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ANNUAL MEETING OF THE BOARD OF DIRECTORS



**July 14 & 15, 2022
9:30/9:00 AM**

Day 2

**Hotel Encanto De Las Cruces
705 South Telshor Blvd
Las Cruces, NM 88011**

Online: <https://meet.goto.com/528992213>

Telephone: 1-224-501-3412 / Access Code: 528-992-213

New Mexico Retiree Health Care Authority
Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

July 15, 2022

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

NMRHCA BOARD OF DIRECTORS

July 2022

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

Ms. Therese Saunders, Vice President
NEA-NM, Classroom Teachers Assoc., & NM
Federation of Educational Employees
5811 Brahma Dr. NW
Albuquerque, NM 87120
tsaunders3@mac.com
505-934-3058

Ms. Leanne Larranaga-Ruffy, Secretary
Alternate for PERA Executive Director
Public Employees Retirement Association
33 Plaza La Prensa
Santa Fe, NM 87507
leanne.larranaga@state.nm.us
505-476-9332

Mr. Sanjay Bhakta
NM Municipal League
100 Marquette Ave, 11th Floor
City/County Building
Albuquerque, NM 87102
sbhakta@cabq.gov

Mr. Terry Linton
Governor's Appointee
PO Box 25485
Albuquerque, NM 87125
tlinton1951@gmail.com
505-250-4070

Mr. Jamie Widner
Superintendents' Association of NM
PO Box 227
Melrose, NM 88124
jwidner@yucca.net
575-799-3348

The Honorable Mr. Tim Eichenberg
NM State Treasurer
2055 South Pacheco Street
Suite 100 & 200
Santa Fe, NM 87505
tim.eichenberg@state.nm.us
505-955-1120

Mr. Rick Scroggins
Alternate for ERB Executive Director
Educational Retirement Board
PO Box 26129
Santa Fe, NM 87502-0129
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505-476-6152

Mr. Lance Pyle
NM Association of Counties
Curry County Administration
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Clovis, NM 88101
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575-763-3656

Mr. Tomas E. Salazar, PhD
NM Assoc. of Educational Retirees
PO Box 66
Las Vegas, NM 87701
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Ms. Raquel Alirez
Classified State Employee
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Albuquerque, NM 87102
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505-365-3474

ANNUAL MEETING OF THE
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

July 14 & 15, 2022
9:30 AM / 9:00 AM

Hotel Encanto de Las Cruces
705 South Telshor Blvd.
Las Cruces, NM 88011

Online: <https://global.gotomeeting.com/join/528992213>
Telephone: 1-224-501-3412 / Access Code: 528-992-213

AGENDA – July 15th (Day 2)

		Page
1. Call to Order	President	
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	President	
4. Executive Director's Update	Mr. Kueffer, Executive Director	
a. HR Updates		
b. IT Security Assessments		
c. Executive Order-2022-086 NM Rx Drug Task Force		5
d. Legislative – IPOC		8
e. State of NM, Ex. Rel., Hector Balderas, Attorney General v. Johnson & Johnson et al.		
f. Lopez v. NMRHCA, D-101-CV-2019-02546		24
g. GAS 75 – Employer Allocations		26
h. May 31, 2022, SIC Report		27
5. Provider Presentations Continued		
a. UnitedHealthcare	Mr. Cadriel, Regional Account Vice President	28
b. Humana	Ms. Calderon, Director, Client Mgmt.	40
c. Delta	Mr. Moraga, Sales & Account Mgr. Ms. Piña, Account Manager	52
d. Davis	Mr. Garcia, VP Regional Marketing Ms. Fenner, Sr. Account Manager	65
e. Standard	Mr. Archuleta, Account Specialist	77
6. CY2023 Plan Year Recommendations (Action Items)	Mr. Kueffer, Executive Director	89
7. Other Business	President	
8. Date & Location of Next Board Meeting	President	
Tentative -- August 30, 2022, 9:00 AM CNM Workforce Training Center 5600 Eagle Rock Ave NE Albuquerque, NM 87113		
9. Adjourn	President	



State of New Mexico

Michelle Lujan Grisham
Governor

EXECUTIVE ORDER 2022-086

ESTABLISHING THE NEW MEXICO PRESCRIPTION DRUG TASK FORCE

WHEREAS, prescription drugs are essential to the health of New Mexicans;

WHEREAS, according to the Kaiser Family Foundation approximately six in ten adult Americans take at least one prescription drug, and one quarter of surveyed adults take four or more prescriptions;

WHEREAS, Centers for Medicaid and Medicare Services reported national health expenditures for prescriptions drugs reached \$348.4 billion in 2020;

WHEREAS, the cost of prescription drugs continues to escalate beyond what many patients can afford;

WHEREAS, last year the National Conference of State Legislatures presented research to the New Mexico Legislative Health & Human Services Committee that the price of brand name medicines increased by 33% since 2014;

WHEREAS, three in ten adults reported to the Kaiser Family Foundation they did not take prescribed medication during the past year due to cost;

WHEREAS, in 2021 a GBAO Strategies survey reported a substantial number of New Mexicans skipped medications due to cost;

WHEREAS, no New Mexican should have to forego life-saving medication in order to make ends meet; and

WHEREAS, New Mexico would benefit from a task force dedicated to bringing transparency and affordability to prescription drug prices.

NOW, THEREFORE, I, Michelle Lujan Grisham, Governor of the State of New Mexico, by virtue of the authority vested in me by the Constitution and laws of the State of New Mexico, do hereby **ORDER** and **DIRECT**:

1. The New Mexico Prescription Drug Task Force (“Task Force”) shall be created to analyze and report solutions to manage and minimize the costs of prescriptions for New Mexicans.

2. The Task Force shall consist of the following members:

a. The Superintendent of Insurance; and

b. The following individuals who shall be appointed by and serve at the pleasure of the Governor:

i. A physician licensed in New Mexico;

ii. A pharmacist licensed in New Mexico engaged in pharmaceutical practice at an independent pharmacy ;

iii. A patient advocate; and

iv. An individual whose profession is in the health insurance industry.

3. The Task Force Shall advise and assist the Governor in addressing excessive prescription drug prices and the financial burden that prescription drug prices place on New Mexicans. The Task Force shall:

a. Analyze data and information relating to the development, pricing, distribution, and purchasing of prescription drugs;

b. Review and evaluate actions taken by New Mexico and other states to lower the cost of prescription drugs;

c. Recommend potential legislative, administrative, or regulatory actions that can be taken to reduce the price of prescription drugs for New Mexicans; and

d. Issue a report to the Governor on or before August 31, 2022 summarizing the data reviewed by the Task Force and recommending potential solutions to reduce the price of prescription drugs.

4. The Governor shall appoint a chair of the Task Force from amongst the members.

5. The chair may propose additional members to the Governor for appointment to the Task Force.

6. Task Force members shall not be compensated for their service, other than for per diem for members traveling more than 100 miles to the designated meeting location.

I FURTHER ORDER and DIRECT as follows:


1. This Order shall take effect immediately and shall remain in effect until renewed, modified, or rescinded.

ATTEST:


MAGGIE TOULOUSE OLIVER
SECRETARY OF STATE

DONE AT THE EXECUTIVE OFFICE
THIS 9TH DAY OF JUNE 2022

WITNESS MY HAND AND THE GREAT
SEAL OF THE STATE OF NEW MEXICO


MICHELLE LUJAN GRISHAM
GOVERNOR





NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

Investments & Pensions Oversight Committee

Representative Patricia Roybal Caballero, Chair
Senator Roberto “Bobby” J. Gonzales, Vice Chair

Agency Review, Updates & Prescription Costs
July 7, 2022

Doug Crandall, President
Therese Saunders, Vice President
LeAnne Larrañaga-Ruffly, Secretary
Neil Kueffer, Executive Director

Retiree Health Care Authority Act - 1990

10-7C-1 through 10-7C-16 NMSA 1978

- Purpose to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico
- Legislative Findings (10-7C-3)
 - Public employees face a severe problem in securing continuing medical insurance upon retirement citing medical care inflation exceeding general inflation for the past decade (1990)
 - Public employees covered by the Act have entered into public employment in circumstances where they have received in exchange for their services a present salary and an expectation of receiving a future stream of benefits, including certain retirement benefits
 - Nothing in the Act shall prohibit the legislature from increasing or decreasing participating employer or employee contributions, eligible retiree premiums or group health insurance coverage
- Board Duties (10-7C-7)
 - Administration of program to include: procurement, promulgate and adopting rules, regulations and procedures for the governance of eligibility, participation, enrollment, length of service requirements and other conditions

Board Member Information

Governed by 11-member Board of Directors:

- Doug Crandall, President -- Retired Public Employees of New Mexico (RPENM)
- Therese Saunders, Vice President -- NEA, Teachers Association
- LeAnne Larranaga-Ruffy, Secretary – Public Employees Retirement Association Designee
- Rick Scroggins – Educational Retirement Board Designee
- Tomas Salazar -- New Mexico Association of Educational Retirees (NMAER)
- Tim Eichenberg -- State Treasurer
- Terry Linton -- Governor Appointee
- Jamie Widner -- Superintendents Association
- Sanjay Bhakta -- Municipal League
- Lance Pyle -- Association of Counties
- *Vacant* -- State Classified Employee, State Personnel Office

Program Composition, Participation & Financing

Active participation – 92,484 (6/30/21)

- Public Employer Groups - 302
 - Schools – 50%
 - State agencies – 25%
 - Local government – 25%

Retiree participation – 67,717 (7/1/22)

- Medicare – 40,698
- Pre-Medicare – 13,370
- Voluntary Only – 13,649
- Retirees – 48,473
- Spouses/DP – 16,476
- Dependent Children – 2,768
- Average Age Retiree – 70.65
 - Enrollment – 60.67 (2021)
 - Enrollment – 61.24 (2022 – to date)
- Retirees Under age 55 - 2,100

FY23 Budget

Healthcare Benefits Administration

- Uses:
 - Benefits - \$376.9 million
 - ACA Fees - \$45 thousand
 - Other Financing Uses - \$3.6 million (operations)
- Sources:
 - EE/ER Contributions - \$124.6 million
 - Retiree Contributions - \$179.4 million
 - Tax & Rev Suspense Fund - \$41.3 million
 - Misc. Revenue - \$35 million
 - Interest - \$100 thousand

Program Support (26 FTE)

- Salaries & Benefits - \$2.3 million
- Contractual Services - \$674.9 thousand
- Other Costs - \$587 thousand

Operational Updates

- Annual Board Meeting: Thursday, July 14th & Friday, July 15th
 - Election of Board Officers
 - Committee Assignments
 - Investment Updates
 - Review of Vendor Presentations
 - Actuarial Presentations
 - Plan Changes and Recommendations for Calendar Year 2023
- Board of Directors Meetings
 - 1st Tuesday of each month unless otherwise specified
 - Committees meet as needed
- Fall Switch Enrollment
 - October 1 – November 15
- Procurement - Upcoming
 - IBAC - Life and Disability (Summer 2022) & Benefits and Actuary Consulting Services (Summer 2022)
 - NMRHCA - Financial Audit Services (Fall 2022)

Solvency Updates

Strategic Planning Tool

- Projected Revenues
 - Employee & Employer Contributions (set by statute)
 - Retiree Medical Premiums (set by Board of Directors)
 - Retiree Ancillary Premiums (not subsidized/pass through)
 - Tax & Revenue Suspense Fund (set by statute)
 - Miscellaneous (Medicare subsidies, Drug Rebates, Performance Guarantees - Varies)
- Projected Expenses
 - Medical & Prescription
 - Retiree Ancillary Premiums
 - Administrative Fees
 - Agency Operating Expenses
- Major Assumptions
 - Payroll Growth: 2.75%
 - Discount Rate: 7.00%
 - Medical Trend: 8% pre-Medicare / 6% Medicare
 - Plan Selection: Migration to Lower Costing Plans
 - Plan Design Changes: Increased Copays, Coinsurance and Deductibles
 - Plan Rates: Continue to Grow in Accordance with Medical Trend

