDS
PART 3 CODE OF ETHICS

2.81.3.1 ISSUING AGENCY: NM Retiree Health Care Authority ("NMRHCA").
 [6/15/98; Recompiled 10/01/01]

2.81.3.2 SCOPE: This rule applies to all board members, employees, actuaries, consultants, attorneys and members of ad. hoc. or standing committees of the NMRHCA.
 [6/15/98; Recompiled 10/01/01]

2.81.3.3 STATUTORY AUTHORITY: This rule is promulgated pursuant to the New Mexico Retiree Health Care Act (the "Act"), Sections 10-7C-1 et seq. NMSA 1978.
 [6/15/98; Recompiled 10/01/01]

2.81.3.4 DURATION: Permanent.
 [6/15/98; Recompiled 10/01/01]

2.81.3.5 EFFECTIVE DATE: June 15, 1998 [unless a later date is cited at the end of a section].
 [6/15/98; Recompiled 10/01/01]

2.81.3.6 OBJECTIVE:

A. The objective of this rule is to establish procedures governing a code of ethics that must be adhered to by those persons covered and provide penalties for failure to comply. The proper operation of a democratic government requires that public representatives and those attorneys, consultants, agents and employees on who they rely for advice and opinions be independent, impartial, and responsible to the people.

B. NMRHCA decisions and policy should be made through proper channels of the NMRHCA structure and public office, employment or contracts should not be used for personal gain. A conflict of interest exists when a public representative's, public employee's or public contractor's private or personal interests conflict with his/her public duties or when a public representative, public employee, agent, consultant or attorney for the public entity uses insider knowledge, official position, power or influence to further his/her private interests.

C. When a sound code of ethics is promulgated and enforced, the public has confidence in the integrity of its government. The objective of the code of ethics rule is to advance openness in government by requiring disclosure of private interests that may affect public acts, to set standards of ethical conduct, to minimize pressures on public representatives and to establish a process for reviewing and settling alleged violations.
 [6/15/98; Recompiled 10/01/01]

2.81.3.7 DEFINITIONS: As used in the code of ethics rule:

A. "**business**" means a corporation, partnership, sole proprietorship, firm, organization, or individual carrying on a business or owning real property other than a personal residence;

B. "**insider information**" or "**confidential information**" means information which is confidential under law or practice or which is not generally available outside the circle of those who regularly serve the NMRHCA as a board member, public representative, official, employee, agent, consultant or attorney;

C. "**financial interest**" means:

(1) an interest of ten percent or more in a business or an interest exceeding ten thousand dollars (\$10,000.00) in a business; for a board member, official, employee, agent, consultant attorney or other public representative this means an interest held by the individual or his or her spouse, siblings, parents, or children;

(2) an ownership interest held by the individual or his/her spouse, siblings, parents or children in business;

or

(3) any employment or prospective employment (for which negotiations have already begun) of the individual or his/her spouse, siblings, parents or children;

D. "**public representative**" means a person serving the NMRHCA as board member, official, employee, agent, consultant or attorney or as a member of an ad.hoc. or standing NMRHCA advisory committee;

E. "**controlling interest**" means an interest which is greater than twenty percent;

F. "official act" means an official decision, recommendation, approval, disapproval or other action which involves the use of discretionary authority, except the term does not mean an act of the legislative or an act of general applicability.
[6/15/98; Recompiled 10/01/01]

2.81.3.8 PUBLIC REPRESENTATIVE/REGISTRATION/DISCLOSURE:

A. Upon becoming a public representative, the public representative shall provide registration information to the NMRHCA office as listed below. This information shall be updated at the end of every fiscal year and shall be available to the public at all times:

- (1) name;
- (2) address and telephone number;
- (3) professional, occupational or business licenses;
- (4) membership on boards of directors of corporations, public or private associations or organizations; and
- (5) the nature, but not the extent or amount, of any financial interests and controlling interests as defined in

the code of ethics rule within one month of becoming a public representative.

