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REGULAR MEETING OF THE BOARD OF DIRECTORS



**August 30, 2022
1:30 PM**

**CNM Workforce Training Center, Room 207
5600 Eagle Rock Ave. NE, Alb. NM 87113
Online: <https://meet.goto.com/338195437>
Telephone: 1-408-650-3123 / Access Code: 338-195-437**

New Mexico Retiree Health Care Authority
Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

August 30, 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

August 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
rick.scroggins@state.nm.us
505-476-6152

Mr. Lance Pyle
NM Association of Counties
Curry County Administration
417 Gidding, Suite 100
Clovis, NM 88101
lpyle@currycounty.org
575-763-3656

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

Ms. Raquel Alirez
Classified State Employee
401 Broadway NE
Albuquerque, NM 87102
raquel.alirez@state.nm.us
505-365-3474

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

August 30, 2022

1:30 PM

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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 July 14 & 15, 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, Executive Director	
a. Human Resources		
b. 3 rd Quarter 2022 Newsletter		19
c. 2023 Switch Enrollment Postcard		25
d. Inflation Reduction Act		27
e. Legislative		
f. Updated Solvency Projection		31
g. June 30 & July 31, 2022, SIC Reports		32
9. FY24 Appropriations Request (Action Item)	Mr. Kueffer, Executive Director	34
10. Life & Disability RFP (Action Item)	Mr. Kueffer, Executive Director	40
11. Travel Request (Action Item)	Mr. Kueffer, Executive Director	41
12. Other Business	Mr. Crandall, President	
13. Executive Session	Mr. Crandall, President	
Pursuant to NMSA 1978, Section 10-15-1(H)(7) Pertaining to Threatened or Pending Litigation and NMSA 1978, Section 10-15-1(H)(2) Pertaining to Limited Personnel Matters		
14. Date & Location of Next Board Meeting	Mr. Crandall, President	
September 27, 2022 – 9:30AM CNM Workforce Training Center 5600 Eagle Rock Ave NE, Alb. NM 87113		
15. Adjourn		

MINUTES OF THE
NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

ANNUAL MEETING/DAY 1

July 14, 2022

1. CALL TO ORDER

Day 1 of the Annual Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. at the Hotel Encanto, 705 S. Telshor Boulevard, Las Cruces, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Mr. Doug Crandall, President
Ms. Therese Saunders, Vice President
The Hon. Tim Eichenberg, NM State Treasurer [virtually]
Ms. Raquel Alirez
Mr. Lance Pyle
Dr. Tomás Salazar
Mr. Rick Scroggins
Mr. Jamie Widner

Members Excused:

Ms. LeAnne Larrañaga-Ruffy, Secretary
Mr. Sanjay Bhakta
Mr. Terry Linton

Staff Present:

Mr. Neil Kueffer, Executive Director
Mr. Jeff Biggs, Director of Communication & Member Engagement
Mr. Michael Bebeau, General Counsel
Mr. Trinity Angelino, Network Administrator
Ms. Judith Beatty, Board Recorder

Others Present:

[See sign-in sheet]

3. PLEDGE OF ALLEGIANCE

Mr. Scroggins led the pledge.

4. APPROVAL OF AGENDA

Mr. Pyle moved approval of the agenda, as published. Ms. Saunders seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES: June 7, 2022

Dr. Salazar moved approval of the June 7, 2022, minutes, as submitted. Mr. Pyle seconded the motion, which passed unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

Guests introduced themselves.

7. BOARD APPOINTMENT – CLASSIFIED EMPLOYEE

Mr. Kueffer and board members welcomed incoming board member Raquel Alirez, HR director at the Department of Workforce Solutions, replacing former member Leanne Madrid.

8. ELECTION OF BOARD OFFICERS

Dr. Salazar moved to retain the current slate of officers for another year. Mr. Pyle seconded the motion. There being no other nominations, the motion passed unanimously.

a. Board Policies and Procedures

This document was in the board book for review on page 14.

b. Committee Assignments

Chairman Crandall asked board members to review the committee assignments (page 22 of board book) and make any suggestions for changes by the end of this meeting.

c. Code of Ethics

Mr. Kueffer asked board members to complete and sign the Code of Ethics Disclosure Statement.

d. Open Meetings Act Resolution

Mr. Kueffer said the draft resolution presented at the June meeting has been updated to reflect this year's dates.

Mr. Scroggins moved for approval. Mr. Pyle seconded the motion, which passed unanimously.

9. COMMITTEE REPORTS

- Executive Committee met yesterday and reviewed the agenda as well as items that will be up for discussion tomorrow. The Finance Committee, lacking a quorum, did not meet. [Crandall]

10. STATE INVESTMENT COUNCIL UPDATES: CHARLES WOLLMANN, DIRECTOR, COMMUNICATIONS, LEGISLATIVE & CLIENT RELATIONS, SIC

Mr. Wollmann presented a performance update for quarter ending March 31, 2022.

Highlights from his presentation:

- NMRHCA net return for the 1-year period was very good at 10.2 percent and 3 percent above the benchmark.
- Over the long term, NMRHCA has outperformed the Severance Tax Permanent Fund and kept up with the Land Grant Permanent Fund. Also, NMRHCA has outperformed five randomly selected client funds across nearly all time periods, showing that the decision by the NMRHCA board to diversify the portfolio was very helpful and would continue to be so during periods of volatility.
- Recently, a client asked if they could operate a cash pool or if the SIC could open one for them to access. While this is not technically possible, the SIC is looking into a low duration pool as an option for those clients seeking low volatility and to reduce short-term risk.
- NMRHCA paid \$225,000 in management fees for the quarter, which is approximately 8-9 basis points, or .08 percent annually for the bulk of its fund management.
- Over the next ten years, the SIC expects that the stock market will have annualized returns of 4-6 percent, and for bonds 2-4 percent. Investment strategy will be to maintain 40 percent public equity, 10 percent fixed income, and 50 percent private market assets (PE, RE, Real Assets, Private Credit) and increase active management exposure through private equity, real estate, and private credit to maximize returns.

Mr. Wollmann said the SIC will also assess its strategy annually, and take a deep dive every three years with an asset allocation study. It suggests that the NMRHCA do the same.

Additional items:

- The SIC voted unanimously to fully divest from Russia. Overall, it had only \$16 million invested, with \$13.6 million in public equities, \$1.8 million in core bonds, and \$500k in core plus. SIC will be conducting an analysis of any impact this might have on the NMRHCA.
- The SIC has adopted an ESG (environmental, social, governance) policy; however, it does not require the SIC to invest in specific things or restrict it from investing in certain things. A main point of the policy is to acknowledge that the world is changing and that the SIC should take strides to implement and involve its portfolio while being consistent under fiduciary responsibilities to ethically optimize its returns.
- Ten years ago, in 2012, the NMRHCA had \$229 million in its investment portfolio. The \$1.1 billion today shows great growth not only through deposits, but great performance.

Responding to a question from Dr. Salazar, Mr. Wollmann said there are two places in statute addressing how cities, counties, or other governmental instrumentalities can become of client of the SIC.

Dr. Salazar noted that there was a presentation by an LFC staff member at the most recent IPOC meeting about how LFC staff becomes involved in investment funds. A handout included a bullet point about “participating in budget development for PERA, NMERB and SIC.” He thought that generated a question from Sen. Liz Stefanics about the NMRHCA’s performance, which wasn’t mentioned in the handout and wasn’t included in the presentation.

Mr. Wollmann responded that he emailed Sen. Stefanics after the meeting and provided her with that information, including how the NMRHCA has maximized the options that the SIC has given to it. He said he would suggest that, if approached by the LFC, he would tell them that the SIC could do a presentation to include the NMRHCA, which has \$1+ billion in assets and that the legislature should be aware of this. From an agency perspective, he also feels it would help SIC get the word out that this option exists for entities as provided by statute and that it’s a little-known secret that the more entities who participate, the better the benefit there is in terms of lower fees.

Mr. Pyle asked if there is any system whereby a significant fluctuation in the market would automatically trigger either a rebalancing event or a discussion about it. Mr. Wollmann responded that there is no such system in place, although the SIC can do a rebalancing after receiving direction from the clients.

Chairman Crandall commented that the NMRHCA still doesn't have a full-time investment consultant, although he has been trying for years, and getting an asset allocation strategy is difficult because of that.

Mr. Kueffer noted that the NMRHCA is looking to develop an RFP to have somebody work with the NMRHCA on an ongoing basis rather than biannually, as is the current practice.

Mr. Wollmann said the NMRHCA should look at its investment allocation every three years at a minimum. He noted that the SIC does offer an index for international emerging, and currently the NMRHCA is active in that one category while the rest of its investments in the public realm are all indexed. To be consistent, the NMRHCA may want to see whether it is getting the best bang for the buck with active management versus being indexed, which is cheaper. He added that active management in public equities hasn't paid off for the last decade or so.

11. WELLNESS SCORECARD:
JESS BIGGS, DIRECTOR OF COMMUNICATIONS AND MEMBER ENGAGEMENT

Mr. Biggs made a slide presentation (page 45).

12. PROVIDER PRESENTATIONS

a. Presbyterian Health Plan

[Presenters: Keith Witt, Phillip Anaya, Adriana Lopez, Barbara Herrera]

b. Blue Cross Blue Shield of New Mexico

[Presenters: Lori Bell, Lisa Sullivan, Kathryn Hull, Chris Baker]

c. Express Scripts

[Presenters: Jon Molberg and Harris Zayae]

Responding to Chairman Crandall, Mr. Zayae said biosimilars have transformed the specialty spend landscape and now make up 43+ percent of specialty medications. In the last six years, 36 biosimilars have been approved, and in the last ten years this has saved about \$2.4 trillion. The biosimilar market share has increased to 61 percent over the last two years, and many have entered the market at prices up to 40 percent lower than their reference (branded) products. He said 21 of the 36 biosimilars are on the market for eight unique brand products, and about 68 percent of them are medically billed because they are administered in a clinic or hospital setting.

[Lunch Break: 12:40 – 1:30 p.m.]

