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REGULAR MEETING OF THE BOARD OF DIRECTORS



**October 3, 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

October 3, 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

October 2023

Ms. Therese Saunders, President
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NM Federation of Educational Employees
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Mr. Lee Caruana, MD
Retired Public Employees of New Mexico
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Regular Meeting of the
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

October 3, 2023

9:30 AM

CNM Workforce Training Center

5600 Eagle Rock Ave NE, Alb. NM 87113

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| 11. Legislative – Board approval of contract for a lobbyist (Action Item) | Mr. Kueffer, Executive Director | 55 |
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| 13. Date & Location of Next Board Meeting | Ms. Saunders, President | |
| November 7, 2023 – 9:30AM
CNM Workforce Training Center
5600 Eagle Rock Ave NE, Alb. NM 87113 | | |
| 14. Adjourn | | |

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

REGULAR MEETING

August 30, 2023

1. CALL TO ORDER

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

Mr. John Kreienkamp, designee of Hon. Laura Montoya, NM State Treasurer
[virtual attendance]

Ms. Rachel Alirez [virtual attendance]

Dr. Lee Caruana

Mr. Lance Pyle [virtual attendance]

Mr. Rick Scroggins

Dr. Gerry Washburn [virtual attendance]

Members Excused:

Mr. Sanjay Bhakta

Staff Present:

Mr. Neil Kueffer, Executive Director

Mr. Keith Witt, Deputy Director

Mr. Mark Hayden, General Counsel

Mr. Jess Biggs, Director of Communication & Member Engagement

Mr. Trinity Angelino, Network Administrator

Mr. Raymond Long, Chief Information Officer

Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE

Ms. Saunders led the Pledge.

4. APPROVAL OF AGENDA

Dr. Salazar moved for approval of the agenda, as published. Dr. Caruana seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES: July 20 & 21, 2023

Dr. Salazar moved approval of the July 20 and 21 meeting minutes, as presented. Ms. Alirez seconded the motion, which passed unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- Finance & Executive Committee met and approved today's agenda. [Ms. Saunders]

8. FY25 APPROPRIATION REQUEST (ACTION ITEM)

Mr. Kueffer reviewed details of the Appropriation Request.

- Healthcare Benefits Administration FY25 request is \$406.3 million. The additional \$11.9 million represents a 3.0% increase over the previous year's budget.
- Program Support request includes a \$321,700 increase, which includes a \$245,900 increase in the personal services and employee benefits category, a \$71,000 increase in the contractual services category and a \$4,800 increase in the other costs category.
- Personal Services and Employee Benefits request includes a \$245,900 increase, or a 9.5%, increase compared to the previous year's operating budget.

Mr. Kueffer requested approval of the FY25 Appropriation Request as presented to the Finance and Investment Committee.

Dr. Salazar seconded the motion, which passed unanimously by roll call vote.

9. LEGISLATIVE (ACTION ITEM)

Mr. Kueffer reviewed the history of proposed legislation from the NMRHCA since its establishment in 1990 as well as new proposed legislation for 2024.

2024 Legislative Session as discussed by the Legislative Committee:

- Option A: Request for one-time money of \$150 million as a special appropriation. This could be an opportune time to make this request given the influx of \$3.4 billion of new money as reported recently by the LFC, and because the NMRHCA's requests in previous years for a special appropriation have been unsuccessful.
- 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 PERA and NMERB, the NMRHCA's sister agencies.]
- Option C: Increase non-enhanced EE/ER contributions at a 2 to 1 ratio for a total of 0.5% and proportionately for the enhanced EE/ER contributions, keeping a 2 to 1 ratio at 0.65.

Mr. Kueffer said staff is recommending options A and B for the upcoming 2024 session, and requests approval to proceed with those options as recommended by the Legislative Committee. Dr. Salazar seconded this recommendation.

Responding to Dr. Caruana, Mr. Kueffer said Sen. Roberto Gonzales has expressed his willingness to sponsor the Joint Resolution (option B).

Mr. Kueffer said the Legislative Committee decided to pursue option A as more feasible than option C given that this year's legislative session is only 30 days and the infusion of money would help the fund tremendously. There would also be some expected pushback from employees who have been hit with premium increases from GSD and contribution increases from PERA. The committee discussed the idea of requesting a special appropriation in next year's legislative session, as well.

The motion passed unanimously by roll call vote.

Mr. Kueffer said a second item was also included for approval:

LOBBYIST (SCOPE OF WORK, COMPENSATION, AND TERM) (ACTION ITEM)

Mr. Kueffer stated that the Legislative Committee added two items to the Scope of Work:

8. Personally attend, and coordinate staff/expert witness attendance at legislative sessions, as well as 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.

Compensation: Not to exceed \$25,000

Term: Effective upon all approvals and term 6/30/2024.

Mr. Kueffer requested approval to hire a lobbyist to work on behalf of the NMRHCA as detailed in the scope of work for the specified contract period; and 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.

Mr. Scroggins asked if there is a bench of people to draw on who could comply with all of items listed in the scope of work. Mr. Kueffer responded that he has talked with Dr. Dan Lopez, who may not be available because of scheduling. He has also spoken with Vanessa Alarid and PERA's lobbyist, Charlie Marquez. He said staff recognizes the need to broaden the search and identify other qualified people.

Mr. Washburn questioned the wisdom of this expenditure for a 30-day session, and to try to find a lobbyist in such a short amount of time. He suggested it would make more sense to hire someone for the 60-day session.

Mr. Kueffer stated that, with the addition of staff this year, his time has been freed up to attend more meetings. He attended the last LFC meeting, for example, and was able to interact with legislators on behalf of the NMRHCA. He plans to include the Deputy Director and General Counsel in these conversations going forward.

Mr. Kreienkamp said Treasurer Montoya was at the Legislative Committee meeting when this was discussed. He and Treasurer Montoya share Mr. Washburn's concerns and feel that the \$25,000 is a high figure for this short session. In addition, the final contract after negotiation should be brought back to the NMRHCA board for final approval. He said the contract also lacks specificity in terms of how the contractor is to be paid and the importance of detailed invoicing. He said Treasurer Montoya could not support this request at this time.

Mr. Kreienkamp also noted that the agenda does not include the hiring of a lobbyist. Potentially a member of the public might see the agenda, not realize this was an action item, and take legal action.

Dr. Salazar stated that the reason the recommendation to hire a lobbyist was not included is because the Legislative Committee didn't want to influence the board's decision as to whether to hire or not hire a lobbyist for the upcoming session. He asked that the decision to hire or not hire a lobbyist be put to a vote at this meeting as a separate vote, after which the board could vote on the contractual scope of work, etc.

Mr. Scroggins cited Mr. Kreienkamp's concern that the hiring of a lobbyist was not included on the published agenda.

Dr. Caruana moved to defer this item to the October 3 NMRHCA meeting and that the agenda be very specific so it is clear to the public what the NMRHCA will be voting on. Mr. Kreienkamp seconded the motion, which passed by roll call vote, with Dr. Salazar voting against the motion and Ms. Alirez abstaining. [Not present: Ms. Larrañaga-Ruffy]

Dr. Salazar cited Mr. Kreienkamp's comments regarding the need for more specificity in the contract. If these are issues of concern, perhaps Mr. Kueffer should be made aware of these issues between now and the October meeting so that the board is clear on what it will be voting on.

Mr. Kueffer said it wasn't clear whether the board even wanted to hire a lobbyist for the short session, based on comments today.

Mr. Pyle said the matter of hiring a lobbyist has been a topic of discussion since he first became a member of the board, and he thought failing to hire one would be a missed opportunity.

Dr. Caruana stated that there seemed to be consensus on the board that a lobbyist should be hired. He said Mr. Kueffer could contact the Treasurer's Office to hear their legal concerns.

Mr. Kueffer said Mr. Hayden, the NMRHCA's legal counsel, Mr. Hayden, would review the contract and address any legal concerns going forward.

Responding to Dr. Salazar, Mr. Hayden said that, with regard to specificity, the agenda identifies legislation, and inherent in that is how the legislation gets passed. Potentially it could include the hiring of a lobbyist to get that done, so there is sufficiency within the agenda itself. With regard to autonomy and the ability of the NMRHCA to hire a lobbyist, he did not know if there was a policy or limit as to which the Executive Director would have to ask permission from the board. He assumed that smaller items would be allowed, but that the board would have to be asked for permission for larger items.

Mr. Kueffer said he would review the Rodey Firm's analysis on what roles the board plays. He did not believe this contract was out of the norm. He said staff has not taken the hiring of a lobbyist lightly in the past and has reviewed scopes of work on lobbyist contracts from other agencies.

Mr. Hayden said that, for contracts under \$60,000, there is discretion within the agency to procure a contract like that without going out for an RFP. Whether the board chooses to vote on it is another question.

Mr. Scroggins said this was an important topic for discussion. He questioned why the board would be voting on a lobbyist in the first place when there has been consensus to do that for months.

10. DISPOSAL OF IT EQUIPMENT (ACTION ITEM)

Mr. Long summarized a list of items that included workstations, printers, monitors and servers.

Mr. Long requested permission to dispose of the list of items as described. With board approval, GSD would have right of first refusal in determining whether any of the items would be useful to them. The remainder of the equipment would be disposed of, with each hard drive destroyed based on recommended standards. A certified computer/electronics disposal company would be selected and the selected vendor would provide certification that the equipment was properly disposed of and that hard drive discs were destroyed based on recommended standards.

Chairwoman Saunders said this recommendation was approved the Finance Committee. Mr. Scroggins seconded the recommendation, which passed unanimously by roll call vote.

11. CONSULTANT RFP FULLY INSURED MEDICAL (ACTION ITEM)

Mr. Witt stated that, on May 2, 2023, the board approved staff's recommendation of the consultant selected through the RFP process related to the medical, dental, vision, and Medicare RFP ("Big Bid") that was issued on March 4, 2023, by the IBAC. Unfortunately, consulting services related to development and evaluation of Fully Insured Pre-65 or non-Medicare Medical Plan responses was inadvertently omitted from the final RFP and therefore is out of scope for the consultant RFP and contract award.

Mr. Witt stated that, to ensure the IBAC was following the procurement requirements in the Health Care Purchasing Act, the IBAC and the Procurement Manager concluded that 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. The RFP was issued on August 8, with responses received on August 23. Two responses were received. The Evaluation Committee met on August 29 and selected Offeror A, which was the highest scoring offeror by a significant margin, with Offeror A receiving 97 points and Offeror B receiving 52 points. The committee determined that optional finalist presentations were not required given the significant difference in scoring.

Mr. Witt requested 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 the contract between APS and the selected vendor.

Chairwoman Saunders stated that the Executive Committee reviewed this last week and recommended approval. Dr. Caruana seconded the recommendation, which passed unanimously by roll call vote.

12. CLAIMS PAYMENT INTEGRITY AUDIT RFP (ACTION ITEM)

Mr. Kueffer said the NMRHCA is looking to go to RFP with other IBAC partners for services proposed in HB453 and HB2 during the last legislative session. This new type of RFP would be for a post-payment audit review for 100 percent of claims to help with cost containment. The IBAC has been doing research and meeting with vendors in the industry to develop an RFP for this type of service. The audit will utilize new technology using analytics and algorithms to look at all claims to ensure the accuracy of claims paid. The process will lead to education and changes to prevent future inappropriate billing. The estimated release date would be at the end of September or early October.

Mr. Kueffer said the NMRHCA is looking into financing options, which would go to the board for final approval.

Mr. Kueffer requested approval to issue an RFP for professional claims payment integrity audit services.

Dr. Caruana moved for approval. Dr. Salazar seconded the motion, which passed unanimously by roll call vote.

13. TRAVEL REQUEST (ACTION ITEM)

Mr. Kueffer said staff has been invited to attend the Public Sector HealthCare Roundtable Annual Conference scheduled on November 1-3, 2023, in Washington, D.C. The conference provides an opportunity to hear from high-level government officials and key experts in the public purchaser workspace and hear about the latest trends. The conference also provides the opportunity to network with benefit administrators from public organizations from around the country.

Mr. Kueffer said he would be attending the conference with Mr. Hayden.

Chairwoman Saunders said the Executive Committee recommended approval of this request. Dr. Salazar seconded the recommendation, which passed unanimously by roll call vote.

14. STAFF UPDATES

- a. 2023 Third Quarter Newsletter**
- b. 2024 Switch Enrollment Postcard**

Mr. Biggs reviewed highlights from the latest edition of the NMRHCA's newsletter, the Benefits Messenger. The newsletter was mailed to about 26,000 households, with 16,000-18,000 sent by email.

Mr. Biggs stated that a postcard announcing the upcoming switch enrollment period would be sent out this week to about 49,000 households.

c. HR Updates

Mr. Witt presented updates. He said Mark Hayden joined the NMRHCA as General Counsel on August 21. The NMRHCA is fully staffed with one position under review.

d. Babylon Health

Mr. Witt said Babylon Health, a new partner with BCBS effective June 1, was to be offered to their pre-Medicare under-65 membership and was an existing partner with Presbyterian Health Plan for their Medicare Advantage Plan since July 2022. Unfortunately, they decided to no longer do business in the United States effective on August 1, 2023. BCBS is working with their virtual platform to expand their relationship and they are currently using MD Live for certain services. They plan to partner with an additional behavioral health virtual option for their membership. Presbyterian sent out notification on August 15 to members and others utilizing Babylon about Presbyterian's virtual options.

Mr. Witt said virtual services through Point Solutions are being prioritized by NMRHCA staff and IBAC, expanding access to timely care in rural areas in particular. They will continue to explore these services through carrier partners and their relations, and meeting with Point Solutions directly to explore a direct contractual relationship.

e. Humana Network

Mr. Witt said that Human is negotiating with two provider systems on their Medicare Advantage plan in New Mexico: 1) Presbyterian medical system outside of Albuquerque and Rio Rancho. They are currently contracted with Presbyterian's regional facilities around the state are in contract negotiations, but has notified patients and posted notices that they will no longer be accepting Humana as an in-network provider as of January 1, 2024. Contract negotiations continue, however, and Humana is optimistic at this point. NMRHCA members currently utilizing Presbyterian locations number 175. 2) Gerald Champion Regional Medical Center (GCRMC), Alamogordo. Christus Health, which owns Christus St. Vincent in Santa Fe, recently acquired GCRMC. Humana is contracted with both provider systems and their affiliated practices. As of January 2024, GCRMC will no longer accept Humana as an in-network provider. Humana anticipates GCRMC will be out of network on January 1. About 77 NMRHCA retirees have used their services in the last 12 months.

f. Legal

Mr. Kueffer stated that the NMRHCA received a subpoena ordering it to provide information with respect to the GlaxoSmithKline lawsuit.

