

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

REGULAR MEETING OF THE BOARD OF DIRECTORS



**August 30, 2023
9:30 AM**

**CNM Workforce Training Center, Room 207
5600 Eagle Rock Ave. NE, Alb. NM 87113
Online: <https://meet.goto.com/NMRHCA/boardmeeting>
Telephone: 1-224-501-3412 / Access Code: 724-176-285**

New Mexico Retiree Health Care Authority
Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

August 30, 2023

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

NMRHCA BOARD OF DIRECTORS

August 2023

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

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

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

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

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

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

Mr. Gerry Washburn
Superintendents' Association of NM
408 N Canyon
Carlsbad, NM 88220
gerry.washburn@carlsbadschools.net

Mr. Lee Caruana, MD
Retired Public Employees of New Mexico
leecaruana13@gmail.com

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

August 30, 2023
9:30 AM

CNM Workforce Training Center
5600 Eagle Rock Ave NE, Alb. NM 87113
Online: <https://meet.goto.com/NMRHCA/boardmeeting>
Telephone: 1-224-501-3412 / Access Code: 724-176-285

AGENDA

| | | |
|--|---------------------------------|------|
| 1. Call to Order | Ms. Saunders, President | Page |
| 2. Roll Call to Ascertain Quorum | Ms. Beatty, Recorder | |
| 3. Pledge of Allegiance | Ms. Saunders, President | |
| 4. Approval of Agenda | Ms. Saunders, President | 4 |
| 5. Approval of Regular Meeting Minutes July 20 & 21, 2023 | Ms. Saunders, President | 5 |
| 6. Public Forum and Introductions | Ms. Saunders, President | |
| 7. Committee Reports | Ms. Saunders, President | |
| 8. FY25 Appropriations Request (Action Item) | Mr. Kueffer, Executive Director | 19 |
| 9. Legislative (Action Item) | Mr. Kueffer, Executive Director | 25 |
| 10. Disposal of IT Equipment (Action Item) | Mr. Long, IT Director | 31 |
| 11. Consultant RFP Fully Insured Medical (Action Item) | Mr. Witt, Deputy Director | 34 |
| 12. Claims Payment Integrity Audit RFP (Action Item) | Mr. Kueffer, Executive Director | 35 |
| 13. Travel Request (Action Item) | Mr. Kueffer, Executive Director | 36 |
| 14. Staff Updates | | |
| a. 2023 Third Quarter Newsletter | Mr. Biggs, | 37 |
| | Communications Director | |
| b. 2024 Switch Enrollment Postcard | | 43 |
| c. HR Updates | Mr. Witt, Deputy Director | |
| d. Babylon Health | | |
| e. Humana Network | | 45 |
| f. Legal | Mr. Hayden, General Counsel | 46 |
| g. July 31, 2023, SIC Report | Mr. Kueffer, Executive Director | 53 |
| 15. Other Business | Ms. Saunders, President | |
| 16. Date & Location of Next Board Meeting | Ms. Saunders, President | |

October 3, 2023 – 9:30AM
CNM Workforce Training Center
5600 Eagle Rock Ave NE, Alb. NM 87113

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

ANNUAL MEETING/DAY 1

July 20, 2023

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 Angel Fire Resort, 10 Miller Lane, Angel Fire, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Mr. Doug Crandall, President
Ms. Therese Saunders, Vice President [elected President during meeting]
Ms. LeAnne Larrañaga-Ruffy, Secretary [re-elected Secretary during meeting]
Hon. Laura Montoya, NM State Treasurer
Ms. Rachel Alirez
Mr. Sanjay Bhakta
Mr. Lance Pyle [attending virtually]
Dr. Tomas Salazar [elected Vice President during meeting]
Mr. Rick Scroggins

Members Excused:

Dr. Gerry Washburn

Staff Present:

Mr. Neil Kueffer, Executive Director
Mr. Keith Witt, Deputy Director
Ms. Sheri Ayanniyi, CFO
Mr. Jess Biggs, Director of Communication & Member Engagement
Mr. Trinity Angelino, Network Administrator
Mr. Raymond Long, Chief Information Officer
Ms. Judith Beatty, Recorder

Others Present:

[See sign-in sheet]

3. PLEDGE OF ALLEGIANCE

Mr. Kueffer led the pledge.

4. APPROVAL OF AGENDA

Ms. Larrañaga-Ruffy moved approval of the agenda, as published. Dr. Salazar seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES: June 6, 2023

Mr. Scroggins moved approval of the June 6, 2023, meeting minutes. Ms. Larrañaga-Ruffy seconded the motion, which passed unanimously. Abstaining: Treasurer Montoya

6. PUBLIC FORUM AND INTRODUCTIONS

Guests introduced themselves.

7. ELECTION OF BOARD OFFICERS

a. Board Policies and Procedures

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

Ms. Saunders moved to approve the Board Policies and Procedures. Ms. Larrañaga-Ruffy seconded the motion, which passed unanimously.

Mr. Crandall moved to elect Therese Saunders as Board President. Mr. Bhakta seconded the motion, which passed unanimously.

Ms. Larrañaga-Ruffy moved to elect Tomás Salazar as Vice President. Ms. Alirez seconded the motion, which passed unanimously.

Treasurer Montoya moved to re-elect Ms. Larrañaga-Ruffy as Secretary. Mr. Crandall seconded the motion, which passed unanimously.

b. Committee Assignments

The full list of current committee assignments was on page 21 in the board book. Chairwoman Saunders asked board members to review the list and consider recommendations for changes at a future date. She said it would be helpful for each board member to consider serving on at least two committees.

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.

Dr. Salazar moved to approve the resolution, as written. Mr. Crandall seconded the motion, which passed unanimously.

8. COMMITTEE REPORTS

- Legislative Committee met earlier this week. Mr. Kueffer will be discussing its report tomorrow. [Dr. Salazar]
- Finance Committee and Executive Committee met. Any items discussed at the meetings will be on the NMRHCA agenda. [Mr. Crandall]

**9. ASSET ALLOCATION REVIEW – WILSHIRE
STEPHEN DIGIROLAMO, MANAGING DIRECTOR
NED MCGUIRE, MANAGEMENT DIRECTOR**

Messrs. DiGirolamo and McGuire made a slide presentation.

Observations & Recommendation:

- Wilshire recommends that the board reaffirm the existing Current Policy asset allocation targets
- Alternative asset allocation does not materially improve the risk adjusted return of the portfolio relative to the Current Policy.

Mr. DiGirolamo said Wilshire sees no major reason to change the asset allocation as it stands today. The risk adjusted return is on par with other modeled portfolios, and increasing expected returns along the efficient frontier would mean adding additional risk to the portfolio. He said the asset allocation is fairly balanced in terms of the amount of liquidity in the portfolio and exposures to major risk factors like growth and inflation.

Ms. Larrañaga-Ruffy asked if the NMRHCA investment policy included target date ranges in the asset classes. Mr. Kueffer responded that he was not aware of any ranges in the policy. He added that there has been discussion about rebalancing the percentages because they are

outdated, and that the NMRHCA needs to work on developing those policies not only with the SIC but also internally.

10. PROVIDER PRESENTATIONS

a. Express Scripts – Pre- and Post-Medicare

[Presenters: Jon Molberg and Harris Zeyae]

b. Presbyterian Health Plan – Pre-Medicare

[Presenters: Justin Shirey, Phillip Anaya, Adriana Lopez]

[Recess for Lunch: 12:25-1:15 p.m.]

c. Blue Cross Blue Shield of New Mexico – Pre- and Post-Medicare

[Presenters: Lori Bell and Lisa Hentz]

11. ACTUARIAL PRESENTATIONS – SEGAL & MADALENA CONSULTING

[Presenters: Nura Patani, Amy Cohen, Mike Madalena]

a. Long-Term Cash Flow & Solvency Modeling

b. Long-Term Solvency Modeling

Dr. Patani and Ms. Cohen presented an overview of key assumptions in the 2023 model.

Ms. Cohen stated that key assumptions include annual Pre-Medicare rate increases of 8 percent in 2024-2026 and a net 8 percent with plan design changes thereafter; and annual Medicare Supplement rate increases of 6 percent in 2024-2035 and a net 6 percent with plan design changes thereafter.

Ms. Cohen presented a baseline scenario of an 8 percent increase in the Pre-Medicare rate and a 6 percent increase in the Medicare Supplemental rate, with no plan changes. There is a 5-year period of deficit spending in years 2033-38, and it goes away in FY 2040.

Mr. Kueffer noted that the LFC is looking at the tax distribution fund, which is growing by 12 percent a year. Eventually, it will be unsustainable. Dr. Patani said Segal would prepare a few scenarios based on different percentages.

Ms. Cohen reviewed a 2023 baseline solvency sensitivity analysis based on various assumption changes.

Mr. Kueffer agreed to provide a status quo model (no plan changes and no increases) for the board's review.

c. 2022 Claims and Demographics Study

Dr. Madalena noted that, in 2025, the Feds under the Inflation Reduction Act are revising and restricting the way Part D benefits work, especially with subsidization. He said there is a good amount of risk under the risk-adjusted methodology, and the amount of reinsurance paid out by the Feds over the years is growing faster than they anticipated. He said 2024 is looking about the same, but 2025 could be dicey.

Dr. Madalena made a slide presentation, with the following highlights on Claims Experience. In all cases, year over year results reflect a return to pre-2020 levels. Lower utilization in 2020 was due to the impact of COVID:

- Non-Medicare Claims by Carrier: With less than 1% of encounters, Inpatient Hospital Facility charges continue to be the highest cost service for both BCBSNM and Presbyterian. Surgery has consistently comprised a higher percentage of Presbyterian claims than BCBSNM claims since 2008.
- All Carriers Premier Plan Claims Experience: Encounters PMPM increased 9.3%. PMPY trend of 14.9% unfavorable when compared to the 8.0% medical paid trend assumption for CY 2022. Average annual cost trend between 2019 and 2022 was +6.4%.
- All Carriers Value Plan Claims Experience: Encounters PMPM increased 4.9%. PMPY trend of -0.9% favorable when compared to 8.0% medical paid trend assumption for CY 2022. Average annual cost trend between 2019 and 2022 was +7.3%.
- Presbyterian All Plans Claims Experience: PMPM encounters increased 8.3%. PMPY trend of 1.4% favorable when compared to the 8.0% medical paid trend assumption for CY 2022. Average annual cost trend between 2019 and 2022 was +7.1%.

d. Pharmacy Cost Driver Report

Ms. Cohen stated that the data in this report, which is a work in progress, reflects self-insured claim costs incurred between 1/1/2020 and 4/30/2023 for commercial and EGWP plans in New Mexico (PMPM costs and per 1,000 lives metrics based on average historical enrollment levels).

12. REVIEW OF CALENDAR YEAR 2024 PLAN CHANGES

Mr. Kueffer reviewed a summary of proposed actions:

- Self-insured plan rate increases for Pre-Medicare Premier and Value Plans and Medicare Supplement
- Continue Hinge Health -- BCBS Pre-Medicare Premier and Value Plan
- Add Sword Health – Presbyterian Pre-Medicare Premier and Value Plan
- Additional Considerations:
 - Senate Bill 317 – No Behavioral Health Cost Sharing
 - 2024 Medicare Advantage Rates – Zero dollar increase up to 50% increase
 - Inflation Reduction Act and its effect on prescription side, and other legislation

Mr. Kueffer reviewed 2024 proposed monthly plan rates in four scenarios (A through D). He said staff was recommending:

- Scenario D Premium Increases:
 - 4% Increase on Premier and Value Plans
 - 2% Increase on Medicare Supplement Plan
- Addition of MSK for Presbyterian Members
 - Sword Health added to Pre-Medicare Premier and Value Plan
- Continue MSK Program for BCBS Members
 - Hinge Health – BCBS Pre-Medicare Premier and Value Plan

Mr. Crandall commented that Medicare retirees on the supplement plan have been hit harder by inflation and can't bring in any extra money to make up for it. He said they need a break and suggested a 0% increase to their rates this year, since it would not cost the plan much more than the recommended 2% increase would.