13. ACTUARIAL PRESENTATIONS: NURA PATANI, MELISSA KRUMHOLTZ, AMY COHEN, SEGAL; MIKE MADALENA, MADALENA CONSULTING

Ms. Krumholtz reviewed key assumptions in the 2022 model as of 5-31-22:

- The 5-31-22 fund balance of \$1.2 billion is used as an estimate for the 7/1/22 fund balance.
- The 7 percent investment return assumption is down from last year's 7.25 percent, as per scenario adopted at 2021 annual meeting.
- Annual growth in payroll 8.92 percent through FY 2023, 2.75 percent thereafter.
- Contribution rates unchanged.
- Annual growth in retirees is based on FY 2014 open valuation output table. Segal recommends reconsidering, reevaluating, and creating a new open projection. Some of the factors to be considered are what kind of experience the NMRHCA will begin to have with the rule change, as well as the new mortality tables, etc.
- Pension Tax Revenue: \$41 million for FY 2022, increasing 12 percent per year thereafter.
- Pharmacy Rebates: \$44 million for FY 2023 reflects financial terms of the contract through FY 2027, increasing at the retiree growth rate thereafter. This is another reason why the NMRHCA should start thinking about the retiree growth assumption currently being used in the valuation.
- Annual Medical Claims Trend: Pre-Medicare and Medicare Supplement, each 8 percent.
- Annual RX Claims Trend: Pre-Medicare and Medicare RX, each 8 percent.
- Dental/Vision Claims Trend: 6.00 percent/5.00 percent
- Medicare Advantage Increases: CY 2022 and CY 2023 based on actual rates as provided by NMRHCA staff, which continue to be favorable. Increase will be a conservative 7 percent thereafter.
- Pre-Medicare Rate Increases: Annually 8 percent in 2023-2024 and net 8 percent with plan changes thereafter.
- EGWP Revenue Components: CY 2022, 2023 projected by ESI
 - Direct Subsidy: Annual increase at retiree growth rate plus 12 of Medicare RX trend
 - Federal Reinsurance & Coverage Gap Discount Program: Annual increases at retiree growth rate
 - Low Income Subsidy: 0.0 percent annual increase to CY 2022 estimate
- Plan Design Changes
 - Pre-Medicare Medical & RX: Annual plan changes in CY 2025 and beyond such that projected claims and expenses remain beneath the eliminated Excise Tax threshold

- Medicare Supplement Medical & EGWP: Annual plan changes in CY 2036 and beyond such that projected claims and expenses remain beneath Excise Tax threshold

Member Rate Share

- Pre-Medicare: Retiree 36 percent/Spouse 64 percent/Child(ren) 100 percent
- Medicare (Supplement & Advantage): Retiree 50 percent/Spouse 75 percent/Children 100 percent
- Minimum Years of Service to Receive Full Subsidy: Consistent with Board Approved rule change to 2.8.11 NMAC effective July 2021
- Member Migration/Participation: Migration from Premier to Value plan until plan changes begin in 2025 (1.75 percent annual shift from Premier); All Medicare members default to UHC MA I plan: conservative estimate is that 50 percent will revert back to a Medicare Supplement plan.

Dr. Patani reviewed a graph representing the key points of Segal's long-term solvency model with the baseline scenario of 8 percent Pre-Medicare/6 percent Medicare Supplement rate increases with no plan changes. The definite spending period would be 7/1/2033 to 7/1/2038. The NMRHCA would be keeping pace with the non-investment portion of revenues, which is keeping pace with expenses to a certain degree until the deficit spending period is reached.

Dr. Patani commented that this is definitely a favorable outlook for the NMRHCA, especially compared to some of the past years.

Dr. Madalena and Ms. Cohen reviewed a Claims and Demographics study prepared by Segal.

Chairman Crandall asked if Dr. Madalena saw any red flags that the board should be looking at, for instance, should the NMRHCA eliminate freestanding ERs as a benefit, and would that make a substantial difference. Dr. Madalena commented that didn't think it was possible for the NMRHCA to eliminate them. The per-encounter cost for the Premier Plan is \$1,256, and there were 1,039 encounters, which is pretty substantial. He said keeping an eye on migration would be important to make sure things are properly priced. He said increasing certain ER copays is also trending.

Mr. Kueffer said the NMRHCA tries to promote a different pricing for freestanding ERs for certain types of service such as high tech radiology. Dr. Madalena suggested considering this for certain surgeries.

15. REVIEW OF CALENDAR YEAR 2022 PLAN CHANGES

Mr. Kueffer reviewed a summary of proposed actions:

- Self-insured Plan Rate Increases
 - Pre-Medicare (Premier and Value Plans)
 - Medicare Supplement

- Pre-Medicare
 - Increase Emergency Room Copays – Premier \$125 to \$250 and Value \$175-\$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 – \$0 increase or reduction of known plans
 - Pharmacy Benefit Manager Contract Savings

Mr. Kueffer reviewed Scenarios A-D for proposed monthly plan rates. Staff is recommending the proposed actions as detailed along with Scenario D: Increase of 4 percent for Pre-Medicare and 2 percent for Medicare Supplement.

Chairman Crandall asked if there has been any further discussion on asking the legislature to provide funds for a one-month premium holiday. Mr. Kueffer responded that the IPOC presentation had included several scenarios, one of which was to look at the NMRHCA bill again to increase the employer/employee contributions by a half percent. There was also a one-time request for funding that would allow the NMRHCA to provide a premium holiday for its retirees without requiring the NMRHCA to increase rates later to make up for it.

Responding to Mr. Scroggins, Mr. Kueffer stated that the cost of the premium holiday would have been about \$13.7 million. This would cover medical, dental and vision, but not life insurance.

Mr. Kueffer said the third item was a one-time request for \$25 million, which would be equivalent to the amount realized had the NMRHCA’s bill passed to increase employer/employee contributions by a half percent.

Chairman Crandall said that, based on Dr. Madalena’s presentation in terms of increasing certain emergency room copays, maybe next year the NMRHCA can look at breaking that down between people who use freestanding ERs and those who use traditional ERs.

16. BOARD MEMBERS FIDUCIARY RESPONSIBILITIES:
LUIS CARRASCO, DIRECTOR, RODEY LAW FIRM

Mr. Carrasco made a presentation.

RECESS: 4:15 p.m.

MINUTES OF THE
NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

ANNUAL MEETING/DAY 2

July 15, 2022

1. CALL TO ORDER

Day 2 of the Annual 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. at the Hotel Encanto, 705 S. Telshor Boulevard, Las Cruces, New Mexico.

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 [virtually]
Ms. Raquel Alirez
Mr. Lance Pyle
Dr. Tomás Salazar
Mr. Rick Scroggins
Mr. Jamie Widner

Members Excused:

Mr. Sanjay Bhakta
Mr. Terry Linton

Staff Present:

Mr. Neil Kueffer, Executive Director
Mr. Jeff Biggs, Director of Communication & Member Engagement
Mr. Michael Bebeau, General Counsel
Mr. Trinity Angelino, Network Administrator
Ms. Judith Beatty, Board Recorder

Others Present:

[See sign-in sheet]

3. PLEDGE OF ALLEGIANCE

4. EXECUTIVE DIRECTOR'S UPDATE

a. HR Updates

- The NMRHCA will be conducting interviews for a customer service representative for the Santa Fe office.
- A Deputy Director candidate is under consideration.

b. IT Security Assessments

- No critical issues were identified by Aquila in its IT security assessment and it is addressing a few smaller issues that were identified. DoIT is now helping other agencies by doing a monthly scan, and on the first scan, the NMRHCA received a score of 738 out of 850, which is a positive score. Staff is working hard to close any gaps to ensure complete security for its members and the day-to-day business of the agency.

c. Executive Order 2022-086 NM Rx Drug Task Force

Mr. Kueffer said Governor Lujan-Grisham has formed a task force to address this executive order, and the NMRHCA is closely monitoring any developments and looks forward to the recommendations from the task force.

Responding to Dr. Salazar, Mr. Kueffer said the NMRHCA hasn't been approached about joining this task force, but the president of the New Mexico Coalition for Healthcare Quality will be on the task force. Mr. Kueffer said he will be talking with them to see what kind of input the NMRHCA can provide.

d. Legislative – IPOC

Mr. Kueffer said the NMRHCA made a presentation to the IPOC last week that included discussion on solvency and GASB. The members requested information on pharmacy and what the PBM RFP results were for IBAC and UNM. The NMRHCA projected an amount of \$274 million for the five agencies that participated.

Mr. Kueffer said the NMRHCA also reviewed its legislative proposal for the half percent increase in contributions and its two one-time money requests, as discussed at the board retreat yesterday.

Mr. Widner stated that the New Mexico Coalition of Educational Leaders Conference is being held today in Albuquerque. He would have been there as a representative of the Superintendents Association, but told them he would be at the NMRHCA retreat and annual

meeting, and sent them a written report explaining what the NMRHCA board was looking at. He asked them to support the NMRHCA's legislative priorities. Mr. Widner said he had calculated that, based on the Tier 1, 2 and 3 base salaries for teachers, a teacher earning \$70,000 annually would be paying another \$119 a month and the employer another \$231 a month toward the proposed contribution increases. He said the Superintendents Association will be strongly supporting this, and the NMAER is also supporting it.

Mr. Kueffer said he will be making a presentation at the NMAER conference in September in Clovis, and will also be meeting with the NM Association of Counties. He will be reaching out to all of the stakeholders to get their input and support.

Dr. Salazar said he looks very closely at IPOC's work plan, which indicates a need for IPOC to focus on PERA, NMERB, and NMRHCA, but NMRHCA for whatever reason appears to be left out of the conversation. He stressed the need for the IPOC chair to be aware of the need for that conversation.

e. State of NM, Ex. Rel., Hector Balderas, Attorney General v Johnson & Johnson et al

- The stay on the subpoena was lifted, and the NMRHCA subsequently provided the requested information to its attorneys. Certain information was redacted.

f. Lopez v. NMRHCA, D-101-CV-2019-02546

- There was a proposed judgment on the mandate. Ms. Lopez opposed it, and a hearing will be scheduled.

g. GAS 75 – Employer Allocations

- This information was in the board book on page 26. The NMRHCA submitted the report on time, and met all other requirements this year.

h. May 31, 2022, SIC Report

- The fund balance was \$1.2 billion, reflecting a slight increase from the previous month.