B. A public representative who has a financial interest which may be affected by an official act of the NMRHCA, ad. hoc. or advisory committee shall declare such interest prior to discussion, voting, advising or taking any other action and that declaration shall be entered in the official minutes of the NMRHCA. A public representative shall abstain from voting, advising or taking any other action including discussion on that issue if the decision, in the public representative's opinion, may affect his/her financial interest in a manner different from its effect on the general public.
[6/15/98; Recompiled 10/01/01]

2.81.3.9 PROHIBITIONS/PRIVATE BENEFITS OR GIFTS/PERSONAL REPRESENTATION/ USE OF NMRHCA SERVICES/ACQUIRING FINANCIAL INTEREST:

A. No public representative nor a member of his/her family shall request or receive and accept a gift or loan for his/her personal use or for another, if:

- (1) it tends to influence the public representative in the discharge of his/her official acts; or
- (2) the public representative, within two years, has been involved in any official act directly affecting the donor or lender or knows that he/she will be involved in any official act directly affecting the donor or lender.

B. No public representative shall request or receive a gift or loan for personal use or for the use of others from any person or business involved in a business transaction with the NMRHCA with the following exceptions:

- (1) an occasional nonpecuniary gift of insignificant value;
- (2) an award publicly presented in recognition of public service;
- (3) a commercially reasonable loan made in the ordinary course of business by an institution authorized by the laws of the state to engage in the business of making loans; or
- (4) a political campaign contribution, provided that such gift or loan is properly reported and actually used in a political campaign.

C. No public representative shall personally represent private interests before the board of the NMRHCA or any ad. hoc. or standing committee, which the public representative is a member, or directly or indirectly receive compensation for that representation.

D. No public representative shall personally represent private interests before the NMRHCA board, ad. hoc., standing committees or directly or indirectly receive compensation for that representation.

E. No public representative shall use or disclose insider information for his or others private purposes.

F. No public representative shall use NMRHCA services, personnel or equipment for personal benefit, convenience or profit, except when such use is generally available to the public and when in accordance with policies of the NMRHCA board.

G. No public representative shall acquire or negotiate to acquire a financial interest at a time when the official believes or has reason to believe that it will be substantially or directly affected by his official acts.

H. No public representative shall enter into a contract or transaction with the NMRHCA or its public representatives, unless the contract or transaction is made public by filing notice with the NMRHCA board.

I. A public representative shall disqualify himself from participating in any official act directly affecting a business in which he has a financial interest.

J. No public representative shall use confidential information acquired by virtue of his employment, office or status for his or another's private gain.

K. The NMRHCA shall not enter into any contract with an employee of the state or with a business in which the employee has a controlling interest, involving services or property of a value in excess of one thousand dollars (\$1,000), when the employee has disclosed his controlling interest unless the contract is made after public notice and competitive bidding; provided that this section does not apply to a contract of official employment with the NMRHCA.

L. The NMRHCA shall not enter into a contract with, nor take any action favorable affecting, any person or business which is:

(1) represented personally in the matter by a person who has been an employee of the state within the preceding year if the value of the contract or action is in excess of one thousand dollars (\$1,000) and the contract is a direct result of an official act by the employee; or

(2) assisted in the transaction by a former employee of the state whose official act, while in state employment, directly resulted in the NMRHCA's making that contract or taking that action.

M. The NMRHCA shall not enter into any contract of purchase with a legislator or with a business in which such legislator has controlling interest, involving services or property in excess of one thousand dollars (\$1,000) where the legislator has disclosed his controlling interest, unless the contract is made after public notice and competitive bidding. As used in Section 9.13 [now Subsection M of 2.81.3.9 NMAC], contract shall not mean a "lease."
[6/15/98; Recompiled 10/01/01]

**2.81.3.10 ENFORCEMENT/COMPLAINT/HEARING OFFICER/PENALTY FOR VIOLATION/
FRIVOLOUS COMPLAINTS:**

A. Any contract approval, sale or purchase entered into or official action taken by a public official in violation of this rule may be voided by action of the NMRHCA board.

B. Any person may make a sworn, written complaint to the NMRHCA board of a violation by a public official of any provisions of the code of ethics rule. Such complaint shall be filed with the NMRHCA executive director or if it is a complaint against him, with a member of the NMRHCA board, who shall maintain the confidentiality thereof and instruct the complainant of the confidentiality provisions of the code of ethics rule, and shall refer said complaint to the NMRHCA board at its next regularly scheduled meeting in executive session. The complaint shall state the specific provision of the code of ethics rule which has allegedly been violated and the facts which the plaintiff believes support the complaint.

