

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

ANNUAL MEETING OF THE BOARD OF DIRECTORS



**July 11 & 12, 2024
9:30/9:00 AM**

Day 1

**Hotel Don Fernando de Taos
1005 Paseo Del Pueblo Sur
Taos, NM 87571**

**Online: <https://meet.goto.com/NMRHCA/boardmeeting>
Telephone: 1-224-501-3412 / Access Code: 724-176-285**

New Mexico Retiree Health Care Authority

Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

July 11, 2024

	Member in Attendance		
Ms. Saunders, President			
Mr. Salazar, Vice President			
Ms. Larranaga-Ruffy, Secretary			
Mr. Archuleta			
Ms. Montoya			
Mr. Washburn			
Ms. Sandoval			
Mr. Pyle			
Ms. Alirez			
Mr. Caruana			
Ms. Castillo Smith			

NMRHCA BOARD OF DIRECTORS

July 2024

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

Mr. David Archuleta
ERB Executive Director
Educational Retirement Board
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david.archuleta@erb.nm.gov
505-476-6152

Mr. Tomas E. Salazar, PhD, Vice President
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Las Vegas, NM 87701
salazarte@plateautel.net
505-429-2206

Mr. Lance Pyle
NM Association of Counties
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Ms. Leanne Larranaga-Ruffy, Secretary
Alternate for PERA Executive Director Public
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505-476-9332

Ms. Raquel Alirez
Classified State Employee
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Albuquerque, NM 87102
raquel.alirez@dws.nm.gov
505-365-3474

Ms. Donna Sandoval
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donnasandoval@cabq.gov
505-768-2975

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

Mr. Gerry Washburn
Superintendents' Association of NM
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gerry.washburn@carlsbadschools.net

Ms. Alex Castillo Smith
Deputy Cabinet Secretary
NM Health Care Authority
PO Box 2348
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alex.castillosmith@hca.nm.gov
505-629-8652

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

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

July 11 & 12, 2024
9:30 AM / 9:00 AM

Hotel Don Fernando de Taos
1005 Paseo Del Pueblo Sur
Taos, NM 87571

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AGENDA – July 11th (Day 1)

1. Call to Order	Ms. Saunders, President	
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	Ms. Saunders, President	
4. Approval of Agenda	Ms. Saunders, President	4
5. Approval of Regular Meeting Minutes June 4, 2024	Ms. Saunders, President	6
6. Public Forum and Introductions	Ms. Saunders, President	
7. New Board Member	Mr. Kueffer, Executive Director	
8. Election of Board Officers (Action Items)	Ms. Saunders, President	
a. Board Policies and Procedures		13
b. Committee Assignments		20
c. Code of Ethics		22
d. Open Meetings Act Resolution		28
9. Committee Reports	President	
10. Provider Presentations		
a. Presbyterian Health Plan Pre and Post Medicare	Mr. Anaya, Account Manager III Mr. Lawrence, Sr. Marketing Account Executive Ms. Lopez, Director Health and Wellness	32
b. Blue Cross Blue Shield of New Mexico Pre and Post Medicare	Ms. Bell, Account Executive III	50
11. Segal & Madalena Consulting	Ms. Donladson, Senior Vice President & Actuary	75
a. 2023 Claims and Demographics Study	Ms. Cohen, Vice President & Actuary Mr. Madalena, Madalena Consulting	
12. Express Scripts - Pre and Post Medicare	Mr. Molberg, Director of Account Management	98

(Recess for lunch at the pleasure of the Board)

13. Actuarial Presentations – Segal & Madalena Consulting		
a. 2023 Prescribing Patterns	Mr. Madalena, Madalena Consulting	116
b. Pharmacy Cost Driver Report	Ms. Donaldson, Senior Vice President & Actuary Ms. Cohen, Vice President and Actuary	124
14. Actuarial Presentations – Segal & Madalena Consulting	Ms. Donaldson, Senior Vice President & Actuary	152
a. Long-Term Cash Flow & Solvency Modeling		
b. Long-Term Solvency Modeling	Ms. Cohen, Vice President & Actuary	167
15. Review of Calendar Year 2025 Plan Changes	Mr. Kueffer, Executive Director	179
16. Executive Session – ED Performance Evaluation	President	
Pursuant to NMSA 1978, Section 10-15-1(H)-(2) To Discuss Limited Personnel Matters		

(Recess until 9:00AM, July 12, 2024, in the same location)

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

REGULAR MEETING

June 4, 2024

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 the RB Building Room 105, CNM Montoya Campus, 4700 Morris Street, N.E., Albuquerque, NM.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Ms. Therese Saunders, President [arriving 9:56 a.m.]
Dr. Tomas Salazar, Vice President
Ms. LeAnne Larrañaga-Ruffy, Secretary
Ms. Christine Anaya, designee of Hon. Laura M. Montoya, NM State Treasurer
[Treasurer Montoya joined the meeting for the Executive Session.]
Ms. Rachel Alirez [virtual]
Mr. Lawrence Esquibel, designee of David Archuleta
Mr. Lance Pyle [virtual]
Ms. Donna Sandoval
Dr. Gerry Washburn [virtual]
Dr. Lee Caruana

Members Absent:

None.

Staff Present:

Mr. Neil Kueffer, Executive Director
Mr. Mark Hayden, General Counsel
Mr. Jess Biggs, Communication Director
Mr. Raymond Long, Chief Information Officer
Ms. Sheri Ayanniyi, Chief Financial Officer
Mr. Alex George, Network Administrator
Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE

Dr. Salazar led the Pledge.

4. APPROVAL OF AGENDA

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

5. APPROVAL OF REGULAR MEETING MINUTES: May 7, 2024

Mr. Pyle moved approval of the May 7, 2024, minutes. Dr. Caruana seconded the motion, which passed unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

Those persons present introduced themselves.

7. COMMITTEE REPORTS

Mr. Kueffer stated that the Finance Committee and Executive Committee met, and that the Audit Committee will meet later after the board meeting adjourns. Dr. Caruana said the Wellness Committee will meet in August.

8. STAFF UPDATES

a. Human Resources

Mr. Witt presented updates.

b. GAP/Outcomes Conference

Mr. Witt reported that he attended the ESI Outcomes Conference with Dr. Caruana, which was held from May 6 through May 9 in Washington, D.C. The conference provided a great opportunity to work with the retiree system peers from other states, and they were included in an invitation-only government advisory panel that covered several topics, including state legislative updates from around the country, pricing model evolutions in pharmacy, and new ways to look at pricing in contracting. There was also an Express Scripts Q&A session with their president and senior management team.

Dr. Caruana commented that the attention that Express Scripts is paying to all the facets of medication development was impressive, and he learned a lot.

c. Wise and Well Health Fairs

Mr. Biggs reported that that first session of the Wise and Well Health Fairs was held in Albuquerque last Friday with 177 people registered and 100 attending. It was a successful event, with great energy there. Lunch was served, and there were prizes and giveaways. The second session is scheduled in Santa Fe this Friday, with 60 people registered. The third session, scheduled in Las Cruces on June 14, has 40 registrants. The fourth session, which will be held virtually, has 7 people registered to date.

d. BCBS MAPD Update

Mr. Kueffer stated that, with respect to the Blue Cross Blue Shield Medicare Advantage prescription drug plans that the NMRHCA offers, the RFP process has been completed and he was happy to announce that a contract has been signed with BCBS. One benefit the NMRHCA noted was that BCBS would be lowering the \$45 option in Plan 1 to zero and will be marrying the benefits of Plan 1 with Plan 2, so both groups will benefit from the zero dollar copay and benefits from the Plan 1 option.

e. April 30, 2024, SIC Report

Mr. Kueffer reported that the NMRHCA saw a \$23 million decrease in April over the prior month, from \$1.435 billion to \$1.412 billion.

[Chair Saunders joined the meeting.]

9. LEGAL SERVICES CONTRACT (Action Item)

[Presenter: Keith Witt, Deputy Director]

Mr. Kueffer stated that, following board approval to release an RFQ for legal services, staff released an RFQ on May 15, 2024, to three law firms: Miller Stratvert; the Rodey Firm; and Peifer, Hanson, Mullins & Baker. Rodey was the only firm that responded to the RFP, although staff followed up multiple times with the other firms by phone and email, with no response. Staff reviewed the response from Rodey and is recommending that Rodey continue providing outside counsel services. In addition to the firm's years of experience with NMRHCA and its unique needs, Rodey provided a competitive quote based on services outlined in the Scope of Work, experience in relevant industries, and competitive pricing.

Mr. Witt stated that the Finance Committee reviewed this item last week and recommended approval of staff's recommendation.

Mr. Witt requested approval to enter into contract negotiations with Rodey to provide legal services effective July 1, 2024.

Ms. Sandoval so moved. Dr. Caruana seconded the motion, which passed unanimously by roll call vote.

10. 2025 INFLATION REDUCTION ACT PRESENTATION

[Presenter: Debbie Donaldson, FSA, MAAA, Senior Vice President, Segal]

Ms. Donaldson made a slide presentation on “Implications Medicare Part D Changes for Health Care Plans.”

Ms. Donaldson stated that, as a result of the Inflation Reduction Act of 2022, there are going to be dramatic changes to CMS subsidies. In particular, there will be significant changes in 2025, including an annual out-of-pocket maximum of \$2,000 (also known as the True Out-of-Pocket amount, or “TrOOP”). In addition, beneficiaries will be able to sign up for a payment plan (M3P).

In reviewing changes to Medicare Part D, Ms. Donaldson noted that, in 2023, there were 4 phases of coverage before reaching the catastrophic phase at \$7,400 with 80% picked up by the government. In 2025, the catastrophic phase is reached at \$2,000, and the plan is picking up 60% with the government picking up only 20%.

Ms. Donaldson presented a breakdown of the M3P program and its impact. It requires plan sponsors to find an administrator to manage the billing and collection process, which will increase administrative costs.

Responding to Dr. Salazar, Mr. Kueffer said that staff is working with Segal to analyze the financial impact.

Ms. Donaldson reviewed the 10 drugs that Medicare is negotiating prices on. If the manufacturer fails to comply or refuses to negotiate, an excise tax will be imposed. There are several lawsuits challenging this program, and potentially some could simply pay the excise tax rather than negotiate with the government.

11. GASB ATTESTATION OF INTENT (Action Item)

[Presenters: Debbie Donaldson, FSA, MAAA, Senior Vice President, Segal; Mehdi Riazi, FSA, MAAA, EA, Vice President & Consulting Actuary, Segal]

Mr. Riazi said Segal is recommending two assumption changes:

1. A discount rate increase from 6.2% to 7.0%, which decreases Total OPEB Liability 9.4%, or \$287 million, and increases “funded ratio” from 44.2% to 48.7%. This has been approved by the NMRHCA’s auditors.
2. Removing Cadillac Tax thresholds with the repeal of the Attestation of Intent, resulting in increase in the TOL by 11.9%, or \$329 million.

Mr. Riazi stated that the Federal Cadillac Tax was repealed in 2019. Before the final provisions of the tax were finalized, Congress got rid of the Cadillac Tax. However, in June 2020, the NMRHCA board passed an Attestation of Intent to modify Pre-Medicare and Medicare Supplement plans to limit plan values up to the tax thresholds, assuming the thresholds were still in place. Annual benefit reductions of 4-5% are projected to be needed to maintain plan values at or below thresholds, and Cadillac Tax thresholds are projected to be reached in 2027 or 2028. No specific plan changes were included in the Attestation of Intent on which to base the assumptions, but once the plans hit the thresholds, the NMRHCA will have to make plan changes to get it down to 2-3% every year once the threshold is hit in 2028. Assuming the board will be making that change every year into perpetuity, Segal is instead recommending removing the Cadillac Tax thresholds with the repeal of the Attestation of Intent.

Mr. Kueffer stated that when the board adopted the Attestation of Intent, the NMRHCA had been projecting that the excise tax would cause the UAAL to grow to \$3.8 billion from the previous year's GASB valuation of \$3.4 billion, and thought it was necessary to act in order to be able to manage the program. When the board was making these decisions, the NMRHCA was not where it is today. Funded liability today is 44.2%, and prior to this it was 33%. In addition, the NMRHCA has adopted a rule change and there have been changes in the membership as people have aged into the program.

Mr. Kueffer requested that the board rescind the attestation. One of the benefits is that the financial impact will be offset by the discount rate increase. He said this is an opportune time to act on this recommendation.

Ms. Sandoval moved to rescind the Attestation of Intent. Ms. Larrañaga-Ruffy seconded the motion, which passed unanimously by roll call vote.

12. 2025 SEGAL OVERVIEW

[Presenter: Debbie Donaldson, FSA, MAAA, Senior Vice President, Segal]

Ms. Donaldson made a slide presentation.

13. 2025 PRELIMINARY PLAN DISCUSSIONS

Mr. Kueffer said the NMRHCA's long-term solvency projections include annual 8% and 6% increases to keep pace with rising medical costs, and presented a chart reflecting the impact of incremental (1%-8%) increases to premium amounts. He said no plan design changes are recommended for the next fiscal year other than implementation of deductible for the Medicare Supplement Plan.

14. ANNUAL BOARD RETREAT

[Presenter: Jess Biggs, Communication Director]

Mr. Biggs reviewed the annual board retreat schedule and additional details.

- a. Logistics
- b. Board Policies and Procedures
- c. Code of Conduct
- d. Election of Officers & Committee Assignments
- e. Open Meetings Act Resolution
- f. Executive Director Evaluation

15. OTHER BUSINESS

None.

[Treasurer Montoya joined the proceedings.]

16. EXECUTIVE SESSION

Pursuant to NMSA 1978, Section 10-15-1(H)(6) Contents of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code – Discussion of RFP #342-2024-09 Asset Management Consulting Services

Dr. Caruana moved to enter executive session pursuant to NMSA 1978, Section 10-15-1(H)(6), Contents of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code – Discussion of RFP No. 342-2024-09: Asset Management Consulting Services. Dr. Salazar seconded the motion, which passed unanimously by roll call vote.

[The board was in executive session from 11:10 a.m. until 12:20 a.m.]

Dr. Caruana moved to come out of executive session. The only matter discussed in executive session was the following: Contents of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code – Discussion of RFP No. 342-2024-09: Asset Management Consulting Services. The motion was seconded by Treasurer Montoya and passed unanimously by roll call vote.

17. ASSET MANAGEMENT CONSULTING SERVICES CONTRACT (Action Item)

[Presenter: Neil Kueffer, Executive Director]

Mr. Kueffer stated that three responses were received, evaluated, and scored by the NMRHCA Evaluation Committee. One response was deemed not competitive due to technical and cost scoring. NMRHCA requested best and final offers and presentations from the two finalists. The highest scoring offeror, based on their technical, cost, and finalist presentation, was Vendor B.

Mr. Kueffer requested approval to enter into contract negotiations with the highest scoring vendor, Vendor B, to provide Asset Management Consulting Services, effective July 1, 2024.

Dr. Caruana so moved. Treasurer Montoya seconded the motion, which passed unanimously by roll call vote.

18. DATE & LOCATION OF NEXT BOARD MEETING

July 11, 2024 – 9:30 AM Don Fernando de Taos Meeting Room
July 12, 2024 – 9:00 AM Don Fernando de Taos Meeting Room
1005 Paseo Del Pueblo Sur, Taos NM. 87571

19. ADJOURN: 12:25 p.m.

Accepted by:

Therese Saunders, President

2024 BOARD POLICIES AND PROCEDURES MISSION STATEMENT

The New Mexico Retiree Health Care Authority ("NMRHCA" or "Authority") is committed to offering an affordable, comprehensive health care program for present and future eligible retirees and their dependents.

ADMINISTRATION

The Authority is governed by a Board of Directors ("Board"), which is composed of not more than 13 members (the "Board Members" or individually a "Board Member"). The Board is authorized to take all actions reasonably necessary to implement the Retiree Health Care Act (the "Act"). Currently, the Authority maintains two offices and a full time staff of 28 employees. The Authority offers comprehensive medical, dental, vision and life insurance to more than 65,000 retired public employees. NMRHCA receives revenue from premiums paid by retirees, contributions from active employees and their employers, and funding and revenue from other various sources. The Board and Authority administer the Authority's Trust Fund ("Fund"), which is invested and managed by the New Mexico State Investment Council, as required by the Act.

Currently, the Authority has approximately 307 participating public entities including all State agencies, public and charter schools, many counties, and cities, as well as several universities.

ANNUAL REVIEW OF BOARD POLICIES AND PROCEDURES

The Board will review its Policies and Procedures annually. Proposed changes will first be solicited by NMRHCA staff from the Board's Executive Committee. Once approved by the Executive Committee, the initial revised Policies and Procedures will be presented to the full Board at its next regularly scheduled meeting. The Board will review the changes and make final recommendations to the Executive Committee, which will meet to revise the Policies and Procedures in accordance with those recommendations, and then present the Board with the Policies and Procedures for final action at the next regularly scheduled Board meeting.

OFFICERS, TERM OF OFFICE, DUTIES

Term of Office

Terms of office for the president and chairperson (the "Chairperson"), the vice president and vice-chairperson (the "Vice-Chairperson"), and the secretary (the "Secretary") will be from the date elected until a successor is sworn in, unless the office is vacated, in which case, the next lower officer shall automatically assume the duties of the higher officer.

Procedure for Electing Officers

The Board will elect a slate of officers annually to serve for the ensuing twelve-month period.

The three officers will comprise the Board's Executive Committee.

In the event of a vacancy in the office of Chairperson, the Vice-Chairperson will succeed the Chairperson. In the event of a vacancy in the office of the Vice-Chairperson, the Secretary will succeed the Vice-Chairperson. In the event of a vacancy in the office of Secretary, an election will be held at the next Board meeting. Nominations will be taken from the floor. The individual receiving the highest vote count will be elected to the office of Secretary.

Duties of the Chairperson

The duty of the Chairperson is, primarily, to ensure the integrity of the Board's processes and oversee the conduct of the Board at Board and committee meetings.

Duties of the Vice-Chairperson

The duty of the Vice-Chairperson is to act as temporary Chairperson in the absence of the Chairperson.

Duties of the Secretary

The duty of the Secretary is to act as temporary Chairperson in the absence of the Chairperson and Vice-Chairperson.

BOARD COMMITTEES

The Board has the following standing committees:

1. The Executive Committee, consisting of the officers of the Board.
2. The Audit Committee, consisting of four Board Members, including the Chairperson.
3. The Finance and Investment Committee consisting of five Board Members, including the Chairperson.
4. The Legislative Committee consisting of five Board Members, including the Chairperson
5. The Wellness Committee consisting of five Board Members.

The Chairperson is responsible for establishing membership in each standing committees. Additionally, the Chairperson has authority to establish, from time-to-time, other committees for specific purposes and will appoint the membership of those committees. All committee members are entitled to per diem and mileage, as authorized under 2.81.1.21, NMAC.

CODE OF CONDUCT

Board Members are expected to adhere to the highest ethical standards and, at all times, comply with their fiduciary responsibilities. Board Members will avoid any conflict of interest or perceived conflict of interest and may not have a direct financial or direct personal interest in any company or business that has a contractual obligation with the NMRHCA.

Board Members, as fiduciaries, should discharge their duties solely in the interest of the Authority and be governed by all applicable State and Federal laws, rules and regulations.

Each year at its annual meeting, Board Members will complete a financial disclosure form as set out in 2.81.3.8, NMAC.

Board Members will adhere to all requirements set forth in 2.81.3, NMAC, which establishes a Code of Ethics for Board Members.

BOARD TRAVEL

Board Members must submit to the Chairperson any request to participate in an event requiring travel where that travel is paid for by the Authority.

Speakers: Any Board Member that accepts a request to be a speaker at a conference or seminar requiring travel will notify the Chairperson of the request and their intention to participate in their capacity as a member of the Authority.

Payment for Travel: All travel paid for by the Authority is subject to 2.81.1.21, NMAC, the New Mexico Per Diem and Mileage Act, NMSA 1978, 10-8-1 and current New Mexico Department of Finance and Administration rules and regulations.

PROCEDURES FOR CONDUCT OF NMRHCA BOARD MEETINGS

In general, the Board will follow a modified version of Robert's Rules of Order, Revised ("RRO"). In addition, the Board will adhere to the Open Meetings Act and all other applicable provisions of State laws and the Board's rules and regulations.

A quorum of the Board must be present in order to convene and conduct any official meeting. A quorum is a majority of Board Members. Once a quorum is present, action may be taken by majority vote of participating Board Members. Although physical attendance by Board Members is encouraged, Board Members may attend meetings by video conference or telephone, provided that each Board Member participating by video conference or telephone can be identified when speaking, all participants are able to hear each other at the same time, and members of the public attending the meeting are able to hear any Board Members who speak during the meeting.

Regular Meetings

The date, time, and place of the regular Board meeting will be established by Board action and be announced to the public pursuant to the requirements of the Open Meetings Act (Section 10-15-1 et seq. NMSA 1978).

The Board will meet at least once a year.

Special or Emergency Meetings

A special meeting of the Board is a meeting other than a regular or emergency meeting and may be called by the Chairperson, Vice-Chairperson or any three (3) Board Members for the specific purposes specified in the call.

An emergency meeting of the Board is a meeting other than a regular or special meeting and may be called by the Chairperson, Vice-Chairperson, or any two (2) Board Members to consider a sudden or unexpected set of circumstances affecting the NMRHCA which require the immediate attention of the Board.

Public Notice

The New Mexico Open Meetings Act, Section 10-15-1, NMSA 1978, provides that any meeting of a quorum of the members of a public body held for the purpose of formulating public policy discussing public business, or taking action within the authority of the Board, or at which the discussion or adoption of any proposed resolution, rule, regulation, or formal action occurs will be held only after reasonable notice to the public. In accordance with the Open Meetings Act, the Board will establish, at least annually, what constitutes reasonable notice of its meetings.

Agenda

The Chairperson, in consultation with the Executive Committee and the Executive Director, will prepare an agenda for each regular meeting of the Board. The Executive Director will ensure timely dissemination of the agenda to the Board and public.

Any Board Member may request of the Chairperson to have an item placed on, or removed from, the agenda.

Open and Closed Meetings

In addition to requiring public notice of Board meetings, the Open Meetings Act requires all Board meetings to be open to the public at all times unless an exception found in the Open Meetings Act permits a closed meeting.

Minutes

Pursuant to the Open Meetings Act, written minutes will be kept of all public Board meetings, as well as committee meetings, and all minutes shall be open to public inspection. Draft minutes will be approved, amended or disapproved at the next meeting where a quorum is present. Draft minutes may be inspected by members of the public after completion in final draft form but will not become official until approved by the Board.

Board Meeting Attendance

Board Members will ensure strict compliance with 2.81.1.11, NMAC which governs Board meeting attendance.

EXECUTIVE DIRECTOR

General Provisions

The Executive Director will comply with the Code of Ethics established for the Authority (2.81.3, NMAC) and may not have a direct financial or direct personal interest in any company or business that has a contractual obligation with the NMRHCA.

The Executive Director will ensure that all employees of the Authority are aware of their rights and responsibilities and ensure at a minimum:

1. Confidentiality of retiree and dependent enrollment and medical and fiscal records.
2. No conflict of interest or appearance thereof with respect to participation on boards, corporations, or public or private organizations. No conflict of interest or appearance thereof with respect to professional, occupations, or business licenses.
3. Adherence to a pertinent professional code of ethics and standard of professional conduct as prescribed by the Board.
4. No solicitation of gifts, favors, or other items of value from persons with whom the NMRHCA transacts business or companies with whom the NMRHCA may contract.
5. No acceptance of unsolicited items of value that are of such character as to manifest, or appear to manifest, influence upon an employee in carrying out his/her responsibilities to the NMRHCA.

Responsibilities of the Executive Director

The Executive Director is responsible for organizational performance and exercises authority over the day-to-day operations of the Authority. The Executive Director is responsible for the management of all staff and the Board delegates authority for staff management to the Executive Director.

In general, all personnel decisions made by the Executive Director are final. However, the Authority may utilize an appeals process that allows for personnel decisions to be reviewed by the Board.

Employment of the Executive Director

Employment of the Executive Director will be by the Board. The terms of employment for the Executive Director will be subject to applicable policies as they pertain to exempt employees and conditions outlined by the Board.

The Board believes that the selection of an Executive Director is one of the most important tasks performed by the Board. To that end, the Board will carefully consider the following:

- Specifying what the Board expects the Executive Director to do;
- Specifying the education and experience the Board considers essential to performing the work of Executive Director;
- Developing and implementing a recruitment strategy for the position; and
- Applying screening processes, interviewing qualified candidates, and selecting the candidate deemed to be most qualified for the position.

Executive Director Evaluations

The Executive Committee of the Board is responsible for evaluating the Executive Director and will utilize mechanisms to provide periodic feedback on Executive Director performance and on the overall performance of the agency.

The Board endorses the use of an evaluation instrument as a tool in planning, goal setting, establishing shared understandings, providing feedback, and making other decisions. For this reason, the Board may implement a written evaluation form with the Executive Director, whether or not one is required by other controlling agencies such as the Department of Finance and Administration.

Sound personnel practices provide that evaluation instruments are most effective when done at least annually, when the raters and individual establish shared understandings at the beginning of the evaluation period concerning expectations and performance criteria, and when feedback is provided on an ongoing basis.

Executive Director Leave

The Executive Director will notify the Chairperson for approval when annual leave is to be taken. The notice will be given as far in advance as possible.

APPEAL OF BENEFIT DETERMINATIONS

The Board will not consider appeals of medical, dental or vision benefit determinations made by contracted carriers or staff of the Authority. As such, it is the policy of the Board that beneficiaries wishing to appeal benefit determinations made by contracted carriers or staff should make their appeal to the Office of the Superintendent of Insurance.

The Executive Director will report to the board the outcome of any appeals determined by the Office of the Superintendent of Insurance.

FY25 Board Elections/Committee Assignments

Background

Article 7C Section_ 10-7C-6 NMSA 1978. Board created; membership; authority.

A. There is created the "board of the retiree health care authority". The board shall be composed of not more than thirteen members.

B. The board shall include:

- (1) one member who is not employed by or on behalf of or contracting with an employer participating in or eligible to participate in the Retiree Health Care Act and who shall be appointed by the governor to serve at the pleasure of the governor;
- (2) the educational retirement director or the educational retirement director's designee;
- (3) one member to be selected by the public school superintendents' association of New Mexico;
- (4) one member who is a teacher who is certified and teaching in elementary or secondary education to be selected by a committee composed of one person designated by the New Mexico association of classroom teachers, one person designated by the national education association of New Mexico and one person designated by the New Mexico federation of teachers;
- (5) one member who is an eligible retiree of a public school and who is selected by the New Mexico association of retired educators;
- (6) the executive secretary of the public employees retirement association or the executive secretary's designee;
- (7) one member who is an eligible retiree receiving a benefit from the public employees retirement association and who is selected by the retired public employees of New Mexico;
- (8) one member who is an elected official or employee of a municipality participating in the Retiree Health Care Act and who is selected by the New Mexico municipal league;
- (9) the state treasurer or the state treasurer's designee; and
- (10) one member who is a classified state employee selected by the personnel board.
- (11) the director of the state benefits division of the health care authority.

C. The board, in accordance with the provisions of Paragraph (3) of Subsection D of Section 10-7C-9 NMSA 1978, shall include, if they qualify:

- (1) one member who is an eligible retiree of an institution of higher education participating in the Retiree Health Care Act and who is selected by the New Mexico association of retired educators; and
- (2) one member who is an elected official or employee of a county participating in the Retiree Health Care Act and who is selected by the New Mexico association of counties.

D. Every member of the board shall serve at the pleasure of the party that selected that member.

E. The members of the board shall begin serving their positions on the board on the effective date of the Retiree Health Care Act or upon their selection, whichever occurs last, unless that member's corresponding position on the board has been eliminated pursuant to Subsection D of Section 10-7C-9 NMSA 1978.

F. The board shall elect from its membership a president, vice president and secretary.

G. The board may appoint such officers and advisory committees as it deems necessary. The board may enter into contracts or arrangements with consultants, professional persons or firms as may be necessary to carry out the provisions of the Retiree Health Care Act.

H. The members of the board and its advisory committees shall receive per diem and mileage as provided in the Per Diem and Mileage Act [10-8-1 NMSA 1978] but shall receive no other compensation, perquisite or allowance.

History: Laws 1990, ch. 6, § 6; 1993, ch. 362, § 2; 2003, ch. 382, § 1.

Summary

In compliance with section F, NMRHCA's board elections typically occur in July of each year for the ensuing 12-month period. In addition, committee assignments are designated for the same time period with a full list of FY24 committee assignments provided below.

Executive

Ms. Saunders, President

Mr. Salazar, Vice President

Ms. Larrañaga-Ruffy, Secretary

Finance & Investment

Ms. Saunders, Chair

Ms. Larrañaga-Ruffy

Mr. Washburn

Ms. Sandoval

Ms. Alirez

Legislative

Mr. Salazar, Chair

Ms. Montoya

Mr. Pyle

Ms. Alirez

Mr. Washburn

Audit

Ms. Sandoval, Chair

Mr. Salazar

Ms. Montoya

Mr. Pyle

Wellness

Mr. Caruana, Chair

Mr. Pyle

Ms. Saunders

Mr. Archuleta

This rule was filed as 2 NMAC 81.3.

TITLE 2 PUBLIC FINANCE
CHAPTER 81 RETIREE HEALTH CARE FUNDS
PART 3 CODE OF ETHICS

2.81.3.1 ISSUING AGENCY: NM Retiree Health Care Authority ("NMRHCA").
[6/15/98; Recompiled 10/01/01]

2.81.3.2 SCOPE: This rule applies to all board members, employees, actuaries, consultants, attorneys and members of ad. hoc. or standing committees of the NMRHCA.
[6/15/98; Recompiled 10/01/01]

2.81.3.3 STATUTORY AUTHORITY: This rule is promulgated pursuant to the New Mexico Retiree Health Care Act (the "Act"), Sections 10-7C-1 et seq. NMSA 1978.
[6/15/98; Recompiled 10/01/01]

2.81.3.4 DURATION: Permanent.
[6/15/98; Recompiled 10/01/01]

2.81.3.5 EFFECTIVE DATE: June 15, 1998 [unless a later date is cited at the end of a section].
[6/15/98; Recompiled 10/01/01]

2.81.3.6 OBJECTIVE:

A. The objective of this rule is to establish procedures governing a code of ethics that must be adhered to by those persons covered and provide penalties for failure to comply. The proper operation of a democratic government requires that public representatives and those attorneys, consultants, agents and employees on who they rely for advice and opinions be independent, impartial, and responsible to the people.

B. NMRHCA decisions and policy should be made through proper channels of the NMRHCA structure and public office, employment or contracts should not be used for personal gain. A conflict of interest exists when a public representative's, public employee's or public contractor's private or personal interests conflict with his/her public duties or when a public representative, public employee, agent, consultant or attorney for the public entity uses insider knowledge, official position, power or influence to further his/her private interests.

C. When a sound code of ethics is promulgated and enforced, the public has confidence in the integrity of its government. The objective of the code of ethics rule is to advance openness in government by requiring disclosure of private interests that may affect public acts, to set standards of ethical conduct, to minimize pressures on public representatives and to establish a process for reviewing and settling alleged violations.

[6/15/98; Recompiled 10/01/01]

2.81.3.7 DEFINITIONS: As used in the code of ethics rule:

A. **"business"** means a corporation, partnership, sole proprietorship, firm, organization, or individual carrying on a business or owning real property other than a personal residence;

B. **"insider information"** or **"confidential information"** means information which is confidential under law or practice or which is not generally available outside the circle of those who regularly serve the NMRHCA as a board member, public representative, official, employee, agent, consultant or attorney;

C. **"financial interest"** means:

(1) an interest of ten percent or more in a business or an interest exceeding ten thousand dollars (\$10,000.00) in a business; for a board member, official, employee, agent, consultant attorney or other public representative this means an interest held by the individual or his or her spouse, siblings, parents, or children;

(2) an ownership interest held by the individual or his/her spouse, siblings, parents or children in business; or

(3) any employment or prospective employment (for which negotiations have already begun) of the individual or his/her spouse, siblings, parents or children;

D. **"public representative"** means a person serving the NMRHCA as board member, official, employee, agent, consultant or attorney or as a member of an ad.hoc. or standing NMRHCA advisory committee;

E. **"controlling interest"** means an interest which is greater than twenty percent;

F. **"official act"** means an official decision, recommendation, approval, disapproval or other action which involves the use of discretionary authority, except the term does not mean an act of the legislative or an act of general applicability.

[6/15/98; Recompiled 10/01/01]

2.81.3.8 PUBLIC REPRESENTATIVE/REGISTRATION/DISCLOSURE:

A. Upon becoming a public representative, the public representative shall provide registration information to the NMRHCA office as listed below. This information shall be updated at the end of every fiscal year and shall be available to the public at all times:

(1) name;

(2) address and telephone number;

(3) professional, occupational or business licenses;

(4) membership on boards of directors of corporations, public or private associations or organizations; and

(5) the nature, but not the extent or amount, of any financial interests and controlling interests as defined in the code of ethics rule within one month of becoming a public representative.

B. A public representative who has a financial interest which may be affected by an official act of the NMRHCA, ad. hoc. or advisory committee shall declare such interest prior to discussion, voting, advising or taking any other action and that declaration shall be entered in the official minutes of the NMRHCA. A public representative shall abstain from voting, advising or taking any other action including discussion on that issue if the decision, in the public representative's opinion, may affect his/her financial interest in a manner different from its effect on the general public.

[6/15/98; Recompiled 10/01/01]

2.81.3.9 PROHIBITIONS/PRIVATE BENEFITS OR GIFTS/PERSONAL REPRESENTATION/USE OF NMRHCA SERVICES/ACQUIRING FINANCIAL INTEREST:

A. No public representative nor a member of his/her family shall request or receive and accept a gift or loan for his/her personal use or for another, if:

(1) it tends to influence the public representative in the discharge of his/her official acts; or

(2) the public representative, within two years, has been involved in any official act directly affecting the donor or lender or knows that he/she will be involved in any official act directly affecting the donor or lender.

B. No public representative shall request or receive a gift or loan for personal use or for the use of others from any person or business involved in a business transaction with the NMRHCA with the following exceptions:

(1) an occasional nonpecuniary gift of insignificant value;

(2) an award publicly presented in recognition of public service;

(3) a commercially reasonable loan made in the ordinary course of business by an institution authorized by the laws of the state to engage in the business of making loans; or

(4) a political campaign contribution, provided that such gift or loan is properly reported and actually used in a political campaign.

C. No public representative shall personally represent private interests before the board of the NMRHCA or any ad. hoc. or standing committee, which the public representative is a member, or directly or indirectly receive compensation for that representation.

D. No public representative shall personally represent private interests before the NMRHCA board, ad. hoc., standing committees or directly or indirectly receive compensation for that representation.

E. No public representative shall use or disclose insider information for his or others private purposes.

F. No public representative shall use NMRHCA services, personnel or equipment for personal benefit, convenience or profit, except when such use is generally available to the public and when in accordance with policies of the NMRHCA board.

G. No public representative shall acquire or negotiate to acquire a financial interest at a time when the official believes or has reason to believe that it will be substantially or directly affected by his official acts.

H. No public representative shall enter into a contract or transaction with the NMRHCA or its public representatives, unless the contract or transaction is made public by filing notice with the NMRHCA board.

I. A public representative shall disqualify himself from participating in any official act directly affecting a business in which he has a financial interest.

J. No public representative shall use confidential information acquired by virtue of his employment, office or status for his or another's private gain.

K. The NMRHCA shall not enter into any contract with an employee of the state or with a business in which the employee has a controlling interest, involving services or property of a value in excess of one thousand dollars (\$1,000), when the employee has disclosed his controlling interest unless the contract is made after public notice and competitive bidding; provided that this section does not apply to a contract of official employment with the NMRHCA.

L. The NMRHCA shall not enter into a contract with, nor take any action favorable affecting, any person or business which is:

(1) represented personally in the matter by a person who has been an employee of the state within the preceding year if the value of the contract or action is in excess of one thousand dollars (\$1,000) and the contract is a direct result of an official act by the employee; or

(2) assisted in the transaction by a former employee of the state whose official act, while in state employment, directly resulted in the NMRHCA's making that contract or taking that action.

M. The NMRHCA shall not enter into any contract of purchase with a legislator or with a business in which such legislator has controlling interest, involving services or property in excess of one thousand dollars (\$1,000) where the legislator has disclosed his controlling interest, unless the contract is made after public notice and competitive bidding. As used in Section 9.13 [now Subsection M of 2.81.3.9 NMAC], contract shall not mean a "lease."

[6/15/98; Recompiled 10/01/01]

2.81.3.10 ENFORCEMENT/COMPLAINT/HEARING OFFICER/PENALTY FOR VIOLATION/FRIVOLOUS COMPLAINTS:

A. Any contract approval, sale or purchase entered into or official action taken by a public official in violation of this rule may be voided by action of the NMRHCA board.

B. Any person may make a sworn, written complaint to the NMRHCA board of a violation by a public official of any provisions of the code of ethics rule. Such complaint shall be filed with the NMRHCA executive director or if it is a complaint against him, with a member of the NMRHCA board, who shall maintain the confidentiality thereof and instruct the complainant of the confidentiality provisions of the code of ethics rule, and shall refer said complaint to the NMRHCA board at its next regularly scheduled meeting in executive session. The complaint shall state the specific provision of the code of ethics rule which has allegedly been violated and the facts which the plaintiff believes support the complaint.

C. Within fifteen days of receiving the complaint, the NMRHCA board in executive session shall appoint a hearing officer to review the complaint for probable cause. Within fifteen days of undertaking the inquiry to determine probable cause, the hearing officer shall report his findings to the NMRHCA board. Upon find of probable cause, within 30 days, the hearing officer shall conduct an open hearing in accordance with due process of law. Fifteen days notice in advance of the hearing shall be provided to the person subject to the complaint. Within a time specified by the NMRHCA board, the hearing officer shall report his findings and recommendations to the NMRHCA board for appropriate action based on those findings and recommendations.

D. If the complaint is found to be frivolous, the NMRHCA board may assess the complainant the costs of the hearing officer's fees.

E. Except for the hearing, the proceedings shall be kept confidential by all parties concerned, unless the accused public official requests that the process be open at any stage. Persons complained against shall

have the opportunity to submit documents to the hearing officer for his review in determining probable cause.

F. Any violation of the law shall be referred to the appropriate law enforcement agency for prosecution.

[6/15/98; Recompiled 10/01/01]

2.81.3.11 CODE OF ETHICS HEARING

OFFICER/APPOINTMENT/QUALIFICATIONS/DUTIES:

A. A hearing officer shall be appointed by the NMRHCA board for each complaint. The hearing officer may be an authority board member, agent or employee of the NMRHCA or another person. The complainant and the person complained against have the right to one disqualification of a designated hearing officer.

B. The hearing officer shall:

(1) receive written complaints regarding violations of the code of ethics rule, notify the person complained against of the charge, and reject complaints not supported by probable cause; in the event the hearing officer rejects a complaint as lacking in probable cause, he shall provide a written statement of reasons for his rejection to the NMRHCA board and the complainant;

(2) conduct hearings of all complaints received; and

(3) report the findings of the hearings and make recommendations on resolving the complaint to the NMRHCA board.

C. The decision of the board shall be final and not subject to appeal.

[6/15/98; Recompiled 10/01/01]

2.81.3.12 VIOLATION: It is a violation of this rule for any public official knowingly, willfully or intentionally to conceal or fails to disclose any financial interest called for by the code or violate any of the provisions hereof.

[6/15/98; Recompiled 10/01/01]

2.81.3.13 PENALTIES: Upon recommendation of the hearing officer the NMRHCA board may:

A. issue a public reprimand to the public official;

B. remove or suspend from his office, employment or contract the public official; and

C. refer complaints against public officials to the appropriate law enforcement agency for investigation and prosecution.

[6/15/98; Recompiled 10/01/01]

HISTORY OF 2.81.3 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

RHCA Rule 90-3, Code of Ethics, 7/10/90.

History of Repealed Material: [RESERVED]

New Mexico Retiree Health Care Authority

Code of Ethics Disclosure Statement

Pursuant to Retiree Health Care Authority Rule Title 2, Chapter 81, Part 3, within one month of becoming a board member, employee, actuary, consultant, attorney, or member of ad hoc or standing committee, and at the end of every fiscal year thereafter, you are required to furnish the following information:

1. **Name:** _____

2. **Address:** _____

Home Phone: _____ **Work Phone:** _____

3. **Professional, occupational, or business licenses, if any:**

Type of License	License No.

Continue on separate sheet if necessary

4. **Identify each corporation, and public or private association and organization, on the board of which you are a member:**

Name of Organization	Address of Organization	Position or Office in Organization

Continue on separate sheet if necessary

5. **The NMRHCA Code of Ethics defines the terms used in this form as follows:**

"Business" means: a corporation, partnership, sole proprietorship, firm, organization, or individual carrying on a business or owning real property other than a personal residence.

“Financial Interest” means:

- (a) *An interest of ten percent (10%) or more in a Business or an interest exceeding ten thousand dollars (\$10,000) in a Business; or*
- (b) *An ownership interest in a business; or*
- (c) *Any employment or prospective employment (for which negotiations have already begun) with a Business,*

on the part of a board member, official, employee, agent, consultant, or attorney, or by the spouse, siblings, parents, or minor children of such individual.

Identify each Business in which you have a Financial Interest as those terms are defined in the NMRHCA Code of Ethics.

Name of Business	Address of Business	Nature of Business

Continue on separate sheet if necessary

SIGNATURE: _____

PRINT NAME: _____

DATE: _____

NEW MEXICO RETIREE HEALTH CARE AUTHORITY
RESOLUTION NO. 2025-1

WHEREAS the Board of Directors of the New Mexico Retiree Health Care Authority (NMRHCA) met at its annual meeting at 9:30 a.m. on July 11 and 12, 2024.

WHEREAS, Section 10-15-1(B) of the Open Meeting Acts (NMSA 1978, Section 10-15-1 to 4) states that, except as may be otherwise provided in the Constitution of the State of New Mexico or in the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policy-making body of any state agency, any agency or authority of any county, municipality, district or any political subdivision, held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations or ordinances, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meeting subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) of the Open Meetings Act requires the NMRHCA Board to determine at least annually in a public meeting what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT RESOLVED by the NMRHCA that the following is determined to constitute reasonable notice to the public of its meetings:

1. Location and Time of Meetings: Unless otherwise specified by the NMRHCA Board, regular meetings will be held on the first Tuesday of every month. All regular meetings may be held at a location in Albuquerque, Santa Fe, or via teleconference and telephone beginning at 9:30 a.m. or as indicated in the meeting notice. Committee meetings will be held at the call of the chair.
2. Meeting Notice and Agenda: A meeting notice shall be prepared by the NMRHCA for each board meeting. Each meeting notice shall include either the agenda of the meeting or information on how the public may obtain a copy of the agenda of the meeting. Each meeting agenda shall consist of a list of specific items of business to be discussed or transacted at the meeting. Except for emergency matters, the NMRHCA shall take action only on items appearing on the agenda.

Except in the case of an emergency meeting, the agenda will be available to the public at least seventy-two (72) hours prior to the meeting from the Executive Director, whose office is located at 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109 or by email at neil.kueffer@rhca.nm.gov. In the case of an emergency meeting, the agenda shall be made available to the public as soon as is reasonably possible.

3. Regular Meetings: Notice of regular meetings will be made at least ten (10) days in advance of the meeting date.

4. Special Meetings: A special meeting of the board is a meeting other than a regular or emergency meeting and may be called by the president, vice-president or any three (3) board members at least seventy-two (72) hours prior to the meeting date for the specific purposes specified in the call.

5. Emergency Meetings: An emergency meeting of the board is a meeting other than a regular or special meeting and may be called by the president, vice-president, or any two (2) board members only under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the NMRHCA from substantial financial loss. Within ten (10) days of taking action on an emergency matter, the NMRHCA shall report to the New Mexico Attorney General's office the action taken and the circumstances creating the emergency; provided that the requirement to report to the attorney general is waived upon the declaration of a state or national emergency.

6. Committee Meetings: Notice of committee meetings will be made at least ten (10) days in advance of the meeting date.

7. Notification Process:

A. Regular Meetings: For the purposes of regular meetings described in paragraph 1 of this resolution, notice requirements are met if notice of the date, time, place and agenda (or information on how the public may obtain a copy of the agenda) is posted on NMRHCA's website and posted in the office(s) of the NMRHCA not less than ten (10) calendar days before the time the regular meeting is to commence. Within the same time frame, a copy of the notice must be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

B. Special and Emergency Meetings: For the purpose of special meetings and emergency meetings described in paragraphs 4 and 5 of this resolution, notice requirements are met by posting notice of the date, time, place and agenda in the offices of the NMRHCA. Additionally, if practicable, notice of the date, time, place and agenda (or information on how the public may obtain a copy of the agenda) may be placed on NMRHCA's website. Within the same time frame, telephonic notice will be provided to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

C. Committee Meetings: For the purposes of committee meetings described in paragraph 6 of this resolution, notice requirements are met if notice of the date, time, place and agenda (or information on how the public may obtain a copy of the agenda) is posted on NMRHCA's website and posted in the office(s) of the NMRHCA not less than ten (10) calendar days before the time the regular meeting is to commence. Within the same time frame, a copy of the notice must be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

8. Accommodation of Individuals with Disabilities: In addition to the information specified above, all notices shall include the following language:

"If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service, contact the NMRHCA at 1-800-233-2576, at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the NMRHCA at 1-800-233-2576 if a summary or other type of accessible format is needed."

9. Closed Meetings: The NMRHCA Board may close a meeting to the public only if the subject matter of such discussion or action is exempted from the open meeting requirement under Section 10-15-1(H) of the Open Meetings Act or by the New Mexico Constitution.

A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the NMRHCA Board taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in a closed meeting.

B. If the decision to hold a closed meeting is made when the NMRHCA Board is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

C. Following completion of any closed meetings, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the

matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

D. Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the NMRHCA in an open public meeting.

10. Annual Meeting of NMRHCA Board: Pursuant to NMAC 2.81.1.12, the Board shall hold an annual meeting at such time as the Board determines.

Passed by the NMRHCA Board this 11th day of July 2024.

Board President

Neil Kueffer, Executive Director



NMRHCA Annual Board Meeting

Phillip Anaya, Account Manager III

Warren Lawrence, Sr. Marketing Account Executive

Adriana Lopez, Director, Health and Wellness

JULY 11, 2024

Organizational Updates

- Staffing Changes
- Enterprise Updates
 - **Ruidoso Wildfire Impact**
 - Lincoln County Medical Center (operated by Presbyterian Healthcare Services, Inc.) was briefly shut down and evacuated. All elective procedures were either cancelled or rescheduled. Initial reopening served immediate needs for care in an urgent care type of setting.
 - NMRHCA did opt-in to the OSI bulletin, as of 6/18/2024 the order only applies to members who reside in Lincoln County or the Mescalero Apache Reservation. The following benefit changes apply as of 6/18/2024. Zip codes currently affected are: 88312, 88216, 88345, 88346, 88355, 88340.
 - Cost-sharing and deductibles waived for 120 days
 - Provide a grace period of 120 days and payment plan for no less than 180 days, if unable to pay the premiums after the grace period.
 - Prescription refill early for 120 days
 - Lost or damaged medication replacement for 120 days
 - One eyeglass or contact lens and one hearing aid replacement, according to member benefits
 - Denture or other prosthodontic device replacement, according to member benefits
 - Disposable medical supplies and durable medical equipment (DME) replacement, waiving frequency limits
 - Postpone cancellations and non-renewals for no less than 120 days
 - Waive referrals and prior auth requirements for both INN and OON services. OON must be reimbursed at the usual and customary, or agreed upon rate. Use Surprise Billing rates if no information is available.
 - Provider Timely Filing is extended for an additional 120 days from June 18, 2024.
 - **Presbyterian hospitals named high performers in HEI (Healthcare Equality Index)**
 - In recognition of their achievement in promoting equitable and inclusive care for LGBTQ+ patients and their families, all nine Presbyterian Healthcare Services' hospitals have been awarded the "LGBTQ+ Healthcare Equality High Performer" designation from the Human Right's Campaign Foundation's Healthcare Equality Index (HEI). This is the highest designation awarded to a New Mexico facility for HEI 2024.



NEW MEXICO RETIREE HEALTHCARE AUTHORITY
(non-Medicare plans)

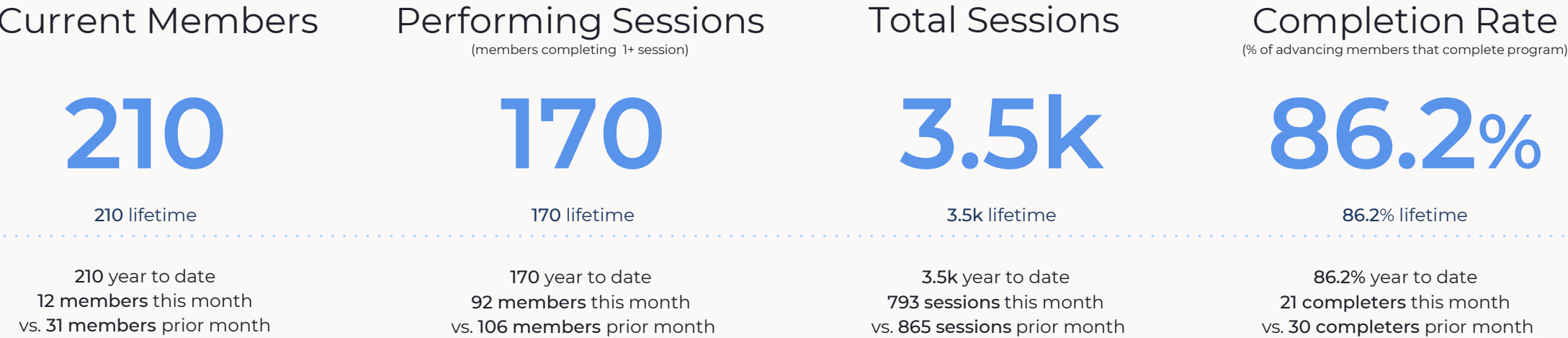
Enrollment and Engagement Report

May 2024

Report Period: 2024-01-01 to 2024-05-31

NEW MEXICO RETIREE HEALTHCARE AUTHORITY

Activity Summary for the Last 12 Months as of **May 2024**



Member Experience

“I can’t remember the last time my neck felt this loose; I’ve had a lot of tightness for so long. Since starting PT I’ve not experienced the random “electric shock” that happens occasionally when I turn my neck. It’s like a nerve issue traveling from the side of my neck upward. I am grateful for the option of PT, as I was thinking of seeing a chiropractor. The problem with that is that it’s only a temporary fix. Thank you Kinsay, and I hope you are having an amazing day!!!