5. PROVIDER PRESENTATIONS (CONT'D)

a. UnitedHealthcare

[Presenters: Dan Cadriel with Michelle Vollrath, United Retiree Solutions]

b. Humana

[Presenter: Tiffany Calderon]

c. Delta

[Presenters: Steven Moraga and Dolores Piña]

d. Davis

[Presenters: Sam Garcia and Cathy Fenner]

e. Standard

[Presenter: Greg Archuleta]

6. CY 2023 PLAN YEAR RECOMMENDATIONS

Mr. Kueffer reviewed staff's recommendations, including staff's recommendation of Scenario D, as detailed in yesterday's meeting.

Dr. Salazar moved approval of staff's recommendations. Mr. Scroggins seconded the motion, which passed unanimously.

7. OTHER BUSINESS

Chairman Crandall stated that this is normally the time of year when the board reviews the performance of the Executive Director, but Mr. Kueffer has only been on the job for about two months and continues to operate without a deputy. The board may defer this to midyear or next year.

Chairman Crandall recommended that the board hold a meeting dedicated to strategy for the next legislative session as well as whether the board should hire a lobbyist. In addition, he would like the board to look into constitutional protection for the NMRHCA.

In discussion on board meeting dates, Mr. Kueffer said the LFC will be meeting on September 21-23, and IPOC on October 11. Mr. Widner suggested that the NMRHCA look into appearing on the LFC agenda in September and IPOC in October, both of which would follow the NMRHCA's plan to meet in August to take action on a legislative strategy.

8. DATE AND LOCATION OF NEXT BOARD MEETING

Tentative: Regular Board meeting Tuesday, August 30, 2022 at 1:00 p.m.

Tentative: Special Meeting Wednesday, August 31, 2022 at 9:30 a.m.

CNM Workforce Training Center

5600 Eagle Rock Avenue, NE

Albuquerque NM 87113

9. ADJOURN

Meeting adjourned at 11:30 a.m.

Accepted by:

Doug Crandall, President



BENEFITS MESSENGER

The NMRHCA Newsletter

EXECUTIVE DIRECTOR MESSAGE

Summer is ending, students have returned to classrooms, and members of the New Mexico Retiree Health Care Authority need to plan for this year's annual switch enrollment. After two years of only online meetings, by popular demand, in-person meetings will now be available. NMRHCA will still offer a few online/telephonic options, too. These enrollment meetings provide a great opportunity to learn about any changes to your current plan and information on other options available to you, should you be contemplating a change to your benefit elections. In attendance will be staff and vendors who can provide information, address any questions you may have and assist you with decisions regarding your plan. Meetings will once again take place in various locations around the state. Complete lists of meeting places are included in this newsletter along with information from the annual board meeting relating to premium and plan changes.

On another note, if you are not feeling well, please respect the safety and health of others by not attending in-person meetings or coming into the office until you are well. Other options will be available such as going to our website to view PowerPoint presentations from NMRHCA and the health plan partners, calling customer service with questions or attending one of our three online/telephonic sessions to ask questions during a live question and answer session.

As a reminder, you will be receiving a packet in the mail with your current benefit elections along with other benefit options available to you and any dependents you may have on your plan. Should you not have any changes to make to your benefits, then no action is required. However, if you have life insurance, please fill out a new beneficiary form included in your packet to ensure your current wishes are honored by affirming who receives your life insurance benefit.

Neil Kueffer

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The 2022 Annual Board of Directors Meeting for the New Mexico Retiree Health Care Authority was held July 14th & 15th, 2022, in Las Cruces, NM.

Many actions took place including the election of board officers, appointment of a new board member, and reports from board committees, health plan providers, investment advisors, actuaries, and legal counsel.

The Board approved changes to certain plans and benefits, as listed below.

- A 4% increase in the premiums for the Premier and Value pre-Medicare plans offered by both Blue Cross Blue Shield and Presbyterian Health Plan
- A 2% increase in the premiums for the Medicare Supplement plan offered by Blue Cross Blue Shield
- An increase in emergency room copays for pre-Medicare plans from Blue Cross Blue Shield and Presbyterian Health Plan
 - The Premier plan copay increases from \$125 to \$250
 - The Value plan copay increases from \$175 to \$350
- An increase in Urgent Care copays for pre-Medicare plans from Blue Cross Blue Shield and Presbyterian Health Plan
 - The Premier plan copay increases from \$35 to \$45
 - The Value plan copay increases from \$40 to \$55
- An increase in the Out-of-Pocket maximum for the Blue Cross Blue Shield Tier 1 Premier plan from \$3,000 to \$3,750
- Continuation of the Hinge Health virtual physical therapy program to Blue Cross Blue Shield pre-Medicare plan members

With the rising cost of health care, NMRHCA is committed to containing cost increases as much as possible now and in the future.

Proposed legislation beneficial to NMRHCA and its membership was discussed. Ongoing strategic planning regarding legislation is a priority for NMRHCA and more information will be released as this important initiative progresses.

If interested in the details of the meeting proceedings, please visit www.nmrhca.org/board-of-directors/ where all information is included in the board books that are posted.

IMPORTANT REMINDER

If you move, please let us know! We send out important information to the addresses we have on hand, such as, newsletters, switch enrollment packets, new wellness programs, or information from health plans. Without your help this information may never reach you.

If you have an email address that you have not yet provided to NMRHCA, help us cut down on paper, postage, and save trees. If you wish to receive your newsletter online, email us at CustomerService@state.nm.us, or call us at 1- 800- 233-2576.

The time for Switch/Open Enrollment is fast approaching. What is Switch and Open Enrollment, you ask? We have an answer for you.

Switch Enrollment happens each year between early October to mid-November allowing current NMRHCA members to **switch** health plans. In late September, members receive a Switch Packet in the mail that includes information about their existing plan and the paperwork to make any desired changes. The paperwork for changes must be submitted to the NMRHCA by November 15, 2022 and the changes will take effect on Jan 1st of the new year. Each year, members can change their plan, if they choose. If members do not want to make any changes to their medical plan, they do not have to take any action and their current plan will automatically renew the following year. All members with life insurance need to submit a new beneficiary form included in your packet to ensure your current wishes are honored by affirming who receives your life insurance benefit.

Open Enrollment is the period where members who are eligible to receive NMRHCA benefits can enroll in a health plan when they have not done so previously at the time of a qualifying event. Examples of qualifying events include eligible retirement or an involuntary loss of coverage somewhere else. If they elected to not enroll in medical benefits at the time of a qualifying event, they can only enroll during Open Enrollment. Open Enrollment is only in January of every odd year (2023, 2025, 2027, so forth). The process of Open Enrollment occurs during the same period (early October to mid-November) as Switch Enrollment, but only in odd years and submissions can be made during the same period as Switch Enrollment.

To help you make decisions regarding what plan options are available to you, NMRHCA holds a series of in-person meetings during the months of October and early November throughout the state and virtually. At these meetings, NMRHCA staff and plan providers will present the details of your options so you are informed and can make the best decision for you. Specific wellness activities will also be available to attendees such as flu shots, blood pressure checks and other screenings and services.

You can find the Switch/Open Enrollment Meeting Schedule on the next page, by visiting www.nmrhca.org/switch-open-enrollment, or by looking in your switch packet.

Summary of Actions You Need to Take

- Check your mail for your Switch Packet to arrive late September to early October
- Attend a Switch/Open Enrollment meeting according to the schedule and your desired location to learn the details about your options.
- If you want to make a change to your existing plan or enrolling in benefits, complete the paperwork and return by the deadline. **THIS YEAR THE DEADLINE IS NOVEMBER 15, 2022.** If you do not want to make any changes to your benefits, do nothing and your current benefits will roll over into 2023.
- All members with LIFE INSURANCE should complete and submit an updated beneficiary form that will be included in your Switch Packet.

SWITCH/OPEN ENROLLMENT MEETING SCHEDULE 2023

Attend any of the following Switch/Open Enrollment Meetings that are convenient to you. Virtual meetings require registration by using the link provided.

SANTA FE: October 5 & 21 @ 9:30 AM

Santa Fe Community College - Jemez Room
6401 Richards Ave.
Santa Fe, NM 87508

RATON: October 6 @ 9:30 AM

Raton Convention Center
901 S. 3rd St.
Raton, NM 87740

LAS VEGAS: October 7 @ 9:30 AM

New Mexico Highlands Univ. Student Center
800 National Ave.
Las Vegas, NM 87701

ROSWELL: October 12 @ 9:30 AM

Eastern NM University-Roswell
CUB Multi-Purpose Room 110
48 University Blvd
Roswell, NM 88201

HOBBS: October 13 @ 9:30 AM

NM Junior College
HTO 125A Training Room
5317 N. Lovington Hwy.
Hobbs, NM 88240

CLOVIS: October 14 @ 9:30 AM

Clovis Community College
Town Hall Auditorium
417 Schepps Blvd
Clovis, NM 88101

RIO RANCHO: October 18 @ 9:30 AM

Santa Ana Star Center
3001 Civic Center Cir. NE
Rio Rancho, NM 87144

ALBUQUERQUE: October 19 & 20 @ 9:30 AM

UNM Continuing Education Auditorium
1634 University Blvd., NE
Albuquerque, NM 87131

SILVER CITY: October 25, 2022 @ 1:00 PM

WNMU – Silver City
Besse-Forward Global Resource Center
Corner of 12th and Kentucky
Silver City, NM 88061

LAS CRUCES: October 26 & 27 @ 9:30 AM

NM Farm & Ranch Heritage Museum
4100 Dripping Springs Rd.
Las Cruces, NM 88011

ESPANOLA: November 2 @ 10:30 AM

Northern NM College
Nick L. Salazar Center for Performing Arts
921 Paseo de Oñate
Española, NM 87532

FARMINGTON: November 3 @ 9:30 AM

San Juan College
Henderson Fine Arts Building Room 9008
4601 College Blvd
Farmington, NM 87402

GALLUP: November 4 @ 9:30 AM

UNM - Gallup
Calvin Hall Center 248 A, B, C
705 Gurley Ave
Gallup, NM 87301

VIRTUAL: October 11 & 28 @ 9:30 AM;

17th @ 1:30 PM

Registration required:

<https://attendee.gotowebinar.com/rt/8155310164883322125>

For more detailed information go to: www.nmrhca.org/switch-open-enrollment

LIFE INSURANCE BENEFICIARIES

Your Switch Packet is coming soon and will include a beneficiary's form. If you have life insurance with NMRHCA, complete and return the enclosed form to ensure your wishes are documented, EVEN IF YOU HAVE SUBMITTED ONE IN THE PAST.

