

(PLEASE FIND THE AGENDA/TABLE OF CONTENTS ON PAGE 4.)

REGULAR MEETING OF THE BOARD OF DIRECTORS



**April 5, 2022
9:00 AM**

**CNM Workforce Training Center, Room 103
5600 Eagle Rock Ave NE, Alb NM 87113**

Online: <https://meet.goto.com/596740693>

Telephone: 1-646-749-3122 / Access Code: 596-740-693

New Mexico Retiree Health Care Authority
Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

April 5, 2022

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

NMRHCA BOARD OF DIRECTORS

April 2022

Mr. Greg Trujillo
Executive Director
Public Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507
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505-476-9301

Mr. Sanjay Bhakta
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Mr. Rick Scroggins
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Educational Retirement Board
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Mr. Terry Linton
Governor's Appointee
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Mr. Tomas E. Salazar, PhD
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Mr. Lance Pyle
NM Association of Counties
Curry County Administration
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lpyle@currycounty.org
575-763-3656

Mr. Doug Crandall, President
Retired Public Employees of New Mexico
14492 E. Sweetwater Ave
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dougcina@gmail.com

The Honorable Mr. Tim Eichenberg
NM State Treasurer
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Ms. Therese Saunders, Vice President
NEA-NM, Classroom Teachers Assoc., & NM
Federation of Educational Employees
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Mr. Loren Cushman
Superintendents' Association of NM
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Ms. Leane Madrid
Classified State Employee
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Ms. Leanne Larranaga-Ruffy, Secretary
Alternate for PERA Executive Director
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505-476-9332

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

April 5, 2022

9:00 AM

CNM Workforce Training Center Room 103

5600 Eagle Rock Ave NE, Alb NM 87113

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AGENDA

1. Call to Order	Mr. Crandall, President	Page
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	Mr. Crandall, President	
4. Approval of Agenda	Mr. Crandall, President	4
5. Approval of Regular Meeting Minutes March 1, 2022	Mr. Crandall, President	5
6. Public Forum and Introductions	Mr. Crandall, President	
7. Committee Reports	Mr. Crandall, President	
8. Executive Director's Updates	Mr. Kueffer, Interim Executive Director	
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12. FY23 Contracts Amendments/New (Action Item)	Mr. Kueffer, Interim Executive Director	47
13. Other Business	Mr. Crandall, President	
14. Executive Session	Mr. Crandall, President	
Pursuant to NMSA 1978, Section 10-15-1(H)(2) Pertaining to Limited Personnel Matters Executive Director Search Process		
15. Date & Location of Next Board Meeting	Mr. Crandall, President	
TBD		
16. Adjourn		

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

March 1, 2022

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 9:00 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
The Hon. Tim Eichenberg, NM State Treasurer
Mr. Sanjay Bhakta
Mr. Loren Cushman
Mr. Terry Linton
Ms. Leane Madrid
Mr. Lance Pyle
Dr. Tomas Salazar
Mr. Rick Scroggins

Members Excused:

None.

Staff Present:

Mr. Neil Kueffer, Interim Executive Director
Ms. Sheri Ayanniyi, Chief Financial Officer
Mr. Jess Biggs, Director of Communication & Member Engagement
Mr. Michael R. Bebeau, General Counsel
Ms. Judith S. Beatty, Board Recorder

3. PLEDGE OF ALLEGIANCE

The board and staff observed a moment of silence for the people of Ukraine.

Mr. Linton led the pledge.

4. APPROVAL OF AGENDA

Dr. Salazar moved approval of the agenda, as published. Ms. Saunders seconded the motion, which passed unanimously by roll call vote. [Not present: Mr. Cushman]

5. APPROVAL OF REGULAR ANNUAL MEETING MINUTES: February 1, 2022

Mr. Linton moved approval of the February 1, 2022, minutes. Mr. Scroggins seconded the motion, which passed unanimously by roll call vote. [Not present: Mr. Cushman]

6. PUBLIC FORUM AND INTRODUCTIONS

None.

7. COMMITTEE REPORTS

- The Executive Committee met and discussed today's agenda.
- The Finance Committee met and addressed items that will be appearing on today's agenda.
- The Wellness Committee plans to meet later in the month.

8. EXECUTIVE DIRECTOR'S UPDATES

a. Human Resources

- The list of candidates for Chief Information Officer/IT Director has been narrowed down. The interview panel, including NMERB Chief Information Officer Lawrence Esquibel, will meet tomorrow to review the candidates.
- The advertisement for position of Executive Director is now posted in *The Santa Fe New Mexican* and *The Albuquerque Journal*. The NMRHCA website includes the advertisement and job description. People have 14 days to submit an application, with a March 14 deadline.

Chairman Crandall noted that Ms. Saunders is the head of the interview committee, which is the Executive Committee membership. They will be reviewing the applications and then decide

whom to interview, and other board members are invited to participate. When the actual interviews take place, all board members are encouraged to attend in person or online.

b. Operations

- The Governor has lifted the mask mandate. NMRHCA staff is reviewing its current policy and will be updating it to address the change.
- Most of the Customer Services staff in the Albuquerque office is working from home. The agency will continue to evaluate the need for staff to be physically present based on the number of walk-ins and members requesting in-person interviews.

Responding to Chairman Crandall, Mr. Kueffer said the office receives only occasional visitors, which is nothing like what the NMRHCA was experiencing before the pandemic, when a lot of members were coming in. He said he would like to maintain a hybrid schedule for the time being while continuing to monitor and evaluate any need for a change. He also stated that he would like to see the IT system “tidied up” with advancements in technology and security to continue to accommodate a hybrid approach, and looked forward to bringing a new Chief Information Officer/IT Director on board.

Mr. Kueffer said he felt the most effective way to approach switch enrollment in the future would be a combination of holding in-person meetings and virtual meetings, since the virtual component has been very beneficial for many members.

Ms. Saunders asked if staff members have personally expressed a preference. Mr. Kueffer responded that a lot of staff members previously preferred the at-home option, but this was during COVID. The agency plans to work with staff going forward to get a feel for this while taking any necessary precautions.

c. Legislative

- The LFC recommendation, which recommended a slightly lower increase in personnel services and employee benefits than was requested, did pass. The agency can definitely work with this.
- Unfortunately, the NMRHCA did not receive any special appropriations assistance, although a couple of IBAC partners did receive additional support from other special appropriations as well as help with COVID testing and treatment. The NMRHCA’s request was for \$9.2 million.

Dr. Salazar noted that, although the LFC didn’t recommend either of the two special appropriations, the Executive did recommend one. He thought the NMRHCA should have focused

on that one as part of HB 2. He added that this legislative session was a great disappointment for NMRHCA.

Responding to Ms. Saunders on what impact the teacher salary increases will have on the NMRHCA, Mr. Kueffer responded that Segal will be running analyses and modeling based on new assumptions, which will assist the NMRHCA in determining what adjustments might be necessary in the upcoming year.

Following discussion, there was consensus that no special action would be necessary to grant a 3 percent raise to Mr. Kueffer to mirror the 3 percent raise granted to state employees because he would receive that automatically in his role as acting Executive Director.

Mr. Kueffer said he anticipates that the NMRHCA will contract with a lobbyist for the 2023 legislative session and begin planning and strategizing early, including getting sponsors on board and working with stakeholders.

Dr. Salazar asked Mr. Kueffer for his comments on SB 317, which relates to including medical marijuana in statute. He commented that this could have a very negative effect on the NMRHCA trust fund.

Mr. Kueffer referred to a letter from Ultra Health, a large marijuana company in New Mexico, has written a letter to insurance companies and state agencies, arguing that the new law eliminating cost-sharing and out-of-pocket costs for behavioral health services and all medications associated with the treatment of mental illnesses, substance abuse disorders and trauma spectrum disorders should be interpreted to include medical cannabis. Under the enacted law, the definition of behavior health services was expanded to include PTSD and other disorders.

Mr. Kueffer said the board book includes a bulletin dated June 14, 2021, from the Office of the Superintendent of Insurance (OSI), which included information on service providers, prescription benefits, BH diagnosis codes, etc.; however, cannabis is not mentioned in the bulletin. He said a lot of different health plans are evaluating and reviewing it, and the NMRHCA will be looking to see exactly what the OSI does, since they are helping to oversee the bill and provide early guidance. Mr. Kueffer stated that he has reached out to Mr. Bebeau for a review as well as ESI, which has stated that this hasn't received FDA approval because there is no National Drug Code associated with cannabis being provided as prescription. If it does pass, it would have to go through their Pharmacy and Therapeutics Committee before adding it to any formulary.

Mr. Bebeau stated that he is continuing to monitor this and to see what law develops. He commented that there are old laws and regulations in place where cannabis is still federally illegal. As of today, the NMRHCA's position is that the list of medications included with the OSI bulletin, which does not include cannabis, constitutes the entire list of behavioral medications not subject to cost sharing under the new law.

Chairman Crandall commented that there is potentially a slippery slope if the PBM doesn't believe they can provide cannabis because it is illegal.

d. COVID-19 OTC Tests – Medicare

- When the board discussed this at the last meeting, this item wasn't covered through Medicare; however, this was reversed a short time later when the Biden/Harris Administration stated that it would be a covered benefit through Medicare sometime this spring. Staff will keep the members and board updated. An FAQ issued by CMS is included in the board book.

e. Humana – Pharmacy Name Change

- Humana Pharmacy and Humana Specialty Pharmacy have changed their name to CenterWell Pharmacy and CenterWell Specialty Pharmacy. NMRHCA members will not be affected by this change in any way. Humana will send out postcards and communicate in other ways to make sure people are aware of the change.

Humana representative Julie Bodenski said their goal is to continue building Humana's presence and to advance their evolution as a whole person healthcare company. This includes expanding homecare and primary care in addition to pharmacy services.

f. Hinge Health

- This was implemented as a pilot program at the beginning of 2022. The chronic program, which started with 20 members, has grown to 66 members as of February 18; and the acute program has grown from 0 to 12. There has been little change in their wellness & prevention program. The NMRHCA has received a positive message from a participant who has dealt with chronic pain for a number of years and has seen a drastic improvement through the Hinge program

g. FEMA Grant

- FEMA has acknowledged receipt of the NMRHCA's request for reimbursement for COVID medical costs, but does not consider an insurance provider as a legally responsible advocate, and the claims are not considerable eligible work. It attended a virtual meeting with FEMA, and was further told that a self-funded insurer who has not managed to pay for such services or has not provided a facility for testing or treatment does not qualify for emergency funding or reimbursement.

h. Web Portal

- The NMRHCA has completed the discovery phase as well as the specifications that would include the function, design, and information to be included with the web portal. The NMRHCA will move into the next phase, which includes additional dollars and a scope of work to proceed with build-out. Staff will continue to work with RealTime to complete this project before the end of the fiscal year.

i. **Village of Des Moines**

- The Village has undergone some leadership and staff changes and is asking to reestablish its participation with NMRHCA. Their last payment was in November 2015, which was to cover the previous month, and they were subsequently removed. There were only two participating members at that time. Mr. Bebeau is working with the Village to ascertain the expected level of participation and to calculate the cost associated with that, including interest that has accumulated since they were last in the program.

Mr. Bebeau added that he doesn't believe the statutes would allow the Village of Des Moines to come on as a new participating employer, and he is working with the Village on a possible path forward.

j. **January 31, 2022, SIC Report**

k. **Investment Performance Analysis – December 31, 2021**

- The trust fund balance is at \$1.12 billion, including a \$28.5 million decrease.
- The RVK report reflects a CYTD (ending December 2021) net return of 15.51 percent, reflecting a gain of approximately \$150 million and an ending market value of \$1.15 billion.

Chairman Crandall said the Investment Committee briefly discussed the idea of hiring a full time contractor to review performance and any rebalancing that may be necessary. This is increasingly important given the size of the fund, and there will be further discussion on this at the annual meeting.

9. OUT-OF-STATE TRAVEL REQUEST

Mr. Kueffer requested approval for him and Jess Biggs to attend the National Conference on the State and Local Government Benefits Association (SALGBA), to be held May 1-4 in Seattle. The NMRHCA is a member of SALGBA, which provides educational and collaborative support for public sector employee benefit professionals.

Chairman Crandall noted that the Executive Committee reviewed this request and recommended approval.

Chairman Crandall moved for approval of Mr. Kueffer's request. Dr. Salazar seconded the motion, which passed unanimously by roll call vote.

Chairman Crandall noted that the conference would be taking place during the May board meeting and said he expected the Executive Committee would recommend rescheduling it to May 10, the following Tuesday.

Chairman Crandall said the board can discuss Mr. Linton's suggestion at the April meeting, which is to meet on May 3 and have Mr. Kueffer attend virtually from 9 to 10, which is an hour before the conference begins on that day.

10. 2023 PRELIMINARY PLAN DISCUSSIONS

Mr. Kueffer reviewed the 2023 Preliminary Plan Discussion on pages 40-42, which included considerations for 2023:

1. Increase Pre-Medicare Plan Rates – Medical trend
2. Increase Medicare Supplement Rates – Medical trend
3. Continue with Hinge Health Program – Upon review of data
4. Plan Design Changes – increases in member cost share
5. Medicare Advantage Plans and Rates – Plan designs and rates
6. Strategic 5-year plan

Mr. Scroggins commented that the amount of detail in this report is considerable, and asked if the NMRHCA has taken any steps to try to include legislators or representatives from the Governor's Office as a way of educating them on the level of attention and the level of detail that is devoted to the topics and to making the NMRHCA program work. He said it might experience better results in its attempts to get relevant legislation passed on its behalf.

Mr. Kueffer responded that previous directors would have meetings with legislators, and he has attended those as well, and a lot of detail is included in presentations to legislators, and it is also an item that the LFC constantly reviews. He agreed the NMRHCA should continue meeting with individuals to emphasize how important this agency's work is and to work to gain support throughout the year prior to each legislative session.

Dr. Salazar commented that the success of the NMERB through the last couple of sessions has been because they have Sen. Pro Tem Mimi Stewart's support, and she has a lot of clout in the legislature. He agreed with Mr. Scroggins on the idea of bringing in influential legislators to listen to exactly what Mr. Kueffer commented on at this meeting as part of his report. He didn't know if the NMRHCA could actually find someone with Sen. Stewart's status to work with, but that would certainly be helpful.

Mr. Scroggins said if the NMRHCA could get an inroad to the Governor's Office and have a chance to sit down with them, it could be very effective. It would also be a good idea to try forming an alliance with a group legislators.

11. OTHER BUSINESS

None.

12. EXECUTIVE SESSION

None.

13. DATE AND LOCATION OF NEXT BOARD MEETING

April 5, 2022 – 9:00 AM
CNM Workforce Training Center
5600 Eagle Rock Avenue, NE
Albuquerque, NM 87113

14. ADJOURN: 10:15 a.m.

Accepted by:

Doug Crandall, President

Wise & Well Virtual Health Fair

Create the best lineup of presenters to offer valuable, pertinent, and timely information and strategies for RHCA membership to self-manage their overall health and well being.

April 29, 2022 @ 9:00 AM- 1:00 PM

All attendees will be mailed a gift bag of items donated by our partners

Door prizes will be given away sponsored by our partners and sponsor wellness programs will be highlighted

Pending Agenda

TIME	TOPIC	PRESENTER
9:00 – 9:05	Kickoff	NMRHCA
9:05 – 9:50	Creating the Calm Within, The Power of Meditation Based Stress Reduction	Michelle DuVal, The Mindfulness Center
	Door Prize and Promo	NMRHCA
10:00 – 10:30	Breakout 1: The Power of Play	Paige Kinucan, TSG
	Breakout 2: Healthy Living for Brain and Body	Kathryn Hull, BCBS
	Door Prize and Promo	NMRHCA
10:40 – 11:10	Breakout 3: Movement Activity	Silver Sneakers
	Breakout 4: Affordable Nutritious Meals	Good Measures
	Door Prize and Promo	NMRHCA
11:20 – 11:50	Navigating a Polarized World with a Smile on your Face, Peace in your Mind and Love in your Heart	Rick Vinnay, TSG Executive Director
	Door Prize and Promo	NMRHCA
12:00 – 12:45	Cook Along: Let's Taco Bout It	Ana Hernandez, Dietitian
	Door Prize and Promo	NMRHCA
12:50 – 1:00	Wrap up and sign off	NMRHCA

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE

Russell Toal



DEPUTY SUPERINTENDENT

Jennifer A. Catechis

February 24, 2022

VIA EMAIL

Ms. Kristina Caffrey
Chief Legal Officer
Ultra Health
255 Camino Don Tomas
Bernalillo, NM 87004
kristina@ultrahealth.com

Re: Insurance Payments for Medical Cannabis

Dear Ms. Caffrey:

Thank you for your inquiry of February 18, 2022, requesting the opinion of the Office of Superintendent of Insurance (OSI) regarding health insurance coverage for medical cannabis. It is OSI's opinion that current statutes do not require this office to mandate health insurance coverage for medical cannabis.

Without a clear Legislative mandate, OSI cannot require health insurers to cover medical cannabis. The statutes concerning the cost-sharing exemption for behavioral health services that passed as part of Senate Bill 317 appear to be self-effectuating, requiring no further action by OSI.

Senate Bill 317 specifically prohibits cost-sharing for behavioral health services covered by any health care plan. Please also know that this office does not direct insurers to enroll specific providers. Building a provider network for behavioral health services is the responsibility of insurers themselves. We agree with your statement that insurers must ultimately make the decision as to whether to provide coverage.

Furthermore, though your letter states that "medical cannabis is a behavioral health service," cannabis regulated under the Compassionate Use Act is not identified as either a medication or pharmacy drug. This means that medical cannabis does not meet the statutory definition of a behavioral health service.

Finally, I want to note that the court decisions that you cited, which apply to the Worker's Compensation Act, do not provide guidance for this office or the health insurance carriers regulated by this office.

Please let me know if I can answer any additional questions you may have.

Sincerely,



Cassandra Brulotte
Life & Health Attorney

cc: Russell Toal
Paul Ritzma
Neal Bowen, Ph.D.
Nicole Comeaux
Randall Cherry
Julie Weinberg
R. Alfred Walker

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE

Russell Toal



DEPUTY SUPERINTENDENT

Jennifer A. Catechis

March 10, 2022

VIA EMAIL

Ms. Kristina Caffrey
Chief Legal Officer
Ultra Health
255 Camino Don Tomas
Bernalillo, NM 87004
kristina@ultrahealth.com

Re: Insurance Payments for Medical Cannabis

Dear Ms. Caffrey:

Thank you for your additional inquiry of March 1, 2022, regarding an insurance mandate to cover medical cannabis for behavioral health services.

The Office of Superintendent of Insurance does not have the authority to institute a new state mandate for coverage of a new benefit. The legislature is solely responsible for passing new coverage mandates.

Affordable Care Act Implications

Under the Patient Protection and Affordable Care Act (“ACA”), all qualified health plans sold in the individual and small group markets must cover the ten categories of Essential Health Benefits (EHB). This standardized group of benefits is called a “benchmark”, and a state sets its own benchmark plan based on existing health plans in the state. The actuarial value of this benchmark plan is then used to calculate the premium tax credits consumers will receive from the federal government to help subsidize purchasing coverage through the health insurance marketplace (called beWellnm, or the Exchange). New Mexico’s most recent benchmark plan was approved by the federal Centers for

Medicare and Medicaid Services as part of this package. The approval also includes prescription drug coverages. Medical cannabis is not covered under New Mexico's benchmark plan.

In an effort to limit the amount the federal government would be required to pay for premium tax credits in any given state, the Affordable Care Act requires states to defray the costs of any mandated benefits in excess of the essential health benefits that were not required by the state prior to the passage of the ACA. See 45 CFR §155.170 and <https://www.cms.gov/CCIIO/Resources/Files/Downloads/ehb-faq-508.pdf>. The amount the state is required to defray for the cost for any new mandated benefits is based on the actuarial value of the benefit.

Medical cannabis is not specifically identified as required coverage by the ACA, nor is it a grandfathered state mandate, and is in fact still criminalized on the federal level. Therefore, if a coverage mandate for medical cannabis were passed by the New Mexico legislature, the State of New Mexico would have to defray the full cost of the medical cannabis coverage in the premiums, in-so-far as federal subsidies for Exchange premiums are concerned.

As an example, the ACA does not specifically identify physical therapy as a mandated benefit, nor does New Mexico require health plans to cover this service – although the majority do. If the legislature mandated that all health insurance in New Mexico cover physical therapy, then the state would be creating a new mandate for which it would need to defray the difference in the cost of the benefit in the Federal premium subsidies. On the other hand, if the state required primary care level co-pays for physical therapy services, but only for plans that already covered this benefit, the state would not need to defray the cost. This is analogous to the prohibition on behavioral health service cost-sharing enacted under SB317. Adding a new mandate for behavioral health coverage, in this instance, coverage of medical marijuana, would require state cost defrayal.

Adding a new benefit to health plan benefits generally increases the cost of the premium. Combined with the state's prohibition on cost-sharing for behavioral health medications, qualified health plan enrollees would see a noticeable increase in premium costs should a medical cannabis mandate alter cost-sharing structures, regardless of whether they were personally utilizing medical cannabis. Additionally, since 78% of New Mexicans purchasing coverage on the Exchange in 2020 received Federal advance premium tax credits (APTCs), the cost to the state of covering the marginal change in the premium due to medical cannabis coverage could be substantial.

New Mexico's legislature is cognizant of how it structures any new cost-sharing or coverage mandate it enacts, lest it incur an ACA-mandated defrayment of costs. For that reason, the legislature would only deliberately pass a health insurance coverage mandate for any service, including medical cannabis, with an associated appropriation to cover a new coverage mandate. No such mandate was included in SB 317 or any other legislation passed by the legislature. The cost to the state of mandating such coverage could be significant, as discussed above.

Medical Necessity

Health insurance benefits for fully insured plans are further dictated by medical necessity. In reference to prescription drug benefits, §59A-22-53.1(M) NMSA 1978 defines medical necessity as follows:

1. any applicable, generally accepted principles and practices of good medical care;
2. practice guidelines developed by the federal government or national or professional medical societies, boards or associations; or
3. any applicable clinical protocols or practice guidelines developed by the carrier consistent with federal, national and professional practice guidelines. These standards shall be applied to decisions related to the diagnosis or direct care and treatment of a physical or behavioral health condition, illness, injury or disease.

The Drug Enforcement Administration (DEA) continues to classify marijuana as an illegal Schedule I drug which has “no accepted medical use.” The DEA will not reschedule marijuana without an official determination from the Food and Drug Administration (FDA). In order to reschedule marijuana, the FDA requires controlled, double-blind clinical trials. The National Institute of Health is currently funding such trials, and reports that it “supports a broad portfolio of research on cannabinoids and the endocannabinoid system.” See, <https://nida.nih.gov/drug-topics/marijuana/nih-research-marijuana-cannabinoids>. However, the outcome of these trials, which will determine the safety, efficacy, and benefits of medical marijuana, is unknown. To date, the therapeutic benefits of medical cannabis have not been scientifically established. Thus, there are no developed practice guidelines for the use of medical cannabis. This precludes an insurance mandate for medical cannabis pursuant to medical necessity.

Behavioral Health Care Cost Sharing

With the foregoing considerations in mind, OSI assessed SB317, which is a prohibition on cost-sharing for covered behavioral health benefits in fully insured health insurance, to determine whether a direct or implied mandate for insurance companies to cover medical cannabis was included in either the language or legislative intent of SB317. As of January 1, 2022, any insurer in New Mexico “that offers coverage of behavioral health service shall not impose cost sharing on those behavioral health services.” There is no mandate to cover any behavioral health service(s) under statute, merely a prohibition of cost sharing for those insurers that cover behavioral health services.

UltraHealth is correct that under SB317 behavioral health services include “all medications, including brand-name pharmacy drugs when generics are unavailable.” However, the cases cited by UltraHealth are directly regarding the use of cannabis for physical, rather than behavioral health issues. Furthermore, they find that medical cannabis is “the functional equivalent of a prescription” – not a medication or pharmacy drug – and thus provide no guidance for medical cannabis vis-à-vis SB317. The Compassionate Use Act further fails to define cannabis use under the statute as a “medication” or “pharmacy drug”, again precluding any interpretation of a legislative mandate for medical cannabis as UltraHealth requests.

Finally, OSI contacted health insurance providers in New Mexico and determined that no companies currently provide coverage for medical cannabis. SB317 only prohibits cost-sharing for covered benefits. As noted in our previous response to your inquiry, with very limited exceptions, the OSI does not instruct licensed health carriers who they must contract with for service, nor do we tell them what medications they must cover (beyond the essential health providers and ACA-specific coverages).

In sum, SB317 contains no mandate that New Mexico insurers provide coverage for behavioral health services. The ACA went into effect in 2014. Since that time, the New Mexico state legislature has not enacted new insurance mandates that impact ACA coverage. There are not any peer-reviewed studies or trials that address the therapeutic treatment of behavioral health conditions with medical cannabis, and thus no corresponding practice guidelines through which to assess the medical necessity thereof. The ultimate decision regarding coverage for medical cannabis is left to the insurers.

Thank you again for reaching out to the Office of Superintendent of Insurance. Please let me know if you have any additional questions.

Sincerely,



Cassandra Brulotte
Life & Health Attorney

cc: Russell Toal
Paul Ritzma
Neal Bowen, Ph.D.
Nicole Comeaux
Randall Cherry
Julie Weinberg
R. Alfred Walker

STATE OF NEW MEXICO
COUNTY OF SANTA FE
FIRST JUDICIAL DISTRICT

STATE OF NEW MEXICO, EX REL.
HECTOR BALDERAS, ATTORNEY
GENERAL,

Plaintiff,

v.

No. D-101-CV-2020-00013

JOHNSON & JOHNSON, et al.,

Defendants.

SUBPOENA FOR PRODUCTION OR INSPECTION

SUBPOENA FOR:

DOCUMENTS OR OBJECTS

TO: New Mexico Retiree Health Care Authority
c/o Neil Kueffer, Executive Director
6300 Jefferson St. NE, Suite 150
Albuquerque, NM 87109

YOU ARE HEREBY COMMANDED TO PRODUCE DOCUMENTS AS FOLLOWS:

PLACE: BARDACKE ALLISON LLP
141 E. Palace Avenue 2nd Floor
Santa Fe, NM 87501
ben@bardackeallison.com
justin@bardackeallison.com
cole@bardackeallison.com
maureen@bardackeallison.com

DATE: APRIL 18, 2022

TIME: 5:00 PM Mountain Time

YOU ARE HEREBY COMMANDED TO PRODUCE COPIES OF THE FOLLOWING DOCUMENTS: *See ATTACHMENT TO SUBPOENA.*

ABSENT A COURT ORDER, DO NOT RESPOND TO THIS SUBPOENA UNTIL THE EXPIRATION OF FOURTEEN (14) DAYS AFTER THE DATE OF SERVICE OF THE SUBPOENA.

DO NOT RESPOND TO THIS SUBPOENA FOR PRODUCTION OR INSPECTION IF YOU ARE SERVED WITH WRITTEN OBJECTIONS OR A MOTION TO QUASH UNTIL YOU RECEIVE A COURT ORDER REQUIRING A RESPONSE.

You may comply with this subpoena for production or inspection by providing legible copies of the items requested to be produced by mail or delivery to the attorney whose name appears on this subpoena. You may condition the preparation of the copies upon the payment in advance of the reasonable cost of inspection and copying. You have the right to object to the production pursuant to this subpoena as provided below.

READ THE SECTION "DUTIES IN RESPONDING TO SUBPOENA".

IF YOU DO NOT COMPLY WITH THIS SUBPOENA you may be held in contempt of court and punished by fine or imprisonment.

March 17, 2022

A handwritten signature in dark ink, consisting of a stylized, elongated mark that appears to be a combination of a capital letter and a horizontal stroke.

Judge, Clerk or Attorney

RETURN FOR COMPLETION BY SHERIFF OR DEPUTY

I certify that on the _____ day of _____, _____, in _____ County, I served this subpoena on _____ by delivering to the person named a copy of the subpoena and a fee of \$ _____ (insert the amount of fee tendered or, if no fee is tendered, "none").

Deputy Sheriff

RETURN FOR COMPLETION BY OTHER PERSON MAKING SERVICE

I, being duly sworn, on oath say that I am over the age of eighteen (18) years and not a party to this lawsuit, and that on the 11th day of March, 2022 in Santa Fe County, I served this subpoena on _____ by delivering to the person named a copy of the subpoena at the address of 1474 Rodeo Rd, Santa Fe, NM 87505.

Signature of Person Making Service

Printed Name

SUBSCRIBED AND SWORN to before me this _____ day of [month, year].

Judge, notary or other officer
authorized to administer oaths

THIS SUBPOENA is issued by or at request of:

BARDACKE ALLISON LLP
Benjamin Allison
Justin Miller
Cole Wilson
Maureen Dolan
141 E. Palace Avenue, 2d Floor
Santa Fe, NM 87501
505-995-8000
505-672-7037 fax
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202-662-6000
202-662-6291 fax
asiegel@cov.com

*Attorneys for Defendants Johnson & Johnson
Consumer Inc. and Johnson & Johnson*

TO BE PRINTED ON EACH SUBPOENA

1. This subpoena must be served on each party in the manner provided by Rule 1-005 NMRA. If service is by a party, an affidavit of service must be used instead of a certificate of service.
2. A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.
3. If a person's attendance is commanded, one full day's per diem must be tendered with the subpoena, unless the subpoena is issued on behalf of the state or an officer or agency thereof. Mileage must also be tendered at the time of service of the subpoena as provided by the Per Diem and Mileage Act. *See* Section 38-6-4 NMSA 1978 for per diem and mileage for witnesses. *See* Paragraph A of Section 10-8-4 NMSA 1978 for per diem and mileage rates for nonsalaried public officers. Payment of per diem and mileage for subpoenas issued by the state is made pursuant to regulations of the Administrative Office of the Courts. *See* Section 34-9-11 NMSA 1978 for payments from the jury and witness fee fund.

PROTECTION OF PERSONS SUBJECT TO SUBPOENAS

A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

Subject to Subparagraph (2) of Paragraph D below, a person commanded to produce and permit inspection and copying may, within fourteen (14) days after service of the subpoena or before the time specified for compliance if such time is less than fourteen (14) days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises or within fourteen (14) days after service of the subpoena may file a motion to quash the subpoena and serve the motion on all parties to the action. If an objection is served or a motion to quash is filed and served on the parties, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena

if it:

- (1) fails to allow reasonable time for compliance,
- (2) requires a person who is not a party or an officer of a party to travel to a place more than one hundred miles from the place where that person resides, is employed or regularly transacts business in person, except as provided below, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or
- (3) requires disclosure of privileged or other protected matter and no exception or waiver applies, or
- (4) subjects a person to undue burden.

If a subpoena:

- (1) requires disclosure of a trade secret or other confidential research, development, or commercial information, or
- (2) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or
- (3) requires a person who is not a party or an officer of a party to incur substantial expense to travel,

the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

DUTIES IN RESPONDING TO SUBPOENA

- (1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.
- (2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.
- (3) A person commanded to produce documents or material or to permit the inspection of premises shall not produce the documents or materials or permit the inspection of the premises if a written objection is served or a motion to quash has been filed with the court until a court order requires their production or inspection.

[As amended, effective November 1, 2002; as amended by Supreme Court Order No. 08- 8300-002, effective March 15, 2008; by Supreme Court Order No. 09-8300-030, effective October 12, 2009.]

ATTACHMENT TO SUBPOENA

DEFINITIONS

The following definitions shall be applicable throughout this subpoena's requests for production:

1. "Advertising" means print media promotion (e.g., journal ads, detail aids, brochures), audiovisual promotional labeling (e.g., videos shown in an HCP's office), broadcast media promotion (e.g., television advertisements, radio advertisements), and electronic and computer-based promotion (e.g., internet promotion, social media, e-mails, CD-ROMs, and DVDs).

2. "Agency" refers to the New Mexico Retiree Health Care Authority, including all current and former officials, employees, independent contractors, consultants, and individuals performing work as temporary employees or otherwise acting on behalf of the Agency.

3. "Asbestos" refers to asbestos, asbestos products, and asbestos containing, including any matter, substance, material, product (or component thereof) containing asbestos, asbestiform materials (including non-regulated fibers such as winchite and richterite), transition fibers, cleavage fragments, and/or nonasbestiform asbestos materials, regardless of the fiber time, form or percentage (including less than 1%). This includes any reference to "asbestos," "asbestiform," "fibrous," "transition fiber," "cleavage fragment," "chrysotile," "amphibole," "amosite," "crocidolite," "tremolite," "anthophyllite," and/or "actinolite."

4. "Claim" means any request for payment or reimbursement, in full or in part.

5. "Claims Data" means all information and data regarding the submission, processing, status, adjudication, and reimbursement of a Claim, including claim number and extension, if any; group number; member number; member date of birth, gender, and benefit status; subscriber information; dates of injury, purchase, claim submission, and bill; product, billing code,

class, and type; quantity; bill amount; savings; fee schedule; Average Wholesale Price unit cost; other cost information; and patient name or, if the Agency is unable to provide patient name, information sufficient to associate all Claims filed regarding a particular individual across all databases containing responsive information.

6. “Communication” means any disclosure, transfer, or exchange of information or opinion, however made.

7. “Complaint,” where capitalized, refers to the First Amended Complaint filed by the State of New Mexico on March 3, 2020 in the First Judicial District, Case No. D-1010-CV-2020-00013, and any amendments or supplements thereto. If not capitalized, the term should be interpreted by its common meaning in context.

8. “Defendants” refers to the Defendants named in the Complaint, including Johnson & Johnson and Johnson & Johnson Consumer, Inc.

9. “Document” refers to the materials described in New Mexico Rule of Civil Procedure 1-026 and includes, without the need for further reference and without limitation, any tangible thing and any correspondence, memoranda, writing, Communication, Electronically Stored Information, drawing, graph, chart, record, tape, message, note, calendar, diary, log, envelope, email, and facsimile transmission, whether printed or recorded or reproduced by any mechanical, photographic, xerographic, or electronic process, or written or produced by hand, and including any information contained in any computer or reasonably accessible computer memory or memory media, although not yet printed. A draft or non-identical copy is a separate Document within the meaning of this term. The term Document includes all duplicates of Documents contemporaneously or subsequently created. The Documents requested herein include Documents

no matter where they were created, maintained, or stored. Documents include all ESI relating to each Document.

10. “Electronically Stored Information” or “ESI” refers to, without limitation, all electronic data (including reasonably accessible active, archival, or backup data, such as backup tapes, distributed data, electronic mail, forensic copies, metadata, and residual data) stored in any medium from which information can be reasonably obtained.

11. “Employee” includes all current and former employees, independent contractors, and individuals performing work as temporary employees.

12. “FDA” refers to the U.S. Food and Drug Administration, the federal agency of the United States Department of Health and Human Services.

13. “Including” (both capitalized and uncapitalized) means “including but not limited to.”

14. “Litigation” refers to *The State of New Mexico v. Johnson & Johnson, et al.*, Case No. D-1010-CV-2020-00013 (New Mexico First Judicial District Court).

15. “Marketing” refers to the action or business of promoting and selling a product, branded and unbranded promotional activities and offerings, Advertising, and Marketing through digital channels.

16. “Office of the Attorney General” refers to the State of New Mexico Office of the Attorney General, including all current and former officials, employees, independent contractors, consultants, and individuals performing work as temporary employees or otherwise acting on behalf of the Office of the Attorney General.

17. “Person(s)” is any natural or legal person.

18. “Programs” refers to any Agency department, program, healthcare insurance plan, or facility, or any healthcare provider controlled, administered or paid for by New Mexico, in full or in part, that provides, has provided, reimburses for, or has reimbursed for Talc Products or JMP.

19. “Talc” refers to the hydrous magnesium silicate inorganic mined from the earth, including its loose form known as talcum powder.

20. “Talc Product” refers to any product manufactured from Talc, including Johnson’s Baby Powder and Shower to Shower. It does not include Johnson’s Medicated Powder, which is not made from talc.

21. “JMP” means Johnson’s Medicated Powder.

22. “Vendor” means any third-party claims administrator, pharmacy benefit manager, HCP, or Person involved in overseeing, administering, or monitoring any Program.

23. “State” refers to each or any of the State’s executive and legislative branches, Agencies, offices, departments, divisions, political subdivisions, commissions, agents, Employees, boards, instrumentalities, administrators, State Health Institutions, State educational institutions, Vendors, and other Persons or entities acting on the State’s behalf or involved in overseeing, administering, or monitoring any Program, including those involved in (i) determining the availability of plan or Program coverage for any Talc Product or JMP; (ii) approving or rejecting claims for payment of Talc Products or JMP reimbursed by the State; and (iii) supervising or participating in the processing or adjudication of Talc Product or JMP reimbursement claims.

24. Where the context in the Requests makes it appropriate, each singular word includes its plural, and each plural word includes its singular. The words “any,” “and”, and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery all responses which might otherwise be construed to be outside its scope. Each of

the following words includes the meaning of every other word: “each,” “every,” “all,” and “any.” The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. All Documents and Communications with or relating to any Defendant(s) concerning the Talc Products or JMP at issue in the Litigation, including the Marketing of the Talc Products or JMP at issue in the Litigation.

2. Any medical or scientific research, data, information, literature, or other Document concerning Talc or Talc Products or JMP, including any connection between Talc and Asbestos or cancer, and all Documents and Communications concerning the foregoing.

3. All Documents and Communications exchanged between the Agency and any third-party concerning Talc, Talc Products, JMP, or Asbestos in supposed or contemplated connection to Talc, any Talc Product, or JMP.

4. All Documents and Communications reflecting or concerning any complaint, report, or other inquiry the Agency received or made about Talc, Talc Products, JMP, the Marketing of the Talc Products or JMP, or reimbursement of any Talc Products or JMP under any Program.

5. All Documents and Communications concerning any investigation or enforcement action relating to Talc, Talc Products, or JMP.

6. All declarations, affidavits (whether draft or final), or any other Document or Communication or thing, obtained in connection with the Agency’s investigation of any Defendant’s Advertising or Marketing of Talc Products or JMP.

7. All Documents and Communications concerning or relating to any assessment of actual or potential harm to any Person from Talc Products or any Defendant's Marketing, Advertising, or other statements about Talc, Talc Products, JMP, Asbestos, or cancer.

8. All Documents and Communications or things concerning any administrative proceedings brought by the Agency relating to Talc, Talc Products, or JMP, including but not limited to initiating documents, witness interview notes and transcripts, reports, documentary evidence, evidence receipts, audio and video recordings, Communications with federal or other state law enforcement agencies, complaints, indictments, hearing transcripts, grand jury transcripts, motions, orders, and judgments.

9. All Documents and Communications concerning any complaints or investigations by the Agency or anyone else concerning Talc, Talc Products, or JMP that did not result in the initiation of a criminal, civil, or administrative proceeding.

10. All Documents and Communications between the Agency and any federal or state governmental entity, including FDA, the Occupational Health and Safety Administration, the National Institute of Occupational Safety and Health, the Mine Health and Safety Administration, or the National Toxicology Program, regarding Talc, Talc Products, JMP, Asbestos, or cancer in connection with Talc, Talc Products, or JMP.

11. All Documents and Communications with the Office of the Attorney General relating to the allegations in the Complaint, the Litigation, discovery of documents and information in connection with the Litigation, or any other inquiry or investigation by the Office of the Attorney General concerning Talc, Talc Products, or JMP.

12. All Documents and Communications concerning care and treatment of anyone in New Mexico injured by Talc Products or JMP, including the Agency's cost of treating asbestos-

related cancers and including expenditures for (a) public employees' health insurance coverage costs pursuant to the Group Benefits Act, § 10-7B-6 VISA 1978 (1995 Repl.); (b) retired public employees' group insurance costs from the Retiree Health Care Fund, pursuant to the Retiree Health Care Act, § 107C-3 NMSA 1978 (1995 Repl.); (c) any other expenditures by the Agency; and (d) patients exposed to Talc Products or JMP and/or who have received treatment for illnesses allegedly related to those products in connection with expenditures made by State programs, agencies, and/or departments.

13. All Documents and Communications reflecting or concerning any complaint, report, or other inquiry the Agency received or made about Talc, Talc Products, JMP, the Marketing of Talc Products or JMP, or reimbursement of any Talc Product or JMP under any Program.

14. All Documents and Communications relating to disciplinary matters, investigations, complaints, or other inquiries into Talc Products, JMP, or Asbestos.

15. All Documents and Communications reflecting, identifying, or relating to each Claim submitted under any Program for payment or reimbursement, in full or in part, of costs relating to any Talc Products or JMP, including Claims Data, Documents reviewed or relied upon in evaluating or deciding on the Claim, Communications with claimants, and paper or electronic claim forms relating to such Claims.

16. All Documents and Communications identifying, referring to, or concerning any Person who received, obtained, or was harmed by any Talc Product or JMP for which the Agency provided reimbursement or made an expenditure.

17. All Documents and Communications regarding the reimbursement by the Agency concerning Talc Products or JMP.

18. All Documents and Communications reflecting that any Person, including any wholesaler, distributor, retailer, consumer, and/or the Agency, purchased the J&J Defendants' Talc Products or JMP in New Mexico.

19. All Documents and Communications evidencing or reflecting a causal connection between any Defendant's alleged wrongdoings, as described in the Complaint, and any reimbursement decision for any Talc Product or JMP under any Program.

20. All Documents and Communications relating to any attempt or effort to recoup or seek repayment of or reimbursement for any amounts paid or reimbursed by the State concerning Talc Products or JMP.

21. All Documents and Communications relating to any direct or indirect expenditures, other than for the purchase of Talc Products or JMP, by the Agency.

22. All Documents and Communications concerning the Marketing, Advertising, promotion, or offering for sale of Talc Products or JMP in New Mexico.

23. All Documents and Communications evidencing any Person who viewed an advertisement or other representation relating to Talc, Talc Products, or JMP in New Mexico.

24. All Documents and Communications evidencing that any Person who viewed an advertisement or other representation relating to Talc, Talc Products, or JMP in New Mexico relied upon an advertisement or other representation relating to Talc, Talc Products, or JMP.

25. All Documents and Communications describing or relating to any Defendant's misrepresentation of the risks, benefits, or safety of Talc, Talc Products, or JMP.

26. All Documents and Communications evidencing that any Person relied upon any Defendant's misrepresentation of the risks, benefits, or safety of Talc, Talc Products, or JMP.

27. All Documents and Communications to or from the Cosmetic, Toiletry & Fragrance Association, n/k/a Personal Care Products Council, relating to Talc, Talc Products, JMP, or Asbestos.

28. All Documents and Communications identifying, discussing, describing, or otherwise relating to the quality, safety, or efficacy of Talc, Talc Products, or JMP.

29. All Documents and Communications identifying, discussing, describing, or otherwise relating to any relationship between (i) Talc, Talc Products, or JMP and (ii) Asbestos or cancer.

30. All Documents and Communications created, considered, used, consulted, or relied on by the Agency in assessing the safety of Talc, Talc Products, or JMP.

31. All Documents and Communications created, considered, used, consulted, or relied on by the Agency in assessing any relationship between (i) Talc, Talc Products, or JMP and (ii) Asbestos or cancer.

32. All Documents and Communications identifying, referring to, or concerning any Person who received, obtained, or was allegedly harmed by a Talc Product or JMP in New Mexico.

33. All Documents and Communications relating to the removal, retrieval, withdrawal, or recall of Talc or any Talc Products or JMP, including from New Mexico.



1 **IN THE SUPREME COURT OF THE STATE OF NEW MEXICO**

2
3
4 **March 24, 2022**

5
6 **NO. S-1-SC-39190**

7
8
9 **VICTORIA LOPEZ,**

10 Appellant-Petitioner,

11
12
13 v.

14
15 **NEW MEXICO RETIREE**
16 **HEALTHCARE AUTHORITY,**

17 Appellee-Respondent.

18
19
20 **ORDER**

21
22 WHEREAS, this matter came on for consideration by the Court upon
23 petition for writ of certiorari and response filed under Rule 12-502 NMRA, and the
24 Court having considered the foregoing and being sufficiently advised, Chief
25 Justice Michael E. Vigil, Justice C. Shannon Bacon, Justice David K. Thomson,
26 Justice Julie J. Vargas, and Justice Briana H. Zamora concurring;

27 NOW, THEREFORE, IT IS ORDERED that the petition for writ of
28 certiorari is DENIED; and

29 IT IS FURTHER ORDERED that the Court of Appeals may proceed in
30 *Lopez v. NM Retiree Healthcare Authority*, Ct. App. No. A-1-CA-39121 in

1 accordance with the Rules of Appellate Procedure.

2 IT IS SO ORDERED.



WITNESS, the Honorable Michael E. Vigil, Chief Justice of the Supreme Court of the State of New Mexico, and the seal of said Court this 24th day of March, 2022.

Elizabeth A. Garcia, Clerk of Court
Supreme Court of New Mexico

By Mycole Vigil
Deputy Clerk

I CERTIFY AND ATTEST:

A true copy was served on all parties
or their counsel of record on date filed.

Mycole Vigil

Clerk of the Supreme Court
of the State of New Mexico

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of Feb 2022

(Report as of March 17, 2022)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	192,733,054.55	-	-	(56,286.74)	399,122.32	(2,866,752.75)	190,209,137.38
Credit & Structured Finance	155,286,659.44	-	-	-	433,881.96	476,897.04	156,197,438.44
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	146,911,095.51	-	-	(15,111.00)	248,137.37	(2,309,783.33)	144,834,338.55
Non-US Emerging Markets Active Pool	98,970,024.26	-	-	(140,886.51)	31,114.53	(3,632,812.36)	95,227,439.92
Private Equity Pool	161,554,015.52	-	-	-	140,499.78	(91,989.12)	161,602,526.18
Real Estate Pool	107,936,736.29	-	-	-	116,666.53	(105,381.96)	107,948,020.86
Real Return Pool	46,626,784.27	-	-	(10,315.08)	263,118.96	259,912.85	47,139,501.00
US Large Cap Index Pool	187,563,368.97	-	-	(4,522.53)	261,604.92	(5,403,840.24)	182,416,611.12
US SMID Cap Alternative Weighted Index Pool	24,460,513.58	-	-	(2,713.95)	23,828.05	318,276.13	24,799,903.81
Sub - Total New Mexico Retiree Health Care	1,122,042,252.39	-	-	(229,835.81)	1,917,974.42	(13,355,473.74)	1,110,374,917.26
Total New Mexico Retiree Health Care	1,122,042,252.39	-	-	(229,835.81)	1,917,974.42	(13,355,473.74)	1,110,374,917.26

FY23 Operating Budget – Action Item

Background: The State Budget Act (Section 6-3-7 NMSA 1978) mandates the completion and submission of the FY23 operating budget to the State Budget Division (SBD) by close of business Monday, May 2, 2022. The State Budget Act specifies that operating budgets require SBD approval, and expenditures cannot be made without such approval. In addition, the Retiree Health Care Act (Section 10-7C-16) includes a requirement that “expenditures for the administration of the Retiree Health Care Act shall be made as provided by an operating budget adopted by the board.” In accordance with these requirements, the FY23 operating budget submitted by the agency will be consistent with the amounts contained in Laws 2022, Chapter 54 otherwise known as the General Appropriation Act of 2022.

Table I						
(\$ shown in thousands)						
Agency	FY22 Approved Operating	FY22 Adjusted Operating	FY23 Request	HB2/GAA	Comp/ Package (OPBUD2)	Total
Personal Services & Employee Benefits*	\$ 2,077.1	\$ 2,123.6	\$ 2,240.5	\$ 2,150.9	\$ -	\$ 2,150.9
Contractual Services	\$ 354,123.1	\$ 354,123.1	\$ 377,601.6	\$ 377,601.6	\$ -	\$377,601.6
Other	\$ 592.5	\$ 592.5	\$ 632.0	\$ 632.0	\$ -	\$ 632.0
Other Financing Uses*	\$ 3,247.1	\$ 3,293.6	\$ 3,502.4	\$ 3,412.8	\$ -	\$ 3,412.8
Total	\$ 360,039.8	\$ 360,132.8	\$ 383,976.5	\$ 383,797.3	\$ -	\$383,797.3
Healthcare Benefits Administration						
Contractual Services	\$ 353,501.7	\$ 353,501.7	\$ 376,926.7	\$ 376,926.7	\$ -	\$376,926.7
Other	\$ 43.9	\$ 43.9	\$ 45.0	\$ 45.0	\$ -	\$ 45.0
Other Financing Uses*	\$ 3,247.1	\$ 3,293.6	\$ 3,502.4	\$ 3,412.8	\$ -	\$ 3,412.8
Subtotal	\$ 356,792.7	\$ 356,839.2	\$ 380,474.1	\$ 380,384.5	\$ -	\$380,384.5
Program Support						
Personal Services & Employee Benefits*	\$ 2,077.1	\$ 2,123.6	\$ 2,240.5	\$ 2,150.9	\$ -	\$ 2,150.9
Contractual Services	\$ 621.4	\$ 621.4	\$ 674.9	\$ 674.9	\$ -	\$ 674.9
Other	\$ 548.6	\$ 548.6	\$ 587.0	\$ 587.0	\$ -	\$ 587.0
Subtotal	\$ 3,247.1	\$ 3,293.6	\$ 3,502.4	\$ 3,412.8	\$ -	\$ 3,412.8
Total	\$ 360,039.8	\$ 360,132.8	\$ 383,976.5	\$ 383,797.3	\$ -	\$383,797.3
FTE	26	26	26	26	26	26

The sections highlights are subject to change pending DFA’s allocation to support the pay increases authorized in Section 8 of the General Appropriation Act. These increases apply to all employee (classified and exempt) and will be reflected in the personal services and employee benefits category of Program Support and the other financing uses category of the Healthcare Benefits Administration Program, which is estimated to be \$68.8 - \$75 thousand.

Section 4: Performance Measure and Reversion.

Performance Measure: Output: Minimum number of years of positive fund balance – Target 30

Reversion Language: Any unexpended balances in program support of the retiree health care authority remaining at the end of fiscal year 2023 shall revert to the healthcare benefits administration program.

Section 8. Compensation Appropriations.

Subsection A. Thirty-one million five hundred fifty-nine thousand four hundred dollars (\$31,559,400) is appropriated from the general fund to the department of finance and administration for fiscal year 2022 to provide a salary increase of three percent to each employee in a budgeted position who has completed their probationary period subject to satisfactory job performance or for another purpose authorized in this section. Police officers of the department of public safety shall be exempt from the requirement to complete their probationary period. The salary increase shall be effective the first full pay period after April 1, 2022 and distributed as follows:

(4) four million seven hundred two thousand eight hundred dollars (\$4,702,800) for incumbents in agencies governed by the State Personnel Act, the New Mexico state police career pay system, attorney general employees, workers' compensation judges and executive exempt employees;

Subsection B. One hundred forty million eight hundred dollars (\$140,000,800) is appropriated from the general fund to the department of finance and administration for fiscal year 2023 to pay all costs attributable to the general fund of providing an average salary increase of four percent, in addition to the continuation of increases appropriated in Subsection A, to employees in budgeted positions who have completed their probationary period subject to satisfactory job performance. This appropriation includes sufficient funding to provide all affected employees an hourly salary of at least fifteen dollars (\$15.00). Police officers of the department of public safety shall be exempt from the requirement to complete their probationary period. The salary increases shall be effective the first full pay period after July 1, 2022 and distributed as follows:

(4) fifty-seven million six hundred twenty-one thousand five hundred dollars (\$57,621,500) for incumbents in agencies governed by the State Personnel Act, the New Mexico state police career pay system, attorney general employees, workers' compensation judges and executive exempt employees; and

Subsection E. For those state employees whose salaries are referenced in or received as a result of nongeneral fund appropriations in the General Appropriation Act of 2021 or 2022, the department of finance and administration shall transfer from the appropriate fund to the appropriate agency the amount required for the salary increases equivalent to those provided for in this section. Such amounts are appropriated for expenditure in fiscal year 2022 and fiscal year 2023. Any unexpended balances remaining at the end of fiscal year 2023 shall revert to the appropriate fund.

Section 13. Certain Fiscal Year 2023 Budget Adjustment Authorized.

Subsection C. In addition to the specific category transfers authorized in Subsection E of this section and unless a conflicting category transfer is authorized in Subsection E of this section, all agencies, including legislative agencies, may request category transfers among personal services and employee benefits, contractual services and other.

Subsection D. Unless a conflicting budget increase is authorized in Subsection E of this section, a program with internal service funds/interagency transfers appropriations that collects money in excess of those appropriated may request budget increases in an amount not to exceed five percent of its internal service funds/interagency transfers and a program with other state funds that collects money in excess of those appropriated may request budget increases in an amount not to exceed five percent of its other state funds contained in Section 4 of the General Appropriation Act of 2022. To track the five percent transfer limitation, agencies shall report cumulative budget adjustment request totals on each budget request submitted. The department of finance and administration shall certify agency reporting of these cumulative totals.

Subsection E. In addition to the budget authority otherwise provided in the General Appropriation Act of 2022, the following agencies may request specified budget adjustments:

(9) the healthcare benefits administration program of the retiree health care authority may request budget increases from other state funds for claims.

Other Substantive Information:

Subsection D authorizes budget adjustments by program as follows:

	GAA	5%	Total
Healthcare Benefits Administration	\$ 380,384.5	\$ 19,019.2	\$ 399,403.7
Program Support	\$ 3,412.8	\$ 170.6	\$ 3,583.4
	\$ 383,797.3	\$ 19,189.9	\$ 402,987.2

Requested Action: NMRHCA staff respectfully requests that the Board of Directors delegate final approval of the FY23 operating budget to the Finance Committee, upon review at its regularly scheduled meeting on April 27. Final approval will include a 4 percent pay increase in addition to the 3% for FY22 for all employees subject to the State Personnel Act and executive exempt employees.

Additional details by program revenue are as follows:

Health Benefit Fund - Revenue Detail						
		FY22	FY23	DOLLAR	PERCENT	
		OPBUD	OPBD	CHANGE	CHANGE	
	REVENUE:					
1	Employer/Employee Contributions	\$ 114,570.5	\$ 124,570.5	\$ 10,000.0	8.7%	1
2	Retiree Contributions	\$ 174,974.8	\$ 179,407.3	\$ 4,432.5	2.5%	2
3	Taxation and Revenue Suspense Fund	\$ 36,881.0	\$ 41,306.7	\$ 4,425.7	12.0%	3
4	Other Miscellaneous Revenue	\$ 30,000.0	\$ 35,000.0	\$ 5,000.0	16.7%	4
5	Interest Income	\$ 400.0	\$ 100.0	\$ (300.0)	-75.0%	5
6	TOTAL REVENUE:	\$ 356,826.3	\$ 380,384.5	\$ 23,558.2	6.6%	6
Health Benefit Fund Expenditure Summary						
		FY22	FY23	DOLLAR	PERCENT	
		OPBUD	OPBD	CHANGE	CHANGE	
	Contractual Services					
7	Prescriptions	\$ 116,800.7	\$ 123,300.7	\$ 6,500.0	5.6%	7
8	Medical - Supplement/Self- Insured	\$ 168,000.0	\$ 178,500.0	\$ 10,500.0	6.3%	8
9	Medicare Advantage	\$ 29,951.0	\$ 34,026.0	\$ 4,075.0	13.6%	9
10	Voluntary Coverages	\$ 38,750.0	\$ 41,100.0	\$ 2,350.0	6.1%	10
11	Total Contractual Services	\$ 353,501.7	\$ 376,926.7	\$ 23,425.0	6.6%	11
	Other					
12	PCORI Fee	\$ 43.9	\$ 45.0	\$ 1.1	2.5%	12
13	Total Other	\$ 43.9	\$ 45.0	\$ 1.1	2.5%	13
	Other Financing Uses					
14	Program Support	\$ 3,280.7	\$ 3,412.8	\$ 132.1	4.0%	14
15	Total Other Financing Uses	\$ 3,280.7	\$ 3,412.8	\$ 132.1	4.0%	15
16	Total Expenditures	\$ 356,826.3	\$ 380,384.5	\$ 23,558.2	6.6%	16

*Subject to change based on Compensation Package

Expenditure Detail (Personal Services and Employee Benefits)						
		FY22	FY23	DOLLAR	PERCENT	
		OPBUD	OPBUD	CHANGE	CHANGE	
1	520100 Exempt Positions	285.9	376.8	90.9	31.8%	1
2	520300 Classified Perm. Positions	1,215.6	1,126.4	(89.2)	-7.3%	2
3	520800 Annual & Comp Paid/Unused Sick/Overtime		-	-	0.0%	3
4	521100 Group Insurance Premium	202.2	202.2	-	0.0%	4
5	521200 Retirement Contributions	258.8	286.6	27.8	10.7%	5
6	521300 FICA	114.2	121.4	7.2	6.3%	6
7	521400 Workers Comp	0.2	0.2	-	0.0%	7
8	521410 GSD Work Comp Ins	1.0	1.3	0.3	30.0%	8
9	521500 Unemployment Comp	-	-	-	0.0%	9
10	521600 Employee Liability Insurance	2.9	3.3	0.4	13.8%	10
11	521700 Retiree Healthcare	29.9	32.7	2.8	9.4%	11
12	523000 COVID Related Admin Leave	-	-	-	0.0%	12
13	TOTAL	2,110.7	2,150.9	40.2	1.9%	13
Expenditure Detail (Contractual Services)						
		FY22	FY23	DOLLAR	PERCENT	
		OPBUD	OPBUD	CHANGE	CHANGE	
14	535200 Professional Services	358.9	415.0	56.1	15.6%	14
15	535300 Other Services	12.5	12.5	-	0.0%	15
16	535309 Other Services InterA	15.8	20.0	4.2	26.6%	16
17	535400 Audit Services	84.2	72.4	(11.8)	-14.0%	17
18	535500 Attorney Services	60.0	50.0	(10.0)	-16.7%	18
19	535600 Information Technology Services	90.0	105.0	15.0	16.7%	19
20	TOTAL	621.4	674.9	53.5	8.6%	20
Expenditure Detail (Other)						
		FY22	FY23	DOLLAR	PERCENT	
		OPBUD	OPBUD	CHANGE	CHANGE	
21	542100 Employee In-State Mileage & Fares	1.5	1.5	-	0.0%	21
22	542200 Employee In-State Meals & Lodging	2.5	2.5	-	0.0%	22
23	542300 Board & Commission - In-State	13.5	13.5	-	0.0%	23
24	542500 Transportation-Fuel & Oil	1.0	1.0	-	0.0%	24
25	542600 Transportation	0.1	0.1	-	0.0%	25
26	542700 Transporation Insurance	0.2	0.2	-	0.0%	26
27	542800 State Transportation Pool Charges	4.5	5.8	1.3	28.9%	27
28	543200 Maintenance - Furniture, Fixtures & Equipment	6.0	6.0	-	0.0%	28
29	543300 Maintenance - Building & Structure	4.5	6.0	1.5	33.3%	29
30	543400 Maintenance - Property Insurance	-	0.1	0.1	#DIV/0!	30
31	543820 IT Maintenance	7.5	40.0	32.5	0.0%	31
32	544000 Supply Inventory IT	23.0	23.0	-	117.4%	32
33	544100 Supplies - Office Supplies	8.5	13.0	4.5	52.9%	33
34	544900 Supplies - Inventory Exempt	5.0	5.0	-	0.0%	34
35	545600 Reporting & Recording	-	-	-	0.0%	35
36	545609 Report/Record Inter St Agency	-	-	-	0.0%	36
37	545700 DoIT ISD Services	4.2	11.0	6.8	161.9%	37
38	545710 DoIT HCM Assessment	9.5	9.5	-	0.0%	38
39	545900 Printing & Photo. Services	56.0	59.5	3.5	7.1%	39
40	546100 Postage & Mail Services	120.0	100.0	(20.0)	-16.7%	40
41	546400 Rent of Land & Buildings	115.8	119.2	3.4	2.9%	41
42	546409 Rent Expense - Interagency	8.6	8.9	0.3	3.5%	42
43	546500 Rent of Equipment	43.3	30.3	(13.0)	-30.0%	43
44	546600 Communications	21.0	21.0	-	0.0%	44
45	546610 DOIT Communications	56.1	69.1	13.0	23.2%	45
46	546700 Subscriptions & Dues	7.0	7.0	-	0.0%	46
47	546800 Employee Training & Edu.	5.0	10.0	5.0	100.0%	47
48	546801 Board Member Training	10.0	7.5	(2.5)	-25.0%	48
49	546900 Advertising	1.0	1.0	-	0.0%	49
50	547900 Miscellaneous Expense	1.3	1.3	-	0.0%	50
51	547999 Request to Pay Prior Year	-	-	-	0.0%	51
52	548300 Information Technology Equipment	5.0	5.0	-	100.0%	52
53	549600 Employee Out-Of-State Mileage & Fares	1.0	2.0	1.0	100.0%	53
54	549700 Employee Out-Of-State Meals & Lodging	1.0	2.0	1.0	100.0%	54
55	549800 B&C-Out-Of-State Mileage & Fares	3.5	3.5	-	0.0%	55
56	549900 B&C- Out-Of-State Meals & Lodging	1.5	1.5	-	0.0%	56
57	TOTAL	548.6	587.0	38.4	7.0%	57

Healthcare Benefits Administration FY22 Contract Amendments – Action Item*

Background

NMRHCA staff proposes to amend the self-insured agreements with Presbyterian Health Plan Blue Cross Blue Shield Self and Express Scripts as shown below, based on projected expenditures through June 30, 2022. The proposed amendments will accommodate potential shortfalls through the remainder of the fiscal year.

Healthcare Benefits Administration Contractual Services Information

FY22 Approved/Adjusted Operating Budget	\$353,501,700						
Contract	Amount Encumbered YTD	Expended 3.28.22	Contract Balance	Percent Remaining	Proposed Amendment	Projected	Shortfall/ Surplus
BCBS -- Self Insured	\$112,500,000	\$78,781,375	\$33,718,625	30.0%	\$3,000,000	\$111,500,000	\$1,000,000
Presbyterian -- Self Insured	\$52,500,000	\$36,494,238	\$16,005,762	30.5%	\$1,000,000	\$49,500,000	\$3,000,000
Presbyterian MA	\$15,750,000	\$8,805,261	\$6,944,739	44.1%	\$0	\$11,900,000	\$3,850,000
BCBS MA	\$3,750,000	\$1,419,243	\$2,330,757	62.2%	\$0	\$1,800,000	\$1,950,000
Humana MA	\$1,450,000	\$583,044	\$866,956	59.8%	\$0	\$780,000	\$670,000
UnitedHealthcare MA	\$8,000,000	\$2,503,781	\$5,496,219	68.7%	\$0	\$3,200,000	\$4,800,000
Express Scripts	\$115,000,000	\$75,289,716	\$39,710,284	34.5%	\$2,000,000	\$113,000,000	\$2,000,000
Delta	\$22,500,000	\$16,102,178	\$6,397,822	28.4%	\$0	\$21,500,000	\$1,000,000
Standard	\$13,250,000	\$9,623,418	\$3,626,582	27.4%	\$0	\$12,900,000	\$350,000
Davis Vision	\$2,750,000	\$1,868,100	\$881,900	32.1%	\$0	\$2,500,000	\$250,000
PCORI Fee	\$43,900	\$39,029	\$4,871	0.0%	\$0	\$ 42,000.00	\$1,900
Total	\$347,493,900	\$231,509,383	\$115,984,517	33.4%	\$6,000,000	\$328,622,000	\$18,871,900
Unencumbered Balance	\$6,007,800	\$6,007,800	\$6,007,800	100.0%	\$7,800	\$304,243	\$304,243

Requested Action

NMRHCA staff respectfully requests approval to amend the compensation sections of the Blue Cross Blue Shield Self Insured contract in the amount of \$3,000,000, Presbyterian Health Plan Self Insured contract in the amount of \$1,000,000 and Express Scripts in the amount of \$2,000,000 to accommodate projected increases in costs through the remainder of FY22.

**FY22 New Contract – Security Assessment (Small Purchase)
And Internal Audit Risk Assessment (Small Purchase)
Program Support - Action Item***

FY22 New Contract – Security Assessment (Small Purchase)

NMRHCA staff proposes to conduct an annual IT security assessment in order to identify system vulnerabilities, prevent unlawful access, and prevent data theft. NMRHCA staff proposes to enter into a small purchase contract with Aquila Inc. to conduct the assessment under Statewide Price Agreement # 90-00000-19-00065 AI. This year's security assessment is estimated to cost \$13,585.

FY22 New Contract – Internal Audit Risk Assessment (Small Purchase)

NMRHCA proposes to conduct an internal audit risk assessment. The risk assessment would be entity-wide and would be done to determine highest priorities for internal audit resources. The assessment will provide a roadmap to create an internal audit function to assist with auditing key processes, ensure strong internal controls, and documented processes. NMRHCA staff proposes entering a small purchase contract with REDW totaling \$10,000.

FY22 Approved Operating Budget - Program Support/Contractual Services --- \$621,400						
Operating Budget	\$621,400					
Contract	Amount	Expended	Contract	Percent	Proposed	Revised
	Encumbered YTD	3.28.22	Balance	Remaining	Amendment/ New	Total
Segal	\$345,000	\$144,206	\$200,794	58.2%	\$0	\$345,000
Judith Beatty	\$7,000	\$4,081	\$2,919	41.7%	\$0	\$7,000
Moss Adams	\$69,580	\$42,341	\$27,239	39.1%	\$0	\$69,580
Rodey	\$40,000	\$22,830	\$17,170	42.9%	\$0	\$40,000
Work Quest	\$3,692	\$2,102	\$1,589	43.1%	\$0	\$3,692
RESPEC	\$55,500	\$37,186	\$18,314	33.0%	\$0	\$55,500
GSD (MOU) PBM Consultant	\$31,250	\$0	\$31,250	100.0%	\$0	\$31,250
SPO (MOU)	\$1,336	\$1,336	\$0	0.0%	\$0	\$1,336
PERA (MOU)	\$16,037	\$0	\$16,037	100.0%	\$0	\$16,037
Mauchuca Acct. & Consult. LLC	\$16,266	\$16,202	\$64	0.4%	\$0	\$16,266
REDW	\$0	\$0	\$0	NA	\$10,000	\$10,000
Aquila Inc.	\$0	\$0	\$0	NA	\$13,585	\$13,585
Total	\$585,661	\$270,285	\$315,376	53.8%	\$23,585	\$609,246
Unencumbered Balance	\$35,739	\$35,739	NA	NA	\$12,154	\$12,154

Requested Action

NMRHCA staff respectfully requests authority to contract for an IT security assessment and an internal audit risk assessment.

Healthcare Benefits Administration & Program Support
FY23 Contract Amendments/New Contracts – Action Item*

The charts below include a list of existing contracts that need to be amended for fiscal year 2023 required to meet our business obligations regarding the administration of both the Healthcare Benefits Administration Program and Program Support.

Healthcare Benefits Administration Program FY23 Proposed Contract Amendments

The proposed contracts administered through the Healthcare Benefits Administration Program are as follows:

FY23 Approved Operating Budget	\$376,926,700		
	Proposed		
	Contract	Contract	Amendment
Vendor	Amount	Term	Type
1 Vendor A - Pharmacy Benefit Mang.	\$122,000,000	July 1, 2022 - June 30, 2026	New
2 The Standard	\$13,700,000	July 1, 2019 - June 30, 2023	Term & Comp
3 BCBS -- Self Insured	\$122,500,000	July 1, 2020 - June 30, 2024	Term & Comp
4 Presbyterian -- Self Insured	\$56,750,000	July 1, 2020 - June 30, 2024	Term & Comp
5 Presbyterian MA	\$14,000,000	July 1, 2020 - June 30, 2024	Term & Comp
6 BCBS MA	\$3,000,000	July 1, 2020 - June 30, 2024	Term & Comp
7 Humana MA	\$1,450,000	July 1, 2020 - June 30, 2024	Term & Comp
8 UnitedHealthcare MA	\$8,000,000	July 1, 2020 - June 30, 2024	Term & Comp
9 Delta	\$23,400,000	July 1, 2020 - June 30, 2024	Term & Comp
10 Davis Vision	\$2,750,000	July 1, 2020 - June 30, 2024	Term & Comp
Total	\$367,550,000	NA	NA
Unencumbered Balance	\$9,376,700	Available for mid/end-year adjustments	

The proposed amounts for FY23 are based on FY22 projected expenditures and assume the following variables:

1. Vendor A (Pharmacy Benefit Manager) - projected costs based on FY22 projected expenditures.
2. The Standard – projected costs based on FY22 projected expenditures + growth in participation.
3. Blue Cross Blue Shield (Self-Insured) – projected costs based on FY22 projected expenditures + medical trend.
4. Presbyterian (Self-Insured) – projected costs based on FY22 projected expenditures + medical trend.
5. Presbyterian (Medicare Advantage) – projected costs based on FY22 projected expenditures.
6. Blue Cross Blue Shield (Medicare Advantage) – projected costs based on FY22 projected expenditures
7. Humana (Medicare Advantage) - projected costs based on FY22 projected expenditures
8. UnitedHealthcare (Medicare Advantage) - projected costs based on FY22 projected expenditures + growth in participation.
9. Delta (Dental) – projected costs based on FY22 projected expenditures + growth in participation + rate adjustment.
10. Davis (Vision) – projected costs based on FY22 projected expenditures.

Program Support FY23 Proposed Contract Amendments/New

The proposed contracts administered through Program Support are as follows:

	FY23 Approved Operating Budget	\$674,900		
		Proposed		
		Contract	Contract	
	Vendor	Amount	Term	Type
1	Segal	\$345,000	July 1, 2019 - June 30, 2023	Term/Comp
2	Judith Beatty	\$7,000	July 1, 2022 - June 30, 2023	New/Small
3	Moss Adams	\$70,390	July 1, 2020 - June 30, 2023	Term/Comp
4	Vendor B - Legal Services	\$40,000	July 1, 2022 - June 30, 2023	New/Small
5	RESPEC	\$55,500	July 1, 2022 - June 30, 2023	Price Agreement
6	PERA MOU - HR Services	\$16,037	July 1, 2022 - June 30, 2023	MOU
7	Work Quest	\$4,500	July 1, 2022 - June 30, 2023	New/Small
	Total	\$538,427		
	Unencumbered Balance	\$136,473	Available for mid/end-year adjustments	

The proposed contracts and amounts for FY23 assume the following:

1. Segal – projected expenditures related to benefit consulting services, solvency projections, GASB employer allocation schedules and HIPAA compliance support.
2. Judith Beatty – projected expenditures based on prior year actuals.
3. Moss Adams – annual financial audit/audit of employer allocation schedules GAS 75.
4. Vendor B – legal services for fees consistent with historical expenditures and contingencies.
5. RESPEC – projected amounts associated with ongoing maintenance related to CareView based on FY22.
6. PERA MOU – shared HR services.
7. Work Quest – document destruction services projected expenditures based on historical expenditures.

Requested Action: NMRHCA staff respectfully requests approval of the proposed contract amendments and new contracts listed in the charts above for fiscal year 2023.