Responding to Treasurer Montoya, Mr. Crandall noted that a 0%/0% increase would give the NMRHCA a solvency period of 30 years, which would give it plenty of time to make it up.

Mr. Kueffer added that medical trend continues to increase, so there would be a catch-up period at some point to even that out. Another effect is that the money the NMRHCA is transferring into its investments from employer/employee contributions would be reduced.

Mr. Bhakta suggested a 2-3% increase for Pre-Medicare and 0% for Medicare Supplement.

There was consensus that there should be no increase for Medicare Supplement.

Treasurer Montoya asked Segal to develop scenarios for 2%, 4% and 6% for Pre-Medicare with 0% for Medicare Supplement.

13. EXECUTIVE SESSION: PHARMACY BENEFIT

- Pursuant to NMSA 1978, Section 10-15-1(H)(9) to discuss strategic or long-range business plans or trade secrets

14. EXECUTIVE SESSION: PERFORMANCE EVALUATION

- Pursuant to NMSA 1978, Section 10-15-1(H)(2) to discuss limited personnel matters

Treasurer Montoya moved to enter executive session Pursuant to NMSA 1978, Section 10-15-1(H)(9) to discuss strategic or long-range business plans or trade secrets; and pursuant to NMSA 1978, Section 10-15-1(H)(2) to discuss limited personnel matters. Mr. Crandall seconded the motion, which passed unanimously by roll call vote.

[Board was executive session from 4:45 p.m. to 6:15 p.m.]

Treasurer Montoya moved to come out of executive session, and that the only items discussed in executive session (Items 13 and 14) were strategic or long-range business plans or trade secrets, and the Executive Director's performance evaluation. Mr. Crandall seconded the motion, which passed unanimously by roll call vote.

Chairwoman Saunders said the board truly appreciates Mr. Kueffer's performance, and having already approved a 5% + 1% increase for him effective July 1, it would like to also increase his salary by approximately 2%, bringing the total to \$150,000. The board recognizes that Mr. Kueffer had worked as Executive Director while taking on the duties of Deputy Director for several months without a pay increase. The board plans to hold an executive session at next month's meeting to hear Mr. Kueffer discuss his personal goals for the future.

Treasurer Montoya moved to increase Mr. Kueffer's salary by about 2%, bringing the total to \$150,000; and to hold a special board meeting to discuss his goals for NMRHCA and what the board's expectations will be. Mr. Crandall seconded the motion, which passed unanimously by roll call vote.

RECESS: 6:15 P.M.

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

ANNUAL MEETING/DAY 2

July 21, 2023

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 9:05 a.m. at the Angel Fire Resort, 10 Miller Lane, Angel Fire, New Mexico.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Ms. Therese Saunders, President
Dr. Tomas Salazar, Vice President
Ms. LeAnne Larrañaga-Ruffy, Secretary
Hon. Laura Montoya, NM State Treasurer
Ms. Rachel Alirez
Mr. Sanjay Bhakta
Dr. Lee Caruana
Mr. Doug Crandall [present to introduce incoming member Lee Caruana]
Mr. Lance Pyle [attending virtually]
Mr. Rick Scroggins

Members Excused:

Dr. Gerry Washburn

Staff Present:

Mr. Neil Kueffer, Executive Director
Mr. Keith Witt, Deputy Director
Ms. Sheri Ayanniyi, CFO
Mr. Jess Biggs, Director of Communication & Member Engagement
Mr. Trinity Angelino, Network Administrator
Mr. Raymond Long, Chief Information Officer
Ms. Judith Beatty, Recorder

Others Present:

[See sign-in sheet]

3. APPROVAL OF AGENDA

Amendments:

1. Resignation of Doug Crandall; Introduction of New Board Member Lee Caruana
2. Move items 7 and 8 up on agenda to follow Approval of Agenda

Mr. Crandall moved approval of the agenda, as amended. Ms. Alirez seconded the motion, which passed unanimously.

4. RESIGNATION OF DOUG CRANDALL; INTRODUCTION OF NEW BOARD MEMBER LEE CARUANA

Mr. Crandall announced that he was resigning from the NMRHCA board and would be replaced by Dr. Lee Caruana.

Mr. Kueffer said Mr. Crandall had been a member of this board for 15 years, and thanked him on behalf of the agency for his many years of service and guidance.

Dr. Caruana stated that he is retired from the Miners' Colfax Medical Center in Raton, where he was a family physician for 26 years. He is associated with Retired Public Employees of New Mexico at the state and local level.

7. MEDICAL, DENTAL, VISION RFP

Mr. Witt stated that, as required by the Health Care Purchasing Act, the NMRHCA and the Interagency Benefits Advisory Committee (IBAC) are preparing to issue an RFP for Medical (Pre-Medicare and Medicare) and Vision services ("The Big Bid"). The procurement is required every four years. The board approved staff's recommendation of a consultant to assist the IBAC with the development and analysis of the RFP at the May 2, 2023, board meeting. The IBAC is currently working with the APS procurement department, which will serve as the procurement manager for "The Big Bid" to finalize the RFP. In addition, Segal Consulting will assist with the process with guidance on best practices and analyses of submitted financials and geographic distribution reports.

Mr. Witt said the RFP's scheduled release is during the week of August 14.

Mr. Witt said NMRHCA is requesting approval to issue an RFP for FY 2024 in conjunction with its IBAC partners, with contract effective dates of July 1, 2024.

Mr. Scroggins so moved. Ms. Larrañaga-Ruffy seconded the motion, which passed unanimously by roll call vote.

8. CY 2024 PLAN YEAR RECOMMENDATIONS

Mr. Kueffer said Segal has prepared three new rate increase scenarios (2%, 4% and 6% Pre-Medicare rate increases and 0% increases for Medicare, no plan changes) at the board's request last night. Segal also prepared a "status quo" scenario, with no future rate increases or plan changes.

Mr. Kueffer noted that, in all three of the rate increase scenarios, the fund becomes insolvent in 2033.

Treasurer Montoya commented that she felt a 2%/0% rate increase for Pre-Medicare (Scenario E) was too risky given the projected fund balance in 2055 of \$17.8 billion was nearly \$2 billion less than it would be under the 8%/6% baseline scenario of \$19.4 billion. She said a 6%/0% rate increase (Scenario G) in the current economy would be a bit too challenging because it would increase the monthly premium by \$20. She thought 4%/0% would present some middle ground at a time when no one is sure whether or not the U.S. economy will go into a recession, but would keep the fund closer to solvency.

Dr. Caruana said he thought that was reasonable, but the unknown is COLAs. While the board has no control over that, it is an issue that needs to be kept in mind given its importance to the members.

Mr. Bhakta commented that he strongly doubted the NMRHCA would increase rates next year at the 8%/6% baseline. It did not do it last year and wouldn't be doing it this year, and therefore the future projections are kind of rosy because they assume the board will take a harder action next year. He pointed out that the board's responsibility is ultimately to the fund's sustainability. He stated that a 6% increase is almost expected by people these days in different sectors of the economy, including health insurance. He agreed with the 0% increase for Medicare retirees, who really need the help.

Dr. Salazar said was concerned about what message the board would be sending to legislators given comments by the chair of the IPOC, for instance, that the NMRHCA seemed to be doing okay.

Mr. Kueffer noted that the NMRHCA board increased rates by 8%/6% in 2016, 2018 and 2019. In 2020, rates were increased by 7%/5%, and in 2021 it was 5%/2%. In 2022, the increase was 6%/4%, and in 2023 it was 4%/2%.

Mr. Kueffer said he realized it was a tough decision, but it is important to make sure this benefit is available for future retirees, since they are paying into the system right now and will be upset to see it disappear when it is time for them to retire.

Treasurer Montoya suggested a 5% increase, which would increase the monthly premium by \$16, versus \$13 for 4% and \$19 for 6%.

Treasurer Montoya moved a 5% increase for Pre-Medicare and 0% for the Medicare Supplement plan. Mr. Bhakta seconded the motion, which passed unanimously by roll call vote.

[See page 6 for additional action.]

Treasurer Montoya commented that it is always hard for the board to make these tough decisions, but based on Mr. Bhakta's comments about the current environment with the state, the state is in a pickle. She said the 5% increase is the safest thing to do to keep the fund solvent and to continue to help people who are retired and need this additional service.

4. EXECUTIVE DIRECTOR'S UPDATES

a. Human Resources

- Mr. Kueffer presented updates.
- The NMRHCA has found a candidate for general counsel and will be making an offer once the paperwork is completed.

b. Internal Audit Assessment – IT & Finance

- REDW has completed the assessment and made recommendations for both Finance and IT.

c. Legislative

- NMRHCA will make presentations at IPOC on July 26 on sustainability and solvency.
- Mr. Kueffer met with DFA cabinet secretary Wayne Propst as well as Gina DeBlassie and Debbie Armstrong in the Governor's Office to see what their thoughts are in supporting the NMRHCA.
- Mr. Kueffer will be meeting with Sen. Muñoz on July 27 to see what support is available for the NMRHCA in the upcoming session.
- Staff has reached out to lobbyists Dr. Dan Lopez and Charlie Marquez and will contact one or two more to bring someone on board in August.
- Mr. Kueffer met with the Legislative Committee to discuss the 2024 legislative session. One item would be looking at a one-time fusion and whether the NMRHCA

wants to pursue employer/employee contribution increases. The committee will meet in August prior to the next board meeting.

d. Standard Life

- There will be premium increases in September.

e. GAS 75 – Employer Allocations

- This was posted on the website on June 30, meeting the State Auditor’s Office requirement.

f. May 31 & June 30, 2023, SIC Report

- The fund decreased in May by \$10.3 million. The market was more positive in June, with a \$57.9 million gain, including a \$30 million contribution by the NMRHCA.

Responding to Treasurer Montoya, Mr. Kueffer said he has not been contacted by the SIC about the upcoming retirement of chief investment officer Steve Moise.

Treasurer Montoya commented that she has a huge issue that the NMRHCA hasn’t been contacted about this major change. She noted that the NMRHCA has more money than any of the other outside entity with SIC, and with any entity that someone has an investment contract with, there is a notification requirement about any structural change or change in key personnel. A press release has been issued, and there are articles this morning about Mr. Moise’s retirement in both The New Mexican and Albuquerque Journal.

Treasurer Montoya asked the board to direct Mr. Kueffer to contact the SIC and ask why the NMRHCA has not been notified. President Saunders said that was a very good idea.

Mr. Kueffer said he would reach out to the SIC as directed by the board today and would report back to the board.

g. Investment Performance Report – March 2023

- Although net returns for the 1-year are -2.89%, net returns for the 10-year period are 7.00%.

5. PROVIDER PRESENTATIONS, CONTINUED

a. UnitedHealthcare MAPD

[Presenters: Michelle Vollrath, Joleen McBride, Geoff Rensi]

Ms. Vollrath said the Inflation Reduction Act will result in key changes in 2025, including elimination of the donut hole, passing costs on to the plan.

Responding to Dr. Caruana, Ms. Vollrath said individuals and group plans will be affected with significant changes in benefit plans or premium costs. The full impact is estimated at \$45-\$50 per member per month, broken down over three years, with the full impact felt in 2026.