Mr. Hayden said the AG's Office will be packaging and delivering the response and the NMRHCA will be executing an MOU with the AG's Office.

g. July 31, 2023, SIC Report

Mr. Kueffer said he was pleased to report a \$20 million increase from the previous ending balance of \$1.256 billion, to \$1.276 billion on August 16.

15. OTHER BUSINESS

Dr. Salazar asked what action the board could take, such as calling the White House or Congressional delegation, regarding drug pricing negotiations.

Mr. Kueffer said the list of ten medications has just been released. He noted that the manufacturers are now suing the government. He said staff will be watching this closely and reporting back to the board. Now that the ten medications have been identified, staff can do more research in determining how this will affect the NMRHCA.

16. DATE AND LOCATION OF NEXT BOARD MEETING

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

17. ADJOURN 11:40 a.m.

Accepted by:

Therese Saunders, President

BEFORE THE NEW MEXICO SUPERINTENDENT OF INSURANCE

IN THE MATTER OF AN)
EMERGENCY ORDER TO PROTECT) **Docket No. 2023-0083**
ACCESS TO BEHAVIORAL HEALTH)
RESOURCES)
_____)

EMERGENCY ORDER

THIS MATTER having come before the New Mexico Superintendent of Insurance (“Superintendent”) upon Executive Order 2023-123 issued by Governor Michelle Lujan Grisham on September 8, 2023, declaring a state of public health emergency due to drug abuse, under the Constitution and laws of New Mexico, including the All Hazard Emergency Management Act, NMSA 1978, §§ 12-10-1 through 12-10-10 (1959, as amended through 2007) and the Public Health Emergency Response Act, NMSA 1978, §§ 12-10A-1 through 12-10A-19 (1959, as amended through 2007). .

THE SUPERINTENDENT FINDS AND CONCLUDES:

1. The Superintendent has jurisdiction over this matter pursuant to the New Mexico Insurance Code, NMSA 1978, Sections 59A-1-1 et seq. and specifically NMSA 1978, Section 59A-2-8(A)(11) and (B).
2. The Governor of the State of New Mexico, the Honorable Michelle Lujan Grisham, has declared in executive Order 2023-132, a statewide public health emergency due to substance abuse, and as of the date of this Emergency Order, has not renewed, modified, or rescinded Executive Order 2023-132.
3. Upon an order by the Governor based upon the invocation of a state of emergency under the All Hazard Emergency Management Act, [Chapter 12, Article 10A NMSA 1978], and the Public Health Emergency Response Act [Chapter 12, Article 10A NMSA 1978], pursuant to

NMSA 1978, Section 59A-2-8(A)(11), the Superintendent may “take those actions necessary to ensure access to insurance and the stability of insurance markets during the emergency[,]” including issuing emergency orders to address any or all of the following:

- a. grace periods for payment of insurance premiums and performance of other duties by insureds;
 - b. refund of premiums;
 - c. waiver of cost sharing or deductibles;
 - d. temporary postponement of cancellations and nonrenewals;
 - e. reporting requirements for claims; and
 - f. suspension of compliance with a statute, rule or contract, if strict compliance would prevent, hinder or delay necessary action in response to the emergency.
4. The Governor’s order details the devastating consequences of substance abuse throughout the state, including strain on healthcare resources, increased crime rates, homelessness, disrupted family services, and fatalities.
5. The Superintendent annually reviews regulated insurance company networks for adequate access to behavioral health providers. While insurers document access to sufficient numbers of in-network providers across New Mexico, OSI still receives complaints about the accuracy of that information and delays in access to care.
6. The Superintendent has requested insurers’ provide follow up reporting on behavioral health accessibility (see Bulletin 2023-021) and will be analyzing that data to ensure in practice availability of behavioral health benefits.

7. The Superintendent finds that social and economic burdens of substance addiction, including the accessibility and prevalence of potent synthetic opioids, create significant challenges for access to health care in a largely rural state, with a significant provider shortage.
8. The Superintendent finds it is necessary to issue this Emergency Order to protect access to insurance that the stability of the insurance markets during the emergency declared by the Governor's Order.

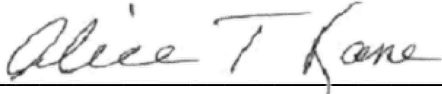
IT IS THEREFORE ORDERED that:

- A. All major medical health insurers regulated by the Office of Superintendent of Insurance shall cover out-of-network behavioral health benefits at the following in-network cost-sharing levels:
 - a. Mental/Behavioral health outpatient services shall be covered at primary care visit cost-sharing levels;
 - b. Mental/Behavioral health inpatient services, including facility fees, shall be covered at inpatient physician and surgical services cost-sharing levels;
 - c. Mental/Behavioral health emergency care, including facility fees, shall be covered at zero-dollar cost-sharing levels;
 - d. Mental/Behavioral health urgent care shall be covered at specialist visit cost-sharing levels.
- B. Insurers shall not require prior authorization for any out-of-network care that would not otherwise require prior authorization for in-network care.
- C. This order shall equally apply to telehealth out-of-network behavioral health benefits, as mandated by NMSA 1978, Section 59A-23-7.12(A) and NMSA 1978, Section 59A-22-49.3A

- D. Nothing in this order shall require an insurer to cover benefits not otherwise covered under the plan. The services covered by this order are inclusive of the services outlined in Bulletin 2021-003.
- E. Insurers shall fully reimburse out-of-network behavioral health services at the usual, customary, and reasonable rate or at an agreed upon rate outlined in §13.10.22.8(E) NMAC. Where such information is unavailable, insurers shall use the Surprise Billing rate outlined in NMSA 1978, Section 59A-57A-13.
- F. Excluding emergency care, nothing in this order shall prevent an out-of-network provider from balance billing a patient for any amount not covered by the insurers' reimbursement payment and patient cost-sharing amount.
- G. Every insurer subject to this Order shall immediately suspend any prior authorization requirement relating to admission or transfer of an insured requiring detox, acute, or long-term in-patient care for the treatment of a substance use disorder.
- a. Insurers subject to this Order may require notification of admission or transfer to be provided within three calendar days of a patient's admission to a detox, acute, or long-term inpatient care for treatment of a substance use disorder.
 - b. Insurers may engage in care management functions, including utilization review, upon receiving such notice.
 - c. An insurer subject to this Order shall not deny payment for any care delivered to a patient admitted to a detox, acute, or long-term in-patient facility for treatment of a substance use disorder prior to receiving notice of the transfer, or during the first three calendar days of admission, whichever first occurs.

- H. Insurers shall provide written notice to their insureds of this change in benefit by September 29, 2023. This written notice shall provide instructions to insureds on how to submit out-of-network claims that includes a physical address and email address or web portal for claims submissions and be submitted to OSI for review and approval no later than September 25, 2023. Each insurers' website shall prominently display notice of this order and instructions on these out-of-network claims submissions.
- I. The Superintendent reserves the right to request insurer data or reporting on this order.
- J. This Emergency Order shall take effect immediately and shall remain in effect until Executive Order 2023-132 is rescinded by the Governor.

ISSUED under seal of the New Mexico Office of Superintendent of Insurance at Santa Fe, New Mexico, this 19th day of September 2023.



ALICE T. KANE
Superintendent of Insurance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of September 2023, I filed the *Emergency Order* through the OSI's e-filing system, <https://edocket.osi.state.nm.us/home>, which caused the parties to be served by electronic means, as more fully reflected on the eService recipients list for this matter.

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Jennifer Romero, Law Clerk
Office of Superintendent of Insurance

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of Aug 2023

(Report as of September 18, 2023)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	199,671,227.46	-	-	-	632,423.76	(497,187.79)	(1,222,081.66)	(1,719,269.45)	198,584,381.77
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	168,629,475.81	-	-	-	358,663.62	(97,694.46)	(6,374,959.62)	(6,472,654.08)	162,515,485.35
Non-US Emerging Markets Active Pool	99,871,361.50	-	-	-	114,888.19	(792,278.24)	(4,542,212.33)	(5,334,490.57)	94,651,759.12
Private Debt Market Pool	184,671,822.79	-	-	-	455,872.16	12,528.66	350,330.79	362,859.45	185,490,554.40
Private Equity Pool	185,271,114.47	-	-	-	549,460.53	1,530,415.47	(2,343,275.53)	(812,860.06)	185,007,714.94
Real Estate Pool	133,587,359.38	-	-	-	176,735.77	50,624.23	(333,759.17)	(283,134.94)	133,480,960.21
Real Return Pool	62,295,145.76	-	-	-	196,045.72	401,313.23	(524,849.47)	(123,536.24)	62,367,655.24
US Large Cap Index Pool	214,834,650.53	-	-	-	372,902.67	14,289.96	(4,128,506.92)	(4,114,216.96)	211,093,336.24
US SMID Cap Alternative Weighted Index Pool	27,448,671.75	-	-	-	53,915.73	8,883.29	(1,199,314.21)	(1,190,430.92)	26,312,156.56
Sub - Total New Mexico Retiree Health Care	1,276,280,829.45	-	-	-	2,910,908.15	630,894.35	(20,318,628.12)	(19,687,733.77)	1,259,504,003.83
Total New Mexico Retiree Health Care	1,276,280,829.45	-	-	-	2,910,908.15	630,894.35	(20,318,628.12)	(19,687,733.77)	1,259,504,003.83



New Mexico State Investment Council

Third Party Investors Report

Period Ended: June 30, 2023



Retiree Health Care Authority



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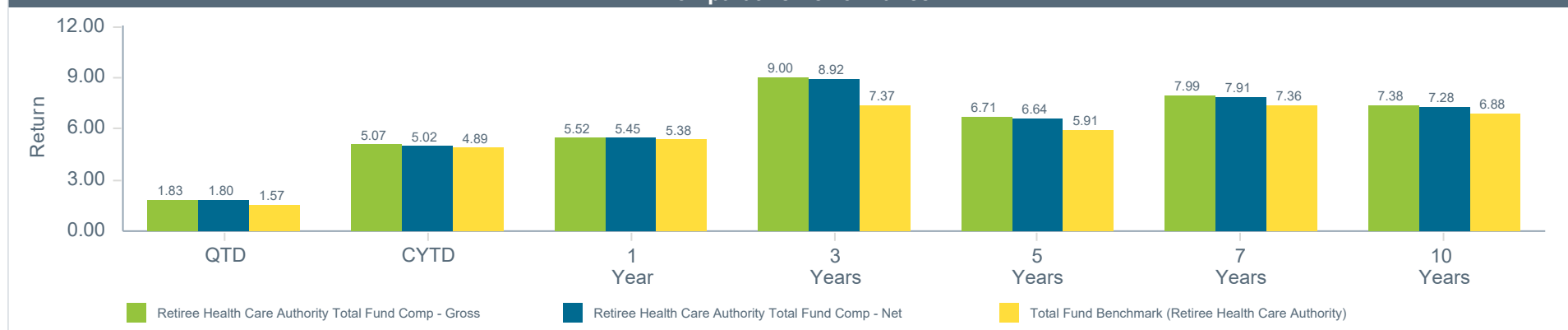
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New Mexico State Investment Council
Retiree Health Care Authority Total Fund Comp

As of June 30, 2023

Overview	Asset Allocation vs. Target Allocation				
The 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. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.		Market Value (\$)	Allocation (%)	Target (%)	Difference (%)
	US Large Cap Index	207,692,902	16.53	14.00	2.53
	US Small/Mid Cap Alt Wtd Index	26,016,328	2.07	2.00	0.07
	Non-US Developed Markets Index	162,377,106	12.93	14.00	-1.07
	Non-US Emerging Markets Active	95,977,495	7.64	10.00	-2.36
	US Core Bonds	199,628,363	15.89	20.00	-4.11
	Credit & Structured Finance	184,094,797	14.65	15.00	-0.35
	Real Return	61,915,687	4.93	5.00	-0.07
	Real Estate	133,520,220	10.63	10.00	0.63
	Private Equity	185,050,156	14.73	10.00	4.73
	Total Fund	1,256,273,052	100.00	100.00	0.00