GASB Updates

- GASB 74 – Actuarial Valuation Review of Other Postemployment Benefits (OPEB) as of June 30, 2021
 - Completed December 6, 2021
 - **Total OPEB Liability: \$4,409,849,335 (2021) / \$5,028,579,923 (2020)**
 - Net OPEB Liabilities (NOL) decreased \$894.2 million, due to the following:
 - An increase in the blended discount rate
 - Updated per capita health care costs
 - Discount rate – 3.62% compared to 2.86% in 2020
 - Blend rate = 7.00% assumed investment return + 20-year tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher (**2.16% as of June 30, 2021**)
 - **NOL: \$3,290,349,790 (2021) / \$4,198,908,018 (2020)**
 - 1% Decrease in Discount Rate - \$4,134,247,608
 - 1% Increase in Discount Rate - \$2,633,889,896
 - 1% Decrease in Health Care Cost Trend - \$2,646,501,227
 - 1% Increase in Health Care Cost Trend - \$3,808,841,141
 - **Funded Status: 25.39% (2021) / 16.50% (2020)**

Pharmacy Benefits of IBAC

- Results of Pharmacy Benefit Management (PBM) RFP for IBAC
 - Interagency Pharmaceuticals Purchasing Council opened opportunity for others to join
 - UNM joined IBAC for RFP to leverage buying power
 - More lives = stronger pricing offers
 - IBAC agencies option to all select same PBM or different based on most advantageous offer to each agency
 - Healthy competition from bidding PBMs
 - Two different vendors now servicing the IBAC (CVS and ESI)
 - This will increase competition in future RFPs
 - Overall IBAC RFP lead to increased savings across the board compared to prior contracts
 - Estimated savings for the total 4-year contracts of IBAC and UNM to be **about \$286 million**

Pharmacy Benefits of NMRHCA

- Results of PBM RFP specific to NMRHCA
 - Substantial improvements in pricing guarantees resulting in an estimated **\$74M in savings over the new 4-year contract period.**
 - Increased rebate guarantees, accounting for roughly 80% of total savings or roughly \$60M
 - Increased point-of-sale discounts, accounting for roughly 15% of total savings or roughly \$11M
 - Reduced explicit admin fees, accounting for roughly 5% of total savings or roughly \$3M
 - Additional transparency in prescription pricing through reduced number of products excluded from pricing guarantees
 - Continuity for retirees to select coverage with RHCA under pre-65 commercial plan and post 65 retirees into EGWP
 - Performance Guarantees ESI must adhere to a strict set of service-levels
 - More financial value at risk under these performance guarantees
 - Allows RHCA to better track and manage ESI's adherence to these metrics

Performance Metrics

New Mexico Retiree Health Care Authority - Combined						
Description	7-21 - 5-22	7-20 - 5-21	Change	Peer*		
				7-21 - 5-22	Change	
Average Members per Month	35,376	36,589	-3.3%	73.2		
Total Plan Cost Net	\$93,216,270	\$91,998,695	1.3%			
Average Member Age	67.8	67.7	0.2%			
Total Plan Cost Net PMPM	\$239.55	\$228.58	4.8%	\$233.20	5.4%	
Non-Specialty Plan Cost Net PMPM	\$108.96	\$101.88	7.0%	\$108.38	2.8%	
Specialty Plan Cost Net PMPM	\$130.58	\$126.70	3.1%	\$124.82	7.8%	
Generic Fill Rate	88.9%	88.6%	0.3	90.5%	-0.1	
90 Day Utilization	69.3%	65.0%	4.3	77.6%	1.6	
Retail - Maintenance 90 Utilization	30.4%	26.0%	4.4	30.3%	2.0	
Home Delivery Utilization	38.8%	39.0%	-0.2	47.3%	-0.4	
Member Cost Net %	14.0%	13.8%	0.2	14.7%	0.3	
Specialty Percent of Plan Cost Net	54.5%	55.4%	-0.9	53.5%	1.2	

- Total Plan costs net PMPM trend of 4.8% compared to prior year is primarily driven by Non-Specialty trend at 7% with Specialty trend at 3.1%
- Non-Specialty Plan cost net PMPM is in line with peer however, Specialty Plan cost net PMPM is higher than peer
- Generic fill rate is 1.6% lower at 88.9% versus peer groups but is .3% higher compared to NMRHCA prior year.

Top 25 Drugs

Top Drugs by Plan Cost Net

Peer		7-21 - 5-22					Peer					7-20 - 5-21					% Change		
Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net	Plan Cost Net	Rank	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net	Plan Cost Net	Plan Cost Net	Plan Cost Net	Plan Cost Net		
							PMPM	PMPM				PMPM	PMPM	PMPM					
1	2	REVLIMID*	CANCER	258	30	\$4,471,715	\$11.49	\$13.59	1	296	36	\$4,709,446	\$11.70	-1.8%	5.3%				
2	1	ELIQUIS	ANTICOAGULANT	13,519	1,653	\$3,551,727	\$9.13	\$13.96	2	11,675	1,474	\$2,938,145	\$7.30	25.0%	20.3%				
3	3	IMBRUVICA*	CANCER	232	29	\$2,845,180	\$7.31	\$7.18	3	239	28	\$2,916,277	\$7.25	0.9%	-2.6%				
4	7	HUMIRA(CF) PEN*	INFLAMMATORY CONDITIONS	676	87	\$2,565,839	\$6.59	\$4.38	5	600	78	\$2,169,253	\$5.39	22.3%	20.0%				
5	5	XTANDI*	CANCER	244	38	\$2,495,631	\$6.41	\$4.70	4	220	28	\$2,274,957	\$5.65	13.5%	5.9%				
6	6	IBRANCE*	CANCER	184	21	\$2,247,958	\$5.78	\$4.53	6	147	21	\$1,707,763	\$4.24	36.1%	4.2%				
7	4	TRULICITY	DIABETES	5,680	654	\$2,105,369	\$5.41	\$6.39	7	4,472	536	\$1,611,384	\$4.00	35.1%	41.6%				
8	9	XARELTO	ANTICOAGULANT	6,755	845	\$1,480,763	\$3.81	\$4.11	9	6,559	860	\$1,443,205	\$3.59	6.1%	0.2%				
9	10	OFEV*	IDIOPATHIC PULMONARY FIBROSIS	127	21	\$1,341,806	\$3.45	\$2.97	8	145	16	\$1,505,777	\$3.74	-7.8%	4.5%				
10	22	OZEMPIC	DIABETES	2,652	329	\$1,129,758	\$2.90	\$1.50	20	1,872	233	\$857,544	\$2.13	36.3%	22.6%				
11	16	ENBREL SURECLICK*	INFLAMMATORY CONDITIONS	342	43	\$1,079,871	\$2.78	\$1.99	11	353	44	\$1,125,999	\$2.80	-0.8%	0.3%				
12	14	ABIRATERONE ACETATE*	CANCER	178	23	\$1,071,663	\$2.75	\$2.45	13	162	26	\$1,032,388	\$2.57	7.4%	6.5%				
13	8	POMALYST*	CANCER	59	7	\$1,033,341	\$2.66	\$4.17	10	77	11	\$1,372,697	\$3.41	-22.1%	30.9%				
14	13	TAGRISSO*	CANCER	64	9	\$1,022,611	\$2.63	\$2.50	32	33	6	\$519,934	\$1.29	103.4%	26.7%				
15	91	GAMUNEX-C*	IMMUNE DEFICIENCY	88	8	\$975,034	\$2.51	\$0.49	16	105	9	\$889,868	\$2.21	13.3%	16.1%				
16	32	CABOMETYX*	CANCER	39	7	\$865,808	\$2.22	\$1.21	53	20	4	\$357,076	\$0.89	150.8%	91.5%				
17	30	XIFAXAN	GI DISORDERS	421	109	\$846,162	\$2.17	\$1.21	23	363	93	\$753,621	\$1.87	16.1%	14.4%				
18	31	AUBAGIO*	MULTIPLE SCLEROSIS	122	12	\$822,665	\$2.11	\$1.21	19	132	13	\$862,277	\$2.14	-1.3%	-5.1%				
19	17	JAKAFI*	CANCER	59	10	\$809,448	\$2.08	\$1.98	18	71	10	\$874,657	\$2.17	-4.3%	6.7%				
20	19	ESBRIET*	IDIOPATHIC PULMONARY FIBROSIS	84	10	\$801,003	\$2.06	\$1.67	14	104	12	\$977,018	\$2.43	-15.2%	-6.6%				
21	63	RINVOQ*	INFLAMMATORY CONDITIONS	178	30	\$785,057	\$2.02	\$0.70	24	155	27	\$701,927	\$1.74	15.7%	36.7%				
22	12	JANUVIA	DIABETES	5,788	677	\$769,642	\$1.98	\$2.53	21	6,106	723	\$812,214	\$2.02	-2.0%	-3.4%				
23	18	SHINGRIX	VACCINATIONS	3,932	2,618	\$721,692	\$1.85	\$1.73	15	5,445	3,335	\$936,263	\$2.33	-20.3%	-34.8%				
24	49	DUPIXENT SYRINGE*	SKIN CONDITIONS	294	32	\$680,281	\$1.75	\$0.91	27	323	41	\$674,195	\$1.68	4.4%	-14.7%				
25	25	HUMIRA PEN*	INFLAMMATORY CONDITIONS	166	19	\$678,129	\$1.74	\$1.41	22	204	23	\$800,224	\$1.99	-12.4%	-14.0%				
Total Top 25:				42,141		\$37,198,153	\$95.59			39,878		\$34,824,108	\$86.52	10.5%					
Differences Between Periods:				2,263		\$2,374,045	\$9.07												

*Specialty Drugs

- 18 of 25 are specialty drugs
- Specialty Plan Cost Net PMPM was driven mainly by Inflammatory Conditions and Cancer
- 39.9% of total Plan Cost Net, comprised of 10 indications

Cost Containment Strategies

- Market Check Agreement
- Drug Trend Guarantees
- Drug Specific Definitions
- Utilization Management
 - Prior Authorization, Quantity Limits, Step Therapies
- SavonSP Program
- Limited Distribution Drugs
- Generic Dispensing Rate Guarantee
- SafeGuardRx
- Livongo
- Medical Channel Management
- Broad Performance Medicare Network
- Performance Standard Guarantees
- Audits
 - Rebates & Discount Guarantees

Cost Containment Results

Program	Current Period 7/21 - 5/22	PMPM Savings
Advanced Opioid Management**	\$35,108	\$0.09
AUM	\$9,899,050	\$25.44
Prior Authorization	\$4,201,523	\$10.80
Step Therapy	\$1,605,305	\$4.13
Drug Quantity Management	\$2,934,863	\$7.54
Misc	\$1,149,966	\$2.96
Channel Management*	\$253,339	\$0.65
Concurrent Drug Utilization Review	\$8,702,091	\$22.36
Counter Strategy Drug List Program	\$14,538	\$0.04
Formulary Benefit Optimization	\$14,816	\$0.04
Interchange	\$5,493	\$0.01
National Preferred Formulary	\$1,146,651	\$2.95
POS Edits	\$1,423,534	\$3.66
RationalMED	\$1,810,300	\$4.65
SafeGuardRx	\$520,076	\$1.34
SGRx	\$370,563	\$0.95
UM**	\$23,532	\$0.06
NPF**	\$125,981	\$0.32
SaveOnSP*	\$3,715,206	\$9.55
Plan Savings**	\$27,355,582	\$70.30