Ms. Vollrath also stated that the upcoming presidential elections will have a potential impact on Medicare Advantage.

b. Humana MAPD

[Presenter: Julie Bodenski]

c. Presbyterian MAPD

[Presenters: Brian Brown and Barbara Herrera]

Mr. Brown stated that, due to large increases in medical claims costs and increasing Part D expenses, Plan I and Plan II rates will increase by 50% in 2024. He said Presbyterian Health Plan invested \$28 million over the past three years by not passing along needed rate increases to the NMRHCA.

Treasurer Montoya asked why medical claim costs were increased by such a large amount. Mr. Brown responded that there were inpatient surgeries and a continued spike in utilization because of deferred care during the pandemic. The spike includes recoupment of Presbyterian's \$28 million investment. He said it was a business decision to wait before recouping the money to "minimize disruption." It took longer than expected, and they now need to correct that.

Responding to Treasurer Montoya, Ms. Herrera said 9,200 NMRHCA members are enrolled in Plans I and II. Treasurer Montoya commented that Presbyterian is looking at a \$10 million shortfall involving fewer than 10,000 people, which shows a lack of planning or else making decisions previously that have put Presbyterian in this position today.

ADDITIONAL ACTION ON CY 2024 PLAN RECOMMENDATIONS

Mr. Kueffer asked the board to add the Hinge and Sword MSK programs as part of the CY 2024 Plan Year recommendations. These two items were inadvertently left out of the motion for approval.

Ms. Alirez moved to add the Hinge and Sword MSK programs, as recommended. Ms. Larrañaga-Ruffy seconded the motion, which passed unanimously.

d. Delta

[Presenters: Dolores Piña, Quinn Lopez, Michelle Toon]

e. **Davis**

[Presenter: Sam Garcia]

f. **Standard**

[Presenter: Jennifer Oswald]

6. NMRHCA WEB PORTAL UPDATE

NMRHCA Chief Information Officer Raymond Long stated that, in May 2022, the board approved the scope of work for the web portal project. Over the last year, the technology team has worked hard to upgrade the web portal to provide improved service to the members, and is now preparing to present it to the retirees. New features include the ability to enroll in the NMRHCA from any location through an automated process that includes cost estimates and the ability to submit/upload required documentation. He said customer service representatives have easier and instant access to the enrollment forms, which are electronic rather than on paper, and can efficiently be moved through the process. In discussing security, he stressed that all the data is encrypted and HIPAA standards are followed.

9. OTHER BUSINESS

None.

10. DATE AND LOCATION OF NEXT BOARD MEETING

August 30, 2023 – 9:30 a.m.
CNM Workforce Training Center
5600 Eagle Rock Ave NE, Albuquerque NM 87113

11. ADJOURN 12:45 p.m.

Accepted by:

Therese Saunders, President



FY25 Appropriation Request
Presented to the Board of Directors
August 30, 2023

FY25 Appropriation Request - Action Item*

Background

Statute requires NMRHCA to submit its FY25 Appropriation Request to the State Budget Division and the Legislative Finance Committee by September 1, 2023. This report details actual expenditures for July 1, 2022, through June 30, 2023 (FY23), the approved operating budget for July 1, 2023, through June 30, 2024 (FY24), and the proposed budget increases for July 1, 2024, through June 30, 2025 (FY25).

Summary

This chart summarizes NMRHCA's FY24 budget and proposed FY25 request:

| | | FY24 Operating | FY25 Request | Increase | Percent |
|---|--|---------------------|---------------------|-------------------|-------------|
| Healthcare Benefits Administration | | | | | |
| Contractual Services | | \$ 390,376.7 | \$ 402,026.7 | \$11,650.0 | 3.0% |
| Other | | \$ 45.0 | \$ 45.0 | \$ - | 0.0% |
| Other Financing Uses | | \$ 3,913.4 | \$ 4,235.1 | \$ 321.7 | 8.2% |
| Total | | \$ 394,335.1 | \$ 406,306.8 | \$11,971.7 | 3.0% |
| Program Support | | | | | |
| PS&EB | | \$ 2,585.9 | \$ 2,831.8 | \$ 245.9 | 9.5% |
| Contractual Services | | \$ 702.3 | \$ 773.3 | \$ 71.0 | 10.1% |
| Other | | \$ 625.2 | \$ 630.0 | \$ 4.8 | 0.8% |
| Total | | \$ 3,913.4 | \$ 4,235.1 | \$ 321.7 | 8.2% |
| Agency Total | | | | | |
| PS&EB | | \$ 2,585.9 | \$ 2,831.8 | \$ 245.9 | 9.5% |
| Contractual Services | | \$ 391,079.0 | \$ 402,800.0 | \$11,721.0 | 3.0% |
| Other | | \$ 670.2 | \$ 675.0 | \$ 4.8 | 0.7% |
| Other Financing Uses | | \$ 3,913.4 | \$ 4,235.1 | \$ 321.7 | 8.2% |
| Total | | \$ 398,248.5 | \$ 410,541.9 | \$12,293.4 | 3.1% |

Healthcare Benefits Administration

The FY25 request for Healthcare Benefits Administration is \$406.3 million. The additional \$11.9 million represents a 3.0% increase over the FY24 operating budget. Revenue assumptions are shown in the following table and described below:

| Health Benefit Fund - Revenue Detail | | | | | | | |
|--------------------------------------|------------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------|
| | | FY23 | FY23 | FY24 | FY25 | FY25 | % |
| | | OPBUD | ACTUALS | OPBUD | INC/DEC | REQUEST | CHANGE |
| REVENUE: | | | | | | | |
| 1 | Employer/Employee Contributions | \$ 124,570.5 | \$ 172,892.5 | \$ 124,570.5 | \$ 16,531.1 | \$ 141,101.6 | 13.3% 1 |
| 2 | Retiree Contributions | \$ 179,552.7 | \$ 174,319.8 | \$ 184,530.8 | \$ (10,211.0) | \$ 174,319.8 | -5.5% 2 |
| 3 | Taxation and Revenue Suspense Fund | \$ 41,306.7 | \$ 37,871.8 | \$ 46,263.5 | \$ 5,551.6 | \$ 51,815.1 | 12.0% 3 |
| 4 | Other Miscellaneous Revenue | \$ 35,000.0 | \$ 11.4 | \$ 38,970.3 | \$ - | \$ 38,970.3 | 0.0% 4 |
| 5 | Interest Income | \$ 100.0 | \$ 1,515.8 | \$ - | \$ 100.0 | \$ 100.0 | 0.0% 5 |
| 6 | TOTAL REVENUE: | \$ 380,529.9 | \$ 386,611.3 | \$ 394,335.1 | \$ 11,971.7 | \$ 406,306.8 | 3.0% 6 |

- 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 \$240.80 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 5% and 0% effective half of FY25 (July 1, 2024 – December 31, 2024), with the likelihood of additional increases effective January 1, 2025 - June 30, 2025.
 - Medicare Advantage Rates were held flat and increased for calendar year 2024 depending on the plan. This is likely to occur again in the second half of FY25.
 - 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 | | | | | | | |
|---|--------------|--------------|--------------|-------------|--------------|--------|----|
| | FY23 | FY23 | FY24 | FY25 | FY25 | % | |
| Contractual Services | OPBUD | ACTUALS | OPBUD | INC/DEC | REQUEST | CHANGE | |
| 1 Prescriptions | \$ 126,000.0 | \$ 122,750.7 | \$ 130,500.0 | \$ 6,500.0 | \$ 137,000.0 | 5.0% | 1 |
| 2 Medical - Supplement/Self- Insured | \$ 183,876.7 | \$ 159,322.1 | \$ 188,626.7 | \$ 1,500.0 | \$ 190,126.7 | 0.8% | 2 |
| 3 Medicare Advantage | \$ 26,450.0 | \$ 18,851.2 | \$ 28,300.0 | \$ 3,000.0 | \$ 31,300.0 | 10.6% | 3 |
| 4 Voluntary Coverages | \$ 40,600.0 | \$ 37,612.3 | \$ 42,950.0 | \$ 650.0 | \$ 43,600.0 | 1.5% | 4 |
| 5 Total Contractual Services | \$ 376,926.7 | \$ 338,536.3 | \$ 390,376.7 | \$ 11,650.0 | \$ 402,026.7 | 3.0% | 5 |
| Other | | | | | | | |
| 6 PCORI Fee | \$ 45.0 | \$ 40.1 | \$ 45.0 | \$ - | \$ 45.0 | 0.0% | 6 |
| 7 Total Other | \$ 45.0 | \$ 40.1 | \$ 45.0 | \$ - | \$ 45.0 | 0.0% | 7 |
| Other Financing Uses | | | | | | | |
| 8 Program Support | \$ 3,558.2 | \$ 3,260.3 | \$ 3,913.4 | \$ 321.7 | \$ 4,235.1 | 8.2% | 8 |
| 9 Total Other Financing Uses | \$ 3,558.2 | \$ 3,260.3 | \$ 3,913.4 | \$ 321.7 | \$ 4,235.1 | 8.2% | 9 |
| 10 Total Expenditures | \$ 380,529.9 | \$ 341,836.7 | \$ 394,335.1 | \$ 11,971.7 | \$ 406,306.8 | 3.0% | 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 and high-cost drugs. However, a shrinking pre-Medicare population, migration of Medicare Supplement plan participants to the Medicare Advantage Plans 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 FY23. 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 FY25.
- Line 4 - Expenditures related to voluntary coverages (dental, vision and life) are expected to grow at a rate in line with increased participation and increase in rates from new contracts.
- Patient Centered Outcomes Research Institute Fee (PCORI) costs are determined by multiplying the average pre-Medicare membership for calendar year 2023 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 \$321.7 thousand increase. This includes a \$245.9 thousand increase in the personal services and employee benefits category, \$71 thousand increase in the contractual services category and \$4.8 thousand increase in the other costs category.

| Program Support Expenditure Summary | | | | | | | | |
|--|---------|--------------------------------------|----------------|-----------------|----------------|-----------------|-----------------|-------------------|
| | Uses | | FY23 OPBUD | FY23 ACTUALS | FY24 OPBUD | FY25 INC/DEC | FY25 REQUEST | PERCENT CHANGE |
| 1 | 200 | Personal Services/ Employee Benefits | 2,296.3 | 2,083.3 | 2,585.9 | 245.9 | 2,831.8 | 9.5% |
| 2 | 300 | Contractual Services | 674.9 | 670.3 | 702.3 | 71.0 | 773.3 | 10.1% |
| 3 | 400 | Other Costs | 587.0 | 506.7 | 625.2 | 4.8 | 630.0 | 0.8% |
| 4 | | TOTAL | 3,558.2 | 3,260.3 | 3,913.4 | 321.7 | 4,235.1 | 9.7% |
| Summary of Revenues | | | | | | | | |
| | Sources | | FY23 OPBUD | FY23 ACTUALS | FY24 OPBUD | FY25 INC/DEC | FY25 REQUEST | PERCENT CHANGE |
| 5 | 112 | Other Transfers | 3,558.2 | 3,558.2 | 3,913.4 | 321.7 | 4,235.1 | 8.2% |
| 6 | | Total | 3,558.2 | 3,558.2 | 3,913.4 | 321.7 | 4,235.1 | 8.2% |
| 7 | | FTE | 26.0 | 26.0 | 27.0 | 2.0 | 29.0 | 7.4% |