Comparative Performance



Comparative Performance

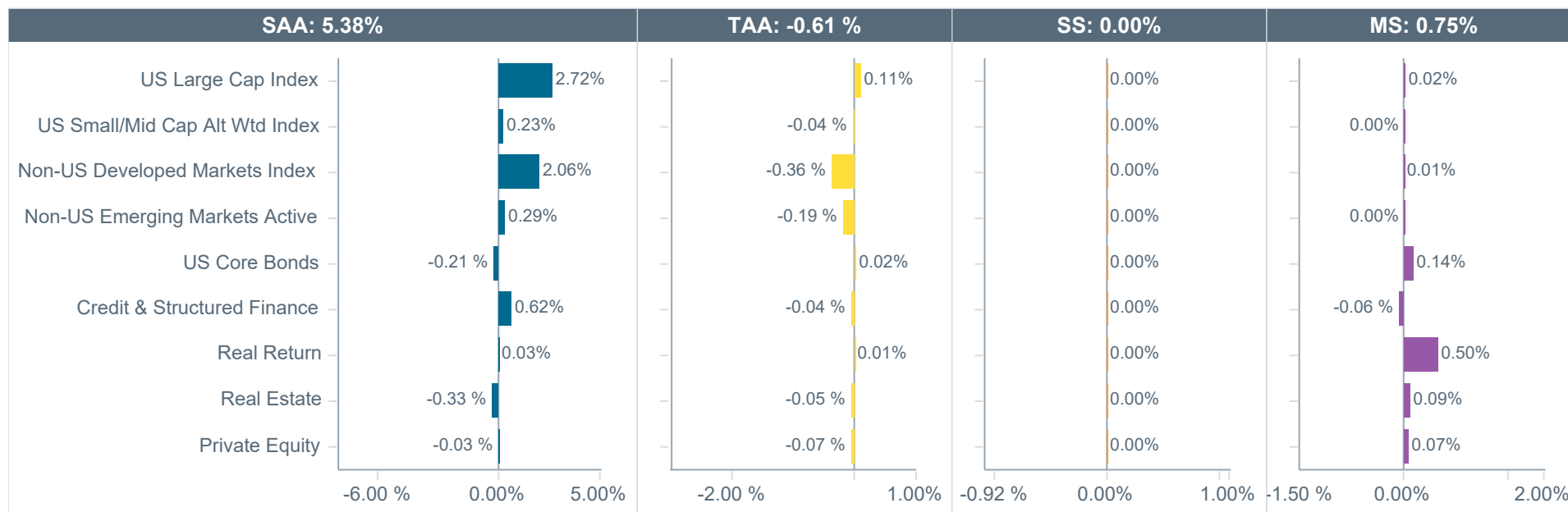
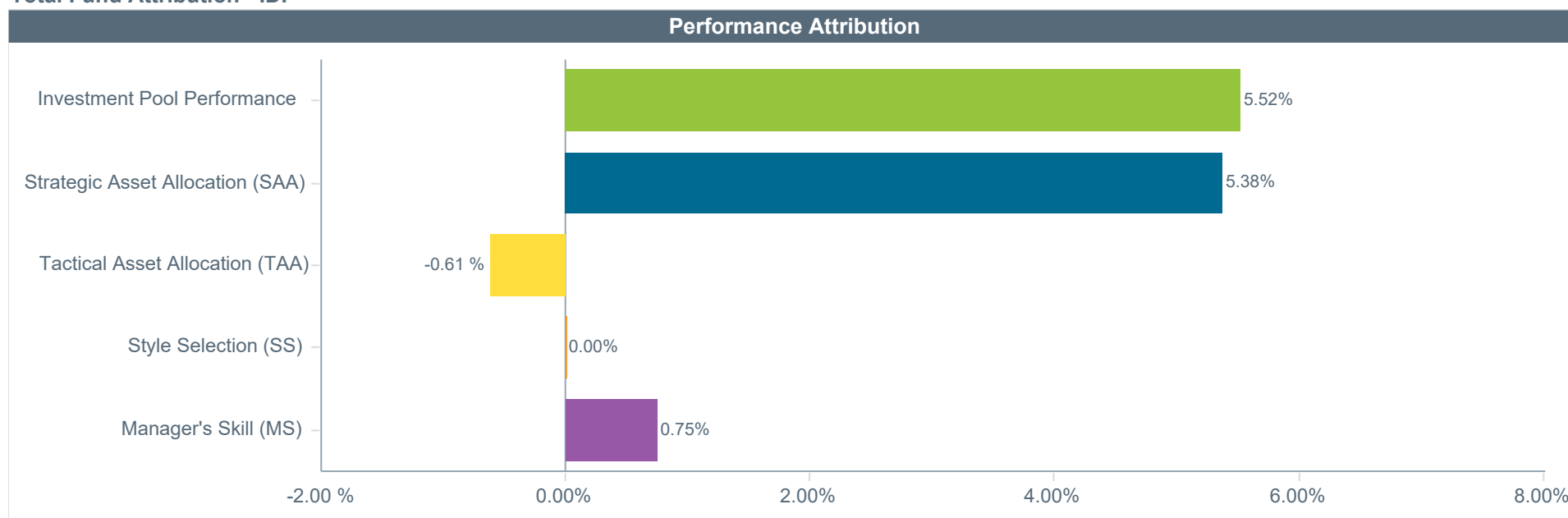
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020
Retiree Health Care Authority Total Fund Comp - Gross	1.83	5.07	5.52	9.00	6.71	7.99	7.38	-6.98	15.61	9.88
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	1.57	4.89	5.38	7.37	5.91	7.36	6.88	-8.53	12.79	10.21
Difference	0.26	0.18	0.14	1.63	0.80	0.63	0.50	1.55	2.82	-0.33
Retiree Health Care Authority Total Fund Comp - Net	1.80	5.02	5.45	8.92	6.64	7.91	7.28	-7.05	15.51	9.83
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	1.57	4.89	5.38	7.37	5.91	7.36	6.88	-8.53	12.79	10.21
Difference	0.23	0.13	0.07	1.55	0.73	0.55	0.40	1.48	2.72	-0.38

Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	1,127,761,495	70,000,000	58,511,556	1,256,273,052	5.02

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees, except where noted otherwise. Performance includes receipt of additional units of the US Large Cap Index Pool effective July 1, 2020.





Performance shown is gross of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

Investment Pool Performance



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New Mexico State Investment Council (SIC) Client Investment Pools				
Market Cap/Style	Management	Benchmark	Annual Investment Management Fee*	Underlying Investment Managers
US Large Cap Active	Active	Russell 1000 Index	0.18%	T. Rowe Price & Northern Trust
US Large Cap Index	Passive	Russell 1000 Index	0.01%	Northern Trust
US Small/Mid Cap Active	Active	US Small/Mid Cap Equity Custom Index	0.43%	BlackRock
US Small/Mid Cap Alt Wtd Index	Passive	S&P Sm Cap 600 Index (Cap Wtd)	0.04%	Northern Trust
Non-US Developed Markets Active	Active	Non-US Dvl'd Mkts Custom Index	0.40%	LSV, T. Rowe Price, Neuberger Berman, & MFS
Non-US Developed Markets Index	Passive	Non-US Dvl'd Mkts Passive Custom Index	0.04%	Alliance Bernstein
Non-US Emerging Markets Active	Active	MSCI Emg Mkts Index (Net)	0.54%	BlackRock & William Blair
Non-US Emerging Markets Index	Passive	MSCI Emg Mkts Index (Net)	0.12%	Alliance Bernstein
US Core Bonds	Blend	Bloomberg US Agg Bond Index	0.08%	BlackRock & PIMCO
US Core Plus Bonds	Active	Bloomberg US Unv Bond Index	0.15%	PGIM & Loomis Sayles
Credit & Structured Finance	Active	Non-Core Fixed Income Custom Index	0.72%	US Middle Market Lending, Structured Credit & Distressed/Other
Real Estate	Active	NCREIF ODCE Index (Net)	0.79%	Core Real Estate & Non-Core Real Estate
Real Return	Active	Real Return Custom Index	0.88%	Infrastructure, Private Energy, MLPs, Agriculture, Timber & Floating/ST Mezzanine RE Debt
Private Equity	Active	Cambridge US Private Equity Index	0.72%	Various

*Annual investment management fees are estimates; public investment pools are estimated as of 03/31/2023 and private investment pools are estimated as of 06/30/2022.

*US Small/Mid Cap Equity Custom Index consists of 70% Russell 2000 Index and 30% Russell Mid Cap Index through April 2019, and 100% Russell 2000 Index thereafter.

*Non-US Developed Markets Custom Index consists of the MSCI EAFE Index (USD) (Net) through November 2015 and the MSCI EAFE IM Index (USD) (Net) thereafter.

*Non-US Developed Markets Passive Custom Index consists of the MSCI EAFE Index (USD) (Net) through 04/2017, the MSCI World Ex US IM Index (USD) (Net) through 07/2022, and is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

*Non-Core Fixed Income Custom Index consists of 20% ICE BofAML US Hi Yld Master II Index, 30% CS Lvg'd Loan Index (1 Mo Lag), 20% ICE BofA US Hi Yld CCC & Lower Index (1 Mo Lag), and 30% ICE BofAML US Hi Yld Master II Index (1 Mo Lag).

New Mexico State Investment Council
Third Party Investment Pools
Comparative Performance

As of June 30, 2023

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
US Equity												
US Large Cap Active Pool	10.00	19.46	21.78	21.78	9.84	10.77	13.49	12.60	-24.95	19.04	6.94	05/01/1999
Russell 1000 Index	8.58	16.68	19.36	19.36	14.09	11.92	13.15	12.64	-19.13	26.45	7.27	
US Large Cap Index Pool	8.62	16.77	19.45	19.45	13.94	11.22	12.63	12.29	-19.09	26.47	7.50	05/01/1999
Russell 1000 Index	8.58	16.68	19.36	19.36	14.09	11.92	13.15	12.64	-19.13	26.45	7.27	
US Small/Mid Cap Active Pool	3.49	7.05	12.73	12.73	11.80	5.78	8.80	7.54	-19.27	15.44	7.87	11/01/1998
US Small/Mid Cap Equity Custom Index	5.21	8.09	12.31	12.31	10.82	4.80	8.69	8.55	-20.44	14.82	8.49	
US Small/Mid Cap Alt Wtd Index Pool	3.38	6.03	9.53	9.53	15.07	N/A	N/A	N/A	-16.28	26.67	3.57	09/01/2018
S&P Sm Cap 600 Index (Cap Wtd)	3.38	6.03	9.75	9.75	15.19	5.22	9.63	9.81	-16.10	26.82	3.71	
Non-US Equity												
Non-US Developed Markets Active Pool	3.56	11.07	17.91	17.91	10.03	4.91	8.17	N/A	-13.72	12.25	6.15	09/01/2013
Non-US Developed Markets Custom Index	2.62	10.78	17.51	17.51	8.44	3.93	6.70	5.34	-15.53	11.08	5.02	
Non-US Developed Markets Index Pool	2.38	9.36	14.51	14.51	8.68	4.14	6.86	5.38	-15.00	12.71	4.42	05/01/1999
Non-US Developed Markets Passive Custom Index	2.52	9.59	14.40	14.40	8.26	3.82	6.58	5.21	-16.01	12.40	4.03	
Non-US Emerging Markets Active Pool	-0.07	4.74	1.88	1.88	0.84	1.13	5.12	N/A	-22.29	-4.60	2.28	10/01/2013
MSCI Emg Mkts Index (USD) (Net)	0.90	4.89	1.75	1.75	2.32	0.93	4.95	2.95	-20.09	-2.54	2.44	
Non-US Emerging Markets Index Pool	1.92	6.48	2.91	2.91	3.91	1.95	5.52	3.30	-19.68	-1.01	7.00	05/01/1999
MSCI Emg Mkts Index (USD) (Net)	0.90	4.89	1.75	1.75	2.32	0.93	4.95	2.95	-20.09	-2.54	6.58	
Fixed Income												
US Core Bonds Pool	-0.75	2.48	-0.18	-0.18	-3.83	1.05	0.62	N/A	-13.86	-1.34	1.22	11/01/2014
Bloomberg US Agg Bond Index	-0.84	2.09	-0.94	-0.94	-3.97	0.77	0.44	1.52	-13.01	-1.55	1.12	
US Core Plus Bonds Pool	-0.26	2.98	1.10	1.10	-2.28	1.77	2.02	2.87	-13.54	0.15	4.62	05/01/1999
Bloomberg US Unv Bond Index	-0.59	2.32	-0.04	-0.04	-3.43	0.98	0.79	1.80	-12.99	-1.10	4.10	
Credit & Structured Finance Pool	1.46	3.35	3.10	3.10	10.29	5.72	6.69	5.78	2.52	14.26	3.96	04/01/2006
Non-Core FI Custom Index	0.85	4.43	3.48	3.48	4.26	1.29	3.16	3.63	-7.84	7.12	5.32	

Performance shown is gross of fees, except for Credit & Structured, Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Performance is annualized for periods greater than one year. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. *Indicates performance is lagged 1 quarter.

New Mexico State Investment Council
Third Party Investment Pools
Comparative Performance

As of June 30, 2023

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
Private Equity												
Private Equity Pooled Funds*	2.11	3.45	-0.01	-0.01	22.89	16.14	15.38	13.20	2.45	49.40	12.44	07/01/2011
Cambridge US Prvt Eq Index (1 Qtr Lag)	2.49	3.65	-0.36	-0.36	24.64	16.18	16.55	14.88	2.94	49.13	14.42	
MSCI All Country World Index (USD) (Net)+3%	6.96	15.63	20.02	20.02	14.32	11.35	13.24	12.02	-15.91	22.09	11.26	
Real Estate												
Townsend-Reported Real Estate Composite*	-2.83	-5.63	-3.16	-3.16	10.87	8.12	8.55	10.04	19.05	20.80	5.90	10/01/2004
NCREIF ODCE Index (Net) (1 Qtr Lag)	-3.38	-8.37	-3.91	-3.91	7.46	6.56	6.75	8.47	20.96	13.64	6.97	
Real Return												
Real Return Composite*	0.81	4.34	10.52	10.52	12.89	5.68	6.24	4.72	15.02	16.05	5.07	06/01/2012
Real Return Custom Index	-0.40	0.23	0.52	0.52	8.05	4.90	4.09	3.01	4.20	12.70	2.75	

The Private Equity Pooled Funds excludes the Severance Tax Stock Distributions account, which differs from the Private Equity Composite (Ex. State). As such, performance for the Private Equity Pooled Funds differs from the Private Equity Composite (Ex. State).

Performance shown is gross of fees, except for Credit & Structured, Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Performance is annualized for periods greater than one year. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. *Indicates performance is lagged 1 quarter.

New Mexico State Investment Council
Third Party Investment Pools
Comparative Performance - (Net of Fees)

As of June 30, 2023

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
US Equity												
US Large Cap Active Pool	9.90	19.30	21.57	21.57	9.57	10.48	13.14	12.20	-25.13	18.70	6.66	05/01/1999
Russell 1000 Index	8.58	16.68	19.36	19.36	14.09	11.92	13.15	12.64	-19.13	26.45	7.27	
US Large Cap Index Pool	8.62	16.76	19.44	19.44	13.93	11.21	12.62	12.27	-19.10	26.45	7.46	05/01/1999
Russell 1000 Index	8.58	16.68	19.36	19.36	14.09	11.92	13.15	12.64	-19.13	26.45	7.27	
US Small/Mid Cap Active Pool	3.26	6.72	12.27	12.27	11.34	5.29	8.24	6.92	-19.63	15.00	7.39	11/01/1998
US Small/Mid Cap Equity Custom Index	5.21	8.09	12.31	12.31	10.82	4.80	8.69	8.55	-20.44	14.82	8.49	
US Small/Mid Cap Alt Wtd Index Pool	3.36	6.00	9.49	9.49	15.02	N/A	N/A	N/A	-16.31	26.62	3.52	09/01/2018
S&P Sm Cap 600 Index (Cap Wtd)	3.38	6.03	9.75	9.75	15.19	5.22	9.63	9.81	-16.10	26.82	3.71	
Non-US Equity												
Non-US Developed Markets Active Pool	3.35	10.74	17.44	17.44	9.58	4.46	7.68	N/A	-14.10	11.80	5.64	09/01/2013
Non-US Developed Markets Custom Index	2.62	10.78	17.51	17.51	8.44	3.93	6.70	5.34	-15.53	11.08	5.02	
Non-US Developed Markets Index Pool	2.36	9.32	14.46	14.46	8.64	4.10	6.82	5.34	-15.04	12.67	4.19	05/01/1999
Non-US Developed Markets Passive Custom Index	2.52	9.59	14.40	14.40	8.26	3.82	6.58	5.21	-16.01	12.40	4.03	
Non-US Emerging Markets Active Pool	-0.35	4.32	1.33	1.33	0.28	0.55	4.51	N/A	-22.75	-5.10	1.63	10/01/2013
MSCI Emg Mkts Index (USD) (Net)	0.90	4.89	1.75	1.75	2.32	0.93	4.95	2.95	-20.09	-2.54	2.44	
Non-US Emerging Markets Index Pool	1.87	6.40	2.80	2.80	3.71	1.78	5.36	3.13	-19.77	-1.35	6.59	05/01/1999
MSCI Emg Mkts Index (USD) (Net)	0.90	4.89	1.75	1.75	2.32	0.93	4.95	2.95	-20.09	-2.54	6.58	
Fixed Income												
US Core Bonds Pool	-0.79	2.42	-0.27	-0.27	-3.93	0.96	0.54	N/A	-13.96	-1.45	1.15	11/01/2014
Bloomberg US Agg Bond Index	-0.84	2.09	-0.94	-0.94	-3.97	0.77	0.44	1.52	-13.01	-1.55	1.12	
US Core Plus Bonds Pool	-0.34	2.86	0.95	0.95	-2.43	1.61	1.84	2.68	-13.68	0.00	4.53	05/01/1999
Bloomberg US Unv Bond Index	-0.59	2.32	-0.04	-0.04	-3.43	0.98	0.79	1.80	-12.99	-1.10	4.10	
Credit & Structured Finance Pool	1.46	3.35	3.10	3.10	10.29	5.72	6.69	5.78	2.52	14.26	3.96	04/01/2006
Non-Core FI Custom Index	0.85	4.43	3.48	3.48	4.26	1.29	3.16	3.63	-7.84	7.12	5.32	

Performance shown is net of fees and calculated using investment manager fee schedules through the third quarter of 2015. Performance beyond the third quarter of 2015 is calculated using investment manager fees reported in New Mexico SIC Investment Holdings Reports. During periods of no fee accruals, gross and net performance will be the same. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. Performance is annualized for periods greater than one year. Fiscal year ends June 30. *Indicates performance is lagged 1 quarter.

