

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

REGULAR MEETING OF THE BOARD OF DIRECTORS



**February 7, 2023
9:30 AM**

**PERA Board Room
33 Plaza La Prensa, Santa Fe NM 87507
Online: <https://meet.goto.com/NMRHCA/nmrhcaboardfeb2023>
Telephone: 1-872-240-3412 / Access Code: 386-086-269**

New Mexico Retiree Health Care Authority
Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

February 7, 2023

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

NMRHCA BOARD OF DIRECTORS

February 2023

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

The Honorable Ms. Laura M. Montoya
NM State Treasurer
2055 South Pacheco Street
Suite 100 & 200
Santa Fe, NM 87505
laura.montoya@sto.nm.gov
505-955-1120

Mr. Rick Scroggins
Alternate for ERB Executive Director
Educational Retirement Board
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505-476-6152

Mr. Lance Pyle
NM Association of Counties
Curry County Administration
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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

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9:30 AM

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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 January 10, 2023	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	
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9. FY23 Second Quarter Budget Report	Mrs. Ayanniyi, Chief Finance Officer	44
10. Five Year Strategic Plan (Action Item)	Mr. Kueffer, Executive Director	50
11. Out-of-State Travel Request (Action Item)	Mr. Kueffer, Executive Director	52
12. Other Business	Mr. Crandall, President	
13. Executive Session	Mr. Crandall, President	
Pursuant to NMSA 1978, Section 10-15-1(H)(2) To Discuss Limited Personnel Matters; NMSA 1978, Section 10-15-1(H)(7) Pertaining to Threatened or Pending Litigation		
14. Date & Location of Next Board Meeting	Mr. Crandall, President	
March 7, 2023 – 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

REGULAR MEETING

January 10, 2023

1. CALL TO ORDER

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. at the CNM Workforce Training Center, Room 207, 5600 Eagle Rock Ave., NE, Albuquerque, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Mr. Doug Crandall, President

Ms. Therese Saunders, Vice President

Mr. Malaquias JR Rael, Deputy State Treasurer [Designee of Treasurer-elect Laura Montoya]

Ms. Rachel Alirez

Mr. Lance Pyle [teleconference]

Dr. Tomas Salazar

Mr. Rick Scroggins [teleconference]

Mr. Jamie Widner [teleconference]

Members Excused:

Ms. LeAnne Larrañaga-Ruffy, Secretary

Mr. Sanjay Bhakta

Staff Present:

Mr. Neil Kueffer, Executive Director

Mr. Keith Witt, Deputy Director

Ms. Sheri Ayanniyi, Chief Financial Officer

Mr. Raymond Long, Chief Information Officer

Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE

The Pledge was recited.

4. APPROVAL OF AGENDA

Mr. Rael moved to approve the agenda, as published. Dr. Salazar seconded the motion, which passed unanimously.

5. **APPROVAL OF REGULAR MEETING MINUTES: December 6, 2022**

Ms. Saunders moved for approval of the December 6, 2022, minutes, as written. Dr. Salazar seconded the motion, which passed unanimously.

6. **PUBLIC FORUM AND INTRODUCTIONS**

Attendees and board members introduced themselves.

7. **COMMITTEE REPORTS**

- The Executive Committee met last week to approve today's agenda. The Finance Committee also met to discuss today's action items. [Mr. Crandall]

8. **EXECUTIVE DIRECTOR'S UPDATES**

a) **Human Resources**

- Mr. Kueffer presented HR updates.
- The finalist for General Counsel accepted another offer. The position will be reposted in 2-3 weeks in *Albuquerque Journal*, *Santa Fe New Mexican*, and *Bar Bulletin*.
- All NMRHCA staffers are now back at work and no one is working remotely. Physical presence is necessary to conduct the agency's day-to-day business and to meet with NMRHCA members in person. No problems are anticipated.

b) **Fall Open/Switch Enrollment Results**

- Mr. Kueffer reviewed charts showing a breakdown of NMRHCA members who switched to other medical, dental, and vision plans.

Responding to Chairman Crandall, Mr. Kueffer said the NMRHCA website details information regarding the issue between Lovelace and United Healthcare. In addition, the affected counties are listed. About 1,450 members have been identified to date. Staff will be meeting later today with the Billing Department and Lovelace representatives to make sure the NMRHCA membership is receiving the right information and that there are no concerns.

United Healthcare representative Dan Cadriel said their customer services people have been alerted that they may be receiving phone calls from people who have an issue with the Lovelace provider, and to be prepared to respond to questions and concerns. Lovelace has told United

Healthcare that they are willing to see their members and bill United Healthcare directly as an out-of-network provider.

Responding to Chairman Crandall, Mr. Kueffer said he was concerned about the possibility that United Healthcare's contract could change and Lovelace would not be seeing members or providing billing. In that instance, NMRHCA would probably allow a special enrollment into another plan.

c) Newsletter

- The January 2023 newsletter details the NMRHCA's proposed legislation and ways that members can express their support if they agree with it.

d) CAA Rx DC Reporting

Mr. Kueffer referred to a government-issued fact sheet regarding the Affordable Care Act and Consolidated Appropriations Act of 2021, setting out an FAQ regarding Reporting on Prescription Drug and Health Care Spending. This will affect the NMRHCA's prescription plan with Express Scripts. The grace period has been extended to January 31, 2023. NMRHCA vendors are working hard to provide the required information so the NMRHCA can have this completed before the deadline.

e) Legislative

- Staff is working toward meeting the January 13 deadline for pre-filing legislation. Senator Mimi Stewart will be sponsoring the bill on the Senate side. It will include the IPOC endorsement. A duplicate bill will be introduced on the House side by Rep. Natalie Figueroa, but with no endorsement.
- Staff is awaiting the reports from LFC and DFA, in which they will give their recommendations on whether they will be supporting any type of budget increase. This would include the one-time appropriation request of \$26 million.
- Staff will be reviewing the other pre-filed healthcare-related bills coming out in the House and Senate to see which, if any, might impact the NMRHCA.

Mr. Kueffer said has met with various stakeholders, including NMAER; AFSCME; NMRHCA board member Therese Saunders, who represents NEA-NM, the Classroom Teachers Association, and the NM Federation of Educational Employees; Association of Counties; Daniel Schlegel, Chief of Staff at the Governor's Office; and the Municipal League.

Mr. Kueffer noted that Governor Lujan Grisham is proposing the creation of a new agency called the New Mexico Health Care Authority, which would provide affordable health care for uninsured New Mexicans. No further detail has been provided. Staff will continue to monitor this and report back.

f) November 30, 2022, SIC Reports

- Gains for the month were at \$38 million for a total market value of \$1.142 billion. The NMRHCA contributed \$30 million during this period.

g) Investment Performance Report – September 30, 2022

- CYTD return was at -10.68%, with losses in Non-US Developed Markets, Non-US Emerging Markets, and US Core Bonds.

9. FY22 FINANCIAL AUDIT REPORT

Moss Adams Partner Kory Hoggan and Senior Manager Aaron Hamilton presented this report.

Mr. Hoggan stated that two reports were issued as a result of the audit: the audited financial statements, and a report on internal controls over financial reporting and compliance. In both cases, an unmodified opinion was issued with no exceptions or modifications.

10. FY23 IT SHAREPOINT SERVICES

Mr. Long stated that the NMRHCA Core Application, CareView, has not been operating correctly and is at the point where it requires regular monitoring with weekly or daily remedies such as rebooting to keep it running. There is no one on IT staff with the skills needed to properly address and correct the SharePoint issues that are taking place.

Mr. Long said he would like this issue dealt with as soon as possible with the hiring of a temporary contractor with specialized SharePoint expertise to fix the problem and ensure the system would run in the future.

Mr. Long said the cost for these services is an estimated \$35,000. He requested permission to hire SharePoint Services to address the agency's CareView/SharePoint issues.

Chairman Crandall commented that apparently the problem began in 2013, and asked why this has taken so long to bring to the board.

Mr. Kueffer responded that it hasn't prevented the NMRHCA staff from doing their daily jobs and continuing to utilize the CareView system. He agreed that the agency should be looking at providing services to these systems earlier in their life, which is one reason why the NMRHCA hired a CIO to begin evaluating all of the hardware and systems in the IT Department.

Mr. Pyle noted that the \$35,000 being requested is for an assessment, and asked if the NMRHCA is looking at additional requests on expenses associated with this system.

Mr. Kueffer responded that they do anticipate that in the future. Right now, they want to get the system stabilized in order to attend to the NMRHCA's day-to-day business needs. They will be looking at ways to improve on this system in the future, so this probably won't be the last request.

Mr. Pyle commented that this would appear to be a recurring expense in future years.

Mr. Kueffer responded that he wasn't sure if this would be a recurring expense, as he didn't know how many phases would be necessary to get the problem completely cleared up.

Mr. Scroggins asked about deliverables and if there will be a written assessment produced with this that the NMRHCA can work with going forward. He pointed out that this didn't happen because "things got squirrely" but because something was wrong with the system and it was built incorrectly.

Mr. Long responded that the point of this is to ensure that the current errors are addressed. The system is a little older than one would hope for, but once they can be sure they won't have any future problems with this system, they will be looking at deliverables to allow for a more robust system in the future.

Chairman Crandall noted that the Finance Committee recommended approval of this request.

Chairman Crandall moved for approval. Dr. Salazar seconded the motion, which passed unanimously on a roll call vote. [Not present: Mr. Widner]

11. 2023 EXCHANGE RATES AND PLAN COMPARISON

Mr. Kueffer referred to a market comparison of commercial available plans (pre-Medicare). This is a regular exercise the agency does to make sure it is staying informed in terms of the benefits being offered. This includes looking at the Exchange to see what is available in Albuquerque, Santa Fe, and Las Cruces for individuals who are not receiving a subsidy and what they would be paying as individuals and for a spouse. All of the plans being offered are HMOs, and in many cases the deductibles are much higher than the plans offered by the NMRHCA, with many out-of-pocket maximums at \$9,100. The NMRHCA also looks at plan design, although recent changes within the Exchange made it very challenging to do comparisons this year.

Ms. Saunders asked if it was possible to get a comparison with Medicare rates.

Mr. Kueffer responded that staff hasn't prepared one at this point because it's becoming increasingly difficult to do an apples-to-apples comparison. A lot of the NMRHCA plans have Medicare Part D, while other individual plans that members might select don't always have Part D, and then there are many other variables. The NMRHCA is an employer plan, which sets it apart from groups in the individual market, which don't always have the same access that the NMRHCA has. He added, however, that the NMRHCA did do a comparison at one point with other employers in surrounding states. Doing another comparison might be an opportunity to see how the NMRHCA

stacks up against other public sectors. On the supplement side, where individual markets might look at things like age, the NMRHCA takes a different approach because it needs to ensure that it is covering its claims, and works closely with the actuaries and the board to determine what the premiums are.