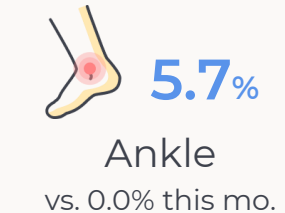
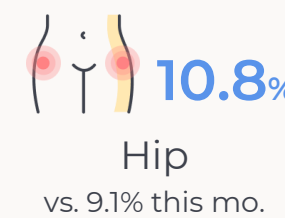
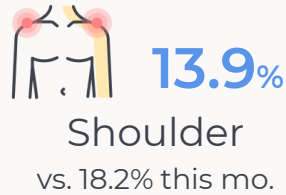
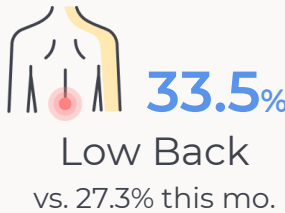
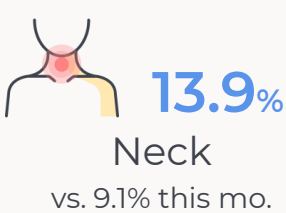


The measurement period represents the last 12 months as of May 2024 (unless noted differently)

Baseline Member Characteristics

The average member is **female** with **moderate pain** and reporting **4.2 hours impaired** per week

	Last 12 Months	This Month
Average Age	59.7	62.3
Largest Gender Group (% of members)	77.3% female	60% female
Surgical Intent	9.0%	5.5%
Pain Level (0-10)	4.5	4.8
Anxiety Symptoms (% of members)	29.4%	10%
Depression Symptoms (% of members)	22.2%	20%
Work Impairment (% of working hours)	10.5%	30%



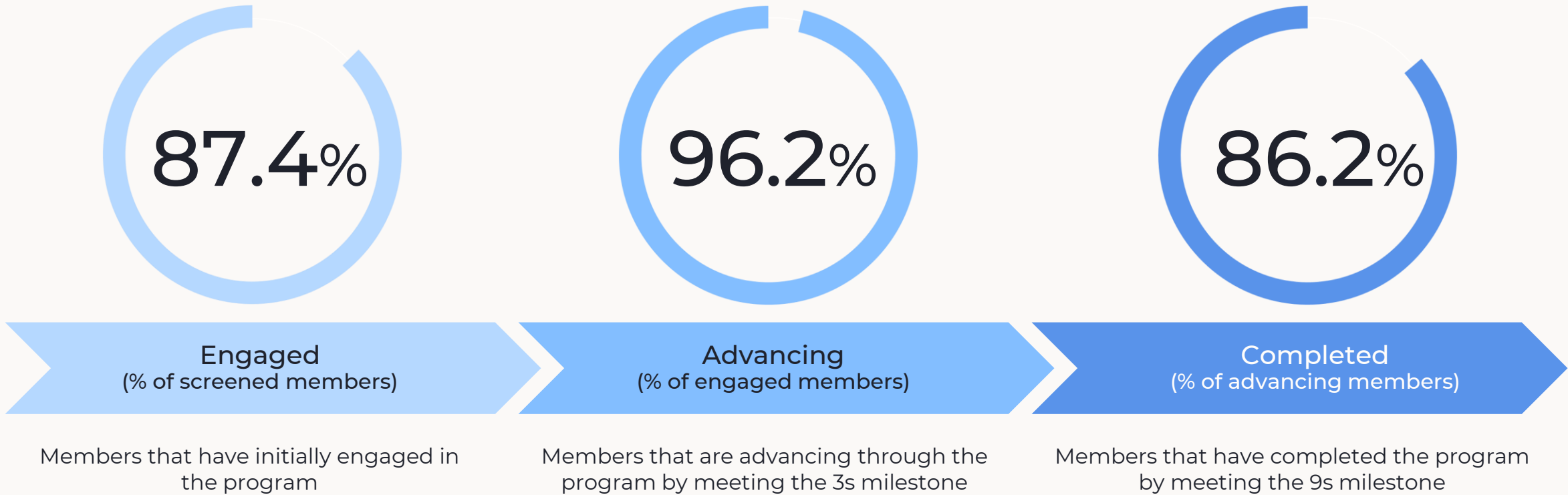
Spine

Joints

The measurement period represents the last 12 months as of May 2024 (unless noted differently).
* indicates no new enrollments during the month

Member Engagement Journey

The completion rate is **86.2%**



The measurement period represents the last 12 months as of May 2024 (unless noted differently).

Presbyterian Medicare Updates

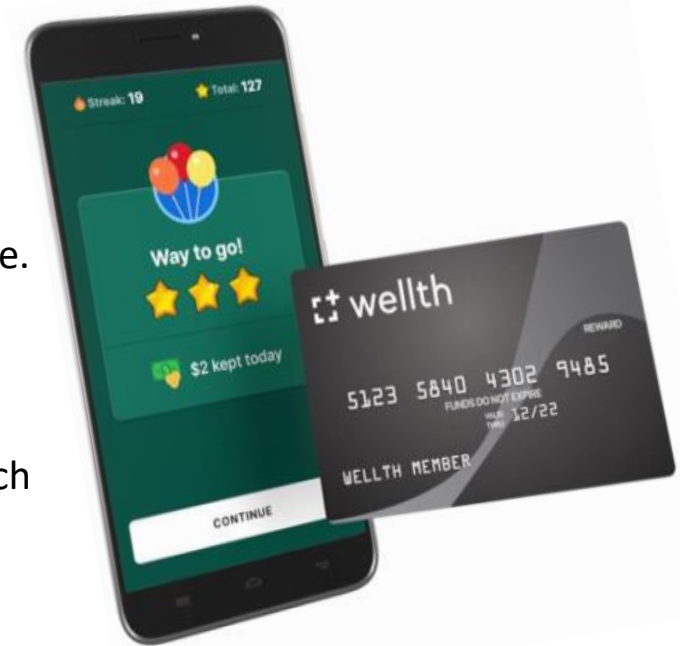
Executive Summary

- **Expanded the network to improve access to care for many seniors in New Mexico**
 - Added new providers, march to value based relationships to enhance member access to affordable, high quality care
- **Intense focus on helping Retirees to live happier healthier retirements**
- **Improved service capabilities to help Retirees where they are**
 - Health Plan Place
 - Improved APP
- **IRA impact on Prescription drug coverage**



Initiatives to Improve Health Outcomes

- **Targeting members with gaps in care for outreach:**
 - Telephonic outreach to members to assist with scheduling annual wellness visits, breast cancer and colorectal screenings.
 - Sending out home testing kits for eligible members to complete their colorectal cancer and diabetic screenings from home.
 - Assist with scheduling osteoporosis scans after a fracture.
 - Offering in-home bone density scans to if a member is unable to travel to a clinic to complete.
- **Providing reward incentives for healthy activities:**
 - Wellth Rewards program is available for members with Diabetes, HBP & High Cholesterol.
 - Members who qualify will automatically be enrolled and can use the Wellth mobile app which uses Economic Science & Human Nature to motivate users to form life-changing healthy habits.
 - This program rewards members for completing daily check-ins of healthy activities such as eating healthy meals, adhering to daily medication regimen, etc.



Initiatives to Improve Health Outcomes

- **Health Plan Place (HPP) & Medicare Advantage Clinic (MAC):**

- HPP is geared towards servicing seniors in the community and giving them a safe place to get social, get active and get assistance.
- The MAC is a clinic dedicated to Presbyterian Medicare Advantage Plan Members.

- **Wellness Classes:**

- Health Plan Place (HPP) continues to grow in with our senior population.
- Members can join any of the wellness classes such as Zumba, Yoga, Strength Training and Tai Chi.
- Other classes offered include; Cooking Corner where attendees can watch cooking demonstration and learn to prepare quick and healthy meal options.

- **Assistance with Benefits & Technology**

- Get help with questions regarding benefits, coverage, claims and other issues related to their plan.
- Assistance with setting up a MyPres/MyChart account as well as using PHS.org to find information they may need.
- Tapas and Tech helps our senior members learn how to stay safe when navigate the internet and social media platforms.

- **Network Expansion:**

- Members now have access to not only Presbyterian, but also University of New Mexico and OPTUM health systems has helped bridge the gap with access to care for specialists as well as primary care.
- Continuously striving to add more providers to our network.

- **Easily Accessible Plan Information:**

- MyPres mobile app has been updated to be more user friendly.
- Members can view their digital ID card, prior authorizations, bills & claims, OOP Max status and much more.
- View test results, upcoming appointments and even send and receive messages to and from their Presbyterian care team through MyChart.

- **Dedicated Customer Service Team:**

- NMRHCA Senior Plan members have access to a dedicated team to assist with their health plan needs including, assistance with understanding claims/benefits, finding an In-Network provider, filing an appeal, etc.



NMRHCA Senior Plan 2025 Pharmacy Overview

- Members will have a new option to pay for prescription drugs.
- The Medicare Prescription Payment Plan (M3P) is a voluntarily program that members can opt into which will estimate their Part D out of pocket cost through the end of the year.
- This payment plan will set equal monthly payments for members to pay for their prescriptions.
- Payments will be made directly to the plan each month.
- While this program is open to all senior plan members, it will greatly benefit members on Tier 5 specialty medications.
- Prescription Maximum Out-of-Pocket lowered from \$8,000 in 2024 to \$2,000 in 2025.
- 5 Biosimilar Medications added to the formulary
- New Medicare Prescription Payment Plan (M3P) option to help members pay for their medication throughout the year.

Five covered biosimilars for 2025:

- Amjevita Tier 5 (Humira biosimilar)
- Hadlima Tier 5 (Humira biosimilar)
- Insulin glargine-yfgn Tier 3 (Lantus biosimilar)
- Rezvoglar Tier 3 (Lantus biosimilar)
- Insulin aspart Tier 3 (Novolog similar)



Social Connection

A fundamental human need, as essential to survival as food, water, and shelter

How meaningful connections address the loneliness epidemic.

Adriana Lopez

Director, Health and Wellness
The Solutions Group



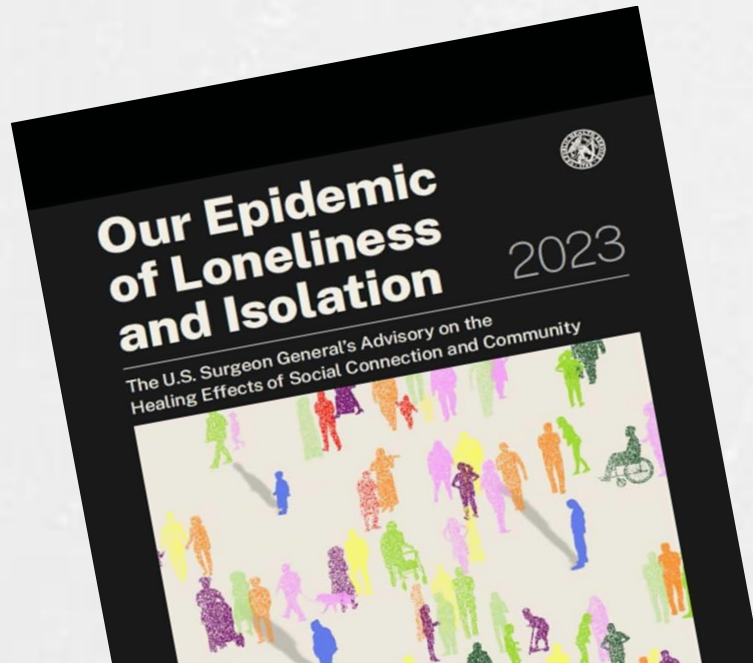
What is **Social Connection**?

How do you **measure** it?

How does loneliness **impact our overall state of well-being**?

Why is it important to strive for **higher state of social connection**?

What are we doing to have an **impact on this**?



According to the Surgeon General's 2023 report, *Our Epidemic of Loneliness and Isolation*, social connection encompasses:

... the interactions, relationships, roles, and sense of connection individuals, communities, or society may experience. An individual's level of social connection is not simply determined by the number of close relationships they have.

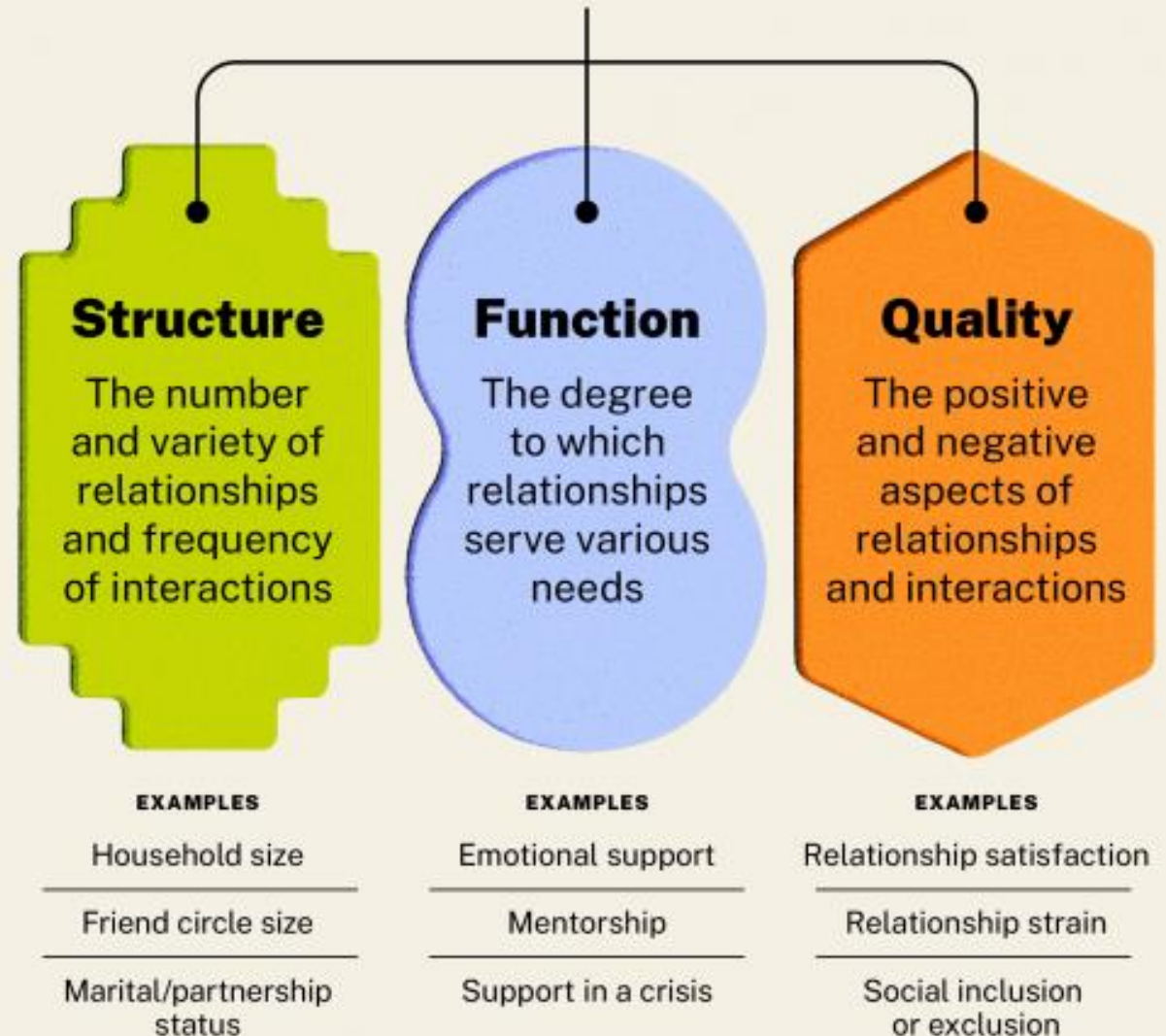
How do you **measure** Social Connection?

Why is loneliness is on the rise?

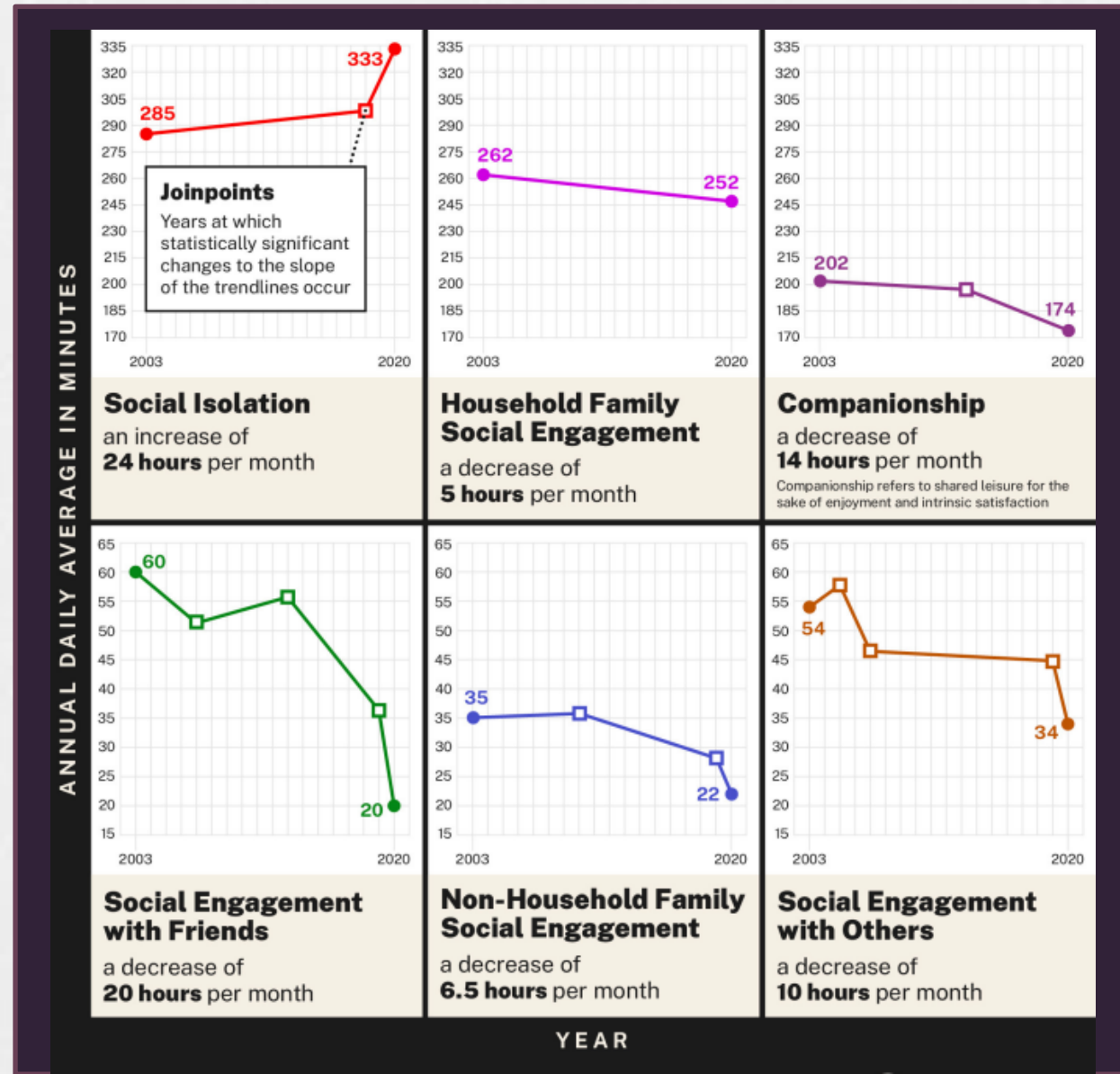
- Increased Urbanization
- Social Distancing
- Contact-free Modern-day Conveniences (food delivery, independent transportation, online shopping)
- Automation (self-check outs, etc.)
- Social Media

The Three Vital Components of **Social Connection**

The extent to which an individual is socially connected depends on multiple factors, including:



From 2003 to 2020, time spent alone increased, while time spent on inperson engagement decrease.



Why is it important to strive for **higher state of social connection**?



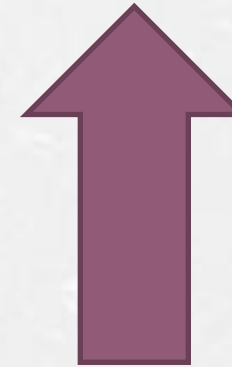
2020 Census report shows increased isolation increases the risk of **early death**.

Cardiovascular disease & Hypertension:

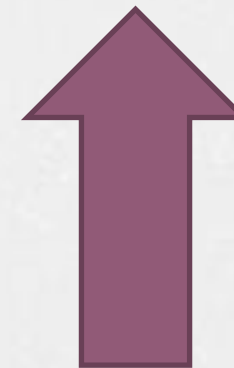
- 29% increase in the risk of heart disease,
- 32% increase in risk of stroke

Increased risk of **developing dementia**

Higher rate of **depression and anxiety**



29%
Risk of
Heart
Disease

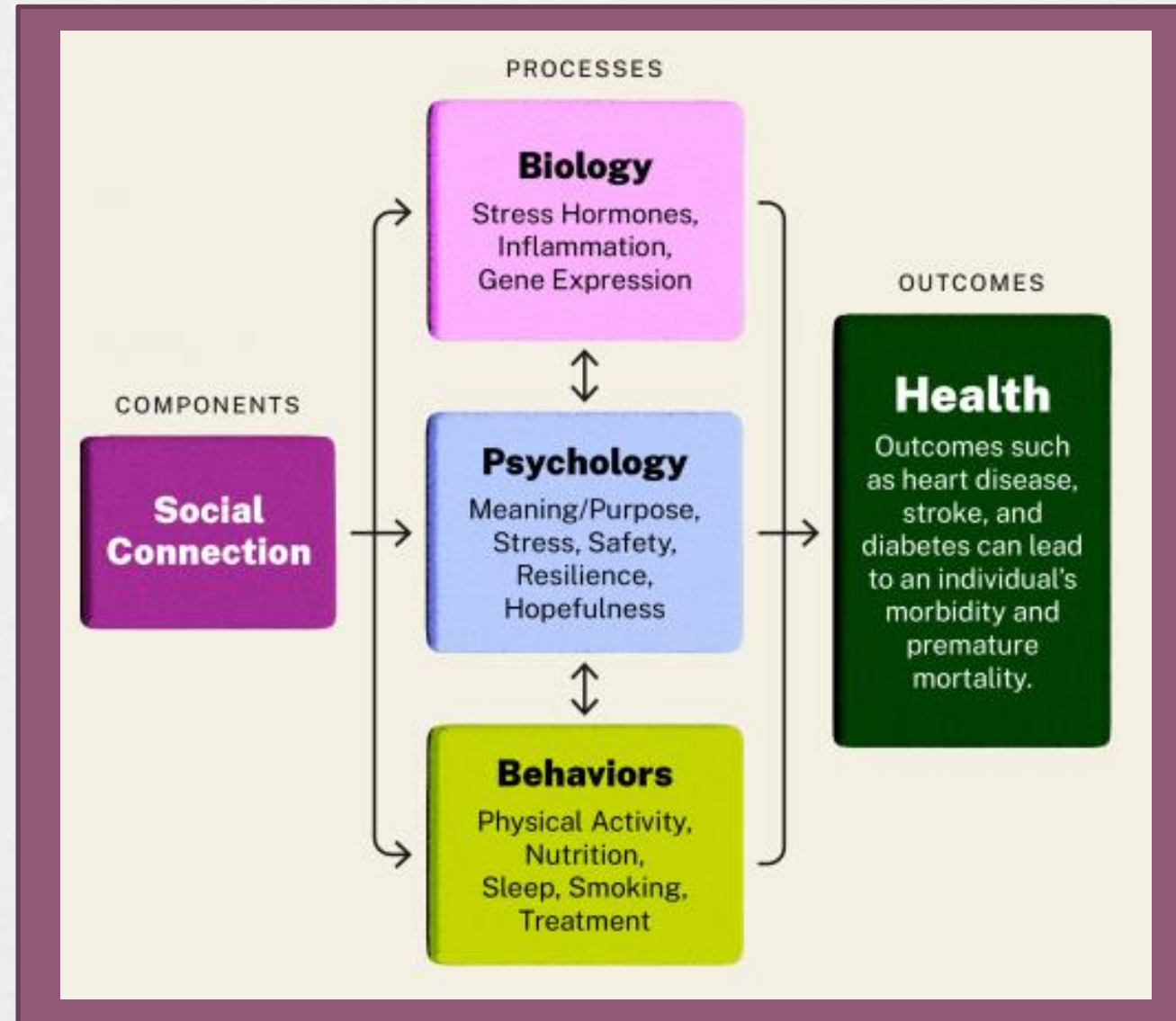


32%
Risk of Stroke



What are we doing about it?

3 areas
of influence



What are we doing about it?

Direct impact

Well-being Programs:

- Continue Virtual Book Club
- Support Wise & Well Health Fairs (in-person and virtual)
- Quarterly in-person Cooking Demo
- In-person/virtual Health Academy

In-direct impact

Communication

- Increased focus on impact of loneliness
- Encourage opportunities for increased social connection

Awareness

- **Webinar topics:** Purpose, mental health, connection
- Higher focus on how connections impact health

Other

- Increase usage of coaching programs like **Good Measures**
- Promote social connection at OE events



When “I” is replaced with “We”
even “Illness” becomes “Wellness”





BlueCross BlueShield
of New Mexico

New Mexico Retiree Health Care Authority Board of Directors Meeting

July 11-12, 2024



Support by the Account Management Team and Blue Cross and Blue Shield of New Mexico Internal Partners

- **Lori Bell – Account Executive**
 - Support of meetings (Board meetings, open enrollment, health fairs), collateral material, contracts, strategic offerings, mid-year and annual performance meetings and overall satisfaction of the NMRHCA and the services that are provided by BCBSNM.
- **Local Claims Processing**
- **Local Health Care Management**
- **Local Customer Service**
- **Appeals Team**
- **Coordination with CMS for the Medicare Supplement Plan**
- **Performance Guarantee Team**
- **Worksite Wellness Team**



Lori Bell, Account Executive
lori_bell@bcbsnm.com
505.816.2094



Why Blue Cross and Blue Shield of New Mexico?



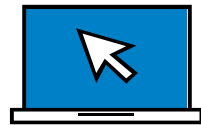
The strength of BlueSM



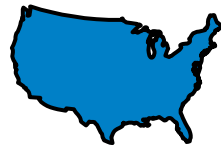
More Doctors
and Hospitals



Personalized
Customer Service



Tools and
Resources



Coverage
Everywhere You Go



Health and
Wellness Programs



Digital
Capabilities



NUMBER 1
brand in health care



OVER 112 MILLION
members



OVER 1.7 MILLION
unique, in-network providers



97%
of claims paid at in-network
rates

BCBSNM Administers Four Plans – Waiting on Updated Numbers

PreMedicare Plan Options

Premier 3-tier PPO Plan

In state, out-of-state and international coverage
– **5,183 current members**

Value Plan

Must reside in New Mexico; covered outside of New Mexico for urgent and emergency care
– **778 current members**

Medicare Plan Options

Medicare Supplement

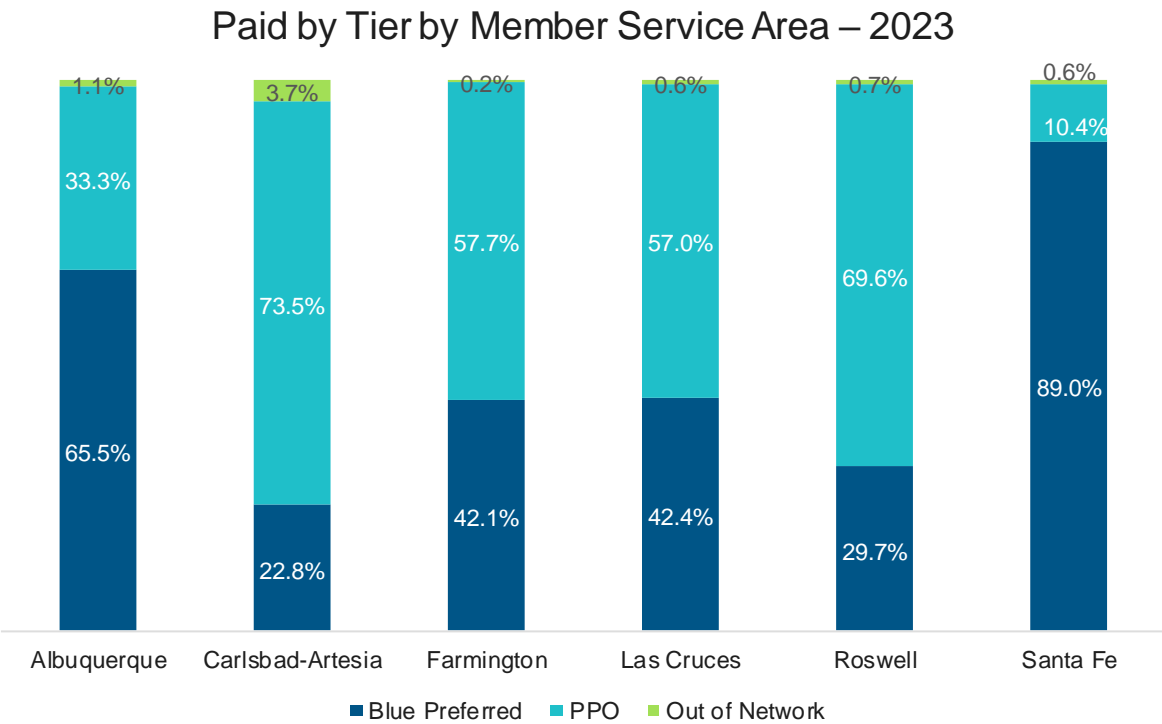
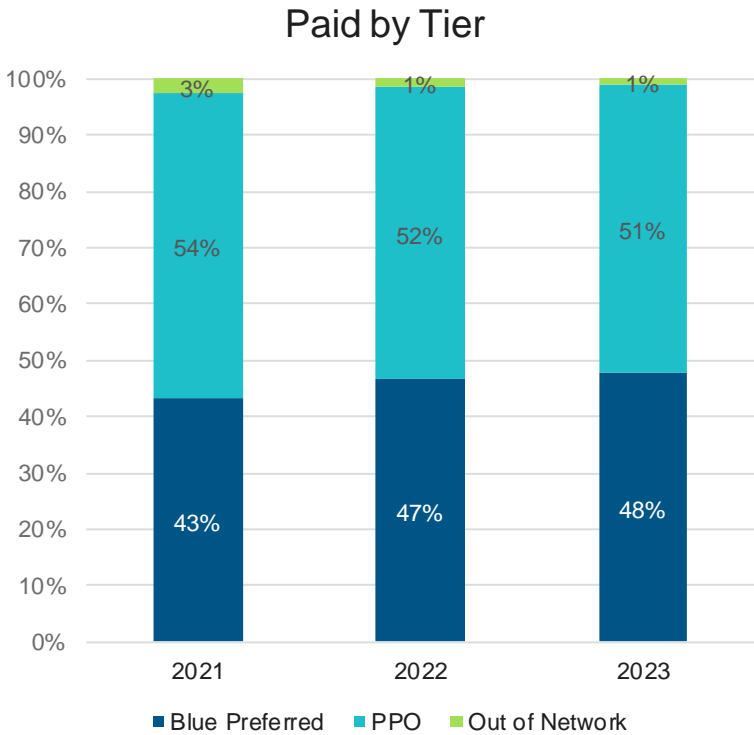
In state and out-of-state coverage; Plan pays secondary to Medicare
– **20,025 current members**

Medicare Advantage HMO Plan

Must reside in New Mexico and use the network of contracted providers except for urgent and emergency care while traveling outside of New Mexico
– **4,108 current members**

Category (Data Excludes Medicare Advantage HMO Plan)	2023 CY	2024 CY YTD
Claims Processed	791,296	329,541
Calls Answered	15,695	6,667
	2022 - 2023	2023 - 2024
Appeals Received	56	37

Premier Plan – Network Performance



Network Performance
2023

59.9%

Discount percentage for claims from network and par providers

\$83.4M

Total discount savings for claims from network and par providers

99%

Claims paid with Tier 1 or Tier 2 benefits

Note: Data on this page includes claims for the Premier 3-Tier Plan only.

Value Plan – Network Performance

Network Performance 2023

60.9%

Discount percentage for claims from network and participating providers

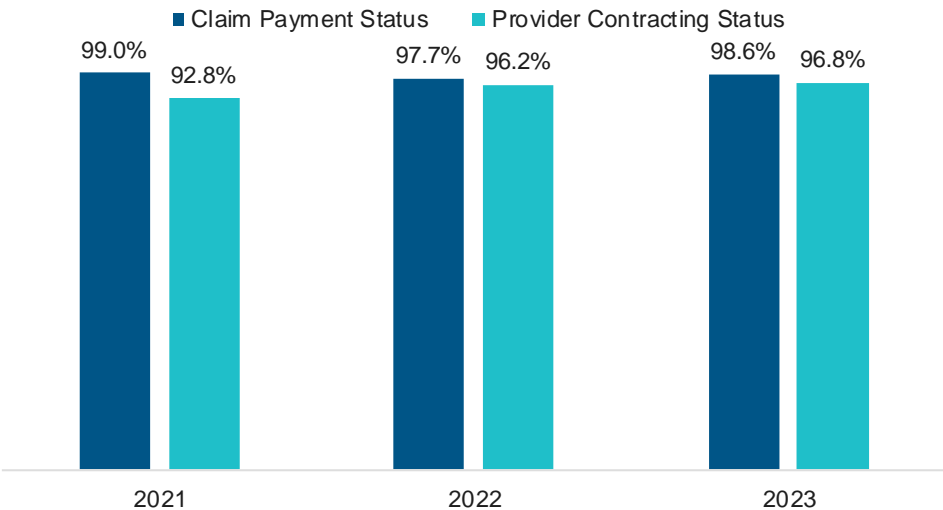
\$7.9M

Total discount savings for claims from network and participating providers

98.6%

Claims paid with in-network benefits

Network Utilization



Network Discount Savings

	Prior 1				Current			
	Covered	Discount	Discount %	Paid	Covered	Discount	Discount %	Paid
Inpatient Facility	\$1,224,284	\$878,576	72%	\$296,900	\$2,945,477	\$1,834,545	62%	\$1,052,283
Outpatient Facility	\$4,245,336	\$2,372,939	56%	\$1,623,391	\$5,881,865	\$3,664,394	62%	\$1,946,326
Professional	\$3,079,292	\$1,897,255	62%	\$923,773	\$3,795,321	\$2,424,486	64%	\$1,095,432
Total	\$8,548,912	\$5,148,770	60%	\$2,844,063	\$12,622,663	\$7,923,425	63%	\$4,094,041

Note: Data on this page includes claims for the Value Plan only.

Medicare Advantage Prescription Drug (MAPD) Member Engagement

NMRHCA Silver Sneakers Membership

	2022	2023	2024*
Overall Enrollment	3,621	3,536	3,346
Rate of Active Members	4.30%	8.65%	7.59%
Total Annual Member Visits	1,327	12,932	7,053

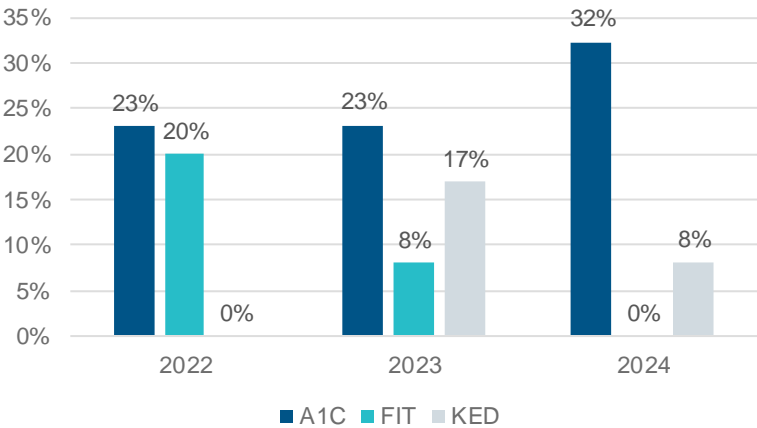
NMRHCA In-Home Health Assessments

	2022	2023	2024
Completed Assessments	99	110	184

This is all tied to the STAR rating for Medicare

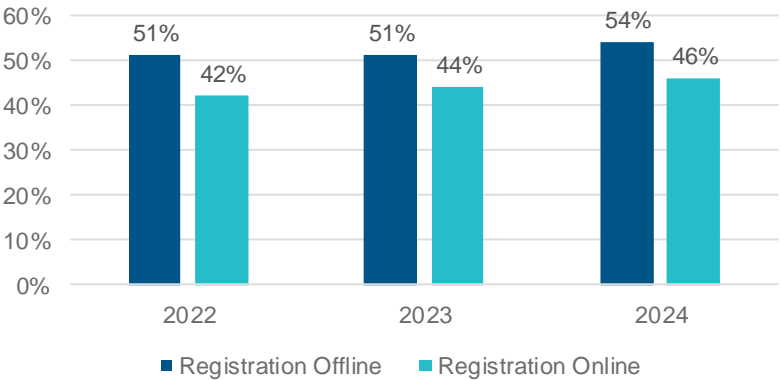
* 2024 data YTD

Return Rate for In Home Test Kits



NEP is no longer a Star measure. Kidney Health Evaluation (KED) was added to the Star measures.
FIT: Colorectal cancer screening kit

NMRHCA Rewards Registration Total Registered: 1,815



Inflation Reduction Act: Medicare Provisions

Insulin and Vaccine Copay Reductions

(2023)

Insulin copay cap
\$35 per month

ACIP-recommended
vaccines \$0 copay

Deductible does not
apply

Part D Benefit Redesign

(2024 and 2025)

Removal of
catastrophic
coinsurance (2024)

\$2000 out-of-pocket
(OOP) maximum
(2025)

Removal of coverage
gap phase (2025)

M3P – Medicare Prescription Payment Plan

(2025)

After enrollment
member pays \$0 at
the pharmacy

Plan pays the
pharmacy and
invoices the member

Plan absorbs bad
debt

Manufacturer Drug Negotiations

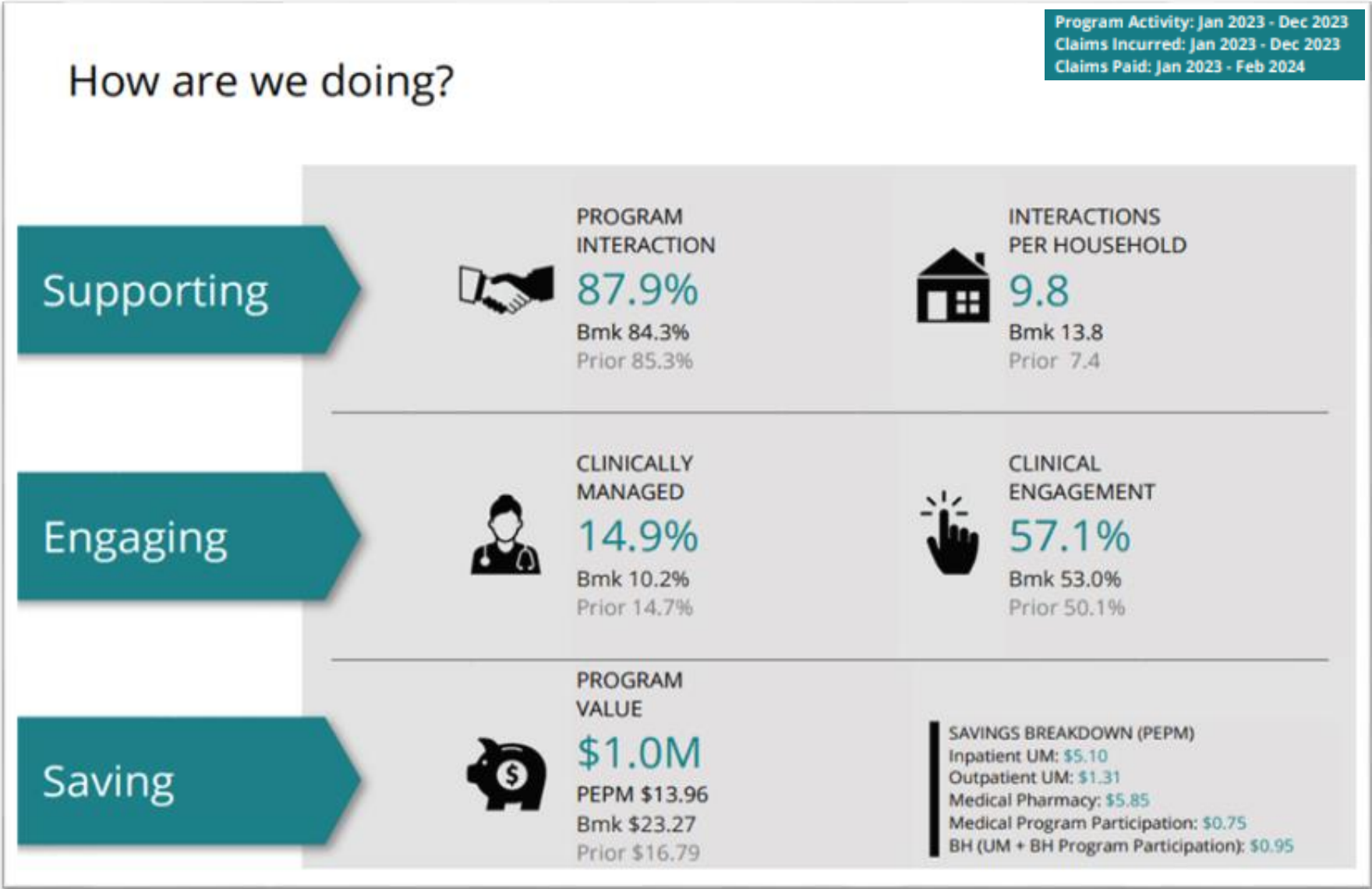
(2026)

Price negotiations for
10 Part D drugs start
in 2026

Negotiated prices
published on 9/1/24

Savings reflected in
lower member
coinsurance

Enable Executive Summary





Wellness Initiatives

Wellness Outreach – 2024 Strategic Plan

NMRHCA wellness programming is the result of previous year's health data to include assessments and claims

Events

- Fifteen-minute virtual interactive webinars offered 2X/month focusing on relevant health topics
- Monthly Health Education Class
- Bi-Weekly Virtual Strength, Balance, and Agility Class
- Quarterly Blue Access for Members and Well onTarget Class
- Quarterly Financial Wellbeing Class

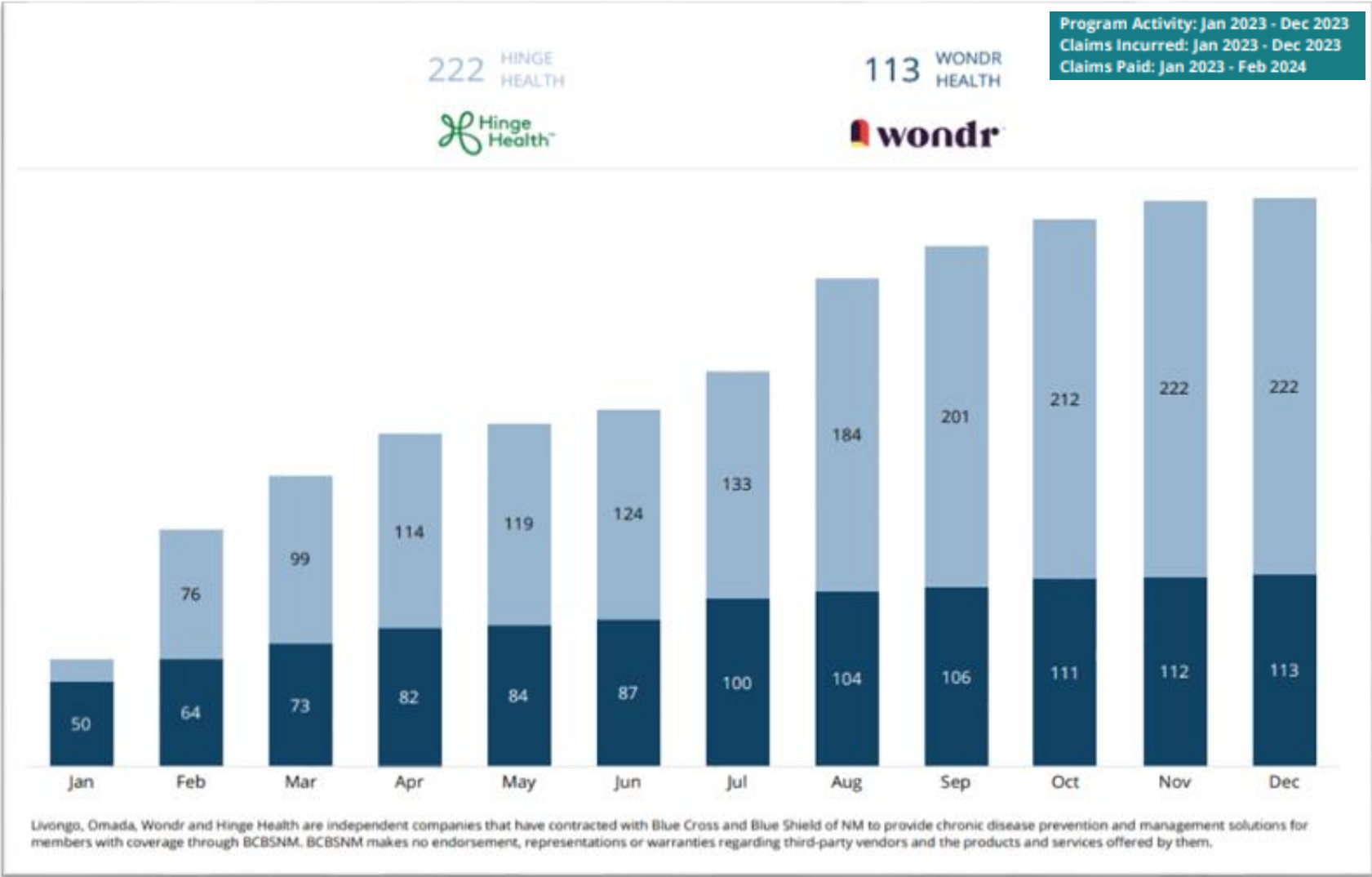
Data

- Collect attendance/participation numbers for wellness events

Communication

- Collaboration with carriers and Communication Director to promote events
- Ongoing strategic planning with Communications Director on how to best provide appropriate health education/strategic business partner overviews to areas of state experiencing high percentages of chronic health conditions.

Strategic Business Partners





What is new?

CANCER CARE MANAGEMENT & EXPERT REVIEWS

Deploying the knowledge and support wherever it's needed most, solving the problem of access and delivering expert insights



**Blue Cross and Blue Shield of New Mexico
Cancer Care Management**

**AccessHope Expert Advisory Review
& Support**

DATA ALGORITHM-TRIGGERED & MEMBER-INITIATED

This clinical case management program is designed to support employees living with cancer and other complex conditions.

The BCBSNM oncology clinician will:

- Complete a holistic assessment to identify gaps in care
- Support the employee in understanding their diagnosis and benefits
- Coordinate with multiple specialists
- Warm transfer members to AccessHope™

MEMBER REFERRAL FROM CARE MANAGEMENT

- Experts can provide a treatment plan recommendation and clinical trials that match to employees and their treating oncologist
- Expert reviews from the NCI-Designated Comprehensive Cancer Centers for all cancer types, at any stage
- AccessHope's cancer support team provides ongoing resources, ensuring seamless support once the care mgmt. case has closed

PEPM fee*

AccessHope Accountable Precision Oncology

ACCESSHOPE DATA ALGORITHM-TRIGGERED

- When an employee receives a complex cancer diagnosis an automated medical expert review triggers
- Experts leverage evidence-based recommendations associated with improved clinical outcomes to the employee's treating oncologist
- The employee's treating oncologist continues to create and modify the treatment plan
- No member involvement necessary

Case rate

*Included with Health Advocacy Solutions and Wellbeing Management Empower+
AccessHope is an independent company providing cancer support services for members enrolled with Blue Cross and Blue Shield of New Mexico and is solely responsible for the services it provides. BCBSNM makes no endorsement, representations or warranties regarding third-party vendors and the products and services offered by them. © 2023 AccessHope, LLC. All rights reserved. Confidential and proprietary.