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

| Expenditure Detail (Personal Services and Employee Benefits) | | | | | | | | |
|---|--------|---|----------------|-----------------|----------------|-----------------|-----------------|-------------------|
| | | | FY23 OPBUD | FY23 ACTUALS | FY24 OPBUD | FY25 INC/DEC | FY25 REQUEST | PERCENT CHANGE |
| 1 | 520100 | Exempt Positions | 443.8 | 323.7 | 463.2 | 43.5 | 506.7 | 9.4% |
| 2 | 520300 | Classified Perm. Positions | 1,148.0 | 1,157.6 | 1,376.2 | 149.4 | 1,525.6 | 10.9% |
| 3 | 520800 | Annual & Comp Paid/Unused Sick/Overtime | | 9.8 | | - | - | 0.0% |
| 4 | 521100 | Group Insurance Premium | 214.5 | 171.7 | 198.9 | 11.5 | 210.4 | 5.8% |
| 5 | 521200 | Retirement Contributions | 317.1 | 277.4 | 357.7 | 32.6 | 390.3 | 9.1% |
| 6 | 521300 | FICA | 132.5 | 108.9 | 146.3 | 9.2 | 155.5 | 6.3% |
| 7 | 521400 | Workers Comp | 0.2 | 0.2 | 0.2 | 0.1 | 0.3 | 50.0% |
| 8 | 521410 | GSD Work Comp Ins | 1.3 | 1.2 | 1.5 | (0.3) | 1.2 | -20.0% |
| 9 | 521500 | Unemployment Comp | | | | - | - | 0.0% |
| 10 | 521600 | Employee Liability Insurance | 3.3 | 3.2 | 3.7 | (0.8) | 2.9 | -21.6% |
| 11 | 521700 | Retiree Healthcare | 35.6 | 29.6 | 38.2 | 0.7 | 38.9 | 1.8% |
| 12 | 523000 | COVID Related Admin Leave | - | | - | - | - | 0.0% |
| 13 | | TOTAL | 2,296.3 | 2,083.3 | 2,585.9 | 245.9 | 2,831.8 | 9.5% |
| Expenditure Detail (Contractual Services) | | | | | | | | |
| | | | FY23 OPBUD | FY23 ACTUALS | FY24 OPBUD | FY25 INC/DEC | FY25 REQUEST | PERCENT CHANGE |
| 14 | 535200 | Professional Services | 415.0 | 388.5 | 431.5 | 20.0 | 451.5 | 4.6% |
| 15 | 535300 | Other Services | 20.0 | 24.0 | 15.2 | 13.5 | 28.7 | 88.8% |
| 16 | 535309 | Other Services InterA | 12.5 | 16.0 | 17.3 | 5.0 | 22.3 | 28.9% |
| 17 | 535400 | Audit Services | 72.4 | 106.3 | 83.3 | 32.5 | 115.8 | 39.0% |
| 18 | 535500 | Attorney Services | 50.0 | 44.5 | 50.0 | (10.0) | 40.0 | -20.0% |
| 19 | 535600 | Information Technology Services | 105.0 | 91.0 | 105.0 | 10.0 | 115.0 | 9.5% |
| 20 | | TOTAL | 674.9 | 670.3 | 702.3 | 71.0 | 773.3 | 10.1% |

| Expenditure Detail (Other) | | | | | | | | |
|----------------------------|--------|---|--------------|--------------|--------------|------------|--------------|-------------|
| | | | FY23 | FY23 | FY24 | FY25 | FY25 | PERCENT |
| | | | OPBUD | ACTUALS | OPBUD | INC/DEC | REQUEST | CHANGE |
| 21 | 542100 | Employee In-State Mileage & Fares | 1.5 | 0.6 | 1.5 | - | 1.5 | 0.0% |
| 22 | 542200 | Employee In-State Meals & Lodging | 2.5 | 5.0 | 3.5 | 2.0 | 5.5 | 57.1% |
| 23 | 542300 | Board & Commission - In-State | 13.5 | 5.0 | 13.5 | (7.0) | 6.5 | -51.9% |
| 24 | 542310 | Board & Comm Mbr Mileage & Fares | - | 5.6 | - | 7.0 | 7.0 | 100.0% |
| 25 | 542500 | Transportation-Fuel & Oil | 1.0 | 0.8 | 2.2 | - | 2.2 | 0.0% |
| 26 | 542600 | Transportation | 0.1 | 0.5 | 0.3 | 0.3 | 0.6 | 100.0% |
| 27 | 542700 | Transportation Insurance | 0.2 | 0.2 | 0.2 | - | 0.2 | 0.0% |
| 28 | 542800 | State Transportation Pool Charges | 5.8 | 5.8 | 5.8 | 0.1 | 5.9 | 1.7% |
| 29 | 543200 | Maintenance - Furniture, Fixtures & Equipment | 6.0 | - | 6.0 | - | 6.0 | 0.0% |
| 30 | 543300 | Maintenance - Building & Structure | 6.0 | - | 6.0 | - | 6.0 | 0.0% |
| 31 | 543400 | Maintenance - Property Insurance | 0.1 | - | 0.1 | - | 0.1 | 0.0% |
| 32 | 543830 | IT Maintenance | 7.5 | 20.3 | 23.0 | 0.7 | 23.7 | 3.0% |
| 33 | 544000 | Supply Inventory IT | 50.0 | 36.8 | 20.0 | - | 20.0 | 0.0% |
| 34 | 544100 | Supplies - Office Supplies | 13.0 | 7.7 | 13.0 | - | 13.0 | 0.0% |
| 35 | 544900 | Supplies - Inventory Exempt | 5.0 | 3.5 | 5.0 | - | 5.0 | 0.0% |
| 36 | 545600 | Reporting & Recording | - | - | - | - | - | 0.0% |
| 37 | 545609 | Report/Record Inter St Agency | - | - | - | - | - | 0.0% |
| 38 | 545700 | DoIT ISD Services | 11.0 | 11.4 | 13.3 | (2.1) | 11.2 | -15.8% |
| 39 | 545710 | DoIT HCM Assessment | 9.5 | 9.4 | 9.5 | 0.9 | 10.4 | 9.5% |
| 40 | 545900 | Printing & Photo. Services | 60.0 | 59.3 | 60.0 | 10.0 | 70.0 | 16.7% |
| 41 | 546100 | Postage & Mail Services | 100.0 | 34.6 | 100.0 | (15.0) | 85.0 | -15.0% |
| 42 | 546400 | Rent of Land & Buildings | 119.2 | 123.0 | 122.8 | 3.7 | 126.5 | 3.0% |
| 43 | 546409 | Rent Expense - Interagency | 8.9 | 8.8 | 9.1 | 9.6 | 18.7 | 105.5% |
| 44 | 546500 | Rent of Equipment | 30.3 | 31.6 | 30.3 | - | 30.3 | 0.0% |
| 45 | 546600 | Communications | 21.0 | 2.0 | 6.0 | - | 6.0 | 0.0% |
| 46 | 546610 | DOIT Communications | 69.1 | 59.0 | 86.8 | (13.6) | 73.2 | -15.7% |
| 47 | 546700 | Subscriptions & Dues | 7.0 | 3.7 | 7.0 | - | 7.0 | 0.0% |
| 48 | 546800 | Employee Training & Edu. | 10.0 | 4.6 | 10.0 | - | 10.0 | 0.0% |
| 49 | 546801 | Board Member Training | 7.5 | 0.6 | 7.5 | - | 7.5 | 0.0% |
| 50 | 546900 | Advertising | 1.0 | 3.6 | 1.0 | 0.8 | 1.8 | 80.0% |
| 51 | 547900 | Miscellaneous Expense | 1.3 | 1.5 | 1.3 | 0.5 | 1.8 | 38.5% |
| 52 | 547999 | Request to Pay Prior Year | - | 0.3 | - | - | - | 0.0% |
| 53 | 548300 | Information Technology Equipment | 10.0 | 53.9 | 50.0 | 3.9 | 53.9 | 7.8% |
| 54 | 549600 | Employee Out-Of-State Mileage & Fares | 2.0 | 2.6 | 2.0 | 1.0 | 3.0 | 50.0% |
| 55 | 549700 | Employee Out-Of-State Meals & Lodging | 2.0 | 3.8 | 2.0 | 2.0 | 4.0 | 100.0% |
| 56 | 549800 | B&C-Out-Of-State Mileage & Fares | 3.5 | 0.6 | 3.5 | - | 3.5 | 0.0% |
| 57 | 549900 | B&C- Out-Of-State Meals & Lodging | 1.5 | 0.6 | 3.0 | - | 3.0 | 0.0% |
| 58 | | TOTAL | 587.0 | 506.7 | 625.2 | 4.8 | 630.0 | 0.8% |

Personal Services and Employee Benefits. The request under personal services and employee benefits includes a \$245.9 thousand, or 9.5%, increase compared to the FY24 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 increase by 9.4%.
- Line 2 – Salaries for classified employees is the main driver for the increase costs associated with a request for 2 new positions: Business Operations Specialist – A and Administrative Operations Manager I.
- Line 5 – Contributions made to the Public Employees Retirement Association based on salaries reflected on lines 1 and 2.
- 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 27 authorized FTE and 2 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; asset allocation and investment consulting; and consulting services regarding process and internal control improvements to include documentation of processes and procedures; and Lobbyist for legislative work.
- 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 for outside counsel that may arise.
- Line 19 – Information technology services resulting from ongoing programming support related to the CareView system, web portal, webhosting, and document scanning system.

Other Costs. The request includes sufficient funds to support projected operating expenses of the agency in FY25, 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, FY23 reported performance, FY24 targeted performance and FY25 requested targets.

| Healthcare Benefits Administration | | | FY23 Actuals | FY24 Target | FY25 Request |
|---|-------------|---|---------------------|---------------------|---------------------|
| 1 | *Output | Minimum number of years of positive fund balance | 30 | 30 | 30 |
| 2 | Outcome | Number of years of projected balance spending | 9 | 6 | 6 |
| 3 | Outcome | Emergency room visits per thousand members | 479 | <200 | <200 |
| 4 | Quality | Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months | 48% | <80% | <80% |
| 5 | Quality | Percent of members with diabetes receiving an annual screening for diabetic nephropathy | 37% | <85% | <85% |
| 6 | Efficiency | Annual loss ratio for the health benefits fund | 96% | <100% | <100% |
| 7 | Explanatory | Year-end fund balance of the health benefits fund | \$1,256,273,066 | Baseline | Baseline |
| | | | | | |
| | | | | | |
| Program Support | | | FY23 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 for the Board of Directors approval for the FY25 appropriation request as presented to the Finance and Investments Committee.

History of Proposed Legislation & New Proposed 2024 Legislation – Action Item*

Background:

New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. As stated under legislative findings, public employees faced a severe problem in securing medical insurance upon retirement due to growing inflation costs. Approximately 302 public entities including cities, counties, universities, and charter schools participate in NMRHCA with approximately 68,000 retirees and their dependents covered.

History of Legislation:

1990 - Retiree Health Care Authority Act ("ACT") Section 10-7C-1 et seq.

- Purpose to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.
- Legislative Findings (10-7C-3)
 - Public employees face a severe problem in securing continuing medical insurance upon retirement citing medical care inflation exceeding general inflation.
 - Public employees covered by the Act have entered into public employment in circumstances where they have received, in exchange for their services, a present salary and an expectation of receiving a future stream of benefits, including certain retirement benefits.
 - Nothing in the Act shall prohibit the legislature from increasing or decreasing participating employer or employee contributions, eligible retiree premiums or group health insurance coverage.
- Employee and Employer Contributions
 - 1990 – 2001 (12 years) Employee 0.50% / Employer 1.00% / Total 1.5% of salary.

2002

- Employee and Employer Contributions
 - 2002 – 2009 (8 years) Employee 0.65% / Employer 1.30% / Total 1.95% of salary.

2007 – December 15th, House Bill 728 Work Group Report

RHCA is facing three significant challenges:

1. The RHCA fund was projected to be insolvent by June 2014. However, annual revenues have fallen short of expenditures requiring RHCA to take funding from both its reserves and long-term investments to cover current costs.
2. New accounting standards require New Mexico to publish the unfunded liability associated with non-pension retirement benefits and a significant unfunded actuarial accrued liability could eventually affect the state's bond rating.
3. Because costs exceed revenues, benefits cannot be pre-funded, questioning the future viability of the retirement healthcare system.

Tasks: examine long term actuarial trend, examine contribution rates between retirees and current employees, determine sources of revenues from state and political subdivisions and feasibility of creating 2 separate classes of retirees, examine options for improving actuarial soundness, evaluate need to establish feasibility as securing RHCA fund as an irrevocable trust.

Conclusions: “No single action by the Executive, Legislature or RHCA will restore the balance needed to the current retiree health insurance system. The HB 728 work group realized early on in its study that all participants in the system, retirees, active employees, and employers, will need to participate in addressing the state’s unfunded liability and in moving the system into permanent solvency.”

“As the study began, it became apparent that New Mexico must take fiscally prudent actions now to plan for liabilities that have been accrued for retiree health care and develop an equitable approach given the current lack of pre-funding of benefits. Additionally, the state must ensure that its actions maintain the bond ratings of the state and participating entities.”

2009 Session

HB 351 – Retiree Health Care Act Contributions, Chapter 287

- Increased funding to NMRHCA by increasing employee and employer contributions from 1.95% to 3.00% over a 4-year period / 1.95% to 3.75% of salary for “enhanced plans”.
- Removed sunset on \$3 million yearly supplemental distribution from Tax Suspense Fund initiated in 2007.

HB 573 – Adjustment of Retirement Plans, Chapter 288

- Public Employees Retirement Association of New Mexico (PERA) and New Mexico Educational Retirement Board (ERB) plan adjustments in addition to changes included in HB 351
- Section 10-7C-15(G) NMSA 1978 – Notwithstanding any other provision in the Retiree Health Care Act and at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act

2010

- Employee and Employer Contributions
 - 2010 (1 year) Employee 0.833% / Employer 1.660% / Total 2.493% of salary.

2011

- Employee and Employer Contributions
 - 2011 (1 year) Employee 0.917% / Employer 1.840% / Total 2.757% of salary.

2012

- Employee and Employer Contributions
 - 2012 – 2022 (11 year) Employee 1.0% / Employer 2.0% / Total 3.0% of salary.

2013 Regular Session (SB 71)

- Introduced legislation requesting 2.5% total contribution of salary increase. - The bill passed through multiple committees in both chambers but received no floor votes.

2014 Regular Session (HB 363 & SB 135)

- Introduced legislation requesting 2.5% total contribution of salary increase – HB 363 passed through multiple committees in both chambers and passed only the house floor vote.

2015 Regular Session (HB 436 & SB 169)

- Introduced legislation requesting 1.25% contribution of salary increase – HB 436 passed through multiple committees in both chambers and passed only the house floor vote.

2016 Regular Session (HB 58 & SB 35)

- Introduced legislation requesting 1.25% contribution of salary increase – HB 58 passed through multiple committees in both chambers and passed only the house floor vote.

2016 Special Session

SB7 Public Fund Distribution Changes

- Permanent removal of \$3 million annual special distribution from taxation and revenue suspense fund.
- Removal of annual 12% increase in transfers received from taxation and revenue suspense fund regular distribution.

Resulting Impact

- Solvency period reduced to 2030 (post SB7 implementation).
- Projected deficit spending 2020.
- Reduction of \$350 million revenues over life of Trust Fund.
- Need for an increase for both employee & employer contributions.

2017 Regular Session (HJM 1)

- House Joint Memorial 1 had no fiscal impact but continued to emphasize the importance of the program. The memorial passed committees and House of Representatives, but action was postponed indefinitely in the Senate.

2018 Regular Session

- No proposed legislation.

2019 Regular Session (HB 95)

- Introduced legislation requesting 1.5% total of salary contribution increase – The bill did not pass through committees and further action was postponed indefinitely.

2020 Regular Session (HB 45) – LOBBYIST HIRED

- Introduced legislation requesting 0.5% total contribution increase – Passed-through multiple committees in both chambers, then passed both the house and senate floor votes before being vetoed by Governor.

2021 Regular Session (SB 21)

- Introduced legislation to amend certain definitions in the Retiree Health Care Act. Passed through multiple committees, both floor votes and signed into law by Governor.

2022 Regular Session (SB 112)

- Introduced legislation requesting 0.5% total contribution increase and referred to committee but tabled and action postponed indefinitely.

2023 Regular Session (HB 150 & SB 193)

- HB150 introduced legislation requesting 0.5% total contribution increase and passed the first committee before being tabled.
- HB193 introduced legislation requesting 0.5% total contribution increase and passed first committee then no further action.

Synopsis: The New Mexico Retiree Health Care Authority (NMRHCA) currently receives funding from the following sources:

1. Non-enhanced members contributions are employee 1.0% of salary and employer 2.0% of salary and enhanced members contributions are employee is 1.25% of salary and employer is 2.50% of salary – Prescribed by statute.
2. Retiree Premiums – Set by NMRHCA board of directors in accordance with medical trend and solvency.
3. Tax Suspense Fund – Amounts prescribed by statute.
4. Miscellaneous Revenue – Medicare subsidies for providing Medicare Part D prescription drug benefits and rebates received from pharmacy benefits manager according to manufacture agreements.
5. Interest Earnings - Accounts held by State Treasurer

2024 Legislative Session:

New Mexico Retiree Health Care Authority (NMRHCA) is proposing the below as options for consideration of the Board for the 2024 session.

Option A:

Request for one-time money of \$150 million as a special appropriation.

Option B:

For a more permanent solution, file a Joint Resolution for the New Mexico Retiree Health Care Authority to protect the NM retiree health care program as a property right under the NM Constitution.

This was previously enacted for both our sister agencies, the Public Employee Retirement Association (PERA) and Educational Retirement Board (ERB).

Option C:

Increase non-enhanced EE/ER contributions 2 to 1 for a total of 0.5% and proportionately for the enhanced EE/ER contributions keeping a 2 to 1 ratio at 0.65.

Action Item:

The staff is recommending options A and B for the upcoming 2024 legislative session and respectfully requests approval from the Board to proceed with both A and B options for the upcoming session.

Lobbyist (Scope of Work, Compensation, and Term) - Action Item*

1. Scope of Work:

The Contractor shall perform the following work:

Contractor shall provide government affairs services for all NMRHCA - related retirement, budget bills, health care, and other matters and decisions affecting NMRHCA before the Legislature, interim and standing legislative committees and budget-related legislative and legislative matters requiring or awaiting action by the Governor in connection with and in preparation for the regular 30-day session and the first special session (if called) of the 2024 New Mexico State Legislature, as follows:

1. Contractor shall work closely with the NMRHCA Board, NMRHCA staff and the New Mexico Legislature to ensure any proposed Retiree Health Care Act legislation is actuarially and administratively sound before being introduced.
2. Contractor shall work closely during the interim with the Pensions and Investment Oversight Committee (IPOC), the Legislative Finance Committee, Legislative Health & Human Services, and other interim committees regarding NMRHCA related matters. Contractor shall make recommendations regarding legislative strategy to the NMRHCA Board and the Executive Director.
3. Contractor will work at the direction of the NMRHCA Executive Director to review legislative proposals that would affect NMRHCA, the NMRHCA Board or the eligibility policies and guidelines of NMRHCA and make recommendations for amendments or legislative strategy to the NMRHCA Board and Executive Director.
4. At the direction of the NMRHCA Executive Director, the contractor will communicate the NMRHCA Board's position regarding NMRHCA-related matters to the New Mexico Legislature and legislative staff.
5. As needed, assist in obtaining sponsors for NMRHCA-proposed legislation; and
6. Attend hearings, including interim hearings, to assist the NMRHCA Board and executive staff related to retirement and budget-related proposals being heard.
7. Coordinate with other lobbyists, stake holder groups, and any other agency or organization as necessary to promote and advance NMRHCA's legislation.
8. Personally attend, and coordinate staff/expert witness attendance at legislative sessions, as well as at interim committee meetings where issues affecting the NMRHCA are discussed.

9. Provide a written report or summary of relevant legislative activities, to include time spent on NMRHCA activities, for the period for which payment is being requested.

In providing such services, Contractor shall register under the Lobbyist Regulation Act, NMSA 1978, Sections 2-11-1 to 2-11-9, as amended, and comply with all other applicable terms of such Act.

2. **Compensation:** Not to exceed \$25,000
3. **Term:** Effective upon all approvals and term 6/30/2024.

Action Item Request: This request is coming before the board for the hiring of a lobbyist to work on behalf of NMRHCA as detailed in the scope of work for the specified contract period. To include, if approved, permission based on the contractual scope of work, compensation, and term to hire the best suited lobbyist as permitted through state procurement rules.

Disposal of Information Technology Equipment – Action Item*

Background: According to New Mexico Statute 13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property. The computer equipment listed in the attached sheet has been reviewed by NMRHCA IT department and all listed equipment is outdated and/or non-functional. Upon approval by the Board the Directors, the New Mexico Retiree Health Care Authority (NMRHCA) will dispose of obsolete, worn-out and unusable, tangible property. NMRHCA staff has reviewed the attached list of items proposed for disposal with the Finance Committee. The applicable sections of statute are italicized below.

13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property.

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

(1) of a current resale value of five thousand dollars (\$5,000) or less; and

(2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

(1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and

(2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds five thousand dollars (\$5,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that the K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1.

The General Services Department, Surplus Property Bureau, has been consulted and notified of this Action Item awaiting the Board's approval to offer or dispose of this technology equipment. If approved, the General Services Department will be offered the right of first refusal with this assessment regarding the listed equipment. Any equipment not transferred will be disposed of. Regarding harddrives, each one will be destroyed based on recommended standards. A certified Computer/Electronics Disposal company will be selected. This selected vendor will provide documentation certifying that the equipment was properly disposed of and all harddrive disks were destroyed to recommended standards.

Action Item Request: NMRHCA staff respectfully requests permission to dispose of the attached list of items including workstations, printers, monitors and servers.

| Brand | Model | Type | Serial # |
|-------|----------------|------|----------|
| Dell | Optiplex 9010 | PC | 9MDBGX1 |
| Dell | Optiplex 9030 | PC | FFX6D42 |
| Dell | Optiplex 9030 | PC | BTPNSX1 |
| Dell | Optiplex 9030 | PC | FHM9282 |
| Dell | Optiplex 7440 | PC | 7JBHHB2 |
| Dell | Optiplex 7440 | PC | 7J9KHB2 |
| Dell | Optiplex 7440 | PC | 7JBGHB2 |
| Dell | Optiplex 7440 | PC | 7J9MHB2 |
| Dell | Precision 5720 | PC | 74BVQP2 |
| Dell | Optiplex 7440 | PC | 333SJB2 |
| Dell | Optiplex 7440 | PC | G5SZBH2 |
| Dell | Optiplex 7440 | PC | 6RTDB02 |
| Dell | Optiplex 7440 | PC | GRTDB02 |
| Dell | Optiplex 7450 | PC | 3JVM0Q2 |
| Dell | Optiplex 7460 | PC | 1RWYCS2 |
| Dell | Optiplex 7460 | PC | GXTH3W2 |
| Dell | Optiplex 7460 | PC | GXTJ3W2 |
| Dell | Optiplex 7470 | PC | 1MBC853 |
| Dell | Optiplex 7470 | PC | C7GC673 |

| | | | |
|--|------------------|-----|--------------|
| | ViewSonic VA2323 | mon | RBJ104700134 |
| | ViewSonic VA2323 | mon | RBJ104700138 |
| | ViewSonic VA2323 | mon | RBJ104700177 |
| | ViewSonic VA2323 | mon | RBJ104700164 |
| | ViewSonic VA2323 | mon | RBJ104700163 |
| | ViewSonic VA2323 | mon | RBJ103600606 |
| | ViewSonic VA2323 | mon | RBJ103600587 |
| | ViewSonic VA2323 | mon | RBJ103600602 |
| | ViewSonic VA2323 | mon | RBJ103600610 |
| | ViewSonic VA2323 | mon | RBJ103600613 |
| | ViewSonic VA2323 | mon | RBJ103600607 |
| | ViewSonic VA2323 | mon | RBJ103700716 |
| | ViewSonic VP2765 | mon | SHK123720076 |

| | | | |
|-----|-------------------------|--------|------------|
| HPE | StoreOnce 3540 (BB914A) | server | 5UN827DY01 |
|-----|-------------------------|--------|------------|

| | | | |
|-------|---------------------|----------|-------------|
| HP | KVM switch (AF618A) | switch | 5CW2460SGL |
| Cisco | ASA 5540-K8 | firewall | JMX1242L0Z5 |
| Cisco | ASA 5510 | firewall | JMX1125L0BH |

Consultant RFP for Fully Insured Medical Plans – Action Item*

Summary: On May 2, 2023, the Board approved the staff recommendation of the selected consultant as a result of an RFP for consulting services related to the medical, dental, vision and Medicare RFP (or Big Bid) that was issued on March 4, 2023, by the Interagency Benefits Advisory Committee (IBAC) consisting of the New Mexico Retiree Health Care Authority (NMRHCA), Albuquerque Public Schools (APS), New Mexico Public School Insurance Authority (NMPSIA) and State of New Mexico (SONM).

The Scope of Work included consulting services for the preparation and evaluation of the RFP related to the following services:

- Self-Funded - Pre-Medicare and Medicare Supplement Plans
- Fully Insured – MA Plans
- Self-Funded and Fully Insured Dental and Vision

Per the Health Care Purchasing Act, the IBAC is required to include both Fully Insured and Self-Funded requests for proposals as part of the procurement process. The original consultant RFP Scope of Work included Fully Insured Medicare Advantage Plans, Dental, and Vision.

Unfortunately, consulting services related to development and evaluation of Fully Insured Pre-65 or non-Medicare Medical Plan responses were inadvertently omitted from the final RFP and therefore are out of scope for the consultant RFP and contract award.

To ensure the IBAC is following the procurement requirements in the Health Care Purchasing Act, the IBAC and the Procurement Manager concluded a second consultant RFP was necessary to encompass the Fully Insured requirements.

The IBAC worked closely with the APS Procurement department to draft and release a second Consultant RFP specifically related to the development and evaluation of a Fully Insured Pre-65 (non-Medicare) Medical RFP. The RFP was released on August 8th, and responses were received on August 23rd. The IBAC received 2 responses and the Evaluation Committee met on August 29th to discuss the evaluation and scoring of each Evaluation Committee member.

The IBAC Evaluation Committee selected Offeror A as they were the highest scoring Offeror by a significant margin, Offeror A – 97 points, Offeror B – 52 points. It was determined by the Committee; the optional finalist presentations were not required as the difference in the evaluation score between the proposed selected offeror and the other respondent was significant.

| Evaluation Criteria | Corporate Experience and Qualifications 20 Points | Corporate Experience and Qualifications: Innovative approaches for solutions and evaluation of cost saving measures including Value Base Purchasing 28 Points | Account Management 24 Points | Corporate References 3 Points | Technical Total | Price Scoring | Total Scoring: Technical and Pricing |
|---------------------|--|---|---------------------------------|----------------------------------|-----------------|---------------|---|
| Offeror A | 19 | 26 | 24 | 3 | 72 | 25 | 97 |
| Offeror B | 8 | 18 | 16 | 3 | 45 | 7 | 52 |

Action Item: Staff respectfully requests approval to enter into an agreement with APS to pay for NMRHCA's prorated portion of the cost (not to exceed \$18,000) upon execution of a contract between APS and the selected vendor.

Claims Payment Integrity Audit RFP - Action Item*

Background: The New Mexico Retiree Health Care Authority is looking to go to RFP with other IBAC partners for services proposed in HB453 and HB2 during the last legislative session. This is a new type of RFP that would be for a post-payment audit review for 100% of claims to help with cost containment. The IBAC has been doing research and meeting with vendors in the industry to develop a RFP for this type of service. This audit will utilize new technology using analytics and algorithms to look at all claims to ensure the accuracy of the claims paid. This will give NMRHCA and the other IBAC partners the opportunity to ensure that both the members and agency are billed correctly, leading to savings. In addition, by identifying any incorrect billing would also lead to education and changes to prevent future inappropriate billing.

The types of errors that will be audited are:

- Billing & Coding (unbundling service code)
- Network Payment Guidelines
- Fraud Waste & Abuse
 - Duplicates, non-payable add-ons, etc.
- Episode of Care (upcoding emergency room)
- Contract Rate
- Other identified errors

The estimated release date would be the end of September or early October.

Action Item: NMRHCA staff respectfully requests approval to issue a RFP for professional claims payment integrity audit services.

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 for November 1 – 3, 2023, in Washington, D.C. This conference provides an opportunity to hear from high-level government officials, key 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 two pages 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.us>

Requested Action.

NMRHCA staff respectfully requests permission to attend the Public Sector HealthCare Roundtable's Annual Conference in Washington, D.C. on November 1 – 3, 2023.



BENEFITS MESSENGER

The NMRHCA Newsletter

EXECUTIVE DIRECTOR'S MESSAGE

Summer is almost gone, and fall is quickly approaching. If you are like me, you may be looking back at the year amazed that it is already August, and more than half the year has passed.

This year's annual July board meeting was productive. Changes were made to the Board of Directors, and many other items were reviewed and discussed as detailed below in the "Annual Board Meeting" article. I would like to recognize and thank our outgoing President Mr. Doug Crandall, who served in various roles with this agency's board for 17 years: the last three as board president, board secretary for several years, and various board sub committees. On behalf of NMRHCA, thank you Mr. Crandall for all the time and contributions you have made to this organization. We wish you all the best in your retirement from NMRHCA's board. You will be missed!

In addition, a new leadership for the board was elected. I congratulate our new board President Therese Saunders, who previously served as the vice-president, and Mr. Tomas Salazar who will be stepping into his newly elected position of vice-president. Staff and I look forward to working closely with the full Board of Directors in continuing to ensure the program's viability and solvency for our participating members and future retirees.

To all members, please make note of the upcoming annual switch enrollment dates and locations. At these meetings, NMRHCA staff and health plan partners provide lots of information and address personal questions. Some of the information provided is on benefit plans cost, comparisons to other plans, networks of providers and facilities, and prescription benefits. This is a wonderful opportunity to compare plans and choose the best option for you and your family. The switch enrollment period will start in October. Should you have any questions, we will once again have in-person and virtual meetings, and you are always welcome to call or stop by our offices for information and support.

Staff and I look forward to seeing many of you at our upcoming enrollment meetings. Enjoy the rest of 2023.

Neil Kueffer, Executive Director

IN THIS ISSUE

**EXECUTIVE DIRECTOR'S
MESSAGE**
[page 1](#)

IMPORTANT REMINDER
[page 1](#)

**2023 LIFE INSURANCE
COMMUNICATION**
[page 2](#)

**NMRHCA ANNUAL BOARD
MEETING**
[page 3](#)

**SWITCH ENROLLMENT FOR
2024**
[page 4](#)

**SWITCH 2024 MEETING
SCHEDULE**
[page 5](#)

IMPORTANT REMINDER

If your contact info changes, be sure to let us know. If you haven't updated your beneficiary information in a while, call us and see if it is up to date. If your life circumstances change, make sure we know when it applies to your benefits. We will best be able to serve you when we know.

2023 LIFE INSURANCE COMMUNICATION

The NMRHCA has recently completed the State of New Mexico mandated procurement process of inviting requests for proposals (RFP) from life insurance providers for life insurance services. The review process entails selecting a provider that best meets the requirements of the RFP while providing the best value to our retirees. The Standard Life Insurance Company has been the life insurance provider for NMRHCA members for several years and has once again been awarded the contract to continue serving our members for the next four years.

LIFE INSURANCE RATES

Life insurance rates from The Standard have remained the same since July of 2019. Starting September 1, 2023, rates will increase by 5% for the retiree and spouse/partner. These rates are guaranteed for the duration of the contract of June 30, 2027. Rates will not increase for dependent children.

The new rates per age band are effective September 1, 2023, as shown below:

| RETIREE/SPOUSE SUPPLEMENTAL LIFE Monthly Premium*: Effective September 1, 2023 to June 30, 2027 | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| The Standard | \$2,000 | \$4,000 | \$6,000 | \$8,000 | \$10,000 | \$15,000** | \$20,000** | \$40,000** | \$46,000** | \$60,000** |
| Age 35-39 | \$ 0.70 | \$ 0.90 | \$ 1.09 | \$ 1.29 | \$ 1.49 | \$ 1.99 | \$ 2.48 | \$ 4.46 | \$ 5.05 | \$ 6.44 |
| Age 40-44 | \$ 0.82 | \$ 1.14 | \$ 1.45 | \$ 1.77 | \$ 2.09 | \$ 2.89 | \$ 3.68 | \$ 6.86 | \$ 7.81 | \$ 10.04 |
| Age 45-49 | \$ 1.03 | \$ 1.57 | \$ 2.10 | \$ 2.64 | \$ 3.17 | \$ 4.51 | \$ 5.84 | \$ 11.18 | \$ 12.78 | \$ 16.52 |
| Age 50-54 | \$ 1.43 | \$ 2.36 | \$ 3.29 | \$ 4.22 | \$ 5.15 | \$ 7.48 | \$ 9.80 | \$ 19.10 | \$ 21.89 | \$ 28.40 |
| Age 55-59 | \$ 2.04 | \$ 3.58 | \$ 5.13 | \$ 6.67 | \$ 8.21 | \$ 12.07 | \$ 15.92 | \$ 31.34 | \$ 35.97 | \$ 46.76 |
| Age 60-64 | \$ 2.38 | \$ 4.26 | \$ 6.14 | \$ 8.02 | \$ 9.90 | \$ 14.60 | \$ 19.30 | \$ 38.10 | \$ 43.74 | \$ 56.90 |
| Age 65-69 | \$ 4.36 | \$ 8.21 | \$ 12.07 | \$ 15.92 | \$ 19.78 | \$ 29.42 | \$ 39.06 | \$ 77.62 | \$ 89.19 | \$ 116.18 |
| Age 70 and over | \$ 6.41 | \$ 12.32 | \$ 18.24 | \$ 24.15 | \$ 30.06 | \$ 44.84 | \$ 59.62 | \$ 118.74 | \$ 136.48 | \$ 177.86 |

*This is optional coverage, and the entire cost of coverage is paid by you. The cost of insurance for all coverages paid by you may increase or decrease in the future based upon the claims experience of participants. All provisions that apply to this coverage are governed by the Certificate. The life plan rates include a \$.50 administration fee.
 **Evidence of Insurability Statement required to add or increase life insurance. The Change for Additional Life Insurance form can be found at <http://www.nmrhca.org/forms.aspx/>.

AGE BANDS

The age bands for life insurance monthly premiums will remain the same. As a reminder, once the retiree or spouse reaches the age of the next age band, premiums will change according to the age band on January 1st.

BENEFICIARY

A member's beneficiary of one or more who had been designated in the past will remain in effect. NMRHCA encourages members to know exactly who the designated beneficiary is for their policy as NMRHCA is obligated to award benefits to the last signed document for any beneficiary(ies) on file with NMRHCA. If it has been many years since you reviewed your beneficiary designation, it is a great time to revisit. Changes occur in life that may have affected a current listed beneficiary thus requiring action to designate a new one. If you are unsure of who you had listed as a beneficiary or wish to make a change, then please download, complete, and return the beneficiary designation form found on our website using the link or scanning the QR code to the right.



<https://rb.gy/lxpnj>

NMRHCA ANNUAL BOARD MEETING

NMRHCA held the agency's annual board meeting in Angel Fire, NM on July 20th & 21st. A change in board leadership was a key outcome of the 2-day meeting. Mr. Doug Crandall, who served on the board for 17 years with the last three years as president, has decided to step down from the board. Newly elected board members are President Ms. Therese Saunders, Vice-President Mr. Tomas Salazar, and Ms. LeAnne Larranaga-Ruffy will remain as secretary. In addition, Dr. Lee Caruana was newly appointed to the board, taking the seat left vacant with the departure of Mr. Crandall. To view the current board members, visit www.nmrhca.org/administration/board-of-directors.

The two days were filled with the sharing of information, data and outcomes from health plan carriers, actuaries, benefits, and investment consultants. This information becomes important for the board to make decisions about the future of the agency, the agency's funding status strategies, and changes to plan designs and monthly premiums.

The funding status of the agency continues to be a high priority topic. Currently, the funding status of RHCA is calculated at 33%. Various items impact the funding status such as active employee/employer contributions, funding from the state, adjusting premiums paid by retirees, cost sharing plan designs, and investments. These are all part of the ongoing dialog about how to create more stability and long-term viability of the NMRHCA benefit programs offered. This review and any actions taken are to ensure current and future members will have access to health care benefits now **or upon retirement**.

The premium changes below will take effect January 1, 2024.

| Carriers | Plan | Percent Increase | Amount of Monthly Increase* | New Monthly Premium* |
|---------------------------------------|---------------------------------------|----------------------------------|-----------------------------|----------------------|
| PRE-MEDICARE PLANS | | | | |
| Presbyterian & Blue Cross Blue Shield | Value Plan | 5% increase | \$12.62 | \$264.90 |
| | Premier Plan | 5% increase | \$16.15 | \$339.11 |
| MEDICARE PLANS | | | | |
| Blue Cross Blue Shield | Supplement Plan | 0% increase | \$0 | \$240.80 |
| | Medicare Advantage Plan I | 0% increase | \$0 | \$22.50 |
| | Medicare Advantage Plan II | 0% increase | \$0 | \$0 |
| Presbyterian | Medicare Advantage Plan I | 50% increase | \$31.07 | \$93.22 |
| | Medicare Advantage Plan II | 50% increase | \$24.20 | \$72.60 |
| Humana | Medicare Advantage Plan I | 7.73% increase | \$2.25 | \$31.36 |
| | Medicare Advantage Plan II | 18.02% increase | \$1.04 | \$6.81 |
| United Health Care | Medicare Advantage Plan I | 20% increase | \$8.30 | \$49.80 |
| | Medicare Advantage Plan II | 14% increase | \$2.30 | \$18.80 |
| VOLUNTARY BENEFITS | | | | |
| Delta Dental | Basic Plan | 4% increase | \$0.75 | \$19.62 |
| | Comprehensive Plan | 4% increase | \$1.54 | \$40.03 |
| Davis Vision | Vision Plan | 0% increase | \$0 | \$4.62 |
| The Standard Life | Multiple levels of coverage available | 5% increase (as of Sept 1, 2023) | | |

*Amounts listed are based on retiree premiums who are receiving maximum subsidy.

Additionally, the board was presented with the progress of NMRHCA's development of a new web portal for members by NMRHCA's IT Director. The portal's anticipated release date is in 2024 to allow members to enroll, view their benefits and make changes online. More information will be released to members as the opportunity to use the online system becomes available.

SWITCH ENROLLMENT FOR 2024

The time for Switch Enrollment is fast approaching. What is Switch Enrollment, you ask?

Switch Enrollment happens each year from early October to mid-November which allows current NMRHCA members to **switch** health plans. In late September, members will receive a Switch Packet in the mail that includes information about their existing plan and the form to make any desired changes. **The form for changes must be postmarked to NMRHCA by November 15, 2023.** The changes will take effect on January 1st of the new year. This is the time of year, outside of a qualifying event, members have the option to 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 as their current plan will automatically be renewed for the upcoming year.

Open Enrollment is the period when members who are eligible to receive NMRHCA benefits who are not currently enrolled can enroll in a health plan. For members who had voluntarily chosen not to originally enroll during their initial eligibility period or cancelled their health plan with NMRHCA, this is when they can enroll. These members are welcome to come back to NMRHCA for benefits; however, they can only enroll during Open Enrollment. Open Enrollment for medical plans is in January of every odd year (2025, 2027, 2029 and so forth). Dental and vision benefits are open for members who have never enrolled or after four years of not being enrolled in the plan.

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, such as flu shots, blood pressure checks and other screenings and services, will also be available to in-person attendees.

You can find the Switch Enrollment Meeting Schedule on the next page, or 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 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, complete the paperwork and return by the deadline. **THIS YEAR THE DEADLINE IS NOVEMBER 15, 2023.** If you do not want to make any changes to your benefits, do nothing and your current benefits will roll over into 2024.

SWITCH 2024 MEETING SCHEDULE

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

ESPAÑOLA: *October 4 @ 10:30 AM*

Northern NM College
Event Center & AD 101/102
921 Paseo de Oñate
Española, NM 87532

FARMINGTON: *October 5 @ 9:30 AM*

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

GALLUP: *October 6 @ 9:30 AM*

UNM - Gallup
Student Services & Tech Center
705 Gurley Ave
Gallup, NM 87301

CLOVIS: *October 11 @ 9:30 AM*

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

ROSWELL: *October 12 @ 9:30 AM*

NM Military Institute
DLC 200
101 West College Blvd
Roswell, NM 88201

HOBBS: *October 13 @ 9:30 AM*

NM Junior College
LHWD 103 High Bay
5317 N. Lovington Hwy.
Hobbs, NM 88240

RIO RANCHO: *October 17 @ 9:30 AM*

Rio Rancho Events Center
3001 Civic Center Cir. NE
Rio Rancho, NM 87144

ALBUQUERQUE: *October 18 & 19 @ 9:30 AM*

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

SILVER CITY: *October 24, 2022 @ 1:00 PM*

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

LAS CRUCES: *October 25 & 26 @ 9:30 AM*

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

SANTA FE: *October 27 & November 3 @ 10:30 AM*

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

RATON: *November 1 @ 9:30 AM*

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

LAS VEGAS: *November 2 @ 9:30 AM*

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

VIRTUAL: *October 10 & 20 @ 9:30 AM*

October 31 @ 1:30 PM

Registration required:

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



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

PRESORT STD
US POSTAGE PAID
ABQ., NM
PERMIT #1645

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@rhca.nm.gov | Hours: | Monday-Friday 8:00AM - 5:00PM |



2024 SWITCH ENROLLMENT INFORMATION

The annual New Mexico Retiree Health Care Authority Switch Enrollment schedule is now available (see reverse side). The schedule includes IN-PERSON 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 2024.

Switch Enrollment Packets will be mailed out to you and will include a summary of your existing coverages, your options for 2024 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, 2023**, 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.



6300 Jefferson St. NE, Suite 150, Albuquerque, NM 87109
33 Plaza La Prensa, Santa Fe, NM 87507 / 800-233-2576 **43**

2024 ENROLLMENT MEETING SCHEDULE

Espanola

Oct 4 @ 10:30 AM

Northern NM College

Albuquerque

Oct 18 & 19 @ 9:30 AM

UNM Continuing Ed

Farmington

Oct 5 @ 9:30 AM

San Juan College

Silver City

Oct 24 @ 1:00 PM

Western NM University

Gallup

Oct 6 @ 9:30 AM

UNM Gallup

Las Cruces

Oct 25 & 26 @ 9:30 AM

NM Farm & Ranch Museum

Clovis

Oct 11 @ 9:30 AM

Clovis Comm. College

Santa Fe

Oct 27 & Nov 3 @ 10:30 AM

SF Community College

Roswell

Oct 12 @ 9:30 AM

NM Military Institute

Raton

Nov 1 @ 9:30 AM

Raton Convention Center

Hobbs

Oct 13 @ 9:30 AM

NM Junior College

Las Vegas

Nov 2 @ 9:30 AM

Highlands University

Rio Rancho

Oct 17 @ 9:30 AM

RR Events Center

Virtual

Oct 10 & 20 @ 9:30 AM

Oct 31 @ 1:30 PM

PRESORT STD
US POSTAGE PAID
ABQ., NM
PERMIT #1645

Memorandum

To: The Board of Trustees, New Mexico Retiree Health Care Authority
Neil Kueffer, Executive Director
Keith Witt, Deputy Director

From: Julie Bodenski, Humana
Date: August 21, 2023
Re: Humana Network updates

Network contracting updates:

- **Presbyterian Healthcare Services (PHS) - all PHS facilities and providers outside of Albuquerque/Rio Rancho:**
 - Humana is in network negotiations with PHS for the currently contracted locations outside of Albuquerque & Rio Rancho, for January 2024. PHS locations under the current contract include Santa Fe, Española, Ruidoso, Tucumcari, Clovis, Socorro.
 - NMRHCA members continue to receive services and as contract negotiations continue Humana will provide NMRHCA status updates.
 - **NMRHCA members utilizing currently contracted Presbyterian locations (June 2022 through July 2023): 175**
- **Gerald Champion Regional Medical Center (GCRMC):**
 - Humana is currently contracted with GCRMC and affiliated physicians in Alamogordo, NM.
 - GCRMC recently sent a contract termination that will go into effect January 1, 2024.
 - There is a recent acquisition with Christus Health and GCRMC. Humana is contracted with Christus Health and has been in communication to confirm if GCRMC will see Humana PPO members out-of-network and will bill to Humana in 2024.
 - Humana will continue to keep NMRHCA updated on GCRMC decisions for 2024.
 - **NMRHCA members utilizing contracted GCRMC and affiliated locations (June 2022 through July 2023): 77**
 - Humana will mail member letters in the early October timeframe following CMS requirements.

Sincerely,



Group Medicare Senior Account Executive - Humana

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

STATE OF NEW MEXICO, *ex rel.* RAUL
TORREZ, ATTORNEY GENERAL,

Plaintiff,

v.