New Mexico State Investment Council
Third Party Investment Pools
Comparative Performance - (Net of Fees)

As of June 30, 2023

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
Private Equity												
Private Equity Pooled Funds*	2.11	3.45	-0.01	-0.01	22.89	16.14	15.38	13.20	2.45	49.40	12.44	07/01/2011
Cambridge US Prvt Eq Index (1 Qtr Lag)	2.49	3.65	-0.36	-0.36	24.64	16.18	16.55	14.88	2.94	49.13	14.42	
MSCI All Country World Index (USD) (Net)+3%	6.96	15.63	20.02	20.02	14.32	11.35	13.24	12.02	-15.91	22.09	11.26	
Real Estate												
Townsend-Reported Real Estate Composite*	-2.83	-5.63	-3.16	-3.16	10.87	8.12	8.55	10.04	19.05	20.80	5.90	10/01/2004
NCREIF ODCE Index (Net) (1 Qtr Lag)	-3.38	-8.37	-3.91	-3.91	7.46	6.56	6.75	8.47	20.96	13.64	6.97	
Real Return												
Real Return Composite*	0.81	4.34	10.52	10.52	12.89	5.68	6.24	4.72	15.02	16.05	5.07	06/01/2012
Real Return Custom Index	-0.40	0.23	0.52	0.52	8.05	4.90	4.09	3.01	4.20	12.70	2.75	

The Private Equity Pooled Funds excludes the Severance Tax Stock Distributions account, which differs from the Private Equity Composite (Ex. State). As such, performance for the Private Equity Pooled Funds differs from the Private Equity Composite (Ex. State).

Performance shown is net of fees and calculated using investment manager fee schedules through the third quarter of 2015. Performance beyond the third quarter of 2015 is calculated using investment manager fees reported in New Mexico SIC Investment Holdings Reports. During periods of no fee accruals, gross and net performance will be the same. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. Performance is annualized for periods greater than one year. Fiscal year ends June 30. *Indicates performance is lagged 1 quarter.



Large Cap US Equity Index Pool

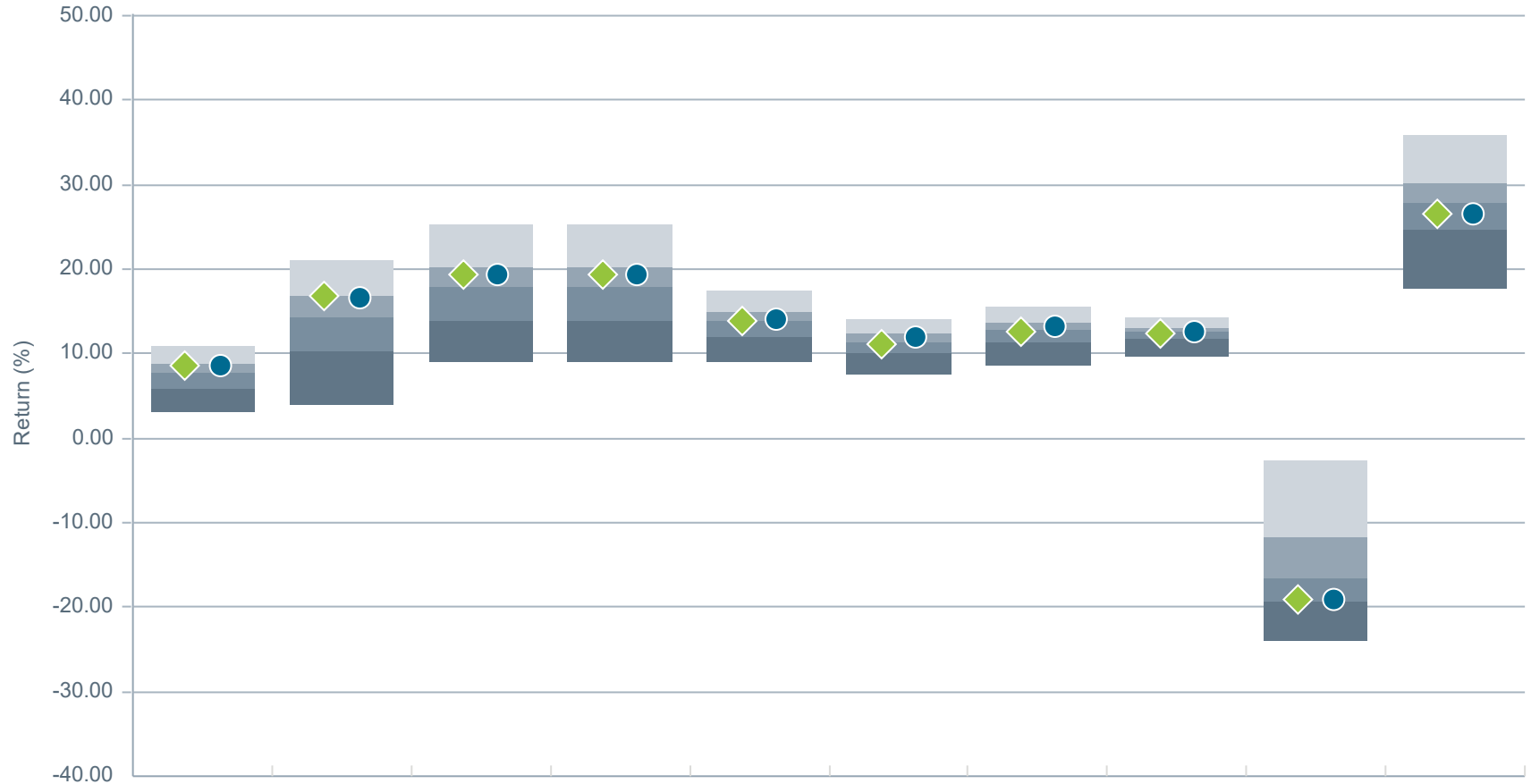


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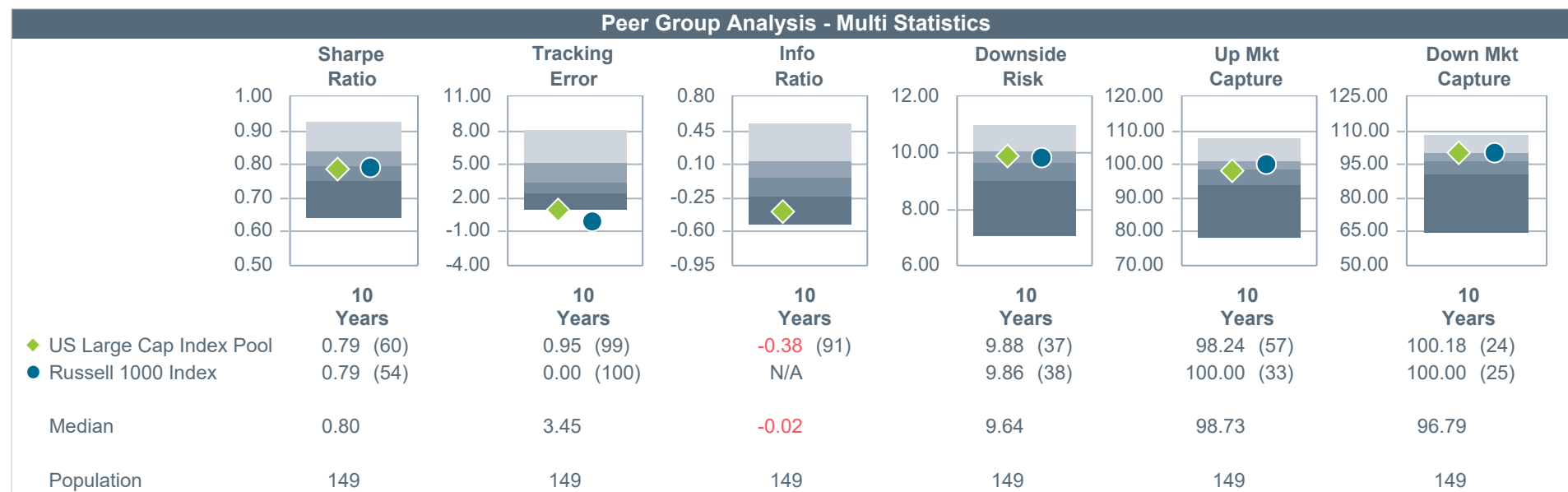
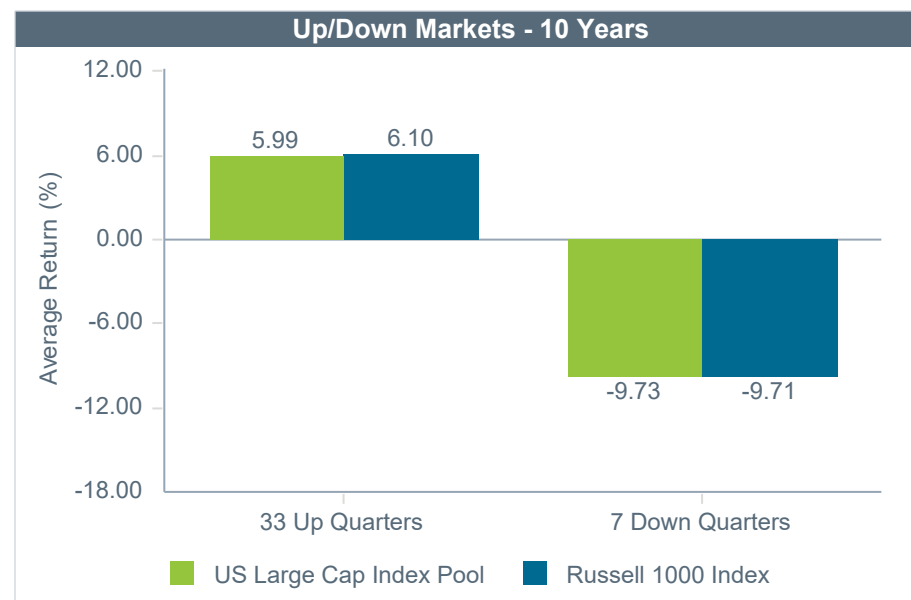
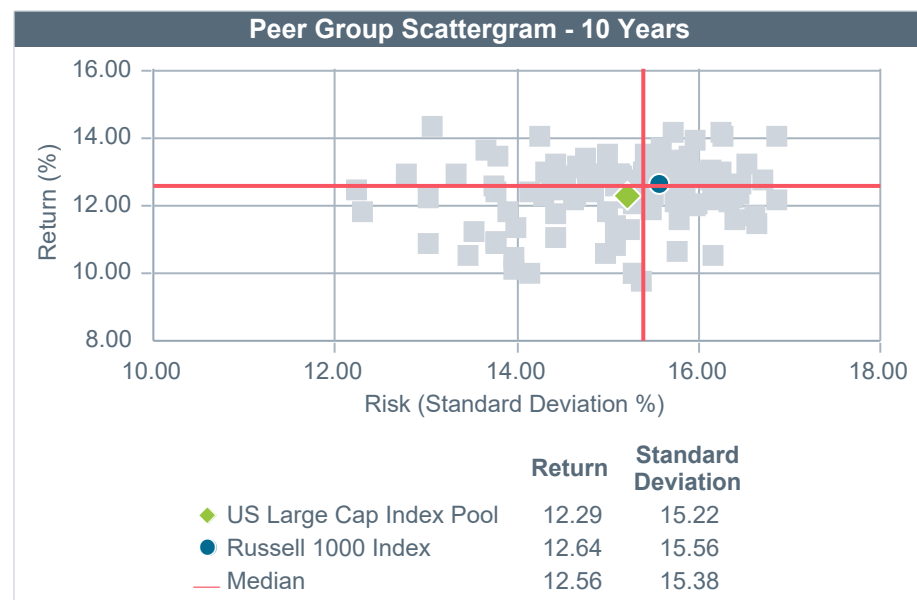
New Mexico State Investment Council
IM U.S. Large Cap Core Equity (SA+CF)
Peer Group Analysis

As of June 30, 2023



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021
◆ US Large Cap Index Pool	8.62 (33)	16.77 (28)	19.45 (34)	19.45 (34)	13.94 (51)	11.22 (54)	12.63 (58)	12.29 (63)	-19.09 (75)	26.47 (59)
● Russell 1000 Index	8.58 (34)	16.68 (29)	19.36 (34)	19.36 (34)	14.09 (46)	11.92 (41)	13.15 (42)	12.64 (48)	-19.13 (75)	26.45 (59)
5th Percentile	10.99	21.01	25.35	25.35	17.55	14.01	15.62	14.37	-2.62	35.81
1st Quartile	8.85	16.89	20.23	20.23	15.01	12.46	13.68	13.00	-11.77	30.23
Median	7.74	14.33	17.98	17.98	13.94	11.39	12.88	12.56	-16.49	27.77
3rd Quartile	5.94	10.19	13.87	13.87	12.00	10.13	11.34	11.80	-19.26	24.59
95th Percentile	3.08	3.95	8.91	8.91	8.97	7.49	8.63	9.62	-23.91	17.65
Population	186	186	186	186	177	172	166	149	209	215

Performance shown is gross of fees. Parentheses contain percentile ranks.