Meet Galileo: A Digital Medical Practice that Improves Access to Quality Care

People

10+ Years

Field Experience

5+ Years

Virtual Experience

40%+

of providers are non-white (vs. 28% market avg)

30%+

identify as bilingual or multilingual

20+ Disciplines

Psychiatry, Infectious Disease, HIV, Pediatrics, Sleep Medicine, Women's Health, Cardiology, and Sports Medicine

Process

Collaboration across providers

90%

Of cases resolved virtually

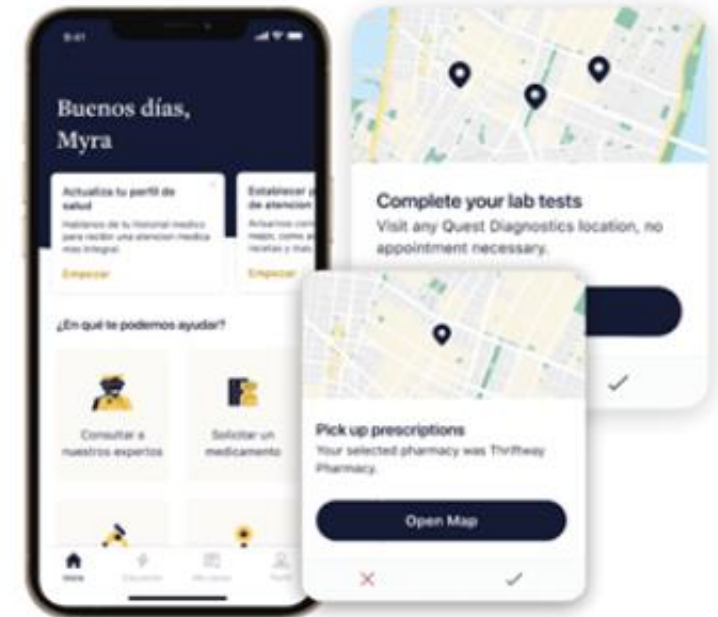
50%

Cases are preventive, chronic or mental health



Tech

Easy-to-use app in English/Spanish, plus 24/7 phone support



galileo

PATIENT EXPERIENCE

Simplicity Defined: Consultation, prescriptions, labs, referrals and more



Consult our medical experts

Receive an in-depth consultation on medical concerns, from urgent issues to chronic conditions.

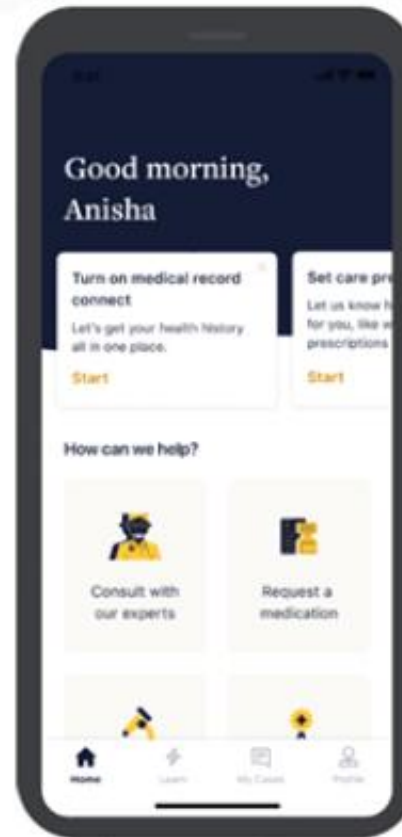
Not sure what Galileo can treat? Our team has a wide range of expertise, so ask us anything!



Request a lab test

From common to esoteric tests, we'll partner with you to better understand what's going on with your health.

We typically order tests covered by your insurance but some uncommon tests may not be covered.



Request a referral

Let us know what you're looking for and we'll be able to help you directly or refer you to someone who can.

Our expertly curated network typically accepts most insurance but we'll work with you to make sure.



Request a medication

Let us know which medications you'd like to request, and our doctors will work with you on a treatment plan.

At this time, we are not prescribing controlled substances.

galileo

FOR EMPLOYER GROUP MEMBERS (PRE-MEDICARE)

Galileo Manages 90% of Cases Without an In-Person Referral

Expertise:

ACUTE & URGENT CARE

PRIMARY CARE

COMPLEX CARE

PEDIATRIC URGENT CARE

BEHAVIORAL HEALTH

WOMEN'S HEALTH

MEN'S HEALTH

GENDER CARE

ANNUAL WELLNESS VISIT

JOINT CARE

CANCER CARE

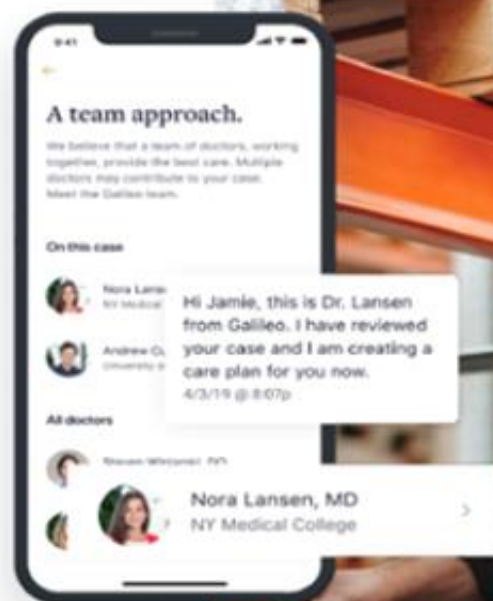
SPORTS MEDICINE

WEIGHT MANAGEMENT

SLEEP MEDICINE

Board Certified Specialists:

Pulmonology • Sleep Medicine • Cardiology • Endocrinology
• Neurology • Orthopedics • Pediatrics • Internal Medicine •
Family Medicine • Psychiatry • Infectious Disease • Lipidology
• Sports Medicine • Integrative Medicine



How to Use Galileo



1 Create your Galileo account

- Download the app and provide your health plan member ID
- Need help? Email support@galileohealth.com
- Note: Due to protected health information, all dependents require a separate account with a unique email address to use Galileo.

2 Talk to a provider

- Tap **Consult our medical experts** from the home screen
- Let us know how we can help
- Complete a short intake form to help providers give you the best care
- We'll review your case - expect a response within 15 minutes for urgent issues, and up to 12 hours for non-urgent issues

REQUEST CARE

Type in your symptoms or condition, or just tap **Tell us what you're feeling**.



SHORT INTAKE

Answer a few quick questions about what you're experiencing.



ROUTING

Your request will be routed to the appropriate providers.



CARE PLAN

A provider will reach out about your care.



Tip: Make sure your notifications are on so you can see when Galileo sends you a message!



Appendix

FOR SAM TEAM

Client Announcement

Primary Care Network Access Expansion:

24/7 Virtual Primary Care through Galileo

Starting July 1, 2024, Galileo is in-network statewide with Blue Cross and Blue Shield of New Mexico employer group (pre-Medicare) plans to improve access to timely, high-quality virtual primary care.

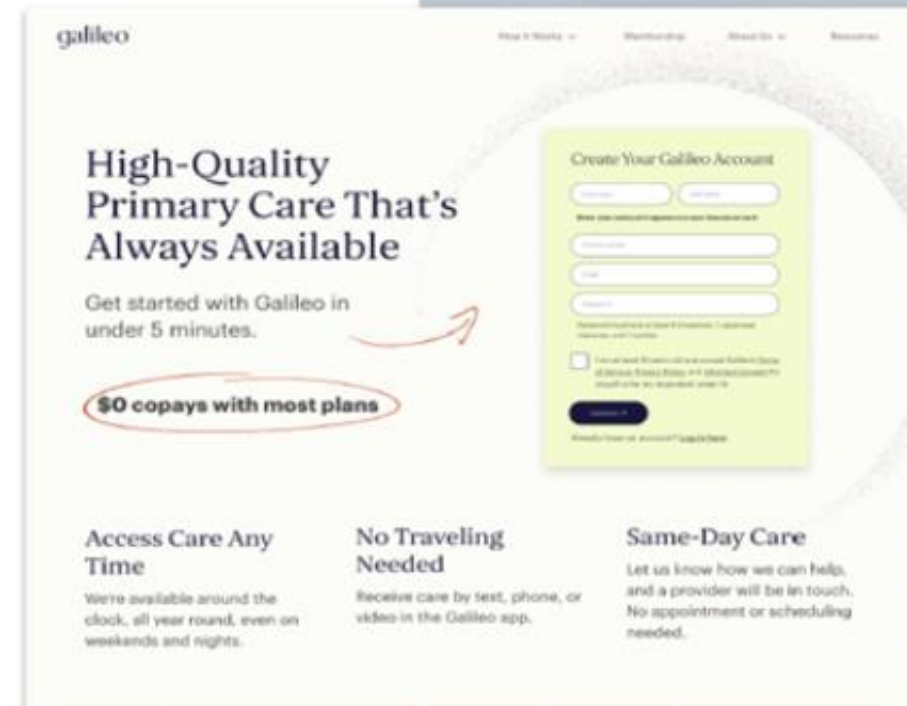
What's new?

- + 25 in-network virtual primary care providers (MDs, NPs)
- + 24/7 clinical care and patient support via the Galileo app
- + English and Spanish-speaking providers available

Galileo's services:

- 24/7, same-day virtual primary care
- Medication management
- Coordinated referrals

How do members access? Simply download the Galileo app and create an account with a BCBS NM Member ID or visit the [landing page](#) to get started.



[Learn more & member sign up page](#)

galileo

- **What is Galileo?** Galileo is a modern medical practice designed for today's complex world. Powered by a transformative clinical approach, their unique care model is built to reach diverse populations at scale, improving outcomes and affordability across the system.
- **How will it work?** Galileo is in-network with Blue Cross and Blue Shield of New Mexico employer group (pre-Medicare) plans. Cost for virtual care with Galileo is dependent on your plan design. Members simply download the Galileo app, create an account with their BCBS NM Member ID and will have access to same-day care. Note that a video visit is required to establish care in the state of New Mexico.
- **What makes Galileo unique?** Galileo's medical team are board-certified providers from the country's leading medical schools, who are trained to deliver clinically excellent care to everyone. Their providers practice in teams and collaborate on cases, which increases the breadth of treatment and quality of diagnosis. Over 40% speak Spanish and regularly take continuing education to provide care that meets the various social, cultural, and language needs of patients.

25 PCPs

MDs & NPs in-network as of 7/1/24
with plans to enroll 25+ more soon

24/7/365

Access to care

90%

Case resolution rate

80

Net promoter score

galileo

FOR EMPLOYER GROUP MEMBERS (PRE-MEDICARE)

Get Started: Create Your Galileo Account

SCAN QR CODE



-or visit-
galileo.health/bcbsnm

CREATE ACCOUNT

Create Your Galileo Account

First name Last name

Enter your names as it appears on your insurance card

Phone number

Email

Password

Password must have at least 8 characters, 1 uppercase character, and 1 number

☐ I am at least 18 years old and accept Galileo's Terms of Service, Privacy Policy, and informed Consent for myself or for my dependent under 18.

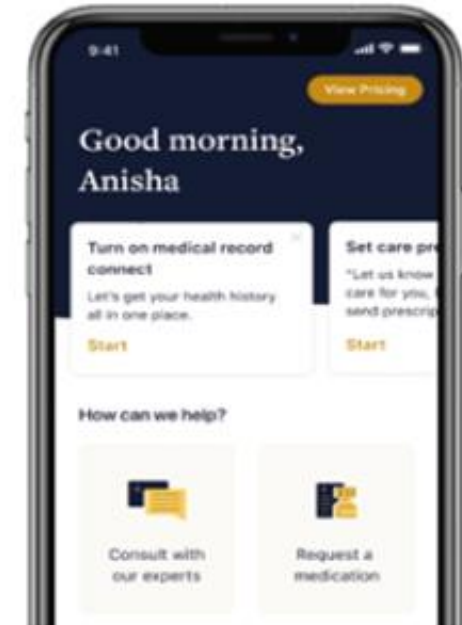
[Continue](#)

Already have an account? [Log in here](#)

INSTALL THE APP



SIGN IN TO THE APP



Need help? Email support@galileohealth.com or call 855-648-8859

galileo

FOR EMPLOYER GROUP MEMBERS (PRE-MEDICARE)

Frequently Asked Questions

What is Galileo? Galileo provides expert 24/7 virtual primary and specialty care through an easy-to-use mobile app. From the common cold and UTIs, to depression and diabetes, get convenient care on your schedule. **Don't have a doctor?** Galileo can be your primary care provider, saving you money and keeping you healthier in the long run. **Already have a doctor?** Galileo can help you when you can't get an appointment, need care after-hours, or don't have time for an in-person visit.

How does it work? Galileo is in-network with Blue Cross and Blue Shield of New Mexico employer group (pre-Medicare) plans. Virtual visits with Galileo's providers are covered by your insurance. Copays, coinsurance, and deductibles may apply depending on your plan design.

How do I contact Galileo's medical team? Galileo providers are available 24/7 to support your health needs. Get started by downloading the Galileo app (iOS and Android) and create your account with your BCBS New Mexico Member ID. Once you are all set up on the app, tap **Consult our medical experts** in the Galileo app. A video visit is required to establish care in the state of New Mexico.

How do I contact Galileo's support team? Galileo has 24/7 customer support to assist with any questions or issues. Get in touch with support at support@galileohealth.com, call 855-648-8859 or tap **Ask our patient support team** in the app.

Is my health information secure? Galileo takes the security of your health data seriously. Galileo encrypts all data and is fully compliant with federal HIPAA regulations. Your health information will never be shared with your employer.



Your Account Management Team

Lori Bell, Account Executive

Jacqueline Pacheco, Wellness Coordinator

Samantha Mensay, Clinical Community Coordinator

Chris Baker, Wellness Consultant

Lisa Sullivan, Clinical Account Consultant





New Mexico Retiree Health Care Authority

2023 Claims and Demographics Study

July 11-12, 2024

Contents

1. Review of CY2023 Incurred Claims

- Cost & Utilization Trends by Type of Service
- Claims Distribution
- Comparison to Facility and Professional Benchmarks

2. CY2023 Demographic Analysis, Risk Scores and Large Claimant Analysis

- Understanding Enrollment Risk
- Age Distribution & Age Risk Factor by Carrier
- Non-Medicare Health Status by Carrier and Plan

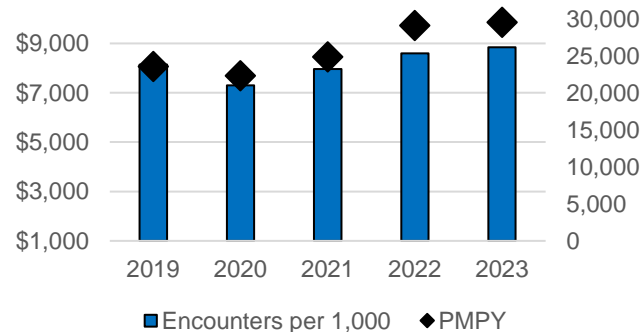
2023 Non-Medicare Medical Claims by Carrier

Type of Service	Blue Cross Blue Shield of New Mexico Non-Medicare				Presbyterian Healthcare Services Non-Medicare			
	2023 Encounters	% of 2023 Encounters	2023 Paid	% of 2023 Paid	2023 Encounters	% of 2023 Encounters	2023 Paid	% of 2023 Paid
Inpatient Hospital Facility	696	0.4%	\$9,765,718	17.2%	716	0.6%	\$11,353,606	24.2%
Outpatient Hospital Facility	8,440	5.1%	\$7,491,043	13.2%	6,556	5.7%	\$5,113,133	10.9%
Emergency Room Facility	618	0.4%	\$471,924	0.8%	1,465	1.3%	\$630,529	1.3%
Anesthesia	1,708	1.0%	\$844,038	1.5%	1,196	1.0%	\$743,262	1.6%
Surgery	14,515	8.7%	\$7,975,432	14.0%	6,695	5.9%	\$7,092,718	15.1%
Lab / Path	37,822	22.8%	\$10,473,608	18.4%	27,817	24.3%	\$7,954,539	16.9%
Evaluation and Management	34,430	20.7%	\$3,229,560	5.7%	25,431	22.3%	\$2,727,681	5.8%
Well Visits	2,847	1.7%	\$414,148	0.7%	2,648	2.3%	\$431,491	0.9%
Emergency Room Professional	1,952	1.2%	\$1,492,214	2.6%	1,503	1.3%	\$1,734,249	3.7%
Chiropractic	4,258	2.6%	\$43,644	0.1%	2,092	1.8%	\$22,825	0.0%
Medicine	40,411	24.3%	\$5,816,085	10.2%	25,015	21.9%	\$2,674,557	5.7%
Infusions and Injections	6,381	3.8%	\$4,625,950	8.1%	4,623	4.0%	\$4,470,583	9.5%
DME	5,551	3.3%	\$2,361,883	4.1%	3,904	3.4%	\$679,646	1.4%
Ambulance and Other	6,515	3.9%	\$1,930,730	3.4%	4,616	4.0%	\$1,367,096	2.9%
Total	166,144	100.0%	\$56,935,977	100.0%	114,277	100.0%	\$46,995,914	100.0%

- With less than 1% of encounters, Inpatient Hospital Facility charges are the highest cost service for Presbyterian and 2nd highest cost service for BCBSNM (1.2% behind Lab/ Path).
- Surgery made up a higher percentage of Presbyterian claims (15.1%) than BCBSNM claims (14.0%).
 - Surgery has consistently comprised a higher percentage of Presbyterian claims than BCBSNM claims since 2008.

2023 vs 2022 All Carriers Premier Plan Claims Experience

Type of Service	2023 Encounters per 1,000 Members	2022 Encounters per 1,000 Members	% Change	2023 Paid per Encounter	2022 Paid per Encounter	% Change	2023 Paid PMPY	2022 Paid PMPY	% Change
Inpatient Hospital Facility	137	135	2.0%	\$14,080	\$15,135	-7.0%	\$1,933	\$2,038	-5.1%
Outpatient Hospital Facility	1,452	1,435	1.1%	\$870	\$866	0.4%	\$1,263	\$1,243	1.6%
Emergency Room Facility	175	190	-7.8%	\$555	\$615	-9.8%	\$97	\$117	-16.8%
Anesthesia	272	345	-21.4%	\$558	\$389	43.5%	\$151	\$134	12.8%
Surgery	2,024	1,659	22.0%	\$685	\$764	-10.3%	\$1,386	\$1,268	9.4%
Lab / Path	5,999	5,803	3.4%	\$287	\$285	0.9%	\$1,723	\$1,652	4.3%
Evaluation and Management	5,501	5,335	3.1%	\$100	\$94	5.4%	\$548	\$504	8.7%
Well Visits	472	458	3.1%	\$152	\$149	2.4%	\$72	\$68	5.6%
Emergency Room Professional	314	310	1.1%	\$921	\$947	-2.7%	\$289	\$294	-1.6%
Chiropractic	646	651	-0.8%	\$11	\$10	12.2%	\$7	\$7	11.3%
Medicine	6,180	5,827	6.0%	\$135	\$109	24.0%	\$832	\$633	31.5%
Infusions and Injections	1,031	960	7.5%	\$880	\$1,214	-27.5%	\$907	\$1,165	-22.1%
DME	911	838	8.7%	\$349	\$331	5.3%	\$318	\$278	14.4%
Ambulance and Other	1,036	1,384	-25.1%	\$315	\$230	37.0%	\$327	\$319	2.5%
Total	26,149	25,331	3.2%	\$377	\$384	-1.8%	\$9,853	\$9,718	1.4%

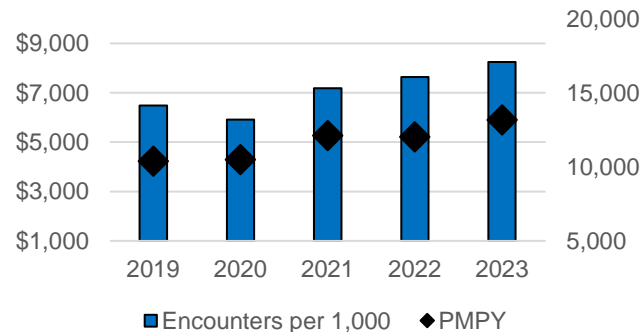


- Year over year results continue to rise from 2020; the lower utilization in 2020 is due to the COVID 19 pandemic.
- Premier plan encounters PMPM increased 3.2% from 2.11 in 2022 to 2.18 in 2023.
- Premier plan PMPY trend of 1.4% was favorable when compared to the 8.0% medical paid trend assumption for calendar year 2023.
- Average annual cost trend between 2019 and 2023 was +5.1%

* Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

2023 vs 2022 All Carriers Value Plan Claims Experience

Type of Service	2023 Encounters per 1,000 Members	2022 Encounters per 1,000 Members	% Change	2023 Paid per Encounter	2022 Paid per Encounter	% Change	2023 Paid PMPY	2022 Paid PMPY	% Change
Inpatient Hospital Facility	71	64	11.1%	\$19,420	\$16,872	15.1%	\$1,382	\$1,081	27.9%
Outpatient Hospital Facility	773	753	2.5%	\$695	\$705	-1.4%	\$537	\$531	1.1%
Emergency Room Facility	178	203	-12.3%	\$463	\$553	-16.3%	\$83	\$113	-26.6%
Anesthesia	175	240	-27.3%	\$501	\$361	38.6%	\$88	\$87	0.8%
Surgery	1,169	899	30.0%	\$827	\$851	-2.8%	\$967	\$765	26.3%
Lab / Path	4,319	4,016	7.5%	\$257	\$241	6.5%	\$1,110	\$969	14.6%
Evaluation and Management	3,858	3,623	6.5%	\$99	\$88	12.8%	\$383	\$319	20.1%
Well Visits	441	428	3.0%	\$158	\$145	8.8%	\$70	\$62	12.1%
Emergency Room Professional	232	237	-1.8%	\$978	\$1,034	-5.4%	\$227	\$245	-7.2%
Chiropractic	245	251	-2.3%	\$5	\$3	55.6%	\$1	\$1	52.0%
Medicine	3,776	3,327	13.5%	\$109	\$98	10.4%	\$410	\$327	25.3%
Infusions and Injections	656	626	4.7%	\$607	\$690	-12.0%	\$398	\$432	-7.9%
DME	498	472	5.6%	\$190	\$241	-21.2%	\$95	\$114	-16.8%
Ambulance and Other	683	918	-25.6%	\$220	\$187	17.5%	\$150	\$172	-12.6%
Total	17,074	16,058	6.3%	\$346	\$325	6.4%	\$5,901	\$5,218	13.1%

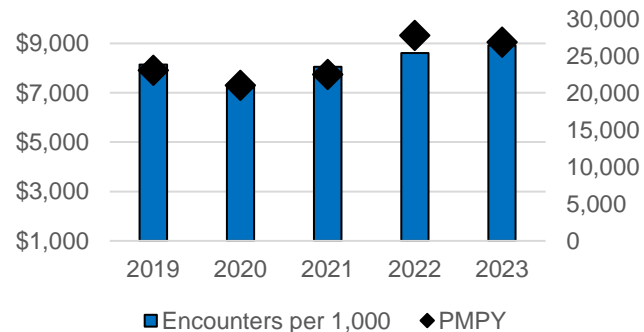


- Year over year results continue to rise from 2020; the lower utilization in 2020 is due to the COVID 19 pandemic.
- Value plan encounters PMPM increased 6.3% from 1.34 in 2022 to 1.42 in 2023.
- Value plan PMPY trend of 13.1% was unfavorable when compared to the 8.0% medical paid trend assumption for calendar year 2023.
 - Average annual cost trend between 2019 and 2023 was +8.7%

* Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

2023 vs 2022 BCBSNM All Plans Claims Experience

Type of Service	2023 Encounters per 1,000 Members	2022 Encounters per 1,000 Members	% Change	2023 Paid per Encounter	2022 Paid per Encounter	% Change	2023 Paid PMPY	2022 Paid PMPY	% Change
Inpatient Hospital Facility	111	121	-8.4%	\$14,031	\$16,310	-14.0%	\$1,551	\$1,968	-21.2%
Outpatient Hospital Facility	1,341	1,288	4.1%	\$888	\$930	-4.6%	\$1,190	\$1,198	-0.7%
Emergency Room Facility	98	102	-3.8%	\$764	\$827	-7.7%	\$75	\$84	-11.2%
Anesthesia	271	334	-18.7%	\$494	\$347	42.3%	\$134	\$116	15.7%
Surgery	2,305	1,801	28.0%	\$549	\$627	-12.4%	\$1,267	\$1,130	12.1%
Lab / Path	6,007	5,744	4.6%	\$277	\$290	-4.4%	\$1,664	\$1,665	-0.1%
Evaluation and Management	5,469	5,238	4.4%	\$94	\$93	1.3%	\$513	\$485	5.7%
Well Visits	452	427	5.8%	\$145	\$146	-0.2%	\$66	\$62	5.6%
Emergency Room Professional	310	294	5.3%	\$764	\$835	-8.5%	\$237	\$246	-3.6%
Chiropractic	676	681	-0.6%	\$10	\$9	12.0%	\$7	\$6	11.3%
Medicine	6,419	6,082	5.5%	\$144	\$114	26.1%	\$924	\$694	33.0%
Infusions and Injections	1,014	976	3.9%	\$725	\$1,061	-31.6%	\$735	\$1,035	-29.0%
DME	882	791	11.4%	\$425	\$410	3.9%	\$375	\$324	15.7%
Ambulance and Other	1,035	1,488	-30.4%	\$296	\$206	44.0%	\$307	\$306	0.2%
Total	26,389	25,366	4.0%	\$343	\$367	-6.7%	\$9,043	\$9,320	-3.0%



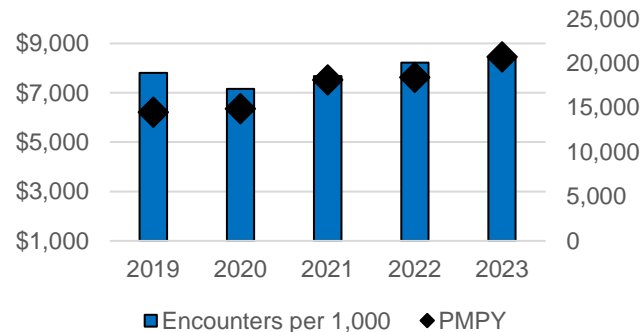
- Year over year results continue to rise from 2020; the lower utilization in 2020 is due to the COVID 19 pandemic.
- BCBSNM encounters PMPM increased 4.0% from 2.11 in 2022 to 2.20 in 2023.
- BCBSNM PMPY trend of -3.0% was favorable when compared to the 8.0% medical paid trend assumption for calendar year 2023.

— Average annual cost trend between 2019 and 2023 was 3.4%

* Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

2023 vs 2022 Presbyterian All Plans Claims Experience

Type of Service	2023 Encounters per 1,000 Members	2022 Encounters per 1,000 Members	% Change	2023 Paid per Encounter	2022 Paid per Encounter	% Change	2023 Paid PMPY	2022 Paid PMPY	% Change
Inpatient Hospital Facility	129	110	16.6%	\$15,857	\$14,266	11.2%	\$2,042	\$1,576	29.6%
Outpatient Hospital Facility	1,179	1,216	-3.0%	\$780	\$734	6.3%	\$920	\$892	3.1%
Emergency Room Facility	264	295	-10.7%	\$430	\$509	-15.4%	\$113	\$150	-24.5%
Anesthesia	215	299	-28.1%	\$621	\$428	45.2%	\$134	\$128	4.3%
Surgery	1,204	1,072	12.3%	\$1,059	\$1,062	-0.3%	\$1,276	\$1,139	12.0%
Lab / Path	5,004	4,863	2.9%	\$286	\$258	10.9%	\$1,431	\$1,254	14.1%
Evaluation and Management	4,575	4,480	2.1%	\$107	\$94	14.1%	\$491	\$421	16.5%
Well Visits	476	475	0.2%	\$163	\$150	8.6%	\$78	\$71	8.9%
Emergency Room Professional	270	287	-5.7%	\$1,154	\$1,115	3.5%	\$312	\$320	-2.5%
Chiropractic	376	393	-4.2%	\$11	\$9	17.4%	\$4	\$4	12.5%
Medicine	4,500	4,134	8.8%	\$107	\$95	12.7%	\$481	\$392	22.7%
Infusions and Injections	832	755	10.2%	\$967	\$1,190	-18.7%	\$804	\$898	-10.5%
DME	702	685	2.6%	\$174	\$195	-10.8%	\$122	\$134	-8.5%
Ambulance and Other	830	1,005	-17.4%	\$296	\$249	19.1%	\$246	\$250	-1.6%
Total	20,557	20,071	2.4%	\$411	\$380	8.2%	\$8,454	\$7,629	10.8%



- Year over year results continue to rise from 2020; the lower utilization in 2020 is due to the COVID 19 pandemic.
- Presbyterian encounters PMPM increased 2.4% from 1.67 in 2022 to 1.71 in 2023.
- Presbyterian plan PMPY trend of 10.8% was unfavorable when compared to the 8.0% medical paid trend assumption for calendar year 2023.

— Average annual cost trend between 2019 and 2023 was +8.0%

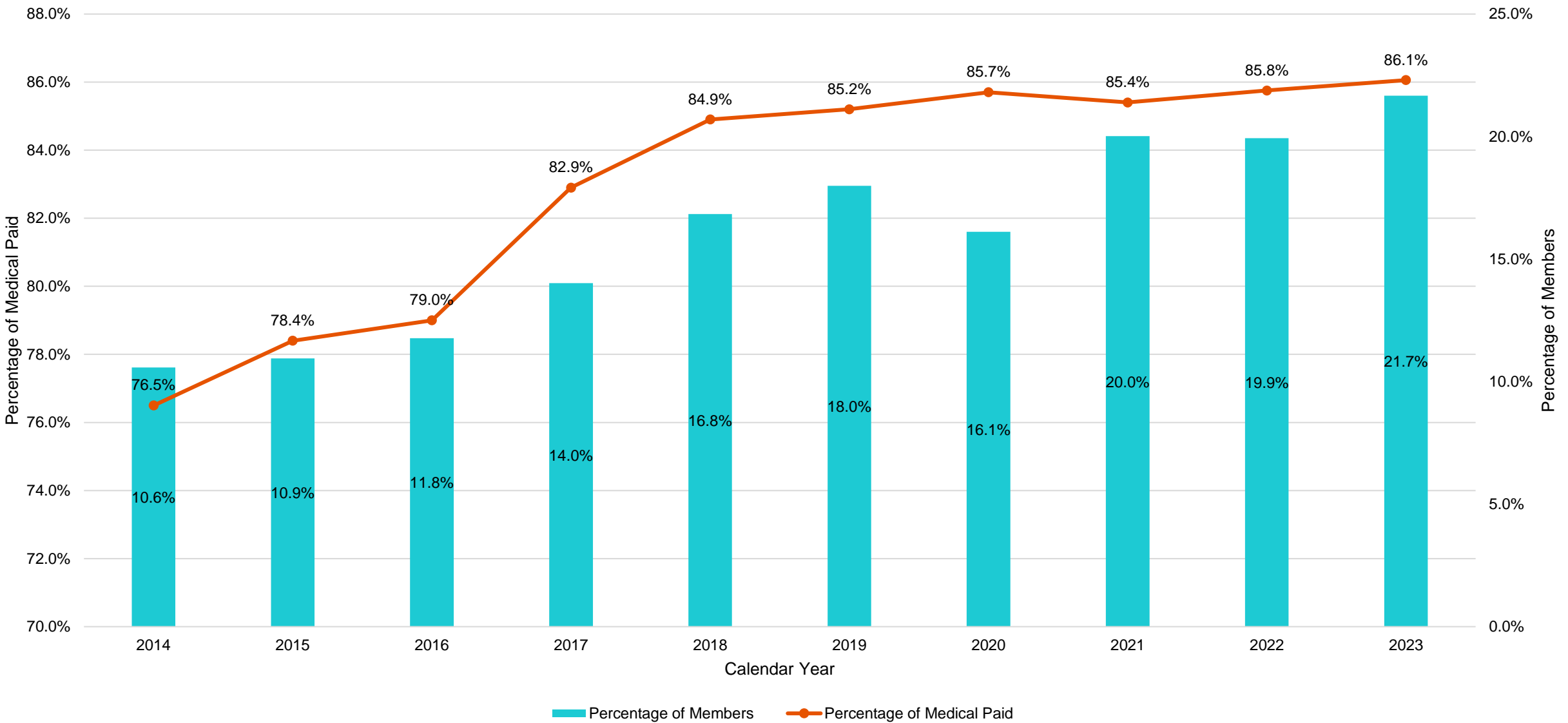
* Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

2023 Claims Distribution – Non-Medicare Medical only

Annual Claims	2023 % of Members	2023 Cumulative % of Members	2022 % of Members	2022 Cumulative % of Members	2023 Medical Paid	% of 2023 Medical Paid	Cumulative % of 2023 Medical Paid	2022 Medical Paid	% of 2022 Medical Paid	Cumulative % of 2022 Medical Paid
\$0	13.1%	13.1%	12.4%	12.4%	\$0	0.0%	0.0%	\$0	0.0%	0.0%
\$1-\$100	0.8%	13.8%	1.3%	13.7%	\$4,395	0.0%	0.0%	\$7,854	0.0%	0.0%
\$100-\$300	5.2%	19.0%	6.1%	19.8%	\$101,335	0.1%	0.1%	\$131,590	0.1%	0.1%
\$301-\$800	10.6%	29.6%	12.0%	31.8%	\$519,550	0.5%	0.6%	\$659,886	0.6%	0.7%
\$801-\$5,000	36.1%	65.7%	36.1%	67.8%	\$7,028,620	6.8%	7.4%	\$7,586,592	6.9%	7.6%
\$5,001-\$10,000	12.6%	78.3%	12.2%	80.1%	\$6,842,957	6.6%	13.9%	\$7,236,847	6.6%	14.2%
\$10,001-\$15,000	5.6%	83.9%	5.5%	85.6%	\$5,075,927	4.9%	18.8%	\$5,318,551	4.9%	19.1%
\$15,001-\$20,000	3.5%	87.4%	3.1%	88.7%	\$4,277,130	4.1%	22.9%	\$4,026,609	3.7%	22.8%
\$20,001+	12.6%	100.0%	11.3%	100.0%	\$80,130,162	77.1%	100.0%	\$84,691,454	77.2%	100.0%
Medical Total	100.0%		100.0%		\$103,980,077	100.0%		\$109,659,384	100.0%	

- In 2023, 86.1% of non-Medicare Medical claims were incurred by the 21.7% of members with annual claims in excess of \$10,000.
 - Claims in excess of \$10,000 have historically increased as a percentage of Medical Paid, from 85.2% in 2021 and 85.8% in 2022.
 - The number of members with claims in excess of \$10,000 have increased over time as well, from 10.8% in 2013 to 19.9% in 2022.
- The number of non-utilizers has increased from 12.4% in 2022 to 13.1% in 2023.
 - Prior to COVID, the average number of non-utilizers from 2012 to 2018 was 15.6% -- the same percentage seen in 2020; the percentage today is still less but closer to pre-COVID levels.

Claims in Excess of \$10,000 Historical Trends



* Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

CY2023 Facility Benchmarks

Measure	CY2023 NMRHCA Result	CY2023 Benchmark Result*	Ratio of NMRHCA to Benchmark
Inpatient admissions per 1,000 members	65.88	68.41	0.96
Inpatient days per 1,000 members	322.78	340.36	0.95
Outpatient hospital encounters per 1,000 members	2,887.86	2,391.67	1.21
Emergency room encounters per 1,000 members	218.46	230.39	0.95

- Inpatient admissions per 1,000 have increased from 63.62 in 2022 to 65.88 in 2023 and decreased relative to the benchmark (0.97 in 2022; 0.96 in 2023).
- Benchmark includes 5,250,000 active (20%) and retired (80%) public sector participants.
- Measure combines Non-Medicare and Medicare experience.

* Benchmark result has been adjusted based upon age and gender

CY2023 Professional Benchmarks

Measure*	CY2023 NMRHCA Result	CY2023 Benchmark Result**	CY2023 Ratio of NMRHCA to Benchmark
Evaluation and Management	3.43	3.55	0.97
Well Visits	0.05	0.05	0.97
Anesthesia	0.47	0.48	0.98
Surgeries***	1.11	1.07	1.04
Radiology	1.03	1.25	0.82
Pathology	1.43	1.54	0.93
Medicine	2.92	3.15	0.93
Injectables	0.28	0.30	0.95
Total	10.72	11.38	0.94

- Benchmark includes 5,250,000 active (20%) and retired (80%) public sector participants.
- Measure combines Non-Medicare and Medicare experience.
- Ratio calculations use unrounded values.

* Measures are on an encounters per member per year basis

** Benchmark result has been adjusted based upon age and gender

*** Moved to CSS definition of surgery

| Contents

1. Review of CY2023 Incurred Claims

- Cost & Utilization Trends by Type of Service
- Claims Distribution
- Comparison to Facility and Professional Benchmarks

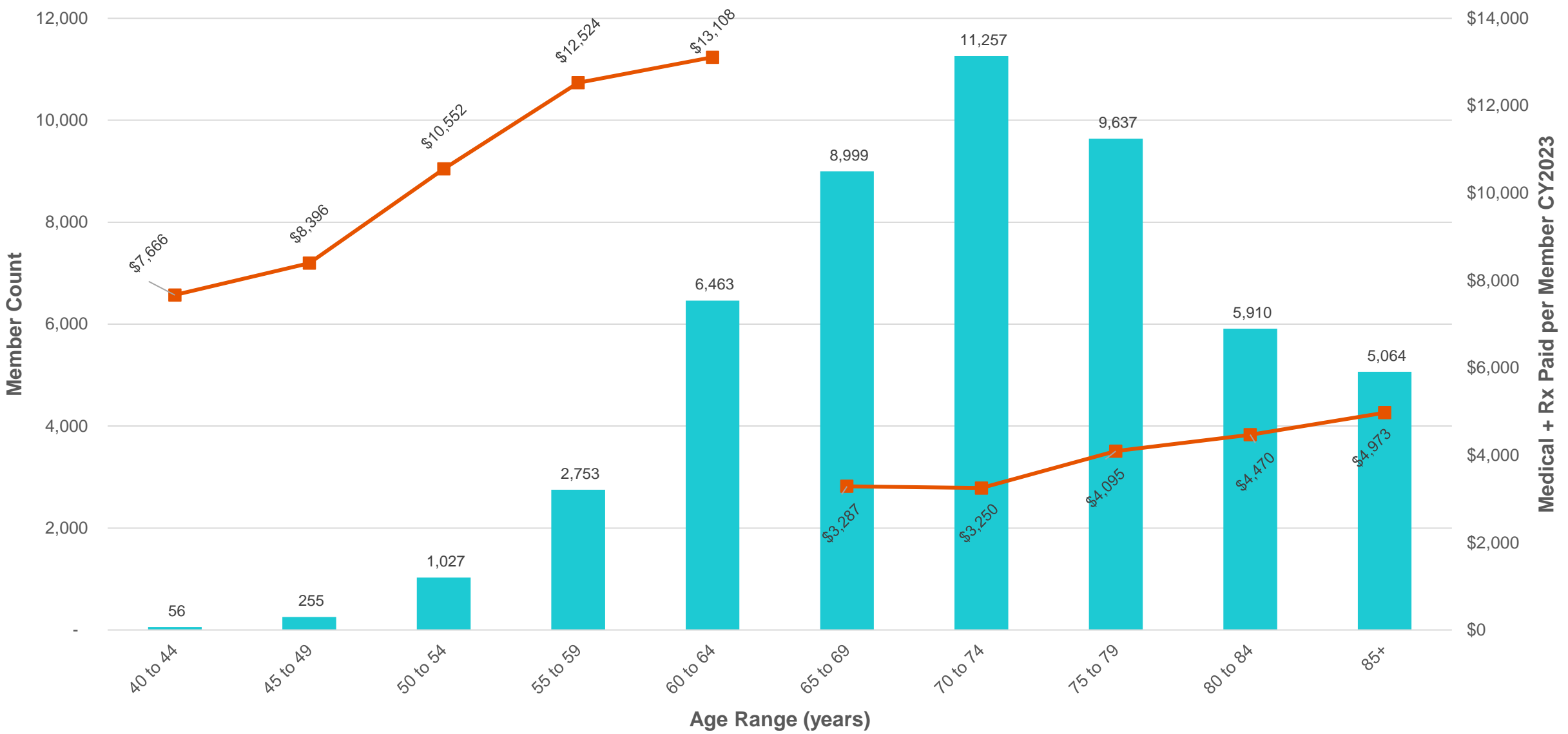
2. CY2023 Demographic Analysis, Risk Scores and Large Claimant Analysis

- Understanding Enrollment Risk
- Age Distribution & Age Risk Factor by Carrier
- Non-Medicare Health Status by Carrier and Plan

Understanding Enrollment Risk

- Enrollment risk exists in many forms. With two plans and carriers being offered, risks may include:
 - Enrollees not having similar age/gender profiles
 - Enrollees not having similar average health status
 - Inequivalent cost impact on NMRHCA due to benefit level
- Unmanaged enrollment risk drives up overall plan cost. Members are not incented to elect the plan which would be in the best financial interest of NMRHCA.
- Plan designs that do not adjust for enrollment risk frequently result in adverse selection against the plan.
 - Adverse selection is the process whereby the plan participant has enough information to determine that one course of action presents a financial advantage to them, and to the detriment of NMRHCA.

NMRHCA Members Age 40+ & CY2023 Claims Paid per Member



NMRHCA Members Age 40+ & CY2023 Claims Paid per Member

	Age Group	2023 Members	% of 2023 Members	2022 Members	% of 2022 Members	Difference
BCBSNM Non-Medicare	40 to 44	23	0%	33	1%	-0.2%
	45 to 49	114	2%	140	3%	-0.3%
	50 to 54	478	9%	542	10%	-0.6%
	55 to 59	1,291	25%	1,414	25%	-0.7%
	60 to 64	3,313	63%	3,440	62%	1.7%
BCBSNM Average Age		5,219	56.3 years	5,569	55.7 years	0.6 years
Presbyterian Non-Medicare	40 to 44	26	1%	28	1%	0.0%
	45 to 49	120	3%	154	3%	-0.5%
	50 to 54	505	11%	606	12%	-1.1%
	55 to 59	1,304	28%	1,371	27%	0.9%
	60 to 64	2,726	58%	2,933	58%	0.6%
Presbyterian Average Age		4,681	55.8 years	5,092	55.4 years	0.4 years
Total Non-Medicare	40 to 44	49	0%	61	1%	-0.1%
	45 to 49	234	2%	294	3%	-0.4%
	50 to 54	983	10%	1,148	11%	-0.8%
	55 to 59	2,595	26%	2,785	26%	0.1%
	60 to 64	6,039	61%	6,373	60%	1.2%
Non-Medicare Average Age		9,900	56.1 years	10,661	55.6 years	0.5 years

- Excludes members under age 40, over age 64, and those for whom age is not available.
- In 2023, 53% of Non-Medicare members enrolled in BCBSNM (2022=52%, 2021=52%, 2020=52%).
- Across each age group and carrier, membership has declined significantly from 2022 to 2023.
- Decimal places beyond 0.1 years are not displayed in Average Age figures, but are incorporated in the difference calculation.

* Age is calculated as of December 31st

** Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

2023 Medicare Members by Age and Carrier

	Age Group	2023 Members	% of 2023 Members	2022 Members	% of 2022 Members	Difference
BCBSNM	less than 65	267	1%	302	1%	-0.1%
Medicare Supplement	65 to 69	2,676	13%	2,898	14%	-0.7%
	70 to 74	4,790	24%	5,209	25%	-1.3%
	75 to 79	5,144	25%	5,154	25%	0.7%
	80 to 84	3,670	18%	3,720	18%	0.3%
	85+	3,774	19%	3,687	18%	1.0%
Average Age		20,321	77.5 years	20,970	77.1 years	0.3 years
BCBSNM	less than 65	61	2%	75	2%	-0.4%
Medicare Advantage	65 to 69	610	16%	595	16%	0.4%
	70 to 74	794	21%	823	22%	-0.8%
	75 to 79	1024	27%	1033	28%	-0.2%
	80 to 84	673	18%	647	17%	0.7%
	85+	588	16%	580	15%	0.2%
Average Age		3,750	76.8 years	3,753	76.6 years	0.2 years
Presbyterian	less than 65	219	2%	233	3%	-0.2%
Medicare Advantage	65 to 69	2,429	26%	2,652	29%	-3.0%
	70 to 74	3,161	34%	3,138	35%	-0.5%
	75 to 79	2,053	22%	1,796	20%	2.4%
	80 to 84	998	11%	898	10%	0.9%
	85+	384	4%	336	4%	0.4%
Average Age		9,244	73.2 years	9,053	72.8 years	0.5 years
United Healthcare	less than 65	87	2%	96	2%	-0.2%
Medicare Advantage	65 to 69	1,835	32%	1,853	34%	-1.2%
	70 to 74	1,859	33%	1,920	35%	-2.0%
	75 to 79	1,178	21%	992	18%	2.8%
	80 to 84	465	8%	428	8%	0.4%
	85+	234	4%	220	4%	0.1%
Average Age		5,658	72.7 years	5,509	72.3 years	0.4 years
Humana	less than 65	28	2%	33	2%	-0.7%
Medicare Advantage	65 to 69	804	44%	760	52%	-7.8%
	70 to 74	626	34%	418	28%	5.7%
	75 to 79	216	12%	158	11%	1.0%
	80 to 84	95	5%	65	4%	0.8%
	85+	63	3%	36	2%	1.0%
Average Age		1,832	71.2 years	1,470	70.6 years	0.6 years
Medicare Total	less than 65	662	2%	739	2%	-0.2%
	65 to 69	8,354	20%	8,758	21%	-1.0%
	70 to 74	11,230	28%	11,508	28%	-0.7%
	75 to 79	9,615	24%	9,133	22%	1.2%
	80 to 84	5,901	14%	5,758	14%	0.3%
	85+	5,043	12%	4,859	12%	0.4%
Medicare Average Age		40,805	75.5 years	40,755	75.2 years	0.3 years

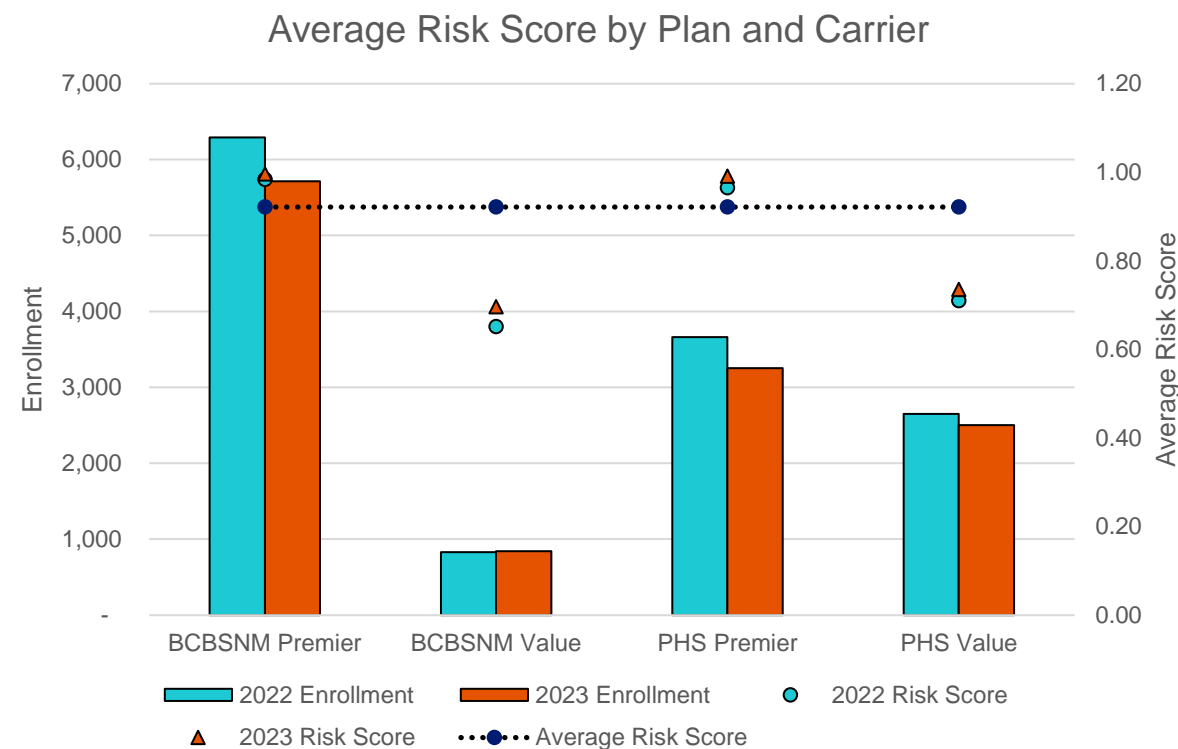
- Between the 65 to 69 and 70 to 74 age bands alone, enrollment in the Humana Medicare Advantage plan is 78%, about 41% higher than both BCBSNM plans (37%).
- In contrast, both Presbyterian Medicare Advantage and United Health Care have 71% and 65% of their enrollment in the 70+ range, respectively. BCBSNM plans have the highest average age around 78 with 86% of members over age 70.
- Over the last 8 years, BCBSNM Medicare Supplement membership has declined by about 426 members each year, on average. The largest drops in membership, year over year, were seen from 2021 to 2022 (740) and 2022 to 2023 (649).
- Decimal places beyond 0.1 years are not displayed but are incorporated in the difference calculation.
- Age is calculated as of December 31st.

2023 Medicare Members by Age and Carrier

	BCBSNM Medicare Supplement	BCBSNM Medicare Advantage	Presbyterian Medicare Advantage	United Health Care Medicare Advantage	Humana Medicare Advantage	Total
less than 65	0.7%	0.1%	0.5%	0.2%	0.1%	1.6%
65 to 69	6.6%	1.5%	6.0%	4.5%	2.0%	20.5%
70 to 74	11.8%	2.0%	7.8%	4.6%	1.5%	27.6%
75 to 79	12.6%	2.5%	5.0%	2.9%	0.5%	23.6%
80 to 84	9.0%	1.7%	2.5%	1.1%	0.2%	14.5%
85+	9.3%	1.4%	0.9%	0.3%	0.2%	12.1%
Total	49.9%	9.2%	22.7%	13.7%	4.5%	100.0%

- About half of total members (49.9%) are enrolled in the BCBSNM Medical Supplement plan.
- Across the other carriers and plans, membership increased slightly from 2022.