*Gross Savings

**Overlap removed from total

Program fees are not included in these savings numbers

- Clinical Programs reduced Plan Cost Net PMPM by 18.8% or -\$55.41

Past Legislative Session Summary

Regular Session 2020

- HB 45 - Vetoed on March 11, 2020, citing concerns regarding the financial burden placed on agencies and corresponding impact on vacancy rates

Regular Session 2022

- Senate Bill 112 – Retiree Health Care Fund Contributions
 - Proposed to increase employee and employer contributions beginning FY23
 - 3% of payroll to 3.5% of payroll (non-enhanced)
 - 4.5% of payroll to 5.26% of payroll (enhanced)
 - Reduce unfunded liabilities
 - Protect against credit rating downgrades
 - Prefund future benefits
 - Keep benefits relevant as incentive for employees to stay

7th unsuccessful attempt to increase employee and employer contributions since 2013

- Employee and Employer contributions 11 years since increase

2023 Potential Legislative Requests

- Request for increase in employee and employer contributions
 - Employee contributions - 1.00% of salary to 1.17% of salary for employees who are not covered by an enhanced retirement plan and 1.25% of salary to 1.47% of salary for employees covered by an enhanced retirement plan.
 - Employer contributions - 2.00% of payroll to 2.33% of payroll for employees who are not covered by an enhanced retirement plan and 2.50% of payroll to 2.93% for employees who are covered by an enhanced retirement plan.
- One-time money equal to one month's premiums for retirees to provide some relief to premium increases and economic inflation.
 - Provides a one-month premium holiday to members
 - Amount based on today's numbers equal to about \$13.7 million to cover medical, dental, and vision
 - Not to include life benefit
- One-time money of \$25 million to NMRHCA benefit program towards lowering unfunded status of program
 - Currently at 25% with goal of meeting 50% funded status
 - Equal to one year of increase for employee and employer contributions

New Mexico Retiree Health Care Authority

Neil Kueffer, Executive Director

505-222-6408

neil.kueffer@state.nm.us

Please call 1-800-233-2576 / 505-222-6400

Or visit us at: www.nmrhca.org or www.facebook.com/nmrhca

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

**STATE OF NEW MEXICO
COUNTY OF SANTA FE
FIRST JUDICIAL DISTRICT COURT**

No. D-101-CV-2019-02546

VICTORIA LOPEZ,
Plaintiff-Appellant,
V.

NEW MEXICO RETIREE HEALTHCARE
AUTHORITY,
Defendant-Appellee.

NOTICE OF HEARING

A hearing in this case is set before the Honorable Bryan Biedscheid as follows:

Date of Hearing: September 7, 2022

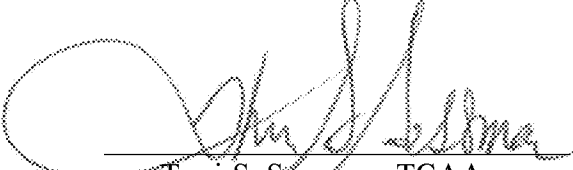
Time of Hearing: 11:00 AM

Length of Hearing: 15 Minutes

Place of Hearing: Google Meets

Remote Access All hearings are conducted by Google Meet. The court prefers counsel and parties to participate by video at <https://meet.google.com/hdc-wqjx-wes>. If it is not possible to participate by video, you may participate by calling (US) +1 954-507-7909 PIN: 916 854 445#

Matter(s) to be Heard: Proposed Judgment on Mandate

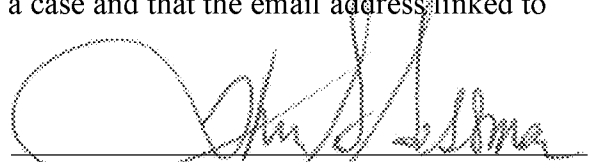


Terri S. Sossman, TCAA

Notice mailed or delivered on date of filing to parties listed on attached sheet.

CERTIFICATE OF SERVICE

This document was e-filed and served, on the **date of acceptance**, to all parties who are *currently* registered for electronic service and mailed to any pro se party. Counsel is *responsible* for ensuring they signed up for electronic service in a case and that the email address linked to that case is correct.



Terri S. Sossman, TCAA

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Health Care Authority*

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jgordon@drmm.org
Attorneys for Victoria Lopez



State of New Mexico Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

Via Email

June 28, 2022

SAO Ref. No. 343-A

David Archuleta, Executive Director
RHCA Schedule of Employer
Allocations and Pension Amounts

david.archuleta@state.nm.us

Re: Authorization to Release FY2021 RHCA Schedule of Employer Allocations and Pension Amounts Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 6/15/2022. The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and 2.2.2.13 NMAC. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

- the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
- the OSA will post the report on its public website; and
- the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per 2.2.2.10.M(4) NMAC, at a meeting held in accordance with the Open Meetings Act, if applicable.

Although no findings were reported in your report, please remember it is ultimately the responsibility of the governing authority of the agency to maintain adequate internal controls over financial reporting and compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. S. Colón", with a stylized flourish at the end.

Brian S. Colón, Esq.
State Auditor

cc: Moss Adams LLP

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of May 2022

(Report as of June 16, 2022)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	183,141,815.39	-	-	(54,652.33)	443,033.01	(260,676.59)	183,269,519.48
Credit & Structured Finance	162,878,890.75	-	-	-	487,905.66	(439,195.99)	162,927,600.42
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	141,026,983.78	-	-	(15,094.43)	769,649.97	170,917.28	141,952,456.60
Non-US Emerging Markets Active Pool	90,097,449.00	-	-	(135,901.55)	296,916.02	(447,896.85)	89,810,566.62
Private Equity Pool	174,259,359.99	-	-	-	14,986.46	327,672.03	174,602,018.48
Real Estate Pool	119,882,893.43	-	-	-	180,245.01	(76,328.06)	119,986,810.38
Real Return Pool	50,352,274.18	-	-	(11,777.60)	157,137.55	253,808.81	50,751,442.94
US Large Cap Index Pool	175,767,227.09	-	-	(5,100.69)	295,500.84	(553,056.06)	175,504,571.18
US SMID Cap Alternative Weighted Index Pool	23,511,446.13	-	-	(2,880.01)	36,065.34	400,409.30	23,945,040.76
Sub - Total New Mexico Retiree Health Care	1,120,918,339.74	-	-	(225,406.61)	2,681,439.86	(624,346.13)	1,122,750,026.86
Total New Mexico Retiree Health Care /	1,120,918,339.74	-	-	(225,406.61)	2,681,439.86	(624,346.13)	1,122,750,026.86



New Mexico Retiree Health Care Authority

July 2022 Board Meeting Presentation

Dan Cadriel, Regional Account Vice President

UnitedHealthcare Retiree Solutions



**United
Healthcare®**



NMRHCA Executive Performance Review



COVID-19 Overview



Service Highlights and Scorecard



Emphasis on Wellness and More



Executive summary



Membership

16.6%

YOY membership increase of 694 members, resulting in 4,863 members as of December 2021.

2.7 years

younger than BOB (72.1 vs 74.8) with 74% of members aged 74 or younger.



Utilization

Outpatient surgeries, ER visits, and Home Health visits have returned to pre-pandemic (2019) levels during 2021, showing modest increases over the two-year period.

Acute admissions are below the typical range and have decreased from 2019 and 2020. Physician visits are approaching pre-pandemic levels and have increased YOY.



Financial

2.5pp

decrease in the proportion of claim costs attributable to inpatient services, which is below the typical range.

3.5pp

increase in the proportion of claim costs attributable to outpatient services, largely due to increased utilization of outpatient surgeries.



Pharmacy

3.1

scripts per member per month. In addition, 89% of membership had at least one script in 2021. Both metrics are below the typical range.

49.7%

of Rx spend is attributable to specialty drugs, but only 0.6% of drug utilization. Specialty drug spend decreased 2.8pp from 2020 and is within typical range.



COVID-19 summary

NMRHCA

03/01/20 through 05/21/22

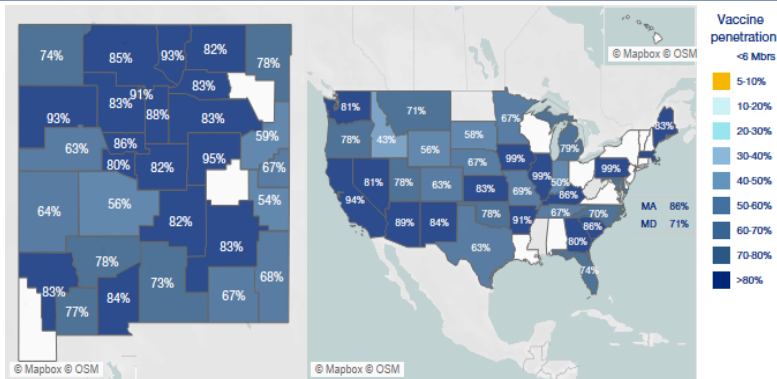
COVID-19 cases by year as a percentage of total membership

2022			2021			2020		
180 = 3.6%			278 = 6.0%			141 = 3.5%		
UV*	FV	B	UV*	FV	B	UV*	FV	B
20.0%	21.7%	58.3%	54.3%	39.6%	6.1%			

Reported vaccination of current membership as of 06/13/22

Unvaccinated*	22.0%
Fully vaccinated	13.7%
Boosted	64.3%

Current total membership vaccination map

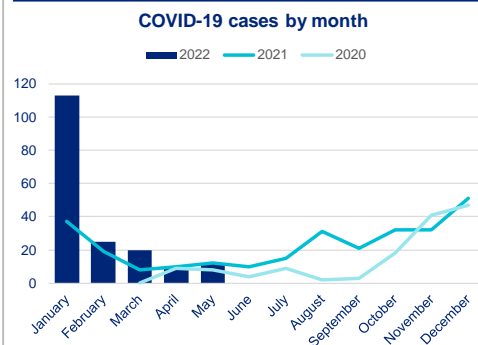


Hospitalizations

Co-morbidities for COVID-19 members		Percentage of COVID-19 cases		
Disease	% of COVID members	2022	2021	2020
COPD	14.6%	6.1%	16.5%	17.7%
Diabetes	40.2%	4.2%	11.8%	N/A
Heart disease	37.8%	<6 Mbrs	20.5%	17.7%
1-3 co-morbidities	15.9%	<6 Mbrs	4.0%	4.3%
4+ co-morbidities	80.5%	<6 Mbrs	<6 Mbrs	N/A
		Unvaccinated*	5.3%	4.3%
		Ventilator	<6 Mbrs	<6 Mbrs
		Vaccinated	<6 Mbrs	<6 Mbrs
		Unvaccinated*	<6 Mbrs	<6 Mbrs

*Includes partially vaccinated, not vaccinated, and unknown.

New COVID-19 cases by month



COVID-19 prevalence by race

Proportion of total current members vaccinated by race

Race	Fully vaccinated	Boosted
White	13.6%	78.6%
Black	20.5%	66.7%
Asian	13.6%	86.3%
Hispanic	14.7%	76.8%
Native American	9.5%	90.5%
Other	15.1%	64.7%
Unknown	15.8%	67.7%

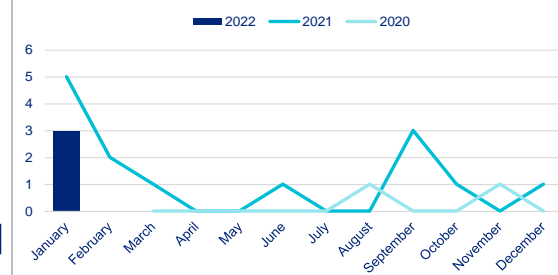
Proportion of total current members with COVID-19 by race

Asian	4.5%	Other	10.9%
Black	2.6%	Unknown	5.7%
Hispanic	12.9%	White	10.1%
Native American	14.3%	Total	10.0%

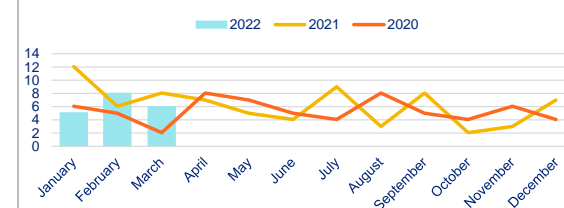
Covid cases represent members with a positive test and/or a COVID-19 diagnosis. Counts include multiple infections for a member if case is identified after 180 days from the previous identified infection. Cases based on claim service date and as a result last month, most notably, be understated due to claim lags.

Mortality**

Monthly COVID-19 deaths



Other deaths



**Death data based upon CMS notification and could be lagged six weeks or more. Covid deaths defined as deceased within thirty days of last acute admission date with a Covid-19 diagnosis.

Total death (COVID-19 + other deaths)

2022 deaths	22	2021 deaths	88	2020 deaths	66
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NMRHCA Operational Dashboard

January through December 2021

Advocate4Me™

Call Volume and Abandonment Rate

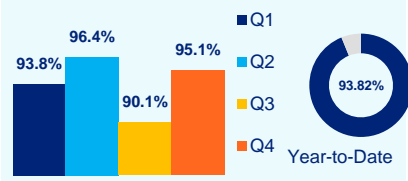
Volume of calls Handled (YTD)

5,921

Percentage of calls abandoned

1.7%

UES Member Satisfaction



Average Speed to Answer (ASA)

The average time taken to answer a call

87.3%

Answered in 30 seconds

22 sec

Post-Call Surveys Results

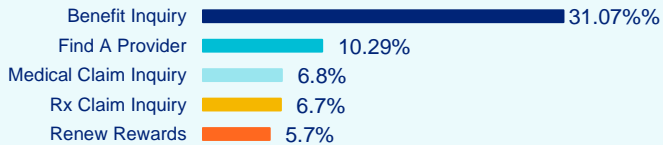
Count of completed post-call surveys

290

NPS Score

76

Call Drivers



Member Portal

Member Portal Usage



Top Pages Visited



Email Addresses on file



3,694
Email addresses

Prior Quarter Results: 3,434

Mobile Visits



1,603
Mobile Visit

Prior Quarter Results: [MBLP]

Online Registration



2,135
Registered Users

Prior Quarter Results: 2,001

Paperless Opt In



1,368
Paperless Opt Ins

Prior Quarter Results: 1,309



Advocate4Me™ Referrals

By leveraging data insights and listening for cues, Advocates **proactively** identify opportunities to **engage** and **empower** members to take ownership of their health.



Advocates connect members to the right resources, at the right time.

3,490

Need-specific program and resource referrals available to Advocates for 2021



Top clinical program referrals accepted

2,540

Need-specific program and resource referrals delivered to members by Advocate for 2021

- Annual Wellness Visit
- Housecalls
- Flu Shot Reminder

“Excellent Service, Thank you have a great day.”

NMRHCA Member



NMRHCA Operational Dashboard

January through December 2021

Service Account Manager (SAM) Inquiry Volume



Inquiry Volume

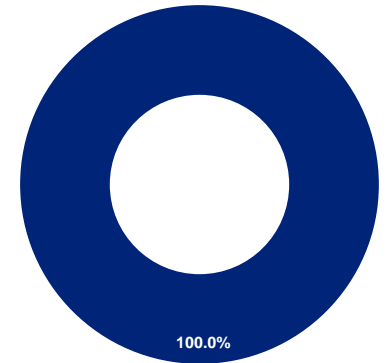
1 Inquiries tracked for Q4	Reporting Period	2020	2021
	Quarter 1	2	6
	Quarter 2	3	2
	Quarter 3	6	4
	Quarter 4	5	1
	Total (YTD)	13	13

Service Account Manager (SAM) Trends

Top SAM Trends

Material Fulfillment 100%

Group/Retiree needing status of ID card/replacement ID card needed



SilverSneakers

Fitness Participation and Enrollment

Retirees enrolled in the program	1,547
Percentage of eligible retirees enrolled	31%
Retirees participating in the program	531
Total number of visits	20,447



34%

of enrolled members had one or more gym visits in 2021












Data pulled: 2/14/2022



2021 population health scorecard

working together to maintain a highly rated plan

 <p>42% Annual Wellness Visits Completed</p>	 <p>83% Known Primary Care Provider</p>	 <p>733 Renew Rewards Redeemed</p>
 <p>93% Diabetic Kidney Disease Monitoring (Year-end goal 95%-97%)</p>	 <p>68% Diabetic Eye Screening (Year-end goal 73%-78%)</p>	 <p>438 Home Screening Test Kits Deployed</p>
 <p>74% Colon Cancer Screening (Year-end goal 73%-80%)</p>	 <p>78% Breast Cancer Screening (Year-end goal 76%-83%)</p>	 <p>8,732 Star Gaps Closed</p>

clinical engagement • provider collaboration • retiree empowerment

Health Plan Highlights

- Achieved 5 Star Rating (2022)
- Provider incentive programs expanded to include positive patient experience bonuses
- Patient experience will account for 50% of star ratings in 2022
- Member experience outreach campaigns deliver time sensitive messaging and close gaps in care

Data pulled: 02/14/2022



Diabetes and Prediabetes

Project Detect



2021 Group Medicare Advantage

Screenings:

- ✓ **338k** HouseCalls visits
- ✓ **101k** members offered screening
- ✓ **82k** members agreed to screening

Outcomes:

- ✓ **72% Negative** (HgbA1C < 5.7)
- ✓ **24% Prediabetes** (HgbA1C 5.7 to 6.4)
- ✓ **3% Diabetes** (HgbA1C > 6.4)





P.O. Box 29675
Hot Springs, AR 71903-9675

PRESORTED
FIRST-CLASS
U.S. POSTAGE
PAID
UNITEDHEALTHCARE

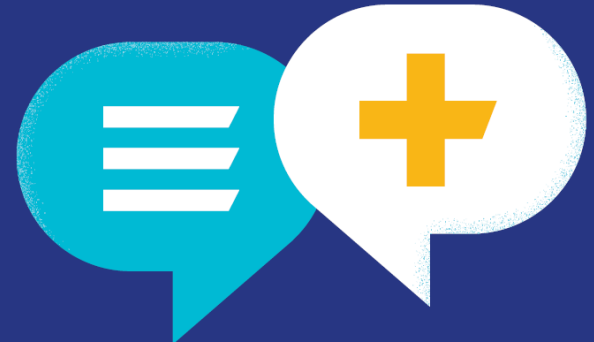
Join us in a virtual benefits Q&A meeting for NMRHCA retirees

We'll walk you through your benefit questions first-hand, right at home.

To join a Q&A session, visit your Virtual Education Center at uhcvirtualretiree.com/nmrhca, then just click on the **Meetings** tab.



It just got easier to get the scoop on your benefits

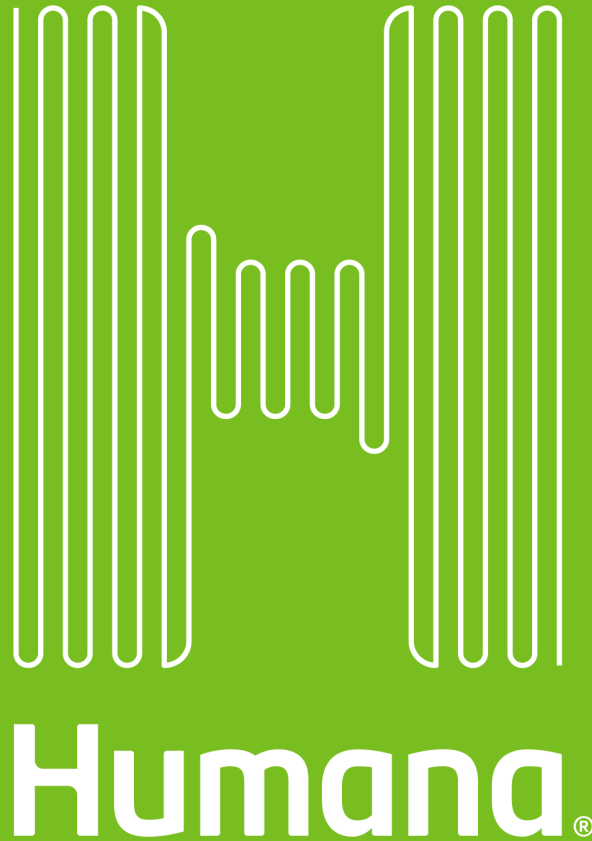


United
Healthcare



Thank you





New Mexico Retiree Health Care Authority

Board Meeting

July 14 - 15, 2022

Tiffany Calderon – Director, Client Management



Your account team

Account Executive

Julie Bodenski

Helps the plan sponsor through a seamless implementation and handles any ongoing concerns or issues. Also manages the renewal process.

Installation Administration Professional

Elisha White

Responsible for setting up the account and implementation process, as well as managing the day-to-day operational details and internal operational team.

Communications Professional

Sly Greenwell

Responsible for communication and enrollment material and coordination of seminars (as required)

Account Concierge

Sahara Priddy

“One-stop-shop” to resolve escalated member issues

Group Medicare Customer Service

Expert customer service professionals trained on plan specifics, your culture and how to support your members

Custom Landing Page

our.humana.com/nmrhca/

Plan Performance



237 Additional members on the Humana plans in 2021.

Membership growth of 22.3%

	2020	2021
Average Age	69.2	69.9
Average Number of Members	1,064	1,301
Male/Female Ratio	46/54	46/54

Membership as of July 1, 2022: 1,431



Clinical Program Utilization

How many of your eligible members participate in clinical programs

2021	343 members engaged	87.7%
2020	294 members engaged	92.1%

Medication Therapy Management

How many of your eligible members participated in a Comprehensive Medication Review (CMR)

2021	41 CMRs	87.2%
2020	23 CMRs	85.2%

Preventive Services Utilization

Adult preventive office visits help to identify illnesses early and can help keep future large medical costs down

	2021	% Change
Total Member Utilization*	59.5%	+10.2%
Influenza Vaccinations	13%	0%
Pneumococcal Immunizations	6%	-1.0%
Adult Preventive Office Visits	42%	+12.0%
Breast Cancer Screenings	40%	+8.0%
Colorectal Cancer Screenings	6%	+2.0%

*Receiving at least one Preventive Service

Member Engagement

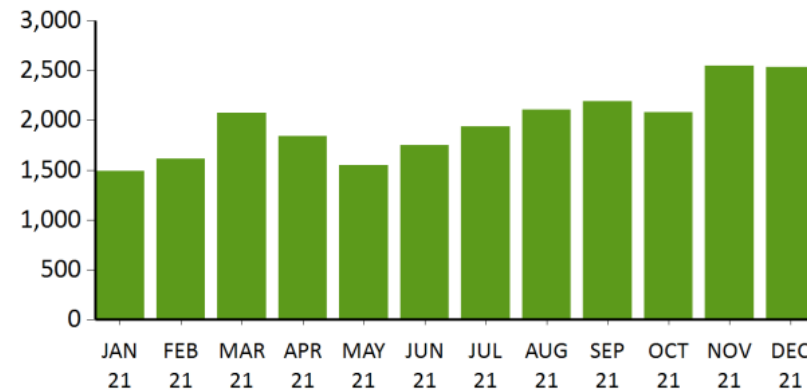
Member Engagement is the key to connecting members to their health. Humana uses a broad spectrum of methods to connect and interact with the member with the sole intent of helping members become healthier and lead a more active lifestyle. We also encourage members to utilize our self-service tools to learn how their insurance is working for them and all that we offer through MyHumana.com

2021 Plan Year

Top MyHumana.com Web Pages Visited

Web Page	% of Use
Humana Pharmacy	46.7%
Go365	16.9%
Claims & Spending	11.4%
Humana Apps View	7.1%
Physician Finder	6.0%

of Web Visits

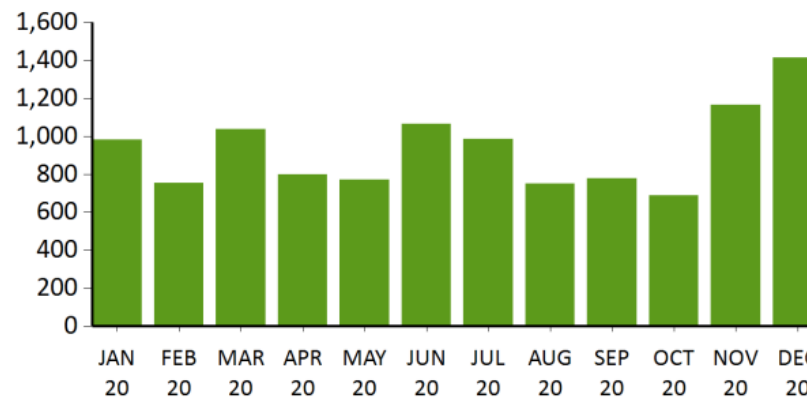


2020 Plan Year

Top MyHumana.com Web Pages Visited

Web Page	% of Use
Humana Pharmacy	50.8%
Go365	10.9%
Claims & Spending	10.2%
Humana Apps View	6.8%
Physician Finder	5.8%

of Web Visits



Primary means of member contact include phone calls and emails.