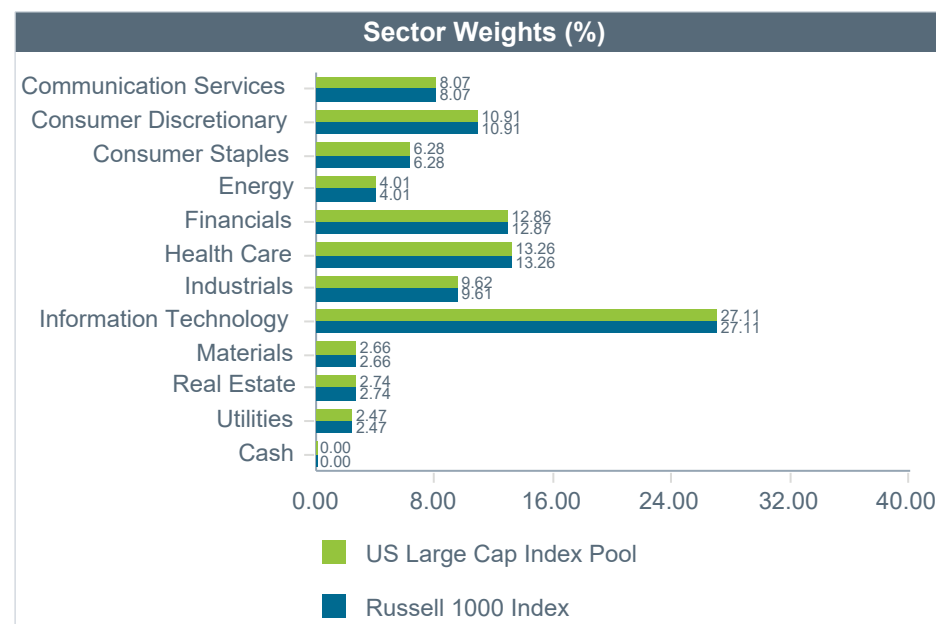
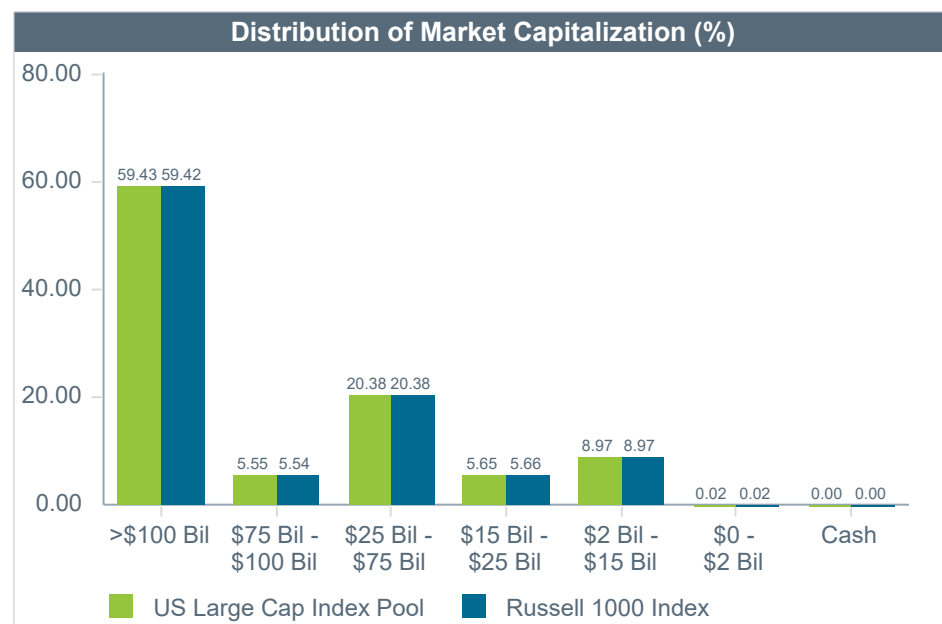
Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

New Mexico State Investment Council
US Large Cap Index Pool vs. Russell 1000 Index
Portfolio Characteristics

As of June 30, 2023

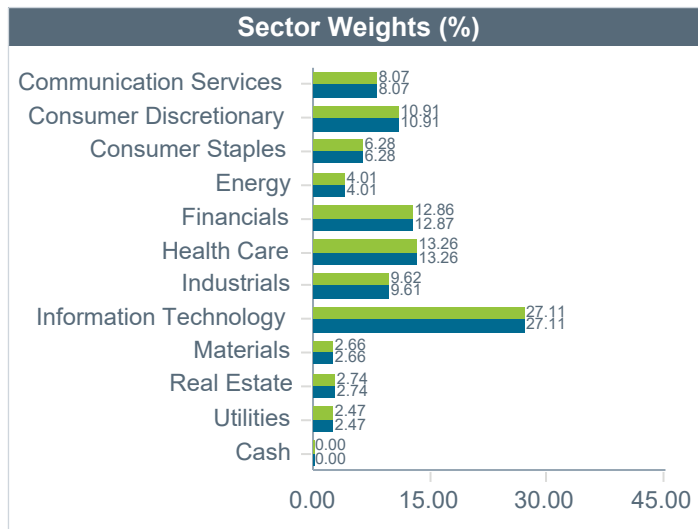
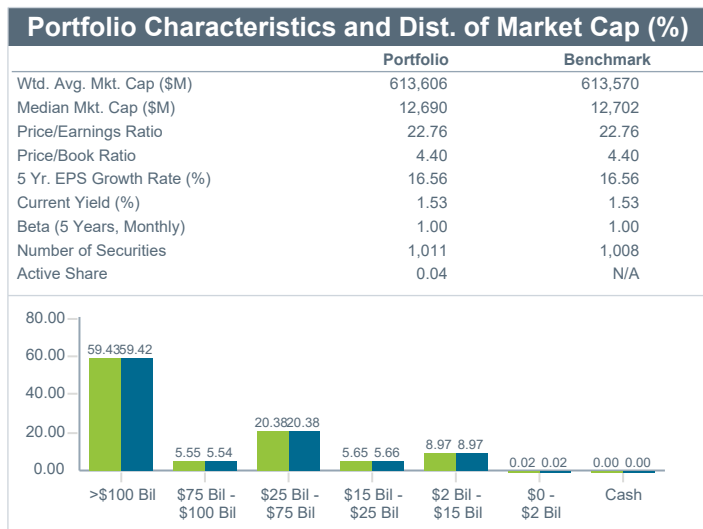
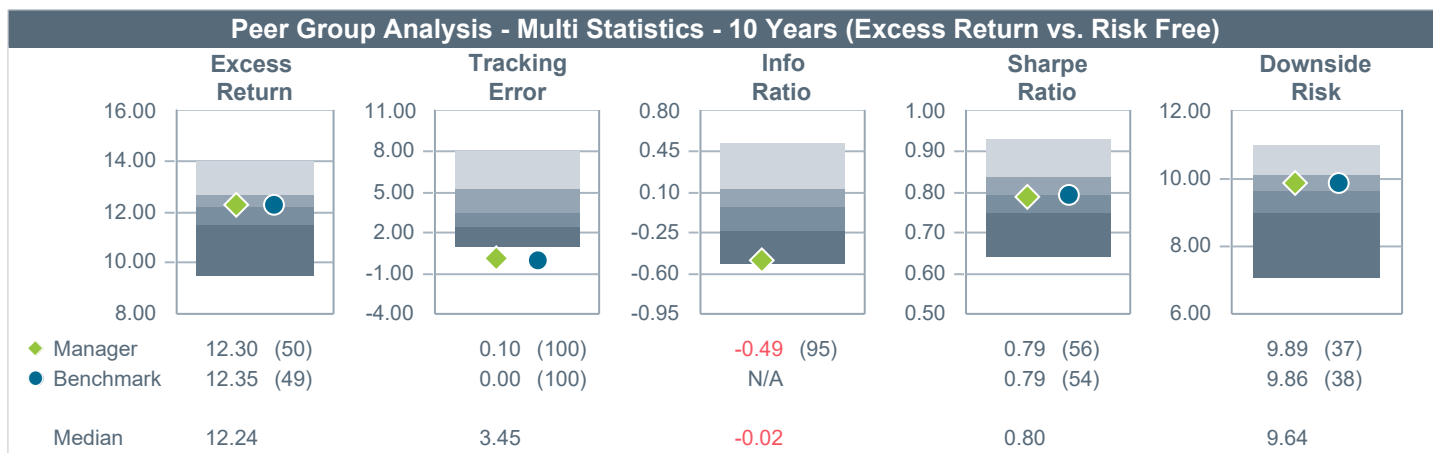
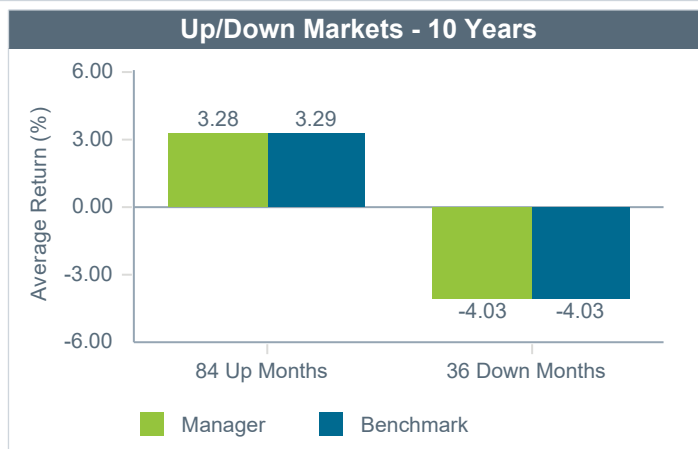
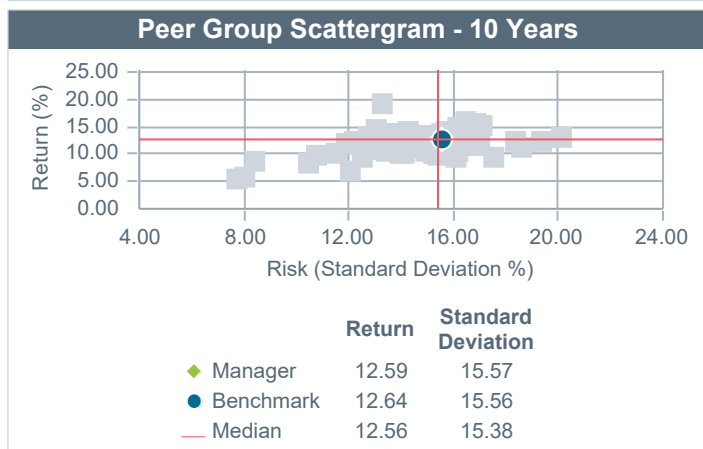
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	7.04	7.04	0.00	17.79
Microsoft Corp	6.17	6.17	0.00	18.38
Amazon.com Inc	2.86	2.86	0.00	26.21
NVIDIA Corporation	2.45	2.45	0.00	52.31
Tesla Inc	1.76	1.76	0.00	26.18
Alphabet Inc	1.73	1.73	0.00	15.40
Meta Platforms Inc	1.54	1.54	0.00	35.41
Berkshire Hathaway Inc	1.52	1.52	0.00	10.44
Alphabet Inc	1.52	1.52	0.00	16.32
Unitedhealth Group Inc	1.09	1.09	0.00	1.70
% of Portfolio	27.68	27.68	0.00	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	613,606	613,570
Median Mkt. Cap (\$M)	12,690	12,702
Price/Earnings Ratio	22.76	22.76
Price/Book Ratio	4.40	4.40
5 Yr. EPS Growth Rate (%)	16.56	16.56
Current Yield (%)	1.53	1.53
Beta (5 Years, Monthly)	0.98	1.00
Number of Securities	1,011	1,008



Alphabet Inc. is shown twice in the Top Ten Equity Holdings, but represents two different share classes: GOOGL (Class A) and GOOG (Class C).

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018
Manager	8.62	19.45	14.04	11.83	13.07	12.59	-19.10	26.47	20.46	31.36	-4.86
Benchmark	8.58	19.36	14.09	11.92	13.15	12.64	-19.13	26.45	20.96	31.43	-4.78
Difference	0.04	0.09	-0.05	-0.09	-0.08	-0.05	0.03	0.02	-0.50	-0.07	-0.08
Peer Group Median	7.74	17.98	13.94	11.39	12.88	12.56	-16.49	27.77	17.53	30.03	-5.07
Rank	33	34	47	42	45	50	75	59	36	35	47
Population	186	186	177	172	166	149	209	215	232	258	279



Performance shown is gross of fees and client specific. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