2023 Non-Medicare Health Status Risk Index by Carrier



- Premier participants are anticipated to cost 37.0% more than Value participants based on Health Risk Index.
- BCBSNM participants are anticipated to cost 8.8% more than Presbyterian based on Health Status Risk Index.
 - In 2022, BCBSNM participants were anticipated to cost 10.2% more than Presbyterian participants based solely on their Health Status Risk Index.
- Risk Index is based on John Hopkins Adjusted Clinical Groups (ACGs).
 - A risk score is calculated for each member month.

Carrier	Plan	2022 Risk Index	2023 Risk Index	% Change
BCBSNM	Premier	0.98	1.00	1.2%
	Value	0.65	0.70	6.9%
Presbyterian	Premier	0.96	0.99	2.7%
	Value	0.71	0.74	3.6%
Total Non-Medicare	Premier	0.98	0.99	1.8%
	Value	0.70	0.73	924.3%

2023 Continuing Non-Medicare Members' Health Status Risk Index by Plan

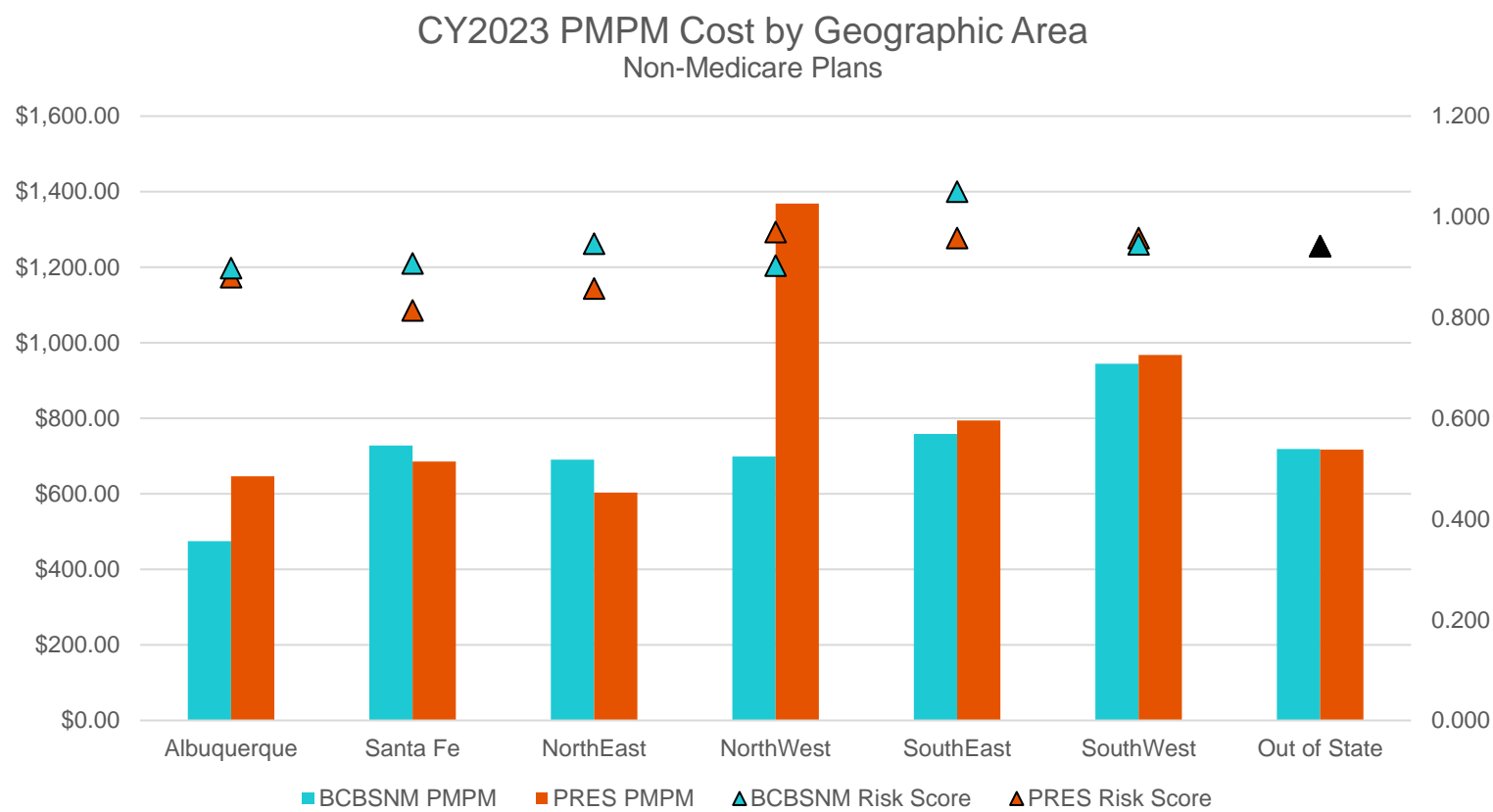
2022 Plan	2023 Plan	Members	% of Continuing Non-Medicare Membership	2023 Risk Index
Premier	Premier	7,651	73.1%	0.99
Value	Premier	105	1.0%	0.95
Premier	Value	74	0.7%	0.72
Value	Value	2,634	25.2%	0.74
		10,464	100.0%	0.93

- Member count excludes members for whom either a 2022 or 2023 plan code was not available, due to new enrollment or disenrollment from NMRHCA pre-Medicare plans.
- The overall Risk Index increased from 0.91 in 2022 to 0.93 in 2023.



| Appendix

2023 Non-Medicare Regional Analysis - Medical



	BCBS	PRES
Albuquerque	1,219	3,306
Santa Fe	735	924
NorthEast	703	808
NorthWest	469	212
SouthEast	1,144	151
SouthWest	1,387	338
Out of State	926	45
Total	6,584	5,782

- In 2022, the greatest average PMPM cost was seen in the southwest region (\$1,120) by Presbyterian. In 2023, the greatest average PMPM cost was seen in the northwest region (\$1,369) by also Presbyterian. This is about a -15% and +66% change from 2022 for the southwest and northwest regions, respectively..
- The majority of Presbyterian’s membership resides in urban areas and the northeastern counties of the State. PMPM costs in other geographic areas may fluctuate year to year given the volatility of smaller populations.
- While BCBSNM’s population within Albuquerque has a higher risk score, the average cost PMPM is almost \$200 less than Presbyterian in 2023.⁹⁶

2023 Non-Medicare In-Network vs Out-of-Network Analysis

	BCBSNM		Presbyterian	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Members	6,584		5,782	
# Services	161,411	5,939	111,346	3,417
% of Services	96.5%	3.5%	97.0%	3.0%
Average # Services per Member	24.5	0.9	19.3	0.6
Plan Paid	\$55,307,508	\$1,628,469	\$42,063,137	\$4,932,777
% of Plan Paid	97.1%	2.9%	89.5%	10.5%
Average Cost per Service	\$342.65	\$274.20	\$377.77	\$1,443.60

- In 2023, approximately 2.9% and 10.5% of plan payments were to out-of-network providers for BCBSNM and Presbyterian, respectively.
 - These payments represented 3.5% of services for BCBSNM and 3.0% of services for Presbyterian
- Approximately 73% of Presbyterian enrollees and 30% of BCBSNM enrollees reside in either Albuquerque or Santa Fe.

Express Scripts

By EVERNORTH



Annual Board Presentation

New Mexico RHCA Combined Population

July 11, 2024

WHAT WE'LL COVER

- Express Scripts Overview
- Financial Overview
- Clinical Trends & Program Success
- Biosimilars
- Managing GLP-1 Trend
- Q&A



EXPRESS SCRIPTS®
An Evernorth Company

About Express Scripts

- Express Scripts is RHCA's chosen partner for administering the prescription plan
- We are a leading pharmacy benefit manager that puts medicine in reach for 100 million people
- RHCA members have access to the following through Express Scripts:
 - 60k+ retail pharmacies located across the United States
 - Convenient home delivery services
 - Accredo specialty pharmacy for medications that treat complex and chronic health conditions
 - Specialized pharmacists, nurses and other clinicians in 20+ condition-specific Therapeutic Resource Centers
 - Express-Scripts.com and our mobile app for ordering and managing your prescriptions



Services Express Scripts provides to RHCA

- Electronic claims processing
- Formulary development and management
- Benefit Design
- Pharmacy networks
- Generic substitution
- Rebates & drug discounts
- Clinical trend
- Reporting
- Home delivery
- Patient service
- Client service
- Medicare Part D Prescription Plan
- Prior Authorization
- Step Therapy
- Quantity Limits
- Formulary Management
- Drug Utilization Review
- Health and Safety Coordination
- Fraud, Waste & Abuse
- Advanced Opioid Management
- SaveOn SP
- SafeGaurdRx
- Specialized pharmacist review and counseling

THERAPEUTIC RESOURCE CENTER® (TRC)



22 TRCs with 1,000 condition-focused pharmacists and 350 proprietary clinical protocols ensure patients are taking the right medication and staying adherent



Pharmacists receive condition-specific training to counsel patients, and on average, spend six times longer with patients than pharmacists at retail



Our model allows pharmacists to concentrate on their role — counseling, disease therapy, medication management — and deliver a higher level of patient care



600 home infusion nurses cover nearly 100% of the continental United States meeting patients where they are most comfortable

Plan Performance

Plan Performance			
	7-23 - 5-24	7-22 - 5-23	Change %
AWP	\$314,125,492	\$296,418,103	6.0%
Network & Mail Discount			
Savings (includes dispensing fees)	-\$159,923,074	-\$154,493,931	3.5%
Tax	\$42,524	\$54,372	-21.8%
Gross Cost	\$154,244,942	\$141,978,544	8.6%
Member Cost	-\$12,719,762	-\$13,628,149	-6.7%
Copay/Deductible	-\$9,732,943	-\$9,749,248	-0.2%
SaveOnSP	-\$2,986,819	-\$3,878,901	-23.0%
Plan Cost	\$141,520,355	\$128,348,164	10.3%
Rebates*	-\$44,222,003	-\$39,676,739	11.5%
Plan Cost Net	\$97,298,352	\$88,671,424	9.7%
Direct Subsidy**	-\$657,320	\$1,326,753	-149.5%
Prospective Federal Reinsurance**	-\$15,099,050	-\$14,950,086	1.0%
Coverage Gap Discount**	-\$14,656,470	-\$13,553,671	8.1%
Low-Income Cost Share Subsidy**	-\$645,821	-\$636,971	1.4%
Adjusted Plan Cost Net	\$66,239,690.51	\$60,857,448.81	8.8%
Members	31,676	33,377	-5.1%
Gross Cost PMPM	\$442.68	\$386.71	14.5%
Plan Cost PMPM	\$406.16	\$349.58	16.2%
Rebates PMPM	\$126.92	\$108.07	17.4%
Plan Cost Net PMPM	\$279.24	\$241.51	15.6%
Adjusted Plan Cost Net PMPM	\$190.11	\$165.76	14.7%

Plan Cost PMPM increased \$56.58 (+16.2%) to \$406.16

SaveOnSP provided \$2,986,819 in value. Total Member Cost less SaveOnSP was \$9,732,943, representing 8.8% in Total Member Cost Net.

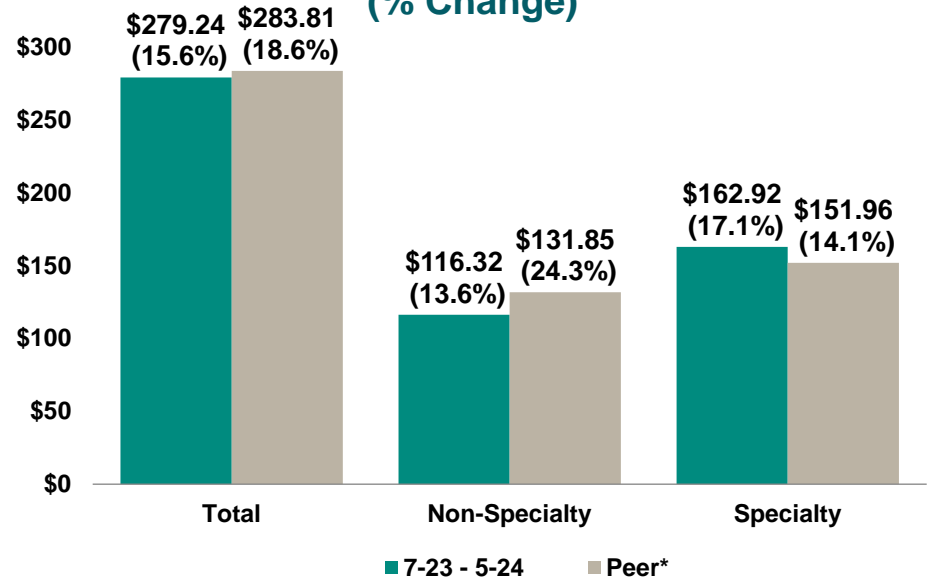
Rebates and Subsidies reduced Plan Cost PMPM from \$406.16 to \$190.11 (-53.2%)

* Rebates are estimated based on paid and expected to be paid amounts. Actual rebate payments may differ from estimates.

** Amounts are estimated. Prospective Federal Reinsurance amounts are based on the lesser of the CMS market rate and client's most up-to-date utilization which was the most recently reconciled plan year as of the beginning of this year.

Trend Dashboard – How Your Plan Compares

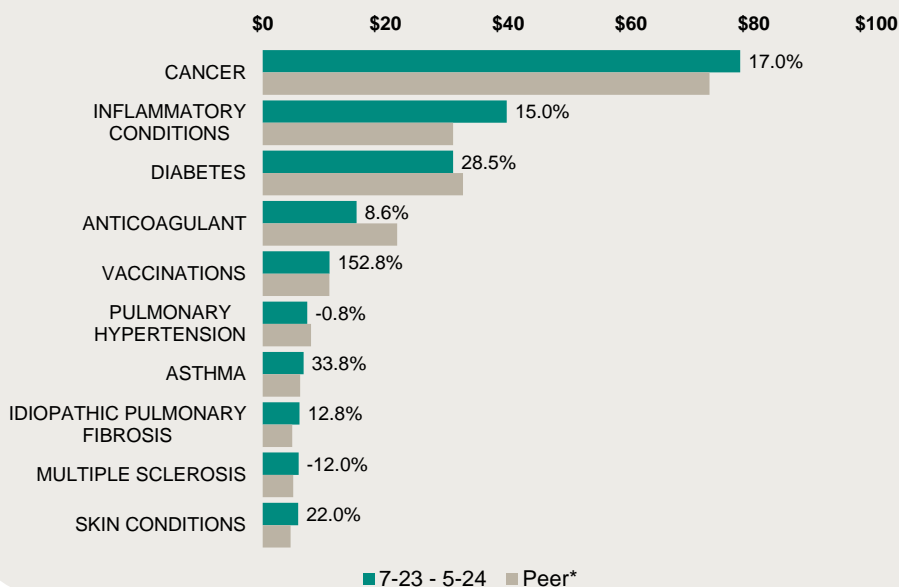
Plan Cost Net PMPM
(% Change)



New Mexico RHCA (Combined)			
Description	7-23 - 5-24	7-22 - 5-23	Change
Average Members per Month	31,676	33,377	-5.1%
Total Plan Cost Net	\$97,298,352	\$88,671,424	9.7%
Average Member Age	69.2	68.5	1.0%
Total Plan Cost Net PMPM	\$279.24	\$241.51	15.6%
Non-Specialty Plan Cost Net PMPM	\$116.32	\$102.43	13.6%
Specialty Plan Cost Net PMPM	\$162.92	\$139.08	17.1%
Generic Fill Rate	88.3%	88.7%	-0.4
90 Day Utilization	75.8%	75.5%	0.3
Retail - Maintenance 90 Utilization	38.6%	37.4%	1.1
Home Delivery Utilization	37.2%	38.0%	-0.8
Member Cost Net %	11.6%	13.3%	-1.8
Specialty Percent of Plan Cost Net	58.3%	57.6%	0.8

Peer*	
7-23 - 5-24	Change
73.7	
\$283.81	18.6%
\$131.85	24.3%
\$151.96	14.1%
89.6%	-0.4
79.4%	-0.1
33.2%	1.0
46.2%	-1.1
11.8%	-2.4
53.5%	-2.1

Plan Cost Net PMPM by Indication



A Glance at GLP-1

GLP-1 drugs were responsible for \$7.6M, which is 7.5% of your overall cost

GLP-1s accounted for \$7.84 (20.8%) of the total \$37.73 Net PMPM increase.

*Peer = 'New Mexico RHCA - Custom Combined Peer' market segment

Top Line Performance Metrics – Pre Medicare

New Mexico Retiree Health Care Authority			
Description	7-23 - 5-24	7-22 - 5-23	Change
Avg Subscribers per Month	11,830	12,946	-8.6%
Avg Members per Month	11,830	12,946	-8.6%
Number of Unique Patients	11,416	12,838	-11.1%
Pct Members Utilizing Benefit	96.5%	99.2%	-2.7
Total Plan Cost Net	\$24,110,280	\$22,898,288	5.3%
Total Days	8,817,300	9,393,078	-6.1%
Total Adjusted Rxs	327,681	350,540	-6.5%
Average Member Age	55.8	55.4	0.8%
Plan Cost Net PMPM	\$185.28	\$160.80	15.2%
Plan Cost Net/Day	\$2.73	\$2.44	12.2%
Plan Cost Net per Adjusted Rx	\$73.58	\$65.32	12.6%
Nbr Adjusted Rxs PMPM	2.52	2.46	2.3%
Generic Fill Rate	85.9%	85.9%	0.0
90 Day Utilization	60.7%	61.4%	-0.7
Retail - Maintenance 90 Utilization	24.5%	24.7%	-0.1
Home Delivery Utilization	36.2%	36.7%	-0.6
Member Cost Net %	18.0%	21.3%	-3.3
Specialty Percent of Plan Cost Net	47.8%	47.7%	0.1
Specialty Plan Cost Net PMPM	\$88.48	\$76.67	15.4%
Formulary Compliance Rate	99.5%	99.5%	0.1

Peer 1	
7-23 - 5-24	Change
56.6	
\$199.32	11.8%
\$2.70	12.7%
\$73.10	12.7%
2.73	-0.8%
86.0%	-0.3
62.9%	1.2
12.8%	2.4
50.1%	-1.2
18.1%	-3.4
49.9%	0.3
\$99.37	12.5%
99.3%	0.1

Peer 1 = 'New Mexico RHCA - Custom Commercial Peer' market segment

Plan Cost Net PMPM increased \$24.48 (+15.2%) to \$185.28, primarily driven by the Unit Cost Trend Component

Specialty Plan Cost Net PMPM increased \$11.81 (+15.4%) to \$88.48, primarily driven by the Specialty Cost Share Trend Component

Increased GFR this period reduced your plan cost by ~\$20K

Top Line Performance Metrics – EGWP

New Mexico Retiree Health Care Authority - EGWP			
Description	7-23 - 5-24	7-22 - 5-23	Change
Avg Subscribers per Month	19,847	20,431	-2.9%
Avg Members per Month	19,847	20,431	-2.9%
Number of Unique Patients	19,896	20,463	-2.8%
Pct Members Utilizing Benefit	100.2%	100.2%	0.1
Total Plan Cost Net	\$73,188,072	\$65,773,136	11.3%
Total Days	28,848,470	29,231,589	-1.3%
Total Adjusted Rx	1,030,170	1,038,308	-0.8%
Average Member Age	77.2	76.8	0.4%
Plan Cost Net PMPM	\$335.24	\$292.66	14.5%
Plan Cost Net/Day	\$2.54	\$2.25	12.8%
Plan Cost Net per Adjusted Rx	\$71.04	\$63.35	12.2%
Nbr Adjusted Rx PMPM	4.72	4.62	2.1%
Generic Fill Rate	89.1%	89.6%	-0.5
90 Day Utilization	80.4%	80.0%	0.4
Retail - Maintenance 90 Utilization	42.9%	41.5%	1.3
Home Delivery Utilization	37.5%	38.5%	-0.9
Member Cost Net %	9.2%	10.2%	-1.0
Specialty Percent of Plan Cost Net	64.1%	63.0%	1.1
Specialty Plan Cost Net PMPM	\$214.82	\$184.35	16.5%
Formulary Compliance Rate	98.4%	98.4%	0.0

Peer 1	
7-23 - 5-24	Change
76.9	
\$300.01	20.0%
\$2.22	16.5%
\$61.91	16.0%
4.85	3.4%
90.0%	-0.4
81.2%	-0.2
35.4%	0.9
45.8%	-1.0
11.0%	-2.2
55.6%	-2.0
\$166.70	15.8%
99.3%	0.1

Peer 1 = 'New Mexico RHCA - Custom EGWP Peer' market segment

Plan Cost Net PMPM increased \$42.58 (+14.5%) to \$335.24, primarily driven by the Unit Cost Trend Component

Specialty Plan Cost Net PMPM increased \$30.47 (+16.5%) to \$214.82, primarily driven by the Specialty Utilization Trend Component

Decreased GFR this period increased your plan cost by ~\$1.7M

A PARTNERSHIP THAT DELIVERS

RHCA Savings with Express Scripts

RECENT SUCCESSES OF OUR PARTNERSHIP OVER THE PAST YEAR

\$13.1M

in savings from
Advanced
Utilization
Management*

\$2.3M

in savings from
RationalMed®*

\$10K

in savings
Advanced Opioid
Management®*

\$1.4M

in savings from
SafeguardRx®

\$1.5M

in savings from
SaveonSP

**Protecting your patients while delivering
increased cost savings**

**Best-in-class member satisfaction,
rating of greater than 96%**

*Combined savings for Pre-Medicare and EGWP populations
7/1/23 – 5/31/24

Top 10 Indications

Top Indications by Plan Cost Net																	
7-23 - 5-24									7-22 - 5-23								%
Change																	
Rank	Peer Rank	Indication	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Peer	Plan Cost	Rank	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Net PMPM	Plan Cost	Plan Cost	
							Generic Fill Rate	Net PMPM									Net PMPM
1	1	CANCER	6,811	808	\$27,106,632	75.0%	81.1%	\$77.80	1	6,896	833	\$24,420,289	77.2%	\$66.51		17.0%	
2	3	INFLAMMATORY CONDITIONS	9,705	1,066	\$13,855,259	64.5%	73.8%	\$39.76	2	9,657	1,099	\$12,690,124	65.0%	\$34.56		15.0%	
3	2	DIABETES	112,708	6,705	\$10,811,835	46.9%	46.0%	\$31.03	3	113,916	6,879	\$8,865,236	50.2%	\$24.15		28.5%	
4	4	ANTICOAGULANT	25,706	3,074	\$5,330,544	14.9%	16.8%	\$15.30	4	25,638	3,081	\$5,173,004	17.9%	\$14.09		8.6%	
5	5	VACCINATIONS	23,897	13,330	\$3,792,447	0.0%	0.0%	\$10.88	11	19,246	12,229	\$1,581,012	0.0%	\$4.31		152.8%	
6	6	PULMONARY HYPERTENSION	354	23	\$2,522,403	72.3%	59.9%	\$7.24	5	388	27	\$2,678,321	67.3%	\$7.29		-0.8%	
7	7	ASTHMA	36,933	5,485	\$2,315,818	82.1%	82.3%	\$6.65	8	38,277	5,971	\$1,824,212	72.2%	\$4.97		33.8%	
8	13	IDIOPATHIC PULMONARY FIBROSIS	195	26	\$2,088,427	30.8%	34.3%	\$5.99	7	198	29	\$1,950,139	30.3%	\$5.31		12.8%	
9	12	MULTIPLE SCLEROSIS	441	50	\$2,035,041	68.0%	61.3%	\$5.84	6	524	56	\$2,436,780	48.3%	\$6.64		-12.0%	
10	14	SKIN CONDITIONS	9,224	4,389	\$2,009,890	92.4%	95.5%	\$5.77	9	9,136	4,415	\$1,736,134	93.2%	\$4.73		22.0%	
Total Top 10:			225,974		\$71,868,296	47.6%		\$206.26		223,876		\$63,355,252	49.2%	\$172.56		19.5%	
Differences Between Periods:			2,098		\$8,513,044	-1.6%		\$33.70									

The largest financially impactful change was in Cancer, driving \$2.7M in increased net cost for a 17.0% increase in Net PMPM

Vaccinations trend increased 152.8%, contributing an additional \$6.58 to Net PMPM

Represents 71.2% of your total Plan Cost Net

Peer = 'New Mexico RHCA - Custom Combined Peer' market segment

Top 25 Drugs

Top Drugs by Plan Cost Net															
7-23 - 5-24									7-22 - 5-23						
Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Peer Plan Cost Net PMPM	Rank	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Plan Cost Net PMPM	Peer Plan Cost Net PMPM
1	1	ELIQUIS	ANTICOAGULANT	15,730	1,935	\$3,894,552	\$11.18	\$17.09	1	14,645	1,803	\$3,694,944	\$10.06	11.1%	12.4%
2	5	HUMIRA(CF) PEN*	INFLAMMATORY CONDITIONS	822	90	\$3,175,306	\$9.11	\$5.16	3	740	90	\$2,866,613	\$7.81	16.7%	15.0%
3	6	IMBRUVICA*	CANCER	173	17	\$2,566,669	\$7.37	\$5.14	2	216	24	\$3,050,304	\$8.31	-11.3%	-19.5%
4	9	IBRANCE*	CANCER	159	18	\$2,437,159	\$6.99	\$4.76	4	213	23	\$2,848,317	\$7.76	-9.8%	-9.0%
5	8	OZEMPIC	DIABETES	6,096	878	\$2,326,822	\$6.68	\$4.89	11	3,496	524	\$1,305,147	\$3.55	87.9%	89.3%
6	11	XTANDI*	CANCER	186	28	\$2,095,325	\$6.01	\$4.32	7	198	28	\$1,975,521	\$5.38	11.8%	-3.0%
7	3	TRULICITY	DIABETES	5,175	676	\$1,902,668	\$5.46	\$6.00	6	6,089	737	\$2,171,604	\$5.91	-7.7%	-7.6%
8	2	REVLIMID*	CANCER	113	20	\$1,839,827	\$5.28	\$6.90	5	139	27	\$2,396,984	\$6.53	-19.1%	-17.2%
9	17	OFEV*	IDIOPATHIC PULMONARY FIBROSIS	135	18	\$1,588,900	\$4.56	\$3.43	9	136	19	\$1,415,611	\$3.86	18.3%	7.2%
10	37	RINVOQ*	INFLAMMATORY CONDITIONS	338	43	\$1,466,002	\$4.21	\$1.62	12	287	37	\$1,162,364	\$3.17	32.9%	44.4%
11	7	AREXVY	VACCINATIONS	5,050	5,011	\$1,410,071	\$4.05	\$5.05							
12	19	MOUNJARO	DIABETES	3,015	447	\$1,309,846	\$3.76	\$3.14	67	720	147	\$307,441	\$0.84	348.9%	350.5%
13	10	XARELTO	ANTICOAGULANT	6,076	720	\$1,281,199	\$3.68	\$4.44	10	6,328	781	\$1,311,500	\$3.57	2.9%	6.9%
14	31	CABOMETYX*	CANCER	49	5	\$1,170,601	\$3.36	\$1.76	16	40	7	\$951,071	\$2.59	29.7%	3.5%
15	14	ABIRATERONE ACETATE*	CANCER	153	22	\$1,150,957	\$3.30	\$3.65	8	205	31	\$1,519,716	\$4.14	-20.2%	15.1%
16	24	ENBREL SURECLICK*	INFLAMMATORY CONDITIONS	314	38	\$1,133,544	\$3.25	\$2.34	13	335	40	\$1,107,919	\$3.02	7.8%	8.8%
17	29	OXERVATE*	OPHTHALMIC CONDITIONS	22	6	\$1,092,876	\$3.14	\$1.82	78	7	2	\$265,494	\$0.72	333.7%	160.1%
18	16	TAGRISSO*	CANCER	66	10	\$1,087,706	\$3.12	\$3.59	17	55	6	\$877,247	\$2.39	30.6%	45.5%
19	15	JARDIANCE	DIABETES	6,084	806	\$1,074,656	\$3.08	\$3.64	20	4,185	600	\$702,153	\$1.91	61.3%	46.1%
20	48	KISQALI*	CANCER	79	10	\$1,047,951	\$3.01	\$1.30	283	3	1	\$46,228	\$0.13	2288.6%	445.3%
21	26	DUPIXENT PEN*	SKIN CONDITIONS	373	47	\$981,748	\$2.82	\$2.27	37	200	27	\$504,783	\$1.37	104.9%	80.2%
22	22	JAKAFI*	CANCER	61	9	\$929,421	\$2.67	\$2.45	15	68	9	\$954,225	\$2.60	2.6%	1.1%
23	32	SKYRIZI PEN*	INFLAMMATORY CONDITIONS	181	23	\$911,838	\$2.62	\$1.76	25	145	22	\$606,634	\$1.65	58.4%	40.9%
24	56	WEGOVY	WEIGHT LOSS	1,070	232	\$903,363	\$2.59	\$1.11	58	440	118	\$394,428	\$1.07	141.3%	182.9%
25	34	XIFAXAN	GI DISORDERS	394	99	\$895,474	\$2.57	\$1.69	18	367	96	\$780,537	\$2.13	20.9%	42.0%
Total Top 25:				51,914		\$39,674,481	\$113.86			39,257		\$33,216,785	\$90.47	25.9%	
Differences Between Periods:				12,657		\$6,457,696	\$23.39								

*Specialty Drugs

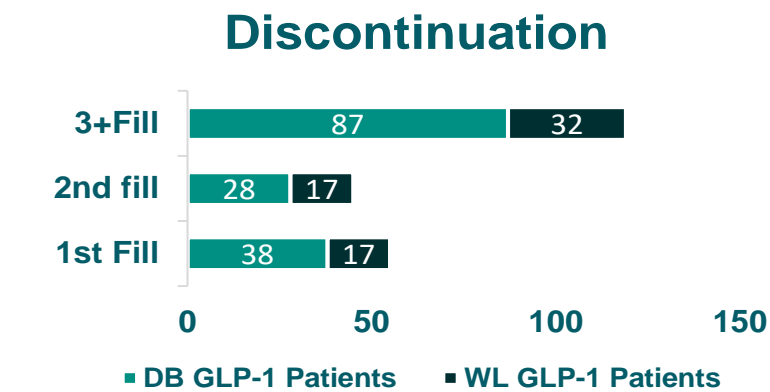
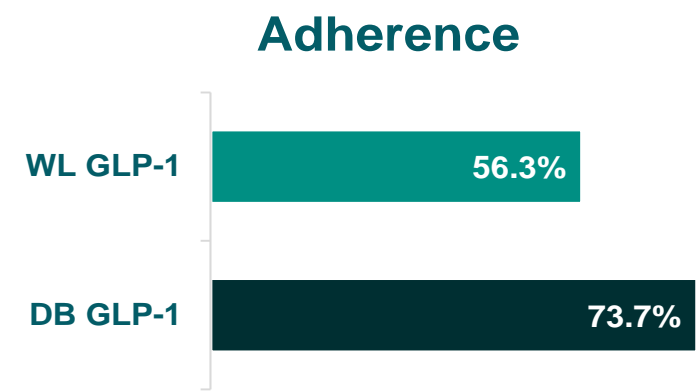
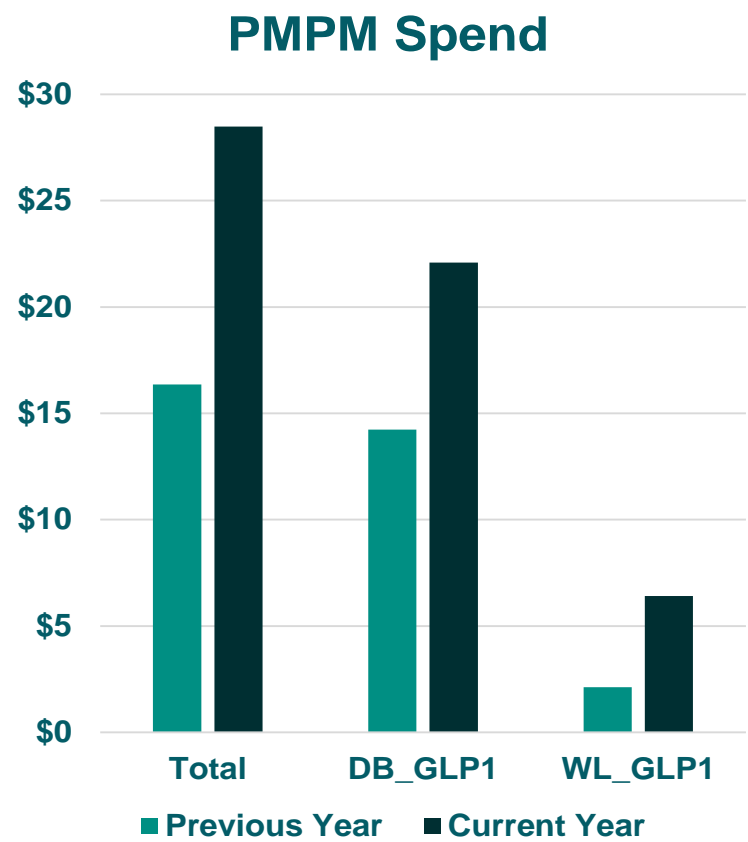
Represents 40.8% of your total Plan Cost Net and comprises 10 indications

16 of your top 25 are specialty drugs, making up 62.2% of your Top 25 spend

Peer = 'New Mexico RHCA - Custom Combined Peer' market segment

EncircleRx | GLP-1 Dashboard

+ Patients, Adherence and Discontinuation data is Current Year



*This 11% represents users of a GLP-1 diabetes agent- however additional documentation is necessary to support diagnosis.

This industry first financial guarantee, enables plans to better control spend and utilization



Industry's first ever GLP-1 financial guarantee



Ensuring that the appropriate patients have access

- + Higher patient BMI and documentation of cardiometabolic comorbidities for Weight Loss use
- + Clinical documentation of Type 2 diabetes diagnosis



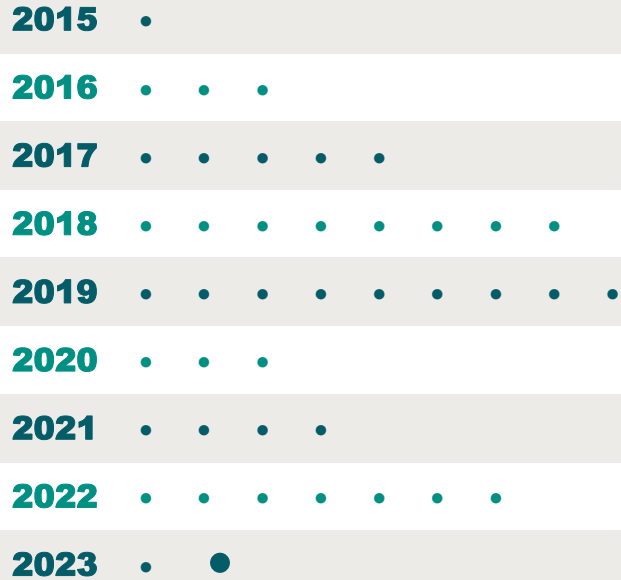
Ongoing engagement and enrollment in a lifestyle modification program for weight loss users



Provider and pharmacy management

- + GLP-1 Anti-Fraud Protection

Biosimilars to transform the specialty landscape



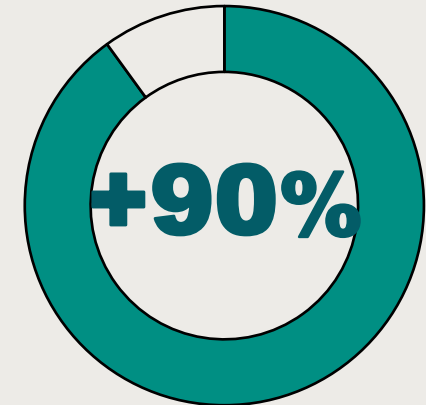
42 BIOSIMILARS have been approved over the last eight years, and utilization is increasing.

Biosimilar market share has **increased to 61%** (from only 13%) over the last two years, in relevant therapeutic areas¹

Many have entered the market at prices up to

40% lower than their reference (branded) products¹

In 2023+, Humira and Stelara are facing **major competition** from biosimilars.



of patients on Humira may **qualify** for one of the **8 to 9** emerging biosimilar options²

1. Amgen biosimilars report 2021: Microsoft PPT - USA-CBU-80961_Current State of Market-place Q2 2021 Update (amgenbiosimilars.com). Biosimilar Approvals | Center for Biosimilars®
2. Office of Emerging Therapeutics on Humira Biosimilars as of Jan. 2022, analysis of US Humira market share and usage of high concentration (100mg/mL) formulation

Gene and cell therapies

Gene therapies treat conditions by introducing or modifying **genetic material** to provide long-term benefit.

1,000+

gene and cell therapies are in development¹

34

gene and cell therapies currently on the market²

\$50B

forecasted gene and cell therapy costs in the U.S. by 2031³



Beyond ultra-rare conditions

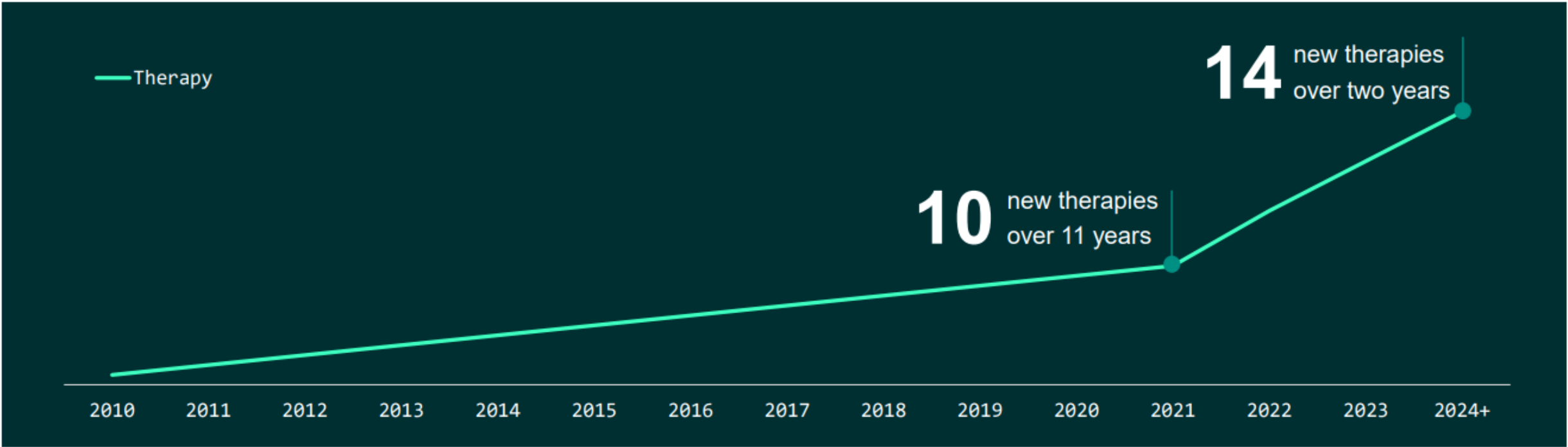
Pipeline increase predicted for near-term therapies treating higher-prevalence conditions such as hemophilia and a variety of cancers



1. Puthumana J, Egilman AC, Ramachandran R, et al. "Early experience with the FDA's regulatory review of novel gene therapies." BMJ Evidence-Based Medicine 2022;27:195–198. <https://ebm.bmj.com/content/27/4/195>
2. Food and Drug Administration Web site. <http://www.fda.gov>. Accessed Feb. 20, 2024; Evernorth Internal Research
3. Verdin P. and Tsang T.M. "Next generation therapeutics thrust into the spotlight." Springer Nature. <https://www.nature.com/articles/d43747-021-00105-y>

An accelerating market

The incredible growth of gene and cell therapy approvals in recent years



Therapy Classes	Transplant	Diabetes	Hematology	Metabolic disorders	Neurology	Immunology
	Oncology	Cardiovascular	Genetic disorders	Ophthalmology	Rheumatology	Dermatology

Gene therapy FDA approvals 2010 – 2024 YTD

Humira Biosimilar

Evernorth to have Humira Biosimilar available at Accredo Specialty Pharmacy

Plan sponsor cost

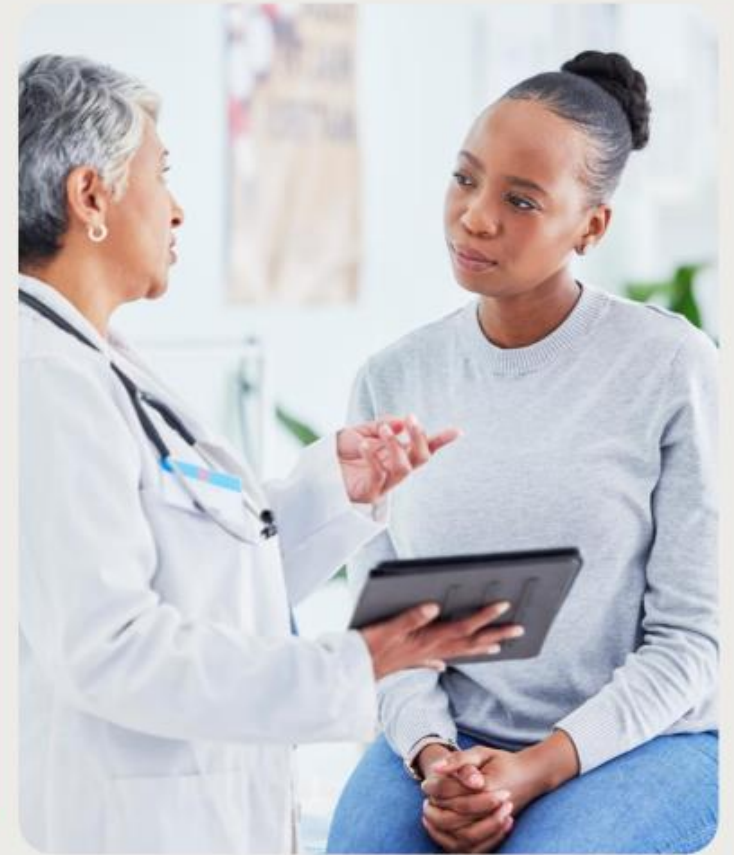
>85%

less than current
Humira list price



\$0

out of pocket cost for
eligible patients





New Mexico Retiree Health Care Authority

2023 Prescribing Patterns

July 11-12, 2024

| Assumptions and Methodology

- Prescription drug claims provided by PBM and housed in the Cognos data warehouse
- Analysis includes both Medicare and Non-Medicare participants
 - Value and Premier non-Medicare plans
 - Medicare Supplement and Medicare Part D plans
- Data reflects self-insured costs on a plan paid basis

Antibiotic Prescribing

Distribution of antibiotics prescribed during 2020 – 2023

Category	Days of Therapy	% of Total Days
Appropriate or Not Linkable ¹	936,983	61.1%
Usually Not Appropriate	345,989	22.6%
Sometimes Appropriate	249,595	16.3%

- The paper we based our analysis on reported that 23.2% of antibiotics days of therapy are not appropriate²

Top 10 Providers

Provider	# Patients	Days of Therapy	% DOT Never Appropriate
Radiology	94	987	96.5%
Family Medicine	38	311	93.2%
Dermatology	54	405	84.9%
Dermatology	65	525	80.0%
Urology	42	561	68.4%
Urology	38	271	63.5%
Internal Medicine	36	478	63.4%
Internal Medicine	34	1,476	61.7%
General Practice	99	2,345	59.3%
Student In An Organized Health Care Education/Training Program	79	1,048	56.9%

1. Not Linkable means that for a given prescription drug claim, a corresponding medical claim was not found for the patient within three days of the dispensing date of the fill.
2. Chua KP, Fischer MA, Linder JA (2019). Appropriateness of outpatient antibiotic prescribing among privately insured U.S. patients: ICD-10-CM based cross sectional study. *BMJ* 2019;364:k5092

CY2023 Diabetic Medication Prescribing

- Top 10 Providers of diabetic medications where the patient does not have a medical claim diagnosis of diabetes

Provider	# Patients	Days of Therapy
Nurse Practitioner	19	3,643
Family Medicine	10	2,122
Nurse Practitioner	4	1,162
Family Medicine	3	990
Obstetrics And Gynecology	6	990
Internal Medicine	8	986
Nurse Practitioner	5	900
Family Medicine	3	900
Nurse Practitioner	2	870
Family Medicine	1	868

1. Data is based on prescriptions dispensed in calendar year 2023 for both Medicare and non-Medicare plan participants

CY2023 Prescribers with Low GDR

- Top 10 Providers whose Generic Dispensing Rate is below the target 50th percentile GDR

Practice Area	Provider Type	50 th Percentile	Generic Dispensing Rate
Obstetrics And Gynecology	Specialist	76.1%	50.0%
Internal Medicine	PCP	71.4%	50.0%
Internal Medicine	PCP	71.4%	70.6%
Internal Medicine	PCP	71.4%	43.5%
Nurse Practitioner	PCP	71.4%	70.0%
Internal Medicine	PCP	71.4%	52.9%
Nurse Practitioner	PCP	71.4%	62.5%
Internal Medicine	PCP	71.4%	60.9%
Family Medicine	PCP	71.4%	28.6%
Obstetrics And Gynecology	Specialist	76.1%	76.0%

1. Data is based on prescriptions dispensed in calendar year 2023 for both Medicare and non-Medicare plan participants.
2. 50th Percentile GDRs are based on data for all PCPs and Specialists, separately.

CY2023 Prescribers with High Cost per Patient

- Top 10 Providers with an average cost per patient exceeding the target 80th percentile

Practice Area	Provider Type	80 th Percentile	Cost per Patient
Obstetrics And Gynecology	Specialist	\$365.92	\$1,967.07
Optometrist	Specialist	\$365.92	\$385.19
Internal Medicine	PCP	\$1,716.64	\$1,769.03
Dentist	Specialist	\$365.92	\$508.74
Dermatology	Specialist	\$365.92	\$81,408.94
Internal Medicine	PCP	\$1,716.64	\$3,052.89
Family Medicine	PCP	\$1,716.64	\$6,695.89
Physician Assistant	PCP	\$1,716.64	\$12,771.08
Pharmacist	Specialist	\$365.92	\$549.90
Internal Medicine	PCP	\$1,716.64	\$11,104.32

1. Data is based on prescriptions dispensed in calendar year 2023 for both Medicare and non-Medicare plan participants.
2. 80th Percentile costs are based on data for all PCPs and Specialists, separately.

CY2023 Narcotic Analgesics

- Top 10 Providers dispensing narcotic analgesics with an average day's supply exceeding the target 80th percentile

Practice Area	Provider Type	80 th Percentile	Days per Patient	# Distinct Patients
Internal Medicine	PCP	12.31	13.76	337
Nurse Practitioner	PCP	12.31	18.30	179
Specialist	Specialist	2.38	4.68	168
Internal Medicine	PCP	12.31	16.28	122
Family Medicine	PCP	12.31	13.26	121
Internal Medicine	PCP	12.31	24.43	110
Family Medicine	PCP	12.31	22.04	104
Family Medicine	PCP	12.31	18.19	101
Family Medicine	PCP	12.31	15.13	100
Internal Medicine	PCP	12.31	14.14	96

1. Data is based on prescriptions dispensed in calendar year 2023 for both Medicare and non-Medicare plan participants.
2. 80th Percentile days per patient figure is based on data for all PCPs and Specialists, separately.

Disclaimers

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New Mexico Retiree Health Care Authority

Pharmacy Cost Driver Report

Incurred Calendar Years 2021-2023

July 11-12, 2024

| Agenda

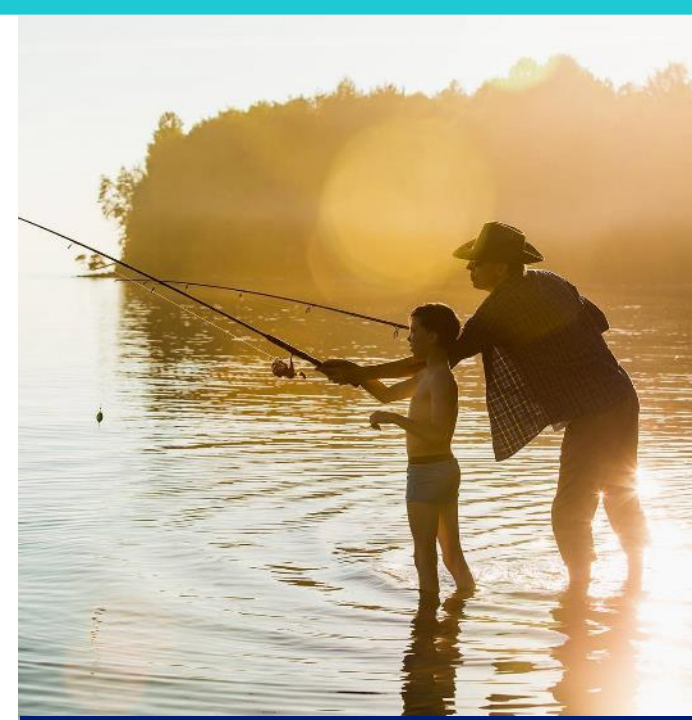
Assumptions and Methodology

Prescription Drug

- Commercial Prescription Drug
- EGWP Prescription Drug

Assumptions and Methodology

- Prescription drug claims provided by PBM and housed in the Cognos data warehouse
 - Claims net of manufacturer rebates have been shown only on where indicated the PMPM is net of rebates. All other aggregate level or PMPM pharmacy costs are shown on a gross cost basis
- Data reflects self-insured allowed claim costs incurred on or after 1/1/2021 and paid through 5/31/2024.
 - Costs reflect both plan and member payments net of provider discounts
 - Costs do not reflect SaveOnSP fees or savings
- Geographic regions map to the following counties based on retiree residence:
 - Albuquerque region includes Bernalillo, Sandoval, Torrance and Valencia counties
 - Santa Fe region includes Santa Fe County
 - Northwest Region includes Cibola, McKinley and San Juan counties
 - Northeast Region includes Colfax, Guadalupe, Harding, Los Alamos, Mora, Rio Arriba, San Miguel, Taos and Union counties
 - Southwest Region includes Catron, Dona Ana, Grant, Hidalgo, Luna, Otero, Sierra and Socorro counties
 - Southeast Region includes Chaves, Curry, De Baca, Eddy, Lea, Lincoln, Quay and Roosevelt counties
 - Outside of State includes all other states
- Distinct Patients means the count of unique patients by calendar year utilizing pharmacy benefits.