BUYER BEWARE WHEN IT COMES TO MEDICARE

You're sitting in your living room watching reruns of Bonanza on the TV. Little Joe is in hot water again. Before you learn how Loren Green and Hoss are going to rescue him, it goes to commercial break. Joe Namath is on your TV telling you about how great his Medicare Advantage (MA) plan is, and you should call him right away. Do you think it will be he who answers? The next series of commercials has Joe Montana on your screen saying the same thing about a different MA plan, and you should call HIM, right now! That's a lot of Joe's so far so you're relieved when next Jimmy Walker wants you to call him about his MA plan because it is DYNAMITE! Should you call? Why are there so many commercials for Medicare Advantage plans? Are these plans all the same or are they different? Doesn't NMRHCA offer MA plans? Here are a few tidbits of information you should know about MA plans.

1. There are many providers of MA plans. They each must follow specific guidelines from The Centers for Medicare & Medicaid Services (CMS, a US government agency), but they can each design and price their plans differently. All are NOT equal.
2. NMRHCA offers eight (8) MA plans to its members to choose from. They vary in design and cost to meet a variety of health care needs.
3. You can only be on ONE (1) MA plan at a time. If you are on a NMRHCA MA plan and sign up for a different plan outside of NMRHCA, CMS does notify NMRHCA and your MA plan with us will be immediately terminated.
4. If your plan is terminated with us, you must wait until open enrollment before you can come back to the NMRHCA for benefits. Open enrollment ONLY happens in January of every odd year (2023, 2025, 2027...).
5. ALL NMRHCA plans include prescription coverage. Not all outside MA providers include Rx coverage in their plans.
6. Do your homework! Joe and Jimmy may be great spokespersons for their specific plan, but don't just take their word for it. Compare plans: apples to apples. Just because they say their plan is the best, does not make it so. Just because their plan premiums may cost less, they may not cover your medical needs. They are PAID actors. Do your due diligence when comparing plans and making your final choice. Don't forget items 3 & 4 above!
7. If you have questions, it's best to go to the source. Contact NMRHCA Customer Service to get help in understanding NMRHCA MA plans so that you can make an informed choice.
8. If you want to make a change to an outside MA provider notify NMRHCA so we can cancel your benefit to ensure a smooth transition and stop your premium deductions on time.

VIRGIN PULSE COMING SOON!

The Solutions Group will be replacing the current wellness platform with Virgin Pulse. Starting January of 2023 all Presbyterian Health Plan members, pre-Medicare and Medicare, will have access to the new platform at no cost. The Virgin Pulse platform is very easy to navigate, and has amazing programs for fitness, nutrition, mental health, and many other wellness areas. Look for more information as we approach the new year!



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Insurer Contact Information

Blue Cross Blue Shield (BCBS) www.bcbsnm.com/nmrhca	800-788-1792	Presbyterian Health Plan www.phs.org	888-275-7737
BCBS Medicare Advantage www.bcbsnm.com/nmrhca	877-299-1008	Presbyterian Medicare Advantage www.phs.org	800-797-5343
Express Scripts Medicare www.express-scripts.com	800-551-1866	Express Scripts Non-Medicare www.express-scripts.com	800-501-0987
Humana Medicare Advantage https://ourhumana.com/nmrhca	866-396-8810	UnitedHealthcare www.uhcretiree.com/nmrhca	866-622-8014
Delta Dental www.deltadentalnm.com	877-395-9420	Davis Vision www.davisvision.com	800-999-5431
Standard Insurance www.standard.com/mybenefits/newmexico_rhca	888-609-9763		

NMRHCA Contact Information

Albuquerque Office:	6300 Jefferson St. NE, Suite 150 Albuquerque, NM 87109-3392	Santa Fe Office:	33 Plaza La Prensa Santa Fe, NM 87507
Website:	www.nmrhca.org	Telephone:	800-233-2576
Facebook:	www.facebook.com/nmrhca	Fax:	505-884-8611
Email:	customerservice@state.nm.us	Hours:	Monday-Friday 8:00AM – 5:00PM



See schedule and locations of meetings on the reverse side of this card

Deadline for Switch
November 15, 2022

This deadline is unrelated to any general Medicare deadlines

2023 SWITCH ENROLLMENT INFORMATION

The annual New Mexico Retiree Health Care Authority **Switch/Open Enrollment schedule** is now available (see reverse side). The schedule includes **LIVE** and **VIRTUAL** options. Information about the plans and rates will be presented so that you can determine the best health care plan option for you for 2023.

Switch Enrollment Packets will be mailed out for you to receive before the end of September 2022 and will include a summary of your existing coverages, your options for 2023 and a more detailed meeting schedule. The schedule can also be found at: nmrhca.org/switch-open-enrollment

The deadline to make changes is November 15, 2022, and forms must be postmarked or dropped at our office by this date. If you don't want to make any changes to your health plan options, you do not need to do anything.



2023 ENROLLMENT MEETINGS

SCHEDULE

Santa Fe: Oct 5 & 21 @ 9:30 AM
Santa Fe Community College

Raton: Oct 6 @ 9:30 AM
Raton Convention Center

Las Vegas: Oct 7 @ 9:30 AM
NM Highlands University

Roswell: Oct 12 @ 9:30 AM
Eastern NM University

Hobbs: Oct 13 @ 9:30 AM
NM Junior College

Clovis: Oct 14 @ 9:30 AM
Clovis Community College

Rio Rancho: Oct 18 @ 9:30 AM
Santa Ana Star Center

Albuquerque: Oct 19 & 20 @ 9:30 AM
UNM Continuing Ed

Silver City: Oct 25 @ 1:00 PM
Western NM University

Las Cruces: Oct 26 & 27 @ 9:30 AM
NM Farm & Ranch Museum

Espanola: Nov 2 @ 10:30 AM
Northern NM College

Farmington: Nov 3 @ 9:30 AM
San Juan College

Gallup: Nov 4 @ 9:30 AM
UNM Gallup

Virtual: Oct 11 & 28 @ 9:30 AM; Oct 17
@ 1:30 PM

[https://attendee.gotowebinar.com/
rt/8155310164883322125](https://attendee.gotowebinar.com/rt/8155310164883322125)

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What the Inflation Reduction Act Means for Your Medicare Coverage

The act will implement cost-cutting measures for prescription drugs and cap out-of-pocket spending with Medicare Part D.

Alex Rosenberg | Aug 17, 2022



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Major changes to prescription drug affordability for more than 50 million beneficiaries enrolled in [Medicare Part D](#) are on the way because of a new law.

The Inflation Reduction Act "finally delivers on a promise that Washington has made for decades to the American people ... We're giving Medicare the power to negotiate for lower prescription drug prices," President Joe Biden said in a July speech announcing a deal in Congress to pass the legislation.

Price negotiations aren't the only provision in the act targeting Medicare prescription drug costs.



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Biden signed the act into law in August 2022. Certain changes will take effect in 2023, while others start as late as 2026.

Here's what the Medicare portions of the Inflation Reduction Act will mean for you.

Medicare will negotiate drug prices

Medicare will start to negotiate prices for qualifying [prescription drugs](#) on which it has spent the most money: 10 drugs in 2026, 15 total in 2027, 15 total in 2028 and 20 total each year from 2029 on.

“The Inflation Reduction Act targets the most expensive, most used drugs that have enjoyed limited competition and maximum profit,” Sen. Kirsten Gillibrand, a Democrat from New York and member of the Senate Special Committee on Aging, said in an email.

Previously, Medicare was prohibited by law from negotiating prices for prescription drugs.

What it means for you: If you are prescribed one of the drugs with negotiated prices, you should see reduced prices starting in 2026. How much you could save depends on which drugs you take and the results of the negotiations.

Negotiated drugs will be covered by all plans

Medicare prescription drug plans must include drugs for which Medicare negotiates prices on their formularies.

Previously, Medicare wasn't allowed to set these formulary requirements.

What it means for you: If you take a drug with a negotiated price, your Medicare Part D plan has to cover that drug.

Out-of-pocket spending will be capped at \$2,000

Starting in 2025, out-of-pocket spending for Medicare Part D prescription drugs will be capped at \$2,000.

That cap increases in subsequent years based on Medicare's annual spending for covered drugs. If Medicare spends 5% more, for example, the cap for 2026 would be 5% higher: \$2,100.

Previously, there was no out-of-pocket spending cap for Medicare Part D.

What it means for you: After you hit the \$2,000 out-of-pocket cap in 2025, you won't owe any more copays or coinsurance for covered drugs for the rest of the year (you'll still have to pay your premiums). After 2025, the cap will be higher but still based on that \$2,000 starting point.

Catastrophic coverage will no longer require coinsurance

[Medicare Part D coverage](#). (In 2022, that means after your qualifying spending reaches \$7,050.)

Previously, beneficiaries paid a 5% coinsurance during this phase, with a minimum of \$3.95 for generic drugs or \$9.85 for brand-name drugs in 2022.

What it means for you: If you reach the catastrophic out-of-pocket spending threshold after the start of 2024, you're done with out-of-pocket costs for Medicare Part D for the year. Because the \$2,000 out-of-pocket cap goes into effect in 2025, this provision is really only relevant in 2024.

Drug price increases can't exceed the rate of inflation

Starting in 2023, drug manufacturers will have to send rebates to Medicare if their prices for most prescription drugs covered by Medicare go up faster than the rate of inflation.

What it means for you: Prices for your covered prescription drugs might increase more slowly. According to a February 2022 analysis by the Kaiser Family Foundation, about half of all drugs covered by Medicare had price increases greater than the rate of inflation from 2019 to 2020. Under the new law, those increases would be effectively capped at the rate of inflation.

Medicare Part D premium increases will be limited

Starting in 2024, the national base beneficiary premium for Medicare Part D plans can't increase by more than 6% per year.

What it means for you: Your annual Medicare Part D premiums might not go up as quickly as they otherwise would. However, the national base beneficiary premium is just one component of what you actually pay. Your premiums will also vary based on location, insurance company and plan.

Out-of-pocket costs for insulin will be capped

Starting in 2023, monthly out-of-pocket costs for covered insulin products will be capped at \$35. Deductibles won't apply to insulin products.

What it means for you: Your plan won't be able to require more than \$35 per month in coinsurance or copays for covered insulin products, even if you haven't yet met your Medicare Part D deductible.

Full Extra Help subsidies will be available to more beneficiaries

Starting in 2024, individuals with income up to 150% of the federal poverty level, or FPL, will be eligible for the full Medicare Part D low-income subsidy, also known as [Medicare Extra Help](#).

Previously, the full subsidy was available at 135% of the FPL, and partial subsidies were available on a sliding scale between 136% and 149% of the FPL.

What it means for you: If your income is below 150% of the FPL (in 2022, that's \$20,385 for a single person in the contiguous 48 states) and your resources are below the required thresholds,



Starting in 2023, there will be no deductible, coinsurance or other cost-sharing requirements for adult vaccines covered under Medicare Part D.

What it means for you: You can get any vaccine covered by Medicare Part D without any out-of-pocket costs.

About the author: Alex Rosenberg is a NerdWallet writer focusing on Medicare and information technology. He has written about health, tech, and public policy for over 10 years. [Read more](#)



DIVE EVEN DEEPER IN MEDICARE

Best Medicare Part D Prescription Drug Plans in 2022

by Alex Rosenberg

[Read more](#)

Medicare Open Enrollment: What You Need to Know



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New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: D - Using the starting balance as of May 31, 2022

Description: 8% trend for Non-Medicare and Medicare medical and Rx in FY2023 and beyond; Annual Non-Medicare Medical Plan Changes in CY2025+; Annual Medicare Supplement & EGWP plan changes in CY2036+; Annual Non-Medicare Rate Increases of 4% in CY2023, and net 8% with plan changes thereafter, Medicare Rate Increase of 2% in CY2023, and net 6% with plan changes thereafter. Assumed rate of return of 7%; Payroll growth assumption of 7% for Public Safety and 9.1% for Other Occupations in FY2023 and 2.75% beginning FY2024 overall; Includes Migration from the Premier Plan to the Value Plan from CY2023 through CY2024; Includes SB 317 impact for CY2022 through CY2026; Plan Changes in 2023: Urgent care copay change (from 35 to 45) for the Premier Plan; Urgent care copay change (from 40 to 55) for the Value Plan; ER copay change (from 125 to 250) for the Premier Plan; ER copay change (from 175 to 350) for the Value Plan; Increase BCBS Tier 1 OOP from 3000 to 3750;

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES						Rev. - Exp. Excluding Inv. Income	Fiscal Year End	EOY Invested Assets
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Basic Life	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures			
7/1/2022	\$1,122,750,027	\$105,911,136	\$52,955,568	\$140,986,554	\$36,077,195	\$41,314,672	\$37,805,399	\$517,877	\$415,568,400	\$81,324,241	\$286,424,082	\$0	\$36,077,195	\$11,604,636	\$3,412,800	\$337,518,712	\$78,049,688	6/30/2023	\$1,282,123,956
7/1/2023	\$1,282,123,956	\$108,823,692	\$54,411,846	\$150,610,267	\$38,379,380	\$46,272,433	\$39,607,876	\$510,520	\$438,616,014	\$92,244,624	\$313,479,864	\$0	\$38,379,380	\$11,945,883	\$3,498,120	\$367,303,247	\$71,312,767	6/30/2024	\$1,445,681,346
7/1/2024	\$1,445,681,346	\$111,816,343	\$55,908,172	\$161,459,163	\$40,639,463	\$51,825,124	\$41,241,088	\$502,681	\$463,392,034	\$103,419,516	\$343,997,978	\$0	\$40,639,463	\$12,288,409	\$3,585,573	\$399,911,423	\$63,480,611	6/30/2025	\$1,612,581,473
7/1/2025	\$1,612,581,473	\$114,891,293	\$57,445,646	\$173,190,180	\$43,631,227	\$58,044,139	\$42,423,285	\$509,300	\$490,135,071	\$114,784,681	\$375,669,709	\$0	\$43,631,227	\$12,759,559	\$3,675,212	\$435,735,707	\$54,399,364	6/30/2026	\$1,781,765,517
7/1/2026	\$1,781,765,517	\$118,050,803	\$59,025,402	\$184,406,974	\$46,368,354	\$65,009,436	\$43,488,261	\$506,009	\$516,855,240	\$126,498,030	\$402,791,335	\$0	\$46,368,354	\$13,230,064	\$3,767,093	\$466,156,846	\$50,698,394	6/30/2027	\$1,958,961,941
7/1/2027	\$1,958,961,941	\$121,297,200	\$60,648,600	\$195,433,276	\$49,158,201	\$72,810,568	\$44,514,877	\$497,660	\$544,360,384	\$138,808,059	\$429,668,524	\$0	\$49,158,201	\$13,651,737	\$3,861,270	\$496,339,732	\$48,020,652	6/30/2028	\$2,145,790,652
7/1/2028	\$2,145,790,652	\$124,632,874	\$62,316,437	\$209,080,159	\$52,596,456	\$81,547,837	\$45,492,133	\$507,424	\$576,173,318	\$151,621,773	\$465,045,629	\$0	\$52,596,456	\$14,104,070	\$3,957,802	\$535,703,956	\$40,469,362	6/30/2029	\$2,337,881,787
7/1/2029	\$2,337,881,787	\$128,060,278	\$64,030,139	\$222,608,818	\$55,722,379	\$91,333,577	\$46,260,525	\$506,979	\$608,522,695	\$164,813,565	\$501,054,701	\$0	\$55,722,379	\$14,493,447	\$4,056,747	\$575,327,275	\$33,195,420	6/30/2030	\$2,535,890,772
7/1/2030	\$2,535,890,772	\$131,581,935	\$65,790,968	\$239,079,998	\$59,751,704	\$102,293,606	\$46,984,457	\$526,756	\$646,009,424	\$178,277,525	\$545,161,267	\$0	\$59,751,704	\$15,076,254	\$4,158,165	\$624,147,391	\$21,862,033	6/30/2031	\$2,736,030,331
7/1/2031	\$2,736,030,331	\$135,200,438	\$67,600,219	\$258,838,843	\$63,561,261	\$114,568,839	\$47,585,568	\$537,572	\$684,892,740	\$191,888,060	\$590,979,700	\$0	\$63,561,261	\$15,634,321	\$4,262,120	\$674,437,401	\$10,455,340	6/30/2032	\$2,938,373,731
7/1/2032	\$2,938,373,731	\$138,918,450	\$69,459,225	\$272,533,874	\$67,435,193	\$128,317,100	\$48,084,457	\$545,211	\$725,293,511	\$205,671,924	\$637,755,290	\$0	\$67,435,193	\$16,141,134	\$4,368,673	\$725,700,290	(\$406,779)	6/30/2033	\$3,143,638,875
7/1/2033	\$3,143,638,875	\$142,738,708	\$71,369,354	\$291,264,510	\$71,901,109	\$143,715,152	\$48,633,588	\$558,863	\$770,181,283	\$219,588,188	\$690,422,310	\$0	\$71,901,109	\$16,709,497	\$4,477,889	\$783,510,805	(\$13,329,522)	6/30/2034	\$3,349,897,541
7/1/2034	\$3,349,897,541	\$146,664,022	\$73,332,011	\$312,180,263	\$76,819,553	\$160,960,970	\$49,067,941	\$581,162	\$819,605,922	\$233,481,843	\$749,736,101	\$0	\$76,819,553	\$17,345,726	\$4,589,837	\$848,491,216	(\$28,885,294)	6/30/2035	\$3,554,494,090
7/1/2035	\$3,554,494,090	\$150,697,283	\$75,348,641	\$327,142,373	\$81,262,796	\$180,276,286	\$49,545,911	\$580,760	\$864,854,051	\$247,644,622	\$794,452,040	\$0	\$81,262,796	\$17,862,171	\$4,704,582	\$898,281,589	(\$33,427,539)	6/30/2036	\$3,768,711,174
7/1/2036	\$3,768,711,174	\$154,841,458	\$77,420,729	\$337,579,560	\$86,154,118	\$201,909,441	\$50,136,049	\$580,911	\$908,622,266	\$262,839,482	\$827,003,470	\$0	\$86,154,118	\$18,365,342	\$4,822,197	\$936,345,127	(\$27,722,862)	6/30/2037	\$4,003,827,794
7/1/2037	\$4,003,827,794	\$159,099,598	\$79,549,799	\$347,739,085	\$91,008,304	\$226,138,574	\$50,526,484	\$581,791	\$954,643,636	\$279,606,011	\$858,766,628	\$0	\$91,008,304	\$18,838,364	\$4,942,752	\$973,556,048	(\$18,912,412)	6/30/2038	\$4,264,521,393
7/1/2038	\$4,264,521,393	\$163,474,837	\$81,737,419	\$357,576,082	\$95,965,261	\$253,275,203	\$50,955,366	\$574,270	\$1,003,558,438	\$298,295,655	\$889,569,388	\$0	\$95,965,261	\$19,267,250	\$5,066,321	\$1,009,868,219	(\$6,309,782)	6/30/2039	\$4,556,507,267
7/1/2039	\$4,556,507,267	\$167,970,395	\$83,985,198	\$368,586,046	\$101,503,971	\$283,668,227	\$51,363,698	\$574,298	\$1,057,651,833	\$319,251,019	\$922,772,334	\$0	\$101,503,971	\$19,739,408	\$5,192,979	\$1,049,208,692	\$8,443,141	6/30/2040	\$4,884,201,427
7/1/2040	\$4,884,201,427	\$172,589,581	\$86,294,791	\$381,163,710	\$107,560,868	\$317,708,414	\$51,731,382	\$578,168	\$1,117,626,913	\$342,765,371	\$959,584,876	\$0	\$107,560,868	\$20,264,918	\$5,322,803	\$1,092,733,465	\$24,893,447	6/30/2041	\$5,251,860,245
7/1/2041	\$5,251,860,245	\$177,335,795	\$88,667,897	\$396,025,361	\$114,384,539	\$355,833,424	\$51,985,223	\$592,554	\$1,184,824,792	\$369,100,884	\$1,002,092,479	\$0	\$114,384,539	\$20,872,837	\$5,455,873	\$1,142,805,728	\$42,019,064	6/30/2042	\$5,662,980,193
7/1/2042	\$5,662,980,193	\$182,212,529	\$91,106,264	\$411,399,359	\$121,463,467	\$398,533,435	\$52,145,787	\$605,735	\$1,257,466,576	\$398,620,105	\$1,045,734,068	\$0	\$121,463,467	\$21,491,301	\$5,592,270	\$1,194,281,106	\$63,185,470	6/30/2043	\$6,124,785,768
7/1/2043	\$6,124,785,768	\$187,223,374	\$93,611,687	\$427,699,021	\$129,061,614	\$446,357,447	\$52,235,957	\$621,665	\$1,336,810,765	\$431,818,506	\$1,091,790,158	\$0	\$129,061,614	\$22,126,852	\$5,732,077	\$1,248,710,701	\$88,100,063	6/30/2044	\$6,644,704,337
7/1/2044	\$6,644,704,337	\$192,372,016	\$96,186,008	\$444,995,006	\$137,177,268	\$499,920,340	\$52,309,071	\$638,014	\$1,423,597,724	\$469,230,331	\$1,140,586,414	\$0	\$137,177,268	\$22,786,451	\$5,875,379	\$1,306,425,512	\$117,172,212	6/30/2045	\$7,231,106,880
7/1/2045	\$7,231,106,880	\$197,662,247	\$98,831,123	\$463,064,653	\$145,846,152	\$559,910,781	\$52,382,222	\$654,793	\$1,518,351,970	\$511,492,107	\$1,191,168,273	\$0	\$145,846,152	\$23,468,849	\$6,022,263	\$1,366,505,538	\$151,846,432	6/30/2046	\$7,894,445,419
7/1/2046	\$7,894,445,419	\$203,097,959	\$101,548,979	\$482,236,550	\$155,106,463	\$627,100,075	\$52,455,408	\$672,012	\$1,622,217,445	\$559,333,488	\$1,244,697,254	\$0	\$155,106,463	\$24,174,941	\$6,172,820	\$1,430,151,477	\$192,065,968	6/30/2047	\$8,645,844,876
7/1/2047	\$8,645,844,876	\$208,683,152	\$104,341,576	\$502,442,531	\$164,999,041	\$702,352,084	\$52,528,630	\$689,685	\$1,736,036,699	\$613,579,516	\$1,300,651,291	\$0	\$164,999,041	\$24,905,658	\$6,327,140	\$1,496,883,130	\$239,153,569	6/30/2048	\$9,498,577,961
7/1/2048	\$9,498,577,961	\$214,421,939	\$107,210,970	\$524,073,112	\$175,567,557	\$786,634,334	\$52,601,886	\$707,823	\$1,861,217,620	\$675,190,259	\$1,359,508,439	\$0	\$175,567,557	\$25,661,972	\$6,485,319	\$1,567,223,287	\$293,994,333	6/30/2049	\$10,467,762,553
7/1/2049	\$10,467,762,553	\$220,318,542	\$110,159,271	\$547,147,621	\$186,858,703	\$881,030,454	\$52,675,177	\$726,437	\$1,998,916,206	\$745,252,123	\$1,421,572,468	\$0	\$186,858,703	\$26,444,899	\$6,647,452	\$1,641,523,521	\$357,392,686	6/30/2050	\$11,570,407,361
7/1/2050	\$11,570,407,361	\$226,377,302	\$113,188,651	\$571,686,220	\$198,922,407	\$986,754,109	\$52,748,502	\$745,541	\$2,150,422,733										