C. Within fifteen days of receiving the complaint, the NMRHCA board in executive session shall appoint a hearing officer to review the complaint for probable cause. Within fifteen days of undertaking the inquiry to determine probable cause, the hearing officer shall report his findings to the NMRHCA board. Upon find of probable cause, within 30 days, the hearing officer shall conduct an open hearing in accordance with due process of law. Fifteen days notice in advance of the hearing shall be provided to the person subject to the complaint. Within a time specified by the NMRHCA board, the hearing officer shall report his findings and recommendations to the NMRHCA board for appropriate action based on those findings and recommendations.

D. If the complaint is found to be frivolous, the NMRHCA board may assess the complainant the costs of the hearing officer's fees.

E. Except for the hearing, the proceedings shall be kept confidential by all parties concerned, unless the accused public official requests that the process be open at any stage. Persons complained against shall have the opportunity to submit documents to the hearing officer for his review in determining probable cause.

F. Any violation of the law shall be referred to the appropriate law enforcement agency for prosecution.
[6/15/98; Recompiled 10/01/01]

2.81.3.11 CODE OF ETHICS HEARING OFFICER/APPOINTMENT/QUALIFICATIONS/DUTIES:

A. A hearing officer shall be appointed by the NMRHCA board for each complaint. The hearing officer may be an authority board member, agent or employee of the NMRHCA or another person. The complainant and the person complained against have the right to one disqualification of a designated hearing officer.

B. The hearing officer shall:

(1) receive written complaints regarding violations of the code of ethics rule, notify the person complained against of the charge, and reject complaints not supported by probable cause; in the event the hearing officer rejects a complaint as lacking in probable cause, he shall provide a written statement of reasons for his rejection to the NMRHCA board and the complainant;

(2) conduct hearings of all complaints received; and

(3) report the findings of the hearings and make recommendations on resolving the complaint to the NMRHCA board.

C. The decision of the board shall be final and not subject to appeal.
[6/15/98; Recompiled 10/01/01]

2.81.3.12 VIOLATION: It is a violation of this rule for any public official knowingly, willfully or intentionally to conceal or fails to disclose any financial interest called for by the code or violate any of the provisions hereof.
[6/15/98; Recompiled 10/01/01]

2.81.3.13 PENALTIES: Upon recommendation of the hearing officer the NMRHCA board may:

- A. issue a public reprimand to the public official;
- B. remove or suspend from his office, employment or contract the public official; and
- C. refer complaints against public officials to the appropriate law enforcement agency for investigation

and prosecution.

[6/15/98; Recompiled 10/01/01]

HISTORY OF 2.81.3 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

RHCA Rule 90-3, Code of Ethics, 7/10/90.

History of Repealed Material: [RESERVED]

New Mexico Retiree Health Care Authority

Code of Ethics Disclosure Statement

Pursuant to Retiree Health Care Authority Rule Title 2, Chapter 81, Part 3, within one month of becoming a board member, employee, actuary, consultant, attorney, or member of ad hoc or standing committee, and at the end of every fiscal year thereafter, you are required to furnish the following information:

1. Name: _____

2. Address: _____

Home Phone: _____ Work Phone: _____

3. Professional, occupational, or business licenses, if any:

Type of License	License No.

Continue on separate sheet if necessary

4. Identify each corporation, and public or private association and organization, on the board of which you are a member:

Name of Organization	Address of Organization	Position or Office in Organization

Continue on separate sheet if necessary

5. The NMRHCA Code of Ethics defines the terms used in this form as follows:

"Business" means: a corporation, partnership, sole proprietorship, firm, organization, or individual carrying on a business or owning real property other than a personal residence.

“Financial Interest” means:

- (a) An interest of ten percent (10%) or more in a Business or an interest exceeding ten thousand dollars (\$10,000) in a Business; or
- (b) An ownership interest in a business; or
- (c) Any employment or prospective employment (for which negotiations have already begun) with a Business,

on the part of a board member, official, employee, agent, consultant, or attorney, or by the spouse, siblings, parents, or minor children of such individual.

Identify each Business in which you have a Financial Interest as those terms are defined in the NMRHCA Code of Ethics.

Name of Business	Address of Business	Nature of Business

Continue on separate sheet if necessary

SIGNATURE: _____

PRINT NAME: _____

DATE: _____

FY21-FY22 Board Elections/Committee Assignments

Background

Article 7C Section_10-7C-6. Board created; membership; authority.