Assumptions and Methodology

- PMPM costs and per 1,000 lives metrics are based on the following average historical enrollment levels:

Plan	2021	2022	2023
Commercial Plan	14,753	13,629	12,261
EGWP Plan	21,750	20,753	20,256
Total	36,503	34,382	32,517

Calendar Year	Male	Female	Total
2021	14,413	22,074	36,487
2022	13,347	21,024	34,371
2023	12,539	19,974	32,513

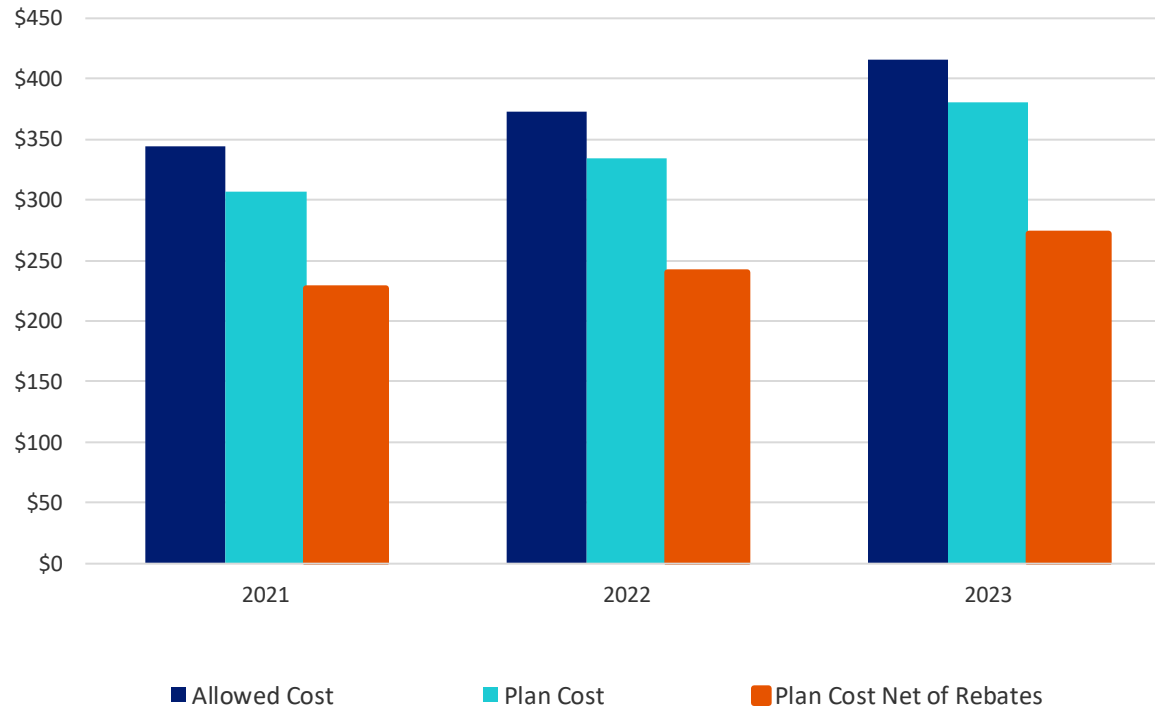
Calendar Year	Under 15	15-29	30-44	45-59	60+	Total
2021	131	1,250	134	5,067	29,905	36,487
2022	123	1,082	113	4,442	28,611	34,371
2023	99	901	89	3,871	27,553	32,513

Geographic Region	2021	2022	2023
Albuquerque	9,436	8,797	8,177
Santa Fe	4,136	3,944	3,763
Northwest	2,382	2,283	2,146
Northeast	4,431	4,193	3,957
Southwest	5,453	5,216	4,970
Southeast	5,308	5,080	5,011
Out-of-State	5,341	4,858	4,489
Total	36,487	34,371	32,513

| Prescription Drug

Overall Rx Cost Summary

Prescription Drug Costs PMPM

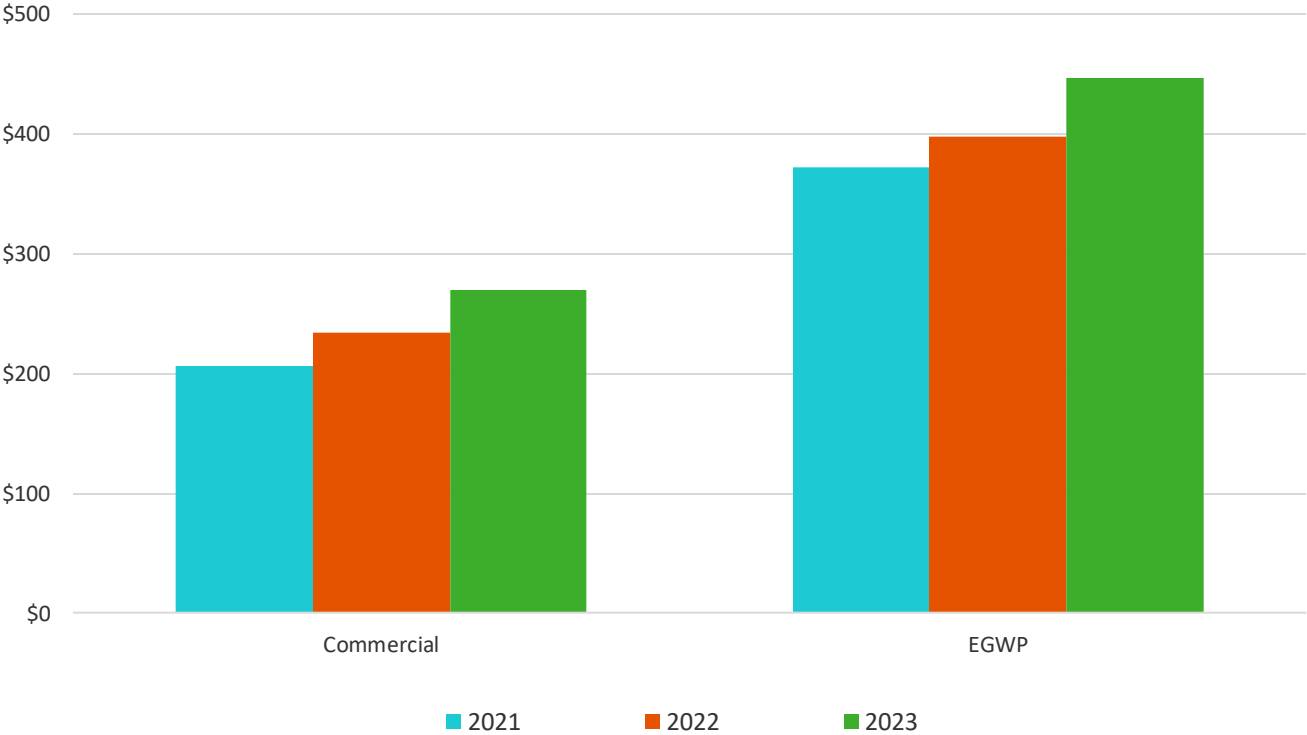


	2021	2022	2023
PMPM Cost			
Allowed Cost	\$343.60	\$372.79	\$416.16
Plan Cost	\$306.35	\$334.55	\$380.61
Plan Cost Net of Rebates	\$227.18	\$240.01	\$272.28
Allowed PMPM Cost Trend			
Allowed Cost		8.5%	11.6%
Plan Cost		9.2%	13.8%
Plan Cost Net of Rebates		5.6%	13.4%

Observations

- Member cost share, as a percentage of allowed costs, decreased from 10.8 to 8.5% between 2021 and 2023.
- Rebates have grown from 26% to 29% of plan costs in the three-year period.
- For the plan year beginning January 1, 2023, NMRHCA entered into a new contract with Express Scripts which resulted in improvements to pricing guarantees.

Prescription Drug Cost by Plan

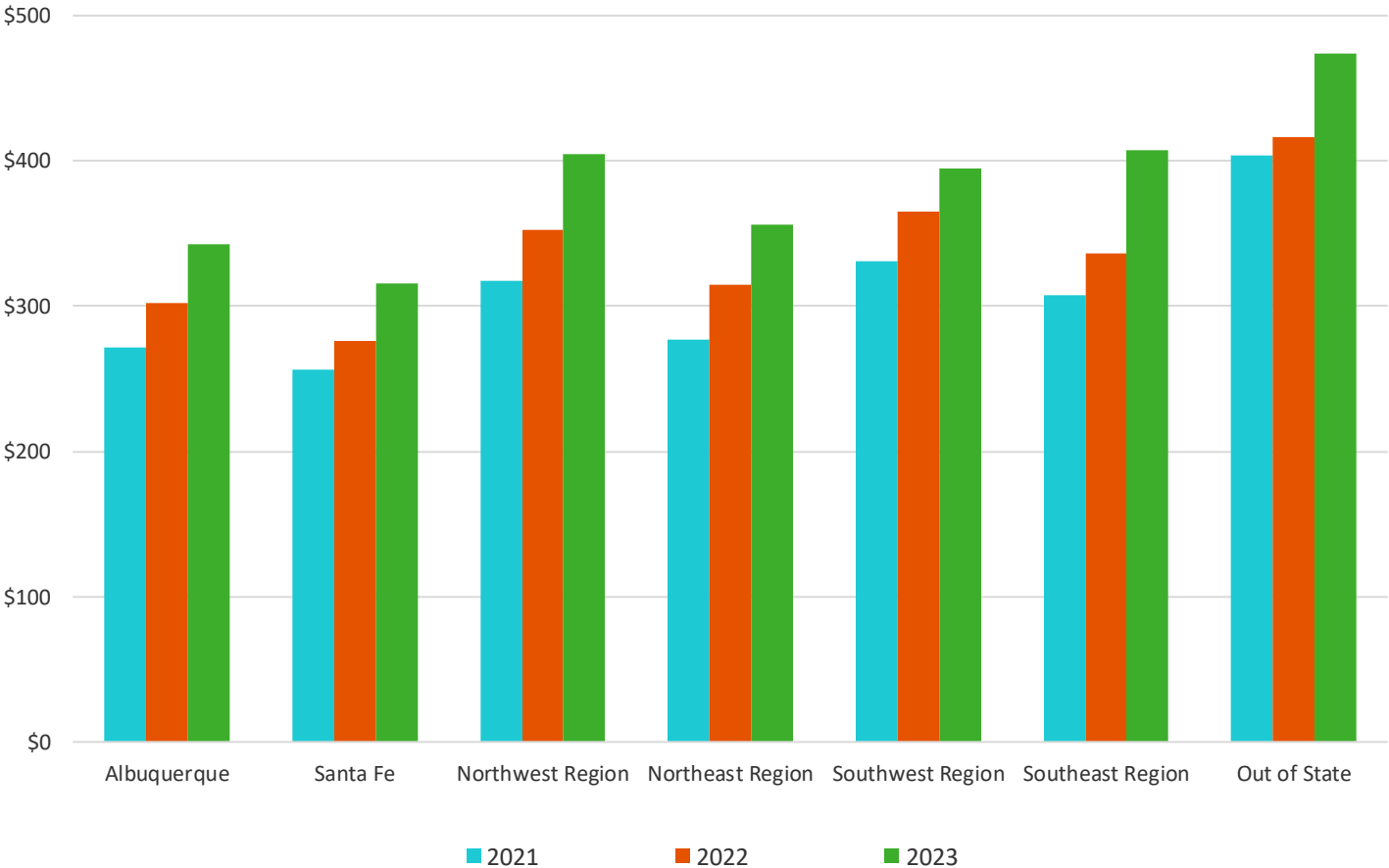


	2021	2022	2023
PMPM Plan Cost			
Commercial	\$206.09	\$234.78	\$269.92
EGWP	\$372.20	\$398.20	\$447.35
PMPM Plan Cost Trend			
Commercial		13.9%	15.0%
EGWP		7.0%	12.3%

Observations

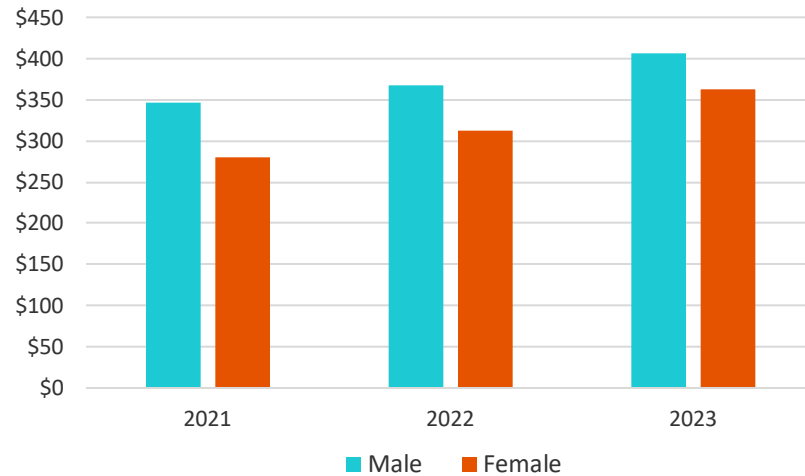
- Average costs in the commercial plan are about 40% less than those in the EGWP plan before the impact of rebates.
- The commercial plan experienced a higher trend in 2023 than the EGWP plan, which was driven by the increasing cost of brand drugs at retail.

Prescription Drug Cost by Geographic Area



	2021	2022	2023
PMPM Plan Cost			
Albuquerque	\$271.31	\$302.22	\$342.51
Santa Fe	\$256.03	\$276.01	\$315.58
Northwest Region	\$317.41	\$352.08	\$404.90
Northeast Region	\$276.91	\$314.91	\$355.90
Southeast Region	\$330.62	\$364.63	\$394.23
Southwest Region	\$307.66	\$336.61	\$406.86
Out-of-State	\$403.98	\$415.88	\$473.50
PMPM Plan Cost Trend			
Albuquerque		11.4%	13.3%
Santa Fe		7.8%	14.3%
Northwest Region		10.9%	15.0%
Northeast Region		13.7%	13.0%
Southeast Region		10.3%	8.1%
Southwest Region		9.4%	20.9%
Out-of-State		2.9%	13.9%

Allowed PMPM by Gender

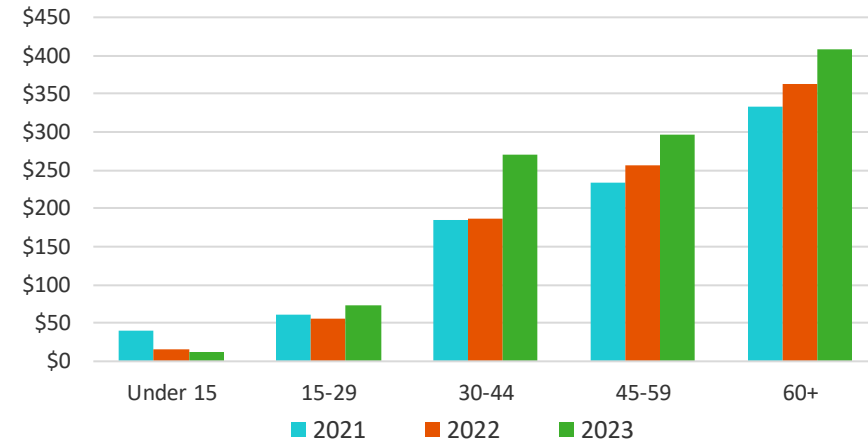


	2021	2022	2023
PMPM Plan Cost			
Male	\$346.60	\$368.25	\$407.41
Female	\$279.44	\$312.33	\$363.10
PMPM Plan Cost Trend			
Male		6.2%	10.6%
Female		11.8%	16.3%

Observations

- PMPM costs by Gender and Age Band follow expected patterns.
- Older age groups have higher costs than younger.
- Women are generally less expensive than men in retiree populations.

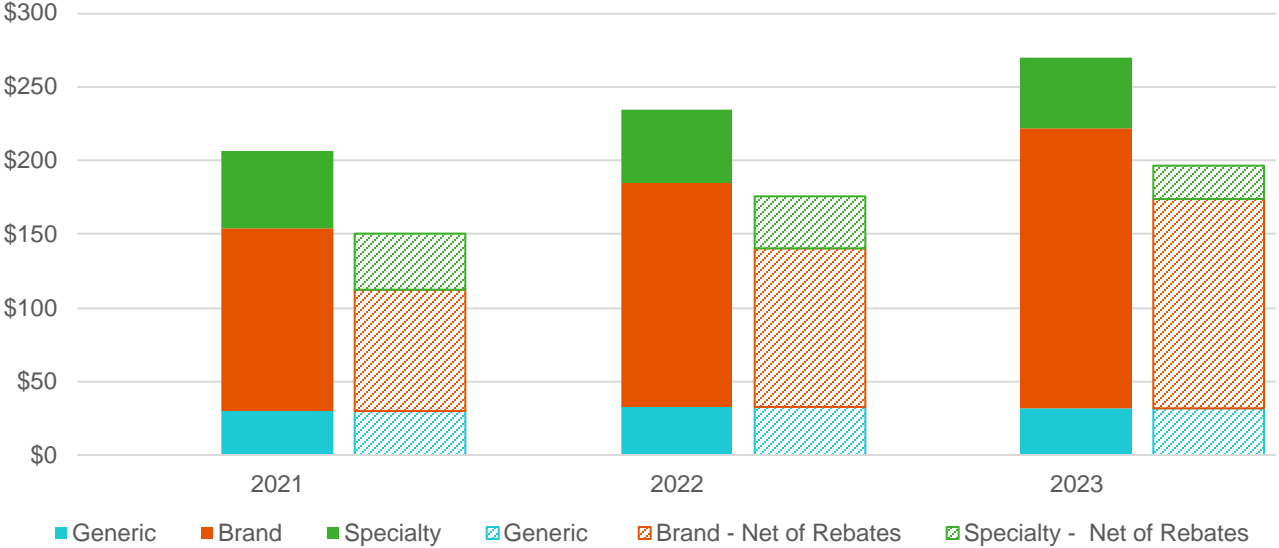
Allowed PMPM by Age Band



	2021	2022	2023
Allowed PMPM Cost			
Under 15	\$40.64	\$15.59	\$12.42
15 – 29	\$61.59	\$55.81	\$73.33
30 – 44	\$184.99	\$185.85	\$269.89
45 – 59	\$233.88	\$256.26	\$297.25
60+	\$333.24	\$362.51	\$408.21
Allowed PMPM Cost Trend			
Under 15		-61.6%	-20.3%
15 - 29		-9.4%	31.4%
30 - 44		0.5%	45.2%
45 - 59		9.6%	16.0%
60+		8.8%	12.6%

| Commercial Prescription Drug

Prescription Drug PMPM Cost

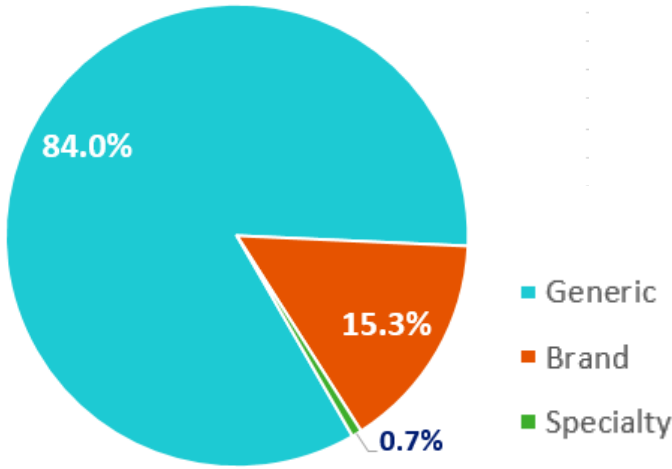


	2021	2022	2023
Plan Cost PMPM			
Generic	\$29.92	\$33.00	\$32.02
Brand	\$124.11	\$151.78	\$189.50
Specialty	\$52.03	\$50.00	\$48.06
Plan Cost PMPM Trend			
Generic		10.3%	-3.0%
Brand		22.3%	24.8%
Specialty		-3.9%	-3.9%

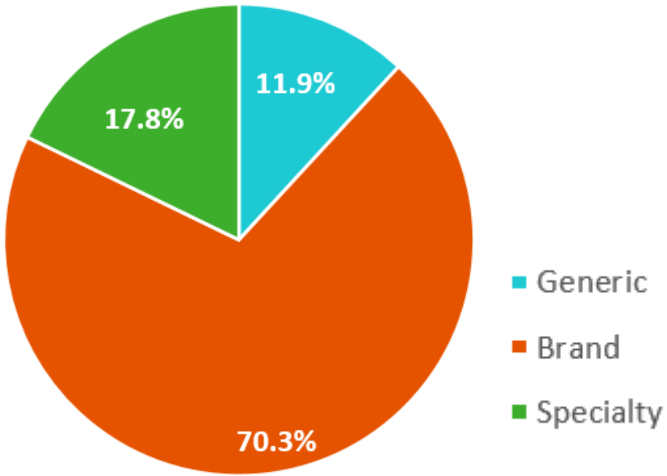
Observations

- Historically, rebates have reduced PMPM drug costs by 26-29%.
- Specialty drugs account for less than 1% of scripts and over 20% of allowed charges (before rebates), which drives overall trend.

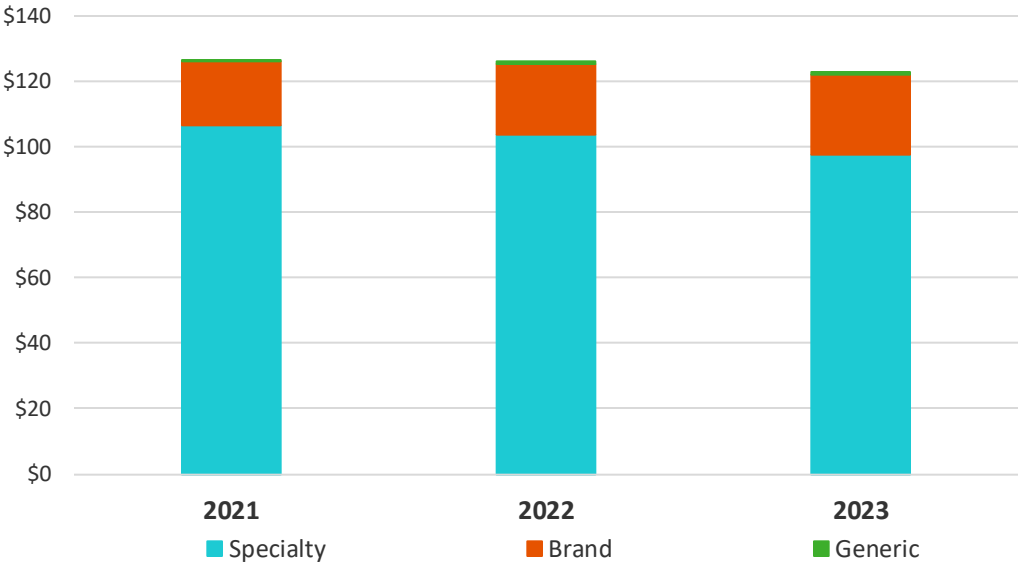
Distribution of Scripts



Distribution of Plan Costs

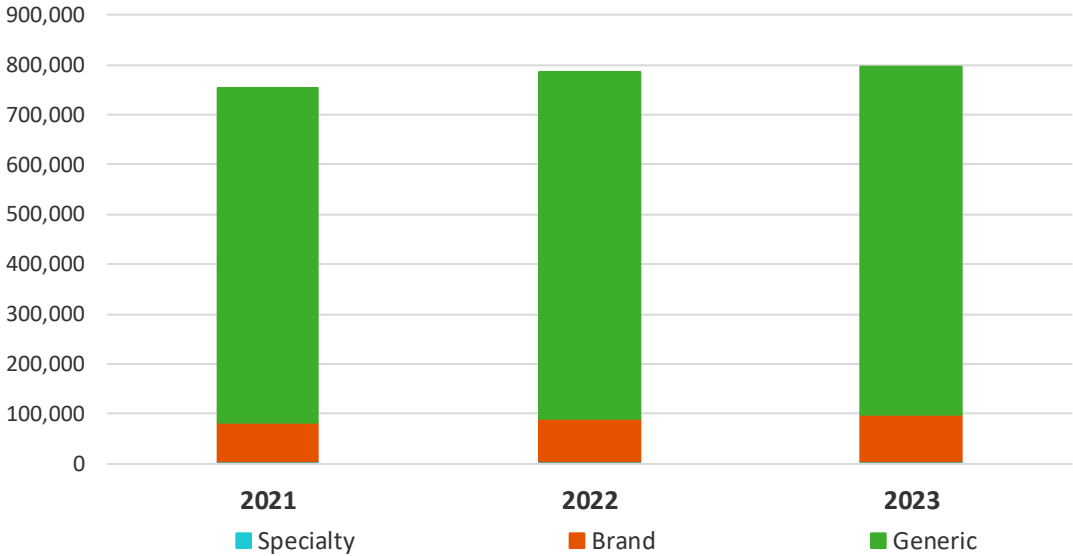


Prescription Drug Cost per Day of Therapy



	2021	2022	2023
Plan Cost per Day of Therapy			
Generic	\$0.53	\$0.57	\$0.55
Brand	\$19.55	\$21.85	\$24.54
Specialty	<u>\$106.44</u>	<u>\$103.57</u>	<u>\$97.65</u>
Total	\$3.28	\$3.59	\$4.06
Trend			
Generic		6.4%	-3.2%
Brand		11.7%	12.3%
Specialty		<u>-2.7%</u>	<u>-5.7%</u>
Total		9.3%	13.2%

Prescription Drug Days per 1,000 Lives

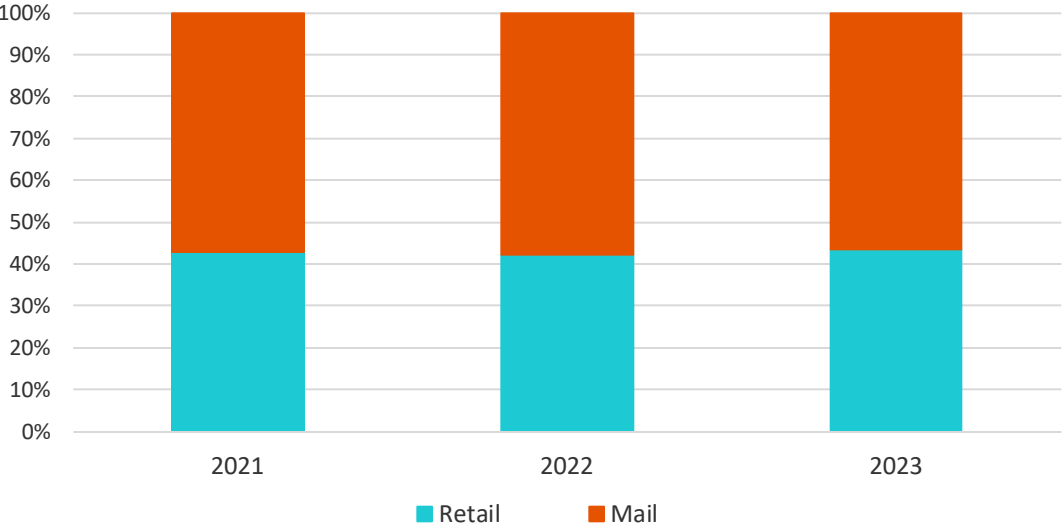


	2021	2022	2023
Days of Therapy per 1,000			
Generic	671,184	695,886	698,001
Brand	76,164	83,362	92,671
Specialty	<u>5,866</u>	<u>5,793</u>	<u>5,906</u>
Total	753,214	785,041	796,577
Trend			
Generic		3.7%	0.3%
Brand		9.5%	11.2%
Specialty		<u>-1.2%</u>	<u>1.9%</u>
Total		4.2%	1.5%

Notes:

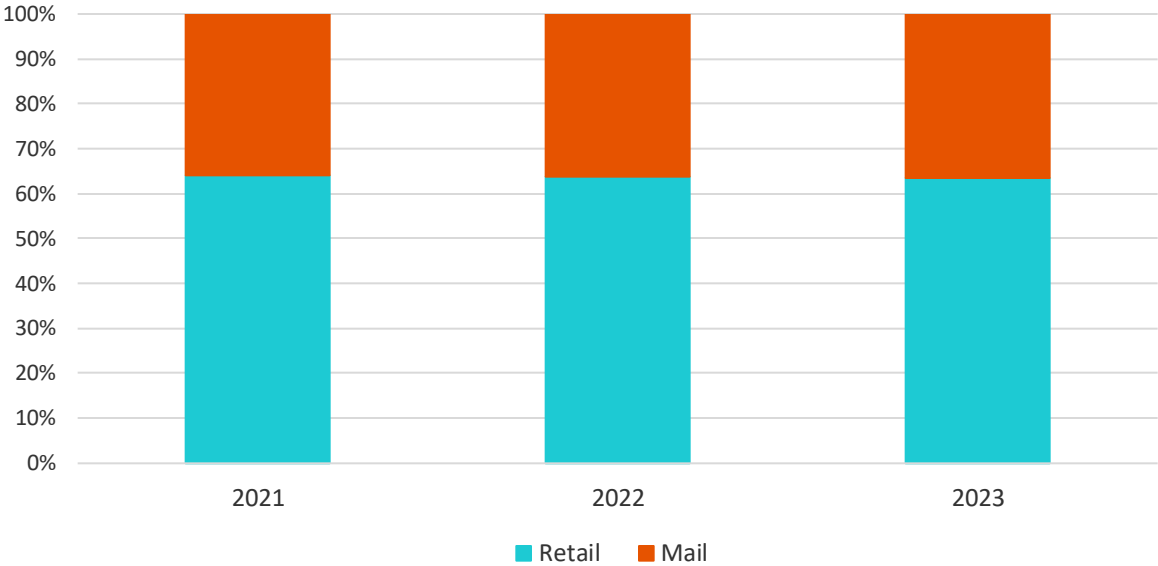
1. Prescription drug costs shown do not reflect the value of manufacturer rebates

Distribution of Plan Costs



	2021	2022	2023
Allowed			
Retail	\$15,304,895	\$16,046,699	\$17,404,941
Mail	\$20,300,379	\$21,941,123	\$22,598,667
Total	\$35,605,274	\$37,987,822	\$40,003,608
% Retail	43.0%	42.2%	43.5%

Distribution of 30-Day Adjusted Scripts



	2021	2022	2023
30-Day Adjusted Script Count			
Retail	231,830	224,834	208,850
Mail	129,689	128,004	119,502
Total	361,520	352,839	328,351
% Retail	64.1%	63.7%	63.6%

Observations

- Between 2021 and 2023, the proportion of aggregate costs have been relatively consistent, while the proportion of scripts dispensed at retail has decreased.
- In 2023, the average day of therapy per script at retail and mail order pharmacy was 29.9 and 80.1 days, respectively.

Notes:
1. Prescription drug costs shown do not reflect the value of manufacturer rebates

RETAIL			
	2021	2022	2023
Allowed PMPM			
Generic	\$25.21	\$26.72	\$23.53
Brand	\$67.77	\$76.04	\$95.56
<u>Specialty</u>	<u>\$9.29</u>	<u>\$8.92</u>	<u>\$10.61</u>
Total	\$102.27	\$111.68	\$129.70
Allowed per Day of Therapy			
Generic	\$0.70	\$0.71	\$0.63
Brand	\$17.41	\$18.40	\$21.38
<u>Specialty</u>	<u>\$54.78</u>	<u>\$55.52</u>	<u>\$52.83</u>
Total	\$2.54	\$2.68	\$3.07
Days per 1,000 Lives			
Generic	434,277	448,715	450,623
Brand	46,699	49,597	53,633
<u>Specialty</u>	<u>2,035</u>	<u>1,928</u>	<u>2,411</u>
Total	483,010	500,240	506,668
Rx Count per 1,000 Lives			
Generic	14,050	14,384	14,305
Brand	2,670	2,668	2,554
<u>Specialty</u>	<u>72</u>	<u>66</u>	<u>76</u>
Total	16,792	17,117	16,935
Average Days per Script			
Generic	30.91	31.20	31.50
Brand	17.49	18.59	21.00
<u>Specialty</u>	<u>28.45</u>	<u>29.28</u>	<u>31.92</u>
Total	28.77	29.22	29.92

MAIL ORDER			
	2021	2022	2023
Allowed PMPM			
Generic	\$14.47	\$15.59	\$16.83
Brand	\$74.11	\$98.67	\$116.94
<u>Specialty</u>	<u>\$53.51</u>	<u>\$51.79</u>	<u>\$47.44</u>
Total	\$142.08	\$166.05	\$181.21
Allowed per Day of Therapy			
Generic	\$0.73	\$0.76	\$0.82
Brand	\$30.18	\$35.07	\$35.95
<u>Specialty</u>	<u>\$167.60</u>	<u>\$160.81</u>	<u>\$162.91</u>
Total	\$6.31	\$7.00	\$7.50
Days per 1,000 Lives			
Generic	236,907	247,171	247,377
Brand	29,465	33,765	39,038
<u>Specialty</u>	<u>3,831</u>	<u>3,865</u>	<u>3,494</u>
Total	270,204	284,800	289,910
Rx Count per 1,000 Lives			
Generic	2,772	2,914	2,922
Brand	368	474	634
<u>Specialty</u>	<u>76</u>	<u>75</u>	<u>64</u>
Total	3,217	3,464	3,620
Average Days per Script			
Generic	85.45	84.81	84.65
Brand	80.04	71.22	61.58
<u>Specialty</u>	<u>50.28</u>	<u>51.29</u>	<u>54.84</u>
Total	84.00	82.22	80.09

2023 Top Therapeutic Class by Total Plan Cost

Antidiabetics

- 1st by Aggregate Costs
- 12th by Cost per Patient
- 4th by # Patients

Analgesics
Anti-inflammatory

- 2nd by Aggregate costs
- 10th by Cost per Patient
- 8th by # Patients

Vaccines

- 12th by Aggregate costs
- 36th by Cost per Patient
- 3rd by # Patients

Rank	Therapeutic Class	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average DOT per Script
1	ANTIDIABETICS	3,842	20,150	946,621	\$8,802,282	\$2,291	\$436.84	\$9.30	47.0
2	ANALGESICS - ANTI-INFLAMMATORY	2,483	7,142	235,960	\$7,175,557	\$2,890	\$1,004.70	\$30.41	33.0
3	DERMATOLOGICALS	2,895	5,664	129,123	\$3,185,263	\$1,100	\$562.37	\$24.67	22.8
4	ANTINEOPLASTICS	357	1,702	81,073	\$2,994,906	\$8,389	\$1,759.64	\$36.94	47.6
5	UNKNOWN	1,274	3,502	102,202	\$1,662,401	\$1,305	\$474.70	\$16.27	29.2
6	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	2,623	8,723	339,610	\$1,547,148	\$590	\$177.36	\$4.56	38.9
7	ADHD/ANTI-NARCOLEPSY/ANTI-OBESITY/ANOREXIANTS	433	2,228	67,075	\$1,297,371	\$2,996	\$582.30	\$19.34	30.1
8	ANTIVIRALS	1,509	2,854	63,717	\$1,209,284	\$801	\$423.72	\$18.98	22.3
9	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	109	368	17,331	\$1,156,005	\$10,606	\$3,141.32	\$66.70	47.1
10	CARDIOVASCULAR AGENTS - MISC.	254	1,194	39,264	\$899,951	\$3,543	\$753.73	\$22.92	32.9
11	ANTICOAGULANTS	352	1,732	77,156	\$884,560	\$2,513	\$510.72	\$11.46	44.5
12	VACCINES	4,127	6,318	6,937	\$716,811	\$174	\$113.46	\$103.33	1.1
13	ASSORTED CLASSES	81	514	23,832	\$708,315	\$8,745	\$1,378.04	\$29.72	46.4
14	GASTROINTESTINAL AGENTS - MISC.	211	860	37,123	\$704,195	\$3,337	\$818.83	\$18.97	43.2
15	MIGRAINE PRODUCTS	385	1,829	45,406	\$628,023	\$1,631	\$343.37	\$13.83	24.8
	All Other	51,949	186,004	7,616,177	\$5,976,775	\$115.05	\$32.13	\$0.78	40.9
Grand Total		72,884	250,784	9,828,607	\$39,548,847	\$542.63	\$157.70	\$4.02	39.2

Notes:
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Therapeutic Class by Total Plan Cost

Rank	Therapeutic Class	Average Cost per Patient by Year			Trend	
		2021	2022	2023	2021	2022
1	ANTIDIABETICS	\$1,670	\$1,944	\$2,291	16.4%	17.8%
2	ANALGESICS - ANTI-INFLAMMATORY	\$1,987	\$2,431	\$2,890	22.4%	18.9%
3	DERMATOLOGICALS	\$644	\$902	\$1,100	0.1%	13.9%
4	ANTINEOPLASTICS	\$7,361	\$7,366	\$8,389	40.0%	22.0%
5	UNKNOWN	\$1,783	\$1,624	\$1,305	-8.9%	-19.7%
6	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	\$516	\$525	\$590	1.8%	12.3%
7	ADHD/ANTI-NARCOLEPSY/ANTI-OBESITY/ANOREXIANTS	\$1,309	\$1,449	\$2,996	-18.1%	-11.2%
8	ANTIVIRALS	\$1,343	\$728	\$801	-45.8%	10.1%
9	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	\$14,579	\$11,937	\$10,606	41.7%	-18.1%
10	CARDIOVASCULAR AGENTS - MISC.	\$3,053	\$4,328	\$3,543	-15.3%	-17.5%
11	ANTICOAGULANTS	\$2,124	\$2,426	\$2,513	14.2%	3.6%
12	VACCINES	\$103	\$123	\$174	19.0%	41.6%
13	ASSORTED CLASSES	\$12,523	\$10,603	\$8,745	-5.1%	22.8%
14	GASTROINTESTINAL AGENTS - MISC.	\$2,863	\$2,717	\$3,337	25.4%	18.4%
15	MIGRAINE PRODUCTS	\$1,099	\$1,378	\$1,631	44.4%	-7.8%
Overall		\$447.53	\$471.24	\$542.63	5.3%	15.1%

Notes:

1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Drugs by Total Plan Cost

Rank	Drug Name	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average DOT per Script
1	HUMIRA	69	265	18,064	\$3,831,844	\$55,534	\$14,460	\$212	68.2
2	TRULICITY	465	1,769	75,263	\$2,177,687	\$4,683	\$1,231.03	\$28.93	42.5
3	OZEMPIC	486	1,527	52,539	\$1,489,529	\$3,065	\$975.46	\$28.35	34.4
4	ENBREL	27	80	5,768	\$1,114,371	\$41,273	\$13,929.64	\$193.20	72.1
5	JARDIANCE	304	1,328	63,118	\$1,023,327	\$3,366	\$770.58	\$16.21	47.5
6	WEGOVY	401	827	23,079	\$993,695	\$2,478	\$1,201.57	\$43.06	27.9
7	MOUNJARO	338	921	30,676	\$989,327	\$2,927	\$1,074.19	\$32.25	33.3
8	HUMALOG	252	953	40,732	\$920,104	\$3,651	\$965.48	\$22.59	42.7
9	RINVOQ	25	83	5,178	\$867,553	\$34,702	\$10,452.45	\$167.55	62.4
10	SKYRIZI	15	50	3,764	\$773,207	\$51,547	\$15,464.14	\$205.42	75.3
11	DUPIXENT	32	160	8,330	\$757,580	\$23,674	\$4,734.87	\$90.95	52.1
12	FARXIGA	180	749	35,830	\$571,223	\$3,173	\$762.65	\$15.94	47.8
13	TALTZ	19	75	2,660	\$538,915	\$28,364	\$7,185.53	\$202.60	35.5
14	IBRANCE	5	30	1,232	\$532,169	\$106,434	\$17,738.95	\$431.95	41.1
15	<u>BIKTARVY</u>	<u>19</u>	<u>90</u>	<u>4,250</u>	<u>\$488,297</u>	<u>\$25,700</u>	<u>\$5,425.52</u>	<u>\$114.89</u>	<u>47.2</u>
	Top 15 Total		8,907	370,483	17,068,828		\$1,916.34	\$46.07	41.6
	All Other		240,794	9,452,392	\$22,098,655		\$91.77	\$2.34	39.3
Grand Total			249,701	9,822,875	\$39,167,483		\$156.86	\$3.99	39.3

Notes:

1. DOT means Days of Therapy

2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Drugs by Total Plan Cost

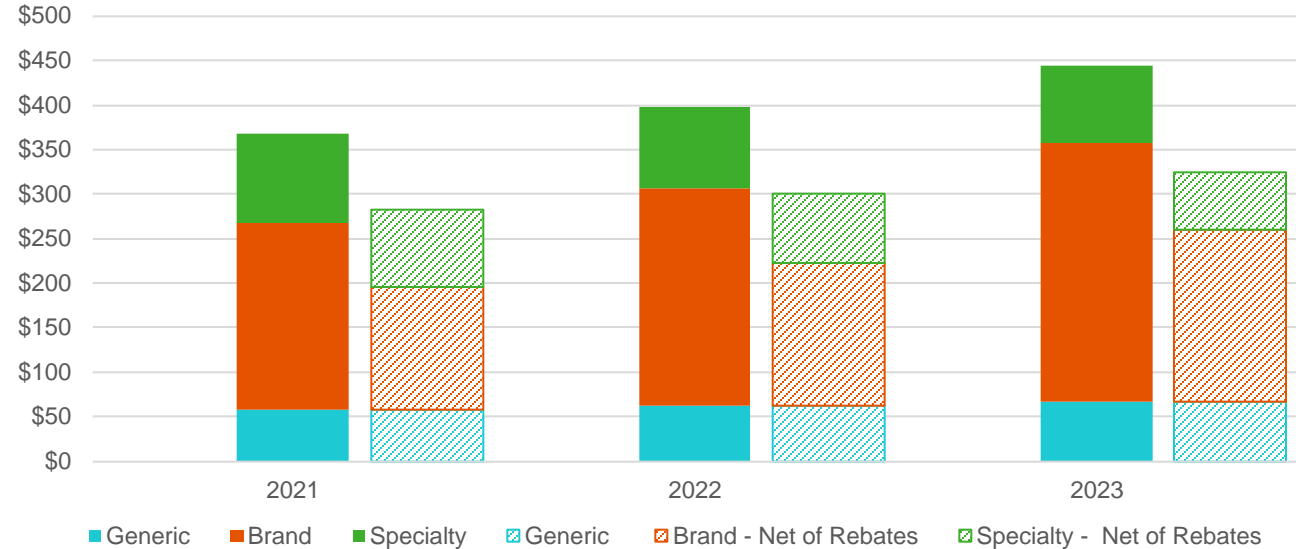
Drug Name	Average Cost per Patient by Year			Trend	
	2021	2022	2023	2022	2023
HUMIRA	\$43,275.34	\$41,954.22	\$55,533.97	-3.1%	32.4%
TRULICITY	\$4,839.82	\$4,950.40	\$4,683.20	2.3%	-5.4%
OZEMPIC	\$3,769.62	\$4,276.54	\$3,064.87	13.4%	-28.3%
ENBREL	\$34,360.71	\$40,142.71	\$41,273.01	16.8%	2.8%
JARDIANCE	\$2,657.35	\$3,025.38	\$3,366.21	13.8%	11.3%
WEGOVY	\$1,625.93	\$3,069.97	\$2,478.04	88.8%	-19.3%
MOUNJARO	\$0.00	\$1,562.86	\$2,927.00	0.0%	87.3%
HUMALOG	\$3,809.80	\$4,065.05	\$3,651.21	6.7%	-10.2%
RINVOQ	\$17,842.31	\$27,777.20	\$34,702.12	55.7%	24.9%
SKYRIZI	\$18,457.20	\$35,150.27	\$51,547.12	90.4%	46.6%
DUPIXENT	\$17,739.03	\$20,775.60	\$23,674.37	17.1%	14.0%
FARXIGA	\$3,249.39	\$3,421.19	\$3,173.46	5.3%	-7.2%
TALTZ	\$19,872.06	\$21,949.28	\$28,363.93	10.5%	29.2%
IBRANCE	\$49,556.55	\$67,983.27	\$106,433.71	37.2%	56.6%
BIKTARVY	\$29,024.29	\$31,035.65	\$25,699.84	6.9%	-17.2%

Notes:

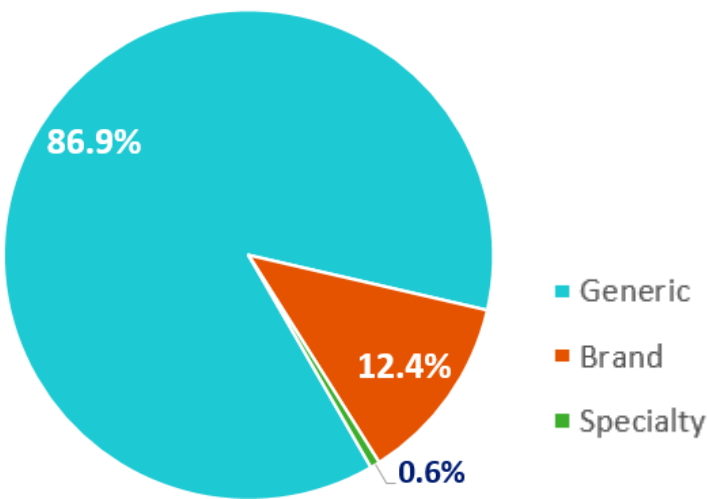
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

| EGWP Prescription Drug

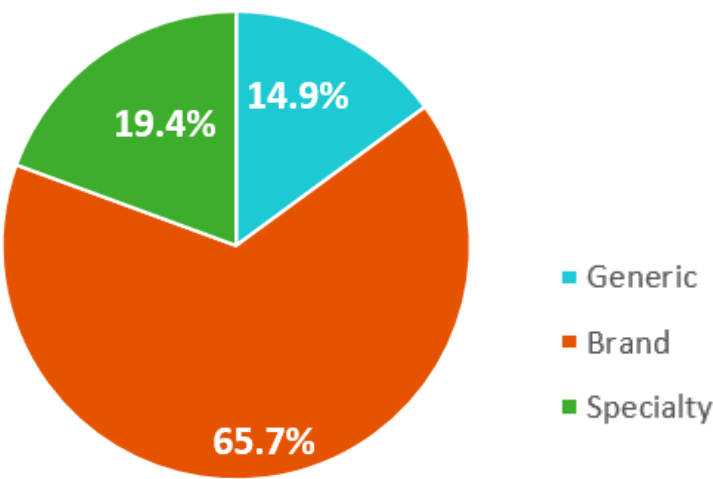
Prescription Drug PMPM Cost



Distribution of Scripts



Distribution of Plan Costs

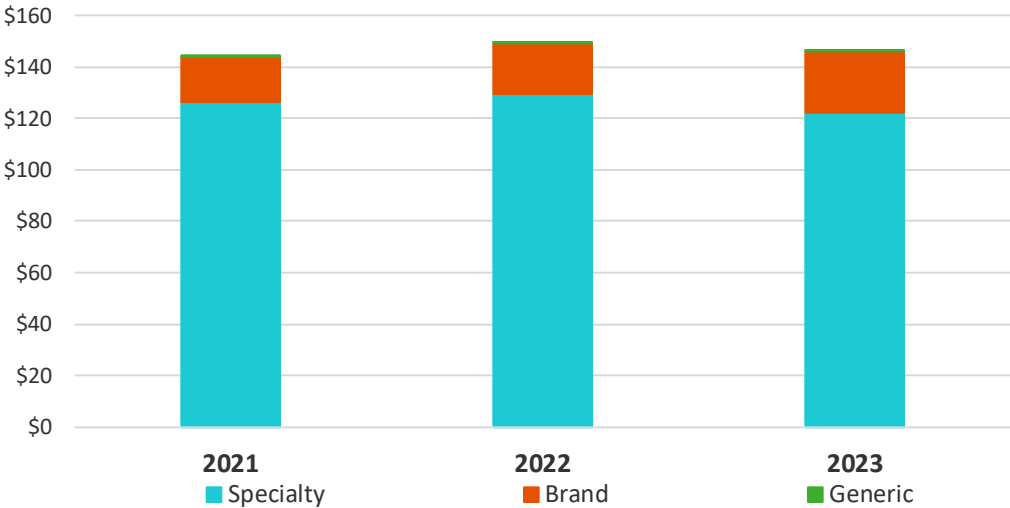


	2021	2022	2023
Plan Cost PMPM			
Generic	\$58.17	\$62.72	\$66.16
Brand	\$208.99	\$243.05	\$291.27
Specialty	\$101.17	\$92.43	\$86.03
Plan Cost PMPM Trend			
Generic		7.8%	5.5%
Brand		16.3%	19.8%
Specialty		-8.6%	-6.9%

Observations

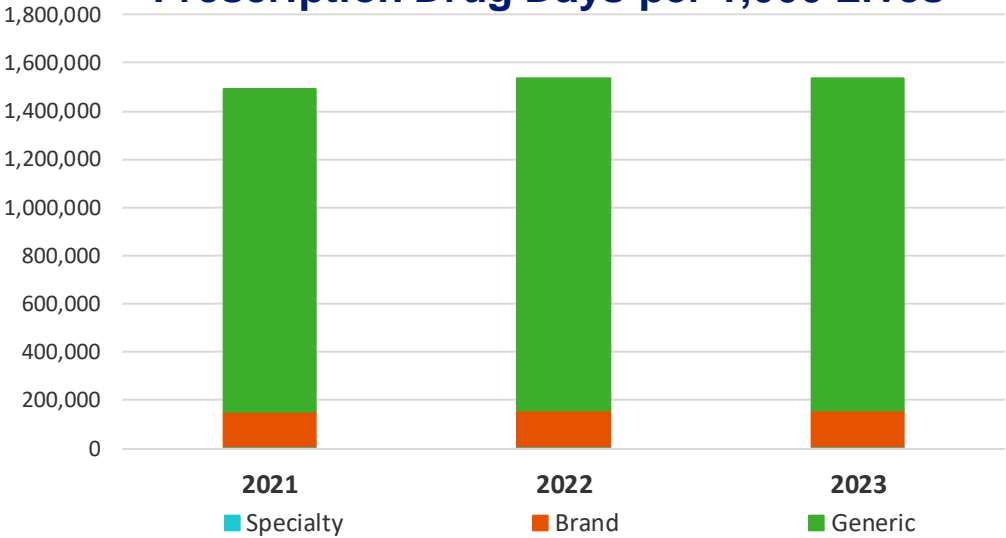
- Historically, rebates have reduced PMPM drug costs by 23-29%
- Specialty drugs account for less than 1% of scripts and over 20% of allowed charges (before rebates), which drives overall trend.