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of Jun 2022

(Report as of July 18, 2022)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	183,269,519.48	-	-	(54,669.10)	425,565.40	(4,006,904.70)	179,633,511.08
Credit & Structured Finance	162,927,600.42	-	-	-	94,649.63	636,524.04	163,658,774.09
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	141,952,456.60	-	-	(15,109.34)	194,044.30	(13,600,711.87)	128,530,679.69
Non-US Emerging Markets Active Pool	89,810,566.62	-	-	(135,960.99)	590,967.57	(6,136,789.06)	84,128,784.14
Private Equity Pool	174,602,018.48	-	-	-	112,333.30	42,215.89	174,756,567.67
Real Estate Pool	119,986,810.38	-	-	-	463,093.23	7,379,513.76	127,829,417.37
Real Return Pool	50,751,442.94	-	-	(11,777.60)	315,387.94	281,160.15	51,336,213.43
US Large Cap Index Pool	175,504,571.18	-	-	(5,102.71)	249,726.79	(14,940,853.44)	160,808,341.82
US SMID Cap Alternative Weighted Index Pool	23,945,040.76	-	-	(2,882.35)	40,485.23	(2,094,542.57)	21,888,101.07
Sub - Total New Mexico Retiree Health Care	1,122,750,026.86	-	-	(225,502.09)	2,486,253.39	(32,440,387.80)	1,092,570,390.36
Total New Mexico Retiree Health Care	1,122,750,026.86	-	-	(225,502.09)	2,486,253.39	(32,440,387.80)	1,092,570,390.36

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of Jul 2022

(Report as of August 15, 2022)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	179,633,511.08	-	-	-	446,355.87	3,870,092.80	183,949,959.75
Credit & Structured Finance	163,658,774.09	-	-	-	45,190.84	(602,901.14)	163,101,063.79
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	128,530,679.69	-	-	-	95,321.86	6,495,431.49	135,121,433.04
Non-US Emerging Markets Active Pool	84,128,784.14	-	-	-	229,052.33	(815,401.82)	83,542,434.65
Private Equity Pool	174,756,567.67	-	-	-	46,869.69	(458,491.73)	174,344,945.63
Real Estate Pool	127,829,417.37	-	-	-	227,196.72	(382,340.88)	127,674,273.21
Real Return Pool	51,336,213.43	-	-	-	109,153.73	928,980.19	52,374,347.35
US Large Cap Index Pool	160,808,341.82	-	-	-	178,058.41	14,799,998.53	175,786,398.76
US SMID Cap Alternative Weighted Index Pool	21,888,101.07	-	-	-	19,978.59	2,172,334.61	24,080,414.27
Sub - Total New Mexico Retiree Health Care	1,092,570,390.36	-	-	-	1,397,178.04	26,007,702.05	1,119,975,270.45
Total New Mexico Retiree Health Care	1,092,570,390.36	-	-	-	1,397,178.04	26,007,702.05	1,119,975,270.45



FY24 Appropriation Request
Presented to the Board of Directors
August 30, 2022

FY24 Appropriation Request (Action Item)

Background

Statute requires NMRHCA to submit its FY24 Appropriation Request to the State Budget Division and the Legislative Finance Committee by September 1, 2022. This report details actual expenditures for the July 1, 2021, through June 30, 2022 (FY22), the approved operating budget for July 1, 2022, through June 30, 2023 (FY23), and the proposed budget increases for July 1, 2023, through June 30, 2024 (FY24).

Summary

This chart summarizes NMRHCA's FY23 budget and proposed FY24 request:

		FY23 Operating	FY24 Request	Increase	Percent
Healthcare Benefits Administration					
Contractual Services		\$ 376,926.7	\$ 390,376.7	\$13,450.0	3.6%
Other		\$ 45.0	\$ 45.0	\$ -	0.0%
Other Financing Uses		\$ 3,558.2	\$ 4,034.1	\$ 475.9	13.4%
Total		\$ 380,529.9	\$ 394,455.8	\$13,925.9	3.7%
Program Support					
PS&EB		\$ 2,296.3	\$ 2,673.1	\$ 376.8	16.4%
Contractual Services		\$ 674.9	\$ 735.8	\$ 60.9	9.0%
Other		\$ 587.0	\$ 625.2	\$ 38.2	6.5%
Total		\$ 3,558.2	\$ 4,034.1	\$ 475.9	13.4%
Agency Total					
PS&EB		\$ 2,296.3	\$ 2,673.1	\$ 376.8	16.4%
Contractual Services		\$ 377,601.6	\$ 391,112.5	\$13,510.9	3.6%
Other		\$ 632.0	\$ 670.2	\$ 38.2	6.0%
Other Financing Uses		\$ 3,558.2	\$ 4,034.1	\$ 475.9	13.4%
Total		\$ 384,088.1	\$ 398,489.9	\$14,401.8	3.7%

Healthcare Benefits Administration

The FY24 request for Healthcare Benefits Administration is \$394.5 million. The additional \$13.9 million represents a 3.7% increase over the FY23 operating budget. Revenue assumptions are shown in the following table and described below:

Health Benefit Fund - Revenue Detail							
		FY22	FY22	FY23	FY24	FY24	%
		OPBUD	ACTUALS	OPBUD	INC/DEC	REQUEST	CHANGE
REVENUE:							
1	Employer/Employee Contributions	\$ 114,570.5	\$ 152,418.0	\$ 124,570.5	\$ -	\$ 124,570.5	0.0%
2	Retiree Contributions	\$ 174,974.8	\$ 181,902.6	\$ 179,552.7	\$ 4,969.1	\$ 184,521.8	2.8%
3	Taxation and Revenue Suspense Fund	\$ 36,881.0	\$ 36,888.1	\$ 41,306.7	\$ 4,956.8	\$ 46,263.5	12.0%
4	Other Miscellaneous Revenue	\$ 30,000.0	\$ 39,831.2	\$ 35,000.0	\$ 4,000.0	\$ 39,000.0	11.4%
5	Interest Income	\$ 400.0	\$ 97.4	\$ 100.0	\$ -	\$ 100.0	0.0%
6	TOTAL REVENUE:	\$ 356,826.3	\$ 411,137.3	\$ 380,529.9	\$ 13,925.9	\$ 394,455.8	3.7%

- Line 1 – Employee and Employer Contributions. We know that we are going to collect more than budgeted from this source, but we are required to balance revenues and expenditures. Amounts collected over the approved operating budget amount are transferred to the long-term trust fund.