12. OUT-OF-STATE TRAVEL REQUEST

Mr. Witt requested permission for three staff members (Mr. Kueffer, himself, and Jess Biggs) to attend the National Conference of the State and Local Government Benefit Association (SALGBA) April 2-5 in New Orleans. SALGBA has 1,500 members in all 50 states to include both public sector and business entity members who cover more than 5 million employees with over \$14 billion annual spend.

Chairman Crandall moved for approval. Mr. Rael seconded the motion, which passed unanimously.

13. OTHER BUSINESS

None.

14. EXECUTIVE SESSION

- **Pursuant to NMSA 1978, Section 10-15-1(H)(7) Pertaining to Threatened or Pending Litigation**
-

None.

15. DATE AND LOCATION OF NEXT BOARD MEETING

February 7, 2023 – 9:30 a.m.

[Staff to poll board members on location.]

16. ADJOURN 11:00 a.m.

Accepted by:

Doug Crandall, President



NMRHCA GENERAL COUNSEL

The New Mexico Retiree Health Care Authority (NMRHCA), an independent statutory agency of the State of New Mexico, is recruiting for the position of **GENERAL COUNSEL**. NMRHCA has over 65,000 members and over 90,000 active employees contributing to the program with the expectation of future benefits.

General Counsel Summary

The General Counsel (GC) position is responsible for implementing, maintaining, and protecting NMRHCA's legal posture and interests within the scope established by NM Statute, NMRHCA's Board of Directors, and NMRHCA's Executive Director. This position serves as a member of the leadership team, providing expertise and experience to the NMRHCA policy and decision-making process. The General Counsel position is an exempt employment position which is on at-will basis.

IDEAL CANDIDATE

NMRHCA seeks an experienced attorney who thrives in a hands-on and collaborative environment to be the next General Counsel. The ideal candidate must have the confidence, exceptional communication, and interpersonal skills to educate and advise the Board, Executive Director, and others on complex legal and regulatory matters related to health care policies and Other Postemployment Benefits. Our ideal candidate will be committed to upholding the fiduciary duty to our members and beneficiaries of NMRHCA. This person will be able to hit the ground running and quickly gain the confidence and respect of the Board and staff. In addition, this person will have experience advising public agencies and understand that legal opinions must be able to be implemented within the administrative realities the agency operates in.

ESSENTIAL FUNCTIONS

- Provides legal advice to Executive management and others regarding proposals or anticipated actions
- Oversees coordination of legal activity performed by outside counsel and the Attorney General's Office
- Monitors issues of fiduciary responsibilities of the Board and staff
- Coordinates issues relating to NMRHCA benefits
- Coordinates issues stemming from NMRHCA administration (contract, personnel, general liability, etc.)
- Oversees legal work done in connection with NMRHCA investments and policy
- Ensures compliance with federal and state laws, rules, and regulations
- Provides oversight and direction to leadership regarding NMRHCA's Governance Manual and compliance matters including working with third party partners
- Assists the Executive Director in legislative issues
- Assists the Executive Director and Board of Directors in the long-range strategic planning process
- Demonstrates leadership and management capabilities to manage processes
- Carries out other duties as assigned
- Develop and compose rule changes and draft statutory changes as needed
- Draft up responses to member appeals

QUALIFICATIONS

- Juris Doctorate and license to practice in the State of New Mexico or the ability to obtain a license within 6 months
- Seven years of professional work experience, preferably in the areas of retiree health plans, administrative proceedings, litigation, investments, taxes, insurance, contracts, and labor law
- Experience working closely with a governing board
- Experience in interpreting current and proposed state and federal laws
- Experience in lobbying at the state level is preferred
- Strong analytical and organizational skills
- Strong interpersonal skills
- Excellent oral and written communication skills

WORKING CONDITIONS

- Ability to travel as necessary

COMPENSATION

- NMRHCA will offer the successful candidate a competitive base salary dependent on experience and qualifications. NMRHCA offers a comprehensive benefits package including health, dental, and life insurance; annual and sick leave policy and other benefits that are available to State of New Mexico employees. All the NMRHCA employees contribute towards a defined benefit retirement plan, retiree health plan, and can elect to participate in a voluntary deferred compensation plan.

APPLICATION PROCESS

To apply, please submit resume to Human Resources Manager listed below: **By email in Word or PDF Format to:** Jessica Trujillo, HR Manager
E-mail address: JessicaA.Trujillo@pera.nm.gov. For further information please contact Jessica Trujillo, HR Manager **e-mail:** JessicaA.Trujillo@pera.nm.gov.
Phone: 505-372-9518

For best consideration, resumes should be submitted by February 24, 2023. However, the position will be considered open until filled. Facsimiles will not be accepted.

THE NEW MEXICO RETIREE HEALTH CARE AUTHORITY IS
AN EQUAL OPPORTUNITY EMPLOYER.

HOUSE BILL 150

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Natalie Figueroa

AN ACT

RELATING TO RETIREE HEALTH CARE; INCREASING EMPLOYEE AND
EMPLOYER CONTRIBUTION RATES TO THE RETIREE HEALTH CARE FUND.

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

SECTION 1. Section 10-7C-15 NMSA 1978 (being Laws 1990,
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
Section 2 and by Laws 2009, Chapter 288, Section 3) is amended
to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary
contribution period, each participating employer shall make
contributions to the fund pursuant to the following provisions:

(1) for participating employees who are not
members of an enhanced retirement plan, the employer's
contribution shall equal

.223945.1

1 ~~[(a) one and three-tenths percent of~~
2 ~~each participating employee's salary for the period from July~~
3 ~~1, 2002 through June 30, 2010;~~

4 ~~(b) one and six hundred sixty-six~~
5 ~~thousandths percent of each participating employee's salary for~~
6 ~~the period from July 1, 2010 through June 30, 2011;~~

7 ~~(c) one and eight hundred thirty-four~~
8 ~~thousandths percent of each participating employee's salary for~~
9 ~~the period from July 1, 2011 through June 30, 2012; and~~

10 ~~(d)] two and thirty-three hundredths~~
11 ~~percent of each participating employee's salary [beginning July~~
12 ~~1, 2012];~~

13 (2) for participating employees who are
14 members of an enhanced retirement plan, the employer's
15 contribution shall equal

16 ~~[(a) one and three-tenths percent of~~
17 ~~each participating employee's salary for the period from July~~
18 ~~1, 2002 through June 30, 2010;~~

19 ~~(b) two and eighty-four thousandths~~
20 ~~percent of each participating employee's salary for the period~~
21 ~~from July 1, 2010 through June 30, 2011;~~

22 ~~(c) two and two hundred ninety-two~~
23 ~~thousandths percent of each participating employee's salary for~~
24 ~~the period from July 1, 2011 through June 30, 2012; and~~

25 ~~(d)] two and [one-half] ninety-three~~

.223945.1

1 ~~hundredths~~ percent of each participating employee's salary
2 [~~beginning July 1, 2012~~]; and

3 (3) each employer that chooses to become a
4 participating employer after January 1, 1998 shall make
5 contributions to the fund in the amount determined to be
6 appropriate by the board.

7 B. Following completion of the preliminary
8 contribution period, each participating employee, as a
9 condition of employment, shall contribute to the fund pursuant
10 to the following provisions:

11 (1) for a participating employee who is not a
12 member of an enhanced retirement plan, the employee's
13 contribution shall equal

14 [~~(a) sixty-five hundredths of one~~
15 ~~percent of the employee's salary for the period from July 1,~~
16 ~~2002 through June 30, 2010;~~

17 ~~(b) eight hundred thirty-three~~
18 ~~thousandths of one percent of the employee's salary for the~~
19 ~~period from July 1, 2010 through June 30, 2011;~~

20 ~~(c) nine hundred seventeen thousandths~~
21 ~~of one percent of the employee's salary for the period from~~
22 ~~July 1, 2011 through June 30, 2012; and~~

23 ~~(d)]~~ one and seventeen-hundredths percent
24 of the employee's salary [~~beginning July 1, 2012~~];

25 (2) for a participating employee who is a
26 .223945.1

1 member of an enhanced retirement plan, the employee's
2 contribution shall equal

3 ~~[(a) sixty-five hundredths of one~~
4 ~~percent of the employee's salary for the period from July 1,~~
5 ~~2002 through June 30, 2010;~~

6 ~~(b) one and forty-two thousandths~~
7 ~~percent of the employee's salary for the period from July 1,~~
8 ~~2010 through June 30, 2011;~~

9 ~~(c) one and one hundred forty-six~~
10 ~~thousandths percent of the employee's salary for the period~~
11 ~~from July 1, 2011 through June 30, 2012; and~~

12 ~~(d)] one and [one-fourth] forty-seven~~
13 ~~hundredths percent of the employee's salary [beginning July 1,~~
14 ~~2012]; and~~

15 (3) as a condition of employment, each
16 participating employee of an employer that chooses to become a
17 participating employer after January 1, 1998 shall contribute
18 to the fund an amount that is determined to be appropriate by
19 the board. Each month, participating employers shall deduct
20 the contribution from the participating employee's salary and
21 shall remit it to the board as provided by any procedures that
22 the board may require.

23 C. ~~[On or after July 1, 2009]~~ No person who has
24 obtained service credit pursuant to Subsection B of Section
25 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)

.223945.1

1 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
2 with the authority unless the person makes a contribution to
3 the fund equal to the full actuarial present value of the
4 amount of the increase in the person's health care benefit, as
5 determined by the authority.

6 D. Except for contributions made pursuant to
7 Subsection C of this section, a participating employer that
8 fails to remit before the tenth day after the last day of the
9 month all employer and employee deposits required by the
10 Retiree Health Care Act to be remitted by the employer for the
11 month shall pay to the fund, in addition to the deposits,
12 interest on the unpaid amounts at the rate of six percent per
13 year compounded monthly.

14 E. Except for contributions made pursuant to
15 Subsection C of this section, the employer and employee
16 contributions shall be paid in monthly installments based on
17 the percent of payroll certified by the employer.

18 F. Except in the case of erroneously made
19 contributions or as may be otherwise provided in Subsection D
20 of Section 10-7C-9 NMSA 1978, contributions from participating
21 employers and participating employees shall become the property
22 of the fund on receipt by the board and shall not be refunded
23 under any circumstances, including termination of employment or
24 termination of the participating employer's operation or
25 participation in the Retiree Health Care Act.

.223945.1

1 G. Notwithstanding any other provision in the
2 Retiree Health Care Act and at the first session of the
3 legislature following July 1, 2013, the legislature shall
4 review and adjust the distributions pursuant to Section
5 ~~[7-1-6.1]~~ 7-1-6.30 NMSA 1978 and the employer and employee
6 contributions to the authority in order to ensure the actuarial
7 soundness of the benefits provided under the Retiree Health
8 Care Act.

9 H. As used in this section, "member of an enhanced
10 retirement plan" means:

11 (1) a member of the public employees
12 retirement association who, pursuant to the Public Employees
13 Retirement Act, is included in:

14 (a) state police member, ~~[and adult]~~
15 correctional officer member and probation and parole officer
16 member coverage plan 1;

17 (b) municipal police member coverage
18 plan 3, 4 or 5;

19 (c) municipal fire member coverage plan
20 3, 4 or 5; or

21 (d) municipal detention officer member
22 coverage plan 1; or

23 (2) a member pursuant to the provisions of the
24 Judicial Retirement Act."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

.223945.1

underscored material = new
[bracketed material] = delete

provisions of this act is July 1, 2023.

- 7 -

.223945.1

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

FISCAL IMPACT REPORT

SPONSOR <u>Figueroa</u>	LAST UPDATED ORIGINAL DATE <u>1/31/2023</u>
SHORT TITLE <u>Retiree Health Care Contributions</u>	BILL NUMBER <u>House Bill 150</u>
ANALYST <u>Simon</u>	

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
	\$27,200.0	\$27,200.0	Recurring	Retiree Health

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$7,700.0	\$7,700.0	\$15,400.0	Recurring	General Fund (including public schools)
		\$2,200.0	\$2,200.0	\$4,400.0	Recurring	Other state funds and federal funds for state agencies
		\$8,200.0	\$8,200.0	\$16,400.0	Recurring	Municipalities, counties, and other public employers
Total		\$18,100.0	\$18,100.0	\$36,200.0		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 193

Sources of Information

LFC Files

Responses Received From

Retiree Health Care Authority (RHCA)

State Personnel Office (SPO)

SUMMARY

Synopsis of House Bill 150

House Bill 150 increases the required contribution to the retiree health care fund for both public employers and employees covered by the fund. For employers, contributions would increase by

0.33 percentage points for most employees and by 0.93 percentage points for public safety employees in an enhanced retirement plan. For employees, contributions would increase by 0.17 percentage points for most employees and 0.47 percentage points for public safety employees in an enhanced retirement plan.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

The Retiree Health Care Authority estimates HB150 will generate \$27.2 million in annual revenue to the fund. Of this amount, \$18.1 million will come from employers and must be absorbed in the existing operating budgets as there is no appropriation to pay for the increased costs. The amount of the increased employer cost is included in the estimated additional operating budget impact table.

SIGNIFICANT ISSUES

RHCA was established in 1990 to assist retired public employees in securing health, dental, vision, and life insurance for around 64 thousand retired public employees and their dependents. The healthcare fund subsidizes retiree health coverage while retirees pay health insurance premiums. However, the law makes clear the fund is not intended to create a trust relationship. Although the fund subsidizes benefits, the authority began to cover retirees six months after the agency was created, including retirees who never contributed to the fund. As a result, the anticipated liabilities of the fund have always been well in excess of assets in the agency's trust fund.

HB150 attempts to pre-fund future benefits, reducing those unfunded liabilities, which must be reported on the financial statements of entities participating in the fund. As of June 30, 2022, total liabilities were \$3.5 billion, while assets were \$1.2 billion, for a 33.3 percent funded ratio. Notably, this represents a significant improvement in the fund's status, which was only 11.3 percent funded in 2017 and 3.6 percent funded in 2006. RHCA projections show the fund is expected to maintain a positive balance through the end of the agency's projection period in 2053.

RHCA notes the failure to pre-fund benefits could lead to future reductions in retiree benefits. The agency states it is committed to making plan design changes to maintain the viability of the benefit. Changes could include the elimination of Medicare Supplement plans, the elimination of subsidies for spouses, a decrease in subsidies for pre-Medicare retirees, limiting the network of providers, or providing only a flat, monthly contribution, regardless of the cost of coverage.

In addition to employee and employer contributions and participant premiums, RHCA receives a direct distribution from the tax suspense fund. In FY23, the distribution will be \$41.3 million. Statute mandates the distribution from the tax suspense fund increases at a rate of 12 percent per year, roughly doubling every six years. Monies distributed to RHCA from the tax suspense fund would otherwise go to the general fund.

JWS/al/ne

SENATE BILL 193

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Mimi Stewart

ENDORSED BY THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

RELATING TO RETIREE HEALTH CARE; INCREASING EMPLOYEE AND
EMPLOYER CONTRIBUTION RATES TO THE RETIREE HEALTH CARE FUND.

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

SECTION 1. Section 10-7C-15 NMSA 1978 (being Laws 1990,
Chapter 6, Section 15, as amended by Laws 2009, Chapter 287,
Section 2 and by Laws 2009, Chapter 288, Section 3) is amended
to read:

"10-7C-15. RETIREE HEALTH CARE FUND CONTRIBUTIONS.--

A. Following completion of the preliminary
contribution period, each participating employer shall make
contributions to the fund pursuant to the following provisions:

(1) for participating employees who are not
members of an enhanced retirement plan, the employer's
contribution shall equal

.223383.1SA

1 ~~[(a) one and three-tenths percent of~~
2 ~~each participating employee's salary for the period from July~~
3 ~~1, 2002 through June 30, 2010;~~

4 ~~(b) one and six hundred sixty-six~~
5 ~~thousandths percent of each participating employee's salary for~~
6 ~~the period from July 1, 2010 through June 30, 2011;~~

7 ~~(c) one and eight hundred thirty-four~~
8 ~~thousandths percent of each participating employee's salary for~~
9 ~~the period from July 1, 2011 through June 30, 2012; and~~

10 ~~(d)] two and thirty-three hundredths~~
11 ~~percent of each participating employee's salary [beginning July~~
12 ~~1, 2012];~~

13 (2) for participating employees who are
14 members of an enhanced retirement plan, the employer's
15 contribution shall equal

16 ~~[(a) one and three-tenths percent of~~
17 ~~each participating employee's salary for the period from July~~
18 ~~1, 2002 through June 30, 2010;~~

19 ~~(b) two and eighty-four thousandths~~
20 ~~percent of each participating employee's salary for the period~~
21 ~~from July 1, 2010 through June 30, 2011;~~

22 ~~(c) two and two hundred ninety-two~~
23 ~~thousandths percent of each participating employee's salary for~~
24 ~~the period from July 1, 2011 through June 30, 2012; and~~

25 ~~(d)] two and [one-half] ninety-three~~

.223383.1SA

1 ~~hundredths~~ percent of each participating employee's salary
2 [~~beginning July 1, 2012~~]; and

3 (3) each employer that chooses to become a
4 participating employer after January 1, 1998 shall make
5 contributions to the fund in the amount determined to be
6 appropriate by the board.

7 B. Following completion of the preliminary
8 contribution period, each participating employee, as a
9 condition of employment, shall contribute to the fund pursuant
10 to the following provisions:

11 (1) for a participating employee who is not a
12 member of an enhanced retirement plan, the employee's
13 contribution shall equal

14 [~~(a) sixty-five hundredths of one~~
15 ~~percent of the employee's salary for the period from July 1,~~
16 ~~2002 through June 30, 2010;~~

17 ~~(b) eight hundred thirty-three~~
18 ~~thousandths of one percent of the employee's salary for the~~
19 ~~period from July 1, 2010 through June 30, 2011;~~

20 ~~(c) nine hundred seventeen thousandths~~
21 ~~of one percent of the employee's salary for the period from~~
22 ~~July 1, 2011 through June 30, 2012; and~~

23 ~~(d)] one~~ and seventeen-hundredths percent
24 of the employee's salary [~~beginning July 1, 2012~~];

25 (2) for a participating employee who is a
26 .223383.1SA

1 member of an enhanced retirement plan, the employee's
2 contribution shall equal

3 ~~[(a) sixty-five hundredths of one~~
4 ~~percent of the employee's salary for the period from July 1,~~
5 ~~2002 through June 30, 2010;~~

6 ~~(b) one and forty-two thousandths~~
7 ~~percent of the employee's salary for the period from July 1,~~
8 ~~2010 through June 30, 2011;~~

9 ~~(c) one and one hundred forty-six~~
10 ~~thousandths percent of the employee's salary for the period~~
11 ~~from July 1, 2011 through June 30, 2012; and~~

12 ~~(d)] one and [one-fourth] forty-seven~~
13 ~~hundredths percent of the employee's salary [beginning July 1,~~
14 ~~2012]; and~~

15 (3) as a condition of employment, each
16 participating employee of an employer that chooses to become a
17 participating employer after January 1, 1998 shall contribute
18 to the fund an amount that is determined to be appropriate by
19 the board. Each month, participating employers shall deduct
20 the contribution from the participating employee's salary and
21 shall remit it to the board as provided by any procedures that
22 the board may require.

23 C. ~~[On or after July 1, 2009]~~ No person who has
24 obtained service credit pursuant to Subsection B of Section
25 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3)
.223383.1SA

1 or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll
2 with the authority unless the person makes a contribution to
3 the fund equal to the full actuarial present value of the
4 amount of the increase in the person's health care benefit, as
5 determined by the authority.

6 D. Except for contributions made pursuant to
7 Subsection C of this section, a participating employer that
8 fails to remit before the tenth day after the last day of the
9 month all employer and employee deposits required by the
10 Retiree Health Care Act to be remitted by the employer for the
11 month shall pay to the fund, in addition to the deposits,
12 interest on the unpaid amounts at the rate of six percent per
13 year compounded monthly.

14 E. Except for contributions made pursuant to
15 Subsection C of this section, the employer and employee
16 contributions shall be paid in monthly installments based on
17 the percent of payroll certified by the employer.

18 F. Except in the case of erroneously made
19 contributions or as may be otherwise provided in Subsection D
20 of Section 10-7C-9 NMSA 1978, contributions from participating
21 employers and participating employees shall become the property
22 of the fund on receipt by the board and shall not be refunded
23 under any circumstances, including termination of employment or
24 termination of the participating employer's operation or
25 participation in the Retiree Health Care Act.

.223383.1SA

1 G. Notwithstanding any other provision in the
2 Retiree Health Care Act and at the first session of the
3 legislature following July 1, 2013, the legislature shall
4 review and adjust the distributions pursuant to Section
5 ~~[7-1-6.1]~~ 7-1-6.30 NMSA 1978 and the employer and employee
6 contributions to the authority in order to ensure the actuarial
7 soundness of the benefits provided under the Retiree Health
8 Care Act.

9 H. As used in this section, "member of an enhanced
10 retirement plan" means:

11 (1) a member of the public employees
12 retirement association who, pursuant to the Public Employees
13 Retirement Act, is included in:

14 (a) state police member, ~~[and adult]~~
15 correctional officer member and probation and parole officer
16 member coverage plan 1;

17 (b) municipal police member coverage
18 plan 3, 4 or 5;

19 (c) municipal fire member coverage plan
20 3, 4 or 5; or

21 (d) municipal detention officer member
22 coverage plan 1; or

23 (2) a member pursuant to the provisions of the
24 Judicial Retirement Act."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the
26 .223383.1SA

underscored material = new
[bracketed material] = delete

provisions of this act is July 1, 2023.

- 7 -

.223383.1SA



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

SB 193 & HB 150 FUND RETIREE HEALTH CARE 2023 NM Legislative Session

~67,000

Number of retired members

~93,000

Number of employed members

10%

NM adult population that will
participate in program now or in
the future

\$1.1B

Current trust fund balance:
Growth shows good stewardship
by the Board of Directors

33%

Percent funded:
The fund only has enough to
cover 33% of it's liabilities

50%

Funded goal:
Target to lower reported
liabilities & help weather future
changes

1%

Current employee contribution
rate
non-enhanced
retirement plan
\$1 for every \$100 earned

2%

Current employer contribution
rate
non-enhanced
retirement plan
\$2 for every \$100 paid to
employee

3%

Total contribution to fund per
employee
non-enhanced
retirement plan

2012

Last time contribution rates for employees and employers increased

0.17%

Proposed employee increase to
non-enhanced
retirement plan members
17 cents per \$100 earned

0.33%

Proposed employer increase to
non-enhanced
retirement plan members
33 cents per \$100 paid to
employee

\$27M

Provides additional recurring
revenue to help fund the
program

\$26M - Additional proposed one-time appropriation to help fund the program

ABOUT NMRHCA

In 1990, the Legislature made a commitment to its dedicated public servants by establishing the Retiree Health Care Authority to provide those employees access to affordable health care upon retirement. Benefits started six months later January 1, 1991, with NMRHCA paying benefits to retirees of participating entities without any prefunding. The program is self funded through five sources being employee and employer contributions, member plan premiums, tax & revenue suspense fund, miscellaneous revenue and interest.

UNDER FUNDED

Over the past 30 years the solvency of the program has varied with periods where the future of the program has been in jeopardy. Over the last decade, good stewardship of the funds and benefits, wise investments and rule changes have produced a steady increase in the overall value of the trust fund and it's solvency. Currently, the trust fund stands at \$1.1 billion with an actuarial funded status of 33%. This still leaves the fund drastically under funded. The goal is to increase the solvency to 50% in order to better secure the future of the program and lower reported employer liabilities.

WHAT HAS BEEN DONE

Health care costs continue to increase, forcing decisions on how to remain solvent while also providing valuable and affordable health care to retirees. Measures that have been taken include:

- Lowering subsidies for retirees and spouses/partners
- Eliminating subsidies for dependent children
- Establishing a minimum age of 55 to receive subsidy (non-enhanced retirement plans)
- Increasing years of service from 20 years to 25 years for employees on non-enhanced retirement plans to receive the maximum subsidy
- Increased rates, co-pays and deductibles
- Converting 100% agency paid basic life insurance to 100% member paid

Each of these measures have been to the burden of the retiree or future retiree, who are often on a fixed income. Contribution rates from current employees and employers have not increased in over 10 years.

PROPOSED LEGISLATION FOR 2023

The proposed legislation is:

- Increase current employee contributions from 1% to 1.17%, an increase of 17 cents for every \$100 earned for members on a non-enhanced retirement plan.
- Increase current employer contributions from 2% to 2.33%, an increase of 33 cents for every \$100 paid to an employee on a non-enhanced retirement plan.
- Increase current employee contributions from 1.25% to 1.47%, an increase of 22 cents for every \$100 earned for members on an enhanced retirement plan.
- Increase current employer contributions from 2.5% to 2.93%, an increase of 43 cents for every \$100 paid to an employee on an enhanced retirement plan.
- One time special appropriation of \$26 million to shore up the fund and help with program liabilities.

SUMMARY

The proposed legislation applies a balanced approach to improving the solvency by not just making changes to the program which only increases costs to retirees on a fixed income but by having the support of the current workforce. The proposed increase from those contributing now will have a large impact on the solvency of the trust fund to secure the future of the program and better ensure affordable health care to current and future retirees. If you believe in supporting those who have worked and served in our communities during their many years of public service, then please support Senate Bill 193 and House Bill 150.



Senate Finance Committee
George K. Muñoz, Chair
Nancy Rodriguez, Vice Chair

FY24 Appropriation Recommendations, Updates and Proposed Legislation
January 30, 2023

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

Program Updates & Reminders

Program Participation

- Actives – 92,484 (6/30/2021)
- Retirees – 44,608 (1/1/2023)
 - Pre-Medicare – 9,122
 - Medicare – 32,486
- Spouses/Domestic Partners -11,041
 - Pre-Medicare – 2,467
 - Medicare – 8,574
- Dependent Children - 1,304
- Average Age Retiree – 70.89
 - Enrollment 2021 – 60.7
 - Enrollment 2022 – 61.4
- Retirees Under Age 55 – 1,684

Procurement Activities

- Currently evaluating RFP responses for life insurances services
- Contract effective July 1, 2023

Solvency – June 30, 2022

- Deficit Spending – 2032
 - Investment earnings used to support operations
- Projected Solvency – Past 30 years
 - Period of time when expenditures exceed revenue sources and trust fund balance reaches \$0

GASB – June 30, 2022

- Total OPEB Liability - \$3,467,298,517
- Net Position - \$1,155,695,465
- Net OPEB Liability - \$2,311,603,052
- Funded Ratio – 33.33%

Rule Change Effective July 31, 2021

- Minimum age requirement to receive program subsidy – 55 (does not apply to retirees under enhanced retirement plans)
- Increased years of services required to receive maximum subsidy from 20 to 25

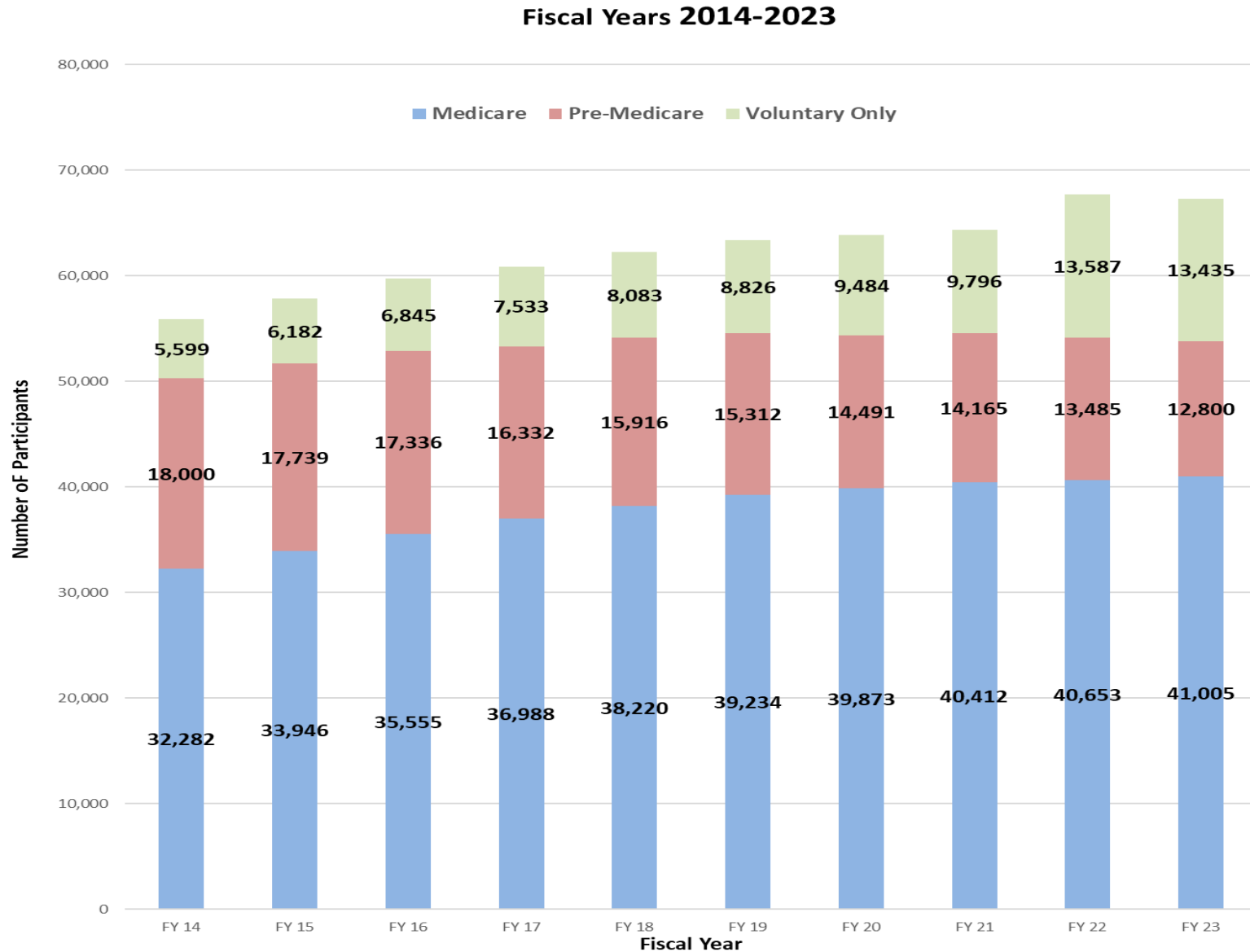
FY24 Appropriation Request & Recommendations

(\$ shown in thousands)	FY23 Approved Operating	FY24 NMRHCA Request	LFC Recommendation	LFC Growth	DFA Recommendation	DFA Growth
Healthcare Benefits Administration						
Contractual Services	\$ 376,926.7	\$ 390,376.7	\$ 390,376.7	3.6%	\$ 390,376.7	3.6%
Other	\$ 45.0	\$ 45.0	\$ 45.0	0.0%	\$ 45.0	0.0%
Other Financing Uses	\$ 3,558.2	\$ 4,034.6	\$ 3,781.3	6.3%	\$ 3,938.4	10.7%
Subtotal	\$ 380,529.9	\$ 394,456.3	\$ 394,203.0	3.6%	\$ 394,360.1	3.6%
Program Support						
Personal Services & Employee Benefits	\$ 2,296.3	\$ 2,673.6	\$ 2,453.8	6.9%	\$ 2,577.4	12.2%
Contractual Services	\$ 674.9	\$ 735.8	\$ 702.3	4.1%	\$ 735.8	9.0%
Other Financing Uses	\$ 587.0	\$ 625.2	\$ 625.2	6.5%	\$ 625.2	6.5%
Subtotal	\$ 3,558.2	\$ 4,034.6	\$ 3,781.3	6.3%	\$ 3,938.4	10.7%
Total	\$ 384,088.1	\$ 398,490.9	\$ 397,984.3	3.6%	\$ 398,298.5	3.7%
FTE	26	29	27	1 FTE	29	3 FTE

FY24 Request:

- Growth of membership - FY14 to FY23 is 20%
 - Members FY14 - 55,881 to FY23 - 67,240
- Staffing Growth - 1 FTE since FY14 to FY23
 - FY14 – 25 and now FY23 – 26
- Program support includes 3 new FTE to support members and NMRHCA
- Unspent funds revert to Trust Fund

Retiree Plan Participation Growth



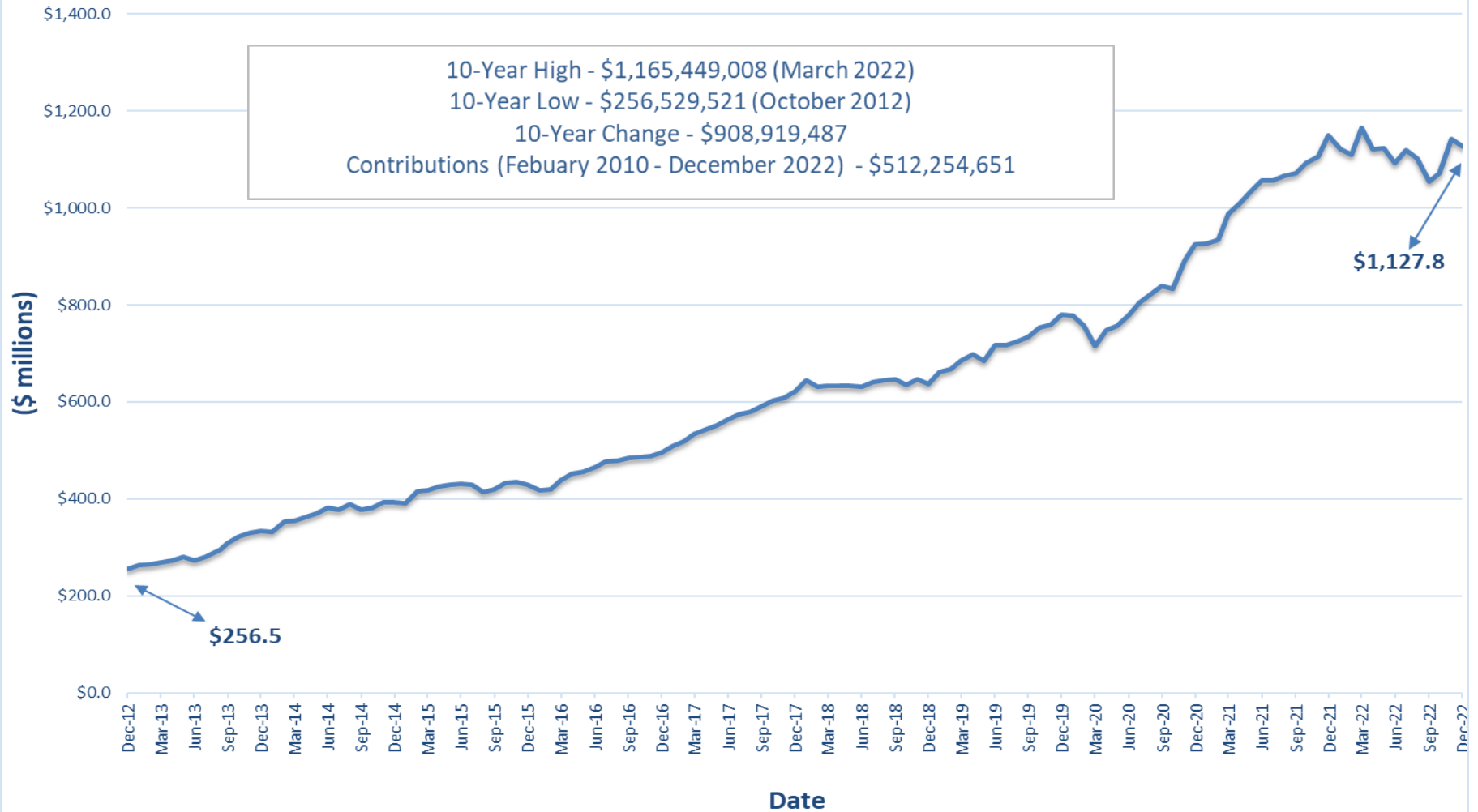
Agency Support

- 3 Positions Requested
 - IT Network Administrator II, Administrative Operations Manager I, Business Operations Specialist
- Since FY14 - Additional agency responsibilities
 - Federal Laws and Regulations – Reporting and changes in administering benefits
 - Affordable Care Act, Consolidated Appropriations Act, Inflation Reduction Act, Centers for Medicare and Medicaid Rules, etc.
 - State Laws and Regulations impacting benefit administration of plans
 - Cyber security – Increase in protection through testing and working with DoIT
- Additional areas of support
 - Request for Proposals
 - Life Insurance – In process
 - Medical, dental, vision, pharmacy benefit manager, benefit and actuary consultant, etc.
 - Review of contracts and performance guarantees
 - Research and implementation of services in healthcare system
 - Governmental Accounting Standards Board and Solvency Studies
 - Oversight of investments
 - Wellness and education

Financial Updates

**NMRHCA Trust Fund Balance History
December 2012 - 2022**

10-Year High - \$1,165,449,008 (March 2022)
10-Year Low - \$256,529,521 (October 2012)
10-Year Change - \$908,919,487
Contributions (February 2010 - December 2022) - \$512,254,651



GASB 74 Updates

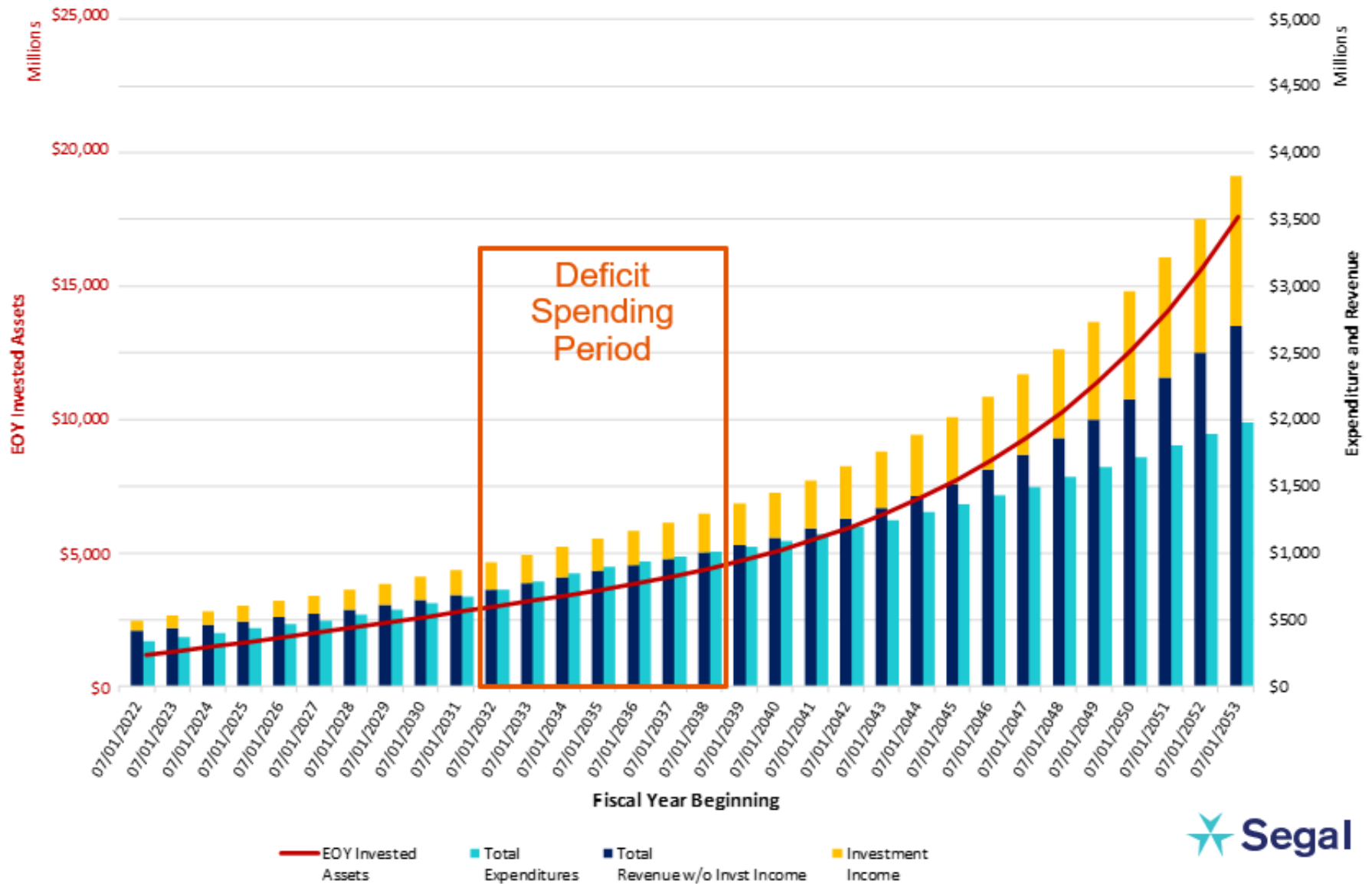
Governmental Accounting Standards Board (GASB)

- Actuarial Valuation Review of Other Postemployment Benefits (OPEB)

	2006	2017	2022
GASB Statement	43	74	74
Actuarial Accrued Liability	\$ 4,264,180,967	\$ 5,111,141,659	\$ 3,467,298,517
Actuarial Value of Assets	\$ 154,538,668	\$ 579,468,641	\$ 1,155,695,465
Unfunded Actuarial Accrued Liability	\$ 4,109,642,299	\$ 4,531,673,018	\$ 2,311,603,052
Funded Ratio	3.62%	11.34%	33.33%
Covered Payroll	\$ 4,073,731,873	\$ 4,165,647,340	\$ 4,745,115,641
Total Participants	140,292	160,035	157,332

- Beginning 2006 changed accounting standards for (OPEB) GASB 43
- In 2017, GASB 74 replaced GASB 43
 - Actuarial Accrued Liability = Total OPEB Liability
 - Actuarial Value of Assets = Plan Fiduciary Net Position
 - Unfunded Actuarial Accrued Liability = Net OPEB Liability

Solvency Updates



Legislative Proposal

Duplicate Bill (SB193 /HB150) amending the Retiree Health Care Act

- Increases employee contributions from 1 percent to 1.17 percent of salary
- Increases employer contributions from 2 percent to 2.33 percent of salary

Example: Employee earning \$40,000 annually (hourly rate \$19.16)

- Employee Impact:
 - Contributions would increase by \$68 per year or \$2.62 biweekly
- Employer Impact:
 - Contributions would increase by \$132 per year or \$5.08 biweekly
- NMRHCA Impact
 - Provides about \$27.2 million in additional recurring revenue
 - Minimizes use of investment earnings to support benefits
 - Further extends solvency beyond 30-year projection period
 - Increases funded status towards meeting 50% goal
 - Lowers reported GASB OPEB Liabilities
 - Supports additional pre-funding of benefits for future retirees

Special Appropriation Request

- One-time money of \$26 million to NMRHCA benefit program towards lowering unfunded status of program

New Mexico Retiree Health Care Authority

Neil Kueffer, Executive Director

505-222-6408

neil.kueffer@rhca.nm.gov

Please call 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)

FY24 LFC/Executive Recommendation Comparison

Overall, the FY23 appropriation recommendations proposed by the Legislative Finance Committee (LFC) and the Executive do not vary in relation to the Healthcare Benefits Administration. The DFA recommendation supported our request in most areas to include the 3 FTE with a slightly lower Personal Services and Employee Benefits recommendation. LFC recommended a lower increase for Program Support in the areas of personal services and employee benefits and contractual services. Table 1 highlights the FY23 approved operating budget, FY24 appropriation request and corresponding recommendations made by the LFC and Executive.

Table 1 (\$ shown in thousands)	FY23 Approved/Adjusted Operating	FY24 Request	LFC Recommendation	Exec Recommendation
Personal Services & Employee Benefits	\$ 2,296.3	\$ 2,673.6	\$ 2,453.8	\$ 2,577.4
Contractual Services	\$ 377,601.6	\$ 391,112.5	\$ 391,079.0	\$ 391,112.5
Other	\$ 632.0	\$ 670.2	\$ 670.2	\$ 670.2
Other Financing Uses	\$ 3,558.2	\$ 4,034.6	\$ 3,781.3	\$ 3,938.4
Total	\$ 384,088.1	\$ 398,490.9	\$ 397,984.3	\$ 398,298.5
Healthcare Benefits Administration				
Contractual Services	\$ 376,926.7	\$ 390,376.7	\$ 390,376.7	\$ 390,376.7
Other	\$ 45.0	\$ 45.0	\$ 45.0	\$ 45.0
Other Financing Uses	\$ 3,558.2	\$ 4,034.6	\$ 3,781.3	\$ 3,938.4
Subtotal	\$ 380,529.9	\$ 394,456.3	\$ 394,203.0	\$ 394,360.1
Program Support				
Personal Services & Employee Benefits	\$ 2,296.3	\$ 2,673.6	\$ 2,453.8	\$ 2,577.4
Contractual Services	\$ 674.9	\$ 735.8	\$ 702.3	\$ 735.8
Other	\$ 587.0	\$ 625.2	\$ 625.2	\$ 625.2
Subtotal	\$ 3,558.2	\$ 4,034.6	\$ 3,781.3	\$ 3,938.4
Total	\$ 384,088.1	\$ 398,490.9	\$ 397,984.3	\$ 398,298.5
FTE	26	29	27	29

Table 2 provides a comparison of the incremental growth requested and recommended for each program compared to the approved FY23 operating budget. The LFC recommendation is \$506,600 lower than agency request and two less FTEs as requested by agency. The Executive recommendation was \$192,400 lower than agency request and included the recommendation of three FTE. The differences is reflected in the personal services and employee benefits (\$218,800 LFC & 96,200 DFA), contractual services (33,500 LFC) and other financing uses category of the Healthcare Benefits Administration program.

Table 2 (\$ shown in thousands)	FY23 Approved/Adjusted Operating	FY24 Requested Growth	LFC Recommended Growth	Exec Recommended Growth
Healthcare Benefits Administration				
Contractual Services	\$ 376,926.7	\$ 13,450.0	\$ 13,450.0	\$ 13,450.0
Other	\$ 45.0	\$ -	\$ -	\$ -
Other Financing Uses	\$ 3,558.2	\$ 476.4	\$ 223.1	\$ 380.2
Subtotal	\$ 380,529.9	\$ 13,926.4	\$ 13,673.1	\$ 13,830.2
Program Support				
Personal Services & Employee Benefits	\$ 2,296.3	\$ 377.3	\$ 157.5	\$ 281.1
Contractual Services	\$ 674.9	\$ 60.9	\$ 27.4	\$ 60.9
Other Financing Uses	\$ 587.0	\$ 38.2	\$ 38.2	\$ 38.2
Subtotal	\$ 3,558.2	\$ 476.4	\$ 223.1	\$ 380.2
Total	\$ 384,088.1	\$ 14,402.8	\$ 13,896.2	\$ 14,210.4
FTE	26	3	1	3

Table 3 highlights the FY23 operating budget along with the FY24 requested and recommended growth expressed in terms of a percentage.

Table 3 (\$ shown in thousands)	FY23 Approved/Adjusted Operating	FY24 Requested Growth	LFC Recommended Growth	Exec Recommended Growth
Healthcare Benefits Administration				
Contractual Services	\$ 376,926.7	3.6%	3.6%	3.6%
Other	\$ 45.0	0.0%	0.0%	0.0%
Other Financing Uses	\$ 3,558.2	13.4%	6.3%	10.7%
Subtotal	\$ 380,529.9	3.7%	3.6%	3.6%
Program Support				
Personal Services & Employee Benefits	\$ 2,296.3	16.4%	6.9%	12.2%
Contractual Services	\$ 674.9	9.0%	4.1%	9.0%
Other Financing Uses	\$ 587.0	6.5%	6.5%	6.5%
Subtotal	\$ 3,558.2	13.4%	6.3%	10.7%
Total	\$ 384,088.1	3.7%	3.6%	3.7%
FTE	26	12%	4%	12%

NMRHCA staff respectfully requested support for the spending levels supported by the Executive recommendation on Friday, January 27th before the House Appropriations and Finance Committee (HAFC) however a motion was made and passed for the Legislative Finance Committee's recommendation. Following adoption by HAFC, staff does not anticipate the Senate will take action to adjust the budget amounts adopted by the House. Any budget deficiencies in the personal services and employee benefits category can be accommodated through vacancy savings or budget adjustment authority. In addition, neither recommendation included support for the requested Special Appropriation -- a request totaling \$26 million for additional monies to be infused into the trust fund. Lastly, the previous BAR language included in prior year budgets is included in the recommendations. Staff will continue to monitor and provide any additional updates that arise.

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

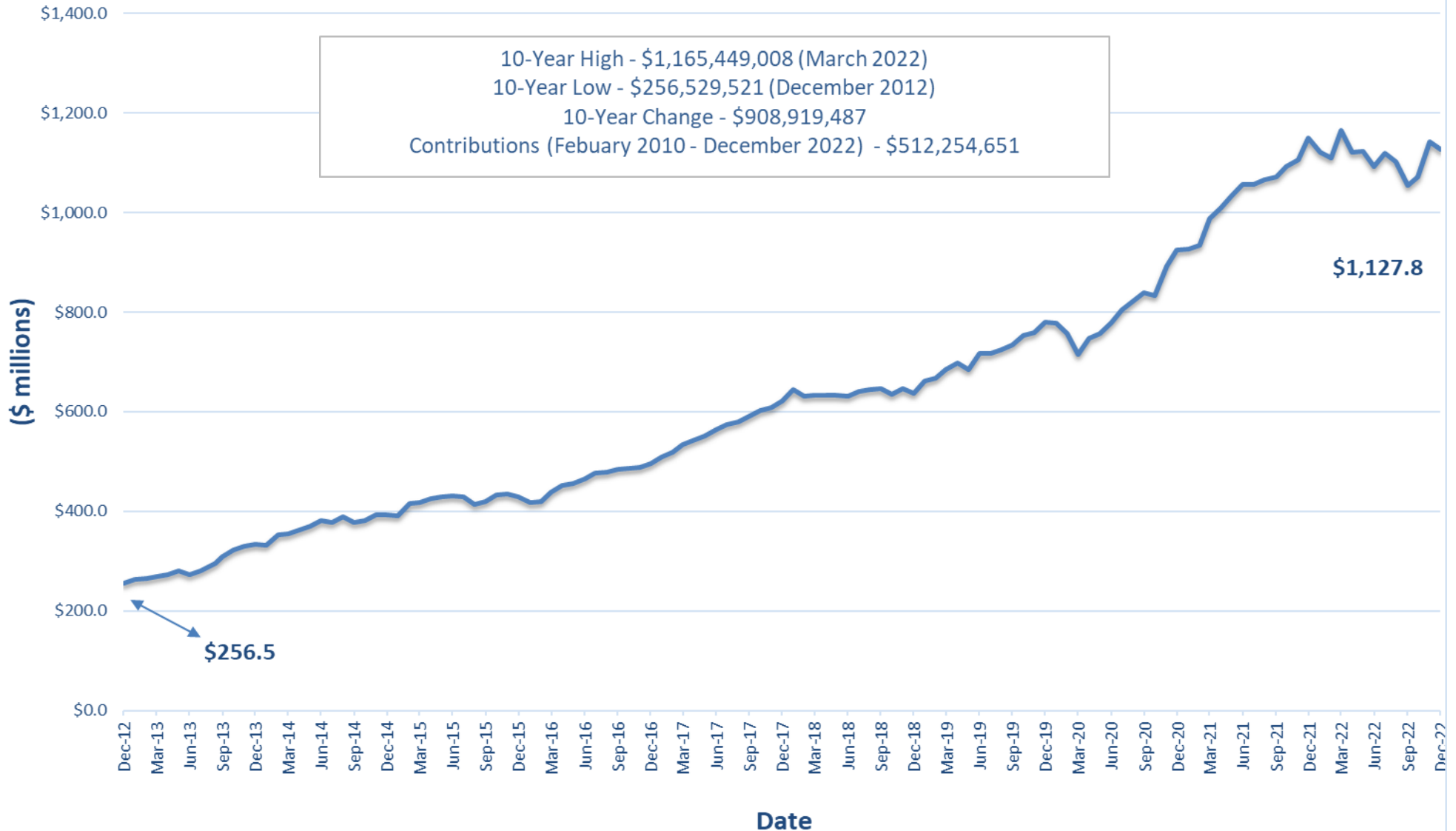
For the Month of Dec 2022

(Report as of January 18, 2023)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	181,882,336.24	-	-	-	529,354.60	(1,294,988.30)	181,116,702.54
Credit & Structured Finance	166,559,150.51	-	-	-	248,378.46	989,676.06	167,797,205.03
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	139,449,714.77	-	-	-	258,604.99	(501,300.42)	139,207,019.34
Non-US Emerging Markets Active Pool	86,597,470.80	-	-	-	185,118.03	(1,743,552.20)	85,039,036.63
Private Equity Pool	173,209,845.99	-	-	-	356,616.65	(1,656,973.40)	171,909,489.24
Real Estate Pool	134,802,418.16	-	-	-	385,320.84	(255,078.81)	134,932,660.19
Real Return Pool	55,414,852.55	-	-	-	347,387.26	136,305.84	55,898,545.65
US Large Cap Index Pool	179,081,254.74	-	-	-	251,922.79	(10,663,178.98)	168,669,998.55
US SMID Cap Alternative Weighted Index Pool	24,861,909.58	-	-	-	53,751.70	(1,724,807.88)	23,190,853.40
Sub - Total New Mexico Retiree Health Care	1,141,858,953.34	-	-	-	2,616,455.32	(16,713,898.09)	1,127,761,510.57
Total New Mexico Retiree Health Care	1,141,858,953.34	-	-	-	2,616,455.32	(16,713,898.09)	1,127,761,510.57

Investments

NMRHCA Trust Fund Balance History December 2012 - 2022



New Mexico Retiree Health Care Authority

Fiscal Year 2023 Second Quarter Budget Review

Healthcare Benefits Fund

Between July 1, 2022, and December 31, 2022, the Healthcare Benefits Administration Program expended \$180.8 million and collected \$195.4 million in revenue. The resulting \$14.6 million surplus is lower than the \$18.2 million surplus for the same period in FY22.

Second Quarter FY23 expenditures are \$11.6 million greater than expenditures in Second Quarter FY22, for a growth of 6.9%. Current projections indicate a \$50 million surplus at the end of FY23.

Major Upward Cost Pressures:

1. Overall plan participation (medical and voluntary coverages) grew by 3.18% between December 2021 and December 2022, adding 2,077 members, compared to a 1.25% growth rate during the previous fiscal year when the plan added 808 members.
2. Claim costs typically increase during the Third Quarter and Fourth Quarter of the plan year (calendar year) because members begin meeting their annual deductible and reaching maximum out-of-pocket expenses.

Major Downward Cost Pressures:

1. Pre-Medicare Plan Participation
 - Premier Plans: -1,104 members (-10.4%)
 - Value Plans: -238 members (-6.5%)
 - Net: -1,342 members (-9.4%)
2. Medicare Plan Participation
 - Medicare Supplement: -824 members (-3.8%)
 - BCBS MA Plans: -21 members (-0.6%)
 - Humana MA Plans: +112 members (8.3%)
 - Presbyterian MA Plans: +260 members (2.9%)
 - *UnitedHealthcare MA Plans: +124 members (2.5%)
3. A 16.6% decline in dependent child participation in medical plans from 1,578 in December 2021 to 1,316 in December 2022.

*Default Plans --- All Pre-Medicare Plan Participants to UnitedHealthcare effective January 1, 2021.

Below is an annual summary of the cash contributions made to the State Investment Council (SIC) between fiscal years 2011 – 2022, as well as monthly contribution(s) made in FY23:

FY11 Total	\$ 21,879,651
FY12 Total	\$ 21,060,000
FY13 Total	\$ 15,315,000
FY14 Total	\$ 57,500,000
FY15 Total	\$ 42,500,000
FY16 Total	\$ 35,000,000
FY17 Total	\$ 33,000,000
FY18 Total	\$ 20,000,000
FY19 Total	\$ 45,000,000
FY20 Total	\$ 56,000,000
FY21 Total	\$ 75,000,000
FY22 Total	\$ 60,000,000
Transfer Effective	Amount Transferred
November 1, 2022	\$ 30,000,000
	\$ -
FY23 Total	\$ 30,000,000
Total Transfers	\$ 512,254,651

New Mexico Retiree Health Care Authority						
FY23 2nd Quarter Budget Review						
Comparison of Projected vs. Actual						
(in thousands)						
Healthcare Benefit Fund						
FY23/FY22 Comparison						
	FY23 Approved Q2 Budget	FY23 Q2 Actual	FY22 Q2 Actual	Dollar Change	Percent Change	
Sources:						
Employer/Employee Contributions	\$ 62,285.25	\$ 84,396.8	\$ 76,246.4	\$ 8,150.5	10.7%	
Retiree Contributions	\$ 89,776.4	\$ 80,118.4	\$ 86,773.9	\$ (6,655.5)	-7.7%	
Taxation & Revenue Fund	\$ 20,653.35	\$ 13,771.6	\$ 12,296.0	\$ 1,475.5	12.0%	
Other Miscellaneous Revenue	\$ 17,522.50	\$ 16,785.5	\$ 12,085.0	\$ 4,700.5	38.9%	
Interest Income	\$ 50.0	\$ 468.8	\$ 62.3	\$ 406.5	157.0%	
Refunds	\$ -	\$ (117.0)	\$ (126.3)	\$ 9.3	-7.4%	
Total Sources	\$ 190,287.5	\$ 195,424.1	\$ 187,337.3	\$ 8,086.7	4.3%	
Uses:						
Medical Contractual Services	\$ 188,463.4	\$ 177,241.0	\$ 165,830.2	\$ 11,410.8	6.9%	
ACA Fees (PCORI)	\$ 45.0	\$ 40.1	\$ 36.1	\$ 4.0	11.1%	
Other Financing Uses	\$ 1,779.1	\$ 3,558.2	\$ 3,280.7	\$ 277.5	8.5%	
Total Uses	\$ 190,287.5	\$ 180,799.2	\$ 169,110.9	\$ 11,692.3	6.9%	
Sources Over Uses	NA	\$ 14,624.8	\$ 18,226.4	NA	NA	
FY23 Budget Compared to Actual						
	FY23 Approved Budget	FY23 Actuals	Remaing Balance	Percent Expended/ Collected	FY23 Projected Total	
Sources:						
Employer/Employee Contributions	\$ 124,570.5	\$ 84,396.8	\$ 40,173.7	67.8%	\$ 169,000.0	
Retiree Contributions	\$ 179,552.7	\$ 80,118.4	\$ 99,434.3	44.6%	\$ 162,000.0	
Taxation & Revenue Fund	\$ 41,306.7	\$ 13,771.6	\$ 27,535.1	33.3%	\$ 41,314.7	
Other Miscellaneous Revenue	\$ 35,000.0	\$ 16,785.5	\$ 18,214.5	48.0%	\$ 35,000.0	
Interest Income	\$ 100.0	\$ 468.8	\$ (368.8)	468.8%	\$ 900.0	
Refunds	\$ -	\$ (117.0)	\$ -	NA	\$ (234.0)	
Total Sources	\$ 380,529.9	\$ 195,424.1	\$ 184,988.9	51.4%	\$ 407,980.7	
Uses:						
Medical Contractual Services	\$ 376,926.7	\$ 177,200.9	\$ 199,725.8	47.0%	\$ 354,300.0	
ACA Fees (PCORI)	\$ 45.0	\$ 40.1	\$ 4.9	89.1%	\$ 39.4	
Other Financing Uses	\$ 3,558.2	\$ 3,558.2	\$ -	100.0%	\$ 3,558.2	
Total Uses	\$ 380,529.9	\$ 180,799.2	\$ 199,730.7	47.5%	\$ 357,897.6	
Sources Over Uses	NA	\$ 14,624.8	NA	NA	\$ 50,083.1	

New Mexico Retiree Health Care Authority
2nd Quarter Healthcare Benefit Fund Detail
Fiscal Year 2023
(in thousands)

	FY23	FY22	FY23 - FY22
	Q2 Actuals	Q2 Actuals	Difference
REVENUE:			
Employer/Employee Contributions	\$ 84,396.8	\$ 76,246.4	\$ 8,150.5
Retiree Contributions	\$ 80,118.4	\$ 86,773.9	\$ (6,655.5)
Taxation and Revenue Suspense Fund	\$ 13,771.6	\$ 12,296.0	\$ 1,475.5
Other Miscellaneous Revenue	\$ 16,785.5	\$ 12,085.0	\$ 4,700.5
Interest Income	\$ 468.8	\$ 62.3	\$ 406.5
Refunds	\$ (117.0)	\$ (126.3)	\$ 9.3
TOTAL REVENUE:	\$ 195,424.1	\$ 187,337.3	\$ 8,086.7
EXPENDITURES:			
Prescriptions			
Express Scripts	\$ 66,659.6	\$ 58,886.6	\$ 7,773.0
Total Prescriptions	\$ 66,659.6	\$ 58,886.6	\$ 7,773.0
Non-Medicare			
Blue Cross Blue Shield	\$ 30,196.3	\$ 31,386.3	\$ (1,190.0)
BCBS Administrative Costs	\$ 931.4	\$ 973.8	\$ (42.4)
Presbyterian	\$ 21,878.1	\$ 23,152.7	\$ (1,274.7)
Presbyterian Administrative Costs	\$ 993.1	\$ 1,091.1	\$ (98.0)
PCORI Fee	\$ 40.1	\$ 39.1	\$ 1.0
Total Non-Medicare	\$ 54,038.9	\$ 56,643.0	\$ (2,604.1)
Medicare			
Blue Cross Blue Shield	\$ 26,089.8	\$ 20,797.4	\$ 5,292.4
BCBS Administrative Costs	\$ 2,710.6	\$ 2,740.9	\$ (30.3)
Presbyterian MA	\$ 6,426.6	\$ 5,668.4	\$ 758.2
UnitedHealthcare MA	\$ 1,698.0	\$ 1,447.9	\$ 250.1
Humana MA	\$ 413.8	\$ 377.6	\$ 36.2
BCBS MA	\$ 703.2	\$ 952.7	\$ (249.6)
Total Medicare	\$ 38,041.9	\$ 31,984.9	\$ 6,057.0
Other Benefits			
Davis Vision	\$ 1,255.0	\$ 1,243.2	\$ 11.8
Delta Dental	\$ 10,798.3	\$ 10,715.4	\$ 82.9
Standard Life Insurance	\$ 6,446.8	\$ 6,357.1	\$ 89.7
Total Other Benefits	\$ 18,500.1	\$ 18,315.7	\$ 184.4
Other Expenses			
Program Support	\$ 3,558.2	\$ 3,280.7	\$ 277.5
Total Other Expenses	\$ 3,558.2	\$ 3,280.7	\$ 277.5
TOTAL EXPENDITURES:	\$ 180,798.6	\$ 169,110.9	\$ 11,687.7
Total Revenue over Total Expenditures	\$ 14,625.4	\$ 18,226.4	\$ (3,601.0)

New Mexico Retiree Health Care Authority						
FY23 2nd QTR Budget Review						
Comparison of Budget vs. Actual						
(in thousands)						
Program Support						
FY23/FY22 Comparison						
	FY23 Approved Q2 Budget	FY23 Actuals	FY22 Actuals	Dollar Change	Percent Change	
Sources:						
Other Transfers	\$ 1,779.1	\$ 3,558.2	\$ 3,280.7	\$ 277.5	8.5%	
Total Sources	\$ 1,779.1	\$ 3,558.2	\$ 3,280.7	\$ 277.5	7.8%	
Uses:						
Personal Services and Benefits	\$ 1,148.2	\$ 1,026.9	\$ 999.4	\$ 27.5	2.8%	
Contractual Services	\$ 337.5	\$ 167.0	\$ 222.4	\$ (55.4)	-24.9%	
Other Costs	\$ 293.5	\$ 211.7	\$ 257.6	\$ (45.9)	-17.8%	
Total Uses	\$ 1,779.1	\$ 1,405.5	\$ 1,479.4	\$ (73.9)	-5.0%	

New Mexico Retiree Health Care Authority					
FY23 2nd QTR Budget Review					
Comparison of Budget vs. Actual					
(in thousands)					
Program Support					
FY23 Budget Compared to Actual					
	Approved Operating Budget	FY23 Actuals	Remaining Balance	Percent Expended	FY23 Projected
Sources:					
Other Transfers	\$ 3,558.2	\$ 1,779.1	\$ 1,779.1	50%	\$ 1,405.5
Total Sources	\$ 3,558.2	\$ 1,779.1	\$ 1,779.1	50%	\$ 1,405.5
Uses:					
Personal Services and Benefits	\$ 2,296.3	\$ 1,026.9	\$ 1,269.4	45%	\$ 1,566.6
Contractual Services	\$ 674.9	\$ 167.0	\$ 507.9	25%	\$ 437.8
Other Costs	\$ 587.0	\$ 211.7	\$ 375.3	36%	\$ 345.4
Total Uses	\$ 3,558.2	\$ 1,405.5	\$ 2,152.7	40%	\$ 2,349.8

Program Support						
Expenditure Summary (in thousands)						
Acct #	Account Description	A Approved Budget	B Expended Budget	C Remaining Balance	D Projected	E Balance
200	Personal Services/ Employee Benefits	2,296.3	1,026.9	1,269.4	1,566.6	(297.2)
300	Contractual Services	674.9	167.0	507.9	437.8	70.1
400	Other Costs	587.0	211.7	375.3	345.4	29.9
	TOTAL	3,558.2	1,405.5	2,152.7	2,349.8	(197.1)
Expenditure Detail (in thousands)						
Personal Services / Employee Benefits						
Acct #	Account Description	Approved Budget	Expended Budget	Remaining Balance	Projected	Balance
520100	Exempt Positions	443.8	151.9	291.9	297.0	(5.1)
520300	Classified Perm. Positions	1,148.0	572.6	575.4	823.1	(247.7)
520800	Annual, Sick & Comp Paid	0.0	8.5	(8.5)	0.0	(8.5)
521100	Group Insurance Premium	214.5	87.1	127.4	147.2	(19.8)
521200	Retirement Contributions	317.1	135.6	181.5	185.0	(3.5)
521300	FICA	132.5	53.4	79.1	82.1	(3.0)
521400	Workers Comp	0.2	0.1	0.1	0.1	(0.0)
521410	GSD Work Comp Ins	1.3	0.0	1.3	1.2	0.1
521500	Unemployment Comp	0.0	0.0	0.0	0.0	0.0
521600	Employee Liability Insurance	3.3	3.2	0.1	9.5	(9.4)
521700	Retiree Health Care	35.6	14.5	21.1	21.4	(0.3)
523000	COVID Related Admin Leave	0.0	0.0	0.0	0.0	0.0
	TOTAL	2,296.3	1,026.9	1,269.4	1,566.6	(297.2)
Contractual Services						
Acct #	Account Description	Approved Budget	Expended Budget	Remaining Balance	Projected	Balance
535200	Professional Services	415.0	97.1	317.9	280.0	37.9
535300	Other Services	20.0	4.9	15.1	6.5	8.6
535309	Other Services InterA	12.5	0.0	12.5	20.0	(7.5)
535400	Audit Services	72.4	29.6	42.9	42.3	0.6
535500	Attorney Services	50.0	15.0	35.0	20.0	15.0
535600	Information Technology Services	105.0	20.5	84.5	69.0	15.5
	TOTAL	674.9	167.0	507.9	437.8	70.1
Other Costs						
Acct #	Account Description	Approved Budget	Expended Budget	Remaining Balance	Projected	Balance
542100	Employee In-State Mileage & Fares	1.5	0.1	1.4	0.0	1.4
542200	Employee In-State Meals & Lodging	2.5	5.0	(2.5)	0.0	(2.5)
542300	Board & Commission - In-State	13.5	6.6	6.9	0.0	6.9
542500	Transportation-Fuel & Oil	1.0	0.5	0.5	0.0	0.5
542600	Transportation	0.1	0.0	0.1	0.0	0.1
542700	Transportation - Insurance	0.2	0.2	0.1	0.0	0.1
542800	State Transportation Pool Charges	5.8	5.8	0.0	0.0	0.0
543200	Maintenance - Furniture, Fixtures & Equipment	6.0	0.0	6.0	0.0	6.0
543300	Maintenance - Building & Structure	6.0	0.0	6.0	0.0	6.0
543400	Maintenance - Property Insurance	0.1	0.0	0.1	0.0	0.1
543830	IT HW/SW Agreements	7.5	1.0	6.5	0.0	6.5
544000	Supply Inventory IT	50.0	6.6	43.4	23.0	20.4
544100	Supplies - Office Supplies	13.0	3.9	9.1	9.6	(0.5)
544900	Supplies - Inventory Exempt	5.0	0.2	4.8	10.0	(5.2)
545600	Rep/Recording	0.0	0.0	0.0	0.0	0.0
545700	DoIT - ISD Services	11.0	4.6	6.4	2.8	3.6
545701	DoIT - HCM Fees	9.5	9.4	0.1	0.0	0.1
545900	Printing & Photo. Services	60.0	42.3	17.7	48.0	(30.3)
546100	Postage & Mail Services	100.0	14.4	85.7	45.0	40.7
546400	Rent of Land & Buildings	119.2	60.8	58.4	66.9	(8.5)
546409	Rent - Interagency	8.9	4.4	4.5	4.4	0.1
546500	Rent of Equipment	30.3	14.6	15.7	44.0	(28.3)
546600	Telecomm	21.0	1.1	19.9	5.0	14.9
546610	DOIT Telecomm	69.1	25.8	43.3	56.0	(12.7)
546700	Subscriptions & Dues	7.0	0.3	6.7	5.0	1.7
546800	Employee Training & Education	10.0	0.8	9.2	5.0	4.2
546801	Board Member Training	7.5	0.0	7.5	5.0	2.5
546900	Advertising	1.0	0.0	1.0	1.0	0.0
547900	Miscellaneous Expense	1.3	0.7	0.7	0.7	(0.0)
547999	Request to Pay Prior Year	0.0	0.3	(0.3)	0.0	(0.3)
548300	Information Technology Equipment	10.0	0.0	10.0	5.0	5.0
549600	Employee Out-Of-State Mileage & Fares	2.0	0.7	1.3	2.0	(0.7)
549700	Employee Out-Of-State Meals & Lodging	2.0	0.6	1.4	2.0	(0.6)
549800	B&C-Out-Of-State Mileage & Fares	3.5	0.6	2.9	3.5	(0.6)
549900	B&C- Out-Of-State Meals & Lodging	1.5	0.6	0.9	1.5	(0.6)
	TOTAL	587.0	211.7	375.3	345.4	29.9

**Staff Recommendations for
NMRHCA 5-Year Strategic Plan
2023 – 2027
*Action Item for Approval***

Communication

1. Employee and member education and communication
 - Outreach
 - Professional development
 - Medicare seminars
 - Pre-retirement seminars

Prescription Benefits

2. Apply downward pressure on prescription drug costs for all members (network, contracts, cost-sharing, audit)
 - FY23 – FY26 Contract
 - Annual market check
 - Network attribution
 - Copays/Coinsurance
 - Value Based Agreements
 - Audit

Medical Benefits

3. Apply downward pressure on pre-Medicare medical plans (network, contracts, cost-sharing)
 - Network evaluations and negotiations
 - Deductibles
 - Copays/Coinsurance
 - FY24 – FY27 Contracts
 - Audit
4. Evaluate existing and emerging wellness/population health programs for inclusion in either plan coverage or incentive support
 - Monitor the development and progress of such programs and make recommendations with regard to reimbursements through health plans
5. Develop and implement value-based purchasing initiatives either through existing health plan partners or directly with health care delivery systems
 - Incentivize care through most cost-effective solutions
 - Data-driven evaluation of care
 - Quality and Performance based

- Patient-centered medical homes
 - Accountable-care organizations
- Bundled-payment arrangements
- Referenced-based reimbursements
- Shared savings agreements

6. Wellness Programs

- Management of chronic illness
- Management of acute care episodes
- Use of third-party prescription data
- Reduction in the number of preference sensitive surgery
- Identification of specific polypharmacy patients
 - Efforts to de-prescribe
- Adherence

Legislative Action

7. Increase employee/employer contribution levels
8. Retiree Benefit Program Protection
 - Statutory or constitutional change

Board Action

9. Evaluate emerging and ongoing demographic trends and make program adjustments commensurate with fiduciary requirements
10. Evaluate Reduction of pre-Medicare retiree subsidies
 - Currently 64 percent
11. Evaluate Reduction of pre-Medicare spousal subsidies
 - Currently 36 percent

Out-of-state Travel Request (Action Item)

Background. Express Scripts has extended an invitation to NMRHCA for folks to attend the annual Government Advisory Panel (GAP) and Express Scripts Outcomes Symposium. The GAP and Outcomes Symposium provides an opportunity to learn about the latest trends, network with benefit administrators from both public and private organizations across the nation and learn about the solutions being used to address current and future challenges.

A finalized agenda has not been published as of February 7, 2023. However, some of the past pharmacy topics have included items such as drug trend and how to manage it, rare disease cost and care management, value-based solutions to improve costs and outcomes for chronic conditions, challenges in bringing gene therapies to market, pharmacy networks, Medicare plans with management strategies, pharmacy cost containment strategies, drug therapies from treatments to cures, diabetes management, combating opioid abuse, specialty medications, biosimilars, and healthcare policy current and future.

This conference will allow board members and staff to engage with experts, learn about the latest innovations, and network with many benefit leaders from around the nation. In addition, the GAP session will allow our group to look at specific data related to us and how we compare to other groups.

Requested Action. NMRHCA staff respectfully requests permission to attend the Express Scripts Government Advisory Panel (GAP) Meeting and Outcomes Symposium at the Rosen Shingle Creek, in Orlando FL on May 2-5.