Phone Numbers on File

- Prior: 100%
- Nat'l Avg: 93%



E-mail Address on File

- Prior: 42%
- Nat'l Avg: 36%



MyHumana Registrations

- Prior: 40%
- Nat'l Avg: 35%
- Target: 30%



Humana eNewsletter – Wellness communications

Humana | Medicare

[View online](#) | [Sign in to MyHumana](#)

Your Valentine's Day, your way

Valentine's Day isn't just for couples. No matter what your relationship status is, you can still celebrate the day with your friends, family or even just yourself! So skip the red roses, chocolate and romantic movies — and see how you can put your twist on the day



Rounded Rectangle: How
→ to celebrate

Humana COVID-19 Alert

Need to schedule your COVID-19 vaccine or booster shot?

Rounded Rectangle:
Reserve your vaccine



Sent monthly to members with emails on file:
60% of NMRHCA members have email on file



8 Fun, Free Things to do With Family and Friends

Spending time together now feels more important than ever. Here is a list of 8 things you can do to enjoy quality time (without spending a dime!) with the special people in your life.

[See the list](#) →



Behold, The Power of Tomatoes!

February is American Heart Month, a time to pay a little extra attention to your cardiovascular health. Celebrate the month by incorporating a few tomatoes, a veggie that not only brightens your plate, but may boost your heart function.

[See the recipe](#) →



4 Ways that May Help Lower Your Cholesterol This Month

Cholesterol is a fatty, waxy substance that your liver makes. The cholesterol in your blood comes from the food you eat and your liver. Since February is American Heart Month, now is good time to lower your LDL cholesterol and raise your HDL. Here's a look at how you can do that.

[Sound familiar](#) →



Subject Line –

Important reading:
Your Humana Medicare newsletter is here



Complete your health assessment

A health assessment is a brief phone survey that provides an overall view of your unique health needs, issues and goals. To take the Medicare Health Risk Assessment, call 888-445-3389 (TTY: 711), and have your Humana member ID number available.

Rounded Rectangle:
Call now →



Download the MyHumana Mobile app

Click here

[Legal](#) | [Privacy Practices](#) | [Internet Privacy Statement](#)

Wellness updates



Humana's wellness program that rewards members for making healthier choices.



Awareness	Plan Year	% Mbrs	Members
Member completes one activity that demonstrates knowledge of and deliberate action in Go365 (ex; redeemed reward, workout from a devices is uploaded, or completion of a community/social event).	2020	4.66%	1,180
	2021	9.60%	1,330
Reward Redemption	Plan Year	% Mbrs	Members
Member redeems rewards for gift cards in the Go365 mall (online or by calling Humana Go365).	2020	4.66%	1,180
	2021	9.22%	1,330



A total health and physical activity program included in your plan at no extra cost. www.silversneakers.com

	2021	2020	Peer
Average Participation % by Month	4.5%	3.4%	---
Average Participation % for the Period***	10.3%	9.5%	10.2%
Top 15 Utilized Fitness Centers	2019 Visits: 3,767	2020 Visits: 1,983	2021 Visits: 3,617

#1 utilized Fitness Center 2021 - Defined Fitness-Juan Tabo:

- 608 visits/13 participants

Members enrolled who are actively participating:

- 198 at beginning of reporting period (January 2021)
- 235 at end of reporting period (December 2021)

*** Calculated using the total unique members who participated during the period. This % can be higher than the monthly % if there are many partial-period participants.

COVID-19 updates

COVID TESTS and CONFIRMED CASES

TESTING 2021		CONFIRMED CASES 2021
TOTAL TESTS	UNIQUE MBRS	MEMBERS
610	526	98

Inpatient Admits: 7

TESTING Jan-June 2022		CONFIRMED CASES Jan-June 2022
TOTAL TESTS	UNIQUE MBRS	MEMBERS
268	230	51

Inpatient Admits: 2

COVID VACCINE STATUS

Data includes files provided to Humana by Medicare in 2021*
As of January 2022, COVID vaccines are submitted to Humana.

DATA AS OF 7/6/2022		
Members	Current %	May 2022 %
944 vaccinated	65.97%	61.36%
694 w/booster	48.50%	42.68%

**In 2021, the COVID vaccine was covered 100% and paid directly by Medicare.*

Ongoing updates at [humana.com/coronavirus](https://www.humana.com/coronavirus)

2022 COVID Benefits	2023 COVID Benefits
➤ \$0 cost share applicable to COVID-19 vaccine	➤ \$0 cost share applicable to COVID-19 vaccine
➤ \$0 cost share applicable to COVID-19 testing when medically necessary and ordered by a physician	➤ Plan specific cost share applicable to COVID-19 testing when medically necessary and ordered by a physician
➤ \$0 cost share applicable to hospitalization, medical services, and FDA approved Rx with confirmed COVID-19 diagnosis	➤ Plan specific cost share applicable to hospitalization, medical services, and FDA approved Rx with confirmed COVID-19 diagnosis
➤ Home delivered meals, 14 days (28 meals) with confirmed COVID-19 diagnosis	➤ N/A*

**Post-Discharge meals to remain for 2023 allowing for 14 day/28 meals per discharge event, no cap*



2021 – COVID Testing & Treatment covered at 100%, COVID Care Package- 2 meals per day for 10 days covered at 100%

2022 – COVID Testing, Treatment & Vaccine covered at 100%, COVID Care Package- 2 meals per day for 14 days covered at 100%

We partner with **physicians** to create a sustainable model of care for health-related social needs.

PURPOSE:

In order to create a sustainable model of care that addresses health-related social needs, we must:



into

INTEGRATE:

Social determinants and health-related social needs the comprehensive clinical model because they are drivers of critical gaps in care



we
serve

BUILD & CULTIVATE:

Through sustainable, strategic physician partnerships will help to improve health in the communities we



We also partner **nationally** with organizations that address health-related social needs and improve health equity at scale.



Health Alerts and Social Determinants of Health (SDOH)

Humana Health Alerts promote better health through evidence-based medicine and preventive care. Each message is tailored to the action needed to close each gap in care and to address the member's situation. The messages encourage members to obtain the care needed for better outcomes, lower costs, and healthier lives.

2021:					
Disease Category	Alerts Qualified	Alerts Generated	Alerts Closed	% Closed	% Compliant
Total	11,924	4,902	2,273	46.4%	78.0%

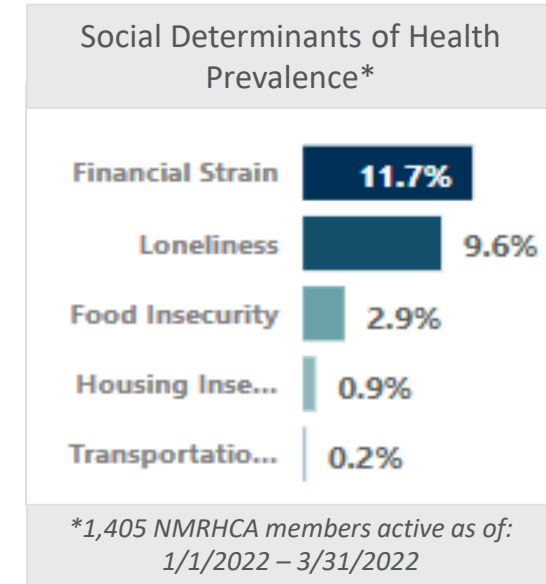
2020:					
Disease Category	Alerts Qualified	Alerts Generated	Alerts Closed	% Closed	% Compliant
Total	3,582	1,504	932	62.0%	84.0%

Fully Compliant members have no open Humana Health Alerts = 47%
(Total members in current period: 1,011)

Prior Period: 49% (846 members)

Definitions

- **Alert Qualified**- opportunities to identify a person with gaps in care
- **Alerts Generated**- actionable opportunities (gaps in care)
- **Alerts Closed**- gaps in care closed
- **% Closed**- Alerts closed/Alerts generated
- **% Compliant**- Total compliant- this takes into account those that were compliant prior to any action from Humana (difference between Alerts Qualified and Alerts Generated+ Alerts Closed)/Alerts Qualified



CONNECTING OUR MEMBERS & COMMUNITIES

Our **data** assesses member needs, yielding insights that help us connect members to interventions to address them.

Our SDOH data and analytics ecosystem identifies members' health-related social needs, revealing actionable insights and opportunities that help us create interventions & solutions that improve health and deliver business value.

The care of your retirees is – and will remain – our highest priority

Continuity of care for your retirees is our immediate, primary focus



Utilizing our concierge and customer service teams
to answer care questions in a sensitive, culturally-adapted fashion



Supporting our provider partners
to ensure they are kept informed of and knowledgeable about your retirees' care needs through our care coordination platform



Ensuring agile communication reviews
to drive speed-to-market delivery of member support and education materials



Building personalized relationships with members
to ensure each retiree receives the optimal support related to their individual care needs

We are honored to be recognized for our approach to serving members and managing care



Forrester

#1 among health insurers in 2021 US CX Index™ Survey



Net Promotor Score

72 NPS due to high quality plans and customer service for 2021



The Wall Street Journal

Ranked "Best Managed" among payers in 2020 and 2021



Newsweek

#1 in customer service the past three years by Newsweek



JD Power Award

#1/Best/Highest in Customer Satisfaction with Mail Order Pharmacies, 4 Years in a Row

1. Forrester 2021 CX Index Results
2. 2021 Humana member survey
3. The Wall Street Journal's Best Managed Companies of 2021 index
4. America's Best Customer Service 2021, Newsweek
5. J.D. Power 2021 award information, visit [jdpower.com/awards](https://www.jdpower.com/awards)

New Mexico Retiree Health Care Authority 2021 Annual Review



Who we are

- Largest, most experienced dental benefits carrier in the nation
- Delta Dental has used science to advance oral health for more than **50 years**
- Not-for-profit 501(c) tax-exempt entity
 - **Committed** to the oral and overall health of the communities we serve

80 million+

People covered across
148,000+ unique groups

1 in 3

Americans with dental
insurance are covered
by a Delta Dental plan



Meet the team



Local

- Albuquerque, NM

Team



- Dolores Piña, Account Manager
- Lou Volk III, President & CEO
- Steven Moraga, Sales & Account Manager
- Nathalie Casado, Director Corporate Administration
- Doug Dunton, Manager Quality and Analytics
- Dianne Ledesma, Director Operations
- Veronica Garcia, Manager, Operations
- Sylvia Collins, Manager Group Administration



Dental benefits expert

- Benchmarking and plan design recommendations
- Reporting and analysis
- Open enrollment support



Dedicated

- Committed to serving the needs of **New Mexico Retiree Health Care Authority** and your members



Supporting our communities

By creating more smiles, Delta Dental hopes to improve health and enhance lives

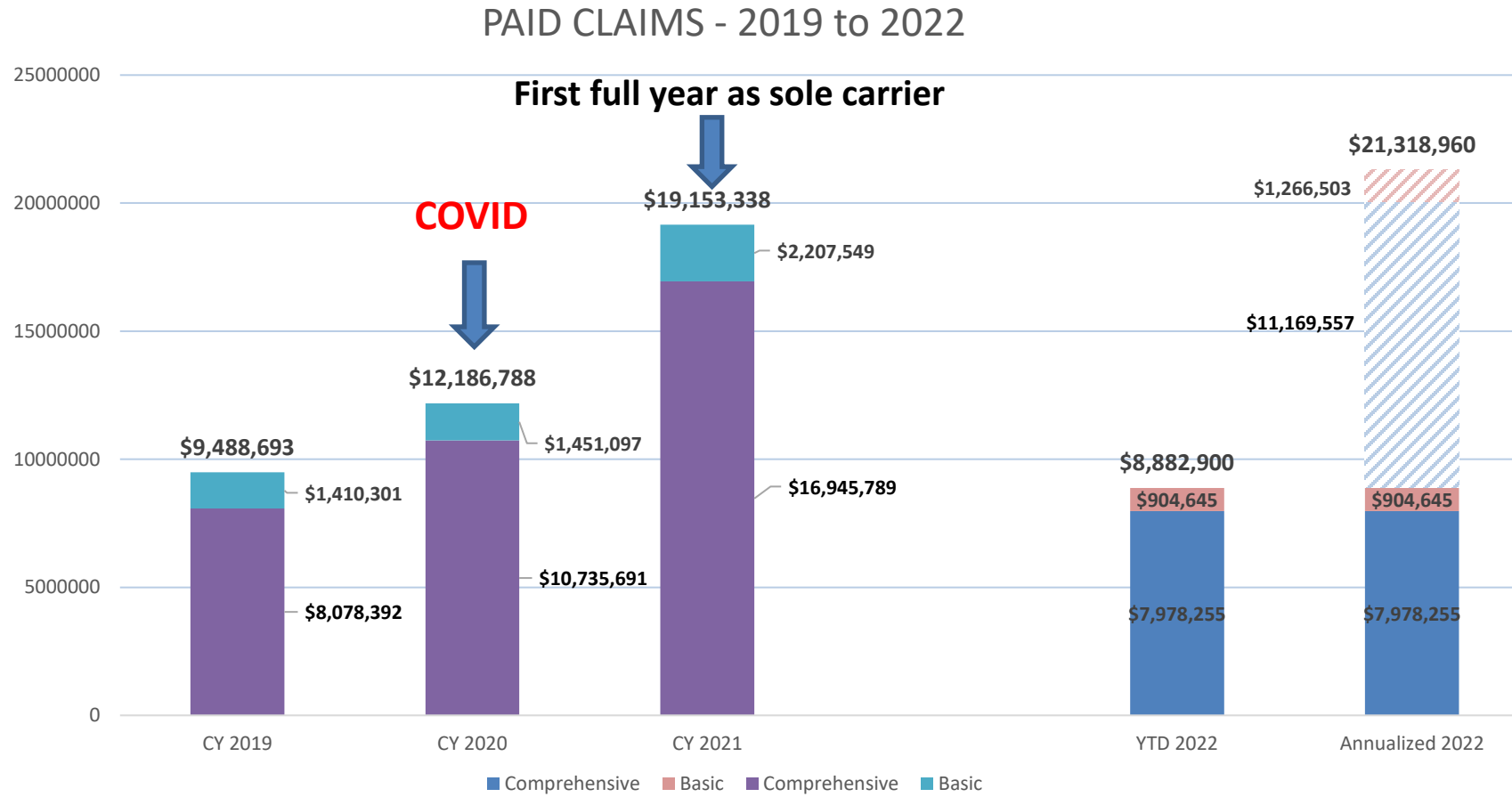
And this requires more than providing exceptional dental benefits. That's why we make it a priority to support groups, organizations and charities with the goal of building healthier, happier communities. From ensuring children have meals available through the state, to supporting New Mexico's universities and community colleges, Delta Dental of New Mexico engages with communities across the state to help them thrive, no matter what comes their way.

Delta Dental of New Mexico is proud to support many communities & organizations including:

- American Heart Association
- Albuquerque Health Care for the Homeless
- CNM Community Dental Health Coordinator Program
- New Mexico Appleseed
- New Mexico State University Dental Hygiene Program
- School-Based Dental Clinics
- Special Olympics & many more!

Plan performance

NMRHCA Plan Paid Claims For 2019 through 2022*



*2022 Data = January 1, 2022 – May 31, 2022 ** DDNM awarded sole carrier effective 7/1/2020

Delta Dental networks

Delta Dental PPO™

Delta Dental Premier®

Delta Dental networks are wholly owned

- No portion of our networks are leased; network management is completely under Delta Dental's control including fee determinations, credentialing and professional review
- Participating providers agree to accept our fee determination as payment in full—protecting members from balance billing

Local professional services representatives

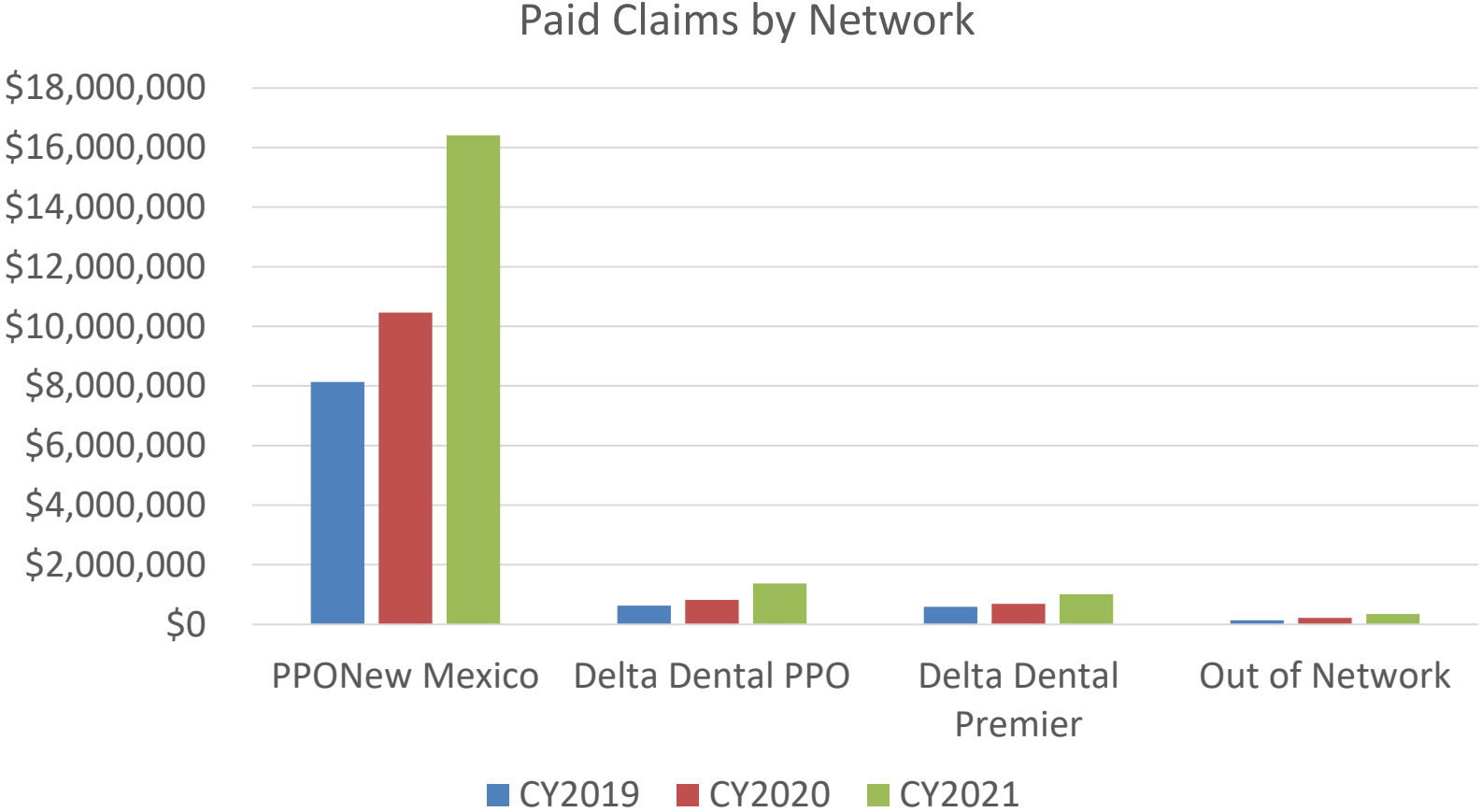
- Grow and develop our networks through active recruiting
- Work directly with providers to enhance the office's experience with Delta Dental for both the provider and the patient

Processing policies provide additional protection

- Processing policies are contractual guidelines developed to ensure that payment is made only for needed and appropriate treatment



Paid claims by network



Total maximum used

NMRHCA Basic and Comprehensive plans combined

5.77 percent of your eligible members exceeded \$1,500 in 2021

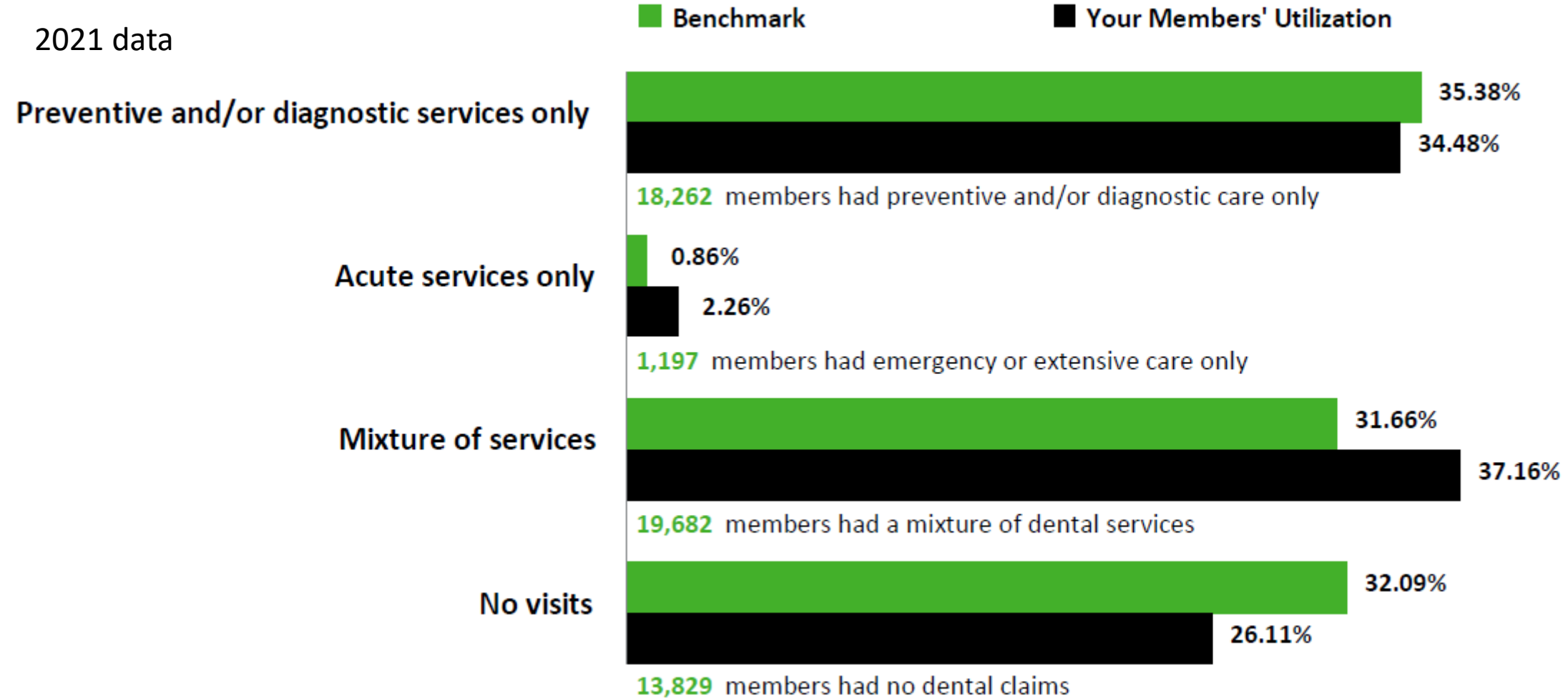
5.16 percent of Delta Dental's book of business exceeded \$1,500 in the same time period



