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REGULAR MEETING OF THE BOARD OF DIRECTORS



June 3, 2025

9:30 AM

CNM Workforce Training Center

5600 Eagle Rock Ave NE, Albuquerque, NM 87113

Online: <https://meet.goto.com/NMRHCA/boardmeeting>

Telephone: 1-224-501-3412 / Access Code: 724-176-285

New Mexico Retire Health Care Authority

Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

June 3, 2025

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

NMRHCA BOARD OF DIRECTORS

JUNE 2025

<p>Ms. Therese Saunders, President NEA-NM, Classroom Teachers Assoc., & NM Federation of Educational Employees 5811 Brahma Dr. NW Albuquerque, NM 87120 tsaunders3@mac.com 505-934-3058</p>	<p>Ms. Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 donnasandoval@cabq.gov 505-768-2975</p>
<p>Mr. Tomas E. Salazar, PhD, Vice President NM Assoc. of Educational Retirees PO Box 66 Las Vegas, NM 87701 salazarte@plateautel.net 505-429-2206</p>	<p>Mr. Lee Caruana, MD Retired Public Employees of NM leecaruana13@gmail.com</p>
<p>Mr. Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 lpyle@currycounty.org 575-763-3656</p>	<p>Ms. Alex Castillo Smith Deputy Cabinet Secretary NM Health Care Authority PO Box 2348 Santa Fe, NM 87504 alex.castillosmith@hca.nm.gov 505-629-8652</p>
<p>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</p>	<p>Ms. Renee Garcia Alternate for ERB Executive Director Educational Retirement Board PO Box 26129 Santa Fe, NM 87502-0129 renee.garcia@erb.nm.gov 505-531-9885</p>
<p>Ms. Raquel Alirez Classified State Employee 401 Broadway NE Albuquerque, NM 87102 raquel.alirez@dws.nm.gov 505-365-3474</p>	<p>Ms. Kate Brassington Alternate for PERA Executive Director Public Employees Retirement Association 33 Plaza La Prensa Santa Fe, NM 87507 kate.brassington@pera.nm.gov 505-309-1088</p>
<p>Mr. Gerry Washburn Superintendents' Association of NM 408 N Canyon Carlsbad, NM 88220 gerry.washburn@carlsbadschools.net</p>	

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

June 3, 2025
9:30 AM

CNM Workforce Training Center
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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 May 6, 2025	Ms. Saunders, President 6
6.	Public Forum and Introductions	Ms. Saunders, President
7.	Committee Reports	Ms. Saunders, President
8.	Staff Updates	
	a. Human Resources	Ms. Atencio, Deputy Director
	b. GAP/Outcomes Conference	
	c. Wise and Well Health Fairs	Mr. Biggs, Communications Director
	d. April 30, 2025, SIC Report	Mr. Kueffer, Executive Director 11
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16. Other Business Ms. Saunders, President

17. Executive Session Ms. Saunders, President
Pursuant to NMSA 1978, Section 10-15-1(H)(6) Contents of Competitive Sealed Proposals
Solicited Pursuant to the Procurement Code – Discussion of RFP#26-343-0380-00001
Professional Audit Services, and RFP#342-2025-03 IBAC PBM Consultant.

18. Professional Audit Services Contract (Action Item) Mrs. Ayanniyi, Chief Financial Officer

19. IBAC Consultant for Pharmaceutical Benefit Management Services (Action Item) Mr. Kueffer, Executive Director

20. Date & Location of Next Board Meeting Ms. Saunders, President

July 24, 2025 – 9:30 AM The Lodge at Cloudcroft, Meeting Room
July 25, 2025 – 9:00 AM The Lodge at Cloudcroft, Meeting Room
601 Corona Place, Cloudcroft, NM 88317

21. Adjourn

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

REGULAR MEETING

May 6, 2025

1. CALL TO ORDER

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

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:

Ms. Therese Saunders, President

Dr. Tomas Salazar, Vice President [virtual]

Ms. Christine Anaya [Designee for Hon. Laura M. Montoya, NM State Treasurer] [virtual]

Mr. Gerry Washburn [virtual]

Mr. Mike Francis [Designee for Dr. Lee Caruana] [virtual]

Ms. Donna Sandoval

Ms. Alex Castillo Smith [virtual]

Ms. Renee Garcia

Ms. Kate Brassington

Members Excused:

Mr. Lance Pyle, Secretary

Ms. Rachel Alirez

Staff Present:

Mr. Neil Kueffer, Executive Director

Ms. Linda Atencio, Deputy Director

Ms. Sheri Ayanniyi, Chief Financial Officer

Mr. Jess Biggs, Communications Director

Mr. Raymond Long, IT Director

Mr. Alexander George, Network Administrator

Ms. Judith Beatty, Recorder

3. PLEDGE OF ALLEGIANCE

Chair Saunders led the Pledge.

4. APPROVAL OF AGENDA

Ms. Garcia moved approval of the agenda, as published. Ms. Brassington seconded the motion, which passed unanimously.

5. APPROVAL OF REGULAR MEETING MINUTES: APRIL 1, 2025

Ms. Garcia moved approval of the minutes of April 1, 2025. Ms. Sandoval seconded the motion, which passed unanimously.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- The Executive Committee met to review today's agenda. [Chair Saunders]
- Brassington finance met, 2 items on today's agenda

8. STAFF UPDATES

a. Newsletter/Health Fair: Jess Biggs

Mr. Biggs reported that the NMRHCA Newsletter has been sent out. It includes an message from the Executive Director updating them on current happenings with the NMRHCA, as well as a legislative update, financial update, and announcement about the upcoming Wellness Fair. The fair is scheduled in person on May 23 in Las Cruces, May 29 in Santa Fe, and June 6 in Albuquerque. A virtual fair will be held on June 12 for those unable to attend in person.

b. SALGBA Conference: Jess Biggs

Mr. Biggs reported that he, Mr. Kueffer, and Ms. Atencio attended the SALGBA Conference in St. Louis last week. It was a good event, with lots of interesting topics. From his perspective, the topic most discussed during presentations in later discussion was about the financial impact of state legislation on local entities as well as the uncertainty about potential changes at the national level. There was also discussion about the impact on healthcare costs from tariffs. There were at least five presentations on the topic of GLP-1's, medication for diabetes and weight loss, as well as FDA approval for other applications. Mr. Biggs also noted that Mr. Kueffer and Ms. Donaldson presented at the conference on NADAC, a benchmark used for reimbursing pharmacies for prescription drug costs.

Ms. Donaldson commented that there was a lot of buzz on the topic of NADAC. After the presentation, about 15 or 20 people approached her and Mr. Kueffer to continue the conversation and ask questions.

c. UnitedHealthcare Access Expansion Notice: Mr. Biggs

Mr. Biggs reported that NMRHCA received a letter recently from UnitedHealthcare announcing that they have successfully contracted with Lovelace in expanding the network and option for those under the UnitedHealthcare plan to access Lovelace providers and hospitals. This was effective March 1. In addition, Joe Larson of UnitedHealthcare forwarded an article from the Albuquerque Business Journal referencing the fact. NMRHCA is very pleased that its membership will have greater access to those Lovelace providers and hospitals in the Metro area and Roswell.

d. Human Resources: Mr. Kueffer

Mr. Kueffer presented HR updates.

Mr. Kueffer reported that NMRHCA is working with HR on filling the in-house General Counsel position, and Rodey Law Firm has been assisting NMRHCA in the interim.

e. Moss Adams Firm Merger: Mr. Kueffer

Mr. Kueffer reported that NMRHCA has received notice from Moss Adams about their merger with Baker Tilly. Moss Adams is finishing up the employer allocation and other tasks as part of their current contract with NMRHCA, which will conclude their relationship with NMRHCA because they have reached the maximum number of years allowed. He added, however, that NMRHCA received notification from the Office of the State Auditor and the Department of Finance & Administration that Moss Adams could continue to bid on the NMRHCA's business because they will be taking on a new entity.

f. Procurement Updates: Mr. Kueffer

Mr. Kueffer presented procurement updates.

- Benefits Claims Integrity Audit & Review Services: Currently in the evaluation process with the other IBAC entities that chose to join NMRHCA in this RFP.
- Consultant for Pharmaceutical Benefit Management Services: RFP released on April 24. Written questions have been received from the vendors.
- Professional Audit Services: RFP released on April 21.

g. Legislative

Mr. Kueffer reported on bills signed by the Governor.