No. D-101-CV-2020-01289

GLAXOSMITHKLINE LLC; PFIZER INC.;
BOEHRINGER INGELHEIM
PHARMACEUTICALS, INC.; CHATTEM,
INC.; SANOFI-AVENTIS U.S. LLC; SANOFI
US SERVICES INC.; PERRIGO RESEARCH
& DEVELOPMENT COMPANY; LANNETT
COMPANY, INC.; NOVITIUM PHARMA
LLC; AUROBINDO PHARMA USA, INC.;
AMNEAL PHARMACEUTICALS LLC;
GLENMARK PHARMACEUTICALS INC.,
USA; SANDOZ INC.; APOTEX CORP.; DR.
REDDY'S LABORATORIES, INC.; STRIDES
PHARMA, INC.; CVS HEALTH
CORPORATION; CVS PHARMACY, INC.;
THE KROGER CO.; SMITH'S FOOD &
DRUG CENTERS, INC.; FRED MEYER, INC.;
TARGET CORPORATION; WALGREENS
BOOTS ALLIANCE, INC.; WALGREENS
CO.; WALMART INC., AND COSTCO
WHOLESALE CORP.,

Defendants.

**ORDER GRANTING BRAND DEFENDANTS' MOTION TO COMPEL PLAINTIFF
TO PROVIDE FULL AND COMPLETE RESPONSES TO DISCOVERY REQUESTS**

THIS MATTER having come before the Court for argument on July 27, 2023, on Brand Defendants' Motion to Compel Plaintiff to Provide Full and Complete Responses to Discovery Requests ("Brand Defendants' Motion"), the parties having appeared by and through their respective counsel of record, the Court having read the briefing on Brand Defendants' Motion, reviewed the court file and being otherwise fully advised in the premises,

FINDS:

Brand Defendants' Motion to Compel Plaintiff to Provide Full and Complete Responses to Discovery Requests is well-taken and should be granted.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED as follows:

(1) Based on the nature of the claims and remedies being sought, Plaintiff, the State of New Mexico, has brought claims in this case that necessitate information possessed by agencies other than the Attorney General's Office.

(2) The Attorney General's Office has objected to providing information, documents, and materials that are not in its possession. Under the facts of this case, the Attorney General's Office's objections are overruled. The Court is not ruling that the Attorney General's Office is interchangeable with other agencies, or that other agencies are required to provide discovery in every litigation brought by the Attorney General's Office, but in this case, information possessed by other agencies is necessary to allow Defendants to evaluate, challenge, and defend against the claims brought against them.

(3) State agencies that possess information relevant to evaluate, support, and refute the claims and defenses in this case are parties in this litigation for the purposes of discovery and the Attorney General's Office is directed to respond to discovery as best as it can, consistent with its obligations under the rules of civil procedure, with information gathered from agency sources that have relevant information for this litigation that is responsive to the discovery requests served.

(4) Defendants have identified the following state agencies as likely to possess relevant information responsive to the discovery requests served: (1) the New Mexico Department of Health; (2) the New Mexico Human Services Department; (3) the New Mexico

Corrections Department; (4) the New Mexico General Services Department; (5) the New Mexico Retiree Health Care Authority; (6) the New Mexico Public Schools Insurance Authority; and (7) the Public Employees Retirement Association of New Mexico. These agencies are within the scope of this Order.

(5) To the extent that the parties identify other state agencies that are likely to have information, documents, and/or materials that are responsive to the discovery requests served by Defendants, such agencies shall also be treated as parties in this litigation for the purposes of discovery and shall be within the scope of this Order. Plaintiff shall promptly notify Defendants of any such agencies of which it is or becomes aware.

(6) If there is an agency that will not respond to the requests or comply with the Attorney General's Office, then the Attorney General's Office must provide a verified statement, at the time discovery responses are served or as soon thereafter as possible, explaining the efforts that it has made to collect or otherwise come into possession of the agency's information. After the parties meet and confer in good faith, the Court will make the appropriate determinations at that time regarding the consequences of an agency's non-compliance with discovery requests. For example, the Court may determine that a state agency's costs and damages are not recoverable if that state agency does not respond to discovery requests as a party.

(7) Plaintiff will serve its document production and supplemental answers and responses to the Brand Defendants' Interrogatories and Requests for Production by or before October 25, 2023. The parties acknowledge that any such document production will occur on a rolling basis.



Hon. Bryan Biedscheid
DISTRICT COURT JUDGE

SUBMITTED BY:

BROWNSTEIN HYATT FARBER SCHRECK, LLP

By /s/ Eric R. Burris

Eric R. Burris
Debashree Nandy
201 Third Street NW, Suite 1800
Albuquerque, NM 87102-4386
Telephone: 505.244.0770
Facsimile: 505.244.9266
Email: eburris@bhfs.com; rnandy@bhfs.com

Friedrich-Wilhelm W. Sachse (admitted *pro hac vice*)

DECHERT LLP

Cira Centre
2929 Arch Street
Philadelphia, PA 19104-2808
Telephone: 215.994.2496
Email: will.sachse@dechert.com

Erik Snapp (admitted *pro hac vice*)

DECHERT LLP

35 West Wacker Drive, Suite 3400
Chicago, IL 60601-1608
Telephone: 312.646.5828
Email: erik.snapp@dechert.com

Lindsey B. Cohan (admitted *pro hac vice*)

DECHERT LLP

515 Congress Avenue, Suite 1400
Austin, TX 78701
Telephone: 512.394.3027
Email: lindsey.cohan@dechart.com

Attorneys for Defendant GlaxoSmithKline LLC

KENNEDY, HERNANDEZ & HARRISON, P.C.

By /s/ Electronically approved 08/10/2023

Jessica M. Hernandez
201 Twelfth Street NW
Albuquerque, New Mexico 87102
Telephone: (505) 842-8662
Email: jhernandez@kennedyhernandez.com

Ilana H. Eisenstein
Rachel A.H. Horton
DLA PIPER LLP (US)
One Liberty Place
1650 Market Street, Suite 5000
Philadelphia, Pennsylvania 19103-7300
Telephone: (215) 656-3351
Email: ilana.eisenstein@dlapiper.com; rachel.horton@dlapiper.com

Jeff Tsai
DLA PIPER LLP (US)
555 Mission Street, Suite 2400
San Francisco, California 94105
Telephone: (415) 615-6055
Email: jeff.tsai@dlapiper.com

*Attorneys for Defendants Chattem, Inc., Sanofi-Aventis
U.S. LLC, and Sanofi US Services Inc.*

ATKINSON, BAKER & RODRIGUEZ, P.C.

By /s/ Electronically approved 08/10/2023
Douglas A. Baker
Justin D. Rodriguez
201 Third Street NW, Suite 1850
Albuquerque, New Mexico 87102
Telephone: (505) 764-8111
Email: dbaker@abrfirm.com; jrodriguez@abrfirm.com

Stephen B. Deveraux
Andrew T. Bayman
KING & SPALDING LLP
1180 Peachtree Street NE
Atlanta, GA 30309
Telephone: (404) 572-4600
Email: sdeveraux@kslaw.com; abayman@kslaw.com

Zachary Fardon
KING & SPALDING LLP
110 N. Upper Wacker Dr., Suite 3800
Chicago, IL 60606
Telephone: (312) 995-6333
Email: zfardon@kslaw.com

Attorneys for Defendant Boehringer Ingelheim Pharmaceuticals, Inc.

BARDACKE ALLISON LLP

By /s/ Electronically approved 08/10/2023

Benjamin Allison
P.O. Box 1808
141 E. Palace Avenue
Santa Fe, NM 87504-1808
Telephone: (505) 995-8000
Email: ben@bardackeallison.com

Jessica B. Rydstrom (admitted *pro hac vice*)
Hope E. Daily (admitted *pro hac vice*)
WILLIAMS & CONNOLLY LLP
680 Maine Ave., S.W.
Washington, DC 20024
Telephone: (202) 434-5000
Facsimile: (202) 434-5029
Email: jrydsrom@wc.com; hdaily@wc.com

Attorneys for Defendant Pfizer, Inc.

APPROVED AS TO FORM BY:

RAÚL TORREZ
ATTORNEY GENERAL OF NEW MEXICO

By Electronically approved 08/10/2023

Jacqueline N. Ortiz
Katharine C. Downey
Assistant Attorneys General
P.O. Drawer 1508
Santa Fe, New Mexico 87504-1508
Tel.: 505-717-3500
jortiz@nmag.gov
kdowney@nmag.gov

Marcus J. Rael, Jr.
Jessica Nixon
ROBLES, RAEL & ANAYA
500 Marquette Ave. NW
Suite 700
Albuquerque, New Mexico 87102
Tel: (505) 242-2228
Fax: (505) 242-1106
marcus@roblesrael.com
jnixon@roblesrael.com

**ORDER GRANTING BRAND DEFENDANTS' MOTION TO COMPEL PLAINTIFF
TO PROVIDE FULL AND COMPLETE RESPONSES TO DISCOVERY REQUESTS**

Kyle J. McGee (*Admitted Pro Hac Vice*)
Kelly L. Tucker (To be Admitted Pro Hac Vice)
Suzanne Sangree (*Admitted Pro Hac Vice*)
Laina M. Herbert (*Admitted Pro Hac Vice*)
GRANT & EISENHOFER P.A.
123 Justison St
Wilmington, DE 19801
Tel: (302) 622-7000
Fax: (302) 622-7100
kmcgee@gelaw.com
ktucker@gelaw.com
ssangree@gelaw.com
lherbert@gelaw.com

Counsel for Plaintiff the State of New Mexico

25937003

New Mexico Retiree Health Care Authority (CP)
Change in Market Value
For the Month of Jul 2023
(Report as of August 16, 2023)

| Investment Name | Prior Ending Market Value | Contributions | Distributions | Fees | Income | Gains - Realized | Gains - Unrealized | Gains - Realized & Unrealized | Market Value |
|---|---------------------------|---------------|---------------|----------|---------------------|-------------------|----------------------|-------------------------------|-------------------------|
| Core Bonds Pool | 199,628,374.12 | - | - | - | 563,304.30 | (316,679.25) | (203,771.71) | (520,450.96) | 199,671,227.46 |
| NM Retiree Health Care Authority Cash Account | - | - | - | - | - | - | - | - | - |
| Non-US Developed Markets Index Pool | 162,377,105.01 | - | - | - | 183,295.98 | 22,471.20 | 6,046,603.62 | 6,069,074.82 | 168,629,475.81 |
| Non-US Emerging Markets Active Pool | 95,977,495.86 | - | - | - | 239,409.22 | (101,021.29) | 3,755,477.71 | 3,654,456.42 | 99,871,361.50 |
| Private Debt Market Pool | 184,094,798.68 | - | - | - | 552,250.16 | 279,465.89 | (254,691.94) | 24,773.95 | 184,671,822.79 |
| Private Equity Pool | 185,050,157.35 | - | - | - | 51,185.18 | 951,736.02 | (781,964.08) | 169,771.94 | 185,271,114.47 |
| Real Estate Pool | 133,520,218.91 | - | - | - | 217,732.30 | 49,115.74 | (199,707.57) | (150,591.83) | 133,587,359.38 |
| Real Return Pool | 61,915,687.53 | - | - | - | 122,184.39 | 25,807.72 | 231,466.12 | 257,273.84 | 62,295,145.76 |
| US Large Cap Index Pool | 207,692,902.07 | - | - | - | 200,022.92 | 444.11 | 6,941,281.43 | 6,941,725.54 | 214,834,650.53 |
| US SMID Cap Alternative Weighted Index Pool | 26,016,326.93 | - | - | - | 19,337.31 | 47,305.60 | 1,365,701.91 | 1,413,007.51 | 27,448,671.75 |
| Sub - Total New Mexico Retiree Health Care | 1,256,273,066.46 | - | - | - | 2,148,721.76 | 958,645.74 | 16,900,395.49 | 17,859,041.23 | 1,276,280,829.45 |
| Total New Mexico Retiree Health Care | 1,256,273,066.46 | - | - | - | 2,148,721.76 | 958,645.74 | 16,900,395.49 | 17,859,041.23 | 1,276,280,829.45 |