Historical preventive profile

NMRHCA

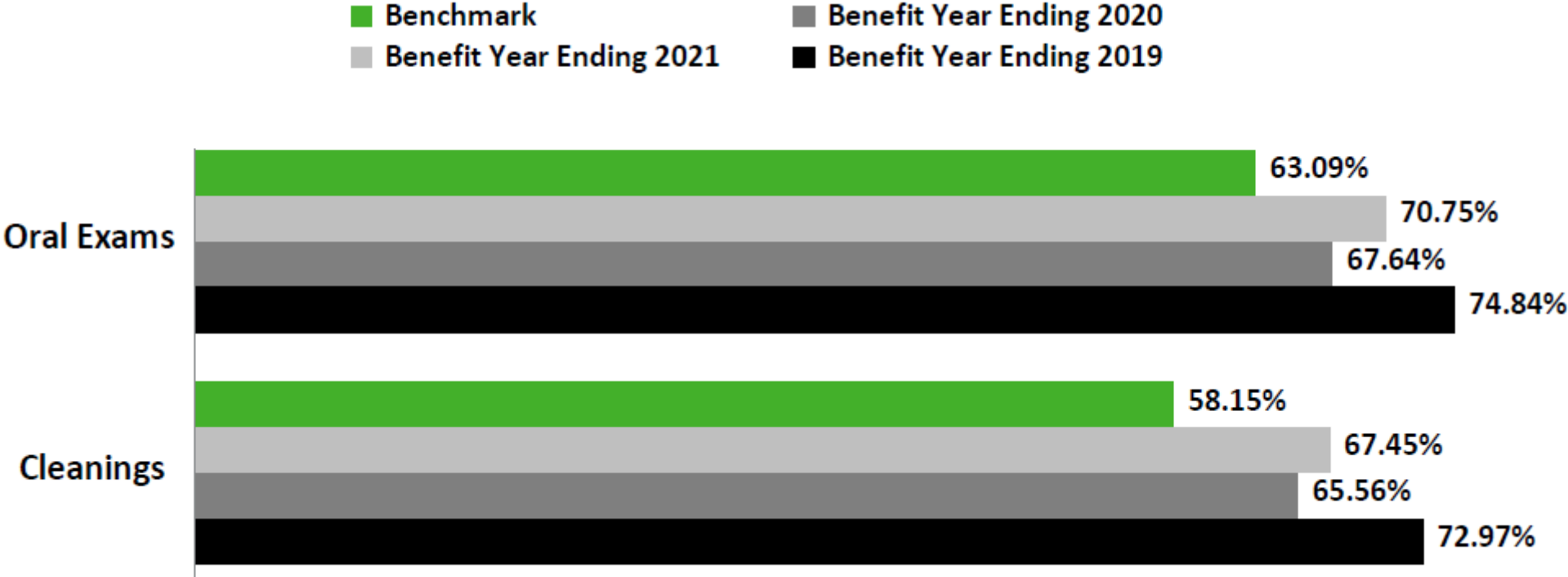
2021 data



Historical preventive profile

NMRHCA

Percentage of your members who received key preventive services over three years



MOUTH MATTERS—Baby boomers will be the first majority of adults to maintain their natural teeth over a lifetime.⁸

⁸ Centers for Disease Control and Prevention, "Adult Oral Health," web.

Historical preventive profile

NMRHCA Preventive and Diagnostic Services—Nonutilizers

Percent of Members

Reporting Period	Services	Your Members	Benchmark
12 months	No preventive or diagnostic visits during the reporting period	29.43%	34.24%
18 months	No preventive or diagnostic visits during the reporting period and six months prior	23.78%	28.60%
24 months	No preventive or diagnostic visits during the reporting period and twelve months prior	22.43%	25.20%



MOUTH MATTERS—More than 70 percent of Americans 65 and older have periodontitis (an advanced stage of gum disease).⁹

⁹ Centers for Disease Control and Prevention, “Oral Health for Older Americans,” web.

Wellness and COVID updates

As your expert in dental benefits, Delta Dental is committed to the overall health and wellness of all our members. Below are suggestions that can encourage the development of good oral health habits.

- Link between oral and systemic health
 - Wise and Well section of NMRHCA website
 - Newsletter articles
 - Open enrollment materials/presentation
- COVID update
 - No longer impacting accessibility for services
 - Member utilization back to pre-COVID
 - No COVID related claims have been received



Thank you!

We are proud to enter our 13th year as **New Mexico Retiree Health Care Authority's** dental benefits partner, serving your members since **July 1, 2008**

We appreciate the opportunity to share your 2021 plan performance and member experience. Your continuous support helps Delta Dental invest in initiatives that make our communities better places to live, work and play.

Together, along with our clients and partners, we build healthy, smart, vibrant communities for all.



New Mexico Retiree Health Care Authority Annual Review

July 2022

Annual Business Review Agenda

- I. Introductions
- II. Updates on Versant Health and MetLife
- III. The Year in Review
- IV. Innovation for NMRHCA
- V. Partnership Opportunity
- VI. Wrap-up



Long-standing Relationship, Expert Support

Dedicated Local Support and Exceptional Service

Expert Local Support:

- Cathy Fenner: Account Representative
- Marianna Sandoval: Senior Customer Service Representative
- Sam Garcia: VP Regional Marketing

National Support:

- Robert Young: Director, Client Management

Executive Sponsor:

- Tom Rosa: SVP, Client Management

- Long history of serving the needs of NMPSIA
- Regional Office based in Albuquerque, NM
- Nearly 20 years of community service by providing eye exam and eye glasses to school children
- 150+ combined years managed vision care experience
- We establish a mutually agreeable communication schedule for on-site meetings and calls to ensure open communication and collaboration.

A Proud Subsidiary of MetLife

Bringing scale, Investment and product Opportunities to our customers



- MetLife legacy leader James Reid became CEO effective April 1, 2021
- Commercial direct sales moved to MetLife
- Commercial direct clients integrating with MetLife beginning May 2022 based on Anniversary dates
- Versant Health growth now focused on third party health plans and reseller business, in-group growth, and bolstering medical management in the government space
- MetLife ownership will provide new and creative design opportunities

Corporate Facts

MetLife and Versant Health



MetLife

MetLife is a leading global provider of insurance, annuities and employee benefit programs. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia, Europe, the Middle East and Africa.

- #48 in the Fortune 500
- Over 150 years in business
- Over 40 markets globally
- Over 49,000 employees



Versant Health, a wholly-owned subsidiary of MetLife, is one of the nation's leading managed vision care companies serving more than 35 million members nationwide. Through our Davis Vision plans and Superior Vision plans, we help members enjoy the wonders of sight through healthy eyes and vision.

- Over 35 million members
- 97% member satisfaction for Davis Vision
- Over 900 employees

NMRHCA 2021-22 Highlights



Member Enrollment¹

33,804 Subscribers
13,019 Dependents
46,823 Total Lives

¹Average Lives based on a snapshot in time



Benefit Utilization

21,618 Claims
46.2% Utilization



In-Network Utilization

98% In-Network*



Member Satisfaction

98% Satisfaction



Frames Paid-in-Full

72.8% Received a Paid-in-Full



Eye Examinations

12,317 Eye Exams



Member Savings

\$2,043,459 Savings on Lens Options & Upgrades

60% Savings!



Popular Lens Options

- Polycarbonate
- Transitions®
- Progressives
- Anti-Reflective Coating
- High Index

Your members greatly utilized their benefits

Utilization

Period	Avg Monthly Subscriber Lives	Avg Monthly Dependent Lives	Avg Total Monthly Lives	Total # of Claims	Total Claims Expense	Avg. Expense per Claim	% of Utilization
2021/7	33,305	12,962	46,267	2,035	\$195,927	\$96	4.4%
2021/8	33,486	13,060	46,546	2,119	\$198,304	\$94	4.6%
2021/9	33,704	13,114	46,818	2,120	\$202,135	\$95	4.5%
2021/10	33,839	13,126	46,965	1,945	\$181,388	\$93	4.1%
2021/11	33,854	13,094	46,948	2,076	\$194,398	\$94	4.4%
2021/12	33,855	13,047	46,902	2,038	\$186,423	\$91	4.3%
2022/1	33,963	13,032	46,995	1,858	\$177,165	\$95	4.0%
2022/2	33,969	13,013	46,982	1,787	\$167,910	\$94	3.8%
2022/3	33,953	12,955	46,908	2,032	\$188,440	\$93	4.3%
2022/4	33,955	12,925	46,880	1,689	\$155,607	\$92	3.6%
2022/5	33,962	12,885	46,847	1,919	\$175,619	\$92	4.1%
Total	33,804	13,019	46,823	21,618	\$2,023,315	\$94	46.2%

How we service NMRHCA...

- Dedicated local support with Regional Office based in Albuquerque, NM
- Robust network, with 98% overall network access
- Visionworks, Costco, Walmart and Sam's are true in-network locations. Over 112,000 access points to serve all membership
- Enhanced frame allowance at Visionworks
- In-network online retailers, Glasses.com, 1-800Contacts, Befitting and Visionworks.
- Processed over 21,600 claims
- 46.2% overall utilization
- 98% member satisfaction and 98% first-call resolution
- Provide quarterly experience and financial reporting



* Source: NMRHCA Utilization Reports & NAR Reports

Eyewear Dispensing Program (EDP)

Enhanced Member Offerings Through a State-of-the-Art Formulary

Tailored Solutions

Cost of Care Savings

With input from network providers, Davis Vision changed the way eyewear was dispensed to NMRHCA members.

- Phased launch began in late 2019
- Expanded the network of labs for Davis Vision from two to 75 labs across America with nearby labs to serve NMRHCA members
- Working with Essilor, the largest eyewear manufacturer in the world.

A Product for Every Prescription

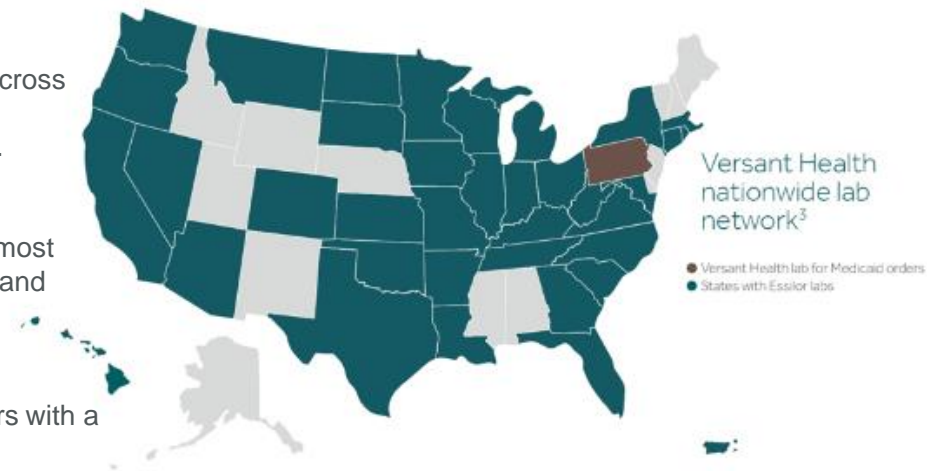
- Members benefit from a broad range of lens products including the most popular and requested digital progressives, anti-reflective coatings, and blue light protection.