- A. There is created the "board of the retiree health care authority". The board shall be composed of not more than twelve members.
- B. The board shall include:
- (1) one member who is not employed by or on behalf of or contracting with an employer participating in or eligible to participate in the Retiree Health Care Act and who shall be appointed by the governor to serve at the pleasure of the governor;
 - (2) the educational retirement director or the educational retirement director's designee;
 - (3) one member to be selected by the public school superintendents' association of New Mexico;
 - (4) one member who is a teacher who is certified and teaching in elementary or secondary education to be selected by a committee composed of one person designated by the New Mexico association of classroom teachers, one person designated by the national education association of New Mexico and one person designated by the New Mexico federation of teachers;
 - (5) one member who is an eligible retiree of a public school and who is selected by the New Mexico association of retired educators;
 - (6) the executive secretary of the public employees retirement association or the executive secretary's designee;
 - (7) one member who is an eligible retiree receiving a benefit from the public employees retirement association and who is selected by the retired public employees of New Mexico;
 - (8) one member who is an elected official or employee of a municipality participating in the Retiree Health Care Act and who is selected by the New Mexico municipal league;
 - (9) the state treasurer or the state treasurer's designee; and
 - (10) one member who is a classified state employee selected by the personnel board.
- C. The board, in accordance with the provisions of Paragraph (3) of Subsection D of [Section 10-7C-9](#) NMSA 1978, shall include, if they qualify:
- (1) one member who is an eligible retiree of an institution of higher education participating in the Retiree Health Care Act and who is selected by the New Mexico association of retired educators; and
 - (2) one member who is an elected official or employee of a county participating in the Retiree Health Care Act and who is selected by the New Mexico association of counties.
- D. Every member of the board shall serve at the pleasure of the party that selected that member.
- E. The members of the board shall begin serving their positions on the board on the effective date of the Retiree Health Care Act or upon their selection, whichever occurs last, unless that member's corresponding position on the board has been eliminated pursuant to Subsection D of [Section 10-7C-9](#) NMSA 1978.
- F. The board shall elect from its membership a president, vice president and secretary.
- G. The board may appoint such officers and advisory committees as it deems necessary. The board may enter into contracts or arrangements with consultants, professional persons or firms as may be necessary to carry out the provisions of the Retiree Health Care Act.

H. The members of the board and its advisory committees shall receive per diem and mileage as provided in the Per Diem and Mileage Act [10-8-1 NMSA 1978] but shall receive no other compensation, perquisite or allowance.

History: Laws 1990, ch. 6, § 6; 1993, ch. 362, § 2; 2003, ch. 382, § 1.

Summary

In compliance with section F, NMRHCA's board elections typically occur in July of each year for the ensuing 12-month period. In addition, committee assignments are designated for the same time period with a full list of FY21 committee assignments provided below.

Executive

Mr. Crandall, President
Ms. Saunders, Vice President
Ms. Larrañaga-Ruffly, Secretary

Finance & Investment

Ms. Larrañaga-Ruffly, Chair
Mr. Crandall
Mr. Scroggins
Mr. Bhakta
Ms. Moon

Legislative

Ms. Saunders, Chair
Ms. Madrid
Mr. Salazar
Mr. Scroggins
Mr. Cushman

Audit

Ms. Bhakta, Chair
Mr. Linton
Ms. Moon
Ms. Madrid
Mr. Scroggins

Wellness

Mr. Linton, Chair
Ms. Saunders
Mr. Scroggins
Mr. Cushman

NEW MEXICO RETIREE HEALTH CARE AUTHORITY
RESOLUTION NO. ~~2021~~2022-1

WHEREAS the Board of Directors of the New Mexico Retiree Health Care Authority (NMRHCA) met at its annual meeting at ~~9:00-9:30~~ a.m. on July ~~9-15~~ and ~~10-16~~, ~~2020~~2021.

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, Santa Fe, or via teleconference and telephone beginning at 9:30 a.m. or as indicated in the meeting notice. Committee meetings will be held at the call of the chair.
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 6300 Jefferson Street NE NE, Suite 105, Albuquerque, NM 87109 or by email at david.archuleta@state.nm.us. In the case of an emergency meeting, the agenda shall be made available to the public as soon as is reasonably possible.

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

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

67. 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.

C. Committee Meetings: For the purposes of committee meetings described in paragraph 6 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.

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

"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."

89. 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.

910. 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 ~~10th-15th~~ day of July ~~2020~~2021.

Board President

David Archuleta, Executive Director