Responding to Dr. Salazar regarding HB 174 and any concerns about NADAC expressed at the recent SALGBA conference, Mr. Kueffer commented that this is a new form of contracting with pharmacies which has gained traction in recent years, particularly with independent pharmacies. He said there was a lot of hesitation expressed by states and organizations at the conference that are trying to evaluate this model. He added, though, that NMRHCA has seen a drop in independent pharmacies in providing additional access to the members, so this is another way that may help to maintain them.

Mr. Kueffer said one immediate impact is that NMRHCA will have to implement this in its contracts because this will take effect on January 1, 2026.

h. March 31, 2025, SIC Report

Ms. Ayanniyi reported a March balance of \$1.651 billion.

i. FY26 Operating Budget

Ms. Ayanniyi presented the FY26 operating budget.

9. FY 25 3RD QUARTER BUDGET REPORT

Ms. Ayanniyi presented this report.

10. FY25 NEW IT CAREVIEW CONTRACT (ACTION ITEM)

IT Director Raymond Long stated that, last year, NMRHCA upgraded its foundation applications, which was a Microsoft product, consisting of the server, database, and an application called SharePoint. SharePoint was selected to display the information for the customer support rep, and at the time it was a very viable choice; however, now Microsoft is moving that application into the cloud and making changes that may impact NMRHCA's core application. With these challenges, an alternative solution needs to be analyzed that will help identify a GUI platform more suitable to meet the agency's needs.

Mr. Long said NMRHCA proposes contracting with a third-party vendor, SHI International Corporation, through the State-Wide Price Agreement. The vendor would provide both a software developer and an SQL database administrator with the appropriate technical experience to implement the necessary changes.

Mr. Long requested approval to hire SharePoint services and technical support through an SWPA vendor, SHI International Corporation, to address the current CareView/SharePoint issues at a cost of \$12,376.88.

Ms. Brassington moved to accept the CareView contract. Ms. Sandoval seconded the motion, which passed unanimously.

11. 2026 PRELIMINARY PLAN DISCUSSIONS

Mr. Kueffer reviewed actions taken by the NMRHCA board in previous years. Considerations for 2026:

- Increase Pre-Medicare Plan Rates – Medical trend
- Increase Medicare Supplement Rates – Medical trend
- Pre-Medicare Plan Design Changes – Offset cost to minimize premium rate increases
- Medicare Advantage Plans and Rates – Plan designs and rates

12. OTHER BUSINESS

Chair Saunders noted that the July agenda will include an evaluation of the Executive Director. Following the next meeting, an evaluation form will be emailed to board members to complete.

13. DATE AND LOCATION OF NEXT BOARD MEETING

June 3, 2025 – 9:30 AM
CNM Workforce Training Center
5600 Eagle Ave., N.E., Albuquerque NM 87113

14. ADJOURN: 10:30 a.m.

Accepted by:

Therese Saunders, President

New Mexico Retiree Health Care Authority (CP)

Change in Market Value

For the Month of Apr 2025

(Report as of May 19, 2025)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	348,883,526.27	-	-	-	877,089.19	(1,037,576.82)	1,436,383.52	398,806.70	350,159,422.16
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	215,925,871.20	-	-	-	848,503.14	42,677.07	9,409,769.33	9,452,446.40	226,226,820.74
Non-US Emerging Markets Active Pool	128,331,980.70	-	-	-	348,498.63	(167,109.68)	1,689,134.20	1,522,024.52	130,202,503.85
Private Debt Market Pool	244,061,776.47	-	-	-	506,836.89	145,576.33	(28,376.88)	117,199.45	244,685,812.81
Private Equity Pool	221,803,600.84	-	-	-	269,195.98	1,352,160.88	(550,441.19)	801,719.69	222,874,516.51
Real Estate Pool	140,714,422.59	-	-	-	379,498.15	109,210.11	92,760.66	201,970.77	141,295,891.51
Real Return Pool	82,419,678.62	-	-	-	148,133.48	175,298.76	1,229,811.88	1,405,110.64	83,972,922.74
US Large Cap Index Pool	237,698,180.31	-	-	-	190,388.50	27,705.64	(1,628,393.78)	(1,600,688.14)	236,287,880.67
US SMID Cap Alternative Weighted Index Pool	31,980,088.19	-	-	-	29,287.34	(1,401.53)	(1,364,668.29)	(1,366,069.82)	30,643,305.71
Sub - Total New Mexico Retiree Health Care	1,651,819,125.19	-	-	-	3,597,431.30	646,540.76	10,285,979.45	10,932,520.21	1,666,349,076.70
Total New Mexico Retiree Health Care	1,651,819,125.19	-	-	-	3,597,431.30	646,540.76	10,285,979.45	10,932,520.21	1,666,349,076.70

FY26 Legal Services Contract (Action Item)

Background:

The New Mexico Retiree Health Care Authority is required to release an RFQ for legal services every year. Staff received Board approval during the April 1, 2025, Board Meeting for small purchase contract in the amount of \$25,000 for FY26. Please see Scope of Work below:

Scope of Work.

The Contractor shall perform the following work:

- A. The Contractor shall serve as legal counsel to the Agency for the purpose of:
 - a. Reviewing documents relating to governance and policy matters and providing related legal advice, as directed by the Agency.
 - b. At the direction of the Agency, providing legal advice on benefits-related insurance matters, insurance policy interpretations, contractual matters involving the Agency and the Agency's Request for Proposals.
 - c. At the direction of the Agency, providing legal services on those other matters, including personal matters, as they may arise from time to time.
 - d. Attending board meetings and other meetings as requested by the Executive Director or the Chair of the Board of Directors.
 - e. At the direction of the Agency, providing legal advice regarding the operation of the Agency's insurance programs and the activities of the contracted entities acting on behalf of the Agency.
 - f. At the direction of the Agency, drafting rules and regulations, which comply with applicable laws and guidelines.
- B. Performance Measures.
 - a. All legal work assigned to the Contractor by the Agency will be performed by attorneys licensed to practice law in the state of New Mexico.
 - b. All legal work assigned to the Contractor by the Agency will be performed by an attorney capable of competently performing the associated work and billing at the lowest applicable rate.
 - c. All legal work assigned to the Contractor by the Agency will be delivered in-full, on a timely basis, in accordance with an applicable timetable approved by the Agency and Contractor.

RHCA Staff released an RFQ on May 16, 2025, to three law firms however staff only received a response from one firm. Included in the response was confirmation of services requested in the Scope of Work, experience in government and health care industries law, and pricing.

Staff reviewed the response and recommends Rodey to continue providing outside council services. In addition to their years of experience with the RHCA and our unique needs, they provided a detailed and competitive quote based on the services outlined in the Scope of Work, experience in relevant industries, and competitive pricing.

Requested Action:

NMRHCA staff respectfully requests approval of the Board to enter into contract negotiations with Rodey to provide legal services effective July 1, 2025.

Lobbyist Contract (Action Item)

Background:

New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 304 public entities including cities, counties, universities, and charter schools participate in NMRHCA with over 65,000 retirees and their dependents covered. NMRHCA staff would like to execute a small purchase agreement from Program Support for lobbying services related to the upcoming 2026 legislative session. The contract will be to provide support for the determination and if approved proposed legislative action pertaining to the protection of the RHCA trust fund by way of a joint resolution.

1. Scope of Work:

The Contractor shall perform the following work:

Contractor shall provide government affairs services for all NMRHCA - related retirement, budget bills, health care, and other matters and decisions affecting NMRHCA before the Legislature, interim and standing legislative committees and budget-related legislative and legislative matters requiring or awaiting action by the Governor in connection with and in preparation for the regular 30-day session and the first special session (if called) of the 2026 New Mexico State Legislature, as follows:

1. Contractor shall work closely with the NMRHCA Board, NMRHCA staff and the New Mexico Legislature to ensure any proposed Retiree Health Care Act legislation is actuarially and administratively sound before being introduced.
2. Contractor shall work closely during the interim with the Pensions and Investment Oversight Committee (IPOC), the Legislative Finance Committee, Legislative Health & Human Services, and other interim committees regarding NMRHCA related matters. Contractor shall make recommendations regarding legislative strategy to the NMRHCA Board and the Executive Director.
3. Contractor will work at the direction of the NMRHCA Executive Director to review legislative proposals that would affect NMRHCA, the NMRHCA Board or the eligibility policies and guidelines of NMRHCA and make recommendations for amendments or legislative strategy to the NMRHCA Board and Executive Director.
4. At the direction of the NMRHCA Executive Director, the contractor will communicate the NMRHCA Board's position regarding NMRHCA-related matters to the New Mexico Legislature and legislative staff.
5. As needed, assist in obtaining sponsors for NMRHCA-proposed legislation; and

6. Attend hearings, including interim hearings, to assist the NMRHCA Board and executive staff related to retirement and budget-related proposals being heard.
7. Coordinate with other lobbyists, stake holder groups, and any other agency or organization as necessary to promote and advance NMRHCA's legislation.
8. Personally attend, and coordinate staff/expert witness attendance at legislative sessions, as well as at interim committee meetings where issues affecting the NMRHCA are discussed.
9. Provide a written report or summary of relevant legislative activities, to include time spent on NMRHCA activities, for the period for which payment is being requested.

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

2. Compensation: Not to exceed \$30,000 plus NM GRT, less if no proposed legislation of not to exceed \$25,000 plus NM GRT.

3. Term: Effective upon all approvals for a term of 7/01/2025 - 6/30/2026.

FY26 Approved Operating Budget		\$748,300		
		Proposed		
		Contract	Contract	
Vendor		Amount	Term	Type
1 Segal - Benefit & Actuary Consultant		\$345,000	July 1, 2023 - June 30, 2027	Term/Comp
2 Judith Beatty		\$7,000	July 1, 2025 - June 30, 2026	New/Small
3 Vendor A - Audit Services		TBD	July 1, 2025 - June 30, 2029	Term/Comp
4 Vendor B - Legal Services		\$25,000	July 1, 2025 - June 30, 2026	New/Small
5 RESPEC		\$60,900	July 1, 2025 - June 30, 2026	Price Agreement
6 PERA MOU - HR Services		\$30,350	July 1, 2025 - June 30, 2026	MOU
7 Vendor C - Shredding Services		\$4,600	July 1, 2025 - June 30, 2026	New/Small
8 Real Time Solution (Webhost)		\$4,768	July 1, 2025 - June 30, 2026	Price Agreement
9 Meketa		\$55,000	July 1, 2024 - June 30, 2028	Term/Comp
10 Lobbyist		\$32,457	July 1, 2025 - June 30, 2026	New/Small
Total		\$565,075		
Unencumbered Balance		\$183,225	Available for mid/end-year adjustments	

Action Item Request: NMRHCA staff respectfully request permission to enter into a contract for lobbyist services with Robert Romero & Associates for the scope of work referenced above with compensation not to exceed \$32,456.25 as specified for the FY26 contract term.

MEMORANDUM

TO: Board of Directors, New Mexico Retiree Health Care Authority
FROM: Jared Pratt, Paul Cowie, Ted Benedict, Meketa Investment Group
DATE: May 27, 2025
RE: Change to NM State Investment Council Non-US Equity Pools

On May 1, 2025, the New Mexico State Investment Council (SIC) announced upcoming changes to its non-US public equity pools. Beginning July 1, 2025, the SIC will no longer offer non-US public equity pools split by developed markets and emerging markets. Instead, the SIC will offer both active and passive (index) pools split by non-US large cap and non-US small/mid cap, effectively combining developed and emerging markets:

Discontinued SIC Non-US Equity Investment Pools	New SIC Non-US Equity Investment Pools
Non-US Developed Markets – Active	Non-US Large Cap – Active
Non-US Developed Markets – Index	Non-US Large Cap – Index
Non-US Emerging Markets – Active	Non-US Small/Mid Cap – Active
Non-US Emerging Markets – Index	Non-US Small/Mid Cap – Index

The Authority's current policy allocates 24% to non-US equity with 14% to the Non-US Developed Markets Index Pool and 10% to the Non-US Emerging Markets Active Pool, representing an allocation within non-US equity of approximately 58% to passive (index) and 42% to active pools. The broad non-US equity market has approximately 80% in large cap stocks and 20% in small and mid cap stocks. The current investment pools, while not divided by these categories, are consistent with this broad market allocation. Worth noting, the SIC also intends to maintain an 80% large cap and 20% small/mid cap target allocation within its internal portfolio. In an effort to maintain the Authority's current non-US equity policy to the best of our ability given the changing SIC pool options, Meketa recommends the following allocation to the new non-US equity pools:

New SIC Non-US Public Equity Pools	RHCA Non-US Equity Allocation	RHCA Total Fund Allocation (Rounded to Nearest %)
Non-US Large-Cap Passive	47%	11%
Non-US Large-Cap Active	33%	8%
Non-US SMID-Cap Passive	12%	3%
Non-US SMID-Cap Active	8%	2%
Total	100%	24%

As you know, Meketa is currently in the process of reviewing the Authority's asset allocation with the Board and these targets may change in the future, but we do not expect a decision to be made before these new pools are implemented in early July.

Ernest Sanchez Mayor
Ferron Lucero Manager
Stephanie Arellano Deputy Clerk



Town of Clayton

1 Chestnut
Clayton, NM 88415
Phone: 575-374-8331 Fax: 575-374-8497

Coby Beckner Mayor Pro-Tem
Deano Arellano Trustee
Russell Lees Trustee
Mateo Arguello Trustee

RECEIVED

MAY 27 2025

NMRHCA

Neil Kueffer, Executive Director
New Mexico Retiree Health Care Authority
6300 Jefferson Street NE
Albuquerque, NM 84109

Dear Executive Director Kueffer,

The Town of Clayton hereby provides notice that the governing body will hold a public meeting on June 11, 2025, to consider and vote on the Town's participation in coverage under the Retiree Health Care Act. If approved, a resolution formalizing this decision will be adopted during the same meeting.

In conjunction with this action, the Town of Clayton is requesting a waiver of the thirty-day notice requirement, as the public meeting is scheduled for June 11, 2025. Granting this waiver will enable the Town to initiate participation effective July 1, 2025, aligning with the start of the new fiscal year.

This notice and the request for waiver were authorized by formal action of the governing body during a duly held budget hearing on May 20, 2025.

If you have any questions, please contact my office at your convenience.

Regards,

Ferron Lucero
Town of Clayton Manager

April 9, 2025

Stephanie Arellano
HR Representative/Deputy Clerk
Town of Clayton
1 Chestnut St
Clayton, NM 88415

**Re: New Mexico Retiree Healthcare Authority (NMRHCA) Buy-In Analysis
Town of Clayton**

Dear Stephanie:

As requested, we have prepared an actuarial valuation to establish the buy-in obligation for Town of Clayton to join the New Mexico Retiree Health Care Authority (NMRHCA) retiree health and life benefits program. The results of the valuation are summarized in the enclosed exhibit.

The liability was calculated as of June 30, 2024, using the data provided to us by Town of Clayton. The discount rate used for the buy-in calculation was 7.75%, which is not the same as the 7.00% used for the most recent Governmental Accounting Standards Board (GASB) Statement 74 valuation. Per the New Mexico Administrative Code, the 7.75% rate is to be used for buy-in calculations. No adjustment has been made to reflect the anticipated growth in liability after June 30, 2024.

To model future demographic experience, we have assumed that all members are covered under the Public Employees Retirement Association (PERA). The Municipal General, Municipal Police, or Municipal Fire demographic assumptions were applied based on the retirement plan group indicated in each employee's data record. The Police and Fire employees were assumed to be eligible for "Enhanced" NMRHCA premium subsidies available to public safety employees.

We have assumed 60% of eligible future retirees with 15 or more years of service and 50% of active participants with less than 15 years of service will enroll in NMRHCA at retirement. We assume 25% of eligible employees terminating prior to retirement will elect NMRHCA benefits at retirement. Because it is unknown which NMRHCA plan Town of Clayton employees will elect, we have assumed retirees will elect medical plans as shown below:

Non-Medicare Plan	Medical Election Rate (%)
Premier	75%
Value Plan	25%

Medicare Plan	Medical Election Rate (%)
BCBS Medicare Supplement	51%
BCBS Senior Plan	6%
Presbyterian Senior Plan	21%
United Healthcare Plan	16%
Humana Plan	6%

For spouse ages, wives were assumed to be 2 years younger than husbands. Of the future retirees, 35% of males and 30% of females were assumed to elect spouse coverage at retirement.

Unless otherwise noted above, the data, assumptions and plan provisions are the same as those used in the New Mexico Retiree Health Care Authority Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2024, in accordance with GASB Statement No. 74, dated November 25, 2024.

The actuarial calculations in the enclosed exhibit have been prepared under my supervision. I am a member of the Society of Actuaries and the American Academy of Actuaries. I meet the "General Qualification Standards for Statements of Actuarial Opinions" and am qualified to render the actuarial opinion contained herein.

If you have any questions or comments, please contact me at (972) 837-3053 or mriazi@segalco.com.

Sincerely,



Mehdi Riazi FSA, MAAA, FCA, EA
Vice President & Consulting Actuary

TTT/

Enclosure

cc: Debbie Donaldson, FSA, MAAA
Senior Vice President & West Health Practice Leader

Neil Kueffer
Executive Director

Town of Clayton New Mexico Retiree Health Care Authority Buy-In Study

Actuarial Accrued Liability (AAL) and Unfunded AAL (UAAL)

Participant Category	June 30, 2024
Current retirees and dependents	\$ 0
Current active members	<u>261,994</u>
Total	\$261,994

Effect of Retiree Contributions	June 30, 2024
Actuarial accrued liability before reduction for retiree contributions	\$ 693,126
Less projected retiree contributions	<u>431,132</u>
Net employer actuarial accrued liability	\$ 261,994
Actuarial value of assets	<u>0</u>
Unfunded actuarial accrued liability	\$ 261,994

Summary of Participant Data

Active Participants	June 30, 2024
Number*	45
Average age	45.3
Average years of service†	5.8
Average expected retirement age	63.9

* The employees were valued according to their retirement plan eligibility values. We had 34 municipal general, 6 municipal police, and 5 municipal fire.

† The employees hired after June 30, 2024 were assumed to have 0 years of service for the purpose of this calculation.



New Mexico Retiree Health Care Authority

Segal Activities Overview

June 3, 2025 / Debbie Donaldson, FSA, MAAA, Senior Vice-President

| Agenda

Segal Team and Annual Services

Medicare Overview

CY2026 MAPD Renewals

Inflation Reduction Act Overview

Key Members of Your Segal Team



Additional Resources

OPEB/Actuarial Team Melissa Krumholz, FSA, MAAA Vice President & Actuary	OPEB Valuation Team Mary Kirby, FSA, FCA, MAAA SVP & Consulting Actuary	OPEB Valuation Team James Cassidy Associate Actuarial Associate	Data Warehouse Team Emily Madalena Data Analyst
Actuarial Team James Do, ASA, MAAA Actuary	OPEB Valuation Team Vivian Caruso Associate Consultant	Pharmacy Benefits Tyler Brotz Senior Pharmacy Consultant and Financial Analytics	Data Warehouse Team Karen Mulligan Health Economist

Primary Annual Services

Long Term Solvency Report - Projects fiscal year that assets are depleted and no longer able to fund future benefits

30-year projection, includes multiple
scenarios and sensitivity analysis

Data Analytics Projects – Analysis of recent historical results

Improve understanding of “population
health”, RHCA benefit structure and
dynamics, and how they relate to the
retention of affordable benefit options

**Assisting RHCA in review of
benefits in 2026 and beyond**

Calendar Year Target Rates – Basis for retiree Contributions

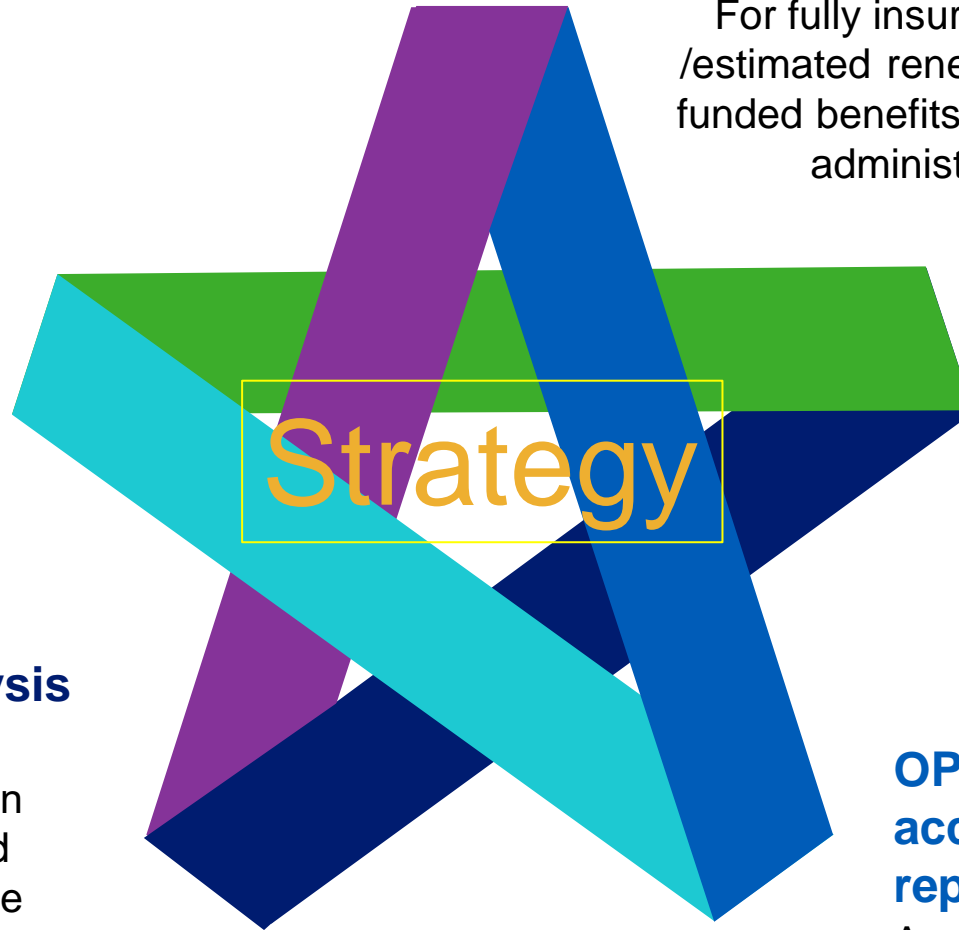
For fully insured plans: Negotiated/
/estimated renewal premium; For self-
funded benefits, we project claims and
administrative expenses

IBNR – Estimate of Incurred but Not Reported Claims

Standard accounting requirement
to recognize liability for claims that
are working their way through the
“pipeline”

OPEB Valuation – Required accounting and financial reporting under GASB 74/75

Annual valuation of Other Post-
Employment Benefits (OPEB)
liabilities, expenses, and deferred
inflow/outflow of resources



Looking Ahead to the RHCA Annual Meeting

- Long-Term Solvency Modeling
 - Baseline scenario, incorporating IRA updates
 - Alternate scenarios based on direction from RHCA staff and Board
- IRA Impact
- Claims and Demographics Study
 - Utilization overview
 - Changes in risk profile by plan
 - Prescribing patterns



Medicare Overview



Medicare Parts A and B



Medicare Part A

Inpatient

- Inpatient Hospital
- Skilled Nursing Facility
- Hospice
- Home Health

+



Medicare Part B

Outpatient & Physician

- Office Visits
- Preventive Screenings
- Outpatient Surgery
- DME

=



Medicare Part C

Combines Medicare Part A and B coverages into a single plan, plus ancillary benefits

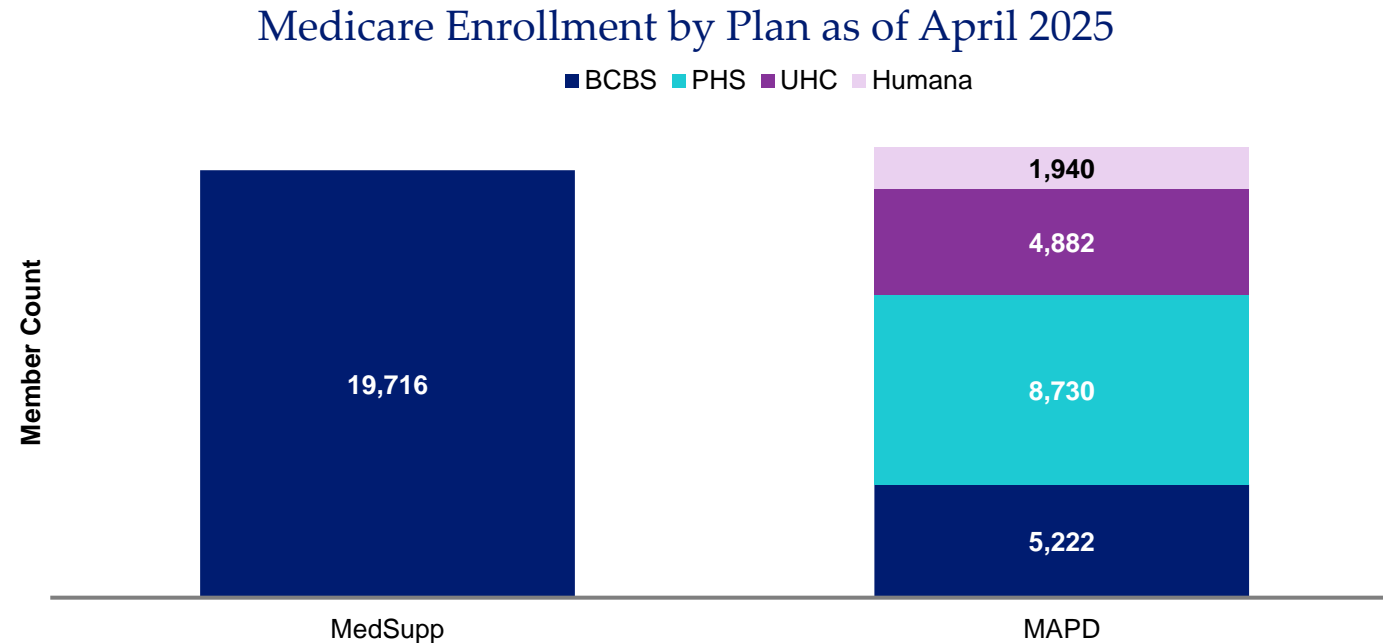
Traditional Medicare benefits are administered by CMS with no DM or UM programs. Most retirees are eligible for free Part A coverage and pay an additional monthly premium for Part B coverage.¹

Traditional Medicare benefits administered on a fully insured basis by an insurer and incorporate DM and UM programs. Enrollees must be enrolled in both Part A and B.

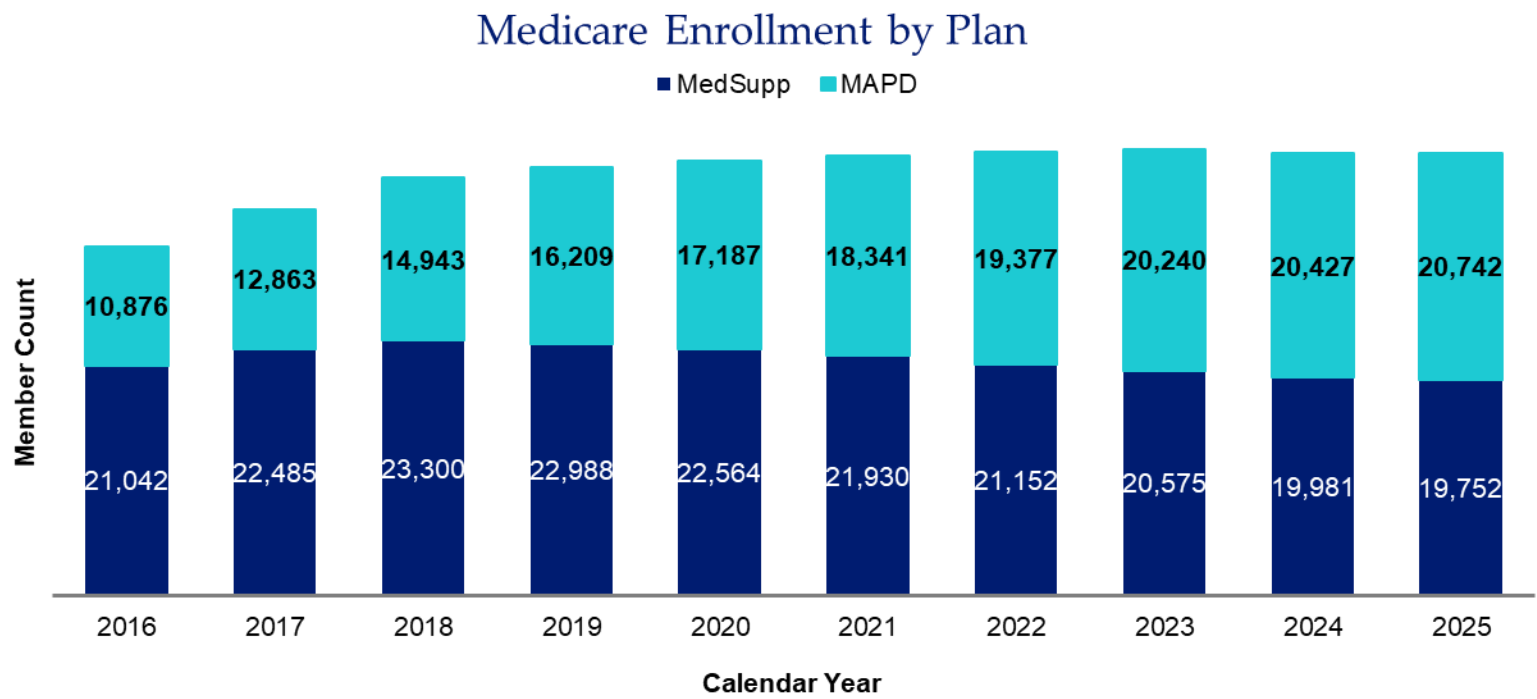
¹ Late enrollment penalties may apply;

NMRHCA Medicare Coverage

- Medicare Supplement Plan
 - Administered by BCBS-NM on a self-insured basis
 - Prescription drug benefits covered by a separate Employer Group Waiver Plan (EGWP) plan administered by Express Scripts
- Medicare Advantage Plans
 - Insured by BCBS-NM, Presbyterian, UHC and Humana on a fully insured basis
 - Prescription drug benefits bundled into a combined MAPD plan



NMRHCA Medicare Population

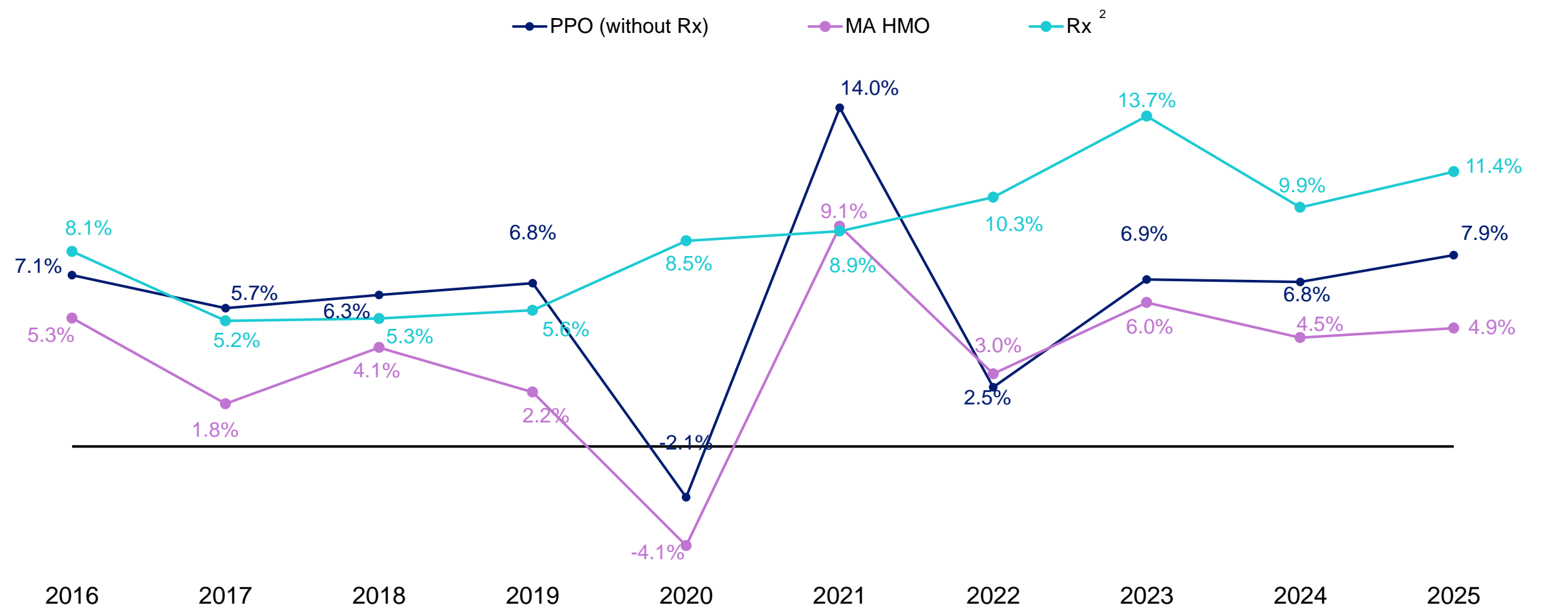


- The MAPD plans now account for over 51% of enrollment from the Medicare population
 - Enrollment in the Medical Supplement plan peaked in CY2018 with 23,300 lives
 - MAPD membership increased 318 members from CY2024 to CY2025 and 5,800 since CY2018

CY2026 MAPD Renewals



Ten-Year Summary of Selected Medical and Rx Trends: 2016–2023 Actual and 2024 and 2025 Projected¹



Source: 2025 Segal Health Plan Cost Trend Survey

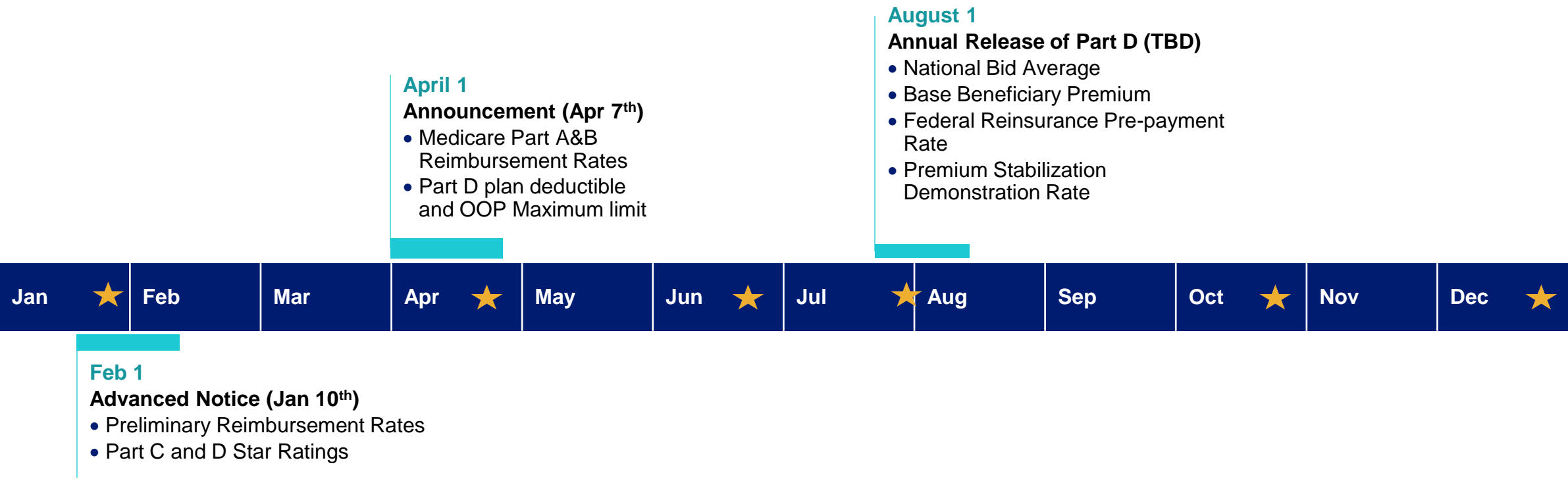
¹ All trends are illustrated for actives and non-Medicare retirees, except for MA HMOs.

² Prescription drug trend is combined for retail and mail order delivery channels.

CY2026 MAPD Renewal Considerations

- In addition to trend assumptions, profit and risk charges, there are several factors that will impact an insurer
 - Medicare Advantage
 - Direct Capitation – CMS Reimbursements set annually by CMS, published in April, which fluctuate based on
 - Average risk score of the group, and
 - Star Rating of the insurer
 - Prescription Drug (Part D)
 - Average risk score – impacts the Direct Subsidy revenues
 - Direct Subsidy – monthly revenue stream based on National Bid Average, Base Beneficiary premium and risk score
 - Manufacturer's Discount – 10-20% subsidy for brand scripts dispensed once the patient has met their deductible
 - Federal Reinsurance – 20-40% subsidy for brand/generic scripts once the patient has met their out-of-pocket maximum
 - Negotiated Drug Prices – maximum fair pricing for 10 select drugs selected in CY2026

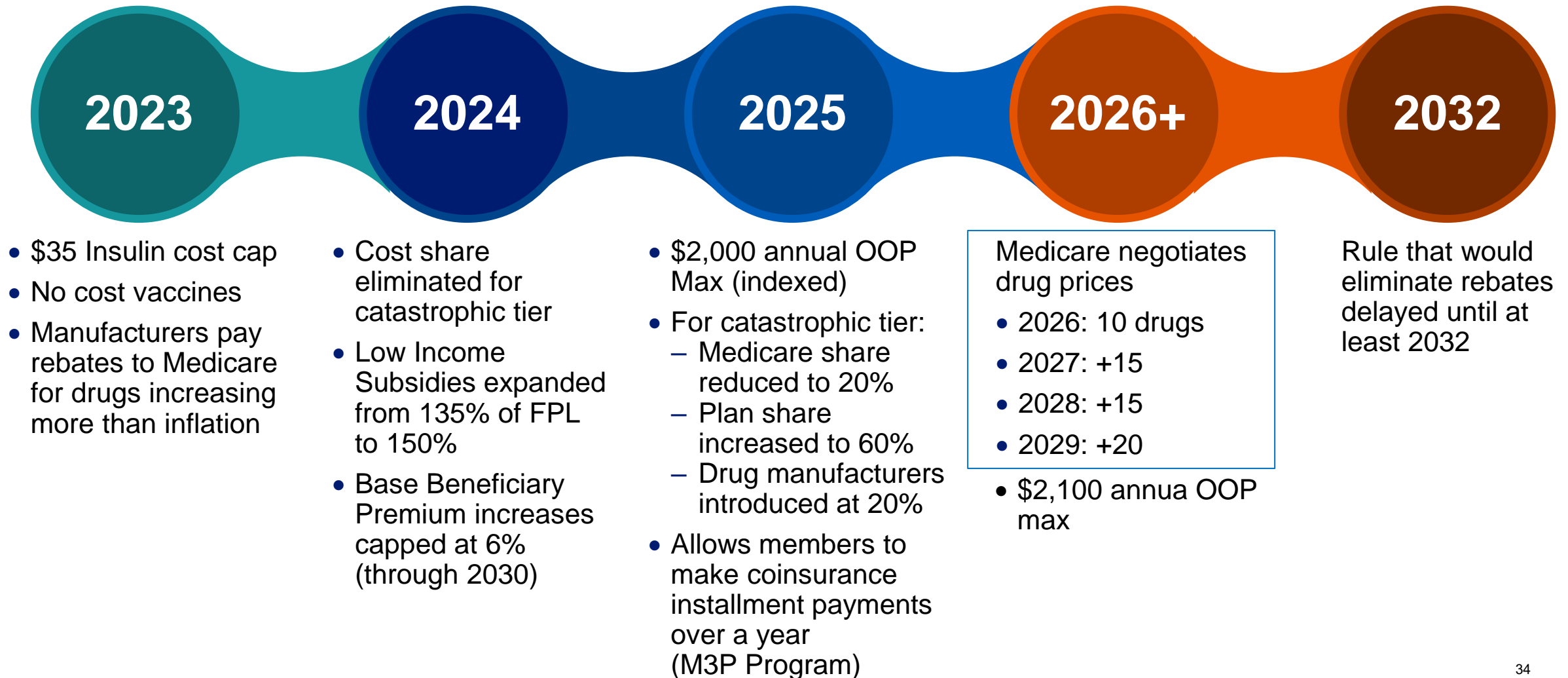
CMS Rate Announcements for CY2026



Inflation Reduction Act Recap



IRA Timeline for Part D Plans



Medicare Negotiating Prices for 10 Drugs



Beginning in 2026, Medicare will announce maximum fair prices that must be used by Part D plans for 10 drugs, with more to be phased in each year



If the manufacturer refuses to participate in the negotiation program or fails to comply with the maximum fair price, they can face an excise tax



Several manufacturers have filed suit challenging the program; litigation continues



The program applies to Employer Group Waiver Plans (EGWPs), but not to the Retiree Drug Subsidy



Unclear what the market impact will be on prices paid by group based plans



Medicare Negotiating Prices - Initial Targeted Drugs

Drug Name	Commonly Treated Conditions	Total Part D Gross Covered Prescription Drug Costs from Calendar Year 2023	Manufacturer
Eliquis	Prevention and treatment of blood clots	\$18,275,108,000	Bristol Myers Squibb
Jardiance	Diabetes; heart failure	\$8,840,947,000	Boehringer Ingelheim
Xarelto	Prevention and treatment of blood clots; reduction of risk for patients with coronary or peripheral artery disease	\$6,309,766,000	Janssen Pharms
Farxiga	Diabetes; heart failure; chronic kidney disease	\$4,342,594,000	AstraZeneca AB
Januvia	Diabetes	\$4,091,399,000	Merck Sharp Dohme
Entresto	Heart failure	\$3,430,753,000	Novartis Pharms Corp
Stelara	Psoriasis; psoriatic arthritis; Crohn's disease; ulcerative colitis	\$2,988,560,000	Janssen Biotech, Inc.
Enbrel	Rheumatoid arthritis; psoriasis; psoriatic arthritis	\$2,951,778,000	Immunex Corporation
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Diabetes	\$2,612,719,000	Novo Nordisk Inc.
Imbruvica	Blood cancers	\$2,371,858,000	Pharmacyclics LLC

Note: Numbers are rounded to the nearest thousands.



Thank You

Historical View of CMS Rate Notices

Year	Advance Notice	Final Notice	Improvement
2015	-1.90%	0.40%	2.30%
2016	1.05%	3.25%	2.20%
2017	1.35%	0.85%	-0.50%
2018	0.25%	0.45%	0.20%
2019	1.84%	3.40%	1.56%
2020	1.59%	2.53%	0.94%
2021	0.93%	1.66%	0.73%
2022	2.82%	4.08%	1.26%
2023	4.48%	5.00%	0.52%
2024	-2.27%	-1.12%	1.15%
2025	-0.16%	-0.16%	0.00%
2026	2.23%	5.06%	2.83%

2026 Preliminary Plan Discussion

1. Pre-Medicare/Medicare Supplement Plan Rates

NMRHCA's long-term solvency projections are at 0% annually as part of its baseline assumptions. Changes to this rate in any given year are based on an evaluation of NMRHCA's overall loss ratio (how closely NMRHCA rates match actual costs). Any plan design changes made to the cost-sharing provisions (deductibles, out-of-pocket maximums, etc.) may reduce necessary premium increases. Annual payroll growth for increases in salary for state employees and educational employees are estimated and built into revenue. Applying this assumption to members who meet the eligibility requirements to receive a full subsidy for the self-insured plan rates for 2026 would have the following impact:

Subsidized

Pre-Medicare									
Incremental Change									
Plan	2025 Rate	1 - Percent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Value									
Retiree	\$ 270.19	\$ 272.89	\$ 275.59	\$ 278.30	\$ 281.00	\$ 283.70	\$ 286.40	\$ 289.10	\$ 291.81
Spouse/DP	\$ 512.80	\$ 517.93	\$ 523.06	\$ 528.18	\$ 533.31	\$ 538.44	\$ 543.57	\$ 548.70	\$ 553.82
Child	\$ 264.38	\$ 267.02	\$ 269.67	\$ 272.31	\$ 274.96	\$ 277.60	\$ 280.24	\$ 282.89	\$ 285.53
Premier									
Retiree	\$ 345.90	\$ 349.36	\$ 352.82	\$ 356.28	\$ 359.74	\$ 363.20	\$ 366.65	\$ 370.11	\$ 373.57
Spouse/DP	\$ 656.51	\$ 663.08	\$ 669.64	\$ 676.21	\$ 682.77	\$ 689.34	\$ 695.90	\$ 702.47	\$ 709.03
Child	\$ 339.03	\$ 342.42	\$ 345.81	\$ 349.20	\$ 352.59	\$ 355.98	\$ 359.37	\$ 362.76	\$ 366.15
Monthly Change									
Value									
Retiree		\$ 2.70	\$ 5.40	\$ 8.11	\$ 10.81	\$ 13.51	\$ 16.21	\$ 18.91	\$ 21.62
Spouse/DP		\$ 5.13	\$ 10.26	\$ 15.38	\$ 20.51	\$ 25.64	\$ 30.77	\$ 35.90	\$ 41.02
Child		\$ 2.64	\$ 5.29	\$ 7.93	\$ 10.58	\$ 13.22	\$ 15.86	\$ 18.51	\$ 21.15
Premier									
Retiree		\$ 3.46	\$ 6.92	\$ 10.38	\$ 13.84	\$ 17.30	\$ 20.75	\$ 24.21	\$ 27.67
Spouse/DP		\$ 6.57	\$ 13.13	\$ 19.70	\$ 26.26	\$ 32.83	\$ 39.39	\$ 45.96	\$ 52.52
Child		\$ 3.39	\$ 6.78	\$ 10.17	\$ 13.56	\$ 16.95	\$ 20.34	\$ 23.73	\$ 27.12
Annual Change									
Value									
Retiree		\$ 32.42	\$ 64.85	\$ 97.27	\$ 129.69	\$ 162.11	\$ 194.54	\$ 226.96	\$ 259.38
Spouse/DP		\$ 61.54	\$ 123.07	\$ 184.61	\$ 246.14	\$ 307.68	\$ 369.22	\$ 430.75	\$ 492.29
Child		\$ 31.73	\$ 63.45	\$ 95.18	\$ 126.90	\$ 158.63	\$ 190.35	\$ 222.08	\$ 253.80
Premier									
Retiree		\$ 41.51	\$ 83.02	\$ 124.52	\$ 166.03	\$ 207.54	\$ 249.05	\$ 290.56	\$ 332.06
Spouse/DP		\$ 78.78	\$ 157.56	\$ 236.34	\$ 315.12	\$ 393.91	\$ 472.69	\$ 551.47	\$ 630.25
Child		\$ 40.68	\$ 81.37	\$ 122.05	\$ 162.73	\$ 203.42	\$ 244.10	\$ 284.79	\$ 325.47

Subsidized

Medicare Supplement									
Incremental Change									
Plan	2025 Rate	1 - Percent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Supplement									
Retiree	\$ 245.61	\$ 248.07	\$ 250.52	\$ 252.98	\$ 255.43	\$ 257.89	\$ 260.35	\$ 262.80	\$ 265.26
Spouse/DP	\$ 368.42	\$ 372.10	\$ 375.79	\$ 379.47	\$ 383.16	\$ 386.84	\$ 390.53	\$ 394.21	\$ 397.89
Child	\$ 491.23	\$ 496.14	\$ 501.05	\$ 505.97	\$ 510.88	\$ 515.79	\$ 520.70	\$ 525.62	\$ 530.53
Monthly Change									
Value									
Retiree		\$ 2.46	\$ 4.91	\$ 7.37	\$ 9.82	\$ 12.28	\$ 14.74	\$ 17.19	\$ 19.65
Spouse/DP		\$ 3.68	\$ 7.37	\$ 11.05	\$ 14.74	\$ 18.42	\$ 22.11	\$ 25.79	\$ 29.47
Child		\$ 4.91	\$ 9.82	\$ 14.74	\$ 19.65	\$ 24.56	\$ 29.47	\$ 34.39	\$ 39.30
Annual Change									
Value									
Retiree		\$ 29.47	\$ 58.95	\$ 88.42	\$ 117.89	\$ 147.37	\$ 176.84	\$ 206.31	\$ 235.79
Spouse/DP		\$ 44.21	\$ 88.42	\$ 132.63	\$ 176.84	\$ 221.05	\$ 265.26	\$ 309.47	\$ 353.68
Child		\$ 58.95	\$ 117.90	\$ 176.84	\$ 235.79	\$ 294.74	\$ 353.69	\$ 412.63	\$ 471.58

Applying the same increases to members who joined after the 2021 Rule change took effect and who are under the age of 55 (no subsidy is provided until 55th birthday) impact would be as follows:

Non-Subsidized

Pre-Medicare									
Incremental Change									
Plan	2025 Rate	1 - Percent	2 - Percent	3 - Percent	4 - Percent	5 - Percent	6 - Percent	7 - Percent	8 - Percent
Value									
Retiree	\$ 750.54	\$ 758.05	\$ 765.55	\$ 773.06	\$ 780.56	\$ 788.07	\$ 795.57	\$ 803.08	\$ 810.58
Spouse/DP	\$ 801.25	\$ 809.26	\$ 817.28	\$ 825.29	\$ 833.30	\$ 841.31	\$ 849.33	\$ 857.34	\$ 865.35
Child	\$ 264.38	\$ 267.02	\$ 269.67	\$ 272.31	\$ 274.96	\$ 277.60	\$ 280.24	\$ 282.89	\$ 285.53
Premier									
Retiree	\$ 960.82	\$ 970.43	\$ 980.04	\$ 989.64	\$ 999.25	\$ 1,008.86	\$ 1,018.47	\$ 1,028.08	\$ 1,037.69
Spouse/DP	\$ 1,025.80	\$ 1,036.06	\$ 1,046.32	\$ 1,056.57	\$ 1,066.83	\$ 1,077.09	\$ 1,087.35	\$ 1,097.61	\$ 1,107.86
Child	\$ 339.03	\$ 342.42	\$ 345.81	\$ 349.20	\$ 352.59	\$ 355.98	\$ 359.37	\$ 362.76	\$ 366.15
Monthly Change									
Value									
Retiree		\$ 7.51	\$ 15.01	\$ 22.52	\$ 30.02	\$ 37.53	\$ 45.03	\$ 52.54	\$ 60.04
Spouse/DP		\$ 8.01	\$ 16.03	\$ 24.04	\$ 32.05	\$ 40.06	\$ 48.08	\$ 56.09	\$ 64.10
Child		\$ 2.64	\$ 5.29	\$ 7.93	\$ 10.58	\$ 13.22	\$ 15.86	\$ 18.51	\$ 21.15
Premier									
Retiree		\$ 9.61	\$ 19.22	\$ 28.82	\$ 38.43	\$ 48.04	\$ 57.65	\$ 67.26	\$ 76.87
Spouse/DP		\$ 10.26	\$ 20.52	\$ 30.77	\$ 41.03	\$ 51.29	\$ 61.55	\$ 71.81	\$ 82.06
Child		\$ 3.39	\$ 6.78	\$ 10.17	\$ 13.56	\$ 16.95	\$ 20.34	\$ 23.73	\$ 27.12
Annual Change									
Value									
Retiree		\$ 90.06	\$ 180.13	\$ 270.19	\$ 360.26	\$ 450.32	\$ 540.39	\$ 630.45	\$ 720.52
Spouse/DP		\$ 96.15	\$ 192.30	\$ 288.45	\$ 384.60	\$ 480.75	\$ 576.90	\$ 673.05	\$ 769.20
Child		\$ 31.73	\$ 63.45	\$ 95.18	\$ 126.90	\$ 158.63	\$ 190.35	\$ 222.08	\$ 253.80
Premier									
Retiree		\$ 115.30	\$ 230.60	\$ 345.90	\$ 461.19	\$ 576.49	\$ 691.79	\$ 807.09	\$ 922.39
Spouse/DP		\$ 123.10	\$ 246.19	\$ 369.29	\$ 492.38	\$ 615.48	\$ 738.58	\$ 861.67	\$ 984.77
Child		\$ 40.68	\$ 81.37	\$ 122.05	\$ 162.73	\$ 203.42	\$ 244.10	\$ 284.79	\$ 325.47

3. Pre-Medicare Plan Designs

Pre-Medicare Medical Benefits

- No anticipated recommendations for plan design changes this year.

Pre-Medicare Pharmacy Benefits

- Prescription Copay changes are included for review and offset to premium increases.

4. Medicare Supplement Plan Design

Medicare Supplement Medical Benefits

- No anticipated recommendations for plan design changes this year.

Medicare Supplement Pharmacy Benefits

- Prescription Copay changes are included for review and offset to premium increases.
- Implementation of deductible due to changes from the impact of the Inflation reduction act (IRA).

5. Medicare Advantage Prescription Drug Plans

- Rates are based on fully insured plans submitted by vendors.
- Review of offerings for any necessary changes/reductions.

NMRHCA Annual Board Meeting

Logistics

Here are a few details you may like to know to prepare for the board meeting in Cloudcroft next month.

LODGING

- Each of you that will be attending in person will have a room at The Lodge for the nights of July 23 & 24th.
- When you arrive to check in, let the front desk know your with NMRHCA and your name.
- NMRHCA will pay directly for your room + taxes and fees. You will need to provide a credit card for all incidentals that you will be responsible for.
- Check in is at 3 PM and checkout is by 12 PM.

MEALS

- On Thursday, breakfast and lunch will be provided on-site.
- On Friday, breakfast will be provided on-site.
- Dinner on Wednesday and Thursday, along with lunch on Friday are on your own, although often groups will coordinate with each other to go out together.
- Save your receipts if paying for a meal yourself if you want to be reimbursed. (details below under REIMBURSEMENT)

MEETING TIMES

- Meetings on Thursday will begin at 9:30 AM and end around 5 PM or at the discretion of the board.
- Meetings Friday will begin at 9:00 AM and end between noon and 1 PM or at the discretion of the board.

REIMBURSEMENT

- You can be reimbursed for travel costs.
- Specifically, mileage to and from the meeting from your residence can be reimbursed if you drive yourself. Please email me your home address, make

and model and license plate of your car if I do not already have it to calculate mileage. **I need a specific address, not just the number of miles you drove.**

- Wednesday dinner, Thursday dinner can be reimbursed up to \$59 per day + tips to not exceed 20%, if you purchase your own meal. Friday Lunch can be reimbursed on a pro-rated amount depending on what time you left on Wednesday and what time you return home on Friday (**so I will need that info**). **Receipts are needed.** Please email me copies of your meal receipts.
- Once I have your address for determining mileage and your receipts for meals, I will fill out the reimbursement form and send to you for a signature.
- If you have not received reimbursement from us before, I will also need a W9 filled out and returned.

In the event your attendance status changes, please let me know ASAP to avoid cancelation/change fees. If someone will attend in your place, please provide me a name ASAP so that name will be on the list and they can check in without difficulty.

202~~5~~⁴ 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~~ nearly 66,000 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 30~~4~~³ 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.

DRAFT

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: _____

FY265 Board Elections/Committee Assignments

Background

Article 7C Section_10-7C-6. 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 FY25 committee assignments provided below.

Executive

Ms. Saunders, President

Mr. Salazar, Vice President

Mr. Pyle, Secretary

Finance & Investment

Ms. Brassington, Chair

Ms. Castillo-Smith

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

Ms. Garcia

Ms. Castillo-Smith

NEW MEXICO RETIREE HEALTH CARE AUTHORITY
RESOLUTION NO. 202~~65~~-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 ~~11-24~~ and ~~2512~~, 202~~54~~.

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 105, 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-24th~~ day of July 20~~25~~⁵⁴.

Board President

Neil Kueffer, Executive Director

Executive Director Evaluation Form

New Mexico Retiree Health Care Authority

Rater's Name:

Date:

Rating Key: 5 - Outstanding performance, 4 - Exceeds expectations, 3- Meets expectations, 2 - Requires Minor improvements to meet expectations, 1 - Requires significant improvement to meet expectations.

1. Leadership.

- a. Initiates and implements sound and progressive policies, procedures and standards.
- b. Effectively plans, organizes and administers all program areas for which the Retiree Health Care Authority is statutorily responsible.
- c. Manages retiree health care programs and agency in cost effective manner.
- d. Ensures that proper internal controls are developed and implemented to keep the operation of the retiree health care system functioning successfully.
- e. Manages, motivates and develops agency staff effectively.

Rating for Leadership: **54321=**

Comments:

2. Strategic Planning.

- a. Provides leadership to the Board in the development of plan design changes that ensure program solvency while providing comprehensive health coverage to members at cost-effective prices.
- b. Develops effective short and long-term plans and meets goals and objectives.
- c. Develops realistic budgets that meet the needs of the retiree health care program.

Rating for Strategic Planning: **54321=**

Comments:

3. Public Relations.

- a. Maintains effective relations with members of the legislative and executive branches.
- b. Makes sound recommendations to the executive and legislative branches concerning retiree health care programs.
- c. Testifies before legislative committees to represent the retiree health care programs.
- d. Develops and maintains effective communications with participating employers, employees and retirees.
- e. Makes presentations to and participates in the activities of participating, local, state, and national organizations engages in activities related to retiree health care programs.
- f. Maintains appropriate media relations.

Rating for Public Relations: **54321=**

Comments:

4. Board Relations.

- a. Ensures timely and expert staffing is provided to the Board and its committees.
- b. Keeps the Board apprised on financial, economic, operational, and political developments.
- c. Participates in projecting actuarial solvency of the retiree health care system and future costs.
- d. Develops and composes rule changes and drafts statutory changes as needed.

Rating for Board Relations: **5 4 3 2 1 =**

Comments:

OVERALL RATING: **5 4 3 2 1 =**

Additional Comments:

Rater Signature

Date