Non-US Emerging Markets Active Pool

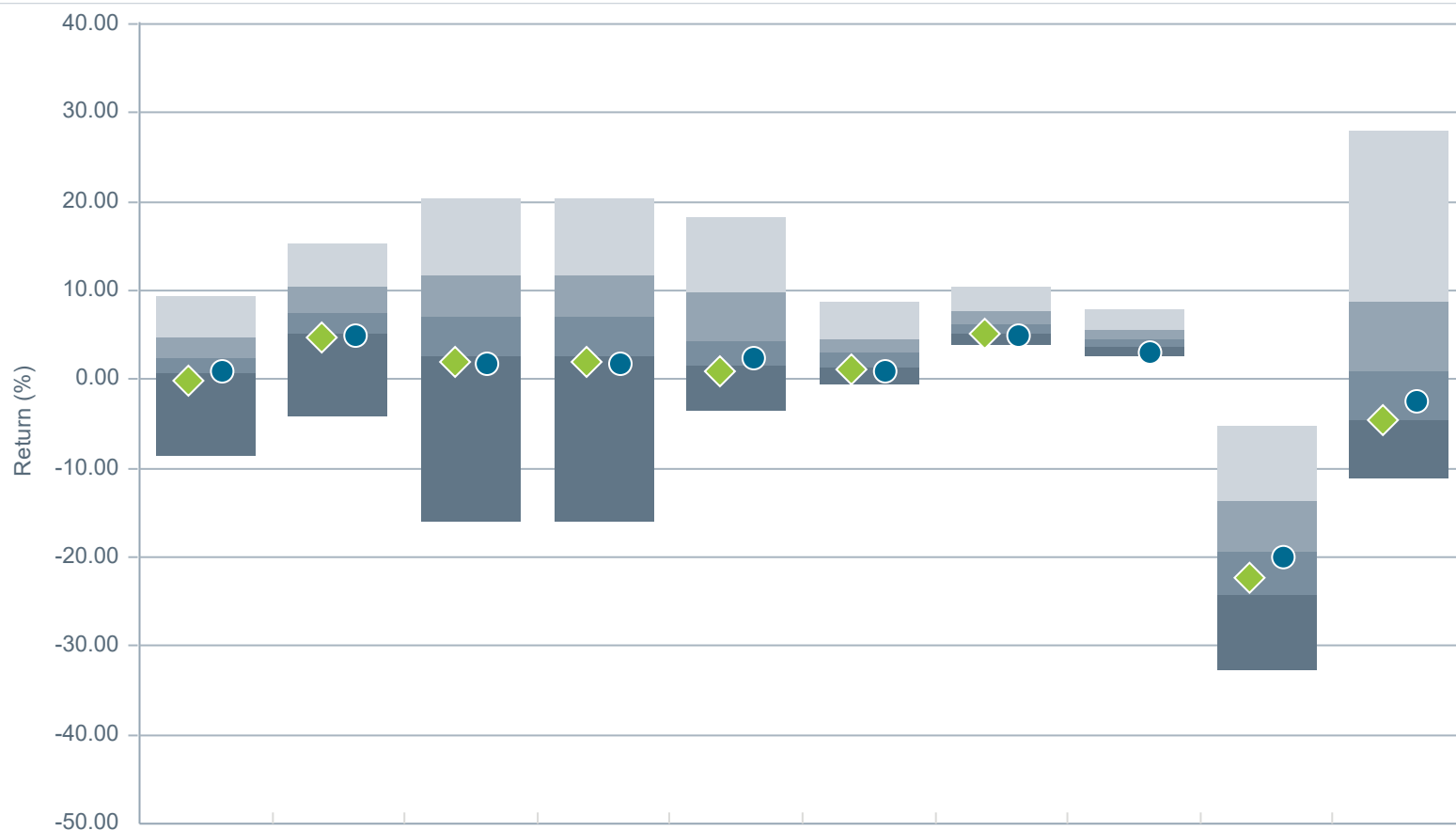


RVK

39

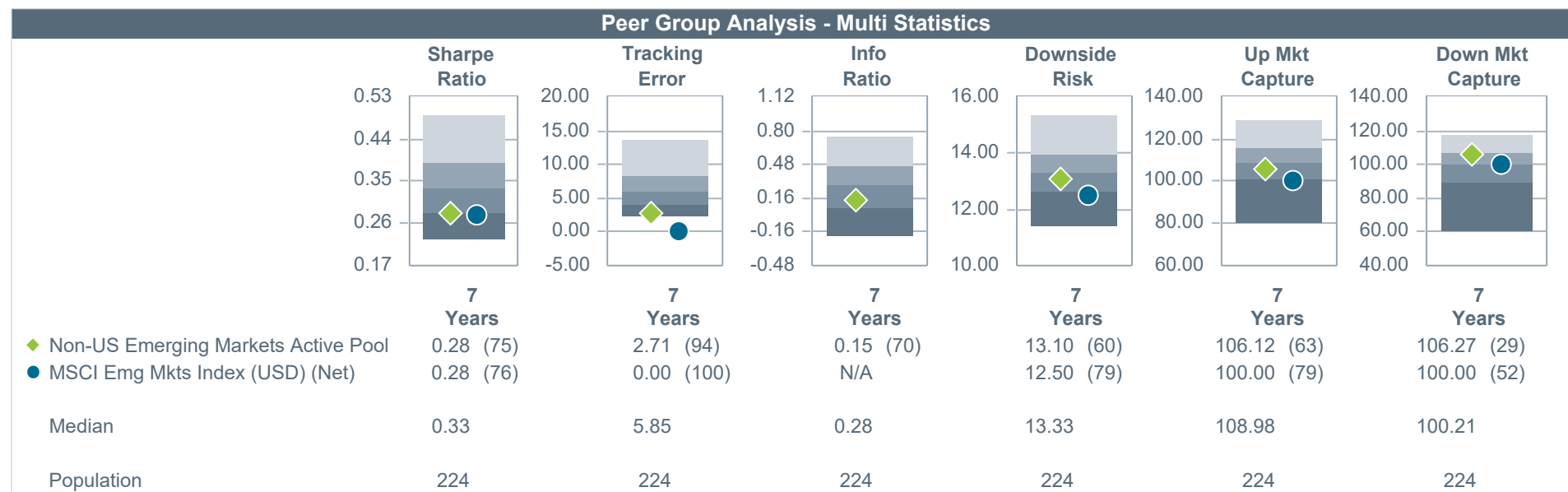
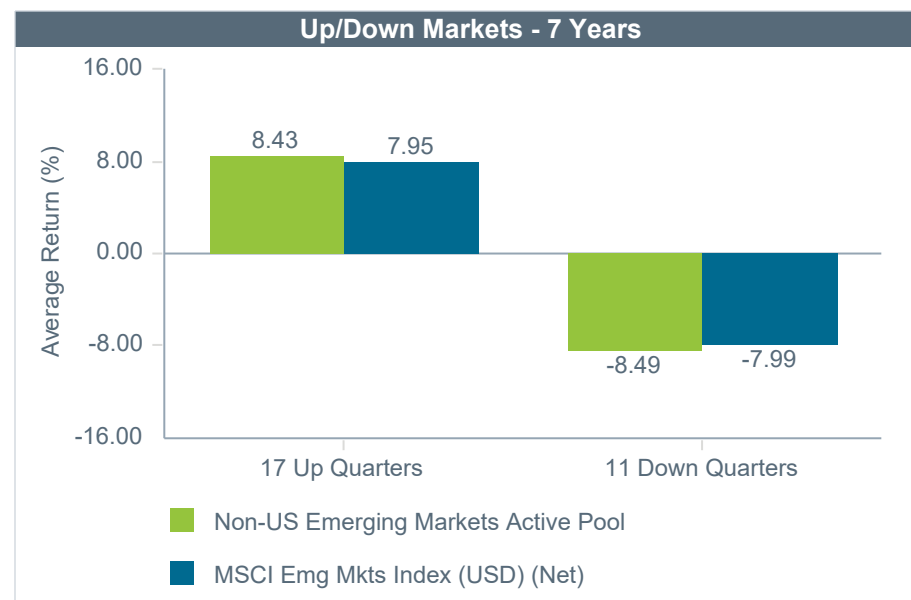
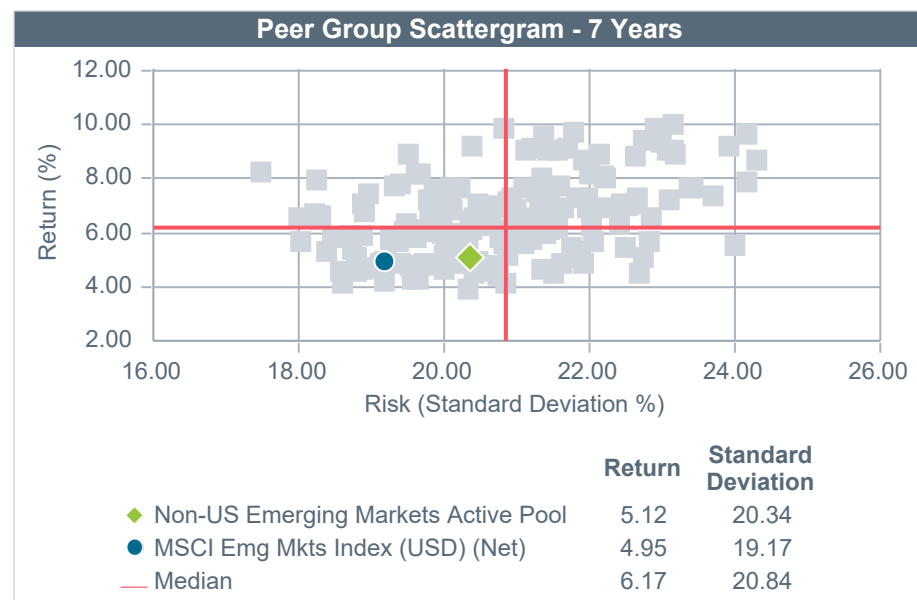
New Mexico State Investment Council
IM Emerging Markets Equity (SA+CF)
Peer Group Analysis

As of June 30, 2023



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021
◆ Non-US Emerging Markets Active Pool	-0.07 (83)	4.74 (81)	1.88 (79)	1.88 (79)	0.84 (79)	1.13 (78)	5.12 (75)	N/A	-22.29 (66)	-4.60 (76)
● MSCI Emg Mkts Index (USD) (Net)	0.90 (72)	4.89 (80)	1.75 (80)	1.75 (80)	2.32 (67)	0.93 (82)	4.95 (77)	2.95 (89)	-20.09 (54)	-2.54 (65)
5th Percentile	9.41	15.27	20.38	20.38	18.25	8.83	10.43	7.83	-5.18	27.93
1st Quartile	4.67	10.47	11.70	11.70	9.71	4.60	7.60	5.55	-13.59	8.73
Median	2.46	7.41	6.97	6.97	4.37	2.93	6.17	4.41	-19.46	0.91
3rd Quartile	0.67	5.11	2.54	2.54	1.50	1.33	5.12	3.58	-24.15	-4.56
95th Percentile	-8.63	-4.16	-16.08	-16.08	-3.48	-0.57	3.91	2.65	-32.62	-11.15
Population	290	290	285	285	266	242	224	186	303	315

Performance shown is gross of fees. Parentheses contain percentile ranks.



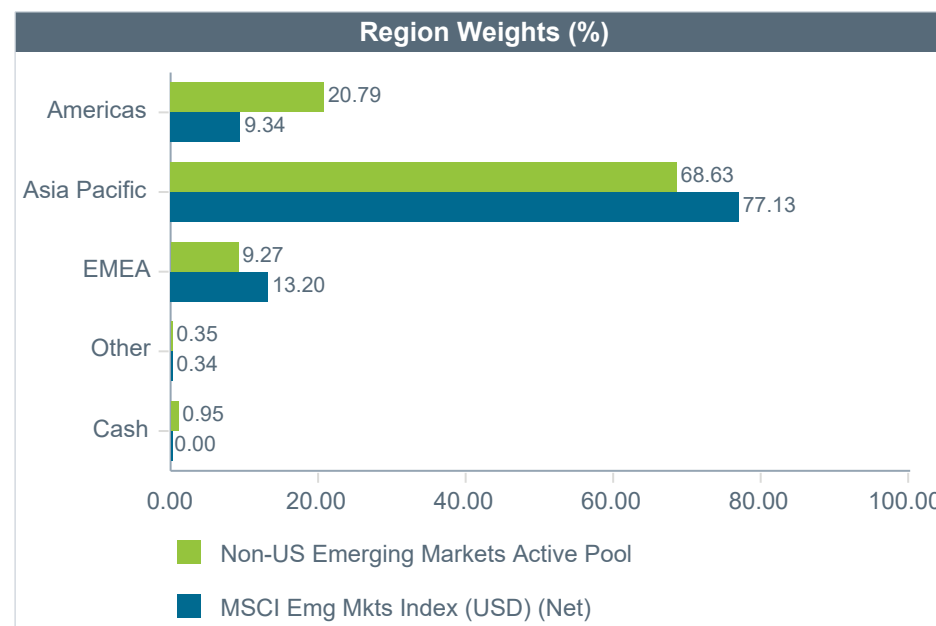
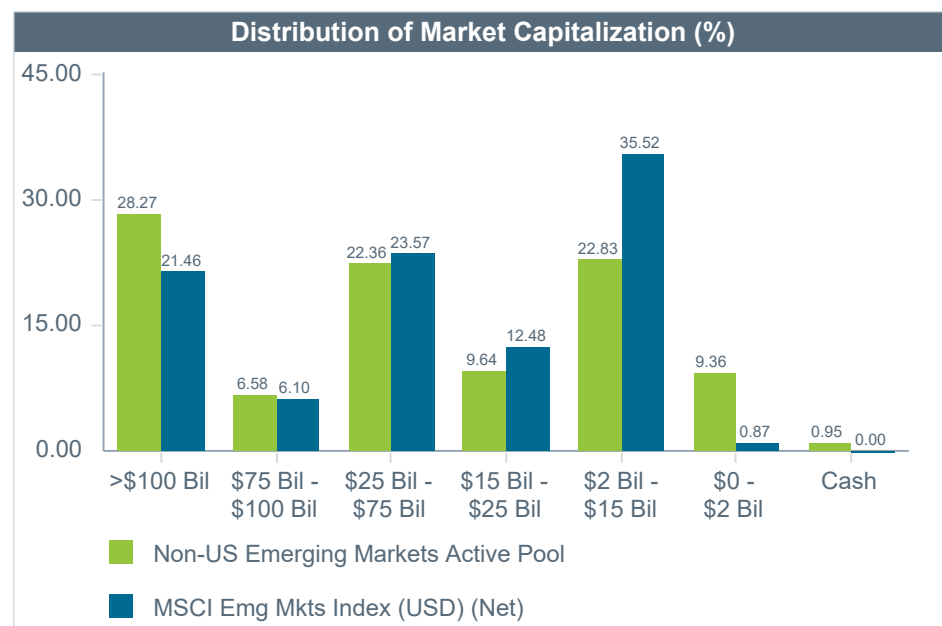
Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

New Mexico State Investment Council
Non-US Emerging Markets Active Pool vs. MSCI Emg Mkts Index (USD) (Net)
Portfolio Characteristics

As of June 30, 2023

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Tencent Holdings LTD	4.87	3.93	0.94	-13.28
Samsung Electronics Co Ltd	4.38	3.91	0.47	11.46
WisdomTree India Earnings Fund ETF	4.34	0.00	4.34	10.53
Taiwan Semiconductor Mfg (ADR)	4.22	6.81	-2.59	8.49
H D F C Bank Ltd	3.59	0.00	3.59	5.62
Taiwan Semiconductor Mfg	2.99	6.81	-3.82	5.65
PT Bank Central Asia TBK	2.88	0.51	2.37	4.59
Alibaba Group Holding Ltd	2.79	2.56	0.23	-18.99
Wal-Mart De Mexico SA De Cv	1.98	0.31	1.67	1.45
Icici Bank Ltd	1.77	0.88	0.89	6.95
% of Portfolio	33.81	25.72	8.09	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	125,822	101,862
Median Mkt. Cap (\$M)	8,406	6,404
Price/Earnings Ratio	14.39	11.63
Price/Book Ratio	2.90	2.40
5 Yr. EPS Growth Rate (%)	17.01	15.10
Current Yield (%)	2.57	3.25
Beta (5 Years, Monthly)	1.01	1.00
Number of Securities	272	1,423



US Core Bonds Pool

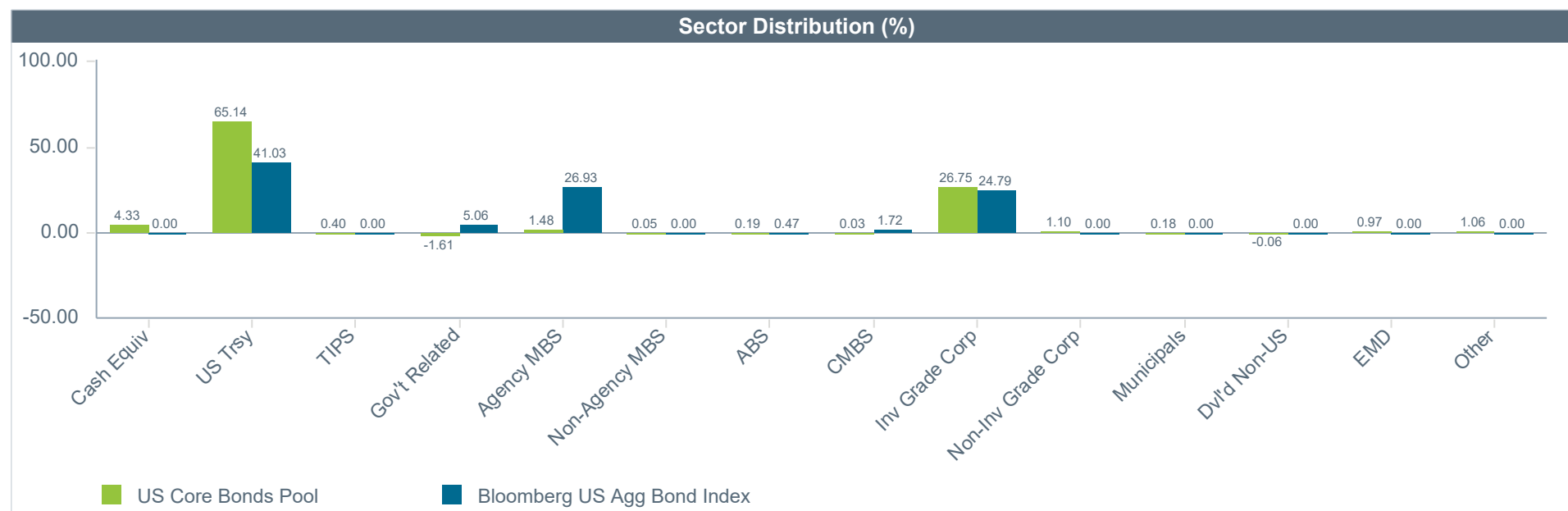


RVK

New Mexico State Investment Council
US Core Bonds Pool vs. Bloomberg US Agg Bond Index
Portfolio Characteristics

As of June 30, 2023

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.47	6.31
Avg. Maturity	9.61	8.60
Avg. Quality	Aa2	Aa1/Aa2
Yield To Maturity (%)	4.92	4.81
Coupon Rate (%)	3.17	2.88
Current Yield (%)	3.44	N/A



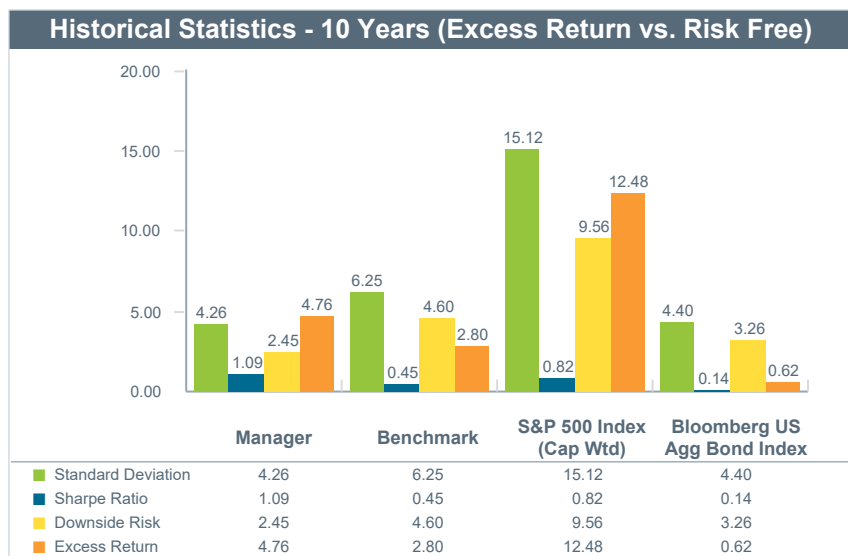
Characteristics shown represent the US Core Bonds Pool, which consists of BlackRock US Treasury Index and PIMCO Investment Grade Active only. Negative sector allocation reflects the managers' use of derivatives, short selling, or interest rate swaps. Allocation to "Other" consists of Euro/Yankee Securities.

Credit & Structured Finance Pool



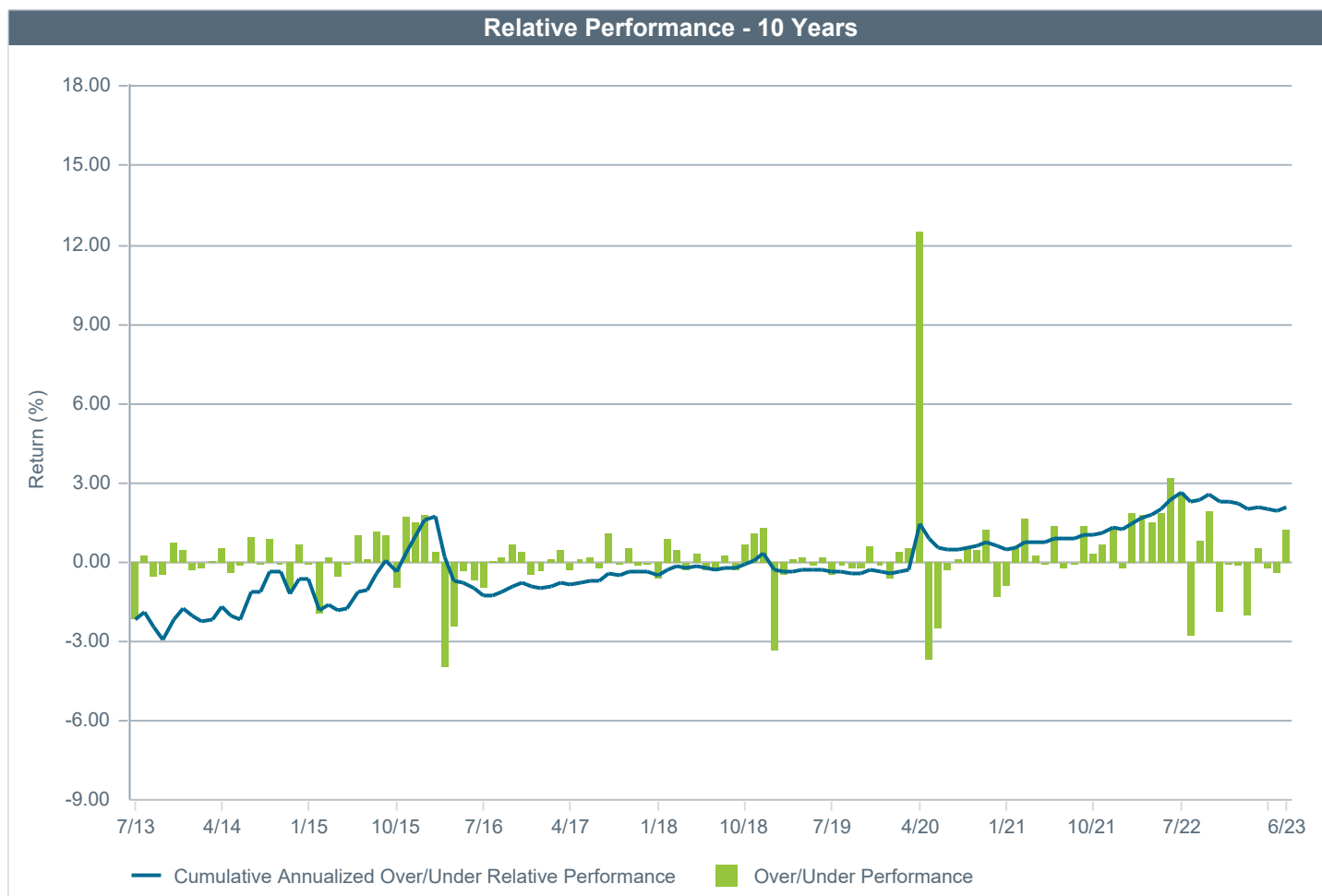
RVK

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018
Manager	1.46	3.10	10.29	5.72	6.69	5.78	2.52	14.26	4.10	3.06	4.52
Benchmark	0.85	3.48	4.26	1.29	3.16	3.63	-7.84	7.12	-2.59	7.34	1.07
Difference	0.61	-0.38	6.03	4.43	3.53	2.15	10.36	7.14	6.69	-4.28	3.45



Actual Correlation - 10 Years

	Actual Correlation
Non-Core FI Custom Index (1 Month Lag)	0.69
Real Return Custom Index	0.13
Morningstar LSTA US Leveraged Loan	-0.10
Credit Suisse Lvkd Loan Index	-0.08
BofA ML US HY Master II Idx (1 Qtr Lag)	0.20
S&P 500 Index (Cap Wtd)	-0.17
Russell 2000 Index	-0.12
MSCI ACW Ex US Index (USD) (Net)	-0.10
Bloomberg US Agg Bond Index	-0.16
Bloomberg US Trsy US TIPS Index	-0.12
Wilshire US REIT Index	-0.11
HFRI FOF Comp Index	-0.01
Bloomberg Cmtty Index (TR)	0.16
ICE BofAML 3 Mo US T-Bill Index	-0.07



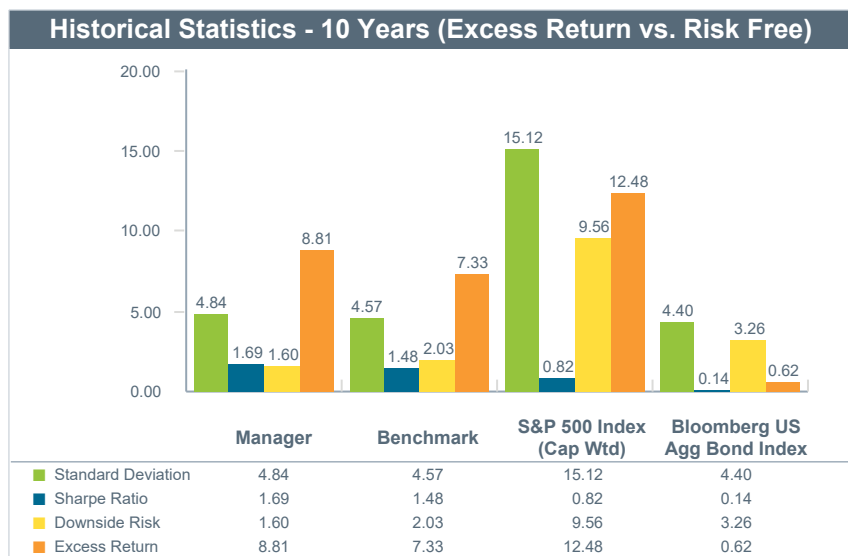
Performance shown is net of fees and product specific prior to inception date. Calculation is based on monthly periodicity.

Real Estate Pool



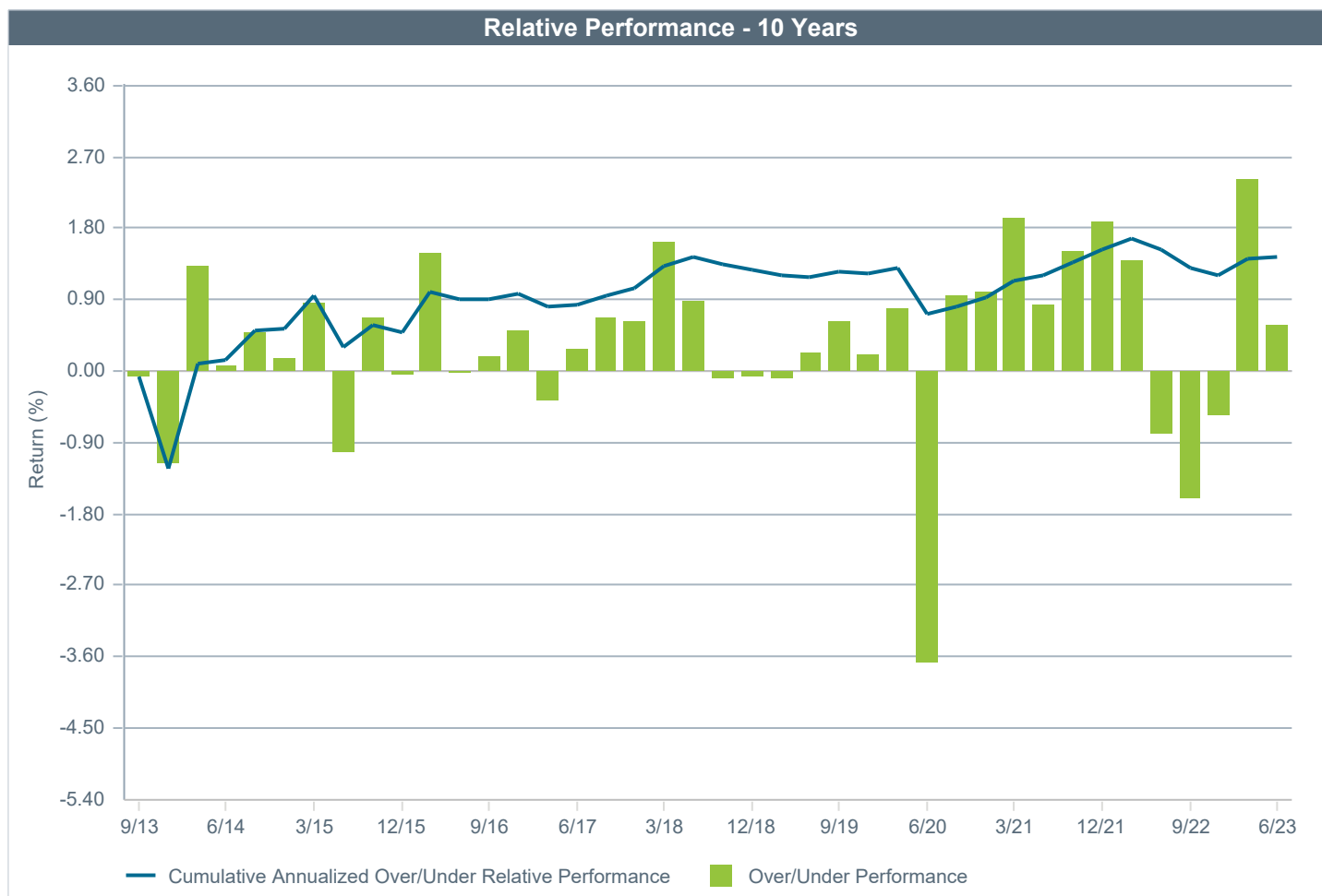
RVK

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018
Manager	-2.83	-3.16	10.87	8.12	8.55	10.04	19.05	20.80	-0.52	5.66	10.27
Benchmark	-3.38	-3.91	7.46	6.56	6.75	8.47	20.96	13.64	0.52	4.64	7.71
Difference	0.55	0.75	3.41	1.56	1.80	1.57	-1.91	7.16	-1.04	1.02	2.56



Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (Net) (1 Qtr Lag)	0.90
S&P 500 Index (Cap Wtd)	-0.42
Russell 2000 Index	-0.36
MSCI EAFE Index (USD) (Net)	-0.43
MSCI Emg Mkts Index (USD) (Net)	-0.44
Bloomberg US Agg Bond Index	-0.45
Bloomberg US Trsy US TIPS Index	-0.33
Wilshire US REIT Index	-0.08
HFRI FOF Comp Index	-0.42
Bloomberg Cmnty Index (TR)	0.11
ICE BofAML 3 Mo US T-Bill Index	-0.55



Performance shown is net of fees and client specific. Calculation is based on quarterly periodicity. Performance shown is lagged 1 quarter.

Real Return Pool



RVK

Comparative Performance												
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	Since Incep.
Real Return Composite*	0.84	4.39	10.61	12.98	5.78	6.37	4.86	15.13	16.14	-7.47	4.21	5.19
Real Return Custom Index	-0.40	0.23	0.52	8.05	4.90	4.09	3.01	4.20	12.70	4.36	6.28	2.75
Difference	1.24	4.16	10.09	4.93	0.88	2.28	1.85	10.93	3.44	-11.83	-2.07	2.44



Actual Correlation - 10 Years	
	Actual Correlation
Real Return Custom Index	0.42
Morningstar LSTA US Leveraged Loan	0.44
Credit Suisse Lvgd Loan Index	0.44
S&P MLP Index	0.70
ICEBofAML US HY II Index (1 Qtr Lag)	0.18
S&P 500 Index (Cap Wtd)	0.44
MSCI ACW Ex US Index (USD) (Net)	0.44
Bloomberg US Agg Bond Index	-0.08
Bloomberg US Trsy US TIPS Index	0.05
Wilshire US REIT Index	0.34
Bloomberg Cmtty Index (TR)	0.42
ICE BofAML 3 Mo US T-Bill Index	-0.04

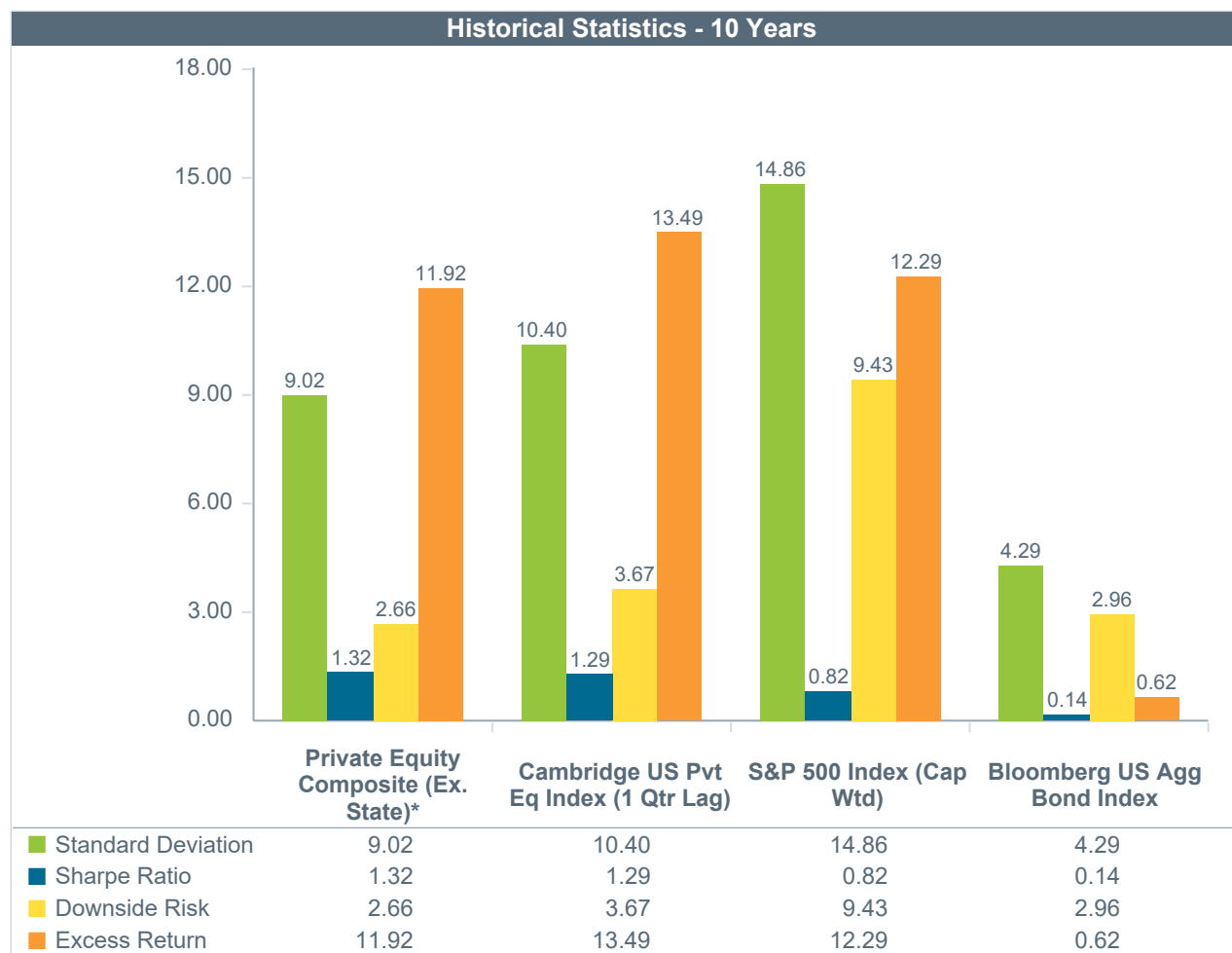
Performance shown is gross of fees. Calculation is based on monthly periodicity.

Private Equity Pool



RVK

Comparative Performance													
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	Since Incep.	Inception Date
Private Equity Composite (Ex. State)*	2.33	3.68	0.21	23.07	16.24	15.48	13.26	2.70	49.39	12.37	9.54	7.71	06/01/2001
Cambridge US Pvt Eq Index (1 Qtr Lag)	2.49	3.65	-0.36	24.64	16.18	16.55	14.88	2.94	49.13	12.74	7.79	12.72	
Difference	-0.16	0.03	0.57	-1.57	0.06	-1.07	-1.62	-0.24	0.26	-0.37	1.75	-5.01	



Actual Correlation - 10 Years	
	Actual Correlation
Cambridge US Pvt Eq Index (1 Qtr Lag)	0.97
S&P 500 Index (Cap Wtd)	0.00
Russell 2000 Index	0.00
MSCI EAFE Index (USD) (Net)	0.03
MSCI Emg Mkts Index (USD) (Net)	-0.01
Bloomberg US Agg Bond Index	-0.08
Bloomberg US Trsy US TIPS Index	-0.07
Wilshire US REIT Index	0.03
HFRI FOF Comp Index	-0.03
Bloomberg Cmtty Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.09

Performance shown is net of fees. Calculation is based on monthly periodicity. *Indicates performance is lagged 1 quarter.

Performance Related Comments

- Performance is annualized for periods greater than one year.
- Fiscal year ends on June 30.
- Performance shown for Absolute Return investments and benchmarks is lagged 1 quarter effective January 2016 and beyond. Performance assumes 0.00% from October through December 2015 to reflect a 1 quarter lag initiation period. Prior performance was not lagged and provided by NMSIC Staff.
- Private Equity, Real Estate, and Real Return investments are lagged 1 quarter and assume a 0.00% return during interim months.
- Market values shown for the Real Estate and Other Real Return composites may differ from Townsend-reported data due to factors such as timing, pending contributions or distributions, differing valuation sources, or historical updates. As such, the underlying constituents may not sum up to the total respective asset class composite.
- Since Inception dates reflect first month of reliable and verifiable data and may not reflect the actual full month following initial funding. Therefore, composites and/or managers may have more history than the Total Fund.
- RVK began calculating performance in May 2011 using data provided by J.P. Morgan. Prior historical performance was provided by NEPC.

Custom Index Comments

- **US Small/Mid Cap Equity Custom Index** consists of 70% Russell 2000 Index and 30% Russell Mid Cap Index through April 2019, and 100% Russell 2000 Index thereafter.
- **Non-US Developed Markets Custom Index** consists of the MSCI EAFE Index (USD) (Net) through November 2015 and the MSCI EAFE IM Index (USD) (Net) thereafter.
- **Non-US Developed Markets Passive Custom Index** consists of the MSCI EAFE Index (USD) (Net) through 04/2017, the MSCI World Ex US IM Index (USD) (Net) through 07/2022, and is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.
- **BlackRock Fixed Income Custom Index** consists of 100% Bloomberg US Agg Bond Index through October 2017, and 100% Bloomberg US Trsy Index thereafter.
- **Non-Core Fixed Income Custom Index** consists of 20% ICE BofAML US Hi Yld Master II Index, 30% CS Lvg'd Loan Index (1 Mo Lag), 20% ICE BofA US Hi Yld CCC & Lower Index (1 Mo Lag), and 30% ICE BofAML US Hi Yld Master II Index (1 Mo Lag).
- **Real Return Custom Index** consists of 35% Bloomberg US Treasury: US TIPS Index, 25% Bloomberg Commodity Index (TR), 20% NCREIF Timberland Index, and 20% CPI+3%.

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 #10: 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.

Action Item Request #11: If approved for the hiring of a lobbyist, a request for permission to contract based upon on the contractual scope of work, compensation, and term to hire the best suited lobbyist as permitted through state procurement rules. (Draft of contract attached)

STATE OF NEW MEXICO

(NAME OF AGENCY)

PROFESSIONAL SERVICES CONTRACT # _____

THIS AGREEMENT is made and entered into by and between the State of New Mexico, **Retirement Healthcare Authority (NMRHCA)**, hereinafter referred to as the “Agency,” and **NAME OF CONTRACTOR**, hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the General Services Department/State Purchasing Division (GSD/SPD Contracts Review Bureau).

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the following work: See Exhibit A “**Lobbyist Scope of Work**”.

2. Compensation.

A. The Agency shall pay to the Contractor in full payment for services satisfactorily performed at the rate of _____ dollars (\$_____) per hour (OR BASED UPON DELIVERABLES, MILESTONES, BUDGET, ETC.), such compensation not to exceed (AMOUNT), including gross receipts tax. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$25,000 shall be paid by the Agency to the Contractor. **The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed (\$25,000). This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. Contractor is responsible for notifying the Agency when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.**

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the GSD/SPD. All invoices MUST BE received by the Agency no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the Agency finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the

Agency that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the agency shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. Term.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE GSD/SPD Contracts Review Bureau. This Agreement shall terminate on **(June 30, 2024)** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

4. Termination.

A. Grounds. The Agency may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the Agency's uncured, material breach of this Agreement.

B. Notice; Agency Opportunity to Cure.

1. Except as otherwise provided in Paragraph (4)(B)(3), the Agency shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give Agency written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the Agency's material breaches of this Agreement upon which the termination is based and (ii) state what the Agency must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if the Agency does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the Agency does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the Agency; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, "Appropriations", of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the Agency's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AGENCY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.*

D. Termination Management. Immediately upon receipt by either the Agency or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without

written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Agency upon termination and shall be submitted to the agency as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Agency.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Procuring Agency.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the Agency, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Agency.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any Agency employee while such employee was or is employed by the Agency and participating directly or indirectly in the Agency's contracting process;

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Agency's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's

family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Agency.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the Agency relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Agency if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Agency and notwithstanding anything in the Agreement to the contrary, the Agency may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Agency, the General Services Department/State Purchasing Division and the State Auditor. The Agency shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments

20. Indemnification.

The Contractor shall defend, indemnify and hold harmless the Agency and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable

but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Agency and the Risk Management Division of the New Mexico General Services Department by certified mail.

21. New Mexico Employees Health Coverage.

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the Agency: New Mexico Retirement Healthcare Authority
Neil Kueffer, Executive Director
6300 Jefferson Street
Albuquerque, NM 87109
Neil.kueffer@rhca.nm.gov

To the Contractor:
[insert name, address and email].

25. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

DRAFT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the GSD/SPD Contracts Review Bureau below.

By: _____ Date: _____
Neil Kueffer, Executive Director
NM Retirement Healthcare Authority

By: _____ Date: _____
Mark R. Hayden, General Counsel – Certifying legal sufficiency
NM Retirement Healthcare Authority

By: _____ Date: _____
Sheri Ayanniyi, CPA, Chief Financial Officer
NM Retirement Healthcare Authority

By: _____ Date: _____
Contractor

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 00-000000-00-0

By: _____ Date: _____
Taxation and Revenue Department

This Agreement has been approved by the GSD/SPD Contracts Review Bureau:

By: _____ Date: _____
GSD/SPD Contracts Review Bureau

EXHIBIT A**Lobbyist 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 related 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, 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 legislative sponsors for NMRHCA-proposed legislation;
6. Physically 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 NMRCHA's legislation.
8. Assemble a team of support, maintain an updated contact list, reach out to the support team weekly or more often as needed, request testimony and documentation as needed.

9. Personally attend, and coordinate staff/expert witness attendance at legislative sessions, as well as interim committee meetings where issues affecting the NMRHCA are discussed.
10. 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.

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.