Prescription Drug Cost per Day of Therapy



	2021	2022	2023
Plan Cost per Day of Therapy			
Generic	\$0.52	\$0.55	\$0.58
Brand	\$17.51	\$19.88	\$23.80
Specialty	<u>\$126.68</u>	<u>\$129.45</u>	<u>\$122.30</u>
Total	\$2.96	\$3.11	\$3.47
Trend			
Generic		4.7%	5.6%
Brand		13.5%	19.7%
Specialty		<u>2.2%</u>	<u>-5.5%</u>
Total		5.2%	11.5%

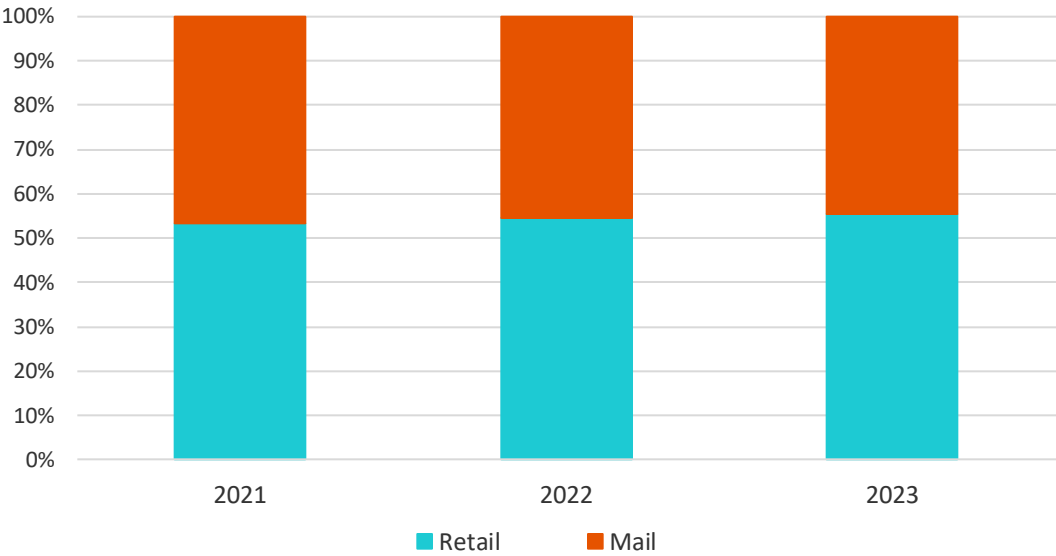
Prescription Drug Days per 1,000 Lives



	2021	2022	2023
Days of Therapy per 1,000			
Generic	1,341,217	1,380,679	1,378,686
Brand	143,222	146,687	146,876
Specialty	9,584	8,568	8,441
Total	1,494,023	1,535,934	1,534,003
Trend			
Generic		2.9%	-0.1%
Brand		2.4%	0.1%
Specialty		-10.6%	-1.5%
Total		2.8%	-0.1%

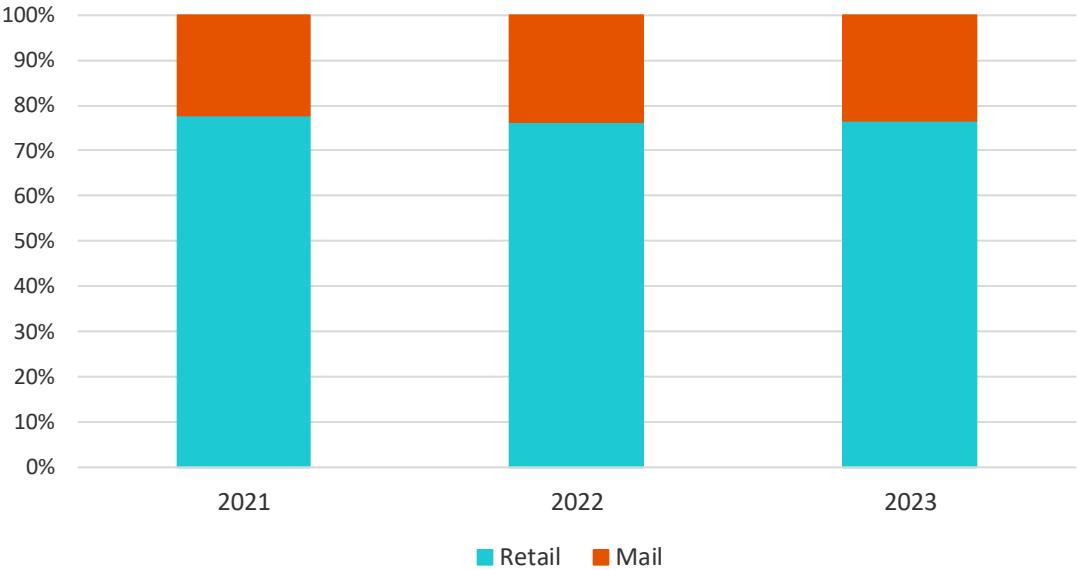
Notes:
1. Prescription drug costs shown do not reflect the value of manufacturer rebates

Distribution of Plan Costs



	2021	2022	2023
Allowed			
Retail	\$51,600,566	\$55,186,643	\$60,400,757
Mail	\$45,304,916	\$45,814,211	\$48,757,989
Total	\$96,905,482	\$101,000,853	\$109,158,746
% Retail	53.2%	54.6%	55.3%

Distribution of Scripts



	2021	2022	2023
30-Day Adjusted Script Count			
Retail	652,227	665,943	652,045
Mail	439,626	416,221	396,859
Total	1,091,853	1,082,164	1,048,904
% Retail	59.7%	61.5%	62.2%

Observations

- Between 2021 and 2023, the proportion of scripts and costs for drugs dispensed at retail has been increasing.
- In 2023, the average day of therapy per script at retail and mail order pharmacy was 42.6 and 84.5 days, respectively.

Notes:
1. Unless otherwise stated, prescription drug costs shown do not reflect the value of manufacturer rebates

RETAIL			
	2021	2022	2023
Allowed PMPM			
Generic	\$47.23	\$47.68	\$45.71
Brand	\$122.65	\$144.47	\$177.04
<u>Specialty</u>	<u>\$48.64</u>	<u>\$47.55</u>	<u>\$42.07</u>
Total	\$218.52	\$239.69	\$264.82
Allowed per Day of Therapy			
Generic	\$0.70	\$0.67	\$0.64
Brand	\$19.32	\$21.36	\$25.02
<u>Specialty</u>	<u>\$101.14</u>	<u>\$103.89</u>	<u>\$95.42</u>
Total	\$2.94	\$3.04	\$3.33
Days per 1,000 Lives			
Generic	810,518	858,519	863,409
Brand	76,177	81,174	84,904
<u>Specialty</u>	<u>5,771</u>	<u>5,492</u>	<u>5,290</u>
Total	892,466	945,185	953,603
Rx Count per 1,000 Lives			
Generic	22,200	19,686	19,394
Brand	2,661	2,537	2,880
<u>Specialty</u>	<u>175</u>	<u>147</u>	<u>134</u>
Total	25,037	22,370	22,408
Average Days per Script			
Generic	36.51	43.61	44.52
Brand	28.63	32.00	29.48
<u>Specialty</u>	<u>32.92</u>	<u>37.46</u>	<u>39.40</u>
Total	35.65	42.25	42.56

MAIL ORDER			
	2021	2022	2023
Allowed PMPM			
Generic	\$28.41	\$31.81	\$34.01
Brand	\$104.08	\$116.21	\$131.54
<u>Specialty</u>	<u>\$53.50</u>	<u>\$45.72</u>	<u>\$44.78</u>
Total	\$185.99	\$193.75	\$210.33
Allowed per Day of Therapy			
Generic	\$0.64	\$0.73	\$0.79
Brand	\$18.63	\$21.29	\$25.47
<u>Specialty</u>	<u>\$168.39</u>	<u>\$178.36</u>	<u>\$170.55</u>
Total	\$3.71	\$3.94	\$4.35
Days per 1,000 Lives			
Generic	530,699	522,160	515,277
Brand	67,045	65,514	61,972
<u>Specialty</u>	<u>3,813</u>	<u>3,076</u>	<u>3,151</u>
Total	601,557	590,750	580,400
Rx Count per 1,000 Lives			
Generic	6,214	6,137	6,063
Brand	807	798	762
<u>Specialty</u>	<u>63</u>	<u>50</u>	<u>47</u>
Total	7,084	6,985	6,872
Average Days per Script			
Generic	85.40	85.08	84.99
Brand	83.13	82.06	81.35
<u>Specialty</u>	<u>60.71</u>	<u>61.75</u>	<u>66.43</u>
Total	84.92	84.57	84.46

2023 Top Therapeutic Class by Total Plan Cost

Antineoplastics

- 1st by Aggregate Costs
- 3rd by Cost per Patient
- 43rd by # Patients

Antihyperlipidemics

- 15th by Aggregate Costs
- 44th by Cost per Patient
- 1st by # Patients

Antidiabetics

- 2nd by Aggregate Costs
- 13th by Cost per Patient
- 3rd by # Patients

Rank	Therapeutic Class	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average DOT per Script
1	ANTINEOPLASTICS	910	4,573	227,519	\$22,210,181	\$24,407	\$4,856.81	\$97.62	49.8
2	ANTIDIABETICS	8,170	36,370	2,253,035	\$17,208,337	\$2,106	\$473.15	\$7.64	61.9
3	ANALGESICS - ANTI-INFLAMMATORY	3,890	12,097	494,997	\$10,295,928	\$2,647	\$851.11	\$20.80	40.9
4	ANTICOAGULANTS	2,746	13,363	728,957	\$9,648,485	\$3,514	\$722.03	\$13.24	54.6
5	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	6,056	20,402	1,014,274	\$5,324,231	\$879	\$260.97	\$5.25	49.7
6	DERMATOLOGICALS	7,840	15,661	355,945	\$4,330,423	\$552	\$276.51	\$12.17	22.7
7	CARDIOVASCULAR AGENTS - MISC.	817	2,912	133,314	\$3,954,808	\$4,841	\$1,358.11	\$29.67	45.8
8	RESPIRATORY AGENTS - MISC.	36	256	8,201	\$3,345,101	\$92,919	\$13,066.80	\$407.89	32.0
9	ASSORTED CLASSES	226	1,082	46,994	\$2,854,562	\$12,631	\$2,638.23	\$60.74	43.4
10	OPHTHALMIC AGENTS	6,369	18,122	796,517	\$2,782,004	\$437	\$153.52	\$3.49	44.0
11	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	1,471	7,406	364,033	\$2,616,438	\$1,779	\$353.29	\$7.19	49.2
12	UNKNOWN	2,438	7,232	221,870	\$2,517,873	\$1,033	\$348.16	\$11.35	30.7
13	VACCINES	8,359	13,537	28,471	\$2,405,745	\$288	\$177.72	\$84.50	2.1
14	ENDOCRINE AND METABOLIC AGENTS - MISC.	1,627	5,992	408,332	\$1,916,573	\$1,178	\$319.86	\$4.69	68.1
15	ANTIHYPERLIPIDEMICS	12,074	50,514	3,615,932	\$1,491,907	\$124	\$29.53	\$0.41	71.6
	All Other	113,251	387,835	20,539,569	\$16,012,923	\$141.39	\$41.29	\$0.78	53.0
Grand Total		176,280	597,354	31,237,960	\$108,915,518	\$617.86	\$182.33	\$3.49	52.3

Notes:

1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Therapeutic Class by Total Plan Cost

Rank	Therapeutic Class	Average Cost per Patient by Year			Trend	
		2021	2022	2023	2022	2023
1	ANTINEOPLASTICS	\$19,874	\$21,913	\$24,407	10.3%	11.4%
2	ANTIDIABETICS	\$1,656	\$1,747	\$2,106	5.5%	20.5%
3	ANALGESICS - ANTI-INFLAMMATORY	\$2,161	\$2,221	\$2,647	2.8%	19.1%
4	ANTICOAGULANTS	\$2,917	\$3,195	\$3,514	9.6%	10.0%
5	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	\$934	\$927	\$879	-0.7%	-5.2%
6	DERMATOLOGICALS	\$372	\$442	\$552	18.9%	24.9%
7	CARDIOVASCULAR AGENTS - MISC.	\$3,918	\$4,552	\$4,841	16.2%	6.4%
8	RESPIRATORY AGENTS - MISC.	\$88,528	\$99,670	\$92,919	12.6%	-6.8%
9	ASSORTED CLASSES	\$19,766	\$20,511	\$12,631	3.8%	-38.4%
10	OPHTHALMIC AGENTS	\$313	\$338	\$437	7.7%	29.4%
11	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	\$1,949	\$1,927	\$1,779	-1.1%	-7.7%
12	UNKNOWN	\$1,025	\$1,341	\$1,033	30.9%	-23.0%
13	VACCINES	\$133	\$145	\$288	9.0%	97.8%
14	ENDOCRINE AND METABOLIC AGENTS - MISC.	\$1,118	\$1,009	\$1,178	-9.8%	16.8%
15	ANTIHYPERLIPIDEMICS	\$141	\$125	\$124	-11.5%	-1.0%
Overall		\$549.98	\$569.81	\$617.86	3.6%	8.4%

Notes:
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Drugs by Total Plan Cost

Rank	Drug Name	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average DOT per Script
1	ELIQUIS	2,063	8,558	449,347	\$6,911,839	\$3,350	\$807.65	\$15.38	52.5
2	HUMIRA	61	258	12,672	\$3,574,153	\$58,593	\$13,853.30	\$282.05	49.1
3	TRULICITY	621	2,243	106,223	\$3,034,259	\$4,886	\$1,352.77	\$28.56	47.4
4	IMBRUVICA	25	192	5,382	\$2,886,301	\$115,452	\$15,032.82	\$536.29	28.0
5	XARELTO	803	2,882	174,220	\$2,601,843	\$3,240	\$902.79	\$14.93	60.5
6	OZEMPIC	712	2,092	94,352	\$2,559,936	\$3,595	\$1,223.68	\$27.13	45.1
7	IBRANCE	24	164	4,536	\$2,469,257	\$102,886	\$15,056.44	\$544.37	27.7
8	XTANDI	33	158	5,396	\$2,353,654	\$71,323	\$14,896.55	\$436.18	34.2
9	ENBREL	40	184	9,410	\$2,332,637	\$58,316	\$12,677.37	\$247.89	51.1
10	OFEV	25	145	4,530	\$1,798,814	\$71,953	\$12,405.61	\$397.09	31.2
11	HUMALOG	611	1,833	111,043	\$1,796,094	\$2,940	\$979.87	\$16.17	60.6
12	JANUVIA	494	1,945	117,459	\$1,760,049	\$3,563	\$904.91	\$14.98	60.4
13	LANTUS	824	3,052	176,994	\$1,741,448	\$2,113	\$570.59	\$9.84	58.0
14	FARXIGA	509	1,898	109,698	\$1,724,750	\$3,389	\$908.72	\$15.72	57.8
15	JARDIANCE	592	1,991	103,973	\$1,709,885	\$2,888	\$858.81	\$16.45	52.2
	Top 15 Total		27,595	1,485,235	39,254,918		\$1,422.54	\$26.43	53.8
	All Other		569,759	29,752,725	\$69,660,600		\$122.26	\$2.34	52.2
Grand Total			597,354	31,237,960	\$108,915,518		\$182.33	\$3.49	52.3

Notes:
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

2023 Top Drugs by Total Plan Cost

Drug Name	Average Cost per Patient by Year			Trend	
	2021	2022	2023	2022	2023
ELIQUIS	\$3,019	\$3,190	\$3,350	5.7%	5.0%
HUMIRA	\$51,832	\$59,573	\$58,593	14.9%	-1.6%
TRULICITY	\$4,895	\$5,075	\$4,886	3.7%	-3.7%
IMBRUVICA	\$101,381	\$130,957	\$115,452	29.2%	-11.8%
XARELTO	\$2,835	\$2,945	\$3,240	3.9%	10.0%
OZEMPIC	\$3,732	\$4,550	\$3,595	21.9%	-21.0%
IBRANCE	\$54,333	\$117,872	\$102,886	116.9%	-12.7%
XTANDI	\$79,198	\$90,929	\$71,323	14.8%	-21.6%
ENBREL	\$46,589	\$52,782	\$58,316	13.3%	10.5%
OFEV	\$63,248	\$73,050	\$71,953	15.5%	-1.5%
HUMALOG	\$2,946	\$2,831	\$2,940	-3.9%	3.8%
JANUVIA	\$3,323	\$3,472	\$3,563	4.5%	2.6%
LANTUS	\$2,202	\$2,051	\$2,113	-6.8%	3.0%
FARXIGA	\$2,730	\$3,088	\$3,389	13.1%	9.7%
JARDIANCE	\$2,140	\$2,413	\$2,888	12.8%	19.7%

Notes:
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates.

Disclaimer

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New Mexico Retiree Health Care Authority

Long-Term Cash Flow & Solvency Modeling

Methodology Report

July 11-12, 2024 / Debbie Donaldson, FSA, MAAA / Amy Cohen, ASA, MAAA



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July 2, 2024

New Mexico Health Care Authority
Board of Directors
6300 Jefferson St. NE
Albuquerque, NM 87109

Re: 2024 Long-Term Cash Flow and Solvency Modelling

Dear Board of Directors:

At the request of New Mexico Retiree Health Care Authority, Segal has performed the 2024 Long-Term Cash Flow and Solvency Modeling. The reporting package contains the results and details of our analysis and consists of the following documents:

- Long-Term Cash Flow and Solvency Modeling Methodology Report (attached to this document)
- July 1, 2024 long-term solvency Baseline Scenario – 0% pre-Medicare, 0% Medicare Supplement premium increases through FY2056
- July 1, 2024 Baseline Scenario long-term solvency assumptions
- Scenario A – 8% pre-Medicare, 6% Medicare Supplement premium increases in CY2025
- Scenario B – 4% pre-Medicare, 3% Medicare Supplement premium increases in CY2025
- Scenario C – 3% pre-Medicare, 2% Medicare Supplement premium increases with a \$250 EGWP deductible on non-generics in CY2025
- Scenario D – 2% pre-Medicare retirees and spouses, 3% pre-Medicare dependents, 2% Medicare Supplement premium increases in CY2025
- Sensitivity analysis to July 1, 2024 long-term solvency assumptions for Baseline Scenario

This reporting package should be transmitted and considered only in its entirety. Our analysis is intended to illustrate the future cash flows of the New Mexico Retiree Health Care Authority (NMRHCA) based on membership information available through March 31, 2024. Calculations are prepared annually at the Board's request to aid in its strategic planning and should not be relied upon for any other purpose.

To prepare our analysis we relied upon data from several sources which are detailed in the following Methodology Report. We did not audit this data and our review was limited to determining that it appears to be reasonable and acceptable for the projection of revenues and expenditures under the NMRHCA benefits program. We certify to the best of our knowledge that

the data, methods, and assumptions used to develop our projections are reasonable and are calculated in accordance with generally accepted and consistently applied actuarial principles.

The projections in this report represent future cost estimates and are based on information available to Segal at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, trend rates, and claims volatility. The accuracy and reliability of projections decrease as the projection period increases. Although changes in the relative size of NMRHCA's membership have been projected, the health status of future members is unknown.

Retiree cost projections reflect the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection. It does not reflect any changes that may occur in the nature of benefits over time, or any anticipated increase in the number of those eligible for retiree benefits beyond the annual growth in retirees developed using the FY2014 open valuation output table.

This document has been prepared for the exclusive use and benefit of New Mexico Retiree Health Care Authority, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

I, Deborah Donaldson, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the *Qualification Standards for Actuaries Issuing Statements of Opinion in the United States* promulgated by the American Academy of Actuaries and am qualified to render an opinion with regard to health plan projections, valuations, and related items.

If you should have any questions regarding the information contained herein, please feel free to contact us via the telephone numbers and/or e-mail addresses listed

Sincerely,



Deborah L. Donaldson, FSA, MAAA
Senior Vice President

cc: Nura Patani, PhD, ASA, MAAA
Amy Cohen, ASA, MAAA

Table of Contents

Beginning of Year Invested Assets.....	1
Revenues.....	2
Employer Contribution.....	2
Employee Contribution.....	2
Retiree Medical.....	3
Tax Revenue.....	4
Medicare PDP & Manufacturers Discount.....	4
Miscellaneous.....	5
Total Revenue.....	5
Investment Income.....	5
Expenditures.....	6
Medical/Rx.....	6
Basic Life.....	7
Ancillary Premiums.....	7
ASO & Health Care (HC) Reform Fees.....	8
Program Support.....	8
Total Expenditures.....	9
End of Year Invested Assets.....	10
Projected Year of Insolvency.....	11

Beginning of Year Invested Assets

Invested assets as of July 1, 2024 were assumed to equal actual invested assets as of May 31, 2024.

Revenue

Employer Contribution

Current employer contribution percentages were established in New Mexico House Bill 351 during the 2009 Regular Legislative Session. Continued applicability was verified at www.nmrhca.org on the [Employers](#) page.

Enhanced Program (“Public Safety, et al”) and Non-Enhanced Program (“Other Occupations”) employer contributions were incorporated into our modelling. The employer contribution percentages for each of the first four projection years and one assumption for projection years five through thirty-two are displayed in the first and third green-shaded rows (indicating NMRHCA policy) under the general heading *Assumptions with Fiscal Year Basis* in each Scenario. The contribution percentages displayed are applied directly to projected payroll.

NMRHCA staff provided baseline Employer/Employee Contributions, as well as the percentage of contributions originating from Enhanced Programs versus Non-Enhanced Programs. This information allowed us to estimate FY2024 active payroll to be approximately \$5.61 billion.

Payroll was projected separately for Enhanced Program (“Public Safety, et al”) employees and Non-Enhanced Program (“Other Occupations”) employees. Each payroll component is assumed to increase at the *Annual Payroll Growth* rates displayed in the first two rows under the heading *Assumptions with Fiscal Year Basis* in each Scenario. NMRHCA staff provided the *Annual Payroll Growth* assumptions, which are intended to encompass both increases in rate of pay as well as any growth or decline in the workforce of participating employers.

Employee Contribution

Current employee contribution percentages were established in New Mexico House Bill 351 during the 2009 Regular Legislative Session. Continued applicability was verified at www.nmrhca.org on the [Employees](#) page.

Enhanced Program (“Public Safety, et al”) and Non-Enhanced Program (“Other Occupations”) employee contributions were incorporated into our modelling. The employee contribution percentages for each of the first four projection years and one assumption for projection years five through thirty-two are displayed in the second and fourth green-shaded rows (indicating NMRHCA policy) under the heading *Assumptions with Fiscal Year Basis* in each Scenario. The contribution percentages displayed are applied directly to projected payroll.

NMRHCA staff provided baseline Employer/Employee Contributions, as well as the percentage of contributions originating from Enhanced and Non-Enhanced Programs. This information allowed us to estimate FY2024 active payroll to be approximately \$5.61 billion. Payroll was projected separately for Enhanced Program (“Public Safety, et al”) employees and Non-Enhanced Program (“Other Occupations”) employees. Each payroll component is assumed to increase at the *Annual Payroll Growth* rates displayed in the first two rows under the general heading *Assumptions with Fiscal Year Basis* in each Scenario. NMRHCA staff provided the

Annual Payroll Growth assumptions, which are intended to encompass both increases in rate of pay as well as any growth or decline in the workforce of participating employers.

Retiree Medical

Baseline contribution and premium rates and subsidy percentages were verified at www.nmrhca.org on the 2024 Rate Sheet included on the [Forms And Important Information](#) page.

Retiree Medical revenue measures projected retiree contributions toward medical and prescription drug coverage and is comprised of the Retiree, Spouse, and Dependent rate shares for each non-Medicare and Medicare plan. Total unsubsidized medical and prescription drug contribution rates per member per month for self-funded plans are projected to increase on January 1st for each of the thirty-two projection years at the percentages displayed in the blue-shaded area under the heading *Premium Rates for Self-funded Plans effective 1/1* in each Scenario. Total premium rates per member per month for fully insured Medicare Advantage plans are projected to increase on January 1st by at the percentages displayed by carrier in the last four rows under the general heading *Assumptions with Calendar Year Basis*. The Medicare Advantage premium rate annual increase assumptions are detailed for each of the first four projection years, with a consistent increase assumption applied in projection years five through thirty-two.

Membership is projected by plan for non-Medicare and Medicare-eligible members at the rates of change displayed under the general heading *Assumptions with Fiscal Year Basis* in each Scenario. The basis of the assumed rates of change is an open valuation projection of covered lives, and all other components based on assumptions consistent with those utilized in the July 1, 2014 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and years of creditable service. Total annual unsubsidized contributions and premiums are calculated directly by multiplying projected monthly rates by projected member months.

In the Baseline Scenario, the CY24 subsidy provided by NMRHCA is assumed to remain constant in all future years. NMRHCA staff provided years of service at retirement by enrollment category as of April 1, 2024. The current subsidy was calculated and applied to future annual contributions and premiums individually for the following enrollment categories: non-Medicare Retirees, non-Medicare Spouses, non-Medicare Dependents (no subsidy), Medicare Supplement Retirees, Medicare Supplement Spouses, Medicare Supplement Dependents (no subsidy), Medicare Advantage Retirees, Medicare Advantage Spouses, and Medicare Advantage Dependents (no subsidy).

The *Retiree Medical* revenue measures projected retiree contributions toward medical and prescription drug coverage and equals the total annual unsubsidized contributions and premiums less the subsidy provided by NMRHCA, summed across all plans and enrollment categories.

Consistent with the methodology used in the prior year, new Medicare retirees are assumed to automatically enroll into a Medicare Advantage plan. Presbyterian pre-Medicare members are

assumed to enroll into the richer United HealthCare (UHC) Medicare Advantage plan (MA I) while BCBSNM pre-Medicare members assumed to enroll into the richer Humana Medicare Advantage plan (also MA I), with 50 percent opting instead to enroll in the Medicare Supplement plan.

Non-Medicare Carrier	MA I (UHC or Humana)	MA II (UHC or Humana)	Medicare Supplement
BCBSNM	50%	0%	50%
Presbyterian	50%	0%	50%

Retiree Ancillary revenue measures projected retiree contributions toward non-medical supplemental coverage and is comprised of supplemental life insurance, dental, and vision premiums. NMRHCA staff provided baseline annual ancillary premium expenditures, which are assumed to increase annually at constant rates by line of coverage for all thirty-two projection years as well as by the combined non-Medicare and Medicare retiree growth rate. The non-Medicare and Medicare combined retiree growth rate is a member-weighted average of the individual growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*. Since these ancillary coverages are paid fully by retirees, revenues are assumed to equal expenditures.

Specifically, the following premium rate increases were assumed to apply in all thirty-two projection years:

- Supplemental Life: 0%
- Dental: 6%
- Vision: 5%

Tax Revenue

NMRHCA staff provided baseline information on Taxation and Revenue Suspense Fund revenues. Pension tax revenue is assumed to increase 12.0% per annum in accordance with statute.

Medicare PDP & Manufacturers Discount

CY2024 and CY2025 baseline projections incorporated the historical data provided by Express Scripts. The Employer Group Waiver Plan (EGWP) that provides prescription drug benefits to Medicare-eligible retirees enrolled in the Medicare Supplement plan is comprised of revenue sources:

- Center for Medicare and Medicare Services (CMS) Direct Subsidy
- Manufacturer's Discount
- CMS Reinsurance
- CMS Low Income Subsidy

These revenues are projected separately and assumed to change annually on a calendar year basis at the respective rates displayed under the general heading *Assumptions with Calendar Year Basis* in addition to the *Annual Growth in Retirees age 65+* displayed under the general heading *Assumptions with Fiscal Year Basis*.

The impact of the Inflation Reduction Act of 2022 (IRA) has been taken into consideration in the modelling. The impact of the IRA to the CY2025 Direct Subsidy is not known yet and incorporates estimates from ESI and agreed to by Segal.

Miscellaneous

Miscellaneous revenue is comprised of projected employer buy-in revenue and subrogation collections. NMRHCA staff provided the projection of employer buy-in revenue. Blue Cross Blue Shield of New Mexico (BCBSNM) and Presbyterian Health Plan (PHP) provided information on recent subrogation recoveries. The baseline subrogation recoveries are assumed to increase at the rate of *Annual Growth in Retirees under age 65* displayed under the general heading *Assumptions with Fiscal Year Basis*.

Total Revenue

Total Revenue is the sum of *Employer Contribution*, *Employee Contribution*, *Retiree Medical*, *Retiree Ancillary*, *Tax Revenue*, *Medicare PDP & Manufacturers Discount*, and *Miscellaneous* revenue.

Investment Income

Investment income is assumed to be credited at the midpoint of each fiscal year, to the *Beginning of Year Invested Assets* plus half the difference between annual fiscal year Total Revenue and Total Expenditures. The *Annual Investment Return* assumption is displayed under the general heading *Assumptions with Fiscal Year Basis*.

Expenditures

Medical/Rx

This expenditure is comprised of projected claim expenses for each of the following self-funded plans:

- Non-Medicare Premier Medical Claims by Relationship to Insured (e.g., retiree, spouse and dependent)
- Non-Medicare Value Medical Claims by Relationship to Insured
- Non-Medicare Prescription Drug Claims by Relationship to Insured including Dispensing Fees
- Medicare Supplement Medical Claims
- Medicare EGWP Prescription Drug Claims and Dispensing Fees

Madalena Consulting, LLC, who maintains NMRHCA's data warehouse under subcontract to Segal, provided the historical paid claims and membership information which serves as the underlying experience for our baseline projections.

Claims per member per month are projected separately for each plan. To do so, the historical paid claims experience base is adjusted to reflect the baseline year known plan provisions, and the claims trend assumption is applied from the midpoint of the experience base to the midpoint of the baseline projection period. Claims in each subsequent projection year are developed by applying the respective calendar year claims trend and benefit modification assumptions itemized under the general heading *Assumptions with Calendar Year Basis* and the sub-heading *Self-funded Plan Benefit Modifications effective 1/1* for each Scenario. The trend assumptions incorporated into future projections can be found in the July 1, 2024 Long-Term Solvency Assumptions for Baseline Scenario document.

As of July 1, 2024, the modelling reflects the move of BCBSNM Plan II MAPD members to BCBSNM Plan I MAPD with a reduced premium for remainder of 2024 of \$0. In addition, anticipated impacts to CY2025 associated with Inflation Reduction Act has been reflected in the modelling. Otherwise, no future plan design changes have been assumed relative to the current plan design.

Membership is projected by plan for non-Medicare members and Medicare-eligible members at the growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*. The basis of the assumed rates of change is an open valuation projection of covered lives, based on assumptions consistent with those utilized in the July 1, 2014 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB 74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and years of creditable service. Total annual medical and prescription drug claims are calculated directly by multiplying projected per member per month paid claims by projected member months.

Finally, projected Medical/Rx expenditures are offset by projected prescription drug rebates. Non-Medicare and EGWP plan prescription drug rebates are projected separately, with baseline information provided by ESI. Prescription drug rebate trend is applied on a fiscal year basis and is based on actual contract provisions to the extent known. Prescription drug rebate trend is displayed in the last two rows under the general heading *Assumptions with Fiscal Year Basis*.

The annual rate of change for projection years 1-4 may be based on actual contract terms. Membership is projected separately for non-Medicare members and Medicare-eligible members at the rates displayed under the general heading *Assumptions with Fiscal Year Basis*. The basis of the assumed rates of change is an open valuation projection of covered lives, based on assumptions consistent with those utilized in the July 1, 2014 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB 74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and years of creditable service. Total annual prescription drug rebates are calculated directly by multiplying projected rebates per member per month by projected member months.

Consistent with the methodology used in the prior year, new Medicare retirees are assumed to automatically enroll into a Medicare Advantage plan. Presbyterian pre-Medicare members assumed to enroll into the richer United HealthCare (UHC) Medicare Advantage plan while BCBSNM pre-Medicare members assumed to enroll into the richer Humana Medicare Advantage plan, with 50 percent opting to enroll in the Medicare Supplement plan.

Basic Life

Basic life premium is conservatively assumed to remain flat (i.e. no mortality assumption is used), as basic life coverage is no longer provided to new retirees. The portion of the basic life premium paid by NMRHCA is 0% in calendar year 2023. NMRHCA staff provides baseline basic life premiums.

Ancillary Premiums

The Ancillary Premiums expenditures are comprised of supplemental life insurance, dental, and vision premiums. NMRHCA staff provides baseline annual ancillary premium expenditures. Baseline premiums are assumed to increase annual at constant rates by line of coverage for all thirty-two projection years as well as by the combined non-Medicare and Medicare retiree growth rate. The non-Medicare and Medicare combined retiree growth rate is a member weighted average of the individual growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*.

Specifically, the following premium rate increases were assumed to apply in all thirty-two projection years:

- Supplemental Life: 0%
- Dental: 6%
- Vision: 5%

ASO & Health Care (HC) Reform Fees

The ASO & HC Reform Fees expenditures are comprised of several fees associated with Network, Claims Administration, Utilization and Care Management Programs, and Wellness Services. Specifically, this expenditure projection includes the following components:

- BCBSNM non-Medicare Network Access and Claims Administration
- BCBSNM non-Medicare Disease Management
- BCBSNM non-Medicare Wellness Services
- BCBSNM Medicare Supplement plan Claims Administration
- PHP non-Medicare Network Access and Claims Administration
- PHP non-Medicare Disease Management
- PHP non-Medicare Custom Bundle Administration
- PHP Wellness Services
- ESI non-Medicare per member per month Administration fee
- ESI non-Medicare per member per month Advanced Opioid Management Program fee
- ESI non-Medicare SaveOnSP fees
- ESI EGWP per member per month Administration fee
- ESI EGWP per member per month Advanced Opioid Management Program fee
- Livongo Diabetes Management Program per participant per month fee

The annual per unit rate for the fees paid to BCBSNM, PHP, and ESI are based on actual contract provisions to the extent known, with all fees assumed to increase 2.0% per annum thereafter.

Membership is projected by carrier for non-Medicare members and Medicare-eligible members at the growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*. The basis of the assumed rates of change is an open valuation projection of covered lives, based on assumptions consistent with those utilized in the July 1, 2014 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and year of credible service. Total annual ASO & HC Reform Fees are calculated directly by multiplying projected per member per month fees by projected member months.

Program Support

NMRHCA staff provided the approved FY2024 Program Support budget. The budget for Program Support is assumed to increase 2.5% per annum.

Total Expenditures

Total Expenditures equals the sum of Medical/Rx, Basic Life, Ancillary Premiums, ASO & HC Reform Fees, and Program Support.

End of Year Invested Assets

End of Year Invested Assets equals Beginning of Year Invested Assets plus Total Revenue less Total Expenditures plus Investment Income.

Projected Year of Insolvency

The projected year of insolvency is the fiscal year during which *End of Year Invested Assets* becomes negative. Projection years during which *Total Revenue* exceeds *Total Expenditures* are shaded green. Projection years during which *Total Expenditures* exceeds *Total Revenue* but the program would be able to continue operations during at least a partial year are shaded yellow.

Based on the July 1, 2024 Baseline Assumptions and the methodology described herein, as applied to claims and membership information through March 31, 2024, the Authority is projected to remain solvent through the projection period.



New Mexico Retiree Health Care Authority

Long-Term Solvency Modeling

July 11-12, 2024 Annual Meeting

Debbie Donaldson, FSA, MAAA / Amy Cohen, ASA, MAAA

| Agenda

Overview of Key Assumptions in the 2024 Model

Baseline Solvency Scenario

Sensitivity Analysis

2024 Model Key Assumptions

Category	Assumption	Comments*
Beginning Asset Balance	May 31, 2024 fund balance of \$1,436,628,221 as an estimated for July 1, 2024 fund balance	
Investment Return	7%	
Annual Payroll Growth	0% for FY2025; 2.75% thereafter	FY2024 payroll is estimated to be \$5.6 Billion
Contribution Rates (ER/EE)	2.50% / 1.25% Public Safety, et al 2.00% / 1.00% Other occupations	
Annual Growth in Retirees	Based on FY2014 open valuation output table	We recommend an updated valuation in FY2025
Pension Tax Revenue	\$51,825,124 for FY2024; 12% per year increase thereafter	
Rx Rebates	For Non-Medicare Rx and EGWP Plans, reflects financial terms of contract through FY2026; thereafter, increasing at Rx claims cost trend (see Table A)	Based on projection by Segal using historical data and current contracting terms; Updated trend assumptions to tie into Rx claim increase
Claims Trend	See Table A	Reflects updated trend assumption to better align with those used in OPEB valuation and medical spend increases compared to GDP
Medical and Rx	See Table A	Non-Medicare Medical and Rx; Medical Supplemental Plan and EGWP separate trends

*Assumption is consistent with 2023 approach unless otherwise noted

2024 Model Key Assumptions (cont'd)

Category	Assumption	Comments*
Medicare Advantage	Current rates for CY 2024, except for BCBSNM's Plans I and II; CY2025 based on Big Bid RFP results; thereafter, see Table A; For BCBSNM Plan I: \$0 premium 7/1/2024-6/30/2028 per RFP Big Bid; in CY2029 a \$10 premium and Table A trends thereafter	CY2024 rates were agreed by carriers to not change in the RFP Big Bid except BCBSNM: rates for BCBSNM Plan I is \$0 from 7/1/2024-6/30/2028 and BCBSNM Plan II will not be offered. All BCBSNM Plan II members will be moved to Plan I as of 7/1/2024.
Dental / Vision	Current rates CY2024; For CY2025-FY2028, rates contracted through the RFP Big Bid Thereafter: Dental – 6%; Vision – 5%	CY2024 rates were agreed to not change in the RFP Big Bid by all selected carriers
EGWP Revenue Components	CY2024 and CY2025 projected, reflecting Inflation Reduction Act of 2022 (IRA)	CY2024 projections performed by Segal; CY2025 projected IRA impacts provided by ESI and confirmed by Segal and Madalena consulting; final 2025 Direct Subsidy impact will not be known until August
Direct Subsidy	4.5% after CY2025	
CMS Reinsurance & Manufacturer Discounts	Increases with Rx trend (see Table A)	
Low Income Subsidy	Increases with Rx trend (see Table A)	

*Assumption is consistent with 2023 approach unless otherwise noted

2024 Model Key Assumptions (cont'd)

Category	Assumption	Comments*
Plan Design Changes		
Pre-Medicare Medical & Rx	No Plan Changes	Includes impact from approved 2024 legislative session bill effective 1/1/2025 (SB135)
Medicare Supplement Medical & EGWP	No Plan Changes	Reflects anticipated 2025 IRA impacts based on projections by ESI and confirmed by Segal and Madalena Consulting
MAPD Plans	Effective July 1, 2024, members in BCBSNM MAPD Plan II will move to MAPD Plan I	Premiums for MAPD Plan I are reduced to \$0 for BCBSNM Plan I, effective 7/1/24-6/30/2028, per IBAC Big Bid RFP
Member Rate Share		
Pre-Medicare	Retiree: 36% Spouse: 64% Child(ren): 100%	
Medicare (Supplement & Advantage)	Retiree: 50% Spouse: 75% Child(ren): 100%	

*Assumption is consistent with 2023 approach unless otherwise noted

2024 Model Key Assumptions (cont'd)

Category	Assumption	Comments*
Minimum Years of Service to Receive Full Subsidy	Consistent with Board Approved rule change to 21.8.11 NMAC effective July 2021	
Member Migration / Participation	Migration from Premier to Value plan until any plan changes begin (1.25% annual shift from Premier); Medicare age-ins: Presbyterian age-ins default to UHC MA Plan I; BCBSNM age-ins default to Humana MA Plan I; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement	

*Assumption is consistent with 2023 approach unless otherwise noted

Table A

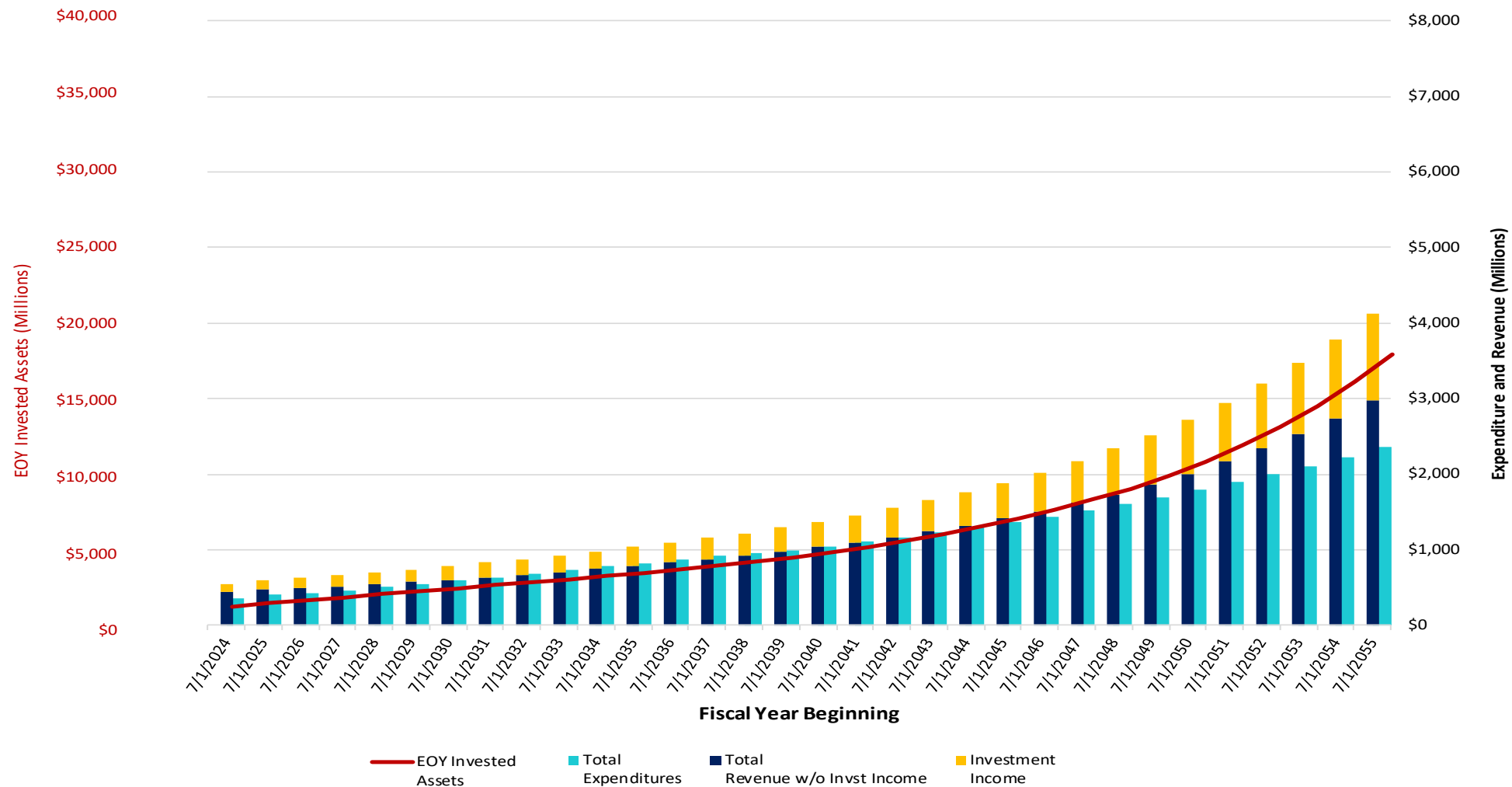
Trend Assumptions by Expense Category

Year	Non-Medicare Medical	Non-Medicare Rx	Medicare Supp Medical	Medicare EGWP	MAPD
2024	7.00%	13.00%	6.00%	10.00%	6.00%
2025	7.00%	12.50%	6.00%	9.50%	6.00%
2026	7.00%	12.00%	6.00%	9.00%	6.00%
2027	7.00%	11.00%	6.00%	8.50%	6.00%
2028	6.75%	10.00%	6.00%	8.00%	6.00%
2029	6.50%	9.00%	6.00%	7.50%	6.00%
2030	6.25%	8.00%	6.00%	7.00%	6.00%
2031	6.00%	7.00%	6.00%	6.50%	6.00%
2032	5.75%	6.00%	6.00%	6.25%	6.00%
2033	5.50%	5.50%	6.00%	6.00%	6.00%
2034	5.25%	5.25%	5.75%	5.75%	5.75%
2035	5.00%	5.00%	5.50%	5.50%	5.50%
2036	4.75%	4.75%	5.25%	5.25%	5.25%
2037	4.50%	4.50%	5.00%	5.00%	5.00%
2038	4.50%	4.50%	4.75%	4.75%	4.75%
2039+	4.50%	4.50%	4.50%	4.50%	4.50%

| Baseline Solvency Scenario

Baseline Scenario

0% Pre-Med / 0% Med Supp Rate Increases, No Plan Changes*



* No annual Non-Medicare and Medicare Supplement rate increases throughout the projection period.

| Sensitivity Analysis

Sensitivity Analysis

2024 Baseline Solvency Model Sensitivity to Assumption Changes

	Baseline Scenario	Low Trend: -1%	High Trend: +1%	Low Payroll Growth: -0.5%	Increase Non-Medicare Retiree Rate Share: +4%	Increase Non-Medicare Spouse Rate Share: +6%
Changing Trends:						
Non-Medicare Medical/Rx Claims Trend	7.00% / 13.00%	6.00% / 12.00%	8.00% / 14.00%	7.00% / 12.50%	7.00% / 13.00%	7.00% / 13.00%
Medicare Medical/Rx Claims Trend	6.00% / 10.00%	5.00% / 9.00%	7.00% / 11.00%	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%
Annual Payroll Growth - Starting CY2026	2.75%	2.75%	2.75%	2.25%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2026 and beyond	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Non-Medicare Retiree Rate Share	36.00%	36.00%	36.00%	36.00%	40.00%	36.00%
Non-Medicare Spouse Rate Share	64.00%	64.00%	64.00%	64.00%	64.00%	70.00%
Non-Medicare Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Medicare Supplement Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Results:						
Projected Year of Deficit Spending	2033	Exceeds Projection Period	2031	2032	2033	2033
Projected Year of Fiscal Insolvency	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period
Ending Balance of Projection Period	\$17,973,287,203	\$25,085,839,284	\$6,227,988,196	\$16,467,177,017	\$18,417,686,285	\$18,155,130,757

Annual Non-Medicare and Medicare Supplement rate increases are net trend through out projected period

Sensitivity Analysis

2024 Baseline Solvency Model Sensitivity to Assumption Changes

	Baseline Scenario	Increase Non-Medicare Rate Change: +1%	Decrease Non-Medicare Rate Change: -1%	Increase Medicare Supplement Rate Change: +1%	Decrease Medicare Supplement Rate Change: -1%	Low Investment Return: -1%	Very Low Investment Return: -2%
Changing Trends:							
Non-Medicare Medical/Rx Claims Trend	7.00% / 13.00%	7.00% / 13.00%	7.00% / 13.00%	7.00% / 13.00%	7.00% / 13.00%	7.00% / 13.00%	7.00% / 13.00%
Medicare Medical/Rx Claims Trend	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%	6.00% / 10.00%
Annual Payroll Growth - Starting CY2026	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2026 and beyond	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Non-Medicare Retiree Rate Share	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share	64.00%	64.00%	64.00%	64.00%	64.00%	64.00%	64.00%
Non-Medicare Rate Increase	0.00%	1.00%	-1.00%	0.00%	0.00%	0.00%	0.00%
Medicare Supplement Rate Increase	0.00%	0.00%	0.00%	1.00%	-1.00%	0.00%	0.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%	5.00%

Results:							
Projected Year of Deficit Spending	2033	2034	2032	2034	2032	2033	2033
Projected Year of Fiscal Insolvency	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period
Ending Balance of Projection Period	\$17,973,287,203	\$20,012,060,416	\$16,551,120,115	\$20,406,508,050	\$16,241,861,983	\$14,109,462,214	\$11,199,942,521

Annual Non-Medicare and Medicare Supplement rate increases are net trend through out projected period