- Line 2 – Retiree Contributions fluctuate depending upon participation by plan i.e., Medicare Supplement \$236.08 per month v. Medicare Advantage Plan \$0 per month, and migration to lower or higher costing plans i.e., Premier vs. Value Plan.
 - Premium increases on the self-insured plans of 4% and 2% effective half of FY24 (July 1, 2023 – December 31, 2023), with the likelihood of additional increases effective January 1, 2024 - June 30, 2024.
 - Medicare Advantage Rates were reduced, held flat, and increased for calendar year 2023 depending on the plan. This is likely to occur again in the second half of FY24.
 - Continued membership growth in Voluntary Programs (dental, vision and life insurance) does not have a financial impact to the agency but does have a budgetary impact.
- Line 3 – Taxation and Revenue Suspense Fund amounts are prescribed by statute.
- Line 4 – Other Miscellaneous Revenue consists of Medicare Part D subsidies, prescription drug rebates, performance penalties, and subrogation. This amount fluctuates annually.
- Line 5 – Interest Income accounts for a nominal amount and varies dependent upon short-term interest rates earned on cash held by the State Treasury in overnight accounts.

Assumptions about expenditures are shown in the table below and described below:

Health Benefit Fund Expenditure Summary							
	FY22	FY22	FY23	FY24	FY24	%	
Contractual Services	OPBUD	ACTUALS	OPBUD	INC/DEC	REQUEST	CHANGE	
1 Prescriptions	\$ 116,800.7	\$ 108,059.7	\$ 126,000.0	\$ 4,500.0	\$ 130,500.0	3.6%	1
2 Medical - Supplement/Self- Insured	\$ 168,000.0	\$ 159,244.9	\$ 183,876.7	\$ 4,750.0	\$ 188,626.7	2.6%	2
3 Medicare Advantage	\$ 29,951.0	\$ 17,442.7	\$ 26,450.0	\$ 1,850.0	\$ 28,300.0	7.0%	3
4 Voluntary Coverages	\$ 38,750.0	\$ 36,841.3	\$ 40,600.0	\$ 2,350.0	\$ 42,950.0	5.8%	4
5 Total Contractual Services	\$ 353,501.7	\$ 321,588.6	\$ 376,926.7	\$ 13,450.0	\$ 390,376.7	3.6%	5
Other							
6 PCORI Fee	\$ 43.9	\$ 39.1	\$ 45.0	\$ -	\$ 45.0	0.0%	6
7 Total Other	\$ 43.9	\$ 39.1	\$ 45.0	\$ -	\$ 45.0	0.0%	7
Other Financing Uses							
8 Program Support	\$ 3,280.7	\$ 3,280.7	\$ 3,558.2	\$ 475.9	\$ 4,034.1	13.4%	8
9 Total Other Financing Uses	\$ 3,280.7	\$ 3,280.7	\$ 3,558.2	\$ 475.9	\$ 4,034.1	13.4%	9
10 Total Expenditures	\$ 356,826.3	\$ 324,908.4	\$ 380,529.9	\$ 13,925.9	\$ 394,455.8	3.7%	10

- Line 1 - Expenditures related to the self-insured prescription drug plan for pre-Medicare and Medicare Supplement benefits are expected to continue growing due to cost growth from specialty drugs. However, a shrinking pre-Medicare population, migration of Medicare Supplement plan participants to the Medicare Advantage Plans, and a new contract in place will offset some of that growth.
- Line 2 - Expenditures for the self-insured medical plans are also expected to continue to grow, based on medical trends as seen in FY22. Like the growth shown on line 1, a shrinking pre-Medicare population and the migration of Medicare Supplement plan participants to the Medicare Advantage Plans will offset a portion of that growth.
- Line 3 - Expenditures related to Medicare Advantage (MA) Plans are expected to continue growing at a higher percentage of overall costs as members migrate to lower costing monthly plans. While participation is expected to increase, rates are expected to remain flat or continue growing in FY24.
- Line 4 - Expenditures related to voluntary coverages (dental, vision and life) are expected to grow at a rate in line with increased participation and per contract not to exceed 4% for dental.
- Patient Centered Outcomes Research Institute Fee (PCORI) costs is determined by multiplying the average pre-Medicare membership for calendar year 2022 by a rate yet to be determined.

- Lastly, the request will include an amount sufficient to support the operating activities of the agency as reflected in the “Other Financing Uses” category (lines 8 and 9).

Program Support

The chart below summarizes, by category, expenditures related to the operating activities. The request includes a \$475.9 thousand increase. This includes a \$376.8 thousand increase in the personal services and employee benefits category, \$60.9 thousand increase in the contractual services category and \$38.2 thousand increase in the other costs category.

Program Support Expenditure Summary								
	Uses		FY22 OPBUD	FY22 ACTUALS	FY23 OPBUD	FY24 INC/DEC	FY24 REQUEST	PERCENT CHANGE
1	200	Personal Services/ Employee Benefits	2,110.7	1,944.8	2,296.3	376.8	2,673.1	18.6%
2	300	Contractual Services	621.4	589.9	674.9	60.9	735.8	8.5%
3	400	Other Costs	548.6	536.9	587.0	38.2	625.2	6.7%
4		TOTAL	3,280.7	3,071.6	3,558.2	475.9	4,034.1	14.4%
Summary of Revenues								
	Sources		FY22 OPBUD	FY22 ACTUALS	FY23 OPBUD	FY24 INC/DEC	FY24 REQUEST	PERCENT CHANGE
5	112	Other Transfers	3,280.7	3,280.7	3,558.2	475.9	4,034.1	14.8%
6		Total	3,280.7	3,280.7	3,558.2	475.9	4,034.1	14.8%
7		FTE	26.0	26.0	26.0	3.0	29.0	11.5%

Changes in projected expenditures are shown in the table below and described thereafter.

Expenditure Detail (Personal Services and Employee Benefits)								
			FY22 OPBUD	FY22 ACTUALS	FY23 OPBUD	FY24 INC/DEC	FY24 REQUEST	PERCENT CHANGE
1	520100	Exempt Positions	285.9	325.6	443.8	-	443.8	0.0%
2	520300	Classified Perm. Positions	1,215.6	1,053.8	1,148.0	318.1	1,466.1	26.4%
3	520800	Annual & Comp Paid/Unused Sick/Overtime		14.5		-	-	
4	521100	Group Insurance Premium	202.2	166.0	214.5	3.5	218.0	1.8%
5	521200	Retirement Contributions	258.8	251.4	317.1	39.5	356.6	17.0%
6	521300	FICA	114.2	101.9	132.5	13.1	145.6	12.4%
7	521400	Workers Comp	0.2	0.2	0.2	0.1	0.3	35.0%
8	521410	GSD Work Comp Ins	1.0	1.0	1.3	0.2	1.5	12.5%
9	521500	Unemployment Comp	-			-	-	
10	521600	Employee Liability Insurance	2.9	2.8	3.3	0.4	3.7	4.4%
11	521700	Retiree Healthcare	29.9	27.6	35.6	2.0	37.6	7.2%
12	523000	COVID Related Admin Leave	-		-	-	-	
13		TOTAL	2,110.7	1,944.8	2,296.3	376.8	2,673.1	18.4%
Expenditure Detail (Contractual Services)								
			FY22 OPBUD	FY22 ACTUALS	FY23 OPBUD	FY24 INC/DEC	FY24 REQUEST	PERCENT CHANGE
14	535200	Professional Services	358.9	378.6	415.0	50.0	465.0	12.5%
15	535300	Other Services	12.5	8.7	20.0	(4.8)	15.2	-48.0%
16	535309	Other Services InterA	15.8	17.4	12.5	4.8	17.3	24.0%
17	535400	Audit Services	84.2	85.8	72.4	10.9	83.3	12.6%
18	535500	Attorney Services	60.0	29.5	50.0	-	50.0	0.0%
19	535600	Information Technology Services	90.0	69.9	105.0	-	105.0	0.0%
20		TOTAL	621.4	589.9	674.9	60.9	735.8	8.5%

Expenditure Detail (Other)									
			FY22	FY22	FY23	FY24	FY24	PERCENT	
			OPBUD	ACTUALS	OPBUD	INC/DEC	REQUEST	CHANGE	
21	542100	Employee In-State Mileage & Fares	1.5	-	1.5	-	1.5	0.0%	21
22	542200	Employee In-State Meals & Lodging	2.5	0.9	2.5	1.0	3.5	40.0%	22
23	542300	Board & Commission - In-State	13.5	5.6	13.5	-	13.5	0.0%	23
24	542500	Transportation-Fuel & Oil	1.0	0.3	1.0	1.2	2.2	120.0%	24
25	542600	Transportation	0.1	0.4	0.1	0.2	0.3	200.0%	25
26	542700	Transportation Insurance	0.2	0.2	0.2	-	0.2	0.0%	26
27	542800	State Transportation Pool Charges	4.5	5.7	5.8	-	5.8	0.0%	27
28	543200	Maintenance - Furniture, Fixtures & Equipment	6.0	3.0	6.0	-	6.0	0.0%	28
29	543300	Maintenance - Building & Structure	4.5	-	6.0	-	6.0	0.0%	29
30	543400	Maintenance - Property Insurance	-	-	0.1	-	0.1	0.0%	30
31	543830	IT Maintenance	7.5	48.0	7.5	15.5	23.0	206.7%	31
32	544000	Supply Inventory IT	23.0	25.5	50.0	(30.0)	20.0	-120.0%	32
33	544100	Supplies - Office Supplies	8.5	8.7	13.0	-	13.0	0.0%	33
34	544900	Supplies - Inventory Exempt	5.0	9.5	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	12.8	11.0	2.3	13.3	60.5%	37
38	545710	DoIT HCM Assessment	9.5	9.5	9.5	-	9.5	0.0%	38
39	545900	Printing & Photo. Services	56.0	47.9	60.0	-	60.0	0.0%	39
40	546100	Postage & Mail Services	120.0	69.2	100.0	-	100.0	0.0%	40
41	546400	Rent of Land & Buildings	115.8	117.8	119.2	3.6	122.8	3.2%	41
42	546409	Rent Expense - Interagency	8.6	8.6	8.9	0.2	9.1	2.5%	42
43	546500	Rent of Equipment	43.3	29.7	30.3	-	30.3	0.0%	43
44	546600	Communications	21.0	3.1	21.0	(15.0)	6.0	-71.4%	44
45	546610	DOIT Communications	56.1	76.4	69.1	17.7	86.8	29.6%	45
46	546700	Subscriptions & Dues	7.0	2.3	7.0	-	7.0	0.0%	46
47	546800	Employee Training & Edu.	5.0	2.1	10.0	-	10.0	0.0%	47
48	546801	Board Member Training	10.0	-	7.5	-	7.5	0.0%	48
49	546900	Advertising	1.0	1.9	1.0	-	1.0	0.0%	49
50	547900	Miscellaneous Expense	1.3	2.3	1.3	-	1.3	0.0%	50
51	547999	Request to Pay Prior Year	-	12.4	-	-	-	0.0%	51
52	548300	Information Technology Equipment	5.0	29.4	10.0	40.0	50.0	800.0%	52
53	549600	Employee Out-Of-State Mileage & Fares	1.0	1.5	2.0	-	2.0	0.0%	53
54	549700	Employee Out-Of-State Meals & Lodging	1.0	2.2	2.0	-	2.0	0.0%	54
55	549800	B&C-Out-Of-State Mileage & Fares	3.5	-	3.5	-	3.5	0.0%	55
56	549900	B&C- Out-Of-State Meals & Lodging	1.5	-	1.5	1.5	3.0	100.0%	56
57		TOTAL	548.6	536.9	587.0	38.2	625.2	7.1%	57