Cost Savings

- A single manufacturer keeps costs down and provides your members with a consistent experience regardless of location

Innovation and Quality

- Essilor's investments in research and development provide your members access to the most innovative products as soon as they hit the market. Most recent and best technology
- The most aggressive service level requirements of any lab network in the country makes Davis Vision the best in class for quality and turnaround time.
- The lab network follows American National Standards Institute (ANSI) standards, which ensures eyewear is made correctly the first time, from standard single vision to unique and highly complex lenses.



Additional Value for Members



*The Exclusive Collection

On-trend frames with retail price tags up to \$195, available exclusively to NMRHCA members for **\$0 co-pay**

*Actual savings may vary based upon products purchased



LASIK Discounts with QualSight

Members get cost-effective prices on LASIK procedures, making permanent vision correction more economical (**members automatically eligible**)



Exclusive Breakage Warranty Protection

Repair or replacement* of your plan covered spectacle lenses and/or Collection frames within one year at **no cost** to the member (**automatically built into the plan**)

*Limitations apply.



Access to hearing aid discounts

Members save up to 40% on brand name hearing aids and have access to a nationwide network of licensed hearing professionals through Your Hearing Network. (**members automatically eligible**)



Our US-based customer care center is just a quick phone call away and is available 7 days a week.



Mobile-friendly customer portals and our member app with plan details, forms and surveys. Compatible with both Android and iOS systems (**Find us in the App Store or Google Play**)



Out-of-network claims can now be submitted from your member account online, eliminating the need for paper claims. Members can set payment preferences to direct deposit and sign up with Zelle®.



The Davis Vision Virtual Open Enrollment experience provides employees an interactive, intuitive, and immersive Benefits Booth experience, all year long. Visit our Virtual Experience at **DavisVisionOE.com**.

On-site Clinics

CDC compliant

Manage all on-site exam and store operations

Fully staffed

Provide eyeglass prescriptions that can be used at any provider on online OR fulfill eyewear order on-site to ship member's home

befitting

a better way to buy glasses you love



Comprehensive **telehealth** exam with retinal imaging included by a licensed professional

Over 500 designer frames onsite for large member group events

Minimum 400 eligible employee members per location

Larger, full pop-up clinic experience (600 Sq. Ft. space needed)

Interactive AI frame fitting tool available on-site

8-week lead time to schedule, plan, and set up



Comprehensive **on-site** exam, optional retinal imaging with a licensed professional on-site

Over 200 Davis Exclusive Collection frames onsite for smaller member group event

Minimum 100 eligible employee members per location

Smaller, flexible setup for office or meeting space (12' x 15' room size needed, along with smaller retail display space available)

Compliance vision screenings available



6-week lead time to schedule, plan, and set up





DavisVision™

Davis Vision coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, under policy form series HM902-VIS or similar, in all states except New York. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HM 902-VIS or similar. The coverage or service requested may not be available in all states and is subject to individual state approval.

DV-CM18-0017v1 PPT 8/2018



NM Retiree Health Care Authority

July 2022 Annual Board Retreat
Life Insurance Coverages



Here Today

Greg Archuleta

Dedicated Account Specialist
Albuquerque, New Mexico

Standard Team

Jennifer Oswald

National Accounts Consultant
Portland, Oregon

David Weinstein

Senior Employee Benefits
Consultant
Phoenix, Arizona

Nathan Briggs

Underwriter
Portland, Oregon



NMRHCA & The Standard: A Brief History

- NMRHCA has been a valued customer since July 1, 2007
- Sample of current services in support of NMRHCA and its insured retirees:
 - ✓ Dedicated On-site Account Specialist (for IBAC groups NMPSIA, APS and RHCA)
 - ✓ Established account management and benefits teams with deep experience/expertise serving NMRHCA
 - ✓ Dedicated website and toll-free number for retiree questions and requests
 - ✓ Customized marketing materials
 - ✓ Quarterly experience and plan utilization reporting
 - ✓ Switch enrollment meetings attendance
 - ✓ Plan performance guarantees
- Currently in 4-year rate guarantee period; plans will next renew July 1, 2023



Deep Expertise in Life and Disability Benefits

Life and Disability are our core specialties.

For more than a century, we've helped people protect their families and their futures. By keeping our promises, we've built a national reputation for quality products, personalized service and strong financial performance.

Founded in

1906

in Portland, Oregon

89%

of company revenue
comes from
employee benefits
(Life & Disability)

A Excellent

A.M. Best Company

A+ Strong

Standard & Poor's

A1 Good

Moody's

These ratings are current for Standard Insurance Company as of March, 2020.



Marketplace Update

- COVID-19 challenges and opportunities
- Employers focusing on employee retention, mental health benefits, and work-from-home/office re-opening activities
- “The Great Resignation”: 38 million+ workers left their jobs in search of increased wages and benefits, improved working conditions and job opportunities
- Unemployment improved to pre-pandemic levels
- Group Life carriers paid a record number of death claims
 - Non-COVID excess mortality is up 4.8%
 - COVID mortality accounts for a 16% increase in deaths (SOA Group Life Study)
- Inflation is escalating – will impact interest rates (which directly affect LTD and claim reserves), wages and benefit increases

Basic Life

- Eligible retirees continuously enrolled in any NMRHCA medical plan prior to 1/1/2012, automatically have \$6,000 of Basic Life insurance; it is not tied to medical plan enrollment and is available only to currently insured grandfathered retirees only

Additional Life

- There are 10 benefit levels to choose from:

\$2,000	\$4,000	\$6,000	\$8,000	\$10,000
\$15,000	\$20,000	\$40,000	\$46,000	\$60,000

- Newly eligible retirees may purchase up to \$10,000 of coverage without answering any health questions

Dependent Life

Spouse

- Benefit amount is any of 10 options (same as retiree), but cannot exceed 100% of the retiree's Basic & Additional amount combined
- Newly eligible retirees may purchase up to \$10,000 of coverage for their spouse without the spouse having to answer any health questions

Children

- Benefit amount is \$2,500, \$5,000 or \$10,000, but cannot exceed 100% of the retiree's Basic & Additional amount combined
- Covered from live birth until age 26

Life Plan Features

Travel Assist

Designed to help you respond to medical care situations and other emergencies you and your family may experience while traveling 100 miles or more from your home.

Life Services Toolkit

Comprehensive online tools and services can help you create a will, make advance funeral plans and put your finances in order.

After a loss, beneficiaries can consult experts by phone or in person, and obtain other helpful information online for up to 12 months after the date of death.

Repatriation Benefit

Pays expenses related to transporting the remains of the retiree who dies more than 150 miles from their primary residence.

Accelerated Benefit Option

Provides up to 75% of benefit if the retiree is considered terminally ill and meets certain requirements.

Conversion Option

You may be able to continue your life insurance coverage on an individual basis if you meet certain requirements.

Resources for The Standard



Greg Archuleta
(Local Support)

Call [971.321.0957](tel:971.321.0957)



**Dedicated Line for
Customer Service**

Toll-free [888.609.9763](tel:888.609.9763)
Ext. 0957



**Website
for Retirees**

[www.standard.com/
mybenefits/
newmexico_rhca](http://www.standard.com/mybenefits/newmexico_rhca)

Life Performance Guarantees

2021/2022 Plan Year

Measure	Target	Q1	Q2	Q3	Q4	YTD
Calls Returned by Dedicated Account Specialist	90% or more of calls received during normal business hours returned within one business day	100%	100%	100%		100%
Claim Payment Accuracy	99% or more of life claim payment dollars are computed and paid correctly	100%	100%	100%		100%
Claim Decision Accuracy	98% or more of life claim decisions are correct	100%	98.5%	100%		99.5%
Life Claim Payment Timeliness	Claim payments will be made within an average of 5 business days of receipt of information needed to issue payment	2.7 days	3.1 days	3.9 days		3.3 days

NMRHCA Experience – Total Life/AD&D

	July 1, 2021 – March 31, 2022	Total All Years – July 2007 – March 31, 2022
Earned Premium	\$9,623,417	\$147,512,944
Total Incurred Claims (Paid Claims + Reserves)	\$10,070,439	\$137,682,127
Loss Ratio	105%	93%

Questions?



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

July 2022

Annual Meeting

2023 Plan Recommendations

Action Items

Summary of Proposed Actions

- Self-Insured Plan Rate Increases
 - Pre-Medicare (Premier and Value Plans)
 - Medicare Supplement
- Self-Insured Plan Designs
 - Pre-Medicare
 - Increase Emergency Room Copays – Premier \$125 to \$250 and Value \$175 to \$350
 - Increase Urgent Care Facility Copay – Premier \$35 to \$45 and Value \$40 to \$55
 - Increase BCBS Tier 1 Annual Out of Pocket Limit - \$3,000 to \$3,750
 - Medicare
 - Add \$250 Copay for Inpatient Stay (1 per year)
 - Add \$100 Copay for Outpatient Surgery
 - Increase Annual Part B Deductible by \$50
 - Set Annual Out of Pocket Limit for Plan \$500
- Continue Pilot Program
 - Hinge Health – BCBS Pre-Medicare Premier and Value Plan
- Medicare Advantage Positive Enrollment
 - Defaulting members from Presbyterian’s MAPD to UnitedHealthcare’s MAPD
- Additional Considerations
 - Laws 2021, Chapter 136 (Senate Bill 317) No Behavioral Health Cost Sharing
 - 2023 Medicare Advantage Rates – Zero dollar increase or reduction of known plans
 - Pharmacy Benefit Manager Contract Savings

Staff Recommendations

- Scenario D:
 - Premium Increases
 - 4% Increase on Premier and Value Plans
 - 2% Increase on Medicare Supplement Plan
 - Pre-Medicare Plan Design Change
 - Increase Emergency Room Copays – Premier \$125 to \$250 and Value \$175 to \$350
 - Increase Urgent Care Copays – Premier \$35 to \$45 and Value \$40 to \$55
 - Increase BCBS Tier 1 Out-of-Pocket Max – Premier \$3,000 to \$3,750
- Continue Pilot Program
 - Hinge Health – BCBS Pre-Medicare Premier and Value Plan

Summary of Proposals

	Baseline	Scenario A	Scenario B
Pre-Medicare Rate Increase	8%	0%	6%
Medicare Supplement Plan Rate Increase	6%	0%	4%
Deficit Spending Period (FY)	2034	2033	2034
Solvency Period	Beyond Projection Period	Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 7/1/53	\$ 18,762,906,762.00	\$ 16,948,014,827.00	\$ 18,279,259,517.00
Plan Changes	None	None	Pre-Medicare - ER, UC, OOP
		Scenario C	Scenario D
Pre-Medicare Rate Increase		5%	4%
Medicare Supplement Plan Rate Increase		3%	2%
Deficit Spending Period (FY)		2034	2033
Solvency Period		Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 7/1/53		\$ 18,013,274,257.00	\$ 17,747,288,998.00
Plan Changes		Pre-Medicare - ER, UC, OOP	Pre-Medicare - ER, UC, OOP

- 2021 Medical Trend Comparison:
- Approved Increase 6 & 4%
 - Deficit Spending Start FY28
 - Beyond Projection Period
 - Projected Fund Balance 7/1/52 - \$10,267,766,578