July 2024
Annual Meeting
2025 Plan Recommendations

Summary of Proposed Actions

- Self-Insured Plan Rate Increases
 - Pre-Medicare (Premier and Value Plans)
 - Medicare Supplement
- Plan Design – Inflation Reduction Act (IRA) Changes
 - Add a deductible to the Medicare EGWP plan to offset some of the cost
- Additional Considerations
 - 2025 Medicare Advantage Rates – Zero dollar increase up to about 80% increase
 - Reduction of offerings for Medicare Advantage Prescription Drug Plans (MAPD)

	Summary of Plan Changes 2017 - 2025										
			2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate Changes											
Pre-Medicare											
1	Premier Plus (% Change)		Eliminated								
2	Premier Plus Rate		NA								
3	Premier (% Change)		29%	8%	8%	7%	5%	6%	4%	5%	TBD
4	Premier Rate		\$ 223.56	\$ 241.44	\$ 260.76	\$ 279.01	\$ 292.96	\$ 310.54	\$ 322.96	\$339.11	TBD
5	Value (% Change)		Created	8%	8%	7%	5%	6%	4%	5%	TBD
6	Value Rate		\$ 174.63	\$ 188.60	\$ 203.69	\$ 217.95	\$ 227.00	242.58	\$ 252.28	\$264.89	TBD
Medicare											
7	Supplement (% Change)		6%	6%	6%	5%	2%	4%	2%	0%	TBD
8	Supplement Rate		\$ 188.64	\$ 199.96	\$ 211.96	\$ 222.55	\$ 227.00	236.08	\$ 240.80	\$240.80	TBD
9	Advantage Rates		\$18.95 - \$94.69	\$23.30 - \$104.16	\$22.15 - \$94.68	\$21.70 - \$94.68	\$2.50 - \$56.50	\$0 - 62.15	\$0 - 62.15	\$0 - 93.23	TBD
Subsidy Levels											
Pre-Medicare											
10	Retiree		64%	64%	64%	64%	64%	64%	64%	64%	64%
11	Spouse/Domestic Partner		36%	36%	36%	36%	36%	36%	36%	36%	36%
12	Dependent Child		0%	0%	0%	0%	0%	0%	0%	0%	0%
Medicare											
13	Retiree		50%	50%	50%	50%	50%	50%	50%	50%	50%
14	Spouse/Domestic Partners		25%	25%	25%	25%	25%	25%	25%	25%	25%
15	Dependent Child		0.0%	0%	0%	0%	0%	0%	0%	0%	0%
Rules											
16	Minimum Age (Non-Enhanced)						55	55	55	55	55
17	Years of Service (Max Subsidy)		20	20	20	20	25	25	25	25	25
18	Implement/Enforce Open Enrollment		X	X	X	X	X	X	X	X	X
Plan Changes/Elimitation											
19	Basic Life Conversion		100%	75%	50%	25%	0%				
20	Enhanced Wellness Program/Incentives		X	X	X	X					
21	Medicare Advantage Default			X	X	X	X	X	X	X	X
22	Elimination of OTC Prescriptions		X	X	X	X	X	X	X	X	X
23	Increase Prescription Drug Copays				Brand Copay						
24	Voluntary Smart 90 Program		Walgreens/Mail Order								
25	Flat copays for certain procedures (Presbyterian)				Bundled Agreements	Bundled Agreements					
26	Introduction 3rd Tier Coverage (BCBS)				X						
27	Eliminate Premier Plus Plan	deductible / \$3500 OOP Max									
28	Create Value Plan	deductible / \$5500 OOP Max								181	
29	Increase Premier Plan Cost Share	deductible / \$4500 OOP Max									

2025 Proposed Monthly Plan Rates – Baseline Scenario

Beyond Projection Period/ Deficit Spend FY2033

Pre-Medicare Plans – 0% / Medicare Supplement – 0%

Projected Fund Balance - \$18 billion 6/30/56

Baseline Scenario - 0%	2024	2025	Monthly	Annual
BCBS/Presbyterian Premier			Difference	Difference
Retiree	\$ 339.11	\$ 339.11	\$0.00	\$0.00
Spouse/Domestic Partner	\$ 643.64	\$ 643.64	\$0.00	\$0.00
Child	\$ 329.16	\$ 329.16	\$0.00	\$0.00
BCBS/Presbyterian Value				
Retiree	\$ 264.90	\$ 264.90	\$0.00	\$0.00
Spouse/Domestic Partner	\$ 502.75	\$ 502.75	\$0.00	\$0.00
Child	\$ 256.68	\$ 256.68	\$0.00	\$0.00

Baseline Scenario - 0%	2024	2025	Monthly	Annual
Medicare Supplement			Difference	Difference
Retiree	\$240.80	\$240.80	\$0.00	\$0.00
Spouse/Domestic Partner	\$361.20	\$361.20	\$0.00	\$0.00
Dependent Child	\$481.60	\$481.60	\$0.00	\$0.00

2025 Proposed Monthly Plan Rates – Scenario A

Beyond Projection Period / Deficit Spend FY2034

Pre-Medicare Plans – 8% / Medicare Supplement – 6%

Projected Fund Balance - \$19.1 billion 6/30/56

Scenario A - 8%	2024	2025	Monthly	Annual
BCBS/Presbyterian Premier			Difference	Difference
Retiree	\$ 339.11	\$ 366.24	\$ 27.13	\$ 325.55
Spouse/Domestic Partner	\$ 643.64	\$ 695.13	\$ 51.49	\$ 617.89
Child	\$ 329.16	\$ 355.49	\$ 26.33	\$ 315.99
BCBS/Presbyterian Value				
Retiree	\$ 264.90	\$ 286.09	\$ 21.19	\$ 254.30
Spouse/Domestic Partner	\$ 502.75	\$ 542.97	\$ 40.22	\$ 482.64
Child	\$ 256.68	\$ 277.21	\$ 20.53	\$ 246.41

Scenario A - 6%	2024	2025	Monthly	Annual
Medicare Supplement			Difference	Difference
Retiree	\$240.80	\$255.25	\$14.45	\$173.38
Spouse/Domestic Partner	\$361.20	\$382.87	\$21.67	\$260.06
Dependent Child	\$481.60	\$510.50	\$28.90	\$346.75

2024 Proposed Monthly Plan Rates – Scenario B

Beyond Projection Period / Deficit Spend FY2033

Pre-Medicare Plans – 4% / Medicare Supplement – 3%

Projected Fund Balance - \$18.5 billion 6/30/56

Scenario B - 4%	2024	2025	Monthly	Annual
BCBS/Presbyterian Premier			Difference	Difference
Retiree	\$ 339.11	\$ 352.67	\$ 13.56	\$ 162.77
Spouse/Domestic Partner	\$ 643.64	\$ 669.39	\$ 25.75	\$ 308.95
Child	\$ 329.16	\$ 342.33	\$ 13.17	\$ 158.00
BCBS/Presbyterian Value				
Retiree	\$ 264.90	\$ 275.50	\$ 10.60	\$ 127.15
Spouse/Domestic Partner	\$ 502.75	\$ 522.86	\$ 20.11	\$ 241.32
Child	\$ 256.68	\$ 266.95	\$ 10.27	\$ 123.21

Scenario B - 3%	2024	2025	Monthly	Annual
Medicare Supplement			Difference	Difference
Retiree	\$240.80	\$248.02	\$7.22	\$86.69
Spouse/Domestic Partner	\$361.20	\$372.04	\$10.84	\$130.03
Dependent Child	\$481.60	\$496.05	\$14.45	\$173.38

2025 Proposed Monthly Plan Rates – Scenario C

Beyond Projection Period / Deficit Spend FY2034

Pre-Medicare Plans – 3% / Medicare Supplement – 2%

& \$250 EGWP deductible on non-generics

Projected Fund Balance - \$19.3 billion 6/30/56

Scenario C - 3%	2024	2025	Monthly	Annual
BCBS/Presbyterian Premier			Difference	Difference
Retiree	\$ 339.11	\$ 349.28	\$ 10.17	\$ 122.08
Spouse/Domestic Partner	\$ 643.64	\$ 662.95	\$ 19.31	\$ 231.71
Child	\$ 329.16	\$ 339.03	\$ 9.87	\$ 118.50
BCBS/Presbyterian Value				
Retiree	\$ 264.90	\$ 272.85	\$ 7.95	\$ 95.36
Spouse/Domestic Partner	\$ 502.75	\$ 517.83	\$ 15.08	\$ 180.99
Child	\$ 256.68	\$ 264.38	\$ 7.70	\$ 92.40

Scenario C - 2%	2024	2025	Monthly	Annual
Medicare Supplement			Difference	Difference
Retiree	\$240.80	\$245.62	\$4.82	\$57.79
Spouse/Domestic Partner	\$361.20	\$368.42	\$7.22	\$86.69
Dependent Child	\$481.60	\$491.23	\$9.63	\$115.58

2025 Proposed Monthly Plan Rates – Scenario D

Beyond Projection Period / Deficit Spend FY2033

Pre-Medicare Plans – 2% retiree & spouse, 3% dependent children /
Medicare Supplement – 2%

Projected Fund Balance - \$18.3 billion 6/30/56

Scenario D - 2% & 3% (Child)	2024	2025	Monthly	Annual
BCBS/Presbyterian Premier			Difference	Difference
Retiree	\$ 339.11	\$ 345.89	\$ 6.78	\$ 81.39
Spouse/Domestic Partner	\$ 643.64	\$ 656.51	\$ 12.87	\$ 154.47
Child	\$ 329.16	\$ 339.03	\$ 9.87	\$ 118.50
BCBS/Presbyterian Value				
Retiree	\$ 264.90	\$ 270.20	\$ 5.30	\$ 63.58
Spouse/Domestic Partner	\$ 502.75	\$ 512.81	\$ 10.06	\$ 120.66
Child	\$ 256.68	\$ 264.38	\$ 7.70	\$ 92.40

Scenario D - 2%	2024	2025	Monthly	Annual
Medicare Supplement			Difference	Difference
Retiree	\$240.80	\$245.62	\$4.82	\$57.79
Spouse/Domestic Partner	\$361.20	\$368.42	\$7.22	\$86.69
Dependent Child	\$481.60	\$491.23	\$9.63	\$115.58

Summary of Proposals

	Baseline	Scenario A	Scenario B
Pre-Medicare Rate Increase	0%	8%	4%
Medicare Supplement Plan Rate Increase	0%	6%	3%
Deficit Spending Period (FY)	2033	2034	2033
Solvency Period	Beyond Projection Period	Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/56	\$ 17,973,287,203	\$ 19,053,650,307	\$ 18,513,468,755
Plan Changes	None	None	None
		Scenario C	Scenario D
Pre-Medicare Rate Increase		3%	2% / 3% (Child)
Medicare Supplement Plan Rate Increase		2%	2%
Deficit Spending Period (FY)		2034	2033
Solvency Period		Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/56		\$ 19,325,936,463	\$ 18,292,615,155
Loss Ratio		\$250 EGWP Deductible on non-generics	None

- 2023 Medical Trend Comparison
- Approved Increase 5% & 0%
 - Deficit Spending Start FY33
 - Beyond Projection Period
 - Projected Fund Balance 6/30/55 - \$18,406,092,167

Staff Recommendations

- Scenario D:
 - Premium Increases
 - 2% Retiree & Spouse/ 3% Child - Increase on Premier and Value Plans
 - 2% Increase on Medicare Supplement Plan
- Reduction of Medicare Advantage Prescription Drug Plans
 - Elimination of all remaining plan 2 options due to IRA removal of coverage gap
 - Elimination of highest costing MAPD plan due to increases
 - Unless more advantageous premium can be negotiated for CY2025 on behalf of members and RHCA
 - Current increase of 40%, after 50% increase for CY2024

Participation by Plan

Enrollment Counts						
July 1, 2023						
Description	Retiree	Spouse	Dependent	Grand Total	%	Pre/Medicare
BCBS Premier	3,980	1,153	551	5,684	10.7%	46.4%
Presbyterian Premier	2,500	478	259	3,237	6.1%	26.4%
BCBS Value Plan	518	209	99	826	1.6%	6.7%
Presbyterian Value Plan	1,681	509	302	2,492	4.7%	20.4%
BCBS Medicare Supplemental Plan	16,835	3,770	8	20,613	38.8%	50.4%
BCBS Medicare Advantage I	2,086	673	2	2,761	5.2%	6.8%
BCBS Medicare Advantage II	804	233	3	1,040	2.0%	2.5%
Humana Medicare Advantage I	664	230		894	1.7%	2.2%
Humana Medicare Advantage II	625	200		825	1.6%	2.0%
Presbyterian Medicare Advantage I	5,989	1,655	5	7,649	14.4%	18.7%
Presbyterian Medicare Advantage II	1,198	344	1	1,543	2.9%	3.8%
United Healthcare Medicare Advantage I	2,411	735	1	3,147	5.9%	7.7%
United Healthcare Medicare Advantage II	1,807	607	5	2,419	4.6%	5.9%
Grand Total	41,098	10,796	1,236	53,130	100.0%	
Voluntary	7,370	5,200	1,116	13,686		
Total Enrollment	48,468	15,996	2,352	66,816		
Non-Medicare				12,239	23.0%	
Medicare				40,891	77.0%	

Participation by Plan

Enrollment Counts						
July 1, 2024						
Medical Plan	Retiree	Spouse	Dependent	Grand Total	%	Pre/Medicare
BCBS Premier	3,605	1,004	473	5,082	9.8%	46.3%
Presbyterian Premier	2,222	419	213	2,854	5.5%	26.0%
BCBS Value Plan	497	187	84	768	1.5%	7.0%
Presbyterian Value Plan	1,556	454	265	2,275	4.4%	20.7%
BCBS Medicare Supplemental Plan	16,455	3,601	6	20,062	38.9%	49.4%
BCBS Medicare Advantage I	2,820	891	4	3,715	7.2%	9.1%
Humana Medicare Advantage I	804	257		1,061	2.1%	2.6%
Humana Medicare Advantage II	667	226		893	1.7%	2.2%
Presbyterian Medicare Advantage I	5,885	1,590	5	7,480	14.5%	18.4%
Presbyterian Medicare Advantage II	1,168	307	1	1,476	2.9%	3.6%
United Healthcare Medicare Advantage I	2,613	765	2	3,380	6.6%	8.3%
United Healthcare Medicare Advantage II	1,918	635	4	2,557	5.0%	6.3%
Grand Total	40,210	10,336	1,057	51,603	100.0%	
Voluntary	7,924	5,169	973	14,066		
Total Enrollment	48,134	15,505	2,030	65,669		
Non-Medicare				10,979	21.3%	
Medicare				40,624	78.7%	

Participation by Plan (2014 – 2024)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Description												
BCBS Premier Plus	4,523	3,964	3,388	2,859								
BCBS Premier	5,918	6,404	6,636	6,743	8,202	7,569	7,171	6,784	6,608	6,257	5,684	5,082
BCBS Value Plan						741	857	831	889	819	826	768
NM Health Connections					424							
Presbyterian Premier Plus	2,433	2,085	1,739	1,461								
Presbyterian Premier	4,929	5,617	5,915	6,302	5,681	4,950	4,466	4,119	3,976	3,659	3,237	2,854
Presbyterian Value Plan					1,977	2,587	2,739	2,730	2,797	2,635	2,492	2,275
BCBS Medicare Supplemental Plan	22,543	22,499	22,920	23,236	23,383	23,368	23,094	22,724	22,075	21,268	20,613	20,062
Lovelace Senior Plan I	2,921	2,895										
Lovelace Senior Plan II	1,948	1,725										
BCBS MA I			2,785	2,615	2,597	2,507	2,494	2,496	2,620	2,687	2,761	3,715
BCBS MA II			1,561	1,487	1,457	1,379	1,331	1,263	1,153	1,095	1,040	
Humana Plan I					65	214	401	556	649	685	894	1,061
Humana Plan II					145	261	413	533	664	740	825	893
Presbyterian Plan I	2,153	3,067	3,693	4,269	4,841	5,430	6,188	6,625	7,069	7,385	7,649	7,480
Presbyterian Plan II	1,052	1,246	1,378	1,515	1,666	1,706	1,678	1,693	1,594	1,561	1,543	1,476
UnitedHealthcare Plan I		648	1,136	1,384	1,496	1,682	1,810	1,937	2,379	2,897	3,147	3,380
UnitedHealthcare Plan II		364	672	1,186	1,464	1,775	1,963	2,123	2,263	2,380	2,419	2,557
Grand Total	48,420	50,514	51,823	53,057	53,398	54,169	54,605	54,414	54,736	54,068	53,130	51,603
Voluntary	5,069	5,617	6,213	6,887	7,555	8,167	8,862	9,481	9,833	13,649	13,686	14,066
Total Enrollment	53,489	56,131	58,036	59,944	60,953	62,336	63,467	63,895	64,569	67,717	66,816	65,669
Non	17,803	18,070	17,678	17,365	16,284	15,847	15,233	14,646	14,270	13,370	12,239	10,979
Medicare	30,617	32,444	34,145	35,692	37,114	38,322	39,372	39,950	40,466	40,698	40,891	40,624

Supplemental Information

		Retirees & Beneficiaries		Average Annual Pension		Average Monthly Pension
State General		17,106		\$ 32,568		\$ 2,714
State Police		1,382		\$ 38,340		\$ 3,195
Municipal General		12,729		\$ 29,916		\$ 2,493
Municipal Police		3,399		\$ 46,032		\$ 3,836
Municipal Fire		1,826		\$ 48,780		\$ 4,065
Judicial		149		\$ 71,796		\$ 5,983
Magistrate		3,577		\$ 42,924		\$ 3,577
ERB		54,774		\$ 24,948		\$ 2,079

Pension amounts shown: PERA/ERB 2023 ACFRs

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Baseline - Using the starting balance as of May 31, 2024

Description: 7% trend for Non-Medicare medical until CY2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 6% trend for Medicare medical until CY2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 13% trend for Non-Medicare Rx in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 10% trend for Medicare Rx in CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; No Annual Non-Medicare Medical Plan Changes; No Annual Medicare Supplement & EGWP plan changes; Annual Non-Medicare Rate Increases of 0% throughout, Medicare Rate Increase of 0% throughout. Assumed rate of return of 7%; Payroll growth assumption of 2.75% for Public Safety and 2.75% for Other Occupations in FY2025 and 2.75% beginning FY2026 overall; Includes Migration from the Premier Plan to the Value Plan through projection; Includes SB 317 impact for CY2024 through CY2026

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES						Rev. - Exp. Excluding Inv. Income	
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invest Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	EOY Invested Assets		
7/1/2024	\$1,436,628,221	\$114,993,884	\$57,496,942	\$138,203,537	\$37,882,263	\$51,825,124	\$46,557,477	\$355,867	\$447,315,093	\$103,510,918	\$309,764,629	\$37,882,263	\$11,556,444	\$3,913,400	\$363,116,736	\$84,198,357	\$1,624,337,496	
7/1/2025	\$1,624,337,496	\$118,156,215	\$59,078,108	\$146,050,814	\$40,200,258	\$58,044,139	\$50,625,949	\$360,552	\$472,516,036	\$116,162,429	\$346,071,156	\$40,200,258	\$11,981,842	\$4,011,235	\$402,264,491	\$70,251,545	\$1,810,751,470	
7/1/2026	\$1,810,751,470	\$121,405,511	\$60,702,756	\$150,021,770	\$41,494,010	\$65,009,436	\$55,911,023	\$358,223	\$494,902,728	\$128,876,940	\$376,171,529	\$41,494,010	\$12,430,332	\$4,111,516	\$434,207,387	\$60,695,341	\$2,000,323,751	
7/1/2027	\$2,000,323,751	\$124,744,163	\$62,372,081	\$153,356,868	\$43,330,370	\$72,810,568	\$61,478,946	\$352,312	\$518,445,309	\$141,859,613	\$405,587,821	\$43,330,370	\$12,828,529	\$4,214,304	\$465,961,024	\$52,484,285	\$2,194,667,649	
7/1/2028	\$2,194,667,649	\$128,174,627	\$64,087,314	\$158,155,795	\$46,034,812	\$81,547,837	\$67,288,687	\$359,224	\$545,648,296	\$155,027,608	\$442,000,477	\$46,034,812	\$13,268,412	\$4,319,661	\$505,623,362	\$40,024,934	\$2,389,720,190	
7/1/2029	\$2,389,720,190	\$131,699,430	\$65,849,715	\$162,263,776	\$48,656,751	\$91,333,577	\$73,038,037	\$358,910	\$573,200,195	\$168,298,430	\$477,382,053	\$48,656,751	\$13,647,558	\$4,427,653	\$544,114,016	\$29,086,180	\$2,587,104,800	
7/1/2030	\$2,587,104,800	\$135,321,164	\$67,660,582	\$167,795,238	\$52,057,124	\$102,293,606	\$78,924,629	\$372,910	\$604,425,254	\$181,619,485	\$518,691,028	\$52,057,124	\$14,220,214	\$4,538,344	\$589,506,711	\$14,918,543	\$2,783,642,828	
7/1/2031	\$2,783,642,828	\$139,042,496	\$69,521,248	\$173,060,394	\$55,255,016	\$114,568,839	\$84,793,801	\$380,567	\$636,622,362	\$194,922,500	\$560,017,121	\$55,255,016	\$14,769,781	\$4,651,803	\$634,693,721	\$1,928,641	\$2,980,493,969	
7/1/2032	\$2,980,493,969	\$142,866,165	\$71,433,082	\$177,746,138	\$58,498,939	\$128,317,100	\$90,733,147	\$385,975	\$669,980,547	\$208,327,544	\$600,218,013	\$58,498,939	\$15,267,902	\$4,768,098	\$678,752,952	(\$8,772,406)	\$3,180,049,107	
7/1/2033	\$3,180,049,107	\$146,794,984	\$73,397,492	\$183,150,926	\$62,246,057	\$143,715,152	\$97,019,702	\$395,640	\$706,719,952	\$221,897,312	\$643,933,193	\$62,246,057	\$15,828,430	\$4,887,300	\$726,894,980	(\$20,175,027)	\$3,381,771,391	
7/1/2034	\$3,381,771,391	\$150,831,846	\$75,415,923	\$189,172,791	\$66,373,594	\$160,960,970	\$103,297,878	\$411,426	\$746,464,429	\$235,551,705	\$746,464,429	\$66,373,594	\$16,461,869	\$5,009,483	\$779,958,496	(\$33,494,067)	\$3,583,829,030	
7/1/2035	\$3,583,829,030	\$154,979,722	\$77,489,861	\$193,790,980	\$70,080,101	\$180,276,286	\$109,883,203	\$411,142	\$786,911,295	\$249,498,799	\$733,848,618	\$70,080,101	\$16,968,796	\$5,134,720	\$826,032,235	(\$39,120,940)	\$3,794,206,889	
7/1/2036	\$3,794,206,889	\$159,241,664	\$79,620,832	\$198,165,062	\$74,163,476	\$201,909,441	\$116,941,539	\$411,249	\$830,453,263	\$264,179,845	\$773,986,560	\$74,163,476	\$17,458,334	\$5,263,088	\$870,871,458	(\$40,418,195)	\$4,017,968,539	
7/1/2037	\$4,017,968,539	\$163,620,810	\$81,810,405	\$202,092,345	\$78,205,506	\$226,138,574	\$123,705,343	\$411,872	\$875,984,854	\$279,910,392	\$812,961,234	\$78,205,506	\$17,920,768	\$5,394,665	\$914,482,172	(\$38,497,318)	\$4,259,381,612	
7/1/2038	\$4,259,381,612	\$168,120,382	\$84,060,191	\$205,487,896	\$82,327,185	\$253,275,203	\$130,722,473	\$406,547	\$924,399,877	\$297,070,662	\$849,237,833	\$82,327,185	\$18,335,348	\$5,529,532	\$955,429,898	(\$31,030,021)	\$4,525,422,253	
7/1/2039	\$4,525,422,253	\$172,743,693	\$86,371,846	\$209,252,573	\$86,939,112	\$283,668,227	\$137,880,329	\$406,567	\$977,262,347	\$316,003,932	\$888,021,713	\$86,939,112	\$18,794,489	\$5,667,770	\$999,423,084	(\$22,160,737)	\$4,819,265,448	
7/1/2040	\$4,819,265,448	\$177,494,144	\$88,747,072	\$213,526,574	\$91,985,378	\$317,708,414	\$145,294,067	\$409,307	\$1,035,164,957	\$336,893,345	\$931,067,767	\$91,985,378	\$19,309,105	\$5,809,464	\$1,048,171,715	(\$13,006,759)	\$5,143,152,034	
7/1/2041	\$5,143,152,034	\$182,375,233	\$91,187,617	\$218,520,434	\$97,677,122	\$355,833,424	\$152,744,952	\$419,491	\$1,098,758,273	\$359,818,827	\$980,981,047	\$97,677,122	\$19,911,571	\$5,954,701	\$1,104,524,441	(\$5,766,168)	\$5,497,204,692	
7/1/2042	\$5,497,204,692	\$187,390,552	\$93,695,276	\$223,560,546	\$103,576,251	\$398,533,435	\$160,270,420	\$428,823	\$1,167,455,304	\$384,931,604	\$1,033,612,508	\$103,576,251	\$20,526,518	\$6,103,568	\$1,163,818,846	\$3,636,457	\$5,885,772,754	
7/1/2043	\$5,885,772,754	\$192,543,793	\$96,271,896	\$228,705,396	\$109,907,620	\$446,357,447	\$167,922,979	\$440,100	\$1,242,149,230	\$412,538,172	\$1,089,565,874	\$109,907,620	\$21,160,160	\$6,256,158	\$1,226,889,812	\$15,259,418	\$6,313,570,345	
7/1/2044	\$6,313,570,345	\$197,838,747	\$98,919,373	\$234,043,071	\$116,669,001	\$499,920,340	\$175,879,901	\$451,674	\$1,323,722,107	\$442,984,937	\$1,149,249,907	\$116,669,001	\$21,818,828	\$6,412,562	\$1,294,150,298	\$29,571,809	\$6,786,127,092	
7/1/2045	\$6,786,127,092	\$203,279,312	\$101,639,656	\$239,572,326	\$123,890,085	\$559,910,781	\$184,213,869	\$463,552	\$1,412,969,581	\$476,690,695	\$1,212,525,746	\$123,890,085	\$22,500,922	\$6,572,876	\$1,365,489,628	\$47,479,953	\$7,310,297,740	
7/1/2046	\$7,310,297,740	\$208,869,493	\$104,434,747	\$245,301,748	\$131,602,618	\$627,100,075	\$192,942,749	\$475,743	\$1,510,727,173	\$514,151,722	\$1,279,726,273	\$131,602,618	\$23,207,374	\$6,737,198	\$1,441,273,463	\$69,453,710	\$7,893,903,171	
7/1/2047	\$7,893,903,171	\$214,613,405	\$107,306,702	\$251,240,368	\$139,840,547	\$702,352,084	\$202,085,257	\$488,254	\$1,617,926,617	\$555,946,321	\$1,350,867,041	\$139,840,547	\$23,939,156	\$6,905,627	\$1,521,552,372	\$96,374,245	\$8,546,223,736	
7/1/2048	\$8,546,223,736	\$220,515,273	\$110,257,637	\$257,397,689	\$148,640,171	\$786,634,334	\$211,660,992	\$501,094	\$1,735,607,190	\$602,763,322	\$1,425,829,751	\$148,640,171	\$24,697,280	\$7,078,268	\$1,606,245,470	\$129,361,720	\$9,278,348,778	
7/1/2049	\$9,278,348,778	\$226,579,443	\$113,289,722	\$263,877,226	\$158,040,302	\$881,030,454	\$221,690,484	\$514,272	\$1,865,021,903	\$655,406,715	\$1,505,034,990	\$158,040,302	\$25,482,803	\$7,255,225	\$1,695,813,319	\$169,208,584	\$10,102,964,077	
7/1/2050	\$10,102,964,077	\$232,810,378	\$116,405,189	\$270,736,992	\$168,082,442	\$986,754,109	\$232,195,237	\$527,797	\$2,007,512,143	\$714,801,344	\$1,588,728,869	\$168,082,442	\$26,296,827	\$7,436,605	\$1,790,544,744	\$216,967,400	\$11,034,732,821	
7/1/2051	\$11,034,732,821	\$239,212,663	\$119,606,332	\$277,868,349	\$178,810,972	\$1,105,164,602	\$243,197,772	\$541,677	\$2,164,402,365	\$782,004,642	\$1,677,304,244	\$178,810,972	\$27,140,502	\$7,622,521	\$1,890,878,237	\$273,524,128	\$12,090,261,591	
7/1/2052	\$12,090,261,591	\$245,791,011	\$122,895,506	\$285,284,895	\$190,273,344	\$1,237,784,354	\$254,721,678	\$555,922	\$2,337,306,709	\$858,217,595	\$1,771,225,724	\$190,273,344	\$28,105,026	\$7,813,084	\$1,997,327,178	\$339,979,532	\$13,288,458,717	
7/1/2053	\$13,288,458,717	\$252,550,264	\$126,275,132	\$293,001,009	\$202,520,302	\$1,386,318,476	\$266,791,661	\$570,542	\$2,528,027,386	\$944,816,303	\$1,870,742,945	\$202,520,302	\$28,921,653	\$8,008,411	\$2,110,193,310	\$417,834,077	\$14,651,109,097	
7/1/2054	\$14,651,109,097	\$259,495,397	\$129,747,698	\$301,031,898	\$215,606,106	\$1,552,676,693	\$279,433,600	\$585,546	\$2,738,576,938	\$1,043,382,915	\$1,976,178,282	\$215,606,106	\$29,861,686	\$8,208,621	\$2,229,854,696	\$508,722,243	\$16,203,214,255	
7/1/2055	\$16,203,214,255	\$266,631,520	\$133,315,760	\$309,393,647	\$229,588,779	\$1,738,997,896	\$292,674,599	\$600,945	\$2,971,203,146	\$1,155,727,102	\$2,088,018,196	\$229,588,779	\$30,836,489	\$8,413,836	\$2,356,857,300	\$614,345,846	\$17,973,287,203	
Assumptions with Fiscal Year Basis:				FY2025	FY2026	FY2027	FY2028	FY2029+	Assumptions with Calendar Year Basis:				CY2025	CY2026	CY2027	CY2028	CY2029+	
Public Safety, et al Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Medical Claims Trend				7.00%	7.00%	7.00%	6.75%	6.50%	
Other Occupations Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Prescription Drug Claims Trend				12.50%	12.00%	11.00%	10.00%	9.00%	
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	Medicare Medical Claims Trend				6.00%	6.00%	6.00%	6.00%	6.00%	
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	Medicare Prescription Drug Claims Trend				9.50%	9.00%	8.50%	8.00%	7.50%	
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	Annual Growth in EGWP Direct Subsidy				325.08%	4.50%	4.50%	4.50%	4.50%	
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	Annual Growth in Coverage Gap Discount Program Revenue				21.78%	9.00%	8.50%	8.00%	7.50%	
Annual Investment Return				7.00%	7.00%	7.00%	7.00%	7.00%	Annual Growth in EGWP Federal Reinsurance				-49.12%	9.00%	8.50%	8.00%	7.50%	
Annual Growth in																		

New Mexico Retiree Health Care Authority Long-Term Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario A - Using the starting balance as of May 31, 2024

Description: 7% trend for Non-Medicare medical until CY2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 6% trend for Medicare medical until CY2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 13% trend for Non-Medicare Rx in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 10% trend for Medicare Rx in CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; No Annual Non-Medicare Medical Plan Changes; No Annual Medicare Supplement & EGWP plan changes; Annual Non-Medicare Rate Increases of 8% in CY2025, and 0% thereafter, Medicare Rate Increase of 6% in CY2025, and 0% trend thereafter. Assumed rate of return of 7%; Payroll growth assumption of 2.75% for Public Safety and 2.75% for Other Occupations in FY2025 and 2.75% beginning FY2026 overall; Includes Migration from the Premier Plan to the Value Plan through projection; Includes SB 317 impact for CY2024 through CY2026

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES						Rev. - Exp.	
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invest Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Excluding Inv. Income	EOY Invested Assets	
7/1/2024	\$1,436,628,221	\$114,993,884	\$57,496,942	\$142,307,299	\$37,882,263	\$51,825,124	\$46,557,477	\$355,867	\$451,418,856	\$103,654,550	\$309,764,629	\$37,882,263	\$11,556,444	\$3,913,400	\$363,116,736	\$88,302,120	\$1,628,584,891	
7/1/2025	\$1,628,584,891	\$118,156,215	\$59,078,108	\$154,416,022	\$40,200,258	\$58,044,139	\$50,625,949	\$360,552	\$480,881,244	\$116,752,529	\$346,071,156	\$40,200,258	\$11,981,842	\$4,011,235	\$402,264,491	\$78,616,753	\$1,823,954,172	
7/1/2026	\$1,823,954,172	\$121,405,511	\$60,702,756	\$158,512,545	\$41,494,010	\$65,009,436	\$55,911,023	\$358,223	\$503,393,504	\$130,098,306	\$376,171,529	\$41,494,010	\$12,430,332	\$4,111,516	\$434,207,387	\$69,186,117	\$2,023,238,595	
7/1/2027	\$2,023,238,595	\$124,744,163	\$62,372,081	\$161,914,475	\$43,330,370	\$72,810,568	\$61,478,946	\$352,312	\$527,002,915	\$143,763,168	\$405,587,821	\$43,330,370	\$12,828,529	\$4,214,304	\$465,961,024	\$61,041,891	\$2,228,043,655	
7/1/2028	\$2,228,043,655	\$128,174,627	\$64,087,314	\$166,880,554	\$46,034,812	\$81,547,837	\$67,288,687	\$359,224	\$554,373,055	\$157,669,295	\$442,000,477	\$46,034,812	\$13,268,412	\$4,319,661	\$505,623,362	\$48,749,692	\$2,434,462,642	
7/1/2029	\$2,434,462,642	\$131,699,430	\$65,849,715	\$171,105,767	\$48,656,751	\$91,333,577	\$73,038,037	\$358,910	\$582,042,186	\$171,739,871	\$477,382,053	\$48,656,751	\$13,647,558	\$4,427,653	\$544,114,016	\$37,928,171	\$2,644,130,683	
7/1/2030	\$2,644,130,683	\$135,321,164	\$67,660,582	\$176,869,858	\$52,057,124	\$102,293,606	\$78,924,629	\$372,910	\$613,499,874	\$185,928,909	\$518,691,028	\$52,057,124	\$14,220,214	\$4,538,344	\$589,506,711	\$23,993,163	\$2,854,052,755	
7/1/2031	\$2,854,052,755	\$139,042,496	\$69,521,248	\$182,345,445	\$55,255,016	\$114,568,839	\$84,793,801	\$380,567	\$645,907,413	\$200,176,172	\$560,017,121	\$55,255,016	\$14,769,781	\$4,651,803	\$634,693,721	\$11,213,692	\$3,065,442,619	
7/1/2032	\$3,065,442,619	\$142,866,165	\$71,433,082	\$187,192,441	\$58,498,939	\$128,317,100	\$90,733,147	\$385,975	\$679,426,850	\$214,604,570	\$600,218,013	\$58,498,939	\$15,267,902	\$4,768,098	\$678,752,952	\$673,898	\$3,280,721,087	
7/1/2033	\$3,280,721,087	\$146,794,984	\$73,397,492	\$192,803,112	\$62,246,057	\$143,715,152	\$97,019,702	\$395,640	\$716,372,139	\$229,282,177	\$643,933,193	\$62,246,057	\$15,828,430	\$4,887,300	\$726,894,980	(\$10,522,841)	\$3,499,480,423	
7/1/2034	\$3,499,480,423	\$150,831,846	\$75,415,923	\$199,087,180	\$66,373,594	\$160,960,970	\$103,297,878	\$411,426	\$756,378,818	\$244,138,341	\$692,113,550	\$66,373,594	\$16,461,869	\$5,009,483	\$779,958,496	(\$23,579,678)	\$3,720,039,086	
7/1/2035	\$3,720,039,086	\$154,979,722	\$77,489,861	\$203,847,655	\$70,080,101	\$180,276,286	\$109,883,203	\$411,142	\$796,967,970	\$259,385,487	\$733,848,618	\$70,080,101	\$16,968,796	\$5,134,720	\$826,032,235	(\$29,064,265)	\$3,950,360,308	
7/1/2036	\$3,950,360,308	\$159,241,664	\$79,620,832	\$208,330,354	\$74,163,476	\$201,909,441	\$116,941,539	\$411,249	\$840,618,554	\$275,466,370	\$773,986,560	\$74,163,476	\$17,458,334	\$5,263,088	\$870,871,458	(\$30,252,904)	\$4,195,573,774	
7/1/2037	\$4,195,573,774	\$163,620,810	\$81,810,405	\$212,349,721	\$78,205,506	\$226,138,574	\$123,705,343	\$411,872	\$886,242,229	\$226,138,574	\$886,242,229	\$78,205,506	\$17,920,768	\$5,394,665	\$914,482,172	(\$28,239,942)	\$4,460,035,598	
7/1/2038	\$4,460,035,598	\$168,120,382	\$84,060,191	\$215,790,058	\$82,327,185	\$253,275,203	\$130,722,473	\$406,547	\$934,702,039	\$311,477,017	\$849,237,833	\$82,327,185	\$18,335,348	\$5,529,532	\$955,429,898	(\$20,727,859)	\$4,750,784,756	
7/1/2039	\$4,750,784,756	\$172,743,693	\$86,371,846	\$219,626,148	\$86,939,112	\$283,668,227	\$137,880,329	\$406,567	\$987,635,922	\$332,142,382	\$888,021,713	\$86,939,112	\$18,794,489	\$5,667,770	\$999,423,084	(\$11,787,162)	\$5,071,139,976	
7/1/2040	\$5,071,139,976	\$177,494,144	\$88,747,072	\$224,006,245	\$91,985,378	\$317,708,414	\$145,294,067	\$409,307	\$1,045,644,627	\$354,891,350	\$931,067,767	\$91,985,378	\$19,309,105	\$5,809,464	\$1,048,171,715	(\$2,527,088)	\$5,423,504,239	
7/1/2041	\$5,423,504,239	\$182,375,233	\$91,187,617	\$229,166,587	\$97,677,122	\$355,833,424	\$152,744,952	\$419,491	\$1,109,404,426	\$379,816,096	\$980,981,047	\$97,677,122	\$19,911,571	\$5,954,701	\$1,104,524,441	\$4,879,984	\$5,808,200,319	
7/1/2042	\$5,808,200,319	\$187,390,552	\$93,695,276	\$234,377,567	\$103,576,251	\$398,533,435	\$160,270,420	\$428,823	\$1,178,272,325	\$407,079,894	\$1,033,612,508	\$103,576,251	\$20,526,518	\$6,103,568	\$1,163,818,846	\$14,453,479	\$6,229,733,692	
7/1/2043	\$6,229,733,692	\$192,543,793	\$96,271,896	\$239,699,901	\$109,907,620	\$446,357,447	\$167,922,979	\$440,100	\$1,253,143,735	\$437,000,246	\$1,089,565,874	\$109,907,620	\$21,160,160	\$6,256,158	\$1,226,889,812	\$26,253,923	\$6,692,987,860	
7/1/2044	\$6,692,987,860	\$197,838,747	\$98,919,373	\$245,222,718	\$116,669,001	\$499,920,340	\$175,879,901	\$451,674	\$1,334,901,754	\$469,935,451	\$1,149,249,907	\$116,669,001	\$21,818,828	\$6,412,562	\$1,294,150,298	\$40,751,456	\$7,203,674,768	
7/1/2045	\$7,203,674,768	\$203,279,312	\$101,639,656	\$250,942,414	\$123,890,085	\$559,910,781	\$184,213,869	\$463,552	\$1,424,339,669	\$506,316,985	\$1,212,525,746	\$123,890,085	\$22,500,922	\$6,572,876	\$1,365,489,628	\$58,850,041	\$7,768,841,794	
7/1/2046	\$7,768,841,794	\$208,869,493	\$104,434,747	\$256,867,846	\$131,602,618	\$627,100,075	\$192,942,749	\$475,743	\$1,522,293,271	\$546,654,619	\$1,279,726,273	\$131,602,618	\$23,207,374	\$6,737,198	\$1,441,273,463	\$81,019,808	\$8,396,516,221	
7/1/2047	\$8,396,516,221	\$214,613,405	\$107,306,702	\$263,008,333	\$139,840,547	\$702,352,084	\$202,085,257	\$488,254	\$1,629,694,581	\$591,541,113	\$1,350,867,041	\$139,840,547	\$23,939,156	\$6,905,627	\$1,521,552,372	\$108,142,210	\$9,096,199,544	
7/1/2048	\$9,096,199,544	\$220,515,273	\$110,257,637	\$269,373,687	\$148,640,171	\$786,634,334	\$211,660,992	\$501,094	\$1,747,583,187	\$641,680,788	\$1,425,829,751	\$148,640,171	\$24,697,280	\$7,078,268	\$1,606,245,470	\$141,337,717	\$9,879,218,049	
7/1/2049	\$9,879,218,049	\$226,579,443	\$113,289,722	\$276,075,233	\$158,040,302	\$881,030,454	\$221,690,484	\$514,272	\$1,877,219,910	\$721,690,484	\$1,505,034,990	\$158,040,302	\$25,482,803	\$7,255,225	\$1,695,813,319	\$181,406,591	\$10,758,519,134	
7/1/2050	\$10,758,519,134	\$232,810,378	\$116,405,189	\$283,175,137	\$168,082,442	\$986,754,109	\$232,195,237	\$527,797	\$2,019,950,289	\$761,125,533	\$1,588,728,869	\$168,082,442	\$26,296,827	\$7,436,605	\$1,790,544,744	\$229,405,545	\$11,749,050,213	
7/1/2051	\$11,749,050,213	\$239,212,663	\$119,606,332	\$290,555,561	\$178,810,972	\$1,105,164,602	\$243,197,772	\$541,677	\$2,177,089,578	\$832,450,912	\$1,677,304,244	\$178,810,972	\$27,140,502	\$7,622,521	\$1,890,878,237	\$286,211,341	\$12,867,712,465	
7/1/2052	\$12,867,712,465	\$245,791,011	\$122,895,506	\$298,230,662	\$190,273,344	\$1,237,784,354	\$254,721,678	\$555,922	\$2,350,252,476	\$913,092,258	\$1,771,225,724	\$190,273,344	\$28,015,026	\$7,813,084	\$1,997,327,178	\$352,925,298	\$14,133,730,021	
7/1/2053	\$14,133,730,021	\$252,550,264	\$126,275,132	\$306,215,417	\$202,520,302	\$1,386,318,476	\$266,791,661	\$570,542	\$2,541,241,794	\$1,004,447,798	\$1,870,742,945	\$202,520,302	\$28,921,653	\$8,008,411	\$2,110,193,310	\$431,048,484	\$15,569,226,304	
7/1/2054	\$15,569,226,304	\$259,495,397	\$129,747,698	\$314,525,676	\$215,606,106	\$1,552,676,693	\$279,433,600	\$585,546	\$2,752,070,716	\$1,108,123,402	\$1,976,178,282	\$215,606,106	\$29,861,686	\$8,208,621	\$2,229,854,696	\$522,216,021	\$17,199,565,727	
7/1/2055	\$17,199,565,727	\$266,631,520	\$133,315,760	\$323,178,216	\$229,588,779	\$1,738,997,896	\$292,674,599	\$600,945	\$2,984,987,715	\$1,225,954,165	\$2,088,018,196	\$229,588,779	\$30,836,489	\$8,413,836	\$2,356,857,300	\$628,130,415	\$19,053,650,307	
Assumptions with Fiscal Year Basis:				FY2025	FY2026	FY2027	FY2028	FY2029+	Assumptions with Calendar Year Basis:				CY2025	CY2026	CY2027	CY2028	CY2029+	
Public Safety, et al Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Medical Claims Trend				7.00%	7.00%	7.00%	6.75%	6.50%	
Other Occupations Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Prescription Drug Claims Trend				12.50%	12.00%	11.00%	10.00%	9.00%	
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	Medicare Medical Claims Trend				6.00%	6.00%	6.00%	6.00%	6.00%	
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	Medicare Prescription Drug Claims Trend				9.50%	9.00%	8.50%	8.00%	7.50%	
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	Annual Growth in EGWP Direct Subsidy				325.08%	4.50%	4.50%	4.50%	4.50%	
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	Annual Growth in Coverage Gap Discount Program Revenue				21.78%	9.00%	8.50%	8.50%	7.50%	
Annual Investment Return				7.00%	7.00%	7.00%	7.00%	7.00%	Annual Growth in EGWP Federal Reinsurance				-49.12%	9.00%	8.50%	8.00%	7.50%	

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario B - Using the starting balance as of May 31, 2024

Description: 7% trend for Non-Medicare medical until CY2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 6% trend for Medicare medical until CY2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 13% trend for Non-Medicare Rx in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 10% trend for Medicare Rx in CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; No Annual Non-Medicare Medical Plan Changes; No Annual Medicare Supplement & EGWP plan changes; Annual Non-Medicare Rate Increases of 4% in CY2025, and 0% thereafter, Medicare Rate Increase of 3% in CY2025, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 2.75% for Public Safety and 2.75% for Other Occupations in FY2025 and 2.75% beginning FY2026 overall; Includes Migration from the Premier Plan to the Value Plan through projection; Includes SB 317 impact for CY2024 through CY2026