Personal Services and Employee Benefits. The request under personal services and employee benefits includes a

\$376.8 thousand, or 18.4%, increase compared to the FY23 approved operating budget.

Changes are described as follows:

- Line 1 – Salaries for 4 exempt employees including: executive director, deputy director, general counsel and director of communications and member engagement is expected to remain flat.
- Line 2 – Salaries for classified employees is the main driver for the increase costs associated with a request for 3 new positions: Business Operations Specialist – A, Administrative Operations Manager I, and IT Network Administrator II.
- Line 5 – Contributions made to the Public Employees Retirement Association based on salaries reflected on lines 1 and 2, including 0.5% increase resulting from SB72 passed during the 2020 Regular Session.
- Line 6 – FICA contributions based on salaries reflected in lines 1 and 2.
- Line 8 – Reflects GSD/RMD rate schedule.
- Line 10 - Reflects GSD/RMD rate schedule.
- Line 11 – Contributions made to the Retiree Health Care Authority based on salaries reflected on lines 1 and 2.
- Overall, the request includes full funding for all 26 authorized FTE and 3 requested FTE positions.

- Overall, the request includes full funding for all 26 authorized FTE and 3 requested FTE positions.

Contractual Services. The request in the contractual services category includes sufficient funding for the following services:

- Line 14 – Actuarial and benefits consulting services related to annual solvency projections and GASB reporting requirements; benefits consulting services related to the Medical, Dental, and Vision RFP (fall 2023); asset allocation and investment consulting; and consulting services regarding process and internal control improvements to include documentation of processes and procedures.
- Line 15 – Board reporting and recording services and document destruction services.
- Line 16 – Transfers to PERA for MOU to provide HR services.
- Line 17 – Annual financial audit services
- Line 18 – Legal services that may arise.
- Line 19 – Information technology services resulting from ongoing programming support related to the CareView system, web portal, webhosting, and annual security assessment.

Other Costs. The request includes sufficient funds to support projected operating expenses of the agency in FY24, including rent for 2 offices locations, renting copying and printing equipment, printing, postage, employee and board members training, office supplies, and IT charges.

Performance Measures

The table below provides a list of performance measures approved by DFA and LFC, FY22 reported performance, FY23 targeted performance and FY24 requested targets.

			FY22 Actuals	FY23 Target	FY24 Request
	Healthcare Benefits Administration				
1	*Output	Minimum number of years of positive fund balance	30	30	30
2	Outcome	Number of years of projected balance spending	10	6	6
3	Outcome	Emergency room visits per thousand members	451	<200	<200
4	Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	45%	<80%	<80%
5	Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	28%	<85%	<85%
6	Efficiency	Annual loss ratio for the health benefits fund	100%	<100%	<100%
7	Explanatory	Year-end fund balance of the health benefits fund	\$1,092,570,390	\$1,282,123,956	\$1,445,681,346
	Program Support		FY22 Target	FY23 Request	FY24 Request
8	Outcome	Percent of deposits made within 24 hours	100	100	100
9	Outcome	Percent of payments made within 30 days	98	98	98

Requested Action

NMRHCA staff respectfully requests that the Board of Directors approve the FY24 appropriation request as presented to the Finance and Investments Committee.

2022 Group Life, AD&D, and Long-Term Disability RFP – Action Item

Background: Consistent with the requirements contained in the Health Care Purchasing Act, the New Mexico Retiree Health Care Authority (NMRHCA) in cooperation with the other members of the interagency benefits advisory committee (IBAC) including: Albuquerque Public Schools, New Mexico Public School Insurance Authority and the State of New Mexico are proposing to issue a request for proposals (RFP) for group life, AD&D, and long-term disability scheduled for release in early to mid-October 2022.

NMRHCA staff is currently working with the other IBAC members and benefits consultant Segal to work on various items that will be contained in the RFP such as scope of work, questionnaire, sequence of events, deadlines, financials, contractual compliance, reporting, references, and evaluation criteria for the RFP. NMRHCA staff as part of the rotating chair position will serve as the procurement manager for this RFP.

Proposed Timeline: The RFP is tentatively scheduled for release in early to mid-October, submission of proposals in mid-November, selection of finalists in mid-December, oral presentations/best and final in early to mid-January, and staff presenting preliminary recommendations scheduled at the regular board meeting in February.

Scope of Procurement: This procurement is to secure group life and disability insurance services with an effective date of July 1, 2023, (January 1, 2024, APS). Like other RFP's this procurement reserves the right for a multiple source award, allowing each agency to select their own vendor that may differ from other agency selections.

Evaluation Criteria: Points have yet to be determined, however, the evaluation factors will be many of the item's listed above in the background section.

Action Item:

NMRHCA staff respectfully requests approval to issue an RFP for group life and disability in cooperation with the other members of the IBAC.

Out-of-state Travel Request (Action Item)

Background. As a member NMRHCA staff has been invited to attend the Public Sector HealthCare Roundtable Annual Conference scheduled on November 9 – 11, 2022, in Old Town Alexandria, VA. This conference provides an opportunity to hear from high-level government officials, experts in the public purchaser workspace, and learn about the latest trends. In addition, being in attendance provides the opportunity to network with benefit administrators from public organizations from across the country. A preliminary agenda has been released and is on the next page for review of the various topics being presented.

Public Sector HealthCare Roundtable Information. The Public Sector HealthCare Roundtable is a non-partisan, member directed coalition that exists to give public sector health care purchasers and state and local health plan administrators a voice in the design, development, and implementation of national health care policy. The Roundtable does this by providing in-depth policy analysis and a forum to collectively engage with key decision-makers in Washington, D.C. Benefits provided by Roundtable members have a far-reaching positive impact on the state economies and help to fuel a robust provider network and health care delivery system that benefits all citizens. For more information, please visit the Roundtable's website: <https://www.healthcareroundtable.org/>

Requested Action.

NMRHCA staff respectfully requests permission to attend the Public Sector HealthCare Roundtable's Annual Conference in Old Town Alexandria, VA on November 9 – 11, 2022.



**18th Annual Conference and Business Meeting
The Alexandrian Hotel, Old Town Alexandria**

***“Practical Policies in Turbulent Times: Public Sector Purchasers
and the Washington Health Care Policy Environment”***

Agenda

Wednesday, November 9, 2022

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|-------------------|---|
| 2:00 PM – 5:00 PM | Roundtable Health Plan Workshop (Administrative Issues TBD)
<i>(Health Plan Administrators Only)</i> |
| 6:00 PM – 7:30 PM | Reception/Registration

<i>Enjoy Old Town Alexandria for Dinner</i> |

Thursday, November 10, 2022

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| 8:00 AM – 9:00 AM | Breakfast Buffet |
| 9:00 AM – 9:30 AM | Welcome and Introductions |
| 9:30 AM – 10:15 AM | Keynote Address:

“New Congress, National Challenges: What to Expect in
the Post-Midterm Political Environment” |
| 10:15 AM – 10:45 AM | Health Care Priorities of the Biden Administration: A Keynote Address |
| 10:45 AM – 11:00 AM | Break |
| 11:00 AM – 11:45 AM | The View from Capitol Hill: Federal Legislative Reform
Efforts and Public Purchasers – A Fireside Chat |
| 11:45 AM – 1:00 PM | Luncheon Buffet

Markets, Trends, and Health Policy: What to Expect in 2023 |
| 1:00 PM – 1:45 PM | Addressing Drug Costs: Implementing the “Inflation Reduction Act”
and Future Reform Efforts |
| 1:45 PM – 2:30 PM | The Movement to Value-Based Care: Perspectives from the CMS Innovation Center |

2:30 PM – 3:30 PM	Updates from Allies: Public Sector HealthCare Roundtable Coalition Engagement on Key Health Policy Issues
3:30 PM – 4:15 PM	Navigating Trends in Provider Consolidation: Policy Solutions for Growing Challenge
4:15 PM	Roundtable Annual Business Meeting
5:30 PM – 6:30 PM	Reception

Friday, November 11, 2022

8:00 AM – 9:00 AM	Breakfast Buffet
9:00 AM – 9:45 AM	Medicare Nearing 60: Perspectives from the Biden Administration
9:45 AM – 10:30 AM	Innovations in Medicare Advantage: CHRONIC 2.0?
10:30 AM – 11:00 AM	Break – Hotel Check-Out Opportunity
11:00 AM – 11:45 AM	Introducing the Institute for Public Sector Retiree Health Care Policy
11:45 AM – 1:30 PM	Initiatives in the Public Sector – A Working Buffet Luncheon
1:30 PM	Wrap-up Remarks and Adjournment

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