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES						Rev. - Exp. Excluding Inv. Income	
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invest Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	EOY Invested Assets		
7/1/2024	\$1,436,628,221	\$114,993,884	\$57,496,942	\$140,255,418	\$37,882,263	\$51,825,124	\$46,557,477	\$355,867	\$449,366,975	\$103,582,734	\$309,764,629	\$37,882,263	\$11,556,444	\$3,913,400	\$363,116,736	\$86,250,239	\$1,626,461,193	
7/1/2025	\$1,626,461,193	\$118,156,215	\$59,078,108	\$150,233,418	\$40,200,258	\$58,044,139	\$50,625,949	\$360,552	\$476,698,640	\$116,457,479	\$346,071,156	\$40,200,258	\$11,981,842	\$4,011,235	\$402,264,491	\$74,434,149	\$1,817,352,821	
7/1/2026	\$1,817,352,821	\$121,405,511	\$60,702,756	\$154,267,157	\$41,494,010	\$65,009,436	\$55,911,023	\$358,223	\$499,148,116	\$129,487,623	\$376,171,529	\$41,494,010	\$12,430,332	\$4,111,516	\$434,207,387	\$64,940,729	\$2,011,781,173	
7/1/2027	\$2,011,781,173	\$124,744,163	\$62,372,081	\$157,635,671	\$43,330,370	\$72,810,568	\$61,478,946	\$352,312	\$522,724,112	\$142,811,390	\$405,587,821	\$43,330,370	\$12,828,529	\$4,214,304	\$465,961,024	\$56,763,088	\$2,211,355,652	
7/1/2028	\$2,211,355,652	\$128,174,627	\$64,087,314	\$162,518,175	\$46,034,812	\$81,547,837	\$67,288,687	\$359,224	\$550,010,675	\$156,348,452	\$442,000,477	\$46,034,812	\$13,268,412	\$4,319,661	\$505,623,362	\$44,387,313	\$2,412,091,416	
7/1/2029	\$2,412,091,416	\$131,699,430	\$65,849,715	\$166,684,772	\$48,656,751	\$91,333,577	\$73,038,037	\$358,910	\$577,621,191	\$170,019,150	\$477,382,053	\$48,656,751	\$13,647,558	\$4,427,653	\$544,114,016	\$33,507,175	\$2,615,617,742	
7/1/2030	\$2,615,617,742	\$135,321,164	\$67,660,582	\$172,332,548	\$52,057,124	\$102,293,606	\$78,924,629	\$372,910	\$608,962,564	\$183,774,197	\$518,691,028	\$52,057,124	\$14,220,214	\$4,538,344	\$589,506,711	\$19,455,853	\$2,818,847,791	
7/1/2031	\$2,818,847,791	\$139,042,496	\$69,521,248	\$177,702,919	\$55,255,016	\$114,568,839	\$84,793,801	\$380,567	\$641,264,887	\$197,549,336	\$560,017,121	\$55,255,016	\$14,769,781	\$4,651,803	\$634,693,721	\$6,571,167	\$3,022,968,294	
7/1/2032	\$3,022,968,294	\$142,866,165	\$71,433,082	\$182,469,289	\$58,498,939	\$128,317,100	\$90,733,147	\$385,975	\$674,703,698	\$211,466,057	\$600,218,013	\$58,498,939	\$15,267,902	\$4,768,098	\$678,752,952	(\$4,049,254)	\$3,230,385,097	
7/1/2033	\$3,230,385,097	\$146,794,984	\$73,397,492	\$187,977,019	\$62,246,057	\$143,715,152	\$97,019,702	\$395,640	\$711,546,046	\$225,589,744	\$643,933,193	\$62,246,057	\$15,828,430	\$4,887,300	\$726,894,980	(\$15,348,934)	\$3,440,625,907	
7/1/2034	\$3,440,625,907	\$150,831,846	\$75,415,923	\$194,129,986	\$66,373,594	\$160,960,970	\$103,297,878	\$411,426	\$751,421,624	\$239,845,023	\$692,113,550	\$66,373,594	\$16,461,869	\$5,009,483	\$779,958,496	(\$28,536,872)	\$3,651,934,058	
7/1/2035	\$3,651,934,058	\$154,979,722	\$77,489,861	\$198,819,318	\$70,080,101	\$180,276,286	\$109,883,203	\$411,142	\$791,939,632	\$254,442,143	\$733,848,618	\$70,080,101	\$16,968,796	\$5,134,720	\$826,032,235	(\$34,092,603)	\$3,872,283,598	
7/1/2036	\$3,872,283,598	\$159,241,664	\$79,620,832	\$203,247,708	\$74,163,476	\$201,909,441	\$116,941,539	\$411,249	\$835,535,909	\$269,823,108	\$773,986,560	\$74,163,476	\$17,458,334	\$5,263,088	\$870,871,458	(\$35,335,550)	\$4,106,771,156	
7/1/2037	\$4,106,771,156	\$163,620,810	\$81,810,405	\$207,221,033	\$78,205,506	\$226,138,574	\$123,705,343	\$411,872	\$881,113,542	\$286,306,079	\$812,961,234	\$78,205,506	\$17,920,768	\$5,394,665	\$914,482,172	(\$33,368,630)	\$4,359,708,605	
7/1/2038	\$4,359,708,605	\$168,120,382	\$84,060,191	\$210,638,977	\$82,327,185	\$253,275,203	\$130,722,473	\$406,547	\$929,550,958	\$304,273,839	\$849,237,833	\$82,327,185	\$18,335,348	\$5,529,532	\$955,429,898	(\$25,878,940)	\$4,638,103,505	
7/1/2039	\$4,638,103,505	\$172,743,693	\$86,371,846	\$214,439,361	\$86,939,112	\$283,668,227	\$137,880,329	\$406,567	\$982,449,135	\$324,073,157	\$888,021,713	\$86,939,112	\$18,794,489	\$5,667,770	\$999,423,084	(\$16,973,949)	\$4,945,202,712	
7/1/2040	\$4,945,202,712	\$177,494,144	\$88,747,072	\$218,766,409	\$91,985,378	\$317,708,414	\$145,294,067	\$409,307	\$1,040,404,792	\$345,892,348	\$931,067,767	\$91,985,378	\$19,309,105	\$5,809,464	\$1,048,171,715	(\$7,766,923)	\$5,283,328,136	
7/1/2041	\$5,283,328,136	\$182,375,233	\$91,187,617	\$223,843,510	\$97,677,122	\$355,833,424	\$152,744,952	\$419,491	\$1,104,081,349	\$369,817,461	\$980,981,047	\$97,677,122	\$19,911,571	\$5,954,701	\$1,104,524,441	(\$443,092)	\$5,652,702,506	
7/1/2042	\$5,652,702,506	\$187,390,552	\$93,695,276	\$228,969,056	\$103,576,251	\$398,533,435	\$160,270,420	\$428,823	\$1,172,863,814	\$396,005,749	\$1,033,612,508	\$103,576,251	\$20,526,518	\$6,103,568	\$1,163,818,846	\$9,044,968	\$6,057,753,223	
7/1/2043	\$6,057,753,223	\$192,543,793	\$96,271,896	\$234,202,648	\$109,907,620	\$446,357,447	\$167,922,979	\$440,100	\$1,247,646,483	\$424,769,209	\$1,089,565,874	\$109,907,620	\$21,160,160	\$6,256,158	\$1,226,889,812	\$20,756,670	\$6,503,279,103	
7/1/2044	\$6,503,279,103	\$197,838,747	\$98,919,373	\$239,632,894	\$116,669,001	\$499,920,340	\$175,879,901	\$451,674	\$1,329,311,930	\$456,460,194	\$1,149,249,907	\$116,669,001	\$21,818,828	\$6,412,562	\$1,294,150,298	\$35,161,633	\$6,994,900,930	
7/1/2045	\$6,994,900,930	\$203,279,312	\$101,639,656	\$245,257,370	\$123,890,085	\$559,910,781	\$184,213,869	\$463,552	\$1,418,654,625	\$491,503,840	\$1,212,525,746	\$123,890,085	\$22,500,922	\$6,572,876	\$1,365,489,628	\$53,164,997	\$7,539,569,767	
7/1/2046	\$7,539,569,767	\$208,869,493	\$104,434,747	\$251,084,797	\$131,602,618	\$627,100,075	\$192,942,749	\$475,743	\$1,516,510,222	\$530,403,170	\$1,279,726,273	\$131,602,618	\$23,207,374	\$6,737,198	\$1,441,273,463	\$75,236,759	\$8,145,209,696	
7/1/2047	\$8,145,209,696	\$214,613,405	\$107,306,702	\$257,124,350	\$139,840,547	\$702,352,084	\$202,085,257	\$488,254	\$1,623,810,599	\$573,743,717	\$1,350,867,041	\$139,840,547	\$23,939,156	\$6,905,627	\$1,521,552,372	\$102,258,227	\$8,821,211,640	
7/1/2048	\$8,821,211,640	\$220,515,273	\$110,257,637	\$263,385,688	\$148,640,171	\$786,634,334	\$211,660,992	\$501,094	\$1,741,595,189	\$622,222,055	\$1,425,829,751	\$148,640,171	\$24,697,280	\$7,078,268	\$1,606,245,470	\$135,349,719	\$9,578,783,414	
7/1/2049	\$9,578,783,414	\$226,579,443	\$113,289,722	\$269,976,230	\$158,040,302	\$881,030,454	\$221,690,484	\$514,272	\$1,871,120,907	\$676,650,605	\$1,505,034,990	\$158,040,302	\$25,482,803	\$7,255,225	\$1,695,813,319	\$175,307,587	\$10,430,741,606	
7/1/2050	\$10,430,741,606	\$232,810,378	\$116,405,189	\$276,956,064	\$168,082,442	\$986,754,109	\$232,195,237	\$527,797	\$2,013,731,216	\$737,963,439	\$1,588,728,869	\$168,082,442	\$26,296,827	\$7,436,605	\$1,790,544,744	\$223,186,472	\$11,391,891,517	
7/1/2051	\$11,391,891,517	\$239,212,663	\$119,606,332	\$284,211,955	\$178,810,972	\$1,105,164,602	\$243,197,772	\$541,677	\$2,170,745,972	\$807,227,777	\$1,677,304,244	\$178,810,972	\$27,140,502	\$7,622,521	\$1,890,878,237	\$279,867,734	\$12,478,987,028	
7/1/2052	\$12,478,987,028	\$245,791,011	\$122,895,506	\$291,757,779	\$190,273,344	\$1,237,784,354	\$254,721,678	\$555,922	\$2,343,779,593	\$885,654,926	\$1,771,225,724	\$190,273,344	\$28,015,026	\$7,813,084	\$1,997,327,178	\$346,452,415	\$13,711,094,369	
7/1/2053	\$13,711,094,369	\$252,550,264	\$126,275,132	\$299,608,213	\$202,520,302	\$1,386,318,476	\$266,791,661	\$570,542	\$2,534,634,590	\$974,632,051	\$1,870,742,945	\$202,520,302	\$28,921,653	\$8,008,411	\$2,110,193,310	\$424,441,280	\$15,110,167,700	
7/1/2054	\$15,110,167,700	\$259,495,397	\$129,747,698	\$307,778,787	\$215,606,106	\$1,552,676,693	\$279,433,600	\$585,546	\$2,745,323,827	\$1,075,753,159	\$1,976,178,282	\$215,606,106	\$29,861,686	\$8,208,621	\$2,229,854,696	\$515,469,132	\$16,701,389,991	
7/1/2055	\$16,701,389,991	\$266,631,520	\$133,315,760	\$316,285,931	\$229,588,779	\$1,738,997,896	\$292,674,599	\$600,945	\$2,978,095,431	\$1,190,840,634	\$2,088,018,196	\$229,588,779	\$30,836,489	\$8,413,836	\$2,356,857,300	\$621,238,131	\$18,513,468,755	
Assumptions with Fiscal Year Basis:				FY2025	FY2026	FY2027	FY2028	FY2029+	Assumptions with Calendar Year Basis:				CY2025	CY2026	CY2027	CY2028	CY2029+	
Public Safety, et al Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Medical Claims Trend				7.00%	7.00%	7.00%	6.75%	6.50%	
Other Occupations Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Prescription Drug Claims Trend				12.50%	12.00%	11.00%	10.00%	9.00%	
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	Medicare Medical Claims Trend				6.00%	6.00%	6.00%	6.00%	6.00%	
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	Medicare Prescription Drug Claims Trend				9.50%	9.00%	8.50%	8.00%	7.50%	
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	Annual Growth in EGWP Direct Subsidy				325.08%	4.50%	4.50%	4.50%	4.50%	
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	Annual Growth in Coverage Gap Discount Program Revenue				21.78%	9.00%	8.50%	8.00%	7.50%	
Annual Investment Return				7.00%	7.00%	7.00%	7.00%	7.00%	Annual Growth in EGWP Federal Reinsurance				-49.12%	9.00%	8.50%			

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario C - Using the starting balance as of May 31, 2024

Description: 7% trend for Non-Medicare medical until CY2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 6% trend for Medicare medical until CY2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 13% trend for Non-Medicare Rx in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 10% trend for Medicare Rx in CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; No Annual Non-Medicare Medical Plan Changes; \$250 EGWP deductible effective 1/1/2025 and no annual Medicare Supplement & EGWP plan changes thereafter; Annual Non-Medicare Rate Increases of 3% in CY2025, and 0% thereafter, Medicare Rate Increase of 2% in CY2025, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 2.75% for Public Safety and 2.75% for Other Occupations in FY2025 and 2.75% beginning FY2026 overall; Includes Migration from the Premier Plan to the Value Plan through projection; Includes SB 317 impact for CY2024 through CY2026

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES					Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invest Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures		
7/1/2024	\$1,436,628,221	\$114,993,884	\$57,496,942	\$139,658,848	\$37,882,263	\$51,825,124	\$46,557,477	\$355,867	\$448,770,405	\$103,621,518	\$308,059,952	\$37,882,263	\$11,556,444	\$3,913,400	\$361,412,059	\$87,358,346	\$1,627,608,084
7/1/2025	\$1,627,608,084	\$118,156,215	\$59,078,108	\$149,016,157	\$40,200,258	\$58,044,139	\$50,625,949	\$360,552	\$475,481,378	\$116,625,940	\$342,334,484	\$40,200,258	\$11,981,842	\$4,011,235	\$398,527,819	\$76,953,559	\$1,821,187,584
7/1/2026	\$1,821,187,584	\$121,405,511	\$60,702,756	\$153,029,139	\$41,494,010	\$65,009,436	\$55,911,023	\$358,223	\$497,910,097	\$129,859,015	\$371,991,834	\$41,494,010	\$12,430,332	\$4,111,516	\$430,027,692	\$67,882,405	\$2,018,929,004
7/1/2027	\$2,018,929,004	\$124,744,163	\$62,372,081	\$156,384,379	\$43,330,370	\$72,810,568	\$61,478,946	\$352,312	\$521,472,820	\$143,430,586	\$400,940,871	\$43,330,370	\$12,828,529	\$4,214,304	\$461,314,074	\$60,158,746	\$2,222,518,336
7/1/2028	\$2,222,518,336	\$128,174,627	\$64,087,314	\$161,241,241	\$46,034,812	\$81,547,837	\$67,288,687	\$359,224	\$548,733,742	\$157,264,843	\$436,866,304	\$46,034,812	\$13,268,412	\$4,319,661	\$500,489,189	\$48,244,552	\$2,428,027,731
7/1/2029	\$2,428,027,731	\$131,699,430	\$65,849,715	\$165,389,341	\$48,656,751	\$91,333,577	\$73,038,037	\$358,910	\$576,325,761	\$171,285,941	\$471,765,227	\$48,656,751	\$13,647,558	\$4,427,653	\$538,497,189	\$37,828,571	\$2,637,142,244
7/1/2030	\$2,637,142,244	\$135,321,164	\$67,660,582	\$171,004,385	\$52,057,124	\$102,293,606	\$78,924,629	\$372,910	\$607,634,401	\$185,448,224	\$512,582,514	\$52,057,124	\$14,220,214	\$4,538,344	\$583,398,197	\$24,236,204	\$2,846,826,672
7/1/2031	\$2,846,826,672	\$139,042,496	\$69,521,248	\$176,345,324	\$55,255,016	\$114,568,839	\$84,793,801	\$380,567	\$639,907,292	\$199,691,223	\$553,420,510	\$55,255,016	\$14,769,781	\$4,651,803	\$628,097,109	\$11,810,182	\$3,058,328,078
7/1/2032	\$3,058,328,078	\$142,866,165	\$71,433,082	\$181,088,859	\$58,498,939	\$128,317,100	\$90,733,147	\$385,975	\$673,323,268	\$214,141,087	\$593,127,719	\$58,498,939	\$15,267,902	\$4,768,098	\$671,662,658	\$1,660,610	\$3,274,129,775
7/1/2033	\$3,274,129,775	\$146,794,984	\$73,397,492	\$186,567,947	\$62,246,057	\$143,715,152	\$97,019,702	\$395,640	\$710,136,974	\$228,868,908	\$636,323,085	\$62,246,057	\$15,828,430	\$4,887,300	\$719,284,872	(\$9,147,898)	\$3,493,850,784
7/1/2034	\$3,493,850,784	\$150,831,846	\$75,415,923	\$192,685,741	\$66,373,594	\$160,960,970	\$103,297,878	\$411,426	\$749,977,379	\$243,804,678	\$683,986,072	\$66,373,594	\$16,461,869	\$5,009,483	\$771,831,018	(\$21,853,639)	\$3,715,801,823
7/1/2035	\$3,715,801,823	\$154,979,722	\$77,489,861	\$197,354,703	\$70,080,101	\$180,276,286	\$109,883,203	\$411,142	\$790,475,018	\$259,164,951	\$725,182,150	\$70,080,101	\$16,968,796	\$5,134,720	\$817,365,767	(\$26,890,749)	\$3,948,076,025
7/1/2036	\$3,948,076,025	\$159,241,664	\$79,620,832	\$201,766,435	\$74,163,476	\$201,909,441	\$116,941,539	\$411,249	\$834,054,636	\$275,400,112	\$764,747,171	\$74,163,476	\$17,458,334	\$5,263,088	\$861,632,069	(\$27,577,433)	\$4,195,898,703
7/1/2037	\$4,195,898,703	\$163,620,810	\$81,810,405	\$205,726,066	\$78,205,506	\$226,138,574	\$123,705,343	\$411,872	\$879,618,575	\$292,835,147	\$803,176,546	\$78,205,506	\$17,920,768	\$5,394,665	\$904,697,484	(\$25,078,909)	\$4,463,654,942
7/1/2038	\$4,463,654,942	\$168,120,382	\$84,060,191	\$209,136,069	\$82,327,185	\$253,275,203	\$130,722,473	\$406,547	\$928,048,050	\$311,859,544	\$838,893,188	\$82,327,185	\$18,335,348	\$5,529,532	\$945,085,253	(\$17,037,203)	\$4,758,477,283
7/1/2039	\$4,758,477,283	\$172,743,693	\$86,371,846	\$212,925,289	\$86,939,112	\$283,668,227	\$137,880,329	\$406,567	\$980,935,063	\$332,828,217	\$877,110,636	\$86,939,112	\$18,794,489	\$5,667,770	\$988,512,007	(\$7,576,944)	\$5,083,728,556
7/1/2040	\$5,083,728,556	\$177,494,144	\$88,747,072	\$217,237,037	\$91,985,378	\$317,708,414	\$145,294,067	\$409,307	\$1,038,875,420	\$355,938,050	\$919,570,008	\$91,985,378	\$19,309,105	\$5,809,464	\$1,036,673,956	\$2,201,464	\$5,441,868,070
7/1/2041	\$5,441,868,070	\$182,375,233	\$91,187,617	\$222,291,814	\$97,677,122	\$355,833,424	\$152,744,952	\$419,491	\$1,102,529,653	\$381,284,006	\$968,893,666	\$97,677,122	\$19,911,571	\$5,954,701	\$1,092,437,060	\$10,092,593	\$5,833,244,669
7/1/2042	\$5,833,244,669	\$187,390,552	\$93,695,276	\$227,394,925	\$103,576,251	\$398,533,435	\$160,270,420	\$428,823	\$1,171,289,683	\$409,032,508	\$1,020,929,604	\$103,576,251	\$20,526,518	\$6,103,568	\$1,151,135,942	\$20,153,741	\$6,262,430,917
7/1/2043	\$6,262,430,917	\$192,543,793	\$96,271,896	\$232,605,590	\$109,907,620	\$446,357,447	\$167,922,979	\$440,100	\$1,246,049,424	\$439,505,848	\$1,076,277,390	\$109,907,620	\$21,160,160	\$6,256,158	\$1,213,601,328	\$32,448,097	\$6,734,384,862
7/1/2044	\$6,734,384,862	\$197,838,747	\$98,919,373	\$238,012,032	\$116,669,001	\$499,920,340	\$175,879,901	\$451,674	\$1,327,691,068	\$473,068,003	\$1,135,331,757	\$116,669,001	\$21,818,828	\$6,412,562	\$1,280,232,147	\$47,458,921	\$7,254,911,786
7/1/2045	\$7,254,911,786	\$203,279,312	\$101,639,656	\$243,612,039	\$123,890,085	\$559,910,781	\$184,213,869	\$463,552	\$1,417,009,294	\$510,157,231	\$1,197,948,091	\$123,890,085	\$22,500,922	\$6,572,876	\$1,350,911,973	\$66,097,321	\$7,831,166,338
7/1/2046	\$7,831,166,338	\$208,869,493	\$104,434,747	\$249,414,299	\$131,602,618	\$627,100,075	\$192,942,749	\$475,743	\$1,514,839,724	\$551,290,857	\$1,264,457,864	\$131,602,618	\$23,207,374	\$6,737,198	\$1,426,005,054	\$88,834,671	\$8,471,291,866
7/1/2047	\$8,471,291,866	\$214,613,405	\$107,306,702	\$255,427,952	\$139,840,547	\$702,352,084	\$202,085,257	\$488,254	\$1,622,114,201	\$597,069,811	\$1,334,875,145	\$139,840,547	\$23,939,156	\$6,905,627	\$1,505,560,476	\$116,553,725	\$9,184,915,402
7/1/2048	\$9,184,915,402	\$220,515,273	\$110,257,637	\$261,662,617	\$148,640,171	\$786,634,334	\$211,660,992	\$501,094	\$1,739,872,117	\$648,207,249	\$1,409,080,085	\$148,640,171	\$24,697,280	\$7,078,268	\$1,589,495,804	\$150,376,314	\$9,983,498,965
7/1/2049	\$9,983,498,965	\$226,579,443	\$113,289,722	\$268,224,736	\$158,040,302	\$881,030,454	\$221,690,484	\$514,272	\$1,869,369,413	\$705,533,408	\$1,487,491,646	\$158,040,302	\$25,482,803	\$7,255,225	\$1,678,269,975	\$191,099,438	\$10,880,131,811
7/1/2050	\$10,880,131,811	\$232,810,378	\$116,405,189	\$275,173,880	\$168,082,442	\$986,754,109	\$232,195,237	\$527,797	\$2,011,949,032	\$770,001,489	\$1,570,354,238	\$168,082,442	\$26,296,827	\$7,436,605	\$1,772,170,112	\$239,778,919	\$11,889,912,219
7/1/2051	\$11,889,912,219	\$239,212,663	\$119,606,332	\$282,397,962	\$178,810,972	\$1,105,164,602	\$243,197,772	\$541,677	\$2,168,931,979	\$842,699,322	\$1,658,058,933	\$178,810,972	\$27,140,502	\$7,622,521	\$1,871,632,927	\$297,299,052	\$13,029,910,593
7/1/2052	\$13,029,910,593	\$245,791,011	\$122,895,506	\$289,910,789	\$190,273,344	\$1,237,784,354	\$254,721,678	\$555,922	\$2,341,932,603	\$924,860,435	\$1,751,068,476	\$190,273,344	\$28,015,026	\$7,813,084	\$1,977,169,930	\$364,762,673	\$14,319,533,702
7/1/2053	\$14,319,533,702	\$252,550,264	\$126,275,132	\$297,726,964	\$202,520,302	\$1,386,318,476	\$266,791,661	\$570,542	\$2,532,753,341	\$1,017,895,894	\$1,849,630,546	\$202,520,302	\$28,921,653	\$8,008,411	\$2,089,080,911	\$443,672,430	\$15,781,102,026
7/1/2054	\$15,781,102,026	\$259,495,397	\$129,747,698	\$305,861,935	\$215,606,106	\$1,552,676,693	\$279,433,600	\$585,546	\$2,743,406,976	\$1,123,425,420	\$1,954,065,471	\$215,606,106	\$29,861,686	\$8,208,621	\$2,207,741,885	\$535,665,091	\$17,440,192,538
7/1/2055	\$17,440,192,538	\$266,631,520	\$133,315,760	\$314,332,048	\$229,588,779	\$1,738,997,896	\$292,674,599	\$600,945	\$2,976,141,547	\$1,243,299,048	\$2,064,857,566	\$229,588,779	\$30,836,489	\$8,413,836	\$2,333,696,670	\$642,444,877	\$19,325,936,463
Assumptions with Fiscal Year Basis:				FY2025	FY2026	FY2027	FY2028	FY2029+	Assumptions with Calendar Year Basis:				CY2025	CY2026	CY2027	CY2028	CY2029+
Public Safety, et al Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Medical Claims Trend				7.00%	7.00%	7.00%	6.75%	6.50%
Other Occupations Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Prescription Drug Claims Trend				12.50%	12.00%	11.00%	10.00%	9.00%
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	Medicare Medical Claims Trend				6.00%	6.00%	6.00%	6.00%	6.00%
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	Medicare Prescription Drug Claims Trend				9.50%	9.00%	8.50%	8.00%	7.50%
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	Annual Growth in EGWP Direct Subsidy				325.08%	4.50%	4.50%	4.50%	4.50%
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	Annual Growth in Coverage Gap Discount Program Revenue				21.78%	9.00%	8.50%	8.00%	7.50%
Annual Investment Return				7.00%	7.00%	7.00%	7.00%	7.00%	Annual Growth in EGWP Federal Reinsurance				-49.12%	9.00%	8.50%	8.00%	7.50%
Annual Growth in Retirees under age 65				-1.54%	1.32%	-											

New Mexico Retiree Health Care Authority Long-Term Solvency Modeling
Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario D - Using the starting balance as of May 31, 2024

Description: 7% trend for Non-Medicare medical until CY2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 6% trend for Medicare medical until CY2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend; 13% trend for Non-Medicare Rx in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 10% trend for Medicare Rx in CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; No Annual Non-Medicare Medical Plan Changes; No Annual Medicare Supplement & EGWP plan changes; Annual Non-Medicare Rate Increases of 2% for retirees/spouses and 3% for dependents in CY2025, and 0% thereafter, Medicare Rate Increase of 2% in CY2025, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 2.75% for Public Safety and 2.75% for Other Occupations in FY2025 and 2.75% beginning FY2026 overall; Includes Migration from the Premier Plan to the Value Plan through projection; Includes SB 317 impact for CY2024 through CY2026

Fiscal Year Beginning	BOY Invested Assets	REVENUE									EXPENDITURES						Rev. - Exp.	
		Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invest Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Excluding Inv. Income	EOY Invested Assets	
7/1/2024	\$1,436,628,221	\$114,993,884	\$57,496,942	\$139,416,570	\$37,882,263	\$51,825,124	\$46,557,477	\$355,867	\$448,528,127	\$103,553,374	\$309,764,629	\$37,882,263	\$11,556,444	\$3,913,400	\$363,116,736	\$85,411,391	\$1,625,592,986	
7/1/2025	\$1,625,592,986	\$118,156,215	\$59,078,108	\$148,525,514	\$40,200,258	\$58,044,139	\$50,625,949	\$360,552	\$474,990,736	\$116,336,928	\$346,071,156	\$40,200,258	\$11,981,842	\$4,011,235	\$402,264,491	\$72,726,245	\$1,814,656,159	
7/1/2026	\$1,814,656,159	\$121,405,511	\$60,702,756	\$152,537,921	\$41,494,010	\$65,009,436	\$55,911,023	\$358,223	\$497,418,880	\$129,238,333	\$376,171,529	\$41,494,010	\$12,430,332	\$4,111,516	\$434,207,387	\$63,211,493	\$2,007,105,985	
7/1/2027	\$2,007,105,985	\$124,744,163	\$62,372,081	\$155,899,013	\$43,330,370	\$72,810,568	\$61,478,946	\$352,312	\$520,987,454	\$142,423,344	\$405,587,821	\$43,330,370	\$12,828,529	\$4,214,304	\$465,961,024	\$55,026,430	\$2,204,555,759	
7/1/2028	\$2,204,555,759	\$128,174,627	\$64,087,314	\$160,749,630	\$46,034,812	\$81,547,837	\$67,288,687	\$359,224	\$548,242,131	\$155,810,560	\$442,000,477	\$46,034,812	\$13,268,412	\$4,319,661	\$505,623,362	\$42,618,768	\$2,402,985,087	
7/1/2029	\$2,402,985,087	\$131,699,430	\$65,849,715	\$164,894,769	\$48,656,751	\$91,333,577	\$73,038,037	\$358,910	\$575,831,188	\$169,319,057	\$477,382,053	\$48,656,751	\$13,647,558	\$4,427,653	\$544,114,016	\$31,717,172	\$2,604,021,317	
7/1/2030	\$2,604,021,317	\$135,321,164	\$67,660,582	\$170,492,833	\$52,057,124	\$102,293,606	\$78,924,629	\$372,910	\$607,122,848	\$182,898,057	\$518,691,028	\$52,057,124	\$14,220,214	\$4,538,344	\$589,506,711	\$17,616,138	\$2,804,535,511	
7/1/2031	\$2,804,535,511	\$139,042,496	\$69,521,248	\$175,817,864	\$55,255,016	\$114,568,839	\$84,793,801	\$380,567	\$639,379,832	\$196,481,500	\$560,017,121	\$55,255,016	\$14,769,781	\$4,651,803	\$634,693,721	\$4,686,111	\$3,005,703,122	
7/1/2032	\$3,005,703,122	\$142,866,165	\$71,433,082	\$180,550,016	\$58,498,939	\$128,317,100	\$90,733,147	\$385,975	\$672,784,424	\$210,190,320	\$600,218,013	\$58,498,939	\$15,267,902	\$4,768,098	\$678,752,952	(\$5,968,528)	\$3,209,924,915	
7/1/2033	\$3,209,924,915	\$146,794,984	\$73,397,492	\$186,013,289	\$62,246,057	\$143,715,152	\$97,019,702	\$395,640	\$709,582,316	\$224,088,801	\$643,933,193	\$62,246,057	\$15,828,430	\$4,887,300	\$726,894,980	(\$17,312,664)	\$3,416,701,052	
7/1/2034	\$3,416,701,052	\$150,831,846	\$75,415,923	\$192,107,312	\$66,373,594	\$160,960,970	\$103,297,878	\$411,426	\$749,398,950	\$238,099,490	\$692,113,550	\$66,373,594	\$16,461,869	\$5,009,483	\$779,958,496	(\$30,559,546)	\$3,624,240,995	
7/1/2035	\$3,624,240,995	\$154,979,722	\$77,489,861	\$196,766,938	\$70,080,101	\$180,276,286	\$109,883,203	\$411,142	\$789,887,252	\$252,431,795	\$733,848,618	\$70,080,101	\$16,968,796	\$5,134,720	\$826,032,235	(\$36,144,983)	\$3,840,527,808	
7/1/2036	\$3,840,527,808	\$159,241,664	\$79,620,832	\$201,174,625	\$74,163,476	\$201,909,441	\$116,941,539	\$411,249	\$833,462,826	\$267,527,644	\$773,986,560	\$74,163,476	\$17,458,334	\$5,263,088	\$870,871,458	(\$37,408,632)	\$4,070,646,820	
7/1/2037	\$4,070,646,820	\$163,620,810	\$81,810,405	\$205,129,630	\$78,205,506	\$226,138,574	\$123,705,343	\$411,872	\$879,022,139	\$283,704,176	\$812,961,234	\$78,205,506	\$17,920,768	\$5,394,665	\$914,482,172	(\$35,460,033)	\$4,318,890,963	
7/1/2038	\$4,318,890,963	\$168,120,382	\$84,060,191	\$208,540,941	\$82,327,185	\$253,275,203	\$130,722,473	\$406,547	\$927,452,922	\$301,343,173	\$849,237,833	\$82,327,185	\$18,335,348	\$5,529,532	\$955,429,898	(\$27,976,976)	\$4,592,257,160	
7/1/2039	\$4,592,257,160	\$172,743,693	\$86,371,846	\$212,328,086	\$86,939,112	\$283,668,227	\$137,880,329	\$406,567	\$980,337,860	\$320,790,018	\$888,021,713	\$86,939,112	\$18,794,489	\$5,667,770	\$999,423,084	(\$19,085,224)	\$4,893,961,954	
7/1/2040	\$4,893,961,954	\$177,494,144	\$88,747,072	\$216,633,181	\$91,985,378	\$317,708,414	\$145,294,067	\$409,307	\$1,038,271,564	\$342,230,832	\$931,067,767	\$91,985,378	\$19,309,105	\$5,809,464	\$1,048,171,715	(\$9,900,151)	\$5,226,292,635	
7/1/2041	\$5,226,292,635	\$182,375,233	\$91,187,617	\$221,672,839	\$97,677,122	\$355,833,424	\$152,744,952	\$419,491	\$1,101,910,678	\$365,749,003	\$980,981,047	\$97,677,122	\$19,911,571	\$5,954,701	\$1,104,524,441	(\$2,613,763)	\$5,589,427,874	
7/1/2042	\$5,589,427,874	\$187,390,552	\$93,695,276	\$226,759,106	\$103,576,251	\$398,533,435	\$160,270,420	\$428,823	\$1,170,653,863	\$391,499,177	\$1,033,612,508	\$103,576,251	\$20,526,518	\$6,103,568	\$1,163,818,846	\$6,835,017	\$5,987,762,069	
7/1/2043	\$5,987,762,069	\$192,543,793	\$96,271,896	\$231,951,225	\$109,907,620	\$446,357,447	\$167,922,979	\$440,100	\$1,245,395,059	\$419,791,028	\$1,089,565,874	\$109,907,620	\$21,160,160	\$6,256,158	\$1,226,889,812	\$18,505,247	\$6,426,058,344	
7/1/2044	\$6,426,058,344	\$197,838,747	\$98,919,373	\$237,338,007	\$116,669,001	\$499,920,340	\$175,879,901	\$451,674	\$1,327,017,044	\$450,974,420	\$1,149,249,907	\$116,669,001	\$21,818,828	\$6,412,562	\$1,294,150,298	\$32,866,746	\$6,909,899,510	
7/1/2045	\$6,909,899,510	\$203,279,312	\$101,639,656	\$242,917,744	\$123,890,085	\$559,910,781	\$184,213,869	\$463,552	\$1,416,314,999	\$485,471,854	\$1,212,525,746	\$123,890,085	\$22,500,922	\$6,572,876	\$1,365,489,628	\$50,825,371	\$7,446,196,735	
7/1/2046	\$7,446,196,735	\$208,869,493	\$104,434,747	\$248,699,090	\$131,602,618	\$627,100,075	\$192,942,749	\$475,743	\$1,514,124,515	\$523,783,558	\$1,279,726,273	\$131,602,618	\$23,207,374	\$6,737,198	\$1,441,273,463	\$72,851,052	\$8,042,831,346	
7/1/2047	\$8,042,831,346	\$214,613,405	\$107,306,702	\$254,691,152	\$139,840,547	\$702,352,084	\$202,085,257	\$488,254	\$1,621,377,400	\$566,492,070	\$1,350,867,041	\$139,840,547	\$23,939,156	\$6,905,627	\$1,521,552,372	\$99,825,029	\$8,709,148,444	
7/1/2048	\$8,709,148,444	\$220,515,273	\$110,257,637	\$260,903,512	\$148,640,171	\$786,634,334	\$211,660,992	\$501,094	\$1,739,113,013	\$614,290,755	\$1,425,829,751	\$148,640,171	\$24,697,280	\$7,078,268	\$1,606,245,470	\$132,867,543	\$9,456,306,742	
7/1/2049	\$9,456,306,742	\$226,579,443	\$113,289,722	\$267,441,641	\$158,040,302	\$881,030,454	\$221,690,484	\$514,272	\$1,868,586,318	\$667,988,527	\$1,505,034,990	\$158,040,302	\$25,482,803	\$7,255,225	\$1,695,813,319	\$172,772,999	\$10,297,068,268	
7/1/2050	\$10,297,068,268	\$232,810,378	\$116,405,189	\$274,364,592	\$168,082,442	\$986,754,109	\$232,195,237	\$527,797	\$2,011,139,744	\$728,515,604	\$1,588,728,869	\$168,082,442	\$26,296,827	\$7,436,605	\$1,790,544,744	\$220,595,000	\$11,246,178,872	
7/1/2051	\$11,246,178,872	\$239,212,663	\$119,606,332	\$281,561,432	\$178,810,972	\$1,105,164,602	\$243,197,772	\$541,677	\$2,168,095,449	\$796,935,123	\$1,677,304,244	\$178,810,972	\$27,140,502	\$7,622,521	\$1,890,878,237	\$277,217,212	\$12,320,331,207	
7/1/2052	\$12,320,331,207	\$245,791,011	\$122,895,506	\$289,045,902	\$190,273,344	\$1,237,784,354	\$254,721,678	\$555,922	\$2,341,067,716	\$874,454,103	\$1,771,225,724	\$190,273,344	\$28,015,026	\$7,813,084	\$1,997,327,178	\$343,740,539	\$13,538,525,849	
7/1/2053	\$13,538,525,849	\$252,550,264	\$126,275,132	\$296,832,533	\$202,520,302	\$1,386,318,476	\$266,791,661	\$570,542	\$2,531,858,911	\$962,455,105	\$1,870,742,945	\$202,520,302	\$28,921,653	\$8,008,411	\$2,110,193,310	\$421,665,601	\$14,922,646,555	
7/1/2054	\$14,922,646,555	\$259,495,397	\$129,747,698	\$304,936,697	\$215,606,106	\$1,552,676,693	\$279,433,600	\$585,546	\$2,742,481,738	\$1,062,527,205	\$1,976,178,282	\$215,606,106	\$29,861,686	\$8,208,621	\$2,229,854,696	\$512,627,042	\$16,497,800,803	
7/1/2055	\$16,497,800,803	\$266,631,520	\$133,315,760	\$313,374,657	\$229,588,779	\$1,738,997,896	\$292,674,599	\$600,945	\$2,975,184,157	\$1,176,487,496	\$2,088,018,196	\$229,588,779	\$30,836,489	\$8,413,836	\$2,356,857,300	\$618,326,857	\$18,292,615,155	
Assumptions with Fiscal Year Basis:				FY2025	FY2026	FY2027	FY2028	FY2029+	Assumptions with Calendar Year Basis:				CY2025	CY2026	CY2027	CY2028	CY2029+	
Public Safety, et al Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Medical Claims Trend				7.00%	7.00%	7.00%	6.75%	6.50%	
Other Occupations Annual Payroll Growth				0.00%	2.75%	2.75%	2.75%	2.75%	Non-Medicare Prescription Drug Claims Trend				12.50%	12.00%	11.00%	10.00%	9.00%	
Public Safety, et al Employer Rate				2.50%	2.50%	2.50%	2.50%	2.50%	Medicare Medical Claims Trend				6.00%	6.00%	6.00%	6.00%	6.00%	
Public Safety, et al Employee Rate				1.25%	1.25%	1.25%	1.25%	1.25%	Medicare Prescription Drug Claims Trend				9.50%	9.00%	8.50%	8.00%	7.50%	
Other Occupations Employer Rate				2.00%	2.00%	2.00%	2.00%	2.00%	Annual Growth in EGWP Direct Subsidy				325.08%	4.50%	4.50%	4.50%	4.50%	
Other Occupations Employee Rate				1.00%	1.00%	1.00%	1.00%	1.00%	Annual Growth in Coverage Gap Discount Program Revenue				21.78%	9.00%	8.50%	8.00%	7.50%	
Annual Investment Return				7.00%	7.00%	7.00%	7.00%	7.00%	Annual Growth in EGWP Federal Reinsurance				-49.12%	9.00%	8.50%	8.00%	7.50%	
Annual																		

New Mexico Retiree Health Care Authority
Baseline Scenario Assumptions for Long-Term Solvency Projections

<u>Assumption</u>	<u>Prior Assumption July 2020</u>	<u>Prior Assumption July 2021</u>	<u>Current Assumption July 2022</u>	<u>Current Assumption July 2023</u>	<u>Current Assumption July 2024</u>
Asset Balance	Use April 30, 2020 fund balance of \$746,782,548 as an estimate for 7/1/2020 fund balance	Use May 31, 2021 fund balance of \$1,033,793,409 as an estimate for 7/1/2021 fund balance	Use May 31, 2022 fund balance of \$1,092,570,390 as an estimate for 7/1/2022 fund balance	Use May 31, 2023 fund balance of \$1,198,400,622 as an estimate for 7/1/2023 fund balance	Use May 31, 2024 fund balance of \$1,436,628,221 as an estimate for 7/1/2024 fund balance
Investment Return	7.25%	No Change – Baseline / 7.00% - adopted	7.00%	7.00%	7.00%
Annual Growth in Payroll	FY2020 payroll estimated to be \$4,317,892,502, increasing 0.0% through FY2021, 0.0% in FY2022, and 3.0% thereafter	FY2021 payroll estimated to be \$4,614,243,876, increasing 0.0% through FY2022 and 2.75% thereafter	FY2022 payroll estimated to be \$4,745,115,641, increasing 8.92% through FY2023 and 2.75% thereafter	FY2023 payroll estimated to be \$4,952,012,764, increasing 3.91% through FY24 and 2.75% thereafter	FY2024 payroll estimated to be \$5,609,136,993, increasing 0.00% through FY25 and 2.75% thereafter
Contribution Rates (Employer/Employee)					
Public Safety, et al	2.50%/1.25%	No Change	No Change	No Change	No Change
Other Occupations	2.00%/1.00%	No Change	No Change	No Change	No Change
Annual Growth in Retirees					
Non-Medicare	based on FY2014 open valuation output table	No Change	No Change	No Change	No Change
Medicare	based on FY2014 open valuation output table	No Change	No Change	No Change	No Change
Retiree Ancillary Costs	Assumed to equal premium expenses and is paid fully by retirees	No Change	No Change	No Change	No Change
Pension Tax Revenue	\$32,935,804 for FY2020, increasing 12% thereafter	\$36,888,100 for FY2021, increasing 12% thereafter	\$41,314,672 for FY2022, increasing 12% thereafter	\$46,272,433 for FY2023, increasing 12% thereafter	\$51,825,124 for FY2024, increasing 12% thereafter
HB 728/573 Revenue	Eliminated effective 1/1/2017	No Change	No Change	No Change	No Change
Rx Rebates	FY2021 Rebates of \$31,813,007 based on projection provided by ESI; increased at retiree growth rate thereafter.	FY2022 Rebates of \$30,894,349 based on projection provided by ESI; increased at retiree growth rate thereafter.	FY2023 Rebates of \$44,176,082 based on the IBAC PBM RFP - BAFO from ESI as a percent of projected claims; increased at retiree growth rate thereafter.	FY2024 Rebates of \$42,915,872 based on contract implemented 7/1/2022; increased at retiree growth rate thereafter.	FY2025 Rebates of \$54,395,477 based on contract implemented 7/1/2022; increased Rx claim cost trend thereafter.

New Mexico Retiree Health Care Authority
Baseline Scenario Assumptions for Long-Term Solvency Projections

<u>Assumption</u>	<u>Prior Assumption July 2020</u>	<u>Prior Assumption July 2021</u>	<u>Current Assumption July 2022</u>	<u>Current Assumption July 2023</u>	<u>Current Assumption July 2024</u>
EGWP Revenue Components:					
Direct Subsidy	CY2020 and CY2021 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend	CY2021 and CY2022 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend, with subsidy in each year after CY2022 bounded below by \$0	CY2022 and CY2023 projected by ESI; thereafter increases annually at retiree growth rate, plus one half of Medicare Rx trend, with subsidy in each year after CY2023 bounded below by \$0	CY2023 and CY2024 projected by Segal based on historical data; thereafter increases annually at retiree growth rate with PMPM remaining level	CY2024 projected by Segal based on historical data; CY2025 projected by ESI based on IRA changes effective 1/1/2025; thereafter increases annually at retiree growth rate with PMPM's adjusted by 4.5% trend
Federal Reinsurance	CY2020 and CY2021 projected by ESI; CY2022+ annual increase at only retiree growth rate	CY2021 and CY2022 projected by ESI; CY2023+ annual increase at only retiree growth rate	CY2022 and CY2023 projected by ESI; CY2024+ annual increase at only retiree growth rate	CY2023 and CY2024 projected by Segal based on historical data at \$84.36 and \$89.67 PMPM, respectively; CY2025+ annual increase at only retiree growth rate	CY2024 projected by Segal based on historical data at \$100.14 and CY2025 projected by ESI based on IRA changes effective 1/1/2025 at \$50.95 PMPM; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Low Income Subsidy	0.0% annual increase to CY2020 estimate of \$2.89 PMPM	0.0% annual increase to CY2021 estimate of \$2.67 PMPM	0.0% annual increase to CY2022 estimate of \$2.72 PMPM	0.0% annual increase to CY2023 estimate of \$2.83 PMPM	0.0% annual increase to CY2024 estimate of \$3.06 PMPM; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Coverage Gap Discount Program	CY2020 and CY2021 projected by ESI; CY2022+ annual increase at only retiree growth rate	CY2021 and CY2022 projected by ESI; CY2023+ annual increase at only retiree growth rate	CY2022 and CY2023 projected by ESI; CY2024+ annual increase at only retiree growth rate	CY2023 and CY2024 projected by Segal based on historical data at \$57.88 and \$61.29 PMPM, respectively; CY2025+ annual increase at only retiree growth rate	CY2024 and CY2025 projected by ESI at \$66.47 and \$80.95 PMPM, respectively; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Short Term Interest	\$0 projected for FY2014, increasing 0.0% annually	No Change	No Change	No Change	No Change
Subrogation	\$327,755 estimated for FY2020, increased at retiree growth rate	\$235,063 estimated for FY2021, increased at retiree growth rate	\$504,767 estimated for FY2022, increased at retiree growth rate	\$296,791 estimated for FY2023, increased at retiree growth rate	\$361,416 estimated for FY2024, increased at retiree growth rate

New Mexico Retiree Health Care Authority
Baseline Scenario Assumptions for Long-Term Solvency Projections

<u>Assumption</u>	<u>Prior Assumption July 2020</u>	<u>Prior Assumption July 2021</u>	<u>Current Assumption July 2022</u>	<u>Current Assumption July 2023</u>	<u>Current Assumption July 2024</u>
Annual Trend					
Medical					
Medicare Advantage	CY2021 increases based on actual rates as provided by NMRHCA staff; CY2022, Humana MA increase at 7% and all other MA plans increase at 14%; 7% increases thereafter for all plans	CY2021 increases based on actual rates as provided by NMRHCA staff; CY2022, MA increases based on actual rates provided by NMRHCA staff; all other years MA plans increase at 7% thereafter	CY2022 increases based on actual rates as provided by NMRHCA staff; CY2023, MA increases based on actual rates provided by NMRHCA staff; all other years MA plans increase at 7% thereafter	CY2023 increases based on actual rates as provided by NMRHCA staff; CY2024, MA increases based on actual rates provided by NMRHCA staff; all other years MA plans increase at 7% thereafter	CY2024 increases based on actual rates as provided by NMRHCA staff; CY2025, MA increases based on MAPD BAFO rates except for BCBSNM Plan I in which \$0 is assumed through CY2028; In CY2029, BCBSNM Plan I will assume a \$10 premium; 6% trends until 2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Medicare Supplement	8.00%	8.00%	8.00%	8.00%	6% until 2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Medicare Rx	8.00%	8.00%	8.00%	8.00%	10% through CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend
Non-Medicare Medical	8.00%	8.00%	8.00%	8.00%	7% until 2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Mental Health	Included in Medical Trend	No Change	No Change	No Change	No Change
Non-Medicare Rx	8.00%	8.00%	8.00%	8.00%	13% in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend
Medical Rates	Annual Non-Medicare rate increases of 6% in 2021, 8% in 2022-2024 and net 8% with plan changes, 4% Medicare Supplement rate increase in 2021, 6% in 2022-2033 and net 6% with plan changes thereafter	Annual Non-Medicare rate increases of 8% in 2022-2024 and net 8% with plan changes, 6% Medicare Supplement rate increase in 2022, 6% in 2023-2033 and net 6% with plan changes thereafter	Annual Non-Medicare rate increases of 8% in 2023-2024 and net 8% with plan changes, 6% Medicare Supplement rate increase in 2023, 6% in 2024-2035 and net 6% with plan changes thereafter	Annual Non-Medicare rate increases of 8% in 2024 and net 8% with plan changes, 6% Medicare Supplement rate increase in 2024, 6% in 2025-2036 and net 6% with plan changes thereafter	No annual Non-Medicare and Medicare Supplement rate increases
Dental	6.00%	No Change	No Change	Uses current rates for CY2023 and 6.00% thereafter	Uses current rates for CY2024, dental RFP BAFO rates (CY2025-CY2028) and 6.00% thereafter
Vision	5.00%	No Change	No Change	0.00% for FY2024 and 5.00% thereafter	Uses vision RFP rates FY2025-FY2028 and 5.00% thereafter
Program Support	\$3,296,900 budgeted for FY2020, increasing 2.5% annually thereafter	\$3,247,100 budgeted for FY2021, increasing 2.5% annually thereafter	\$3,412,800 budgeted for FY2022, increasing 2.5% annually thereafter	\$3,558,200 budgeted for FY2023, increasing 2.5% annually thereafter	\$3,913,400 budgeted for FY2024, increasing 2.5% annually thereafter
Administrative Services Fee	Individual fee components based on existing contract terms in place, increasing 2.00% annually thereafter	No Change	No Change	No Change	No Change

New Mexico Retiree Health Care Authority
Baseline Scenario Assumptions for Long-Term Solvency Projections

<u>Assumption</u>	<u>Prior Assumption July 2020</u>	<u>Prior Assumption July 2021</u>	<u>Current Assumption July 2022</u>	<u>Current Assumption July 2023</u>	<u>Current Assumption July 2024</u>
Plan Design Changes					
Medical					
Medicare	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2036 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2037 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	No Future Plan Changes
Non-Medicare	Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Includes impact of elimination of cost-sharing for Behavioral Health services under SB 317. Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath the eliminated Excise Tax threshold	Includes impact of elimination of cost-sharing for Behavioral Health services under SB 317. Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath the eliminated Excise Tax threshold	Includes impact from approved 2023 legislative session bills, the Hinge Health (BCBS) Program, and the Sword Health (PHP) Program effective 1/1/2024. Annual plan changes in CY2027 and beyond such that projected claims and expenses remain beneath the eliminated Excise Tax threshold	Includes impact from approved 2023 legislative session bills, the Hinge Health (BCBS) Program, and the Sword Health (PHP) Program effective 1/1/2024 and approved 2024 legislative session bills effective 1/1/2025. No future plan changes
Rx					
Medicare	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2034 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2036 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2037 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	No Future Plan Changes
Non-Medicare	Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Annual plan changes in CY2025 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Includes impact from approved 2023 legislative session bills effective 1/1/2024. Annual plan changes in CY2027 and beyond such that projected claims and expenses remain beneath Excise Tax threshold	Includes impact from approved 2023 legislative session bills effective 1/1/2024 and approved 2024 legislative session bills effective 1/1/2025. No future plan changes
Annual Index in Cadillac Tax Thresholds	3%	3%	3%	3%	3%
Annual Increase in PCORI Fee	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)
Member Rate Share					
Retiree					
Medicare	50%	No Change	No Change	No Change	No Change
Non-Medicare	36% in CY2016+	No Change	No Change	No Change	No Change
Spouse					
Medicare	75%	No Change	No Change	No Change	No Change
Non-Medicare	64% in CY2016+	No Change	No Change	No Change	No Change
Child(ren)					
Medicare	100%	No Change	No Change	No Change	No Change
Non-Medicare	100%	No Change	No Change	No Change	No Change
Minimum Service to Receive Full Subsidy	Consistent with Board Approved Rule Change to 2.8.11 NMAC effective July 2021	No Change	No Change	No Change	No Change

New Mexico Retiree Health Care Authority
Baseline Scenario Assumptions for Long-Term Solvency Projections

<u>Assumption</u>	<u>Prior Assumption</u> <u>July 2020</u>	<u>Prior Assumption</u> <u>July 2021</u>	<u>Current Assumption</u> <u>July 2022</u>	<u>Current Assumption</u> <u>July 2023</u>	<u>Current Assumption</u> <u>July 2024</u>
Minimum Participation Age	None	No Change	No Change	No Change	No Change
Member Migration / Participation	Non-Medicare members migrate from Premier to Value plan until plan changes are triggered in 2025 (2% annual shift from Premier); All Medicare members default to UHC MA I plan; 50% opt out of Medicare Advantage Default elections to Medicare Supplement	Non-Medicare members migrate from Premier to Value plan until plan changes are triggered in 2025 (1.75% annual shift from Premier); All Medicare members default to UHC MA I plan; 50% opt out of Medicare Advantage Default elections to Medicare Supplement	Non-Medicare members migrate from Premier to Value plan until plan changes are triggered in 2025 (1.75% annual shift from Premier); All Medicare members default to UHC MA I plan; 50% opt out of Medicare Advantage Default elections to Medicare Supplement	Non-Medicare members migrate from Premier to Value plan until plan changes are triggered in 2027 (1.25% annual shift from Premier); Presbyterian age-ins default to UHC MA I; BCBSNM age-ins default to Humana MA I; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement	As of 7/1/24, BCBSNM Plan II members move to Plan I with BCBSNM Plan II no longer offered. Non-Medicare members migrate from Premier to Value plan until any plan changes are triggered (1.25% annual shift from Premier); Presbyterian age-ins default to UHC MA I; BCBSNM age-ins default to Humana MA I; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement