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ANNUAL MEETING
OF THE
BOARD OF DIRECTORS

July 24 & 25, 2025

9:30/9:00 AM

Day 1

The Lodge at Cloudcroft

601 Corona Place, Cloudcroft, NM 88317

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

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

New Mexico Retire Health Care Authority

Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

July 24, 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

JULY 2025

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	Ms. Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 donnasandoval@cabq.gov 505-768-2975
Mr. Tomas E. Salazar, PhD, Vice President NM Assoc. of Educational Retirees PO Box 66 Las Vegas, NM 87701 salazarte@plateautel.net 505-429-2206	Mr. Lee Caruana, MD Retired Public Employees of NM leecaruana13@gmail.com
Mr. Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 lpyle@currycounty.org 575-763-3656	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
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	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
Ms. Raquel Alirez Classified State Employee 401 Broadway NE Albuquerque, NM 87102 raquel.alirez@dws.nm.gov 505-365-3474	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
Mr. Gerry Washburn Superintendents' Association of NM 408 N Canyon Carlsbad, NM 88220 gerry.washburn@carlsbadschools.net	

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

July 24 & 25, 2025
9:30 AM / 9:00 AM

The Lodge at Cloudcroft
601 Corona Place
Cloudcroft, NM 88317
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AGENDA – July 24th (Day 1)

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11.	Express Scripts – Prescription Plans Pre & Post Medicare	Ms. Daily, Sr. Director – Public Sector Ms. Patel, Sr. Clinical Account Executive	113

(Recess for lunch at the pleasure of the Board)

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15. Executive Session – ED Performance Evaluation Pursuant to NMSA 1978, Section 10-15-1(H)-(2) To Discuss Limited Personnel Matters	President	

(Recess until 9:00AM, July 25, 2025, in the same location)

MINUTES OF THE

NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

REGULAR MEETING

June 3, 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
Mr. Lance Pyle, Secretary [virtual]
Ms. Christine Anaya [Designee for Hon. Laura M. Montoya, NM State Treasurer] [virtual]
Ms. Raquel Alirez [virtual]
Dr. Lee Caruana
Ms. Renee Garcia
Ms. Kate Brassington

Members Excused:
Mr. Gerry Washburn
Ms. Alex Castillo Smith
Ms. Donna Sandoval

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

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

5. APPROVAL OF REGULAR MEETING MINUTES: MAY 6, 2025

Ms. Brassington moved approval of the minutes of May 6, 2025. Dr. Salazar seconded the motion, which passed with Dr. Caruana and Secretary Pyle in abstention.

6. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

7. COMMITTEE REPORTS

- The Executive Committee met to review today's agenda. [Chair Saunders]
- The Legislative Committee met and discussed hiring a lobbyist for the 2026 legislative session. Also discussed was what the committee might want to do about the bill that has been introduced in the last two sessions. [Dr. Salazar]
- The Wellness Committee met on May 20 and received an update from Mr. Biggs on the Wellness Fairs. Also received updates on the three service programs offered by the agency's insurance carriers. Also heard from carrier representatives about wellness outcomes. [Dr. Caruana]
- The Finance Committee met on May 26 and recommended approval on one item which is on today's agenda. [Ms. Brassington]
- The Audit Committee on May 28 and discussed the professional services contract which will be addressed in executive session on today's agenda. [Mr. Kueffer on behalf of Ms. Sandoval]

8. STAFF UPDATES

a. Human Resources

Ms. Atencio presented HR updates. She said the search for internal General Counsel continues.

b. GAP/Outcomes Conference

Ms. Atencio discussed highlights from the Express Scripts Outcomes Conference in Miami that she attended on May 6-9.

c. Wise and Well Health Fairs

Mr. Biggs reported on attendance at the Wise and Well health fairs in Las Cruces and Santa Fe. Both events went well.

d. April 30, 2025, SIC Report

Mr. Kueffer reported an ending balance of $1.67 billion, a new record for the fund.

9. LEGAL SERVICES CONTRACT (ACTION ITEM)

Ms. Atencio noted that, following the board's approval in April of a $25,000 small purchase contract for legal services for FY26, NMRHCA released an RFQ to three law firms and received one response, which was from Rodey Law Firm. Staff reviewed the response and recommended Rodey to continue providing outside counsel services. In addition to their years of experience with NMRHCA and NMRHCA's unique needs, Rodey provided a detailed and competitive quote based on the services outlined in the scope of work, experience in relevant industries, and competitive pricing.

Ms. Atencio requested approval to enter into contract negotiations with Rodey to provide legal services effective July 1, 2025.

Chair Saunders stated that the Finance Committee recommends approval of this request.

Ms. Brassington moved for approval. Dr. Caruana seconded the motion, which passed unanimously.

10. LOBBYIST CONTRACT (ACTION ITEM)

Mr. Kueffer said staff is requesting approval to execute a small purchase agreement from Program Support for lobbying services related to the upcoming 2026 legislative session in an amount not to exceed $32,456.25 plus GRT. The contract will be to provide support for proposed legislative action pertaining to the protection of the NMRHCA trust fund through a joint resolution.

Mr. Kueffer stated that there were two responses to the RFQ, one from the incumbent. A third lobbyist declined to submit a proposal at this time. Staff believes that the incumbent, Robert Romero & Associates, will be able to provide the services being requested. In addition, Mr. Romero offered a reduced fee in the event no legislation is proposed by the NMRHCA in the upcoming session.

Dr. Caruana moved for approval. Dr. Salazar seconded the motion.

Ms. Anaya asked if a game plan was submitted for the 30-day session by each of the respondents. Mr. Kueffer responded no game plan was submitted, although there was strategizing by the Legislative Committee in terms of seeking support of the resolution from legislators in the upcoming session. The lobbyist would help the NMRHCA draft that strategy.

Mr. Kueffer clarified for Ms. Anaya that the LFC will be meeting prior to the lobbyist contract ending on June 30.

The motion passed, with Ms. Anaya in abstention.

11. INVESTMENT POOLS CHANGES

Mr. Kueffer stated that the NMRHCA received notification from the SIC on May 1 announcing upcoming changes to its non-US public equity pools. Beginning July 1, 2025, 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.

Jared Pratt, consultant with Meketa, stated that he would discuss metrics and 10- and 20- year forward-looking horizons at the upcoming annual meeting. He said it is very difficult to figure out what will happen with tariffs, which are changing by the day, but the time horizon is much longer than any administration's term.

Mr. Pratt said a decision will have to be made on using the SIC's active manager pool, which costs a little bit more, but the active manager would be looking at tariff implications on each individual company that they're buying.

12. NEW ENTITY PARTICIPATION REQUEST

Mr. Kueffer stated that the Town of Clayton notified NMRHCA on May 27 that its governing body will meet on June 11 to vote on the Town's participation in coverage under the Retiree Health Care Act. The Town is requesting a waiver of the 30-day notice requirement, which will enable the Town to begin participation effective July 1, 2025. NMRHCA plans to schedule a virtual special board meeting at the end of this month to address the Town's participation.

Mr. Kueffer said a buy-in study prepared by Segal (page 19) reflects a total participation cost of $261,994 based on current active members. He noted that there are two timeframes for new entities, with the first timeframe from July 1 to January 1. During this period, the entity provides their payroll deductions and payment to the agency and includes any new retirees who would become eligible.

13. 2026 SEGAL OVERVIEW: DEBBIE DONALDSON, CLIENT RELATIONSHIP MANAGER

Ms. Donaldson presented this report.

14. 2026 PRELIMINARY PLAN DISCUSSIONS

Mr. Kueffer reviewed his summary report on potential changes in 2026.

15. ANNUAL BOARD RETREAT

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

Mr. Biggs discussed logistics for the upcoming retreat as well as actions that are customarily taken by the board at the annual meeting.

16. OTHER BUSINESS

None.

17. EXECUTIVE SESSION: 11:15 a.m.

- **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.**

Ms. Brassington moved to enter executive session for the purpose stated on the agenda. Dr. Salazar seconded the motion, which passed unanimously.

[The board was in executive session from 11:25 a.m. to 11:51 a.m.]

Dr. Caruana moved to come out of executive session. The only item discussed related to the contents of competitive sealed proposals pursuant to the Procurement Code, RFP #26-343-0380-0001: Professional Audit Services, and RFP #342-2025-03 IBAC PBM Consultant. Ms. Brassington seconded the motion, which passed unanimously.

18. PROFESSIONAL AUDIT SERVICES CONTRACT (ACTION ITEM)

Mr. Kueffer requested approval to begin negotiations with the selected vendor so a contract can be in place on July 1, 2025.

Dr. Caruana so moved. Dr. Salazar seconded the motion, which passed unanimously.

19. IBAC CONSULTANT FOR PHARMACEUTICAL BENEFIT MANAGEMENT SERVICES (ACTION ITEM)

Mr. Kueffer requested approval to delegate to the staff the ability to negotiate a contract with the highest scoring vendor.

Dr. Caruana so moved. Dr. Salazar seconded the motion, which passed unanimously.

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20. DATE AND LOCATION OF NEXT BOARD MEETING

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

21. ADJOURN: 11:57 a.m.

Accepted by:

_____
Therese Saunders, President

MINUTES OF THE

NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS

REGULAR MEETING

June 25, 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 9:00 a.m. in a virtual meeting.

2. ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present:
Ms. Therese Saunders, President (joined meeting at 9:12 AM)
Dr. Tomas Salazar, Vice President
Mr. Lance Pyle, Secretary
Ms. Christine Anaya [Designee for Hon. Laura M. Montoya, NM State Treasurer]
Ms. Roxanne Alirez
Mr. Gerry Washburn
Ms. Donna Sandoval
Ms. Renee Garcia

Members Excused:
Dr. Lee Caruana
Ms. Alex Castillo-Smith
Ms. Kate Brassington

Staff Present:
Mr. Neil Kueffer, Executive Director
Ms. Linda Atencio, Deputy Director
Mr. Jess Biggs, Communications Director

3. PLEDGE OF ALLEGIANCE

Chair Salazar led the Pledge.

4. APPROVAL OF AGENDA

Mr. Pyle moved approval of the agenda, as published. Unanimous vote to accept agenda, as published.

5. NEW ENTITY PARTICIPATION REQUEST TOWN OF CLAYTON – ACTION ITEM: Mr. Kueffer

Mr. Kueffer presented the documentation and process for the consideration for the Town of Clayton as a new entity participant with NMRHCA including the request letter, the Segal Actuarial Buy-In Analysis, and the official Resolution by The Governing Body for the Town of Clayton electing to be a participating entity and made the official request of the NMRHCA Board of Directors to approve this action item.

Chair Salazar received a motion from Ms. Roxanne Alirez and a second by Mr. Lance Pyle before considering comments and questions. Ms. Alirez asked if the Town of Clayton was a participating employer with PERA, which Mr. Kueffer confirmed that they were.

A roll call vote resulted in a unanimous approval of the action item by all board members present.

6. OTHER BUSINESS

Chair Salazar turned the meeting over to President Saunders, who arrived after the meeting started. Upon Ms. Saunders taking charge of the meeting, it was determined that there was no other business to be conducted by board members or staff.

7. DATE AND LOCATION OF NEXT BOARD MEETING

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

8. ADJOURN: 9:24 a.m.

Accepted by:

_____

Therese Saunders, President

2025 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 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 304 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.

FY26 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	**Finance & Investment**	**Legislative**
Ms. Saunders, President	Ms. Brassington, Chair	Mr. Salazar, Chair
Mr. Salazar, Vice President	Ms. Castillo-Smith	Ms. Montoya
Mr. Pyle, Secretary	Mr. Washburn	Mr. Pyle
	Ms. Sandoval	Ms. Alirez
	Ms. Alirez	Mr. Washburn

Audit	**Wellness**
Ms. Sandoval, Chair	Mr. Caruana, Chair
Mr. Salazar	Mr. Pyle
Ms. Montoya	Ms. Saunders
Mr. Pyle	Ms. Garcia
	Ms. Castillo-Smith

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 or 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. 2026-1

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 24 and 25, 2025.

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 24th day of July 2025.

_____	_____
Board President	Neil Kueffer, Executive Director

JULY 24, 2025

NMRHCA Board Retreat

Nicole Chavez, Director – Medicare Sales and Outreach

Warren Lawrence, Account Executive

Phillip Anaya, Account Manager III

Adriana Lopez, Director – Health and Wellness

PRESBYTERIAN

Presbyterian exists to ensure all of the patients, members and communities we serve can achieve their best health.

Who We Are

- Founded in 1908 – Presbyterian has been serving New Mexicans for 117 years
  - PHP –Presbyterian Health Plan
  - PDS – Presbyterian Delivery System
  - PMG – Presbyterian Medicare Group
- 9 Hospitals in 8 Communities
- 1,200+ providers / 3,500 nurses
- 950,000 Individual customers
- 600,000+ Health Plan Members

RISHI SIKKA, MD

PRESIDENT AND CEO

Sikka is a compassionate, innovative physician executive with deep knowledge of complex systems and more than 20 years of leadership experience across the healthcare industry—from medical group and delivery systems to health plan operations.

In his most recent role as president of Village Medical, a leading provider of coordinated primary care services, he had executive and clinical oversight of more than 100 clinics in six states. Before that, he served as president of system enterprises for Sutter Health, an integrated healthcare system, where he managed ambulatory, population health, non-clinical and health plan business.

Rishi earned his medical degree from Mayo Clinic Alix School of Medicine and a bachelor's degree in economics at the Wharton School at the University of Pennsylvania.

After earning his medical degree, Rishi practiced as an emergency medicine physician and held clinical and executive leadership positions at Advocate Health Care in Illinois. He has also held faculty positions at Brown University, the University of Illinois and Boston University.

LAUREN MADIGAN

EVP AND CHIEF OPERATING OFFICER

Ms. Madigan has held several leadership positions since joining the organization in 1999, including Senior Vice President, Market Development and Operational Planning, Chief Operating Officer in Central New Mexico, and, most recently, Vice President, Ventures where she led the development of ambulatory surgery centers and PRESNow locations.

She is a member of the New Mexico Chapter of the International Women's Forum and serves on the TriCore Reference Laboratories Board of Directors and Greater Albuquerque Chamber of Commerce Board of Directors. She previously served on the Albuquerque Ambulance Service Board of Directors, as well as on the management committee of the Albuquerque Ambulatory Eye Surgery Center.

Ms. Madigan earned Master of Business Administration and Master of Health Administration and Policy degrees from Arizona State University and a Bachelor of Arts in Economics and Business Administration degree from Centenary College of Louisiana.

Medicare Enrollment

Membership by Benefit Plan

Top 3 Member Plans	Jan 2023 - Dec 2023	Jan 2024 - Dec 2024	% Change
HMG20003 - NMRHCA PLAN I_A0006543	7,613	7,454	-2.1%
HMG20004 - NMRHCA PLAN II_A0006543	1,526	1,470	-3.7%
All Other			
Summary	**9,139**	**8,923**	**-2.4%**

Top 5 Member Counties	Jan 2023 - Dec 2023	Jan 2024 - Dec 2024	% Change
Bernalillo, NM	5,174	5,069	-2.0%
Sandoval, NM	1,075	1,059	-1.5%
VALENCIA, NM	695	689	-0.9%
Santa Fe, NM	636	631	-0.8%
SAN MIGUEL, NM	247	247	0.0%
Top 5 Counties Summary	**7,827**	**7,694**	**-1.7%**
All Other Counties	**1,312**	**1,229**	**-6.3%**
Overall Summary	**9,139**	**8,923**	**-2.4%**

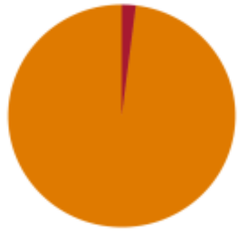
- Average Members decreased 2.4% compared to the prior reporting period and Average Subscribers decreased 2.4%.
- Your population is 58.7% female with an overall average age of 73.2 years.
- Enrollment in the Medicare POS product type decreased 2.1% compared to the prior reporting period.

Medicare High-Cost Claimants

Top HCC Leading Diagnostic Categories	Claimants	Paid	Paid/Claimant
Neoplasms	**110**	**$6,212,033.62**	**$56,473.03**
Male reproductive system cancers - prostate	12	$931,771.75	$77,647.65
Multiple myeloma	13	$816,187.03	$62,783.62
Respiratory cancers	9	$573,380.36	$63,708.93
All Other	99	$3,890,694.48	$39,299.94
Circulatory	**137**	**$2,228,819.07**	**$16,268.75**
Acute myocardial infarction	12	$329,825.63	$27,485.47
Coronary atherosclerosis and other heart disease	30	$309,979.54	$10,332.65
Hypertension with complications and secondary hypertension	27	$281,807.38	$10,437.31
All Other	135	$1,307,206.52	$9,683.01
Nervous System	**101**	**$1,951,193.08**	**$19,318.74**
Myopathies	8	$1,083,133.53	$135,391.69
Other nervous system disorders (neither hereditary nor degenerative)	27	$382,094.75	$14,151.66
Polyneuropathies	12	$252,386.15	$21,032.18
All Other	86	$233,578.65	$2,716.03
All Other	**178**	**$20,582,462.62**	**$115,631.81**
Total	**178**	**$30,974,508.39**	**$174,014.09**

High-Cost Claimants

1.99%
of Membership
0.98% Benchmark



Accounted for

178
High Cost Claimants

***143** prior*

26.5%
of Total Paid
23.7% Benchmark

29.8%
Repeat HCCs
31.6% Benchmark

$31.0 M
Total Paid
$25.1 M prior period

100.0%
Employees
91.7% Benchmark

73
Average Age
50 Benchmark

53.9%
Female
49.1% Benchmark

Note: High-Cost claimants are defined as members with more than $100,000 in claims.

Medicare Overview

Top 5 Chronic Conditions

- Hyperlipidemia (cholesterol)
- Hypertension
- Rheumatoid Arthritis and Osteoarthritis
- Renal
- Diabetes

Inpatient

- Days spent inpatient is down 6% between reporting years. (12,043 in 2023 vs. 11,315 in 2024).
- Other sepsis accounted for the largest inpatient diagnosis.

Emergency Room

- Cost is slightly up while utilization is down.
- Total ER visits are 2,585 in 2023 vs. 2,412 in 2024.
- 12.3% of ER claims were members with 3+ visits.

Telehealth

- Telehealth services saw an overall 17.3% increase in 2024 compared to 2023.
- 880 total telehealth visits in 2024.
- Obstructive Sleep Apnea was the most frequent diagnosis followed by Generalized Anxiety Disorder.

Pharmacy Utilization (Medicare)

New Cost of Care Activities

- GLP1 30-day limits: Reduces waste and overall spend
- Annual Refill Threshold: Limits annual excess day supply to 14 days rather than allowing 7 excess days per month
- Rebate Optimization: Contracted with new rebate aggregator to optimize rebates while not increasing up front costs
- NADAC Plus Pricing: Implement contract pricing that applies NADAC like costs to NDC's that don't have NADAC pricing
- Biosimilar Adoption: Actemra, Stelara & Xolair are largest opportunities for 2025

NMRHCA- MEDICARE PRESCRIPTION PAYMENT PLAN (M3P)

- 67 members were identified through previous drug history as being likely to benefit.
- These members received targeted letter detailing the program and opt in form to complete if they wish to participate.
- 6 members have voluntary termed from the program.
- There have been no in-voluntary terms. 31 members are currently opted into the program and are paying $0 when picking up covered prescription drugs at the pharmacy.
- Members received the medication they need and can spread out the member out of pocket over remaining months of the year

Health Plan Place and Medicare Advantage Clinic (MAC)

- Health Plan Place offers a multitude of services and not cost fitness/wellness classes that are specifically tailored to the Medicare population.
- Get assistance in-person with claims/billing issues, help setting up/navigating MyPres/MyChart apps.
- Sit and chat with staff and other members for social connection over a cup of coffee.

- The MAC is a dedicated clinic for Presbyterian Medicare Advantage Plan members.
- 214 NMRHCA Retiree members have paneled with a MAC provider.
- Members can get an appointment with 48 hours.
- Meet The MAC events held to inform members of the facility and get them a PCP if they needed it.

Non-Medicare At-A-Glance

Enrollment

- Saw about a 10% drop in enrollment through the end of 2024, ending the year at 5,223 total members of which 56% were enrolled in the Premier PPO.
- Top 5 counties include: Bernalillo, Santa Fe, Sandoval, Valencia, and San Miguel.

Top Diagnostic Categories

- Neoplasms (cancer)
- Musculoskeletal
- Digestive
- Circulatory

Emergency Room

- Cost and utilization slightly up.
- Retirees are outperforming peer groups and utilizing the ER more appropriately.
- PresNow continues to prove beneficial with members only being charged for the level of care provided.

Top 5 Chronic Conditions

1. Hyperlipidemia (cholesterol)
2. High Blood Pressure
3. Rheumatoid Arthritis and Osteoarthritis
4. Obesity
5. Diabetes

Inpatient

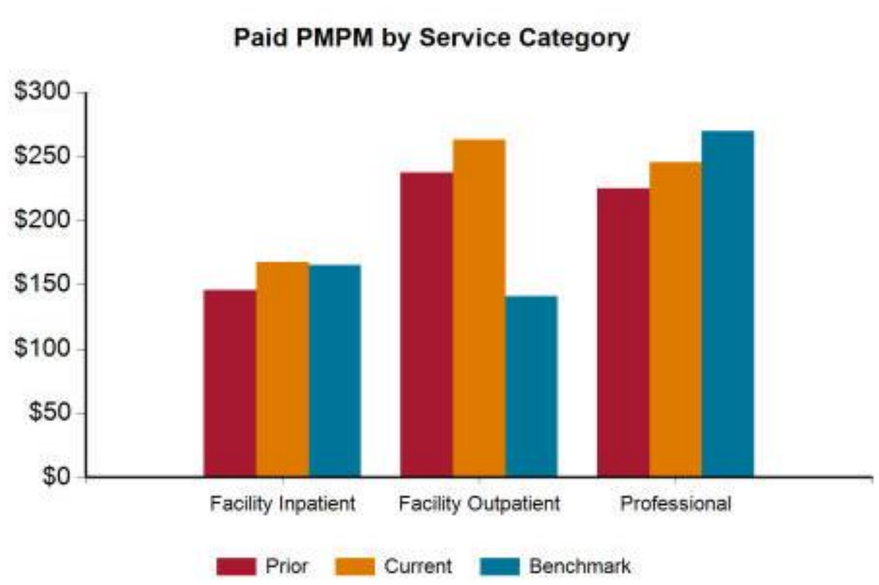
- Saw a slight increase in admission in 2024 compared to the prior year but these were less acute than years past with the average length of stay going down 23% from 7.5 to 5.8 days.
- Primary driver has to do with surgical costs.
- There was about a 5% drop in admissions in Q12025.

Telehealth

- Steady increase in utilization with 15% more telehealth visits in 2024 than the prior year.
- Retirees had over 1,100 telehealth visits last year.
- About 50% were for behavioral health with the most frequent diagnoses being generalized anxiety disorder and chronic PTSD.

Non-Medicare By the Numbers

Financial Key Indicators	Jan 2023 - Dec 2023	Jan 2024 - Dec 2024	% Change
Billed	$106,675,571.53	$100,181,807.15	-6.1%
Network Savings	$58,705,178.35	$52,445,570.76	-10.7%
Allowed	$47,970,393.18	$47,736,236.39	-0.5%
Out of Pocket	$5,550,068.15	$5,334,549.09	-3.9%
Total COB Adjustment	$2,205.94	$25,565.13	1,058.9%
Paid	$42,410,859.09	$42,375,574.87	-0.1%
Paid PEPM	$608.76	$676.18	11.1%
Paid PMPM	$608.76	$676.16	11.1%
HCC Paid PMPM	$233.49	$267.00	14.4%
Excluding HCC Paid PMPM	$375.27	$409.16	9.0%



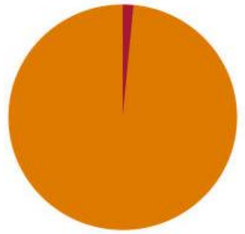
$676.16
Current Paid PMPM

11.1%
Change Year Over Year

17.3%
Greater than Benchmark

High-Cost Claimants

1.53%
of Membership
0.83% Benchmark

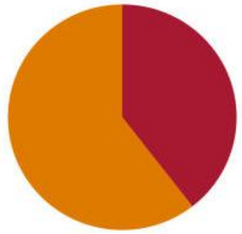


Accounted for

80
High Cost Claimants

***68** prior*

39.5%
of Total Paid
23.3% Benchmark



21.3%
Repeat HCCs
28.3% Benchmark

$16.7 M
Total Paid
$16.3 M prior period

100.0%
Employees
91.3% Benchmark

59
Average Age
50 Benchmark

50.0%
Female
47.9% Benchmark

Note: High-Cost claimants are defined as members with more than $100,000 in claims.

MOBILE UNIT

196 Retiree members received a biometric screening at no cost

- Attended 7 of 13 open enrollment events in the fall of 2024
- Supported Wellness Fairs in Spring of 2025
- All NMRHCA members can be seen regardless of insurance plan or coverage.
- Continued partnership – Working with staff to coordinate for the next round of open enrollment meetings in October.

Integrated Disease Management (DM)

3,386

Retiree members were engaged in disease management services offered by Presbyterian Medical Group (PMG)*

*90% based on 3,758 members who qualified.

85

Retiree members were engaged in our Healthy Solutions DM program, which includes care coordination for chronic condition management.

- **54.5% of younger members and 61.6% of senior members with Coronary Artery Disease (CAD) and Diabetes Management achieved controlled levels of LDL cholesterol post engagement.**
- **65.4% of younger members and 71.5% of senior members achieved an A1C < 8 post engagement.**

Disease Management Program Oversight and Self-Management Goals

Asthma	Coronary Artery Disease	Diabetes	Hypertension

• Increase Understanding of Condition
• Monitor Symptoms and/or Peak Flow Readings
• Avoid Exposure to Triggers
• Medication Adherence
• Reduce Risk
  ○ Influenza Vaccine
  ○ COVID19 Vaccine
  ○ Pneumococcal Vaccine (Seniors)
	• Increase Understanding of Condition
	• Healthy Heart Diet
	• Physical Activity
	• Smoking Cessation
	• Medication Adherence
	• Reduce Risk
	  ○ Influenza Vaccine
	  ○ COVID19 Vaccine
	  ○ Pneumococcal Vaccine (Seniors)
		• Increase Understanding of Condition
		• Blood Glucose Monitoring
		• Healthy Eating
		• Being Active
		
		• Medication Adherence
		• Reduce Risk
		  ○ Hgb A1C
		  ○ Lipid Panel
		  ○ Retinal Eye Exam
		  ○ DM Foot Exam
		  ○ Kidney Monitoring
		  ○ Influenza Vaccine
		  ○ COVID19 Vaccine
		  ○ Pneumococcal Vaccine (Seniors)
			• Increase Understanding of Condition
			• Blood Pressure Monitoring
			• DASH Diet
			• Physical Activity
			• Stress Reduction
			• Limit Alcohol Consumption
			• Reduce Risk
			  ○ CMP Panel
			  ○ Influenza Vaccine
			  ○ COVID19 Vaccine
			  ○ Pneumococcal
			  ○ Vaccine (Seniors)

Digital Physical Therapy

sword

Non-Medicare (2024)

2.6 : 1
return on investment[2]

$760.9k
in gross savings

$2,915
savings per member

Between January '24 and December '24, 366 members were enrolled, 7.1k sessions have been completed, and 58% no longer report moderate or severe limitations in their daily activities[1].

Medicare (Q1 2025)

517
new enrollments

5.1k
total sessions performed

330
new activations[2]

4.2/5
avg. session satisfaction[3]

1. Among those who reported a 4 or above on the Work Productivity and Activity Impairment Questionnaire-Question 6 at enrollment, and now report below 4 on their last reassessment
2. Relative to all fees billed during the measurement period and calculated as estimated savings per session ($211) x the avg. number of sessions per member (13.8) for those that were enrolled for at least 8 weeks and completed at least 1 session (261) during the measurement period, up to a maximum of 18 sessions.

NEW MEXICO RETIREE HEALTHCARE AUTHORITY members report clinically significant outcomes

69%

report feeling moderately better to much better in overall quality of life and/or physical ability

58%

no longer have moderate or severe limitations in their daily activities

73%

no longer report moderate to severe pain or symptom levels

54%

of members no longer report moderate to severe anxiety

19

estimated MSK surgeries avoided

68 per 1,000

53%

no longer have moderate to severe surgical intent

62%

of members no longer report moderate to severe depression

9.0/10

avg. program satisfaction

of 93 respondents

> "I can't believe how many years I've been suffering with that lower back pain! I just thought I had to live with it! To feel this relief is amazing! I don't know how it improved so fast, but WOW!"
>
> – NMRHCA Member

Community Health Workers (CHWs)

Serving NMRHCA since 2020…

Team includes Certified Community Health Workers with subspecialties in behavioral health, asthma, and diabetes, Certified Peer Support Specialists and Certified Family Peer Support Specialists.

CHWs perform an assessment to help determine the member's strengths and needs. They address social and health needs while focusing on health literacy and gaps in care.

Services are offered statewide with a combination of in-person and telephonic work. CHWs attend community events and attend member visits to clinics and facilities.

Going above and beyond:

- Community resources
- Government programs
- Extension of medical services and financial assistance
- Food insecurity
- Member advocacy
- Behavioral Health resources

450

Retiree members received assistance from CHWs in 2024

385

Assessments completed

COMMUNITY HEALTH WORKERS

PRESBYTERIAN

Dr. Makenzie Peterson

VP-Wellness and Employee Assistance Program
The Solutions Group

Dr. Makenzie Peterson is a behavioral and population health professional by training who brings a preventative, systems-based lens to her organizational change and social impact work as the Vice President of Wellbeing & Employee Assistance Programs at The Solutions Group (a division of Presbyterian Healthcare Services).

- Individual, organizational, national and international work
- Subject-matter expertise on evidence-based workplace wellbeing
- Wellbeing Program Director at Cornell University College of Veterinary Medicine
- organizational wellbeing and strategy consultant.
- contract work for Harvard Medical School, Harvard School of Public Health, and was a health specialist for a Harvard-MIT sponsored start-up based in Harvard Business School's Innovation Lab.
- Dr. Peterson completed her master's degree from the University of Utah in Health Promotion & Health Education and her Doctorate of Social Work from the University of Southern California

Good Measures > NationsBenefits

Good Measures combines clinical coaching, proprietary technology, and personalized food prescriptions to improve health outcomes through **food as medicine solutions**. It works with members trying to manage **nutrition-sensitive conditions.**

NationsBenefits delivers innovative healthcare solutions, enhanced **data analytics**, and enhanced member satisfaction.

What to expect:

Same programs for members –

- Better Health (Nutrition coaching only)
- Connected Diabetes
- NDPP
- Weight Loss
- Better Heart Health.

Same coaching model

Same platform

BlueCross BlueShield of New Mexico

New Mexico Retiree Health Care Authority

Board of Directors Meeting

July 24 – 25, 2025

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

Blue Cross and Blue Shield of New Mexico
Account Management Team & Internal Partners

Local Account Executives
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 Claim Process

Local Health Care Management

Local Customer Service

Appeals Team

Coordination with CMS for the Medicare Supplement Plan

Performance Guarantee Team

Worksite Wellness Team

Your Account Management Team

Lisa Guevara & Martha Jarrett
Account Executives

Matthew Wright
MAPD Account Executive

Megan Lyles
Associate Business Consultant

Jessica Payne
MAPD Associate Business Consultant

Jacqueline Pacheco
Wellness coordinator

Samantha Mensay
Clinical Community Coordinator

Lisa Sullivan & Chad Valdez
Clinical Account Consultants

Zoey Garrett
Account Consultant

BlueCross BlueShield of New Mexico

Pre-Medicare Plan Options

Premier 3-Tier PPO Plan
In state, out-of-state and international coverage
– 4,677 current members

Value Plan
Must reside in New Mexico;
Covered outside of New Mexico for urgent and emergency care
– 752 current members

Medicare Plan Options

Medicare Supplement
In state and out-of-state coverage;
Plan pays secondary to Medicare
– 19,564 current members

Medicare Advantage HMO & PPO Plans
Must reside in New Mexico and use the network of contracted providers except for urgent and emergency care while traveling outside of New Mexico
– 5,125 current members

Medical Plan Performance

Overall Trend

19.4% Increase

Paid PMPM **$847.29**

12.5% above benchmark

Inpatient	**+22.1%**
Outpatient	**+18.7%**
Professional	**+19.0%**

Total Paid
Current = $60.2M
Prior = $56M

High-Cost Claimants

1.64% **of total members**

97 **total HCCs**

$24.9M **total Paid**

Neoplasms HCCs increased from 30 to 35 claimants and increased from $6.7M prior spend to $10.7M in the current period

HCCs accounted for **41.3%** of total costs in the current period compared to **34.9%** in the prior period

Diagnostic Categories

Top Paid PMPM Diagnostic Categories

Neoplasms	**+65.8%**
Musculoskeletal	**+7.9%**
Genitourinary	**+17.5%**
Circulatory	**-10.6%**

These 4 diagnostic categories accounted for **54.0%** of total medical costs for 2024.

Key Findings & Cost Drivers

Neoplasms

Diagnostic Category with the largest increase at **+65.8%** Paid PMPM. Driven by a spike in HCCs.

Musculoskeletal

Largely driven by Surgical spend and made up **16.2%** of total plan spend compared to benchmark at 11.3%

Inpatient Admissions

This setting had the largest increase and was driven by HCCs which accounted for **67%** of Inpatient spend compared to 58% in 2023.

High-Cost Claimants

Excluding HCCs trend would have increased by only **7.7%** from prior year.

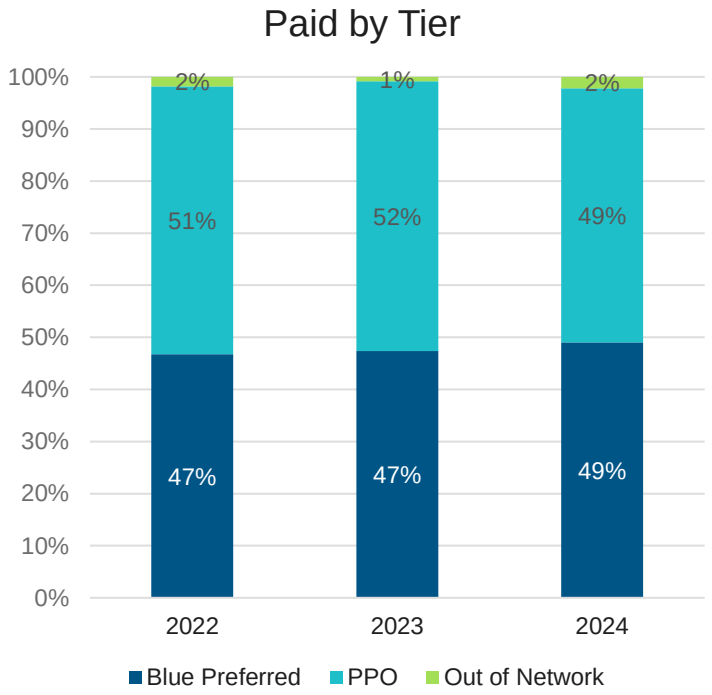
WBM Highlights

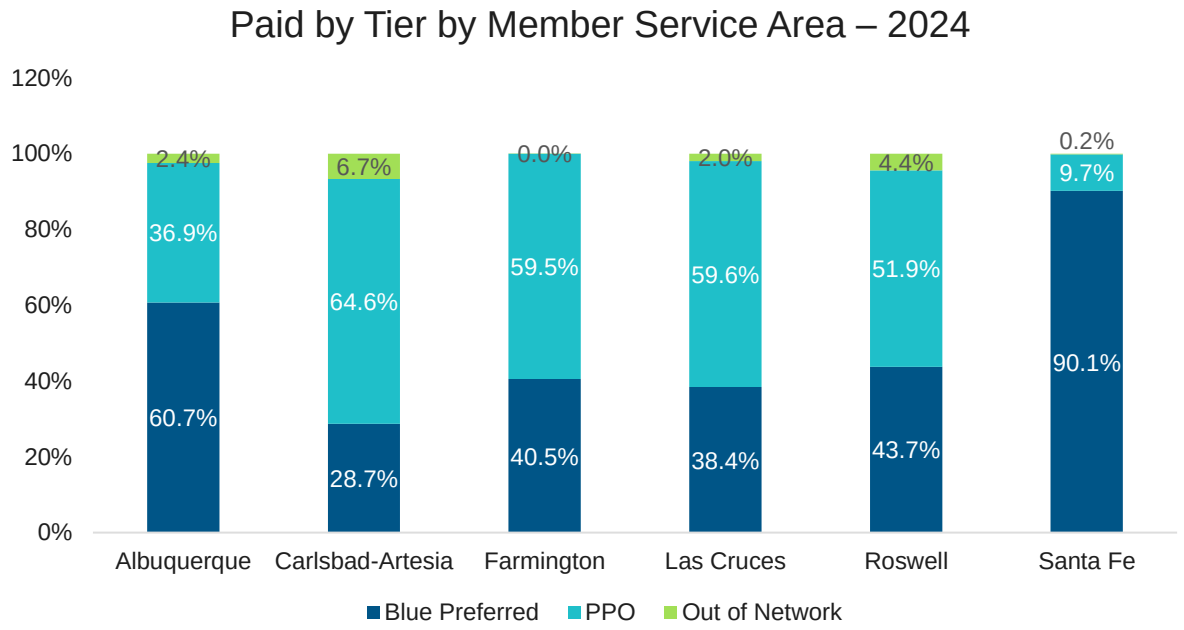
Empower+ Program Value
$29.72 PEPM

Clinically Managed
19.0%

High Risk Identified Members Engaged
61.9%

Network Performance





Network Performance 2024

59.6%

Discount percentage for claims from network and par providers

$86M

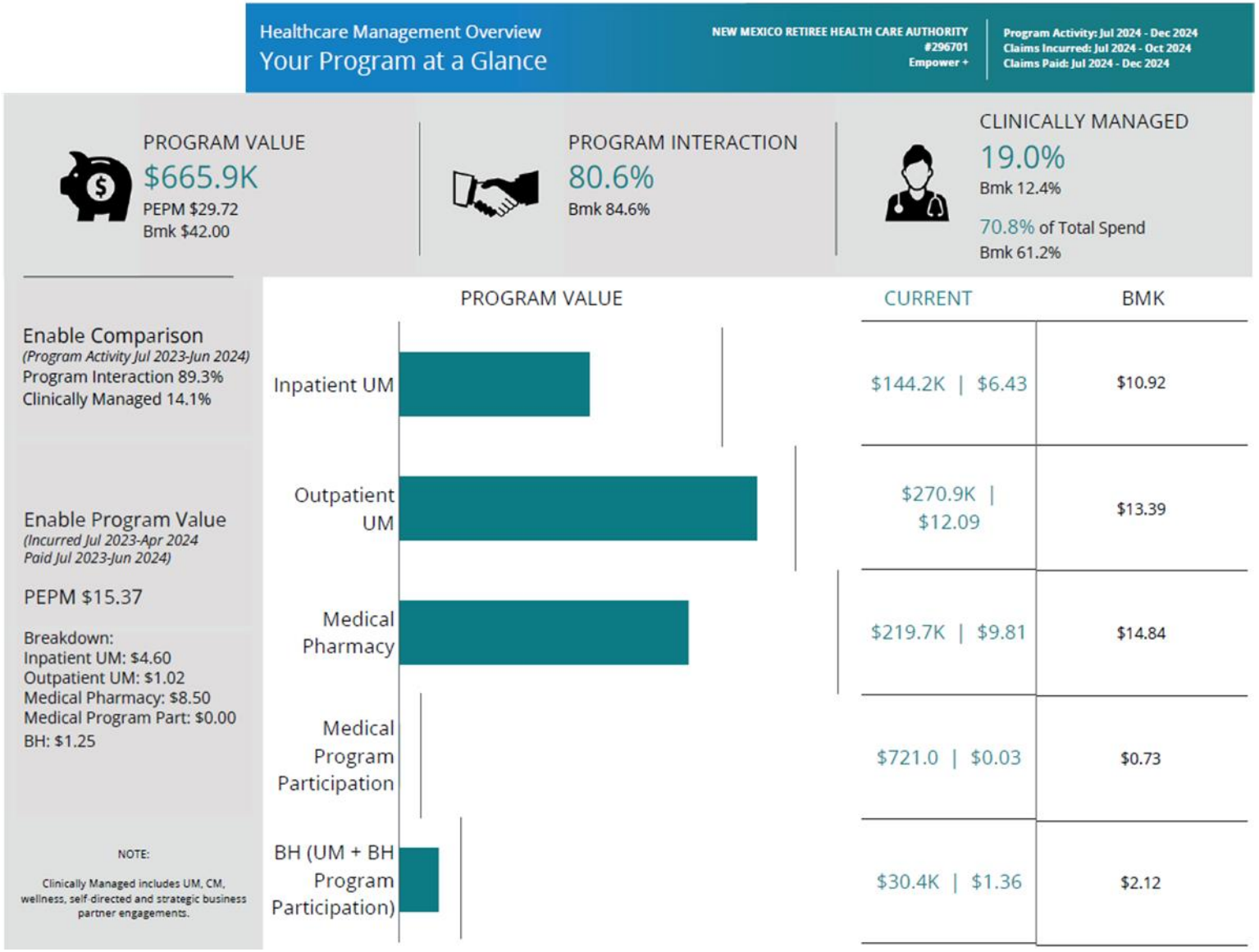
Total discount savings for claims from network and par providers

98%

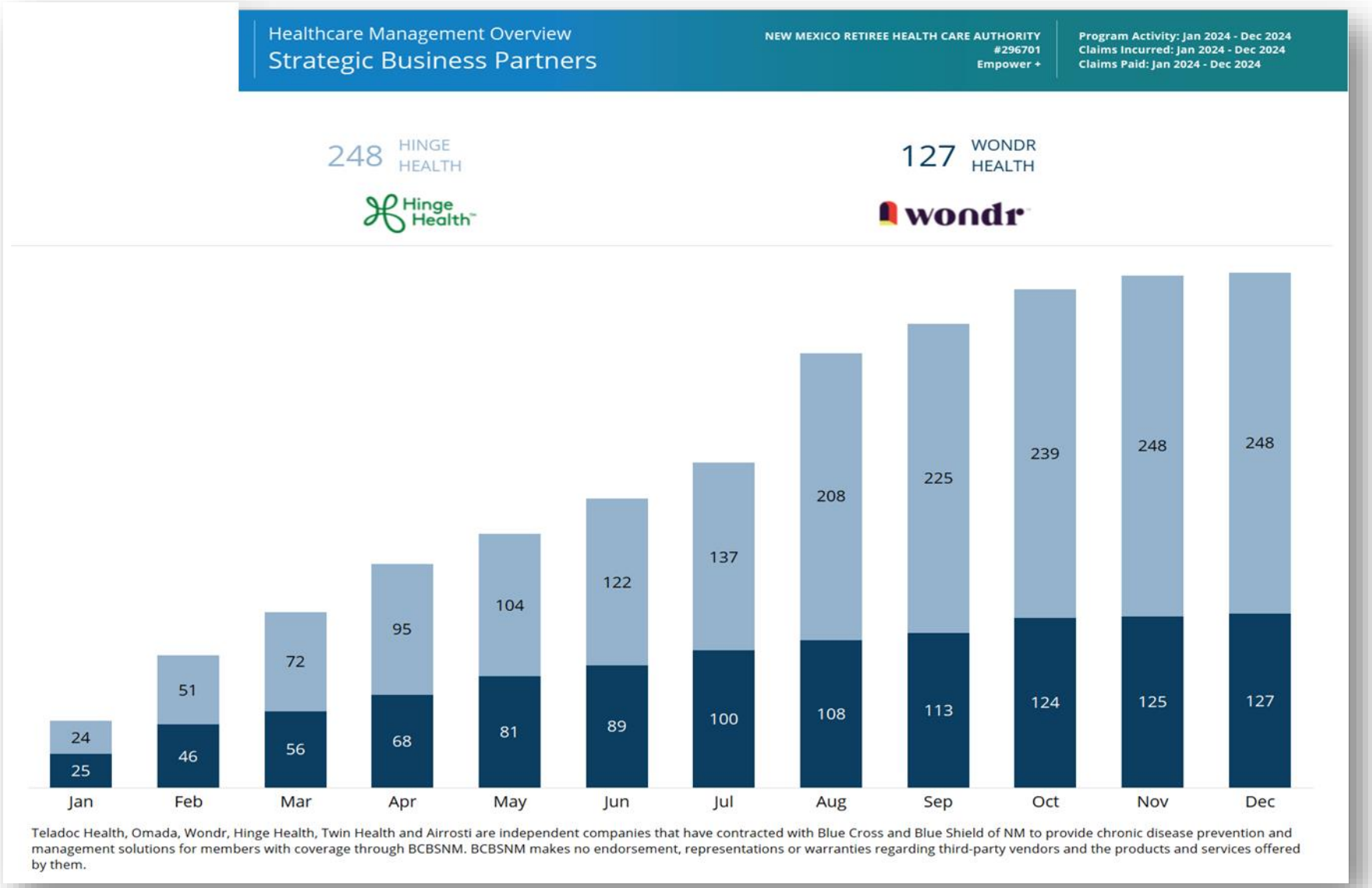
Claims paid with Tier 1 or Tier 2 benefits

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

Healthcare Management Empower+



Strategic Business Partners



Worksite Wellness 2024 Program Offerings

Mindset Mondays

- **Purpose:** Provide stress management techniques within a 15/20-minute time frame to value employee time
- **Outcome Reporting:**
  - Registration/Attendance
- Offered virtually one Monday a month at 8:30am and 3:45pm
- Presentation materials sent after event
- Open to all RHCA Retirees

Title	Month	Participation
Mindfulness & Physical Health	January	12
Decrease Stress for Heart Health	February	4
Trending in Nutrition	March	3
Spring (New Year') Resolutions	April	3
Moving Mindfully	May	1
Muscle Mobilization	June	5
Exercise & Play	July	3
Budgeting Mindfully	August	0
Compassionate Self-Care	September	2
Shift to Positive Thinking	October	0
A1C Explained	November	6
Tackling the Winter Blues	December	3

Health Education Classes & Webinars

- **Purpose:** Educate employees on identified health resources/topics
- **Outcome Reporting:**
  - Registration/Attendance
- 30 minutes in length*
- Offered virtually once per month at 4:00pm
- Available to all RHCA members

*Due to proprietary content, these presentation slide decks are not shared nor recorded
See all available topics Appendix A

Title	Month	Participants
Power of Prevention	January	3
Nutrition & Heart Health	February	3
Principles of Intuitive Eating	March	0
Resilience: Rising Strong	April	4
Better Sleep for Better Health	May	5
Wellness for Men: Live Better Longer	June	2
Hydration & Outdoor Exercise	July	0
Financial Wellness	August	0
Understanding Burnout	September	0
Women's Way to Wellness	October	4
Nutrition and Diabetes	November	7
Weaving Well-being Into Our Lives	December	3

Wellness Wednesdays Workshops

- **Purpose:** Educate employees on identified health resources and topics within a 15/20-minute time frame to value employee time
- **Outcome Reporting:**
  - Registration/Attendance
- Offered virtually one Wednesday a month at 8:30am and 3:45pm.
- Presentation materials sent after event
- Open to all RHCA members

Title	Month	Participation
Prevention Principles	January	11
Better Sleep for Better Health	February	8
Colorectal Cancer	March	4
How to Create a Balanced Life	April	3
Sleep – Why We Need It	May	0
Ergonomics 101	June	4
Sun Safety	July	0
Financial Fitness: 5 Focus Areas	August	0
Empathy and Positive Mental Health	September	1
Gratitude Journaling	October	0
Diabetes Nutrition	November	7
Say "NO" to New Year's Resolutions	December	2

Living Financially Well

- **Purpose:** Provide employees a behavior based financial wellness program. Useful tools included
- **Outcome Reporting:**
  - Registration/Attendance
- Open to all RHCA members
- 60 minutes in length

Month/Date	Participants
January 18, 2024	9
March 14, 2024	1
July 18, 2024	1
November 21, 2024	0

Behavioral Health

Access & Navigation

Mental Health Hub[1]

- One-stop shop for all member-facing mental health resources
- Digital navigation to guide the member to the right care for their behavioral health needs
- Includes access to specialists providing treatment for a variety of conditions, such as: substance use disorders, eating disorders, obsessive-compulsive disorders and pediatric mental health

Prevention & Support

Digital Anti-Stigma Campaign

- Comprehensive marketing campaign to address behavioral health stigma and connect members to a variety of resources

Risk Identification and Outreach Expansion

- Includes a new, predictive analytics model to identify members at risk with the goal of reducing adverse outcomes

Mental Health Response Course[2]

- An online, self-paced training to help employees develop skills to respond to signs and symptoms of mental illness and substance use in their colleagues

Workplace Crisis Intervention[2,3]

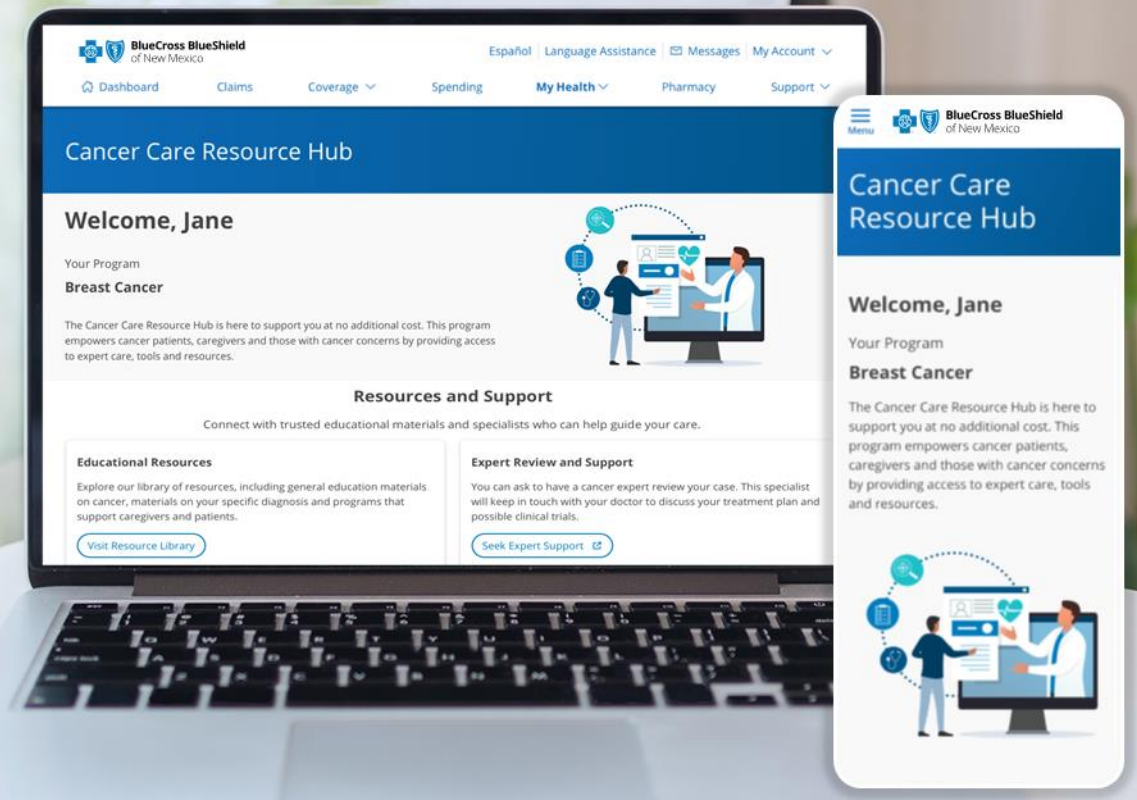
- Access to workplace crisis support should a tragedy occur that affects your employees[4]

[1]The Mental Health Hub will be launched on a rolling basis.
[2]Available as part of the Expanded Behavioral Health buy-up
[3]Available for groups both with and without the EAP
[4]Coverage provided for one crisis support session

Cancer Care Hub

ENHANCED SUPPORT
with Cancer Care Hub

Within Blue Access for Members℠, the Cancer Care support page* offers members and caregivers access to expert opinion, tools and resources at no additional cost.



*Mockup; subject to change

Women's and Family Health

Current State vs. 2026

We are committed to providing a market-leading Women's and Family Health offering that **empowers women and families** at every stage of life's journey.

Current Women's and Family Health	2026 Women's and Family Health*
• Digital solution for Maternity, Parenting and Menopause • Internal High-Risk Maternity Care Management • Preventive health reminders for gaps in care	• Women's and Family Health Core including internal High-Risk Maternity Care Management • A New Digital End-to-End Solution powered by Maven Clinic, including the following program options**: – Fertility and Family Building & Wallet for Adoption and Surrogacy – Maternity and Postpartum – Parenting and Pediatrics – Menopause and Midlife

*All features subject to funding approval.
**Pre-selected, utilization-based fee

Medicare Advantage Part D (MAPD) Plan

- Effective 7/1/24, successfully consolidated 2 HMOs and offered members a $0 premium to all enrolled in the HMO MAPD plan.
- Effective 1/1/25, proposed and selected as the new Default NPPO MAPD plan at a rate of $45 PMPM.
- BCBSNM is Committed to NMRHCA with rate caps in place thru 1/1/2028

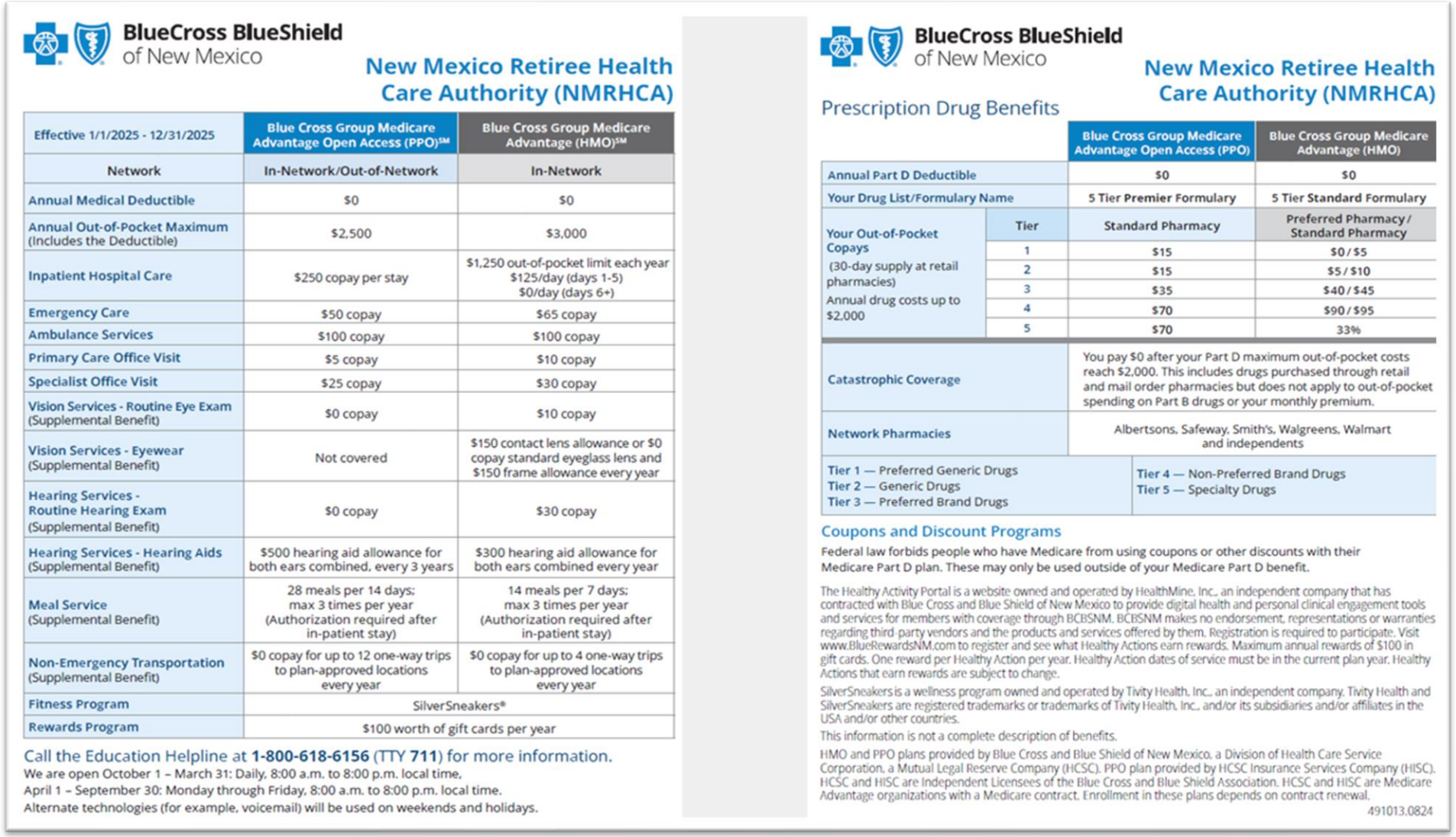
  - Overall, total MAPD membership increased by 44.7% to 5,125
  - Average age decreased from 76.2 to 75, a decrease of 1.6%
  - Female population is 57% compared to 43% male members

HMO Membership Demographics		
Reporting Period	**Jan 2024 - Dec 2024**	**Jan 2025 - June 2025**
Average Membership	3,541	3,276
Member Age	76.0	76.8
Gender		
% of Males	43.1%	42.8%
% of Females	56.9%	57.2%

Open Access PPO Membership Demographics	
Reporting Period	**Jan 2025 - June 2025**
Average Membership	1849
Member Age	72
Gender	
% of Males	42%
% of Females	58%

62

Medicare Advantage Part D (MAPD) Plan Comparison



BlueCross BlueShield of New Mexico

New Mexico Retiree Health Care Authority (NMRHCA)

Effective 1/1/2025 - 12/31/2025	Blue Cross Group Medicare Advantage Open Access (PPO)℠	Blue Cross Group Medicare Advantage (HMO)℠
Network	In-Network/Out-of-Network	In-Network
Annual Medical Deductible	$0	$0
Annual Out-of-Pocket Maximum (Includes the Deductible)	$2,500	$3,000
Inpatient Hospital Care	$250 copay per stay	$1,250 out-of-pocket limit each year $125/day (days 1-5) $0/day (days 6+)
Emergency Care	$50 copay	$65 copay
Ambulance Services	$100 copay	$100 copay
Primary Care Office Visit	$5 copay	$10 copay
Specialist Office Visit	$25 copay	$30 copay
Vision Services - Routine Eye Exam (Supplemental Benefit)	$0 copay	$10 copay
Vision Services - Eyewear (Supplemental Benefit)	Not covered	$150 contact lens allowance or $0 copay standard eyeglass lens and $150 frame allowance every year
Hearing Services - Routine Hearing Exam (Supplemental Benefit)	$0 copay	$30 copay
Hearing Services - Hearing Aids (Supplemental Benefit)	$500 hearing aid allowance for both ears combined, every 3 years	$300 hearing aid allowance for both ears combined every year
Meal Service (Supplemental Benefit)	28 meals per 14 days; max 3 times per year (Authorization required after in-patient stay)	14 meals per 7 days; max 3 times per year (Authorization required after in-patient stay)
Non-Emergency Transportation (Supplemental Benefit)	$0 copay for up to 12 one-way trips to plan-approved locations every year	$0 copay for up to 4 one-way trips to plan-approved locations every year
Fitness Program	SilverSneakers®	
Rewards Program	$100 worth of gift cards per year	

Call the Education Helpline at **1-800-618-6156** (TTY **711**) for more information.
We are open October 1 – March 31: Daily, 8:00 a.m. to 8:00 p.m. local time,
April 1 – September 30: Monday through Friday, 8:00 a.m. to 8:00 p.m. local time.
Alternate technologies (for example, voicemail) will be used on weekends and holidays.

BlueCross BlueShield of New Mexico

New Mexico Retiree Health Care Authority (NMRHCA)

Prescription Drug Benefits

		Blue Cross Group Medicare Advantage Open Access (PPO)	Blue Cross Group Medicare Advantage (HMO)
Annual Part D Deductible		$0	$0
Your Drug List/Formulary Name		5 Tier Premier Formulary	5 Tier Standard Formulary
Your Out-of-Pocket Copays (30-day supply at retail pharmacies) Annual drug costs up to $2,000	Tier	Standard Pharmacy	Preferred Pharmacy / Standard Pharmacy
	1	$15	$0 / $5
	2	$15	$5 / $10
	3	$35	$40 / $45
	4	$70	$90 / $95
	5	$70	33%
Catastrophic Coverage		You pay $0 after your Part D maximum out-of-pocket costs reach $2,000. This includes drugs purchased through retail and mail order pharmacies but does not apply to out-of-pocket spending on Part B drugs or your monthly premium.	
Network Pharmacies		Albertsons, Safeway, Smith's, Walgreens, Walmart and independents	

Tier 1 — Preferred Generic Drugs
Tier 2 — Generic Drugs
Tier 3 — Preferred Brand Drugs
Tier 4 — Non-Preferred Brand Drugs
Tier 5 — Specialty Drugs

Coupons and Discount Programs

Federal law forbids people who have Medicare from using coupons or other discounts with their Medicare Part D plan. These may only be used outside of your Medicare Part D benefit.

The Healthy Activity Portal is a website owned and operated by HealthMine, Inc., an independent company that has contracted with Blue Cross and Blue Shield of New Mexico to provide digital health and personal clinical engagement tools and services for members with coverage through BCBSNM. BCBSNM makes no endorsement, representations or warranties regarding third-party vendors and the products and services offered by them. Registration is required to participate. Visit www.BlueRewardsNM.com to register and see what Healthy Actions earn rewards. Maximum annual rewards of $100 in gift cards. One reward per Healthy Action per year. Healthy Action dates of service must be in the current plan year. Healthy Actions that earn rewards are subject to change.

SilverSneakers is a wellness program owned and operated by Tivity Health, Inc., an independent company. Tivity Health and SilverSneakers are registered trademarks or trademarks of Tivity Health, Inc., and/or its subsidiaries and/or affiliates in the USA and/or other countries.

This information is not a complete description of benefits.

HMO and PPO plans provided by Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC). PPO plan provided by HCSC Insurance Services Company (HISC). HCSC and HISC are Independent Licensees of the Blue Cross and Blue Shield Association. HCSC and HISC are Medicare Advantage organizations with a Medicare contract. Enrollment in these plans depends on contract renewal.

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Medicare Advantage Part D (MAPD) Plan Performance

TRENDS

Circulatory, Musculoskelatal, Neoplasms and Nervous System
47.1% of overall paid expenses

Emergency Room Visits
Increased by 50% (Still 18% lower than benchmark)

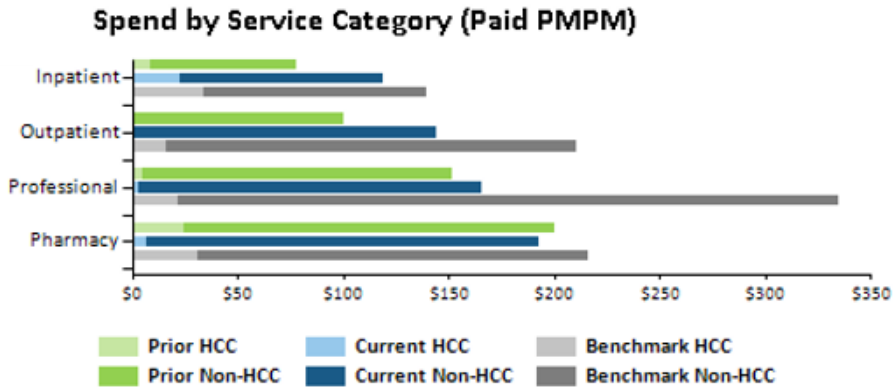
High Cost Claimants
19.8% Decrease

Key Metrics

	Jan 2024 - Mar 2024	Jan 2025 - Mar 2025	% Change	Benchmark
Paid	$5,660,207	$6,130,675	8.3%	
Paid PMPM	$531.23	$622.15	17.1%	$900.44
Medical Plan Performance				
Plan Share	91.3%	93.1%		98.4%
In-Network Paid %	92.7%	94.8%		86.5%
Members	3,552	3,285	-7.5%	

5
High Cost Claimants
6 prior

Membership: 5,125 – **44.7% Increase**
Average Age: 75
Gender Breakdown: 43% Male, 57% Female



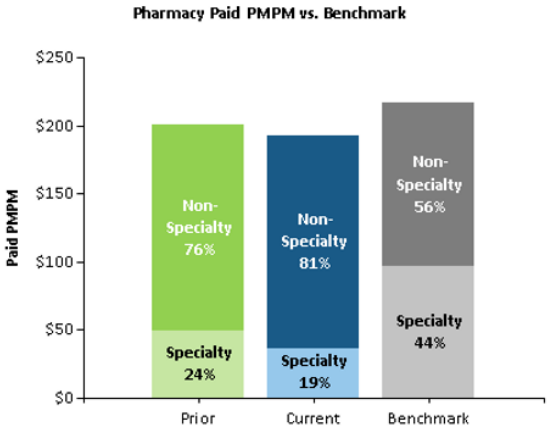
Pharmacy

Paid
Decreased 3.9%

Specialty Drugs
Accounted for 18.9% of pharmacy spend

Humira Pen, Privigen and Winrevair

Top 3 Non-Specialty Drugs by cost
Eliquis, Jardiance and Ozempic



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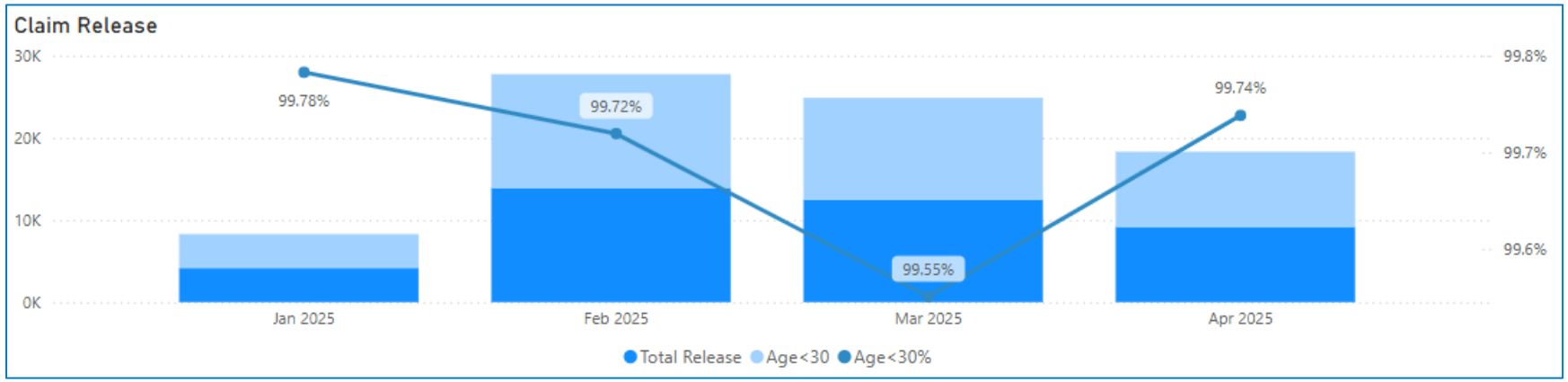
Medicare Advantage Part D Plan (MAPD) Claim Performance



2025	BoB Total Released	NMRHCA Total Release	% of Age <30	% of Age <60	Thruput	% of Thruput
January	160,397	4,144	99.78%	99.97%	3,011	72.66%
February	350,622	13,896	99.72%	100%	11,658	83.89%
March	317,222	12,461	99.55%	99.99%	9,899	79.44%
April	230,383	9.166	99.74%	99.99%	6,773	73.89%
Total	1,058,724	39,667	99.68%	99.99%	31,341	79.01%

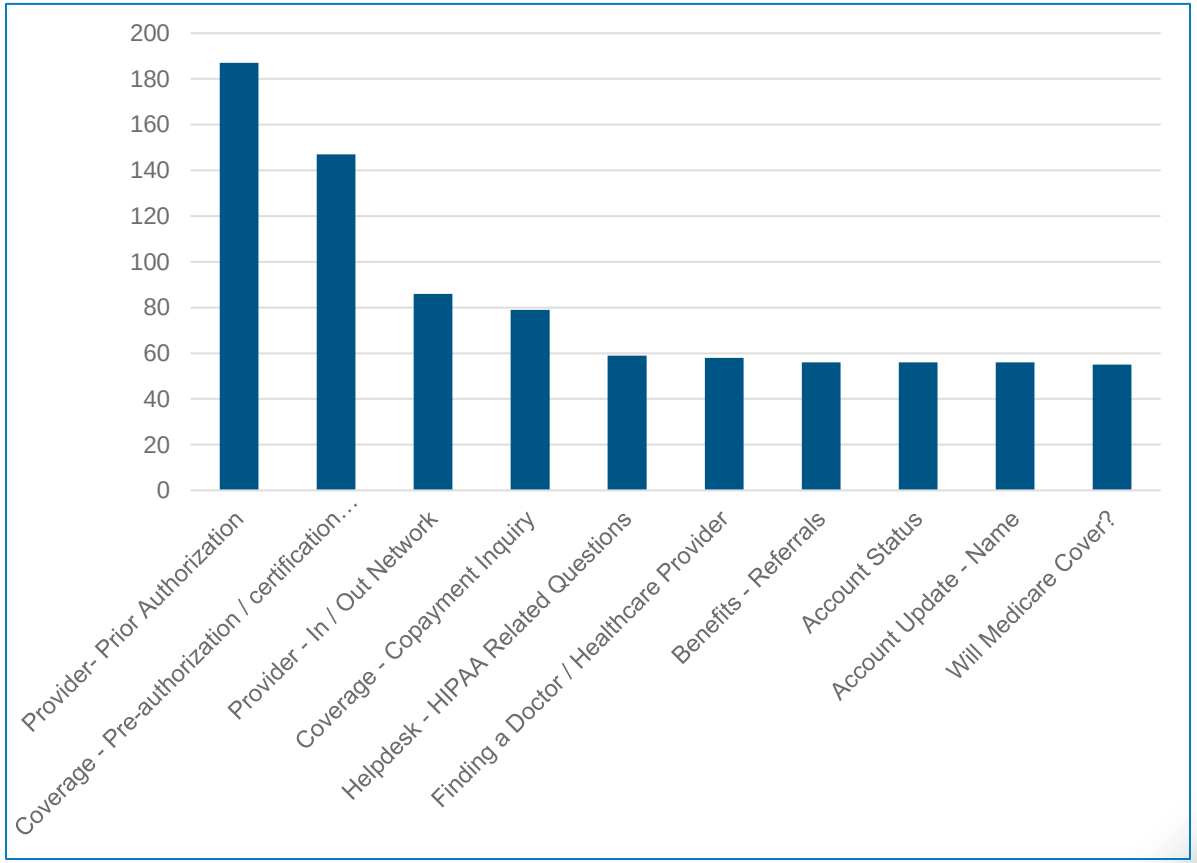
Medicare Advantage Part D (MAPD) Plan Call Center

Performance

2025	January	February	March	April	Total
Total Calls Received	1,154	686	784	690	3,314
Calls Received – Spanish	4	1	2	0	7
Abandoned Calls	3	9	6	7	25
Member Engagement Rate *(based on active membership)*	63.93%	36.98%	41.20%	35.15%	44.32% avg.
Average Speed of Answer *(Calls answered <30 seconds)*	88.82%	72.30%	84.69%	81.16%	82.83% avg.
First Call Resolution Rate	98.62%	98.86%	98.45%	98.65%	98.62% avg.

Top Call Topics

Snapshot of top call drivers for the month of April



Medicare Advantage Part D Plan (MAPD) What is new?

- Insulin cap – In 2023 monthly insulin costs were capped at $35 (or 25% of negotiated price), both in-network and out-of-network. This cap now applies annually beginning in 2026.
- Vaccines – All recommended adult vaccines under Part D must be offered at $0 cost-sharing.
- Payment Plan (M3P) The IRA's drug payment plan is now codified – automatic renewal unless you opt-out.
- Part D – Max out-of-pocket has increased to $2,100 for 2026.
- Telehealth (MDLIVE) – Expect more emphasis on primary and specialty care.

Appendix

Virtual Primary Care

galileo

High-Quality Virtual Primary Care That's Always Available

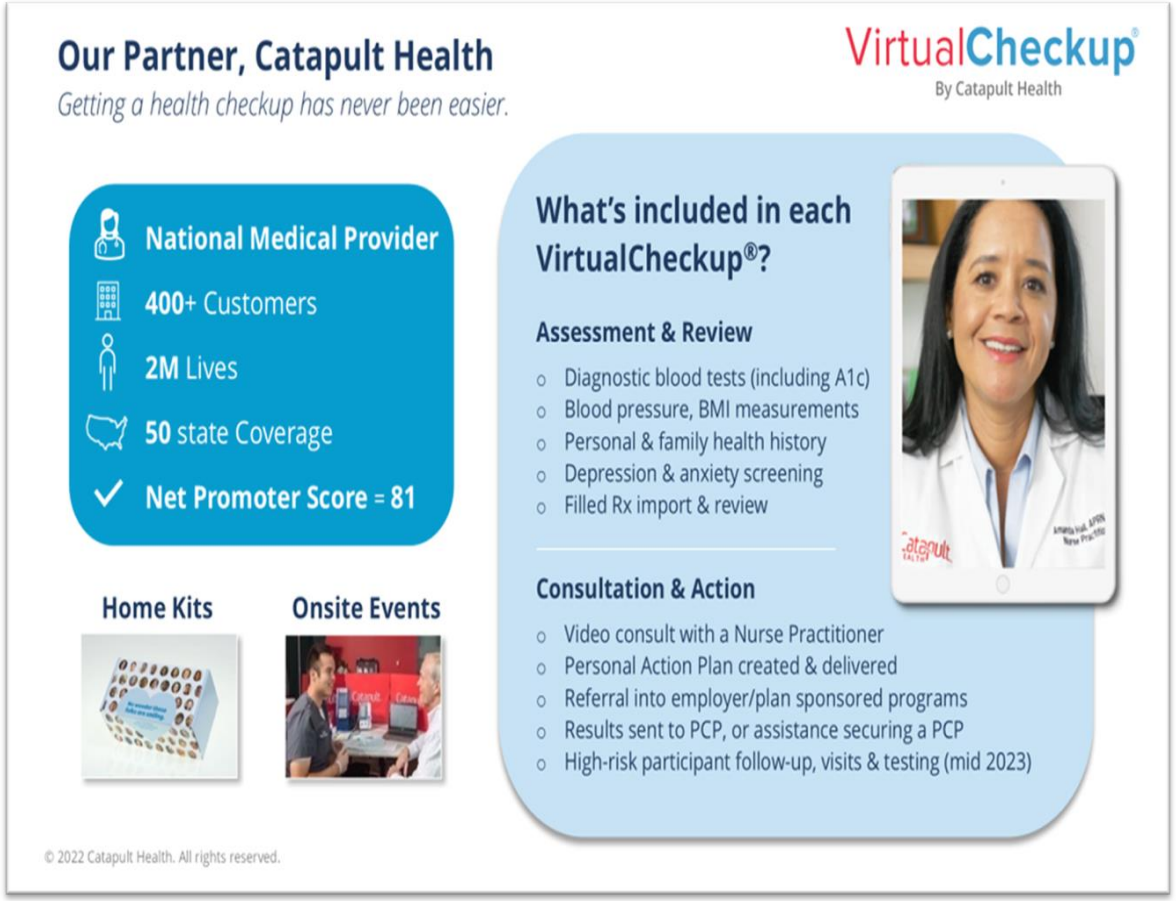
How Galileo Works

- Connect with real doctors anytime via video or chat on the Galileo app (available in English & Spanish).
- Get care for almost any health concern, from everyday issues like acne and colds to ongoing conditions like anxiety and diabetes.
- Prioritize your health with an annual wellness visit over video.
- Feel heard, not rushed. Galileo providers take their time and listen to your questions and concerns.

Enroll Now:

Scan the QR code with your phone camera or visit: galileo.health/bcbsnm

Need help?
Call: (855) 648-8859
Email: support@galileohealth.com



New Mexico Retiree Health Care Authority

CY2024 Trends, Costs and Demographics

July 24-25, 2025

Debbie Donaldson, FSA, MAAA, Senior Vice President, Segal
Mike Madalena, Madalena Consulting, LLC

Segal

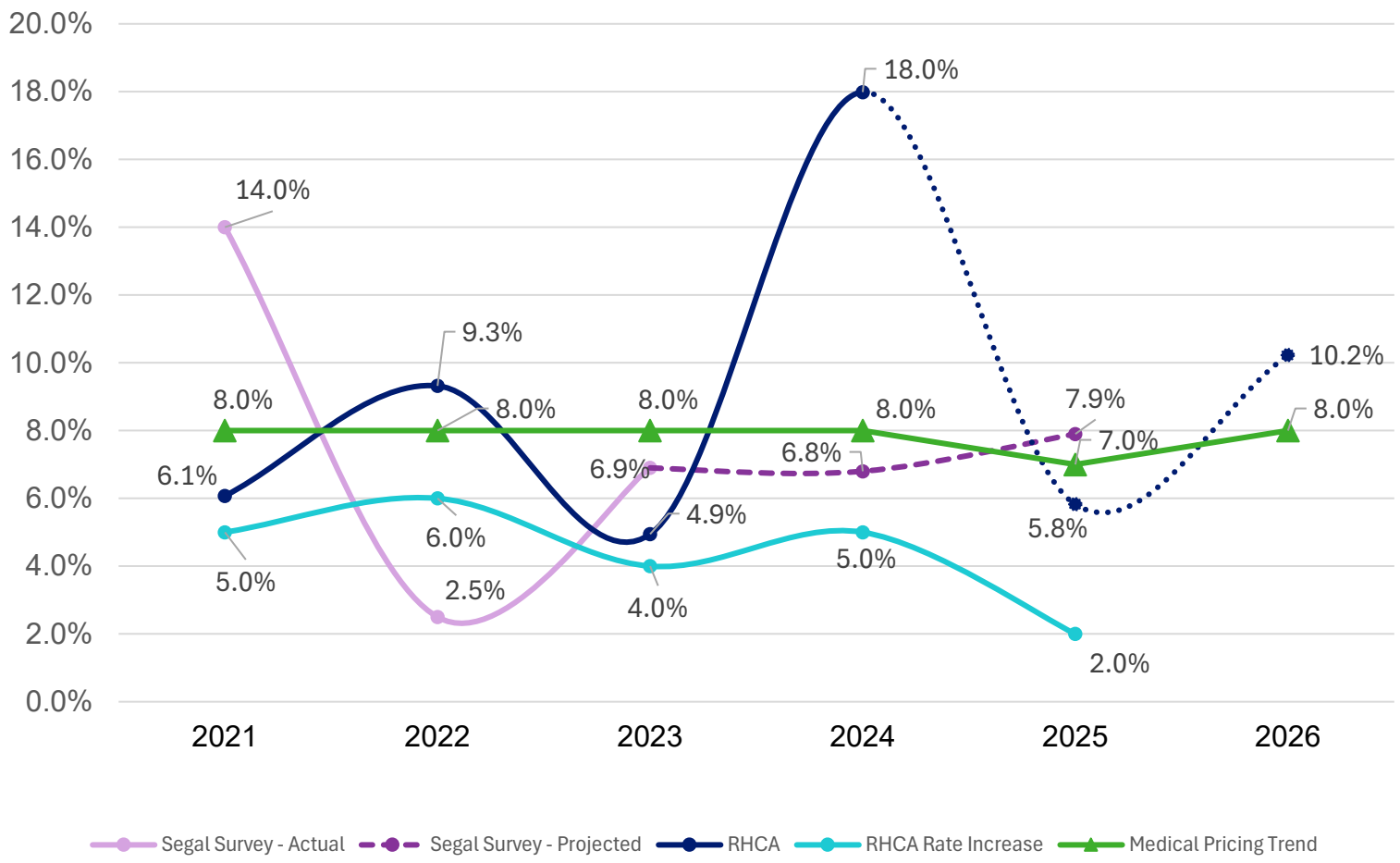
Agenda

1. Medical and Pharmacy Trends
2. Review of CY2024 Incurred Claims
3. CY2024 Demographic Analysis and Risk Scores
4. CY2024 High-Cost Claimants Reporting

Medical and Pharmacy Trends

Non-Medicare Medical Trend

Premier and Value Plans

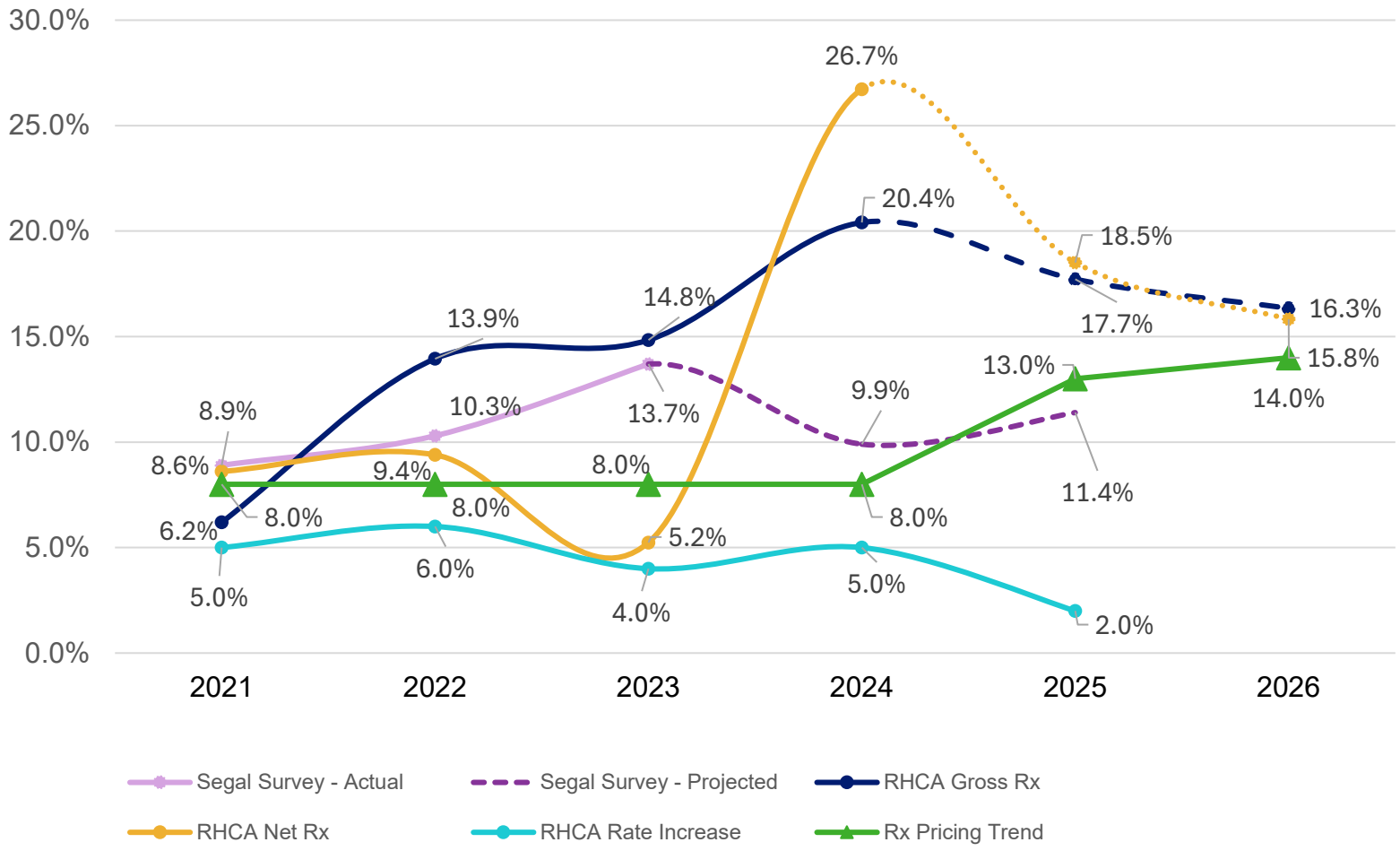


*RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

- RHCA's non-Medicare medical trend rates have been higher than national average for two of the past five years
- RHCA incurred high medical claims experience in 2024; Medical trend rates expected to improve in 2025 and re-align with long-term average
- Segal's national trend survey projects non-Medicare medical trend rates close to 8.0% for 2025
- Historical non-Medicare premium rate increases have been lower than actual medical claims trend since 2021

Non-Medicare Pharmacy Trend

Premier and Value Plans

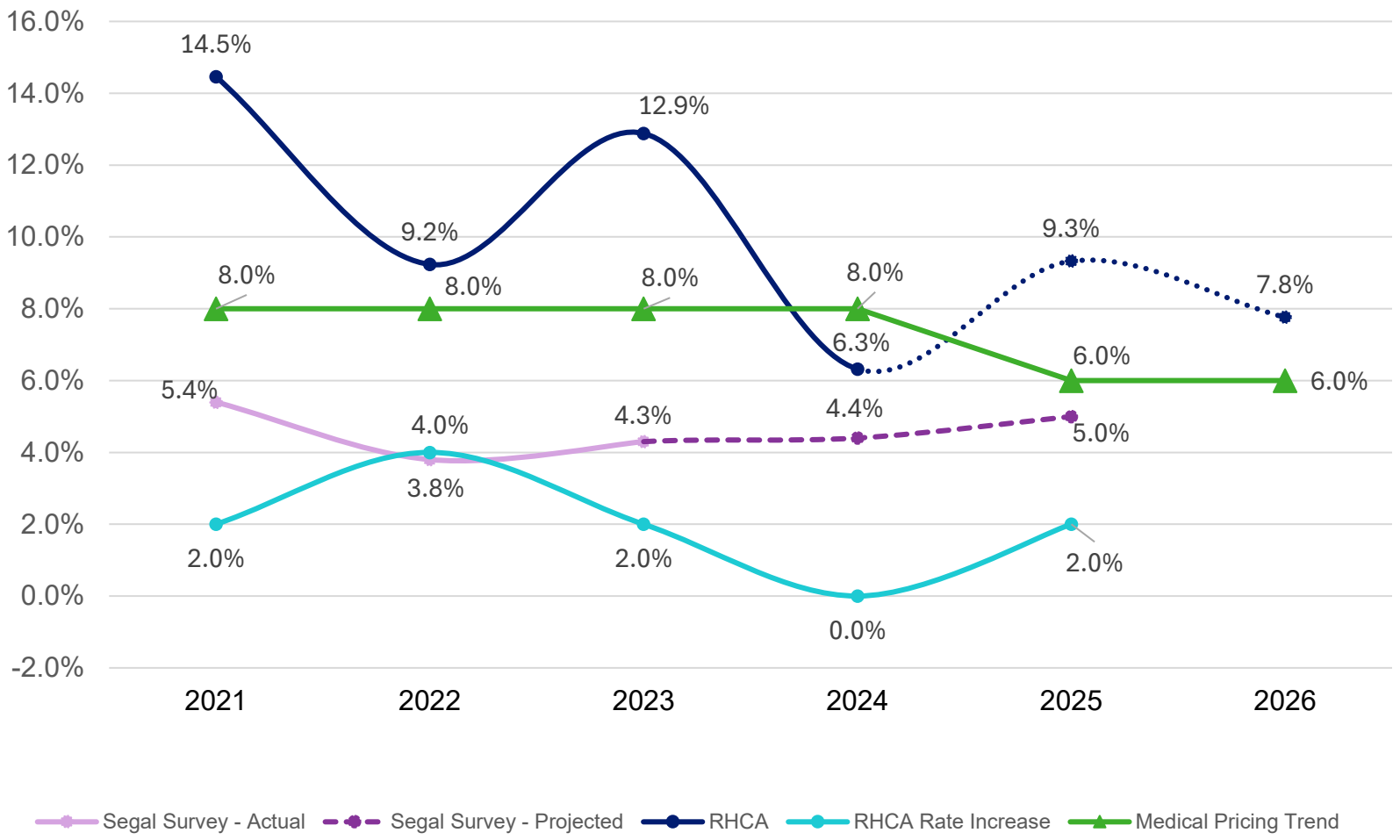


- RHCA's prescription drug trends have increased sharply since 2023
- National prescription drug trends average between 11.0% and 14.0%
- 2024 increase in prescription drug trend appears to be one-time with claims experience expected to improve in 2025
- Historical rate increases implemented by RHCA have been significantly less than actual prescription drug claims growth

*RHCA's historical rate increases correspond to retirees and spouses excluding dependents.
**Rx trends are illustrated as Gross Rx (before Rebates) and Net Rx (after Rebates).

Medicare Medical Trend

Medicare Supplement Plan

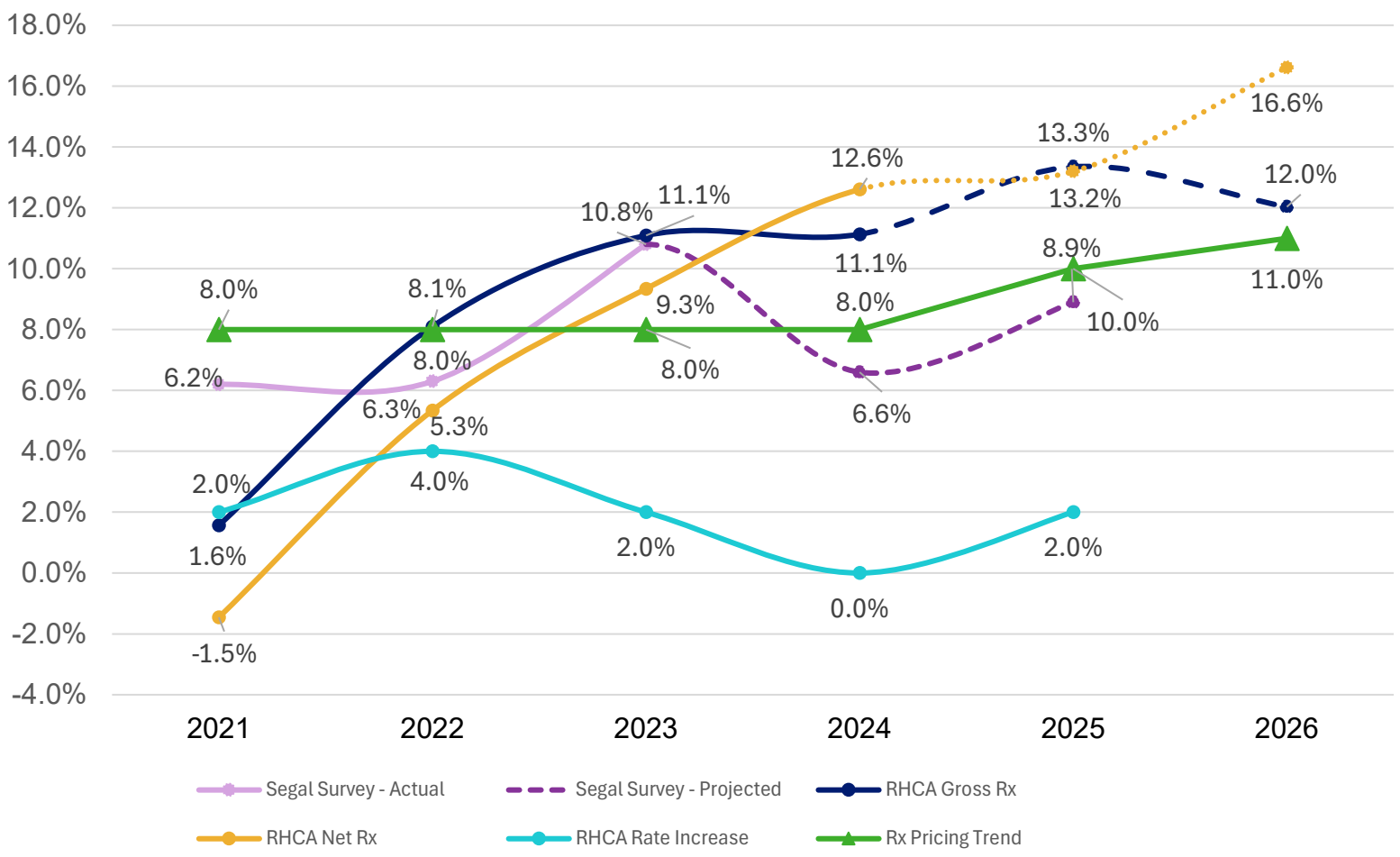


- RHCA's actual medical trends for Medicare retirees have gradually decreased since 2021 and is projected to align closer to national average trend rates
- Segal estimates a 5.0% medical trend rate in 2025 for Medicare retirees
- RHCA applied minimal premium rate increases between 2021 and 2025 and even held the Medicare retiree rates flat in 2024

*RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

Medicare Pharmacy Trend

Employer Group Waiver Plan (EGWP)



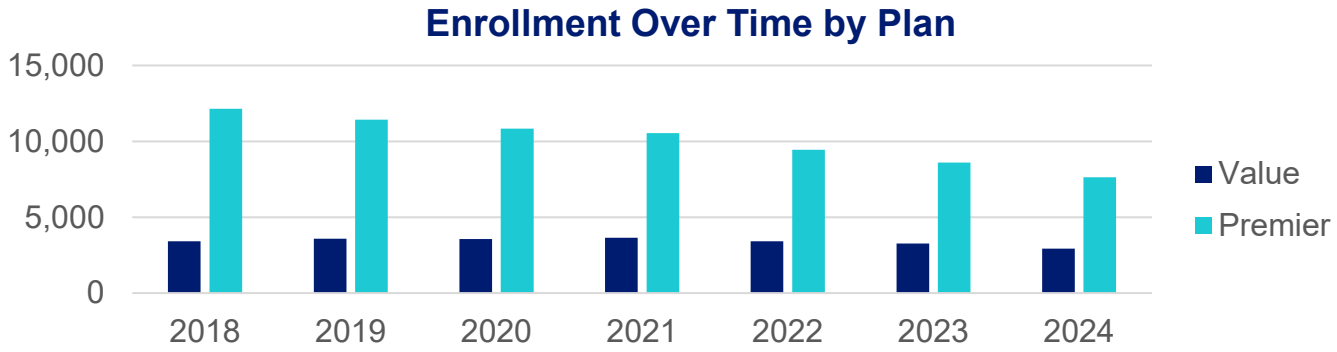
- RHCA's actual gross and net prescription drug trends have continue to rise in recent years
- RHCA's prescription drug trend (net of rebates) is projected to increase to 13.3% in 2025 and 16.6% in 2026
- Segal's 2025 trend survey reports a Medicare Part D drug trend of 8.9% for this year which is a few percentage lower than RHCA's actual experience
- RHCA has applied minimal premium rate increases between 2021 and 2025 for Medicare retiree plans

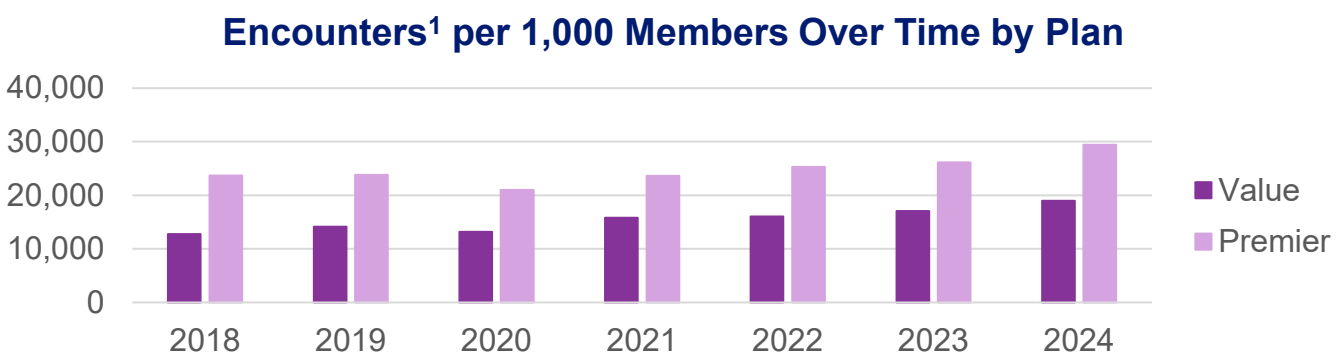
*RHCA's historical rate increases correspond to retirees and spouses excluding dependents.
**Rx trends are illustrated as Gross Rx (before Rebates) and Net Rx (after Rebates).

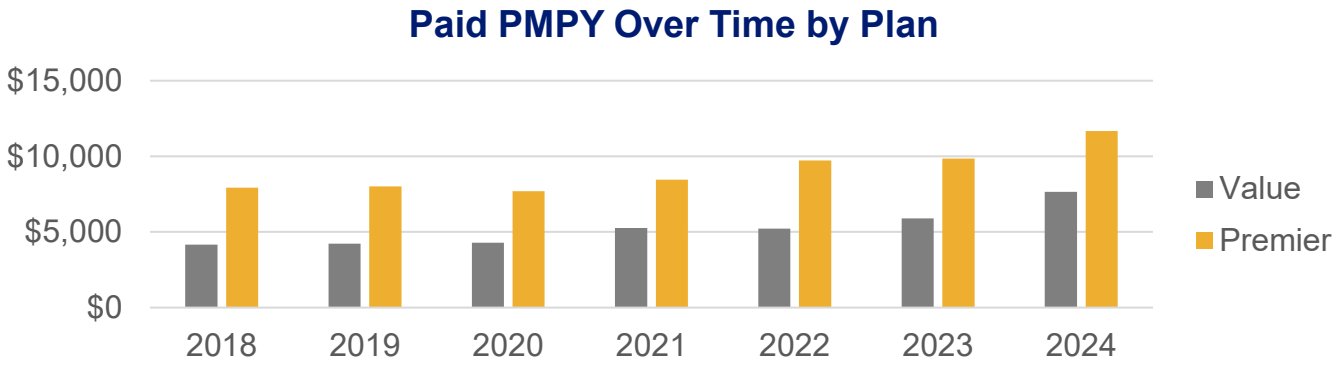
CY2024 Cost and Utilization

Historical Overview

Non-Medicare Medical







- Non-Medicare plan enrollment continues to decline (10,579 in 2024 vs. 11,855 in 2023) with the Premier plan's membership down 11.1% and the Value plan's membership down 9.9% relative to 2023 levels
- In 2024, encounters increased in both plans: Premier plan 12.5% and Value plan 11.7% when compared to 2023
- Between 2021 and 2024, the average increase in per member per year cost was 11.4% for Premier and 13.3% for Value

[1] A unique encounter is measured based on the unique count of a unique patient seeing a given provider on a given day for a specific reason. The number of services provided for an encounter may be greater than 1 (e.g., office visit, lab, x-ray).

Historical Overview

Non-Medicare Medical

	CY2023	CY2024	Percent Change
Premier Plan			
BCBSNM	$52,639,439	$56,356,593	+7.1%
Presbyterian	$32,061,181	$32,870,388	+2.5%
Value Plan			
BCBSNM	$4,296,539	$4,306,908	+0.2%
Presbyterian	$14,934,733	$18,189,459	+21.8%
Grand Total	**$103,931,891**	**$111,723,348**	**+7.5%**

- Although total non-Medicare membership declined in 2024 by 10.8%, aggregate plan costs increased by 7.5%
  - Costs increased significantly for Presbyterian's Value Plan, which accounts for 21% of members.
- Inpatient Hospital Facility costs on a PMPY basis increased by 20.6% and 55.5% for the Premier and Value Plans, respectively
- Emergency Room and Surgery costs also experienced high PMPY trends in 2024 for both BCBSNM and Presbyterian plan.
  - Emergency Room Facility: +22.6% Premier Plan, +11.1% Value Plan
  - Emergency Room Professional: +10.7% Premier Plan, +13.7% Value Plan
  - Surgery: +16.1% Premier Plan, +11.9% Value Plan

2024 Non-Medicare Medical Claims

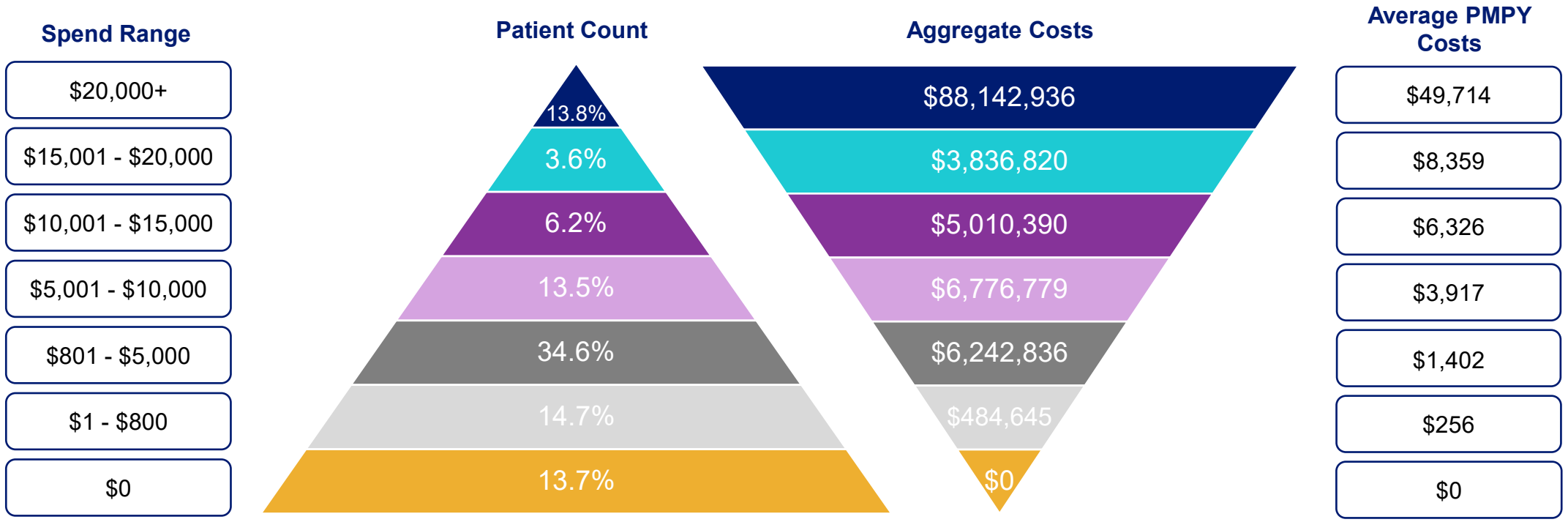
Type of Service	2024 Encounters[1]	% of 2024 Encounters	2024 Paid	% of 2024 Paid
Inpatient Hospital Facility	1,449	0.5%	$22,992,821	20.6%
Outpatient Hospital Facility	14,008	5.0%	$11,304,015	10.1%
Emergency Room Facility	1,946	0.7%	$1,177,369	1.1%
Anesthesia	2,615	0.9%	$1,512,824	1.4%
Surgery	21,388	7.6%	$15,480,123	13.9%
Lab / Path	63,705	22.7%	$19,010,177	17.0%
Evaluation and Management	56,561	20.2%	$6,044,356	5.4%
Well Visits	5,066	1.8%	$822,115	0.7%
Emergency Room Professional	3,358	1.2%	$3,206,086	2.9%
Chiropractic	5,773	2.1%	$76,260	0.1%
Medicine	63,837	22.8%	$9,322,070	8.3%
Infusions and Injections	12,096	4.3%	$14,628,382	13.1%
DME	9,049	3.2%	$3,123,731	2.8%
Ambulance and Other	19,703	7.0%	$3,023,020	2.7%
Total	**280,554**	**100.0%**	**$111,723,348**	**100.0%**

- Lab/Path drives the highest encounter volume with 63,000+ encounters representing 22.7% of total
  - Also, the 2nd highest overall service based on percentage of 2024 plan paid (17.0%)
- With less than 1.0% of encounters, Inpatient Hospital Facility charges continue to be the highest with $23.0M paid in 2024

[1] A unique encounter is measured based on the unique count of a unique patient seeing a given provider on a given day for a specific reason. The number of services provided for an encounter may be greater than 1 (e.g., office visit, lab, x-ray).

Distribution of Costs by Spend

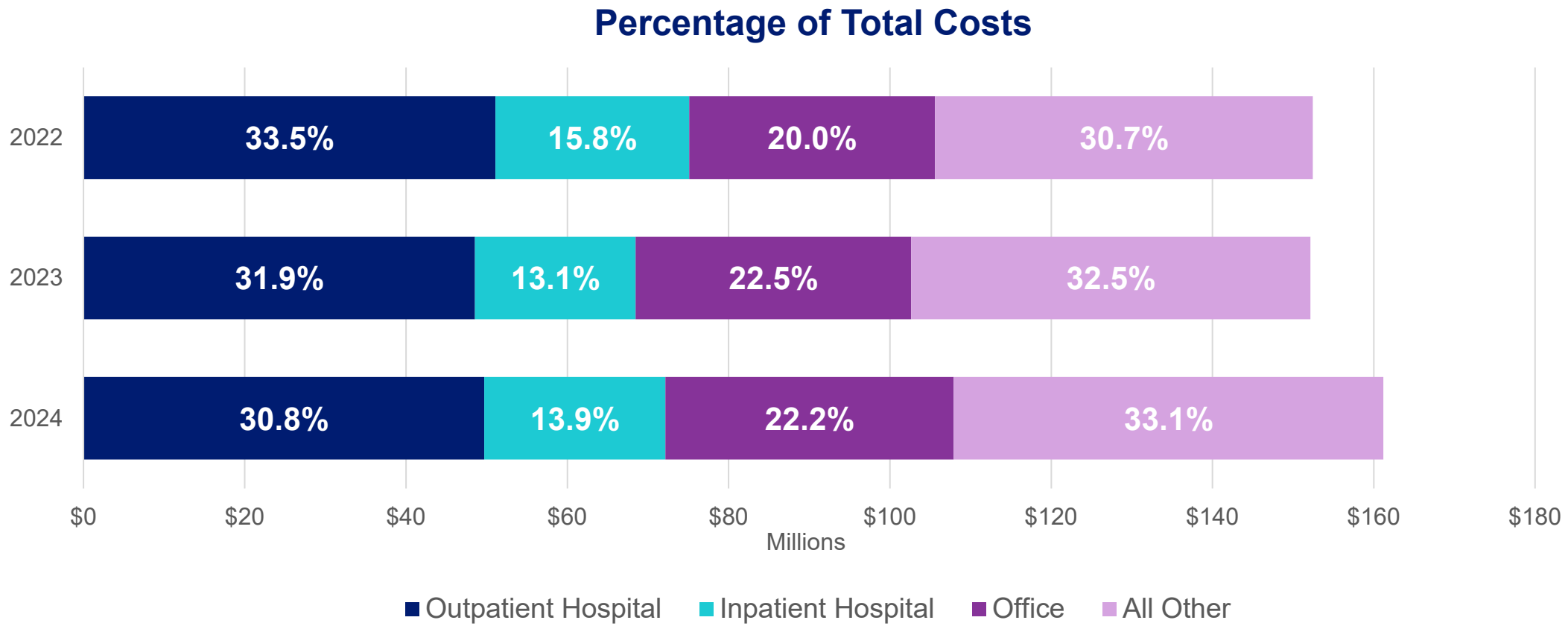
Non-Medicare Medical



- 24% of members with excess claims greater than $10,000 contribute to 88% of non-Medicare medical claims.
  - The number of members with claims in excess of $10,000 grew from 11% in 2014 to 24% in 2024
  - Claims in excess of $10,000 increased by 8% or $7.5M over 2023 levels
- The number of non-utilizers was consistent between 2023 and 2024 (<1% change)
  - In 2020 and prior years, the average number of non-utilizers was 15-16% of members. In 2021, the percentage dropped to 11.6% and has steadily increased each year. In 2024, 13.7% of members had no claims.

Costs by Place of Service for All Members

Non-Medicare Medical



- While overall plan costs increased in 2024, costs shifted slightly between inpatient and outpatient hospital
- Office visit costs as a percent of total have remained steady

CY2024 Facility Benchmarks

Facility Benchmarks

Measure*	NMRHCA	Benchmark**	Ratio
Inpatient admissions	73.64	70.29	1.05
Inpatient days	379.41	357.85	1.06
Outpatient hospital encounters	3,186.47	2,571.05	1.24
Emergency room encounters	235.56	233.91	1.01

Professional Benchmarks

Measure	NMRHCA	Benchmark**	Ratio
E&M	3.65	3.57	1.02
Well Visits	0.05	0.05	1.04
Anesthesia	0.47	0.48	0.98
Surgeries***	1.26	1.10	1.14
Radiology	1.07	1.26	0.85
Pathology	1.52	1.53	1.00
Medicine	3.12	3.18	0.98
Injectables	0.30	0.30	0.99
Total	11.45	11.47	1.00

- Inpatient admissions per 1,000 have increased from 65.88 in 2023 to 73.64 in 2024 and relative to the benchmark (0.96 in 2023; 1.05 in 2024)
- Benchmark Population
  - Benchmark includes 5,090,000 active (18%) and retired (82%) public sector participants
  - Combines Non-Medicare and Medicare experience

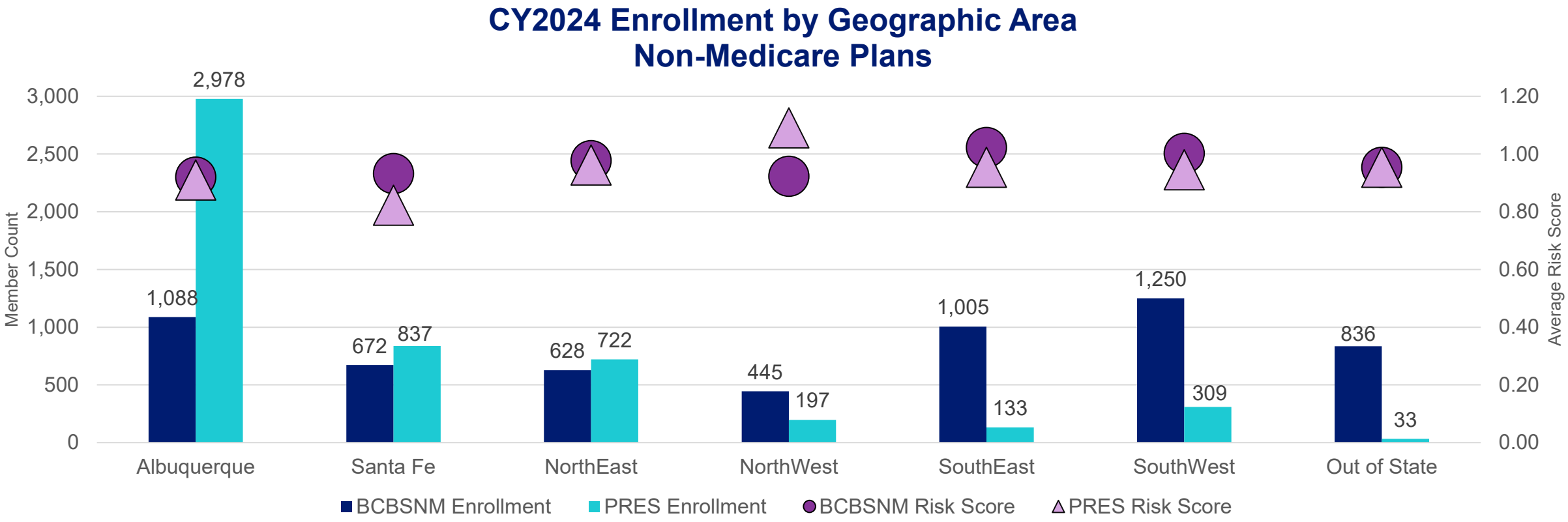
* Facility Measures are on a per 1,000 members per year basis; Professional measures are on an encounters per member per year basis.
** Benchmark result has been adjusted based upon age and gender
*** Moved to CSS definition of surgery

Demographic Analysis

Understanding Enrollment Risk

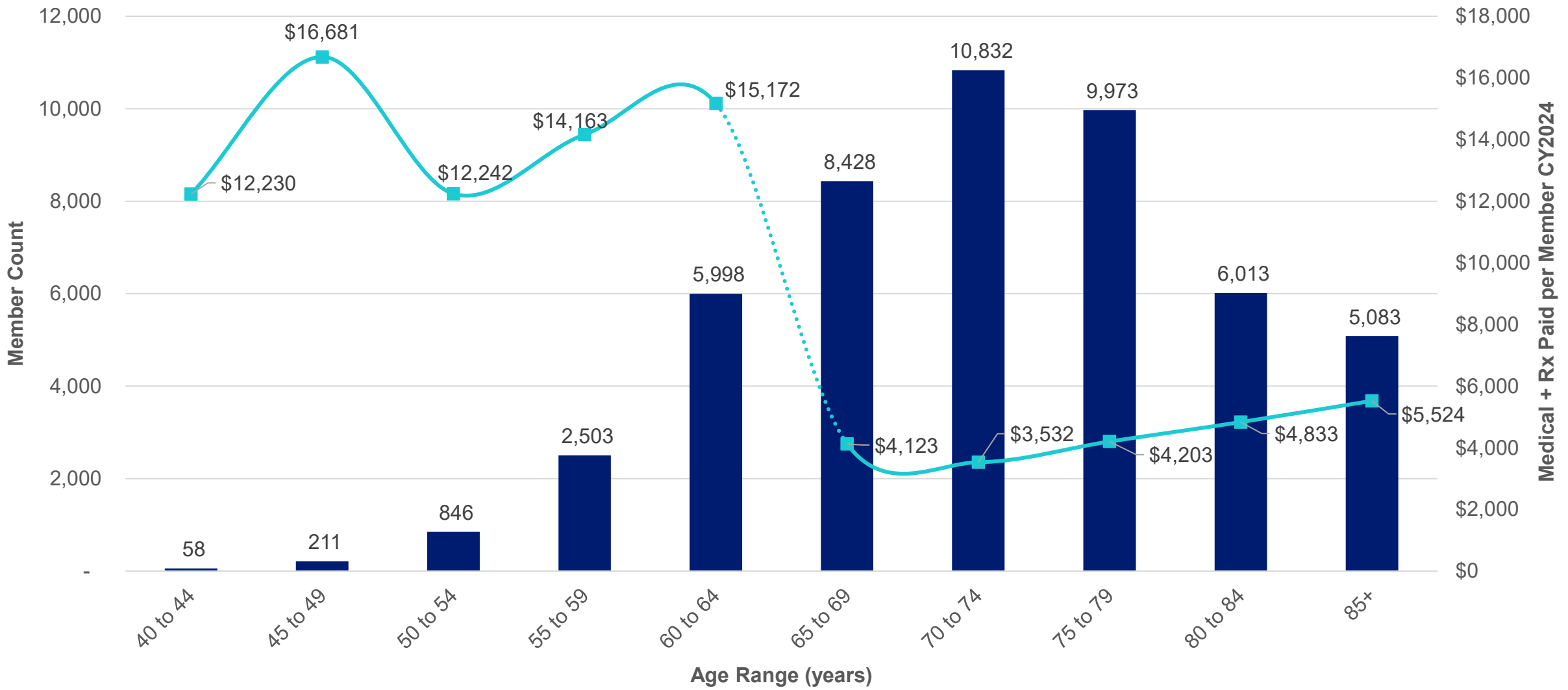
- Enrollment risk exists in many forms. With two carriers and two plans being offered, risks may include:
  - Enrollees not having similar age/gender profiles
  - Enrollees not having similar average health status
  - Inequivalent cost impact on NMRHCA due to benefit level or different negotiated underlying unit costs terms
- Unmanaged enrollment risk can increase 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.

2024 Non-Medicare Regional Analysis - Medical

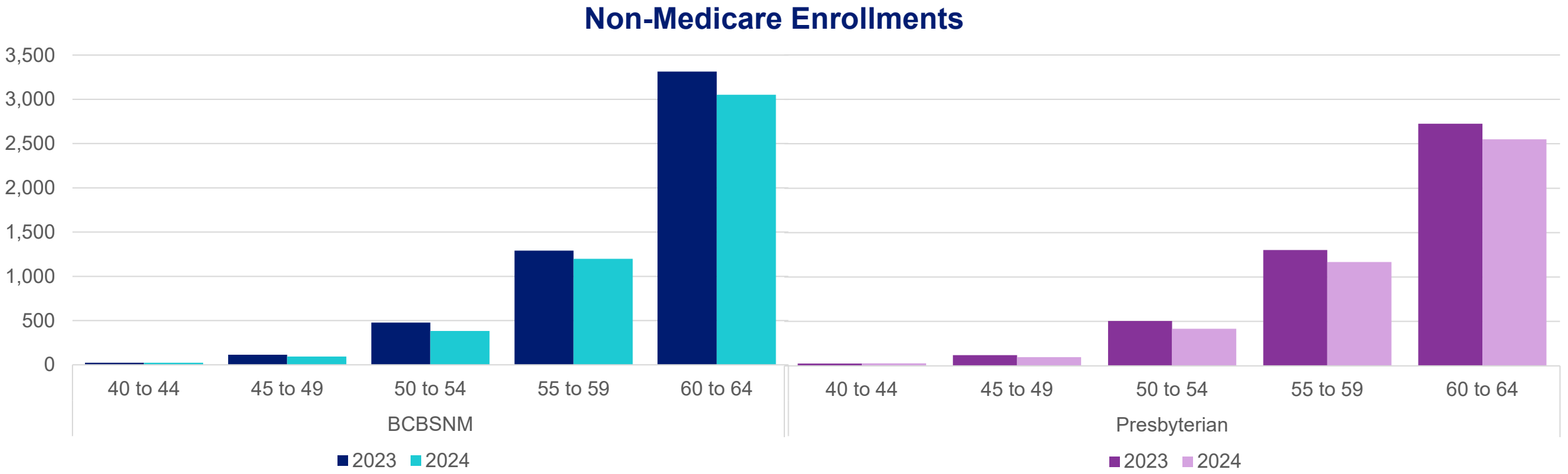


- The majority of Presbyterian's membership resides in urban areas and the northeastern counties of the State while BCBSNM membership is more evenly distributed across the state. PMPM costs in other geographic areas may fluctuate year to year given the volatility of smaller populations.
- The average risk score between the two carriers is similar in most areas.

NMRHCA CY2024 Claims Paid per Member for Age 40+



NMRHCA Members Age 40+

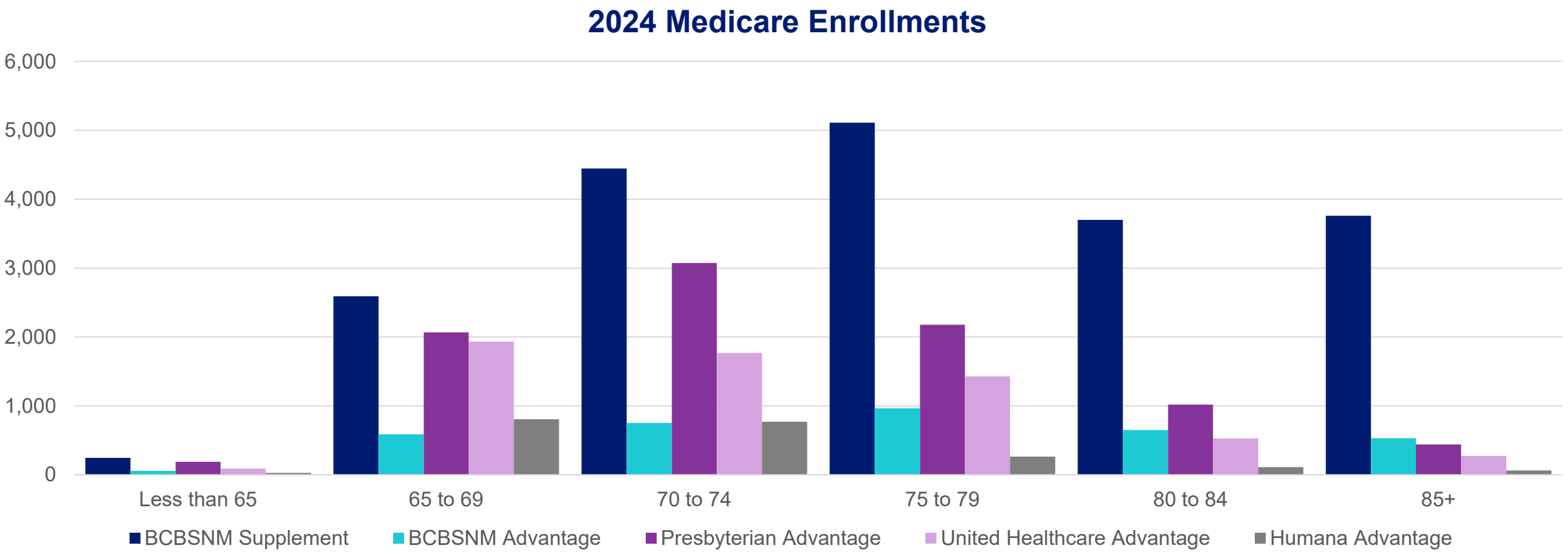


- Excludes members under age 40, over age 64, and those for whom age is not available.
- The distribution of non-Medicare members remained consistent in 2024 with about 53% enrolled in BCBSNM plans (2023=53%, 2022=52%, 2021=52%).
- Across each age group and carrier, membership has declined significantly from 2023 to 2024.

* Age is calculated as of December 31st

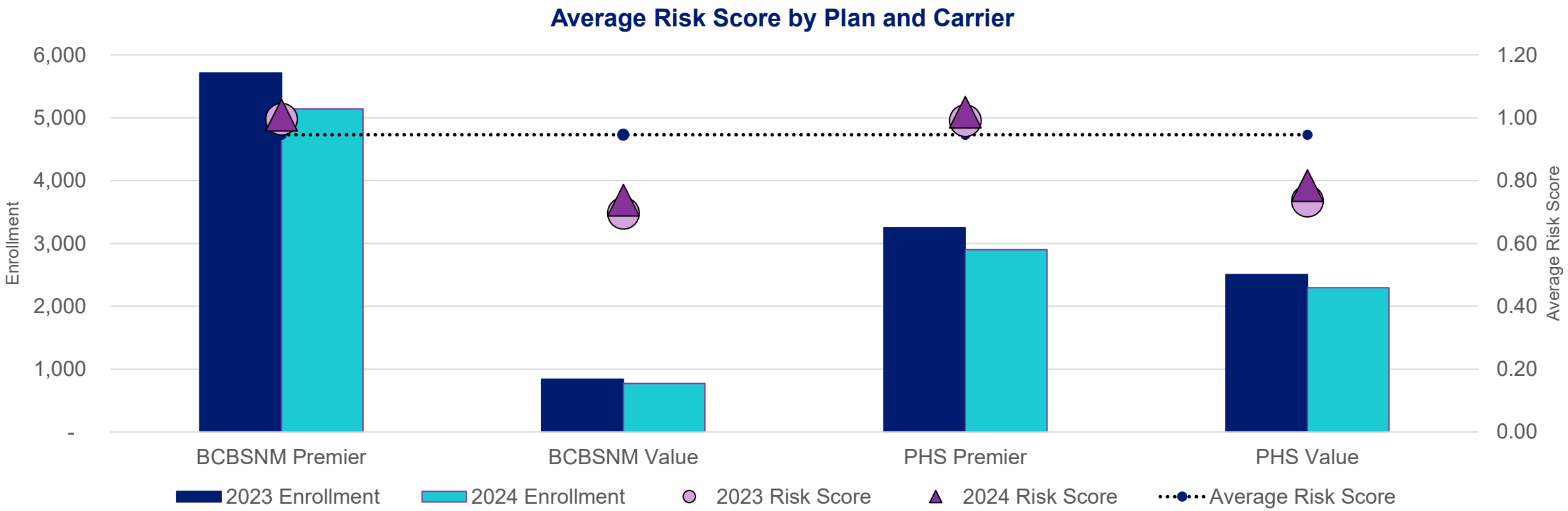
** Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

NMRHCA Medicare Members by Age and Carrier



- While the Medicare Supplement plan continues to have more enrollment than each of the Medicare Advantage plans, the combined Medicare Advantage membership exceeded 50% of the Medicare population in 2024.

2024 Non-Medicare Health Status Risk Index[1] by Carrier



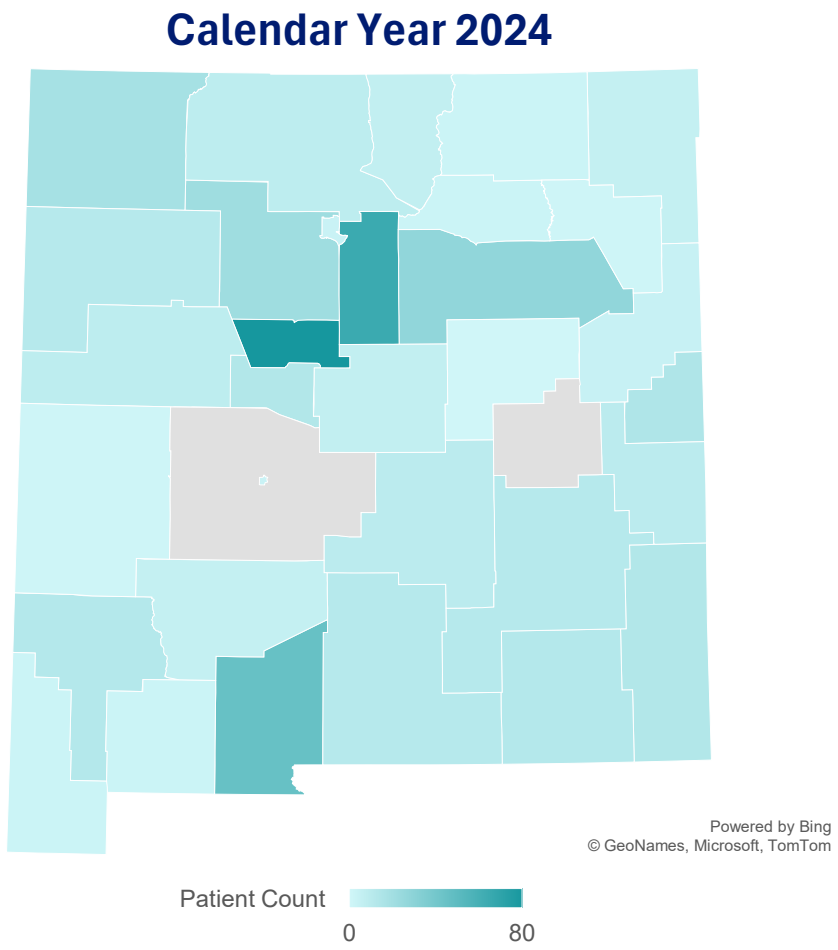
- Premier members expected to cost 31% more than Value members based on Health Status Risk Index.
- BCBSNM members expected to cost 6% more than Presbyterian members based on Health Status Risk Index.
  - In 2023, BCBSNM members expected to cost 8.8% more than Presbyterian members based solely on their Health Status Risk Index.
- For plan year 2024, 137 non-Medicare members (1.6%) migrated between the Value and Premier plans.

[1] Risk Index is based on John Hopkins Adjusted Clinical Groups (ACGs) and is calculated for each member month.

High-Cost Claimants

High-Cost Claimants

By Geography



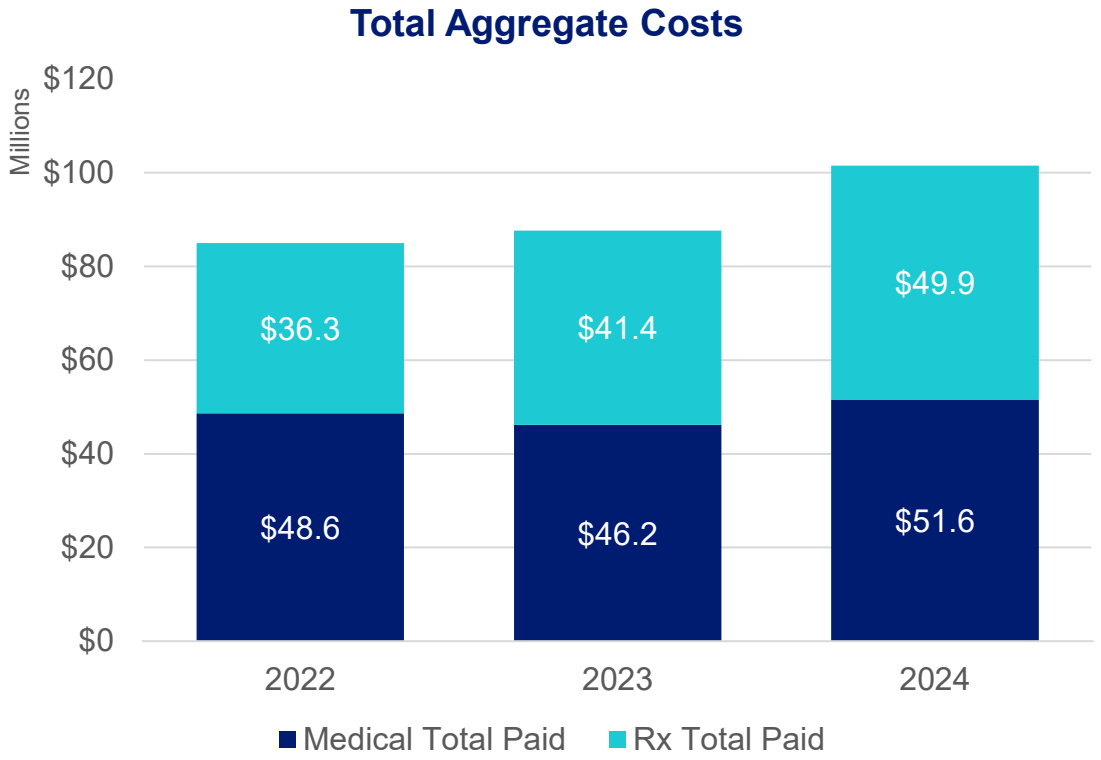
Members with Total Claims over $100,000			
County	**2022**	**2023**	**2024**
Bernalillo	29	30	80
Santa Fe	22	21	64
Dona Ana	26	13	45
San Miguel	16	14	27
Sandoval	50	55	21
All Other NM Counties	212	231	189
Out of State	38	63	65
Total	**393**	**427**	**491**

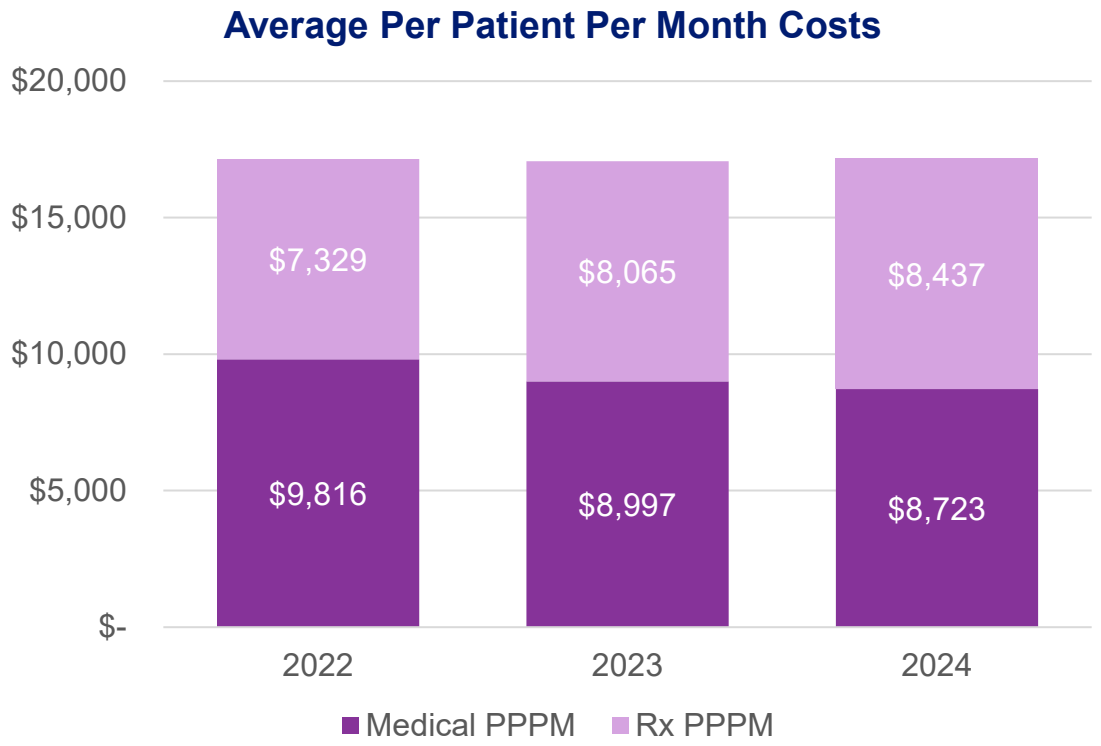
- The number of high-cost claimants increased significantly in 2024 compared to the prior two years.
  - The greatest concentration of high-cost claimants in Bernalillo County, NM increased by 167% over both 2022 and 2023 figures.
  - Sandoval County, NM had the most high-cost claimants in 2023 at 55 patients. In 2024, this figure decreased by 62% to 21 patients.

* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans

High-Cost Claimants

Aggregate and Per Patient per Month Costs





- Aggregate claims paid for high-cost claimants in 2024 was 16% higher than 2023. The majority of this increase was due to rising pharmacy spend (21% over the prior year).
- Medical cost increase driven by higher number of patients (15% over the prior year).
- Pharmacy costs have increased significantly each year, driven by the increase in number of patients and the days of therapy dispensed (13% over the prior year)

* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans

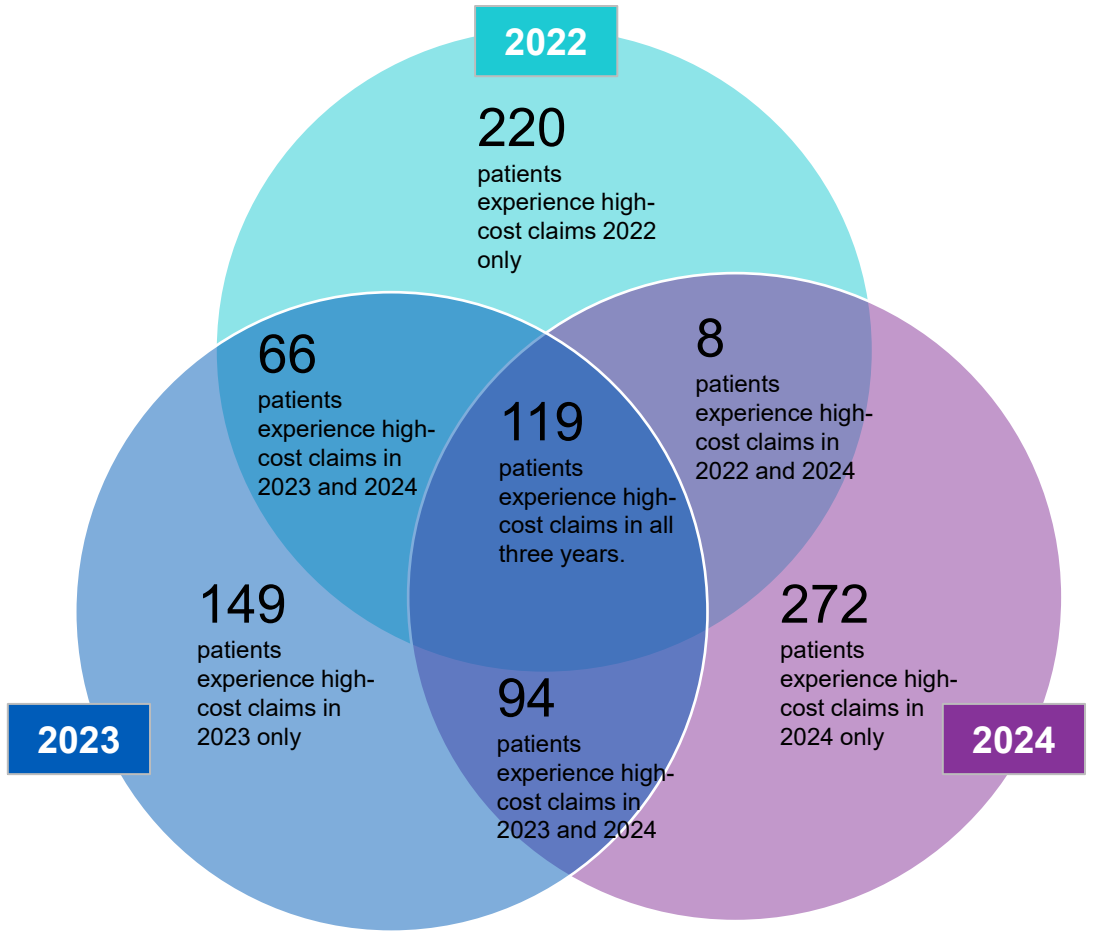
High-Cost Claimants

Medical and Pharmacy Claims

Members with Total Claims over $100,000				
Carrier	**Plan**	**2022**	**2023**	**2024**
Blue Cross Blue Shield	Premier PPO	132	114	124
Blue Cross Blue Shield	Value HMO	6	10	11
Blue Cross Blue Shield	MedSupp	177	210	242
Presbyterian	Premier PPO	71	70	75
Presbyterian	Value HMO	28	26	42
	Total	**414**	**430**	**494**

- In 2024, the number of the high-cost patients increased by 15% over 2023
- 24% of high-cost claimants in 2024 have experienced claims in excess of $100,000 in each of the prior three years
- The average risk score of high-cost claimants decreased from 6.39 in 2023 to 6.17 in 2024, suggesting slightly lower severity for these members

Patient Counts by Year with Recurrence

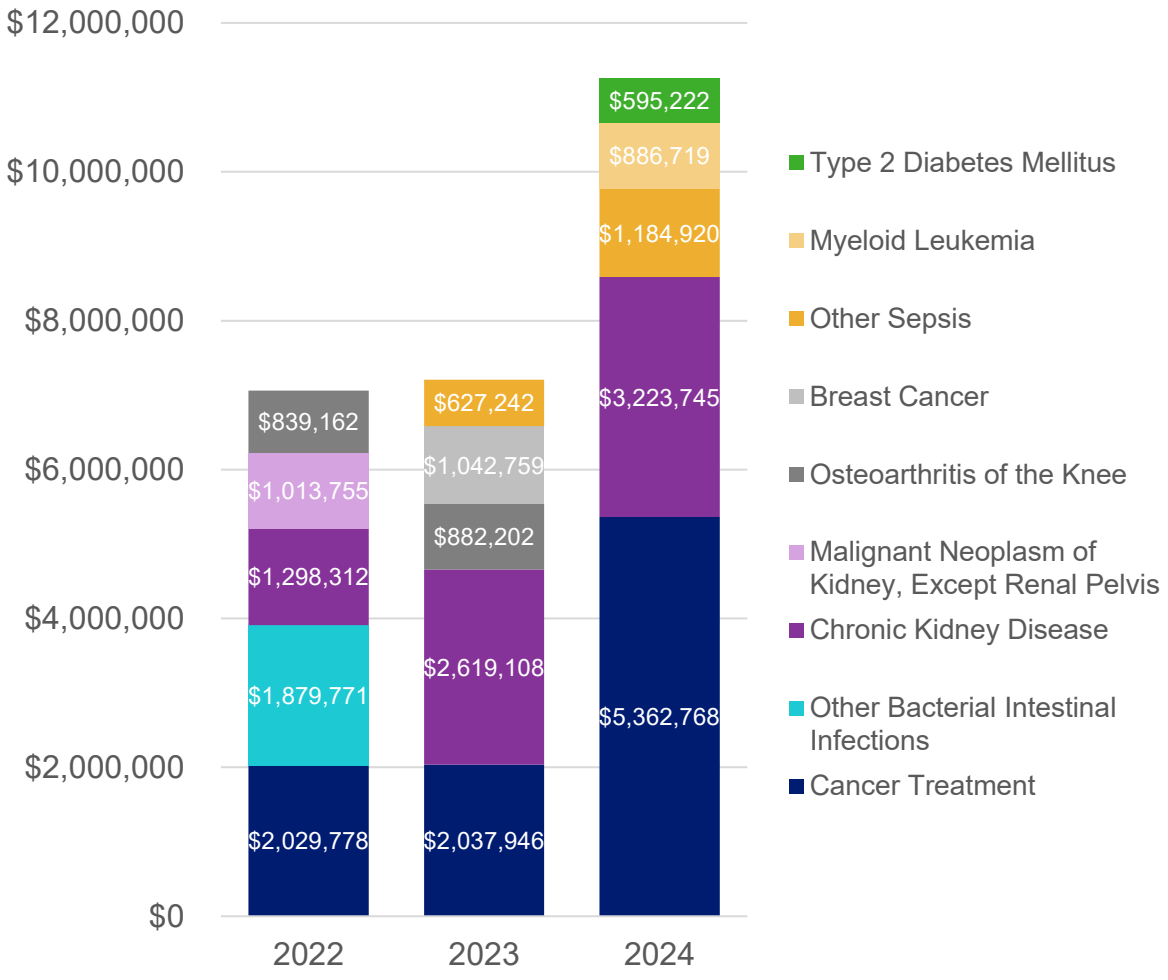


* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans

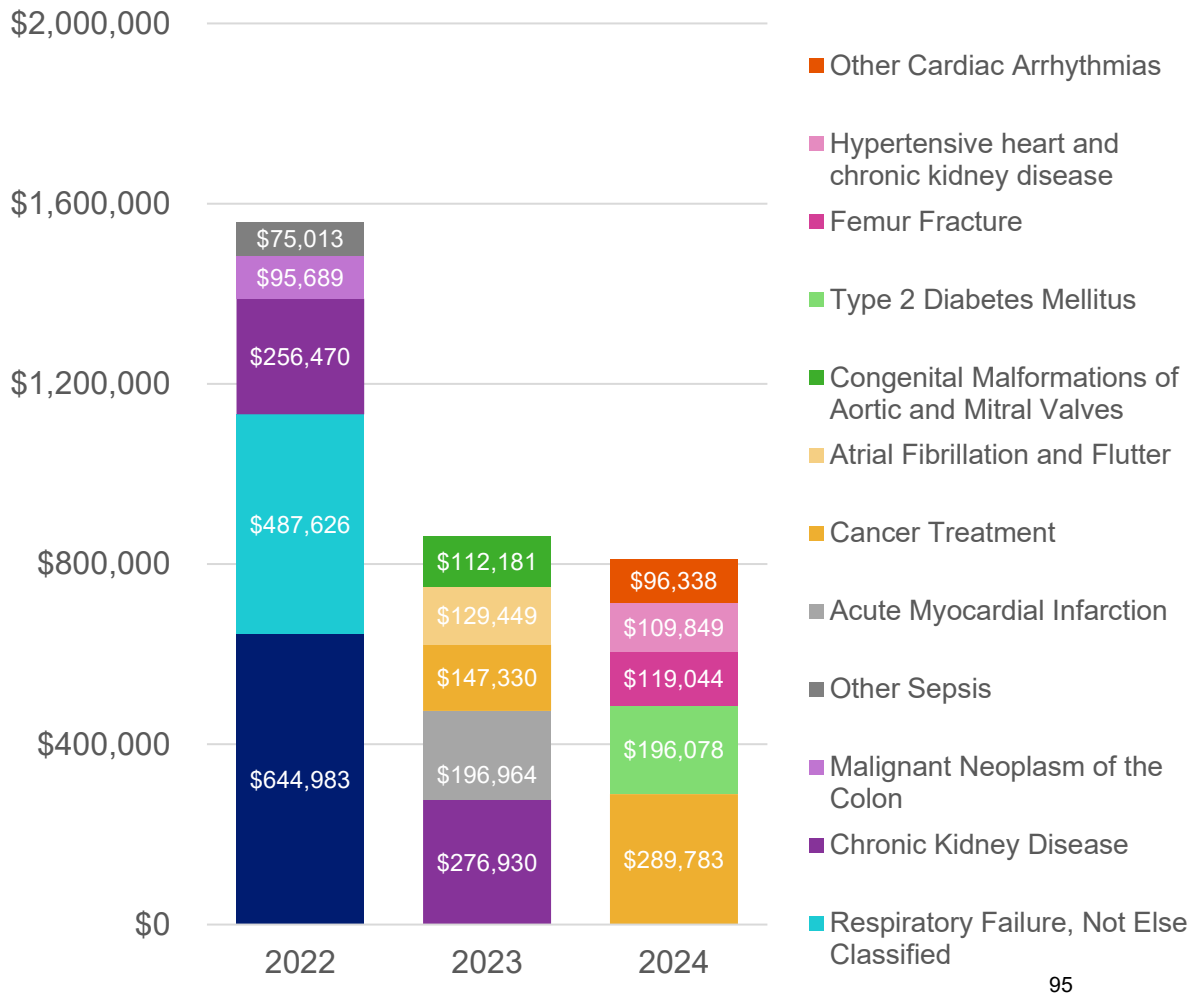
High-Cost Claimant

Top 5 Diagnoses by BCBSNM Plans by Year

Premier PPO Plan



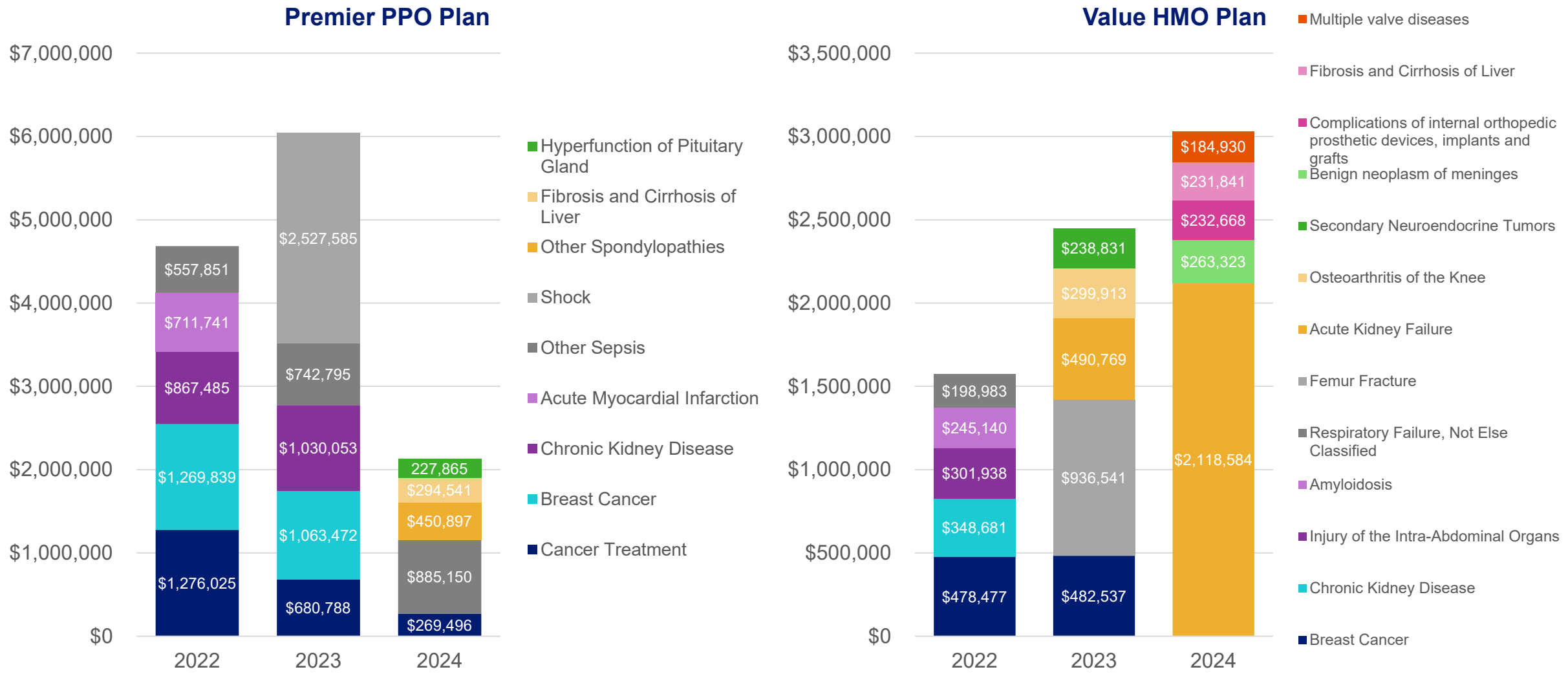
Value HMO Plan



* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Value and Premier non-Medicare plans.

High-Cost Claimant

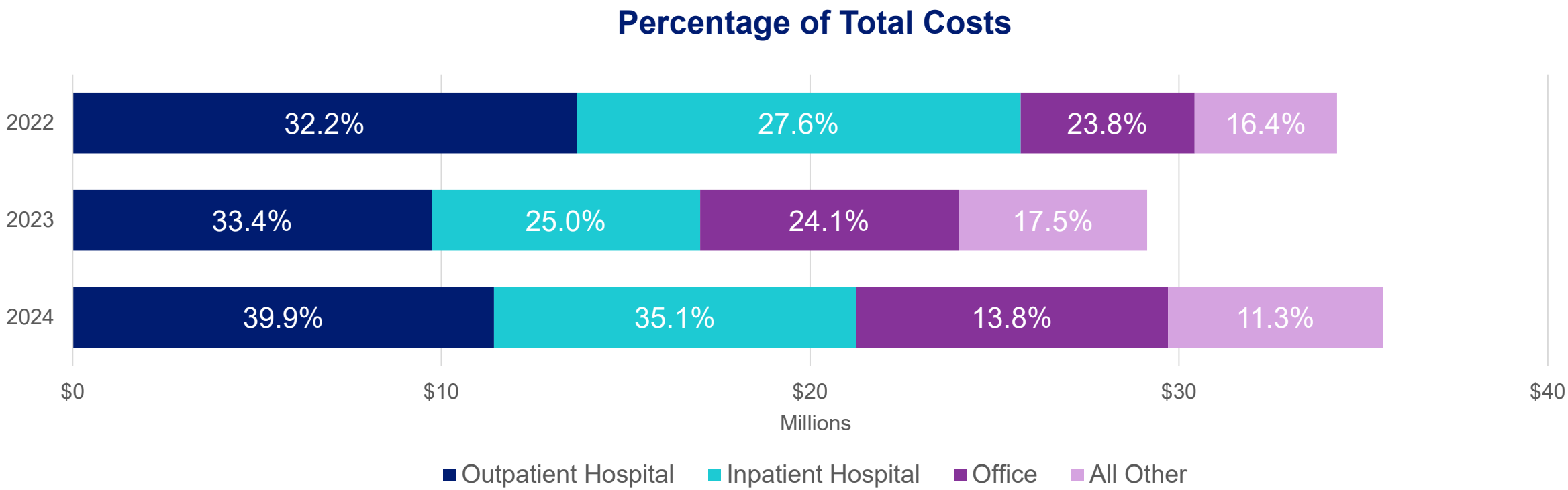
Top 5 Diagnoses by Presbyterian Plans by Year



* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Value and Premier non-Medicare plans.

Costs by Place of Service for High-Cost Claimants

Non-Medicare Medical

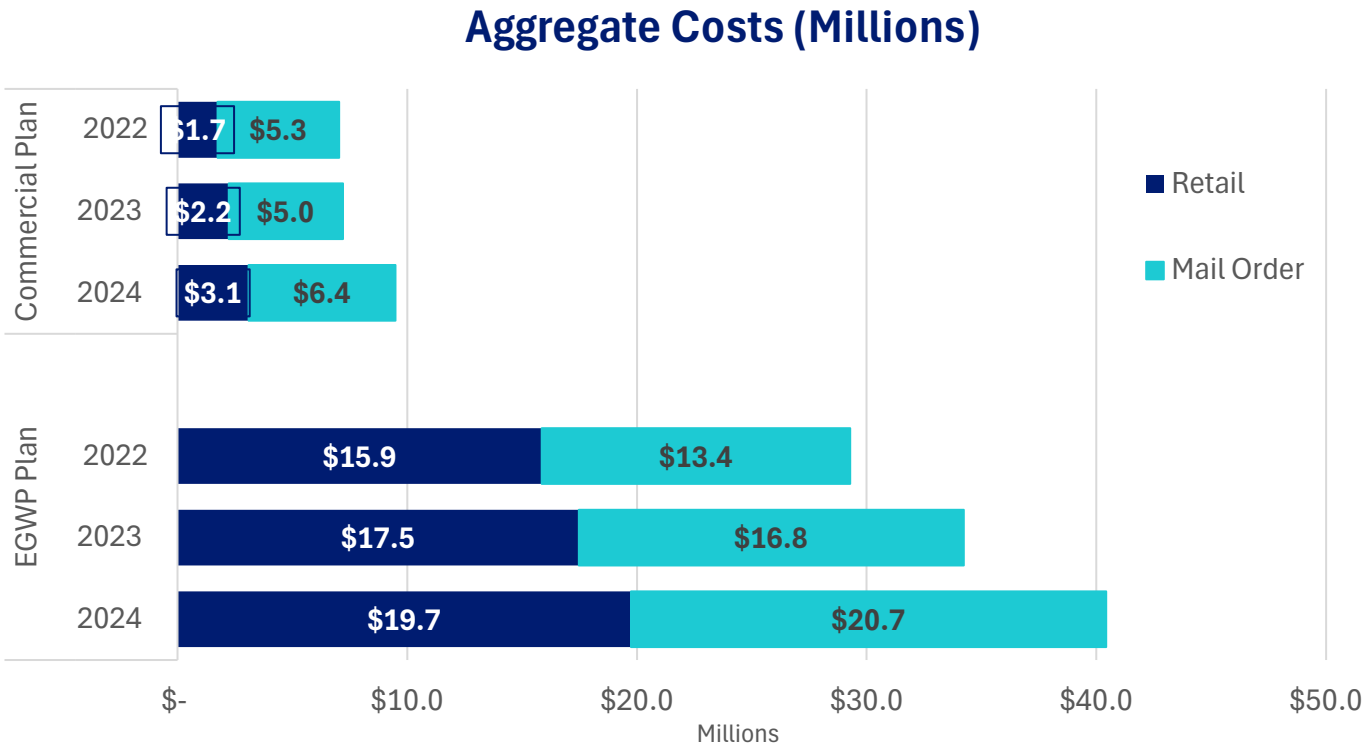


- The distribution of plan payments on behalf of high-cost claimants increased significantly in 2024 for hospital-based care
  - Outpatient Hospital costs increased by 17% ($11.4M)
  - Inpatient Hospital costs increased by 35% ($9.8M)
  - Office Visit costs increased by 21% ($8.5M)

* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans

High-Cost Claimants

Pharmacy Claims by Carrier



Days Supply per Patient			
Plan	**2022**	**2023**	**2024**
Commercial Plan	1,736	1,699	1,591
EGWP Plan	2,331	2,424	2,453

Plan Paid per Days Supply			
Plan	**2022**	**2023**	**2024**
Commercial Plan	$17.10	$19.26	$23.67
EGWP Plan	$70.97	$67.24	$68.09

- About half of the pharmacy plan spend for Medicare high-cost claimants is attributable to Mail Order fills as compared to 67% for non-Medicare patients.
- In 2024, the average days supply filled per high-cost claimant in the EGWP plan grew by 16.6% with the average cost per day increasing by 18.1%

* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Commercial) and Medicare (EGWP) plans.

High-Cost Claimants

Top 15 Most Prescribed Drugs by Year

- The top five (5) drugs utilized by high-cost claimants have been consistent over the last three years.

* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans

Appendix

2024 Non-Medicare Medical Claims by Carrier

	Blue Cross Blue Shield of New Mexico Non-Medicare				Presbyterian Healthcare Services Non-Medicare			
Type of Service	2024 Encounters	% of 2024 Encounters	2024 Paid	% of 2024 Paid	2024 Encounters	% of 2024 Encounters	2024 Paid	% of 2024 Paid
Inpatient Hospital Facility	777	0.5%	$10,646,193	17.5%	672	0.6%	$12,346,627	24.2%
Outpatient Hospital Facility	7,756	4.6%	$6,577,521	10.8%	6,252	5.6%	$4,726,494	9.3%
Emergency Room Facility	577	0.3%	$482,916	0.8%	1,369	1.2%	$694,454	1.4%
Anesthesia	1,519	0.9%	$783,281	1.3%	1,096	1.0%	$729,543	1.4%
Surgery	14,525	8.6%	$7,566,741	12.5%	6,863	6.1%	$7,913,382	15.5%
Lab / Path	36,739	21.7%	$10,266,694	16.9%	26,966	24.2%	$8,743,482	17.1%
Evaluation and Management	32,312	19.1%	$3,164,838	5.2%	24,249	21.7%	$2,879,517	5.6%
Well Visits	2,685	1.6%	$390,776	0.6%	2,381	2.1%	$431,338	0.8%
Emergency Room Professional	1,870	1.1%	$1,531,684	2.5%	1,488	1.3%	$1,674,401	3.3%
Chiropractic	3,811	2.3%	$38,285	0.1%	1,962	1.8%	$37,975	0.1%
Medicine	39,084	23.1%	$6,322,690	10.4%	24,753	22.2%	$2,999,381	5.9%
Infusions and Injections	6,875	4.1%	$8,639,264	14.2%	5,221	4.7%	$5,989,119	11.7%
DME	5,229	3.1%	$2,397,855	4.0%	3,820	3.4%	$725,876	1.4%
Ambulance and Other	15,169	9.0%	$1,854,762	3.1%	4,534	4.1%	$1,168,258	2.3%
Total	**168,928**	**100.0%**	**$60,663,501**	**100.0%**	**111,626**	**100.0%**	**$51,059,847**	**100.0%**

- Lab/Path drives the highest encounter volume for both BCBSNM (21.7%) and Presbyterian (24.2%)
  - Lab/Path is also the 2nd highest overall service as a percentage of 2024 plan paid for both BCBSNM (16.9%) and Presbyterian (17.1%)
- With less than 1% of encounters, Inpatient Hospital Facility charges continue to be the highest cost service for both BCBSNM and Presbyterian

2024 vs 2023 Claims Experience for **Premier Plan**

Type of Service	2024 Encounters per 1,000 Members	2023 Encounters per 1,000 Members	% Change	2024 Paid per Encounter	2023 Paid per Encounter	% Change	2024 Paid PMPY	2023 Paid PMPY	% Change
Inpatient Hospital Facility	155	137	13.2%	$14,223	$14,080	1.0%	$2,209	$1,933	14.3%
Outpatient Hospital Facility	1,517	1,452	4.5%	$811	$870	-6.8%	$1,230	$1,263	-2.6%
Emergency Room Facility	183	175	4.9%	$648	$555	16.8%	$119	$97	22.6%
Anesthesia	271	272	-0.3%	$590	$558	5.7%	$160	$151	5.4%
Surgery	2,280	2,024	12.6%	$706	$685	3.1%	$1,610	$1,386	16.1%
Lab / Path	6,530	5,999	8.9%	$304	$287	5.9%	$1,987	$1,723	15.3%
Evaluation and Management	5,811	5,501	5.6%	$106	$100	7.0%	$619	$548	13.0%
Well Visits	494	472	4.5%	$160	$152	4.7%	$79	$72	9.5%
Emergency Room Professional	336	314	7.2%	$952	$921	3.3%	$320	$289	10.7%
Chiropractic	644	646	-0.3%	$13	$11	13.2%	$8	$7	12.9%
Medicine	6,670	6,180	7.9%	$156	$135	16.1%	$1,043	$832	25.4%
Injections	1,269	1,031	23.0%	$1,268	$880	44.1%	$1,609	$907	77.3%
DME	986	911	8.2%	$345	$349	-1.3%	$340	$318	6.9%
Other	2,270	1,036	119.1%	$151	$315	-52.0%	$343	$327	5.1%
Total	**29,417**	**26,149**	**12.5%**	**$397**	**$377**	**5.3%**	**$11,676**	**$9,853**	**18.5%**

*Includes BCBSNM and Presbyterian Medical Claims Experience

2024 vs 2023 Claims Experience for Value Plan

Type of Service	2024 Encounters per 1,000 Members	2023 Encounters per 1,000 Members	% Change	2024 Paid per Encounter	2023 Paid per Encounter	% Change	2024 Paid PMPY	2023 Paid PMPY	% Change
Inpatient Hospital Facility	89	71	25.3%	$23,320	$19,420	20.1%	$2,080	$1,382	50.5%
Outpatient Hospital Facility	822	773	6.3%	$788	$695	13.4%	$647	$537	20.6%
Emergency Room Facility	186	178	4.1%	$494	$463	6.7%	$92	$83	11.1%
Anesthesia	186	175	6.3%	$536	$501	7.1%	$100	$88	13.8%
Surgery	1,349	1,169	15.4%	$802	$827	-3.0%	$1,082	$967	11.9%
Lab / Path	4,698	4,319	8.8%	$277	$257	7.9%	$1,304	$1,110	17.4%
Evaluation and Management	4,138	3,858	7.3%	$108	$99	8.9%	$448	$383	16.8%
Well Visits	441	441	0.0%	$170	$158	7.6%	$75	$70	7.6%
Emergency Room Professional	268	232	15.4%	$965	$978	-1.4%	$258	$227	13.7%
Chiropractic	290	245	18.3%	$16	$5	226.1%	$5	$1	285.8%
Medicine	4,381	3,776	16.0%	$105	$109	-3.5%	$460	$410	12.0%
Injections	817	656	24.5%	$972	$607	60.3%	$794	$398	99.5%
DME	515	498	3.4%	$349	$190	83.6%	$180	$95	89.8%
Other	801	683	17.3%	$169	$220	-22.9%	$136	$150	-9.6%
Total	**18,981**	**17,074**	**11.2%**	**$404**	**$346**	**16.8%**	**$7,660**	**$5,901**	**29.8%**

*Includes BCBSNM and Presbyterian Medical Claims Experience

2024 vs 2023 Claims Experience for BCBSNM

Type of Service	2024 Encounters per 1,000 Members	2023 Encounters per 1,000 Members	% Change	2024 Paid per Encounter	2023 Paid per Encounter	% Change	2024 Paid PMPY	2023 Paid PMPY	% Change
Inpatient Hospital Facility	138	111	25.1%	$13,702	$14,031	-2.3%	$1,895	$1,551	22.2%
Outpatient Hospital Facility	1,380	1,341	3.0%	$848	$888	-4.5%	$1,171	$1,190	-1.6%
Emergency Room Facility	103	98	4.6%	$837	$764	9.6%	$86	$75	14.7%
Anesthesia	270	271	-0.4%	$516	$494	4.3%	$139	$134	4.0%
Surgery	2,585	2,305	12.1%	$521	$549	-5.2%	$1,347	$1,267	6.3%
Lab / Path	6,538	6,007	8.8%	$279	$277	0.9%	$1,827	$1,664	9.8%
Evaluation and Management	5,750	5,469	5.2%	$98	$94	4.4%	$563	$513	9.8%
Well Visits	478	452	5.7%	$146	$145	0.0%	$70	$66	5.7%
Emergency Room Professional	333	310	7.3%	$819	$764	7.1%	$273	$237	15.0%
Chiropractic	678	676	0.3%	$10	$10	-2.0%	$7	$7	-1.7%
Medicine	6,956	6,419	8.4%	$162	$144	12.4%	$1,125	$924	21.8%
Injections	1,224	1,014	20.7%	$1,257	$725	73.3%	$1,538	$735	109.3%
DME	931	882	5.5%	$459	$425	7.8%	$427	$375	13.8%
Other	2,700	1,035	160.9%	$122	$296	-58.7%	$330	$307	7.6%
Total	**30,064**	**26,389**	**13.9%**	**$359**	**$343**	**4.8%**	**$10,796**	**$9,043**	**19.4%**

2024 vs 2023 Claims Experience for **Presbyterian**

Type of Service	2024 Encounters per 1,000 Members	2023 Encounters per 1,000 Members	% Change	2024 Paid per Encounter	2023 Paid per Encounter	% Change	2024 Paid PMPY	2023 Paid PMPY	% Change
Inpatient Hospital Facility	135	129	5.2%	$18,373	$15,857	15.9%	$2,489	$2,042	21.9%
Outpatient Hospital Facility	1,260	1,179	6.9%	$756	$780	-3.1%	$953	$920	3.6%
Emergency Room Facility	276	264	4.7%	$507	$430	17.9%	$140	$113	23.4%
Anesthesia	221	215	2.7%	$666	$621	7.1%	$147	$134	10.0%
Surgery	1,384	1,204	14.9%	$1,153	$1,059	8.8%	$1,595	$1,276	25.0%
Lab / Path	5,437	5,004	8.6%	$324	$286	13.4%	$1,763	$1,431	23.2%
Evaluation and Management	4,889	4,575	6.9%	$119	$107	10.7%	$581	$491	18.3%
Well Visits	480	476	0.8%	$181	$163	11.2%	$87	$78	12.0%
Emergency Room Professional	300	270	11.0%	$1,125	$1,154	-2.5%	$338	$312	8.2%
Chiropractic	396	376	5.1%	$19	$11	77.4%	$8	$4	86.5%
Medicine	4,991	4,500	10.9%	$121	$107	13.3%	$605	$481	25.7%
Injections	1,053	832	26.6%	$1,147	$967	18.6%	$1,207	$804	50.1%
DME	770	702	9.7%	$190	$174	9.2%	$146	$122	19.7%
Other	914	830	10.1%	$258	$296	-13.0%	$236	$246	-4.2%
Total	**22,505**	**20,557**	**9.5%**	**$457**	**$411**	**11.2%**	**$10,294**	**$8,454**	**21.8%**

2024 Non-Medicare In-Network vs Out-of-Network Analysis

	BCBSNM		Presbyterian	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Members	4,750		4,263	
# Services	155,823	14,240	108,331	3,734
% of Services	91.6%	8.4%	96.7%	3.3%
Average # Services per Member	32.80	3.00	25.41	0.88
Plan Paid	$58,111,270	$2,552,232	$46,775,460	$4,304,719
% of Plan Paid	95.8%	4.2%	91.6%	8.4%
Average Cost per Service	$372.93	$179.23	$431.78	$1,152.84

- In 2024, approximately 6.1% of overall plan payments were to out-of-network providers
  - These payments represented 8.4% of services for BCBSNM and 3.3% of services for Presbyterian
- Approximately 73% of Presbyterian enrollees and 30% of BCBSNM enrollees reside in either Albuquerque or Santa Fe.

NMRHCA Members Age 40+

	Age Group	2024 Members	% of 2024 Members	2023 Members	% of 2023 Members	Difference
BCBSNM	40 to 44	23	0%	23	0%	0.0%
Non-Medicare	45 to 49	94	2%	114	2%	-0.2%
	50 to 54	383	8%	478	9%	-1.1%
	55 to 59	1,198	25%	1,291	25%	0.5%
	60 to 64	3,052	64%	3,313	63%	0.8%
BCBSNM Average Age		**4,750**	**56.5 years**	**5,219**	**56.3 years**	**0.2 years**
Presbyterian	40 to 44	28	1%	26	1%	0.1%
Non-Medicare	45 to 49	98	2%	120	3%	-0.3%
	50 to 54	418	10%	505	11%	-1.0%
	55 to 59	1,169	27%	1,304	28%	-0.4%
	60 to 64	2,550	60%	2,726	58%	1.6%
Presbyterian Average Age		**4,263**	**56.2 years**	**4,681**	**55.8 years**	**0.4 years**
Total	40 to 44	51	1%	49	0%	0.1%
Non-Medicare	45 to 49	192	2%	234	2%	-0.2%
	50 to 54	801	9%	983	10%	-1.0%
	55 to 59	2,367	26%	2,595	26%	0.0%
	60 to 64	5,602	62%	6,039	61%	1.2%
Non-Medicare Average Age		**9,013**	**56.4 years**	**9,900**	**56.1 years**	**0.3 years**

- Excludes members under age 40, over age 64, and those for whom age is not available.
- The distribution of non-Medicare members remained consistent in 2024 with about 53% enrolled in BCBSNM plans (2023=53%, 2022=52%, 2021=52%).
- Across each age group and carrier, membership has declined significantly from 2023 to 2024.
- 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.

2024 Continuing Non-Medicare Members' Health Status Risk Index by Plan

2023 Plan	2024 Plan	Members	% of Continuing Non-Medicare Membership	2024 Risk Index
Premier	Premier	6,874	72.1%	1.02
Value	Premier	79	0.8%	1.30
Premier	Value	58	0.6%	0.74
Value	Value	2,521	26.4%	0.78
		9,531	**100.00%**	**0.96**

- Member count excludes members for whom either a 2023 or 2024 plan code was not available, due to new enrollment or disenrollment from NMRHCA pre-Medicare plans.
- The overall Risk Index increased from 0.93 in 2023 to 0.96 in 2024.

2024 Medicare Members by Age and Carrier

	Age Group	2024 Members	% of 2024 Members	2023 Members	% of 2023 Members	Difference
BCBSNM Medicare Supplement	less than 65	245	1%	267	1%	-0.1%
	65 to 69	2,592	13%	2,676	13%	-0.1%
	70 to 74	4,445	22%	4,790	24%	-1.2%
	75 to 79	5,112	26%	5,144	25%	0.4%
	80 to 84	3,700	19%	3,670	18%	0.6%
	85+	3,759	19%	3,774	19%	0.4%
Average Age		**19,853**	**77.7 years**	**20,321**	**77.5 years**	**0.2 years**
BCBSNM Medicare Advantage	less than 65	56	2%	61	2%	0.0%
	65 to 69	586	17%	610	16%	0.3%
	70 to 74	751	21%	794	21%	0.0%
	75 to 79	966	27%	1024	27%	0.0%
	80 to 84	650	18%	673	18%	0.4%
	85+	530	15%	588	16%	-0.7%
Average Age		**3,539**	**76.9 years**	**3,750**	**76.8 years**	**0.1 years**
Presbyterian Medicare Advantage	less than 65	190	2%	219	2%	-0.3%
	65 to 69	2,067	23%	2,429	26%	-3.2%
	70 to 74	3,075	34%	3,161	34%	0.1%
	75 to 79	2,179	24%	2,053	22%	2.1%
	80 to 84	1018	11%	998	11%	0.6%
	85+	440	5%	384	4%	0.8%
Average Age		**8,969**	**73.8 years**	**9,244**	**73.2 years**	**0.6 years**
United Healthcare Medicare Advantage	less than 65	90	1%	87	2%	0.0%
	65 to 69	1,931	32%	1,835	32%	-0.4%
	70 to 74	1,769	29%	1,859	33%	-3.5%
	75 to 79	1,430	24%	1,178	21%	2.9%
	80 to 84	527	9%	465	8%	0.5%
	85+	272	5%	234	4%	0.4%
Average Age		**6,019**	**73.0 years**	**5,658**	**72.7 years**	**0.4 years**
Humana Medicare Advantage	less than 65	26	1%	28	2%	-0.3%
	65 to 69	807	40%	804	44%	-4.3%
	70 to 74	770	38%	626	34%	3.6%
	75 to 79	263	13%	216	12%	1.1%
	80 to 84	111	5%	95	5%	0.3%
	85+	62	3%	63	3%	-0.4%
Average Age		**2,039**	**71.5 years**	**1,832**	**71.2 years**	**0.3 years**
Medicare Total	less than 65	607	2%	662	2%	-0.1%
	65 to 69	7,983	20%	8,354	20%	-0.7%
	70 to 74	10,810	27%	11,230	28%	-0.8%
	75 to 79	9,950	25%	9,615	24%	1.1%
	80 to 84	6,006	15%	5,901	14%	0.4%
	85+	5,063	13%	5,043	12%	0.2%
Medicare Average Age		**40,419**	**75.8 years**	**40,805**	**75.5 years**	**0.3 years**

- 77% of Humana's MAPD enrollment is between the 65 to 69 and 70 to 74 age as compared to about 38% of BCBS MAPD plan's enrollment is in the same age group.
- In contrast, both Presbyterian Medicare Advantage and United Healthcare have 75% and 66% of their enrollment in the 70+ range, respectively. BCBSNM MAPD plans have the highest average age around 77 years with 82% of members over age 70.
- Over the last 9 years, BCBSNM Medicare Supplement membership has declined by about 468 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.

2024 Medicare Members by Age and Carrier

	BCBSNM Medicare Supplement	BCBSNM Medicare Advantage	Presbyterian Medicare Advantage	United Healthcare Medicare Advantage	Humana Medicare Advantage	Total
less than 65	0.6%	0.1%	0.5%	0.2%	0.1%	1.5%
65 to 69	6.4%	1.4%	5.1%	4.8%	2.0%	19.8%
70 to 74	11.0%	1.9%	7.6%	4.4%	1.9%	26.7%
75 to 79	12.6%	2.4%	5.4%	3.5%	0.7%	24.6%
80 to 84	9.2%	1.6%	2.5%	1.3%	0.3%	14.9%
85+	9.3%	1.3%	1.1%	0.7%	0.2%	12.5%
Total	**49.1%**	**8.8%**	**22.2%**	**14.9%**	**5.0%**	**100.0%**

- While about half of total members (49.1%) are enrolled in the BCBSNM Medical Supplement plan, enrollment in the plan decreased by about 2.3% in 2024.
- For the MAPD plans, both Humana and United Healthcare gained members in 2024 while membership decreased for both BCBS and Presbyterian.

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EXPRESS SCRIPTS

Annual Board Presentation

New Mexico Retiree Healthcare Authority

Amy Daily – Senior Director, Account Management
Anjana Patel, PharmD, RPh – Sr. Clinical Account Executive

Express Scripts
By EVERNORTH

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WHAT WE'LL COVER

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

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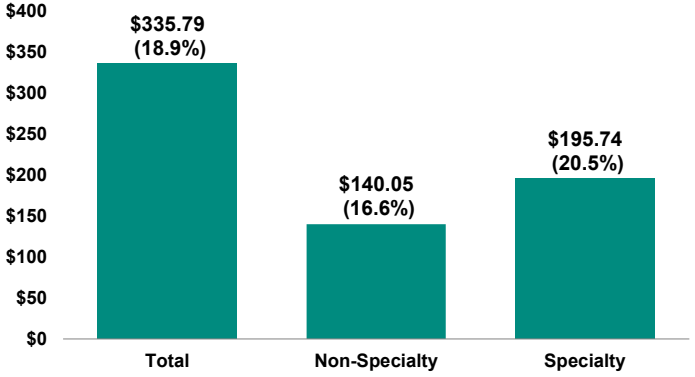
About Express Scripts

- 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

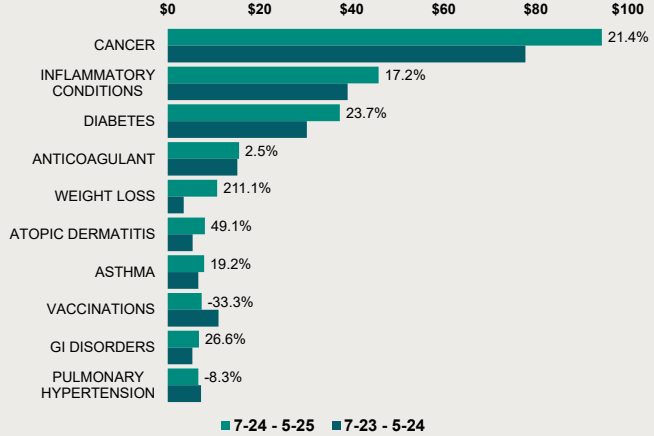
Trend Dashboard Combined

Plan Cost Net PMPM (% Change)



NM RHCA Combined			
Description	7-24 - 5-25	7-23 - 5-24	Change
Average Members per Month	30,027	31,676	-5.2%
Total Plan Cost Net	$110,910,519	$98,415,432	12.7%
Average Member Age	69.9	69.2	1.0%
Total Plan Cost Net PMPM	$335.79	$282.45	18.9%
Non-Specialty Plan Cost Net PMPM	$140.05	$120.07	16.6%
Specialty Plan Cost Net PMPM	$195.74	$162.38	20.5%
Generic Fill Rate	88.3%	88.3%	0.0
90 Day Utilization	75.2%	75.8%	-0.6
Retail - Maintenance 90 Utilization	39.8%	38.6%	1.3
Home Delivery Utilization	35.3%	37.2%	-1.9
Member Cost Net %	9.9%	11.4%	-1.6
Specialty Percent of Plan Cost Net	58.3%	57.5%	0.8

Plan Cost Net PMPM by Indication



A Glance at GLP-1

GLP-1 drugs were responsible for $11.2M, which is 10.1% of your overall cost

GLP-1s accounted for $12.42 (23.3%) of the total $53.34 Net PMPM increase.

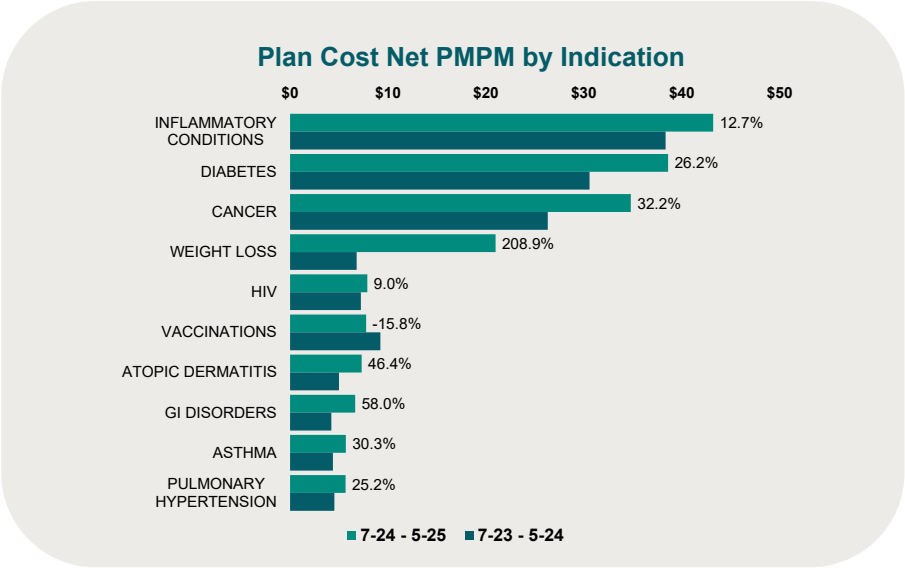
Clinical Program Savings

$27.9M or $84.35PMPM

Includes Utilization Management and RationalMed

Top Line Performance Metrics – Pre Medicare

NM RHCA Pre Medicare			
Description	7-24 - 5-25	7-23 - 5-24	Change
Avg Subscribers per Month	10,647	11,830	-10.0%
Avg Members per Month	10,647	11,830	-10.0%
Number of Unique Patients	10,407	11,417	-8.8%
Pct Members Utilizing Benefit	97.7%	96.5%	1.2
Total Plan Cost Net	$27,758,972	$24,119,051	15.1%
Total Days	8,329,142	8,821,693	-5.6%
Total Adjusted Rxs	307,399	327,843	-6.2%
Average Member Age	56.1	55.8	0.6%
Plan Cost Net PMPM	$237.02	$185.35	27.9%
Plan Cost Net/Day	$3.33	$2.73	21.9%
Plan Cost Net per Adjusted Rx	$90.30	$73.57	22.7%
Nbr Adjusted Rxs PMPM	2.62	2.52	4.2%
Generic Fill Rate	85.5%	85.9%	-0.4
90 Day Utilization	57.7%	60.7%	-2.9
Retail - Maintenance 90 Utilization	24.5%	24.5%	0.0
Home Delivery Utilization	33.3%	36.2%	-2.9
Member Cost Net %	16.6%	18.0%	-1.4
Specialty Percent of Plan Cost Net	46.5%	47.4%	-0.9
Specialty Plan Cost Net PMPM	$110.25	$87.93	25.4%
Formulary Compliance Rate	99.5%	99.5%	-0.1



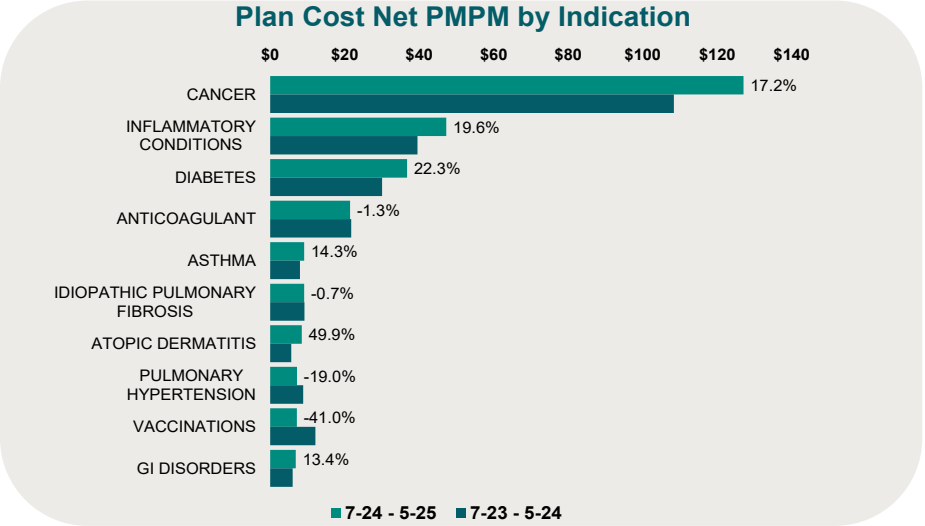
GLP-1 drugs were responsible for $5.7M, which is 20.3% of your overall Plan Cost Net

GLP-1s accounted for $21.21 (41.0%) of the total $51.67 Net PMPM increase.

Express Scripts
By EVERNORTH

Top Line Performance Metrics - EGWP

NM RHCA EGWP			
Description	7-24 - 5-25	7-23 - 5-24	Change
Avg Subscribers per Month	19,380	19,847	-2.4%
Avg Members per Month	19,380	19,847	-2.4%
Number of Unique Patients	19,425	19,897	-2.4%
Pct Members Utilizing Benefit	100.2%	100.3%	0.0
Total Plan Cost Net	$83,151,547	$74,296,381	11.9%
Total Days	28,637,716	28,849,694	-0.7%
Total Adjusted Rxs	1,018,834	1,030,225	-1.1%
Average Member Age	77.4	77.2	0.3%
Plan Cost Net PMPM	$390.05	$340.31	14.6%
Plan Cost Net/Day	$2.90	$2.58	12.7%
Plan Cost Net per Adjusted Rx	$81.61	$72.12	13.2%
Nbr Adjusted Rxs PMPM	4.78	4.72	1.3%
Generic Fill Rate	89.2%	89.1%	0.1
90 Day Utilization	80.2%	80.4%	-0.1
Retail - Maintenance 90 Utilization	44.3%	42.9%	1.4
Home Delivery Utilization	35.9%	37.5%	-1.6
Member Cost Net %	7.4%	9.1%	-1.7
Specialty Percent of Plan Cost Net	62.2%	60.8%	1.5
Specialty Plan Cost Net PMPM	$242.71	$206.75	17.4%
Formulary Compliance Rate	98.4%	98.4%	0.0



Specialty Plan Cost Net PMPM increased $35.96 (+17.4%) to $242.71

GLP-1s accounted for $7.86 (15.8%) of the total $49.74 Net PMPM increase.

Top 25 Drugs

Top Drugs by Plan Cost Net

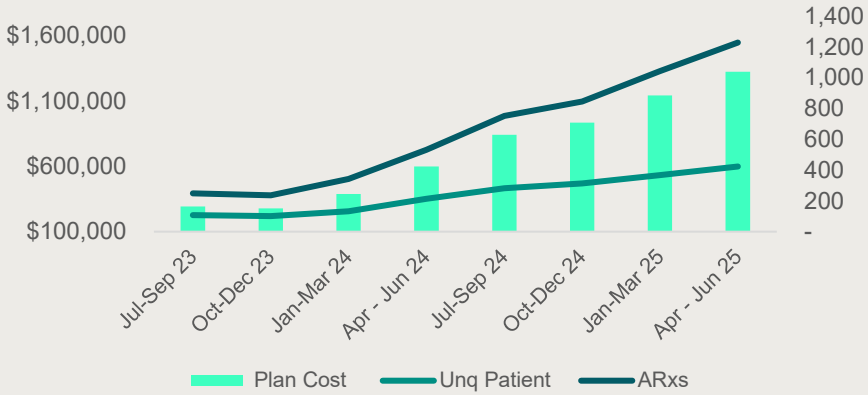
			7-24 - 5-25				7-23 - 5-24				% Change
Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Rank	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Plan Cost Net PMPM
1	ELIQUIS	ANTICOAGULANT	16,845	2,066	$3,844,991	$11.64	1	15,735	1,935	$3,852,991	$11.06	5.3%
2	OZEMPIC	DIABETES	8,418	1,082	$3,188,302	$9.65	5	6,094	878	$2,273,435	$6.52	47.9%
3	XTANDI*	CANCER	218	28	$2,491,244	$7.54	6	186	28	$2,092,732	$6.01	25.6%
4	MOUNJARO	DIABETES	6,091	783	$2,444,987	$7.40	12	3,015	447	$1,269,018	$3.64	103.2%
5	IBRANCE*	CANCER	138	17	$2,270,521	$6.87	4	159	18	$2,437,159	$6.99	-1.7%
6	IMBRUVICA*	CANCER	142	16	$2,141,872	$6.48	3	173	17	$2,564,234	$7.36	-11.9%
7	RINVOQ*	INFLAMMATORY CONDITIONS	423	50	$2,067,532	$6.26	10	338	43	$1,443,685	$4.14	51.1%
8	WEGOVY	WEIGHT LOSS	2,271	354	$1,922,165	$5.82	23	1,071	233	$901,925	$2.59	124.8%
9	REVLIMID*	CANCER	109	17	$1,836,820	$5.56	8	113	20	$1,839,754	$5.28	5.3%
10	DUPIXENT PEN*	ATOPIC DERMATITIS	607	71	$1,717,316	$5.20	21	373	47	$965,399	$2.77	87.7%
11	KISQALI*	CANCER	117	18	$1,700,935	$5.15	20	79	10	$1,045,247	$3.00	71.7%
12	HUMIRA(CF) PEN*	INFLAMMATORY CONDITIONS	571	74	$1,693,289	$5.13	2	822	90	$3,091,622	$8.87	-42.2%
13	OFEV*	IDIOPATHIC PULMONARY FIBROSIS	135	23	$1,629,047	$4.93	9	135	18	$1,577,008	$4.53	9.0%
14	ZEPBOUND	WEIGHT LOSS	2,201	347	$1,594,240	$4.83	85	331	109	$252,516	$0.72	566.0%
15	VERZENIO*	CANCER	93	10	$1,528,979	$4.63	37	49	7	$629,513	$1.81	156.2%
16	TAGRISSO*	CANCER	87	8	$1,523,388	$4.61	18	66	10	$1,087,706	$3.12	47.7%
17	JARDIANCE	DIABETES	7,909	1,000	$1,500,998	$4.54	19	6,084	806	$1,048,612	$3.01	51.0%
18	SKYRIZI PEN*	INFLAMMATORY CONDITIONS	232	26	$1,431,217	$4.33	25	181	23	$887,883	$2.55	70.0%
19	TRULICITY	DIABETES	3,852	457	$1,333,672	$4.04	7	5,178	676	$1,888,898	$5.42	-25.5%
20	ABIRATERONE ACETATE*	CANCER	156	24	$1,245,721	$3.77	15	153	22	$1,150,957	$3.30	14.2%
21	ENBREL SURECLICK*	INFLAMMATORY CONDITIONS	310	36	$1,195,866	$3.62	16	314	38	$1,110,407	$3.19	13.6%
22	XARELTO	ANTICOAGULANT	5,802	677	$1,167,737	$3.54	13	6,083	721	$1,265,345	$3.63	-2.6%
23	MIRABEGRON ER	URINARY DISORDERS	3,442	518	$1,119,205	$3.39	392	72	36	$26,051	$0.07	4432.1%
24	LENVIMA*	CANCER	42	9	$995,317	$3.01	26	35	10	$878,859	$2.52	19.5%
25	XIFAXAN	GI DISORDERS	382	100	$908,053	$2.75	24	394	99	$893,611	$2.56	7.2%
		Total Top 25:	60,593		$44,493,413	$134.71		47,233		$36,474,567	$104.68	28.7%
		Differences Between Periods:	13,360		$8,018,846	$30.03						

*Specialty Drugs

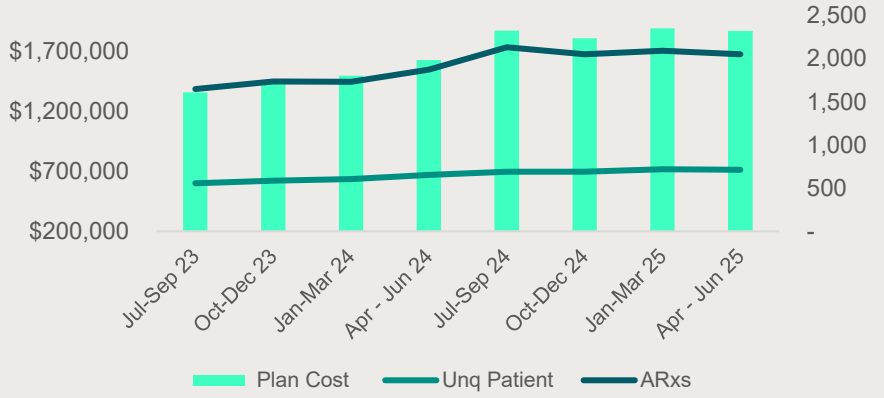
Represents 40.1% of your total Plan Cost Net and comprises 9 indications

15 of your top 25 are specialty drugs, making up 57.2% of your Top 25 spend

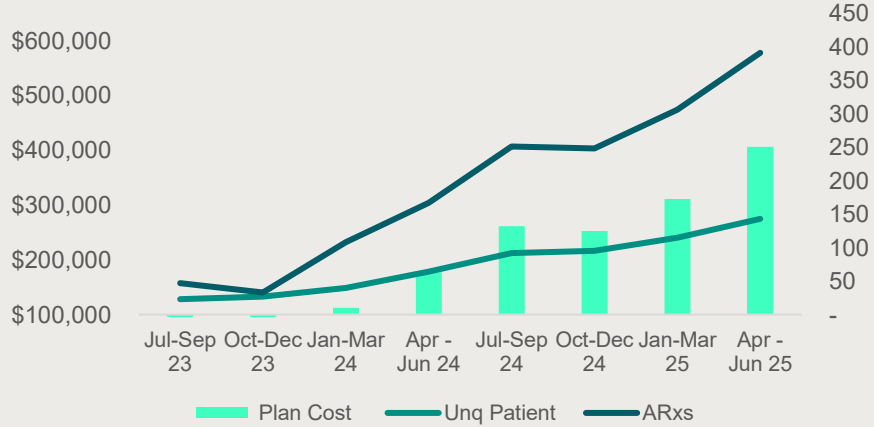
State of New Mexico RHCA Pre Medicare Weight Loss GLP1 Utilization Jul 2023 - Jun 2025



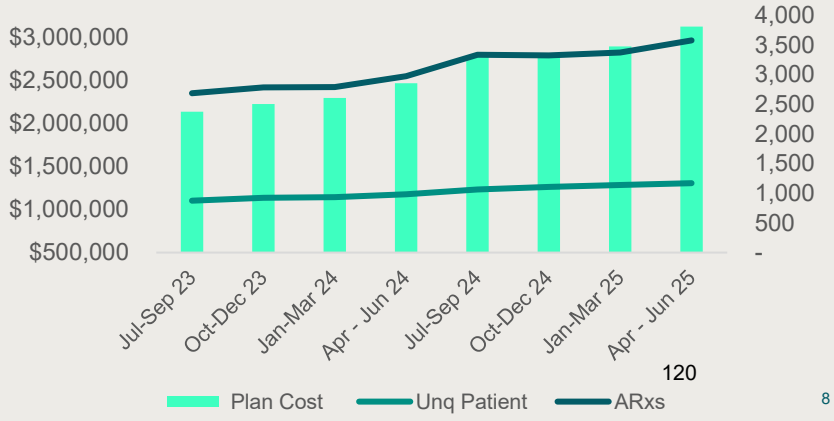
State of New Mexico RHCA Pre Medicare Diabetes GLP1 Utilization Jul 2023 - Jun 2025



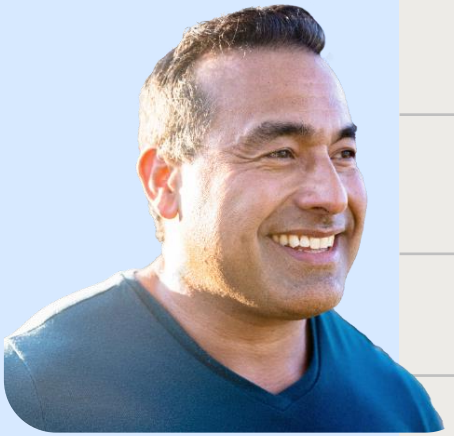
State of New Mexico RHCA EGWP Weight Loss GLP1 Utilization Jul 2023 - Jun 2025



State of New Mexico RHCA EGWP Diabetes GLP1 Utilization Jul 2023 - Jun 2025



Managing GLP-1s - Solution Components



WEIGHT LOSS		DIABETES
$282,900 ($2.22 PMPM)	ESTIMATED SAVINGS NET OF PROGRAM FEES	**$264,800** ($2.08 PMPM)
Increased BMI requirements Enroll in lifestyle program Meaningful engagement	ACCESS REQUIREMENTS	Documentation for Diabetes – ICD-10 codes, A1C levels, or Glucose values
Omada engagement data embedded in adjudication process	DATA INTEGRATION	Using medical data to validate diagnosis; POS review where applicable
GLP-1 Anti-Fraud Protection	PHARMACY AND PROVIDER MANAGEMENT	GLP-1 Anti-Fraud Protection
$0.85 Per Member Per Month	PRICING	$0.15 Per Member Per Month

Solutions are mutually exclusive allowing option to enroll in both - **$547,700 savings opportunity**

ENCIRCLERX SUCCESS

9M
Lives covered across 500 unique carriers

>60%
Of Diabetes ECRx PA denials due to patient not having type 2 diabetes

18%
Decrease in GLP-1 prescribing through 250 proactive advisory letters sent to prescribers

$50M
Saved for EncircleRx enrolled clients in 2024

100K
LBs lost thus far from participation in Omada for Prevention

80%
Of patients have engaged with Omada above the requirements set within program

88%
Of patients engaged with Omada have shown weight loss

Clients enrolled in EncircleRx experiencing **significant decrease in trend**!

Appendix

Plan Performance - Combined

Plan Performance			
	7-24 - 5-25	7-23 - 5-24	Change %
AWP	$332,815,904	$314,199,270	5.9%
Network & Mail Discount Savings (includes dispensing fees)	-$163,280,269	-$159,915,468	2.1%
Tax	$33,238	$42,524	-21.8%
Gross Cost	$169,568,873	$154,326,326	9.9%
Member Cost	-$12,131,431	-$12,721,054	-4.6%
Copay/Deductible	-$9,057,548	-$9,644,136	-6.1%
SaveOnSP	-$3,073,883	-$3,076,918	-0.1%
Plan Cost	$157,434,753	$141,600,447	11.2%
Rebates*	-$46,524,233	-$43,185,014	7.7%
Plan Cost Net	$110,910,519	$98,415,432	12.7%
Direct Subsidy**	-$11,686,227	-$1,597,292	631.6%
Prospective Federal Reinsurance**	-$3,513,876	-$8,373,336	-58.0%
Coverage Gap Discount**	-$16,502,780	-$14,690,520	12.3%
Low-Income Cost Share Subsidy**	-$420,094	-$630,316	-33.4%
Adjusted Plan Cost Net	$78,787,544	$73,123,969	7.7%
Members	30,027	31,676	-5.2%
Gross Cost PMPM	$513.38	$442.91	15.9%
Plan Cost PMPM	$476.65	$406.39	17.3%
Rebates PMPM	$140.86	$123.94	13.6%
Plan Cost Net PMPM	$335.79	$282.45	18.9%
Adjusted Plan Cost Net PMPM	$238.54	$209.86	13.7%

Plan Cost PMPM increased $70.26 (+17.3%) to $476.65

Clinical Programs reduced Plan Cost Net PMPM by 20.1%

Rebates and Subsidies reduced Plan Cost PMPM from $476.65 to $238.54 (-50.0%)

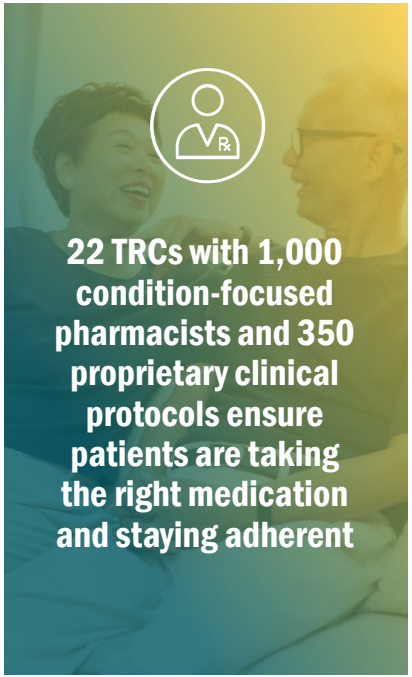
* Rebates are estimated based on paid and expected to be paid amounts. Actual rebate payments may differ from estimates.
SaveOnSP savings based on date of service; savings may differ from invoice
** Amounts are estimated. Prospective Federal Reinsurance amounts are based on the lesser of the CMS market rate and client's most up-to-date utilization which was the most recently reconciled plan year as of the beginning of this year.

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

Express Scripts
By EVERNORTH

THERAPEUTIC RESOURCE CENTER® (TRC)



Express Scripts
By EVERNORTH

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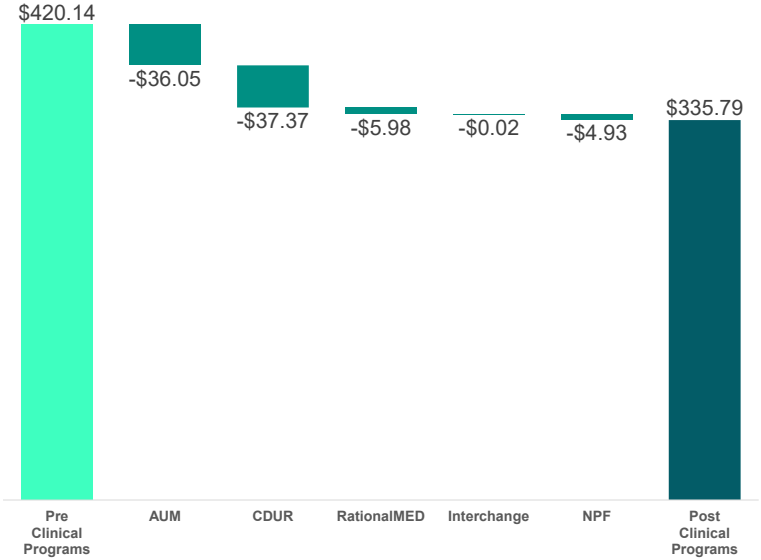
Clinical Savings and Impact



Plan Cost Net Savings			
Program	Current 7-24 - 5-25	Previous 7-23 - 5-24	Change
Pre Clinical Programs	$138.8 M	$125.3 M	10.7%
Plan Cost Net PMPM	$420.14	$359.68	16.8%
AUM	$11.9 M	$13.1 M	-9.0%
CDUR	$12.3 M	$10.0 M	23.4%
RationalMED	$2.0 M	$2.3 M	-12.2%
NPF	$1.6 M	$1.5 M	5.8%
Savings	$27.9 M	$26.9 M	3.5%
Post Clinical Programs	$110.9 M	$98.4 M	12.7%
Plan Cost Net PMPM	$335.79	$282.45	18.9%

Clinical Programs reduced Plan Cost Net PMPM by 20.1% (-$84.35)

AUM - Advanced Utilization Management

CDUR - Concurrent Drug Utilization Review (health and safety edits)

RationalMED - Clinical Outreach Program that includes messaging to physicians, pharmacists, and members (optional) regarding health and safety issues.

NPF - National Preferred Formulary

Program fees are not included in these savings numbers

Express Scripts
By EVERNORTH

EncircleRx | Weight Loss GLP-1 Savings Guarantee Option

ESTIMATED WEIGHT LOSS SAVINGS WITH ENCIRCLE RX

3:1
Savings Guarantee

$0.85 PMPM
Program Cost

$282.9K
Gross Savings Net of Program Fees

$2.22 PMPM
Gross Savings Net of Program Fees

Program Levers

+ Increase BMI criteria
+ Demonstrated patient engagement requirement
+ Appropriate prescriber and pharmacy management

EVERNORTH HEALTH SERVICES

EncircleRx | Diabetes GLP-1 Savings Guarantee Option

ESTIMATED DIABETES SAVINGS WITH ENCIRCLE RX

3:1
Savings Guarantee

$0.15 PMPM
Program Cost

Program Levers

+ A1C Documentation for Diabetes
+ Appropriate prescriber and pharmacy management

$264.8K
Gross Savings Net of Program Fees

$2.08 PMPM
Gross Savings Net of Program Fees

EVERNORTH HEALTH SERVICES

New Mexico Retiree Health Care Authority

Long-Term Solvency Modeling

July 24-25, 2025 Annual Meeting

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

Segal

Agenda

Overview of Key Assumptions in the 2025 Model

Baseline Solvency Scenario

Sensitivity Analysis

2025 Model Key Assumptions

Category	Assumption	Comments*
Beginning Asset Balance	Use May 31, 2025 fund balance plus a $60M infusion in funds expected in June 2025 as an estimate for 7/1/2025 fund balance of $1,760,476,252	
Investment Return	7%	
Annual Payroll Growth	3.53% for FY2026 (4.00% for Public Safety, State and Teachers, 2.75% for Others); 2.75% thereafter	FY2025 payroll is estimated to be $6.2B
Contribution Rates (ER/EE)	2.50% / 1.25% Public Safety, et al 2.00% / 1.00% Other occupations	
Annual Growth in Retirees	Based on FY2025 open valuation output table	Updated in the 2025 model (See page 9 for more details)
Pension Tax Revenue	$58,044,139 for FY2026; 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

*Assumption is consistent with 2024 approach unless otherwise noted

2025 Model Key Assumptions (cont'd)

Category	Assumption	Comments*
Medical and Rx	See Table A	Non-Medicare Medical and Rx; Medical Supplemental Plan and EGWP separate trends
Medicare Advantage	Current rates for CY2025; CY2026 based on latest 2026 renewal results; thereafter, see Table A; For BCBSNM HMO MAPD Plan : $0 premium 7/1/2024-6/30/2028 per RFP; in CY2029 a $10 premium and Table A trends thereafter;	
Dental / Vision	Current rates FY2026; For FY2027-FY2028, rates contracted through the RFP; Thereafter: Dental – 6%; Vision – 5%	
EGWP Revenue Components	CY2025 and CY2026 projected, reflecting Inflation Reduction Act of 2022 (IRA)	CY2025 projections performed by ESI and Segal; CY2026 projected IRA impacts provided by ESI and confirmed by Segal and Madalena Consulting; final 2026 Direct Subsidy impact will not be known until August 2025
Direct Subsidy	4.5% after CY2026	
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 2024 approach unless otherwise noted

2025 Model Key Assumptions (cont'd)

Category	Assumption	Comments*
Plan Design Changes		
Pre-Medicare Medical & Rx	No Plan Changes	Includes impact from 2024 legislative session bills effective 1/1/2025 and approved 2025 legislative session bills
Medicare Supplement Medical & EGWP	No Plan Changes	Includes impact from 2024 legislative session bills effective 1/1/2025 and approved 2025 legislative session bills
MAPD Plans	No Plan Changes	
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 2024 approach unless otherwise noted

2025 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	Non-Medicare age-ins default to BCBS PPO MAPD plan; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement.	

*Assumption is consistent with 2024 approach unless otherwise noted

2026 Proposed Rx Plan Design Changes

	2025 Rx Plan Design	2026 Rx Plan Design
Rx Deductible	Non-Medicare[1]: $0 EGWP: $0	Non-Medicare[1]: $50 for brand drugs EGWP: $250 for brand drugs
Rx Out-of-Pocket Maximum	Non-Medicare: Combined with Medical EGWP: $2,000 true out-of-pocket maximum limit	Non-Medicare: Combined with Medical EGWP: $2,100 true out-of-pocket maximum limit
Retail[2]	**Generics:** 20% with minimum copay $5 – maximum $15 **Preferred Brand:** 30% with minimum copay $30 – maximum $60 **Non-Preferred Brand:** 50% with minimum copay $50 – maximum $125	**Generics:** 20% with minimum copay $10 – maximum $30 **Preferred Brand:** 30% with minimum copay $45 – maximum $100 **Non-Preferred Brand:** 50% with minimum copay $75 – maximum $200
Mail Order[3]	**Generics:** 20% with minimum copay $12 – maximum $35 **Preferred Brand:** 30% with minimum copay $60 – maximum $120 **Non-Preferred Brand:** 50% with minimum copay $100 – maximum $250	**Generics:** 20% with minimum copay $24 – maximum $70 **Preferred Brand:** 30% with minimum copay $90 – maximum $200 **Non-Preferred Brand:** 50% with minimum copay $150 – maximum $400

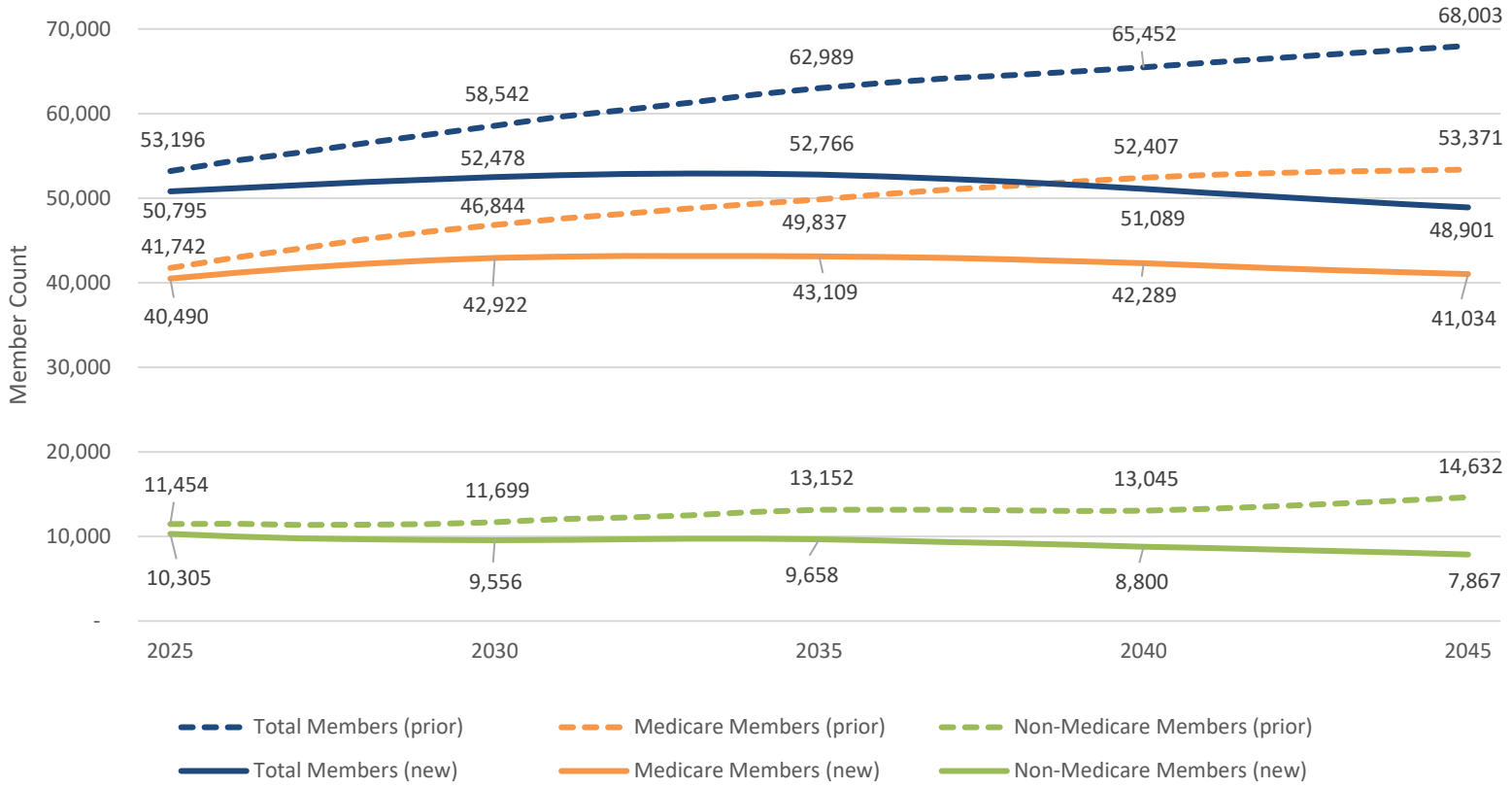
[1]Non-Medicare includes pharmacy benefits for both the Premier and Value plans
[2]Maximum of 34-day supply or 100 units or as prescribed by your physician or an approved exception.
[3]Maximum of 90-day supply or 300 units or as prescribed by your physician or an approved exception.

Table A

Trend Assumptions by Expense Category

Year	Non-Medicare Medical	Non-Medicare Rx	Medicare Supp Medical	Medicare EGWP	MAPD
2025	8.00%	14.00%	6.00%	11.00%	0.00%
2026	8.00%	14.00%	6.00%	11.00%	Renewal %
2027	8.00%	13.00%	6.00%	10.50%	6.00%
2028	8.00%	12.00%	6.00%	10.00%	6.00%
2029	7.75%	11.00%	6.00%	9.50%	6.00%
2030	7.50%	10.00%	6.00%	9.00%	6.00%
2031	7.25%	9.00%	6.00%	8.50%	6.00%
2032	7.00%	8.00%	6.00%	8.25%	6.00%
2033	6.75%	7.75%	6.00%	8.00%	6.00%
2034	6.50%	7.50%	5.75%	7.75%	6.00%
2035	6.25%	7.25%	5.50%	7.50%	5.75%
2036	6.00%	7.00%	5.25%	7.25%	5.50%
2037	5.75%	6.75%	5.00%	7.00%	5.25%
2038	5.50%	6.50%	4.75%	6.75%	5.00%
2039	5.25%	6.25%	4.50%	6.50%	4.75%
2040	5.00%	6.00%	4.50%	6.25%	4.50%
2041+	4.75%→4.5%	5.75%→4.5%	4.50%	6.00%→4.50%	4.50%

Solvency Model
Updated Enrollment Assumptions

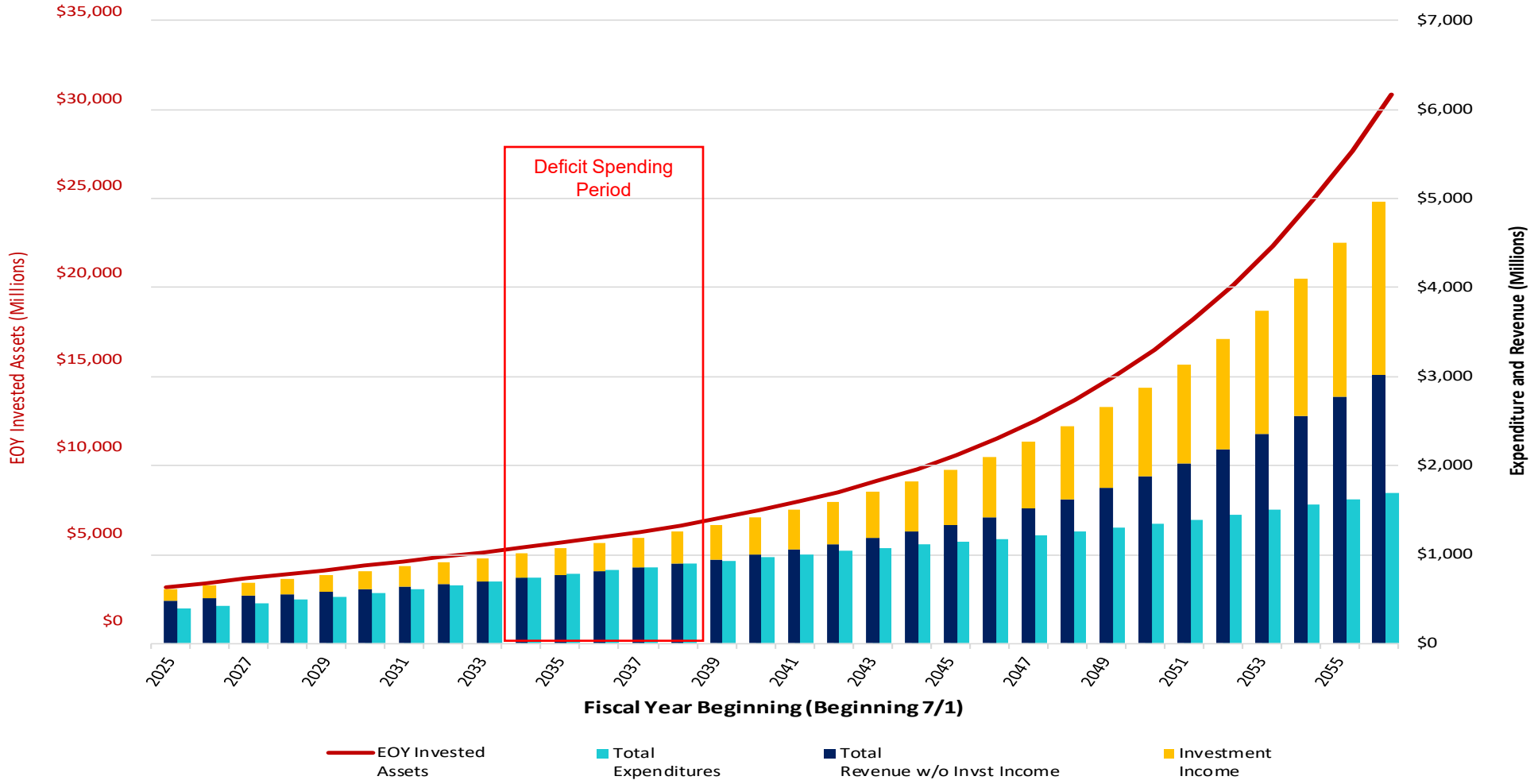


- Based on open-group projection using new PERA and ERB demographic assumptions
- Overall enrollment expected to remain relatively level over the next 15 years, compared to prior assumptions which projected enrollment increases
- Medicare enrollment expected to continue increasing in the short term, but at a slower pace than prior assumption
- Non-Medicare enrollment expected to decrease instead of slight growth

Baseline Solvency Scenario

Baseline Scenario

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



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

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, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 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 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$134,754,710	$37,818,511	$58,044,139	$55,778,503	$82,173	$485,324,966	$126,449,611	$339,664,497	$37,818,511	$11,823,240	$4,125,200	$393,431,447	$91,893,519	$1,978,819,381
7/1/2026	$1,978,819,381	$136,210,147	$68,105,074	$137,354,289	$38,676,699	$65,009,436	$65,176,084	$80,021	$510,611,749	$141,627,133	$366,842,322	$38,676,699	$12,013,656	$4,228,330	$421,761,007	$88,850,743	$2,209,297,256
7/1/2027	$2,209,297,256	$139,955,926	$69,977,963	$139,060,472	$40,111,941	$72,810,568	$70,994,405	$78,808	$532,990,084	$157,436,070	$396,761,143	$40,111,941	$12,204,044	$4,334,038	$453,411,166	$79,578,919	$2,446,312,245
7/1/2028	$2,446,312,245	$143,804,714	$71,902,357	$141,018,325	$41,916,855	$81,547,837	$77,002,217	$78,127	$557,270,432	$173,614,524	$430,689,526	$41,916,855	$12,431,184	$4,442,389	$489,479,955	$67,790,477	$2,687,717,246
7/1/2029	$2,687,717,246	$147,759,344	$73,879,672	$142,924,801	$43,997,906	$91,333,577	$83,271,870	$77,339	$583,244,510	$190,108,549	$465,799,444	$43,997,906	$12,655,370	$4,553,449	$527,006,169	$56,238,340	$2,934,064,135
7/1/2030	$2,934,064,135	$151,822,726	$75,911,363	$144,935,682	$46,166,402	$102,293,606	$89,562,871	$77,812	$610,770,461	$206,902,404	$503,593,624	$46,166,402	$12,974,164	$4,667,285	$567,401,475	$43,368,986	$3,184,335,525
7/1/2031	$3,184,335,525	$155,997,851	$77,998,925	$146,882,013	$48,395,737	$114,568,839	$95,931,188	$78,204	$639,852,756	$223,970,969	$542,878,334	$48,395,737	$13,295,215	$4,783,967	$609,353,253	$30,499,503	$3,438,805,998
7/1/2032	$3,438,805,998	$160,287,792	$80,143,896	$148,720,369	$50,675,750	$128,317,100	$102,378,960	$78,975	$670,602,840	$241,324,372	$584,037,767	$50,675,750	$13,615,700	$4,903,566	$653,232,783	$17,370,057	$3,697,500,427
7/1/2033	$3,697,500,427	$164,695,706	$82,347,853	$150,316,857	$53,034,859	$143,715,152	$109,040,610	$79,357	$703,230,392	$259,007,892	$626,021,974	$53,034,859	$13,922,778	$5,026,156	$698,005,766	$5,224,626	$3,961,732,945
7/1/2034	$3,961,732,945	$169,224,838	$84,612,419	$151,394,198	$55,421,344	$160,960,970	$115,964,536	$78,925	$737,657,229	$277,187,853	$666,707,443	$55,421,344	$14,189,573	$5,151,810	$741,470,170	($3,812,940)	$4,235,107,858
7/1/2035	$4,235,107,858	$173,878,521	$86,939,260	$151,942,138	$57,870,925	$180,276,286	$123,176,033	$77,878	$774,161,042	$296,149,164	$705,401,643	$57,870,925	$14,418,891	$5,280,605	$782,972,064	($8,811,022)	$4,522,446,000
7/1/2036	$4,522,446,000	$178,660,180	$89,330,090	$152,023,508	$60,360,772	$201,909,441	$130,584,697	$76,441	$812,945,129	$316,236,419	$742,121,360	$60,360,772	$14,616,129	$5,412,620	$822,510,881	($9,565,752)	$4,829,116,666
7/1/2037	$4,829,116,666	$183,573,335	$91,786,668	$151,789,022	$62,887,702	$226,138,574	$138,004,554	$75,120	$854,254,974	$337,799,865	$777,831,825	$62,887,702	$14,796,138	$5,547,935	$861,063,600	($6,808,626)	$5,160,107,905
7/1/2038	$5,160,107,905	$188,621,602	$94,310,801	$151,339,859	$65,496,622	$253,275,203	$145,460,007	$73,841	$898,577,935	$361,191,792	$812,877,232	$65,496,622	$14,967,779	$5,686,634	$899,028,267	($450,332)	$5,520,849,365
7/1/2039	$5,520,849,365	$193,808,696	$96,904,348	$150,563,739	$68,181,743	$283,668,227	$153,064,788	$72,171	$946,263,712	$386,862,042	$845,632,838	$68,181,743	$15,117,851	$5,828,800	$934,761,231	$11,502,481	$5,919,213,888
7/1/2040	$5,919,213,888	$199,138,435	$99,569,217	$149,613,893	$70,939,553	$317,708,414	$160,645,263	$70,709	$997,685,484	$415,326,160	$877,478,259	$70,939,553	$15,259,221	$5,974,520	$969,651,553	$28,033,931	$6,362,573,979
7/1/2041	$6,362,573,979	$204,614,742	$102,307,371	$148,609,285	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,053,562,615	$447,103,117	$908,977,211	$73,835,272	$15,399,443	$6,123,883	$1,004,335,808	$49,226,807	$6,858,903,903
7/1/2042	$6,858,903,903	$210,241,647	$105,120,824	$147,562,524	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,114,485,307	$482,777,792	$939,946,360	$76,880,871	$15,537,706	$6,276,980	$1,038,641,917	$75,843,390	$7,417,525,085
7/1/2043	$7,417,525,085	$216,023,293	$108,011,646	$146,572,796	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,181,202,543	$522,980,614	$971,694,386	$80,135,636	$15,685,539	$6,433,904	$1,073,949,466	$107,253,078	$8,047,758,776
7/1/2044	$8,047,758,776	$221,963,933	$110,981,967	$145,531,449	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,254,245,096	$568,424,224	$1,003,075,613	$83,570,255	$15,829,920	$6,594,752	$1,109,070,539	$145,174,557	$8,761,357,557
7/1/2045	$8,761,357,557	$228,067,941	$114,033,971	$144,514,855	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,334,402,813	$619,944,334	$1,034,455,901	$87,229,274	$15,977,863	$6,759,621	$1,144,422,658	$189,980,155	$9,571,282,047
7/1/2046	$9,571,282,047	$234,339,810	$117,169,905	$143,524,238	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,422,324,399	$678,466,724	$1,065,981,601	$91,085,800	$16,128,931	$6,928,611	$1,180,124,944	$242,199,455	$10,491,948,226
7/1/2047	$10,491,948,226	$240,784,154	$120,392,077	$142,604,006	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,519,019,213	$745,012,030	$1,098,288,656	$95,179,541	$16,287,643	$7,101,826	$1,216,857,665	$302,161,548	$11,539,121,804
7/1/2048	$11,539,121,804	$247,405,719	$123,702,859	$141,808,875	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,626,034,104	$820,705,622	$1,132,209,018	$99,597,024	$16,460,255	$7,279,372	$1,255,545,669	$370,488,435	$12,730,315,861
7/1/2049	$12,730,315,861	$254,209,376	$127,104,688	$141,254,902	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,744,355,713	$906,736,492	$1,169,784,571	$104,322,388	$16,662,216	$7,461,356	$1,298,230,531	$446,125,182	$14,083,177,535
7/1/2050	$14,083,177,535	$261,200,134	$130,600,067	$140,934,936	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,875,513,575	$1,004,399,565	$1,210,751,171	$109,447,293	$16,891,863	$7,647,890	$1,344,738,217	$530,775,358	$15,618,352,458
7/1/2051	$15,618,352,458	$268,383,138	$134,191,569	$140,869,189	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,020,651,983	$1,115,145,432	$1,256,144,889	$114,921,546	$17,153,307	$7,839,087	$1,396,058,828	$624,593,155	$17,358,091,045
7/1/2052	$17,358,091,045	$275,763,674	$137,881,837	$140,856,872	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,181,672,455	$1,240,717,754	$1,302,509,044	$120,816,044	$17,415,697	$8,035,065	$1,448,775,851	$732,896,605	$19,331,705,404
7/1/2053	$19,331,705,404	$283,347,175	$141,673,587	$140,943,265	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,359,934,059	$1,383,175,179	$1,351,080,172	$127,052,320	$17,685,618	$8,235,941	$1,504,054,051	$855,880,008	$21,570,760,591
7/1/2054	$21,570,760,591	$291,139,222	$145,569,611	$141,216,941	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,557,925,255	$1,544,781,378	$1,402,599,770	$133,820,451	$17,973,566	$8,441,840	$1,562,835,627	$995,089,628	$24,110,631,597
7/1/2055	$24,110,631,597	$299,145,551	$149,572,775	$141,536,228	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,777,359,128	$1,728,096,343	$1,456,534,935	$140,982,317	$18,270,954	$8,652,886	$1,624,441,092	$1,152,918,036	$26,991,645,976
7/1/2056	$26,991,645,976	$307,372,053	$153,686,027	$141,845,188	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,020,520,355	$1,936,030,877	$1,512,639,973	$148,560,820	$18,574,382	$8,869,208	$1,688,644,383	$1,331,875,972	$30,259,552,825

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	14.31%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	0.58%	10.50%	10.00%	varies

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

Sensitivity Analysis

Sensitivity Analysis

2025 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	8.00% / 14.00%	7.00% / 13.00%	9.00% / 15.00%	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%
Medicare Medical/Rx Claims Trend	6.00% / 11.00%	5.00% / 10.00%	7.00% / 12.00%	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%
Annual Payroll Growth - Starting FY2027	2.75%	2.75%	2.75%	2.25%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2027 and beyond	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
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	2035	Exceeds Projection Period	2033	2034	2035	2035
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	$30,259,552,825	$37,832,986,265	$21,274,816,548	$28,523,313,312	$30,568,757,783	$30,385,440,391

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

Sensitivity Analysis

2025 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	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%	8.00% / 14.00%
Medicare Medical/Rx Claims Trend	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%	6.00% / 11.00%
Annual Payroll Growth - Starting FY2027	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2027 and beyond	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
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	2035	2036	2035	2036	2034	2035	2035
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	$30,259,552,825	$30,793,523,444	$29,800,185,281	$31,186,008,738	$29,470,440,586	$24,879,855,222	$20,740,244,977

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

New Mexico Retiree Health Care Authority

Long-Term Cash Flow & Solvency Modeling

Methodology Report

July 24-25, 2025 / Debbie Donaldson, FSA, MAAA

Segal

Segal

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July 24, 2025

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

Re: 2025 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 2025 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, 2025 Baseline Scenario - long-term solvency assumptions
- July 1, 2025 long-term solvency Baseline Scenario – 0% non-Medicare, 0% Medicare Supplement premium increases through FY2057, no plan design changes
- Scenario A – 8% non-Medicare, 4% Medicare Supplement premium changes in CY2026, no plan design changes
- Scenario B – 5% non-Medicare, 2% Medicare Supplement premium changes in CY2026, no plan design changes
- Scenario C – 4% non-Medicare retirees and spouses, 5% non-Medicare dependents, 2% Medicare Supplement premium changes with prescription drug plan changes in CY2026 for both non-Medicare and Medicare plans
- Scenario D – 2% non-Medicare retirees and spouses, 3% non-Medicare dependents, 0% Medicare Supplement premium changes; Prescription drug plan design changes: copay only changes for non-Medicare, and copay and deductible changes for Medicare Supplement plan
- Sensitivity analysis to July 1, 2025 long-term solvency assumptions for Baseline Scenario
- Plan Design Considerations

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 April 30, 2025. 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 FY2025 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: Amy Cohen, ASA, MAAA

Table of Contents

Beginning of Year Invested Assets

Invested assets as of July 1, 2025 were assumed to equal actual invested assets as of May 31, 2025 and a $60 million cash infusion expected in June 2025.

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 FY2025 active payroll to be approximately $6.25 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 FY2025 active payroll to be approximately $6.25 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 2025 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, 2025 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 CY25 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, 2025. 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, BCBSNM and Presbyterian Non-Medicare

members are assumed to enroll into the BCBSNM Medicare Advantage PPO plan, with 50 percent opting instead to enroll in the Medicare Supplement plan.

Non-Medicare Carrier	BCBSNM PPO MAPD	Medicare Supplement
BCBSNM	50%	50%
Presbyterian	50%	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 the thirty-two projection years:

- Supplemental Life: 0%
- Dental: Contracted terms through FY2028, then 6%
- Vision: Contracted terms through FY2028, then 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

CY2025 and CY2026 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 Medicaid 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 CY2026 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, 2025 Long-Term Solvency Assumptions for Baseline Scenario document.

The modelling reflects 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, 2025 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.*

New Medicare retirees are assumed to automatically enroll into a Medicare Advantage plan. BCBSNM and Presbyterian Non-Medicare members assumed to enroll into the BCBSNM PPO 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 the thirty-two projection years:

- Supplemental Life: 0%
- Dental: 6% (Following contracted terms through CY2028)
- Vision: 5% (Following contracted terms through FY2028)

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, 2025 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 FY2025 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, 2025 Baseline Assumptions and the methodology described herein, as applied to claims and membership information through March 31, 2025, the Authority is projected to remain solvent through the projection period.

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

ANNUAL MEETING

2026 Plan Recommendations

Summary of Proposed Actions

- Self-Insured Plan Rate Increases
  - *Pre-Medicare (Premier and Value Plans)*
  - *Medicare Supplement*

- Plan Design Changes
  - *Add a deductible to prescription plans*
  - *Copay changes to Pre-Medicare and Medicare Supplement Plans*

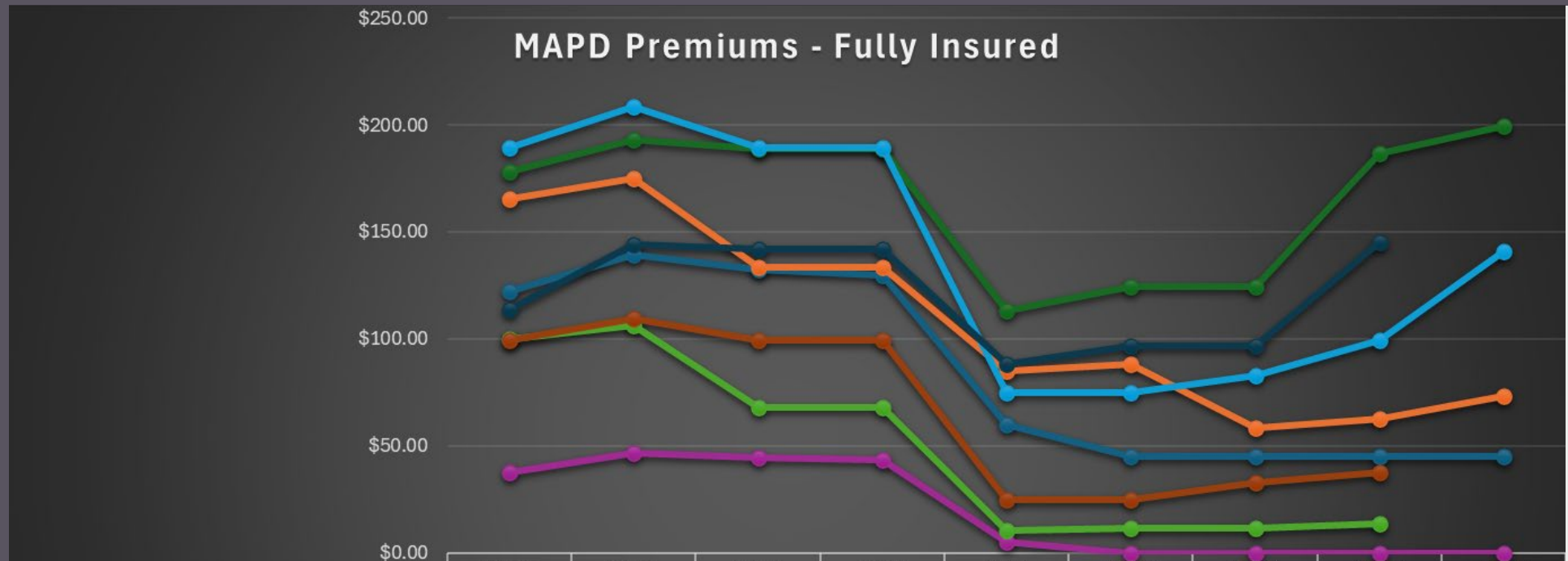
- Additional Considerations
  - *2026 Medicare Advantage Rates – Zero dollar increase up to about 75.6% increase*

Summary of Plan Changes 2019 - 2025

		2019	2020	2021	2022	2023	2024	2025	2026
	Rate Changes								
	Pre-Medicare								
1	Premier (% Change)	8%	7%	5%	6%	4%	5%	2%/3% Child	TBD
2	Premier Rate	$ 260.76	$ 279.01	$ 292.96	$ 310.54	$ 322.96	$339.11	$345.90	TBD
3	Value (% Change)	8%	7%	5%	6%	4%	5%	2%/3% Child	TBD
4	Value Rate	$ 203.69	$ 217.95	$ 227.00	242.58	$ 252.28	$264.89	$270.19	TBD
	Medicare								
5	Supplement (% Change)	6%	5%	2%	4%	2%	0%	2%	TBD
6	Supplement Rate	$ 211.96	$ 222.55	$ 227.00	236.08	$ 240.80	$240.80	$245.61	TBD
7	Advantage Rates	$22.15 - $94.68	$21.70 - $94.68	$2.50 - $56.50	$0 - 62.15	$0 - 62.15	$0 - 93.23	$0 - 99.74	$0 - $99.95
	Subsidy Levels								
	Pre-Medicare								
8	Retiree	64%	64%	64%	64%	64%	64%	64%	64%
9	Spouse/Domestic Partner	36%	36%	36%	36%	36%	36%	36%	36%
10	Dependent Child	0%	0%	0%	0%	0%	0%	0%	0%
	Medicare								
11	Retiree	50%	50%	50%	50%	50%	50%	50%	50%
12	Spouse/Domestic Partners	25%	25%	25%	25%	25%	25%	25%	25%
13	Dependent Child	0%	0%	0%	0%	0%	0%	0%	0%
	Rules								
14	Minimum Age (Non-Enhanced)			55	55	55	55	55	55
15	Years of Service (Max Subsidy)	20	20	25	25	25	25	25	25
16	Implement/Enforce Open Enrollment	X	X	X	X	X	X	X	X
	Plan Changes/Elimintation								
17	Basic Life Conversion	50%	25%	0%					
18	Enhanced Wellness Program/Incentives	X	X						
19	Medicare Advantage Default	X	X	X	X	X	X	X	X
20	Elimininations of OTC Prescriptions	X	X	X	X	X	X	X	X
21	Increase Prescription Drug Copays	Brand Copay							TBD
22	Voluntary Smart 90 Program	X	X	X	X	X	X	X	X
23	Flat copays for certain procedures (Presbyterian)	Bundled Agreements	Bundled Agreements	Bundled Agreements	Bundled Agreements	Bundled Agreements	Bundled Agreements	Bundled Agreements	Bundled Agreements
24	Introduction 3rd Tier Coverage (BCBS)	X	X	X	X	X	X	X	X
25	Increase Value Plan Cost Share					ER $350/ Urgent Care $55			
26	Increase Premier Plan Cost Share					ER $250/Urgent Care $45/BCBS Tier 1 OOP			

MAPD Premiums 2017-2025

Total Membership - 20,950
Enrollment as of 7/1/25
2,117
1,938
8,746
4,883
3,266
0
0
0



	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 23	CY 24	CY 25
Blue Cross Blue Sheild MAPD (PPO CY25)	$122.40	$139.20	$132.20	$129.60	$60.00	$45.00	$45.00	$45.00	$45.00
Humana MAPD 1	$165.55	$174.90	$133.65	$133.65	$84.94	$88.26	$58.22	$62.72	$73.23
Presbyterian MAPD 1	$178.00	$193.00	$189.00	$189.00	$113.00	$124.30	$124.30	$186.45	$199.49
United Healthcare MAPD 1	$189.39	$208.33	$189.37	$189.37	$75.00	$75.00	$83.00	$99.60	$141.00
Blue Cross Blue Sheild MAPD HMO	$37.90	$46.60	$44.30	$43.40	$5.00	$0.00	$0.00	$0.00	$0.00
Humana MAPD 2	$99.72	$106.12	$68.15	$68.15	$10.76	$11.54	$11.54	$13.62	
Presbyterian MAPD 2	$114.00	$144.00	$142.00	$142.00	$88.00	$96.80	$96.80	$145.20	
United Healthcare MAPD 2	$99.36	$109.30	$99.31	$99.31	$25.00	$25.00	$33.00	$37.60	

2026 Proposed Monthly Plan Rates Baseline

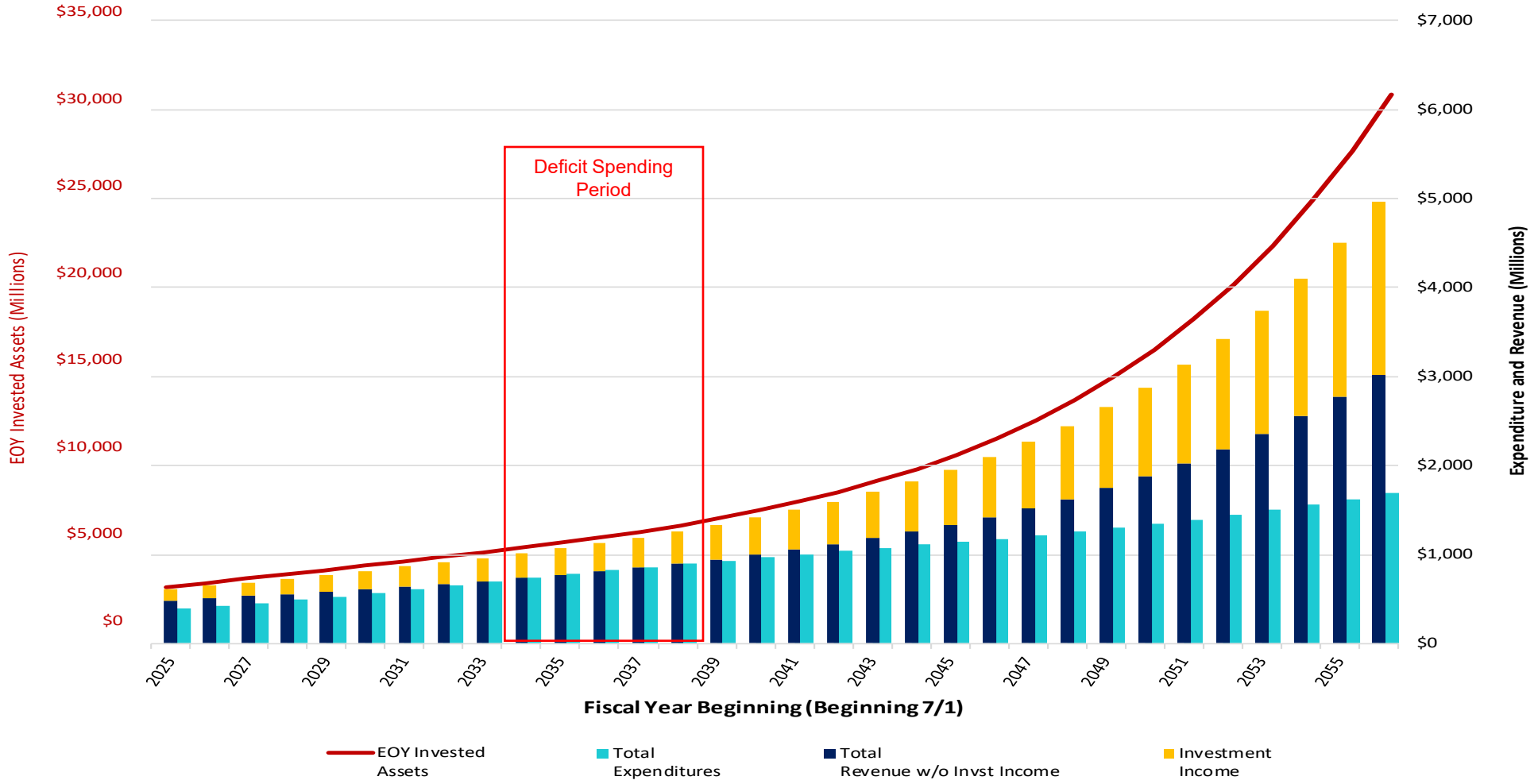
Pre-Medicare Plans – 0% / Medicare Supplement – 0% Beyond Projection Period / Deficit Spend FY2034

Baseline Scenario - 0%	2025	2026	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 345.90	$ 345.90	$ -	$ -
Spouse/Domestic Partner	$ 656.51	$ 656.51	$ -	$ -
Child	$ 339.03	$ 339.03	$ -	$ -
BCBS/Presbyterian Value				
Retiree	$ 270.19	$ 270.19	$ -	$ -
Spouse/Domestic Partner	$ 512.80	$ 512.80	$ -	$ -
Child	$ 264.38	$ 264.38	$ -	$ -

Baseline Scenario - 0%	2025	2026	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$245.61	$0.00	$0.00
Spouse/Domestic Partner	$368.42	$368.42	$0.00	$0.00
Dependent Child	$491.23	$491.23	$0.00	$0.00

Baseline Scenario

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



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

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, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 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 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$134,754,710	$37,818,511	$58,044,139	$55,778,503	$82,173	$485,324,966	$126,449,611	$339,664,497	$37,818,511	$11,823,240	$4,125,200	$393,431,447	$91,893,519	$1,978,819,381
7/1/2026	$1,978,819,381	$136,210,147	$68,105,074	$137,354,289	$38,676,699	$65,009,436	$65,176,084	$80,021	$510,611,749	$141,627,133	$366,842,322	$38,676,699	$12,013,656	$4,228,330	$421,761,007	$88,850,743	$2,209,297,256
7/1/2027	$2,209,297,256	$139,955,926	$69,977,963	$139,060,472	$40,111,941	$72,810,568	$70,994,405	$78,808	$532,990,084	$157,436,070	$396,761,143	$40,111,941	$12,204,044	$4,334,038	$453,411,166	$79,578,919	$2,446,312,245
7/1/2028	$2,446,312,245	$143,804,714	$71,902,357	$141,018,325	$41,916,855	$81,547,837	$77,002,217	$78,127	$557,270,432	$173,614,524	$430,689,526	$41,916,855	$12,431,184	$4,442,389	$489,479,955	$67,790,477	$2,687,717,246
7/1/2029	$2,687,717,246	$147,759,344	$73,879,672	$142,924,801	$43,997,906	$91,333,577	$83,271,870	$77,339	$583,244,510	$190,108,549	$465,799,444	$43,997,906	$12,655,370	$4,553,449	$527,006,169	$56,238,340	$2,934,064,135
7/1/2030	$2,934,064,135	$151,822,726	$75,911,363	$144,935,682	$46,166,402	$102,293,606	$89,562,871	$77,812	$610,770,461	$206,902,404	$503,593,624	$46,166,402	$12,974,164	$4,667,285	$567,401,475	$43,368,986	$3,184,335,525
7/1/2031	$3,184,335,525	$155,997,851	$77,998,925	$146,882,013	$48,395,737	$114,568,839	$95,931,188	$78,204	$639,852,756	$223,970,969	$542,878,334	$48,395,737	$13,295,215	$4,783,967	$609,353,253	$30,499,503	$3,438,805,998
7/1/2032	$3,438,805,998	$160,287,792	$80,143,896	$148,720,369	$50,675,750	$128,317,100	$102,378,960	$78,975	$670,602,840	$241,324,372	$584,037,767	$50,675,750	$13,615,700	$4,903,566	$653,232,783	$17,370,057	$3,697,500,427
7/1/2033	$3,697,500,427	$164,695,706	$82,347,853	$150,316,857	$53,034,859	$143,715,152	$109,040,610	$79,357	$703,230,392	$259,007,892	$626,021,974	$53,034,859	$13,922,778	$5,026,156	$698,005,766	$5,224,626	$3,961,732,945
7/1/2034	$3,961,732,945	$169,224,838	$84,612,419	$151,394,198	$55,421,344	$160,960,970	$115,964,536	$78,925	$737,657,229	$277,187,853	$666,707,443	$55,421,344	$14,189,573	$5,151,810	$741,470,170	($3,812,940)	$4,235,107,858
7/1/2035	$4,235,107,858	$173,878,521	$86,939,260	$151,942,138	$57,870,925	$180,276,286	$123,176,033	$77,878	$774,161,042	$296,149,164	$705,401,643	$57,870,925	$14,418,891	$5,280,605	$782,972,064	($8,811,022)	$4,522,446,000
7/1/2036	$4,522,446,000	$178,660,180	$89,330,090	$152,023,508	$60,360,772	$201,909,441	$130,584,697	$76,441	$812,945,129	$316,236,419	$742,121,360	$60,360,772	$14,616,129	$5,412,620	$822,510,881	($9,565,752)	$4,829,116,666
7/1/2037	$4,829,116,666	$183,573,335	$91,786,668	$151,789,022	$62,887,702	$226,138,574	$138,004,554	$75,120	$854,254,974	$337,799,865	$777,831,825	$62,887,702	$14,796,138	$5,547,935	$861,063,600	($6,808,626)	$5,160,107,905
7/1/2038	$5,160,107,905	$188,621,602	$94,310,801	$151,339,859	$65,496,622	$253,275,203	$145,460,007	$73,841	$898,577,935	$361,191,792	$812,877,232	$65,496,622	$14,967,779	$5,686,634	$899,028,267	($450,332)	$5,520,849,365
7/1/2039	$5,520,849,365	$193,808,696	$96,904,348	$150,563,739	$68,181,743	$283,668,227	$153,064,788	$72,171	$946,263,712	$386,862,042	$845,632,838	$68,181,743	$15,117,851	$5,828,800	$934,761,231	$11,502,481	$5,919,213,888
7/1/2040	$5,919,213,888	$199,138,435	$99,569,217	$149,613,893	$70,939,553	$317,708,414	$160,645,263	$70,709	$997,685,484	$415,326,160	$877,478,259	$70,939,553	$15,259,221	$5,974,520	$969,651,553	$28,033,931	$6,362,573,979
7/1/2041	$6,362,573,979	$204,614,742	$102,307,371	$148,609,285	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,053,562,615	$447,103,117	$908,977,211	$73,835,272	$15,399,443	$6,123,883	$1,004,335,808	$49,226,807	$6,858,903,903
7/1/2042	$6,858,903,903	$210,241,647	$105,120,824	$147,562,524	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,114,485,307	$482,777,792	$939,946,360	$76,880,871	$15,537,706	$6,276,980	$1,038,641,917	$75,843,390	$7,417,525,085
7/1/2043	$7,417,525,085	$216,023,293	$108,011,646	$146,572,796	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,181,202,543	$522,980,614	$971,694,386	$80,135,636	$15,685,539	$6,433,904	$1,073,949,466	$107,253,078	$8,047,758,776
7/1/2044	$8,047,758,776	$221,963,933	$110,981,967	$145,531,449	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,254,245,096	$568,424,224	$1,003,075,613	$83,570,255	$15,829,920	$6,594,752	$1,109,070,539	$145,174,557	$8,761,357,557
7/1/2045	$8,761,357,557	$228,067,941	$114,033,971	$144,514,855	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,334,402,813	$619,944,334	$1,034,455,901	$87,229,274	$15,977,863	$6,759,621	$1,144,422,658	$189,980,155	$9,571,282,047
7/1/2046	$9,571,282,047	$234,339,810	$117,169,905	$143,524,238	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,422,324,399	$678,466,724	$1,065,981,601	$91,085,800	$16,128,931	$6,928,611	$1,180,124,944	$242,199,455	$10,491,948,226
7/1/2047	$10,491,948,226	$240,784,154	$120,392,077	$142,604,006	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,519,019,213	$745,012,030	$1,098,288,656	$95,179,541	$16,287,643	$7,101,826	$1,216,857,665	$302,161,548	$11,539,121,804
7/1/2048	$11,539,121,804	$247,405,719	$123,702,859	$141,808,875	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,626,034,104	$820,705,622	$1,132,209,018	$99,597,024	$16,460,255	$7,279,372	$1,255,545,669	$370,488,435	$12,730,315,861
7/1/2049	$12,730,315,861	$254,209,376	$127,104,688	$141,254,902	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,744,355,713	$906,736,492	$1,169,784,571	$104,322,388	$16,662,216	$7,461,356	$1,298,230,531	$446,125,182	$14,083,177,535
7/1/2050	$14,083,177,535	$261,200,134	$130,600,067	$140,934,936	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,875,513,575	$1,004,399,565	$1,210,751,171	$109,447,293	$16,891,863	$7,647,890	$1,344,738,217	$530,775,358	$15,618,352,458
7/1/2051	$15,618,352,458	$268,383,138	$134,191,569	$140,869,189	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,020,651,983	$1,115,145,432	$1,256,144,889	$114,921,546	$17,153,307	$7,839,087	$1,396,058,828	$624,593,155	$17,358,091,045
7/1/2052	$17,358,091,045	$275,763,674	$137,881,837	$140,856,872	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,181,672,455	$1,240,717,754	$1,302,509,044	$120,816,044	$17,415,697	$8,035,065	$1,448,775,851	$732,896,605	$19,331,705,404
7/1/2053	$19,331,705,404	$283,347,175	$141,673,587	$140,943,265	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,359,934,059	$1,383,175,179	$1,351,080,172	$127,052,320	$17,685,618	$8,235,941	$1,504,054,051	$855,880,008	$21,570,760,591
7/1/2054	$21,570,760,591	$291,139,222	$145,569,611	$141,216,941	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,557,925,255	$1,544,781,378	$1,402,599,770	$133,820,451	$17,973,566	$8,441,840	$1,562,835,627	$995,089,628	$24,110,631,597
7/1/2055	$24,110,631,597	$299,145,551	$149,572,775	$141,536,228	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,777,359,128	$1,728,096,343	$1,456,534,935	$140,982,317	$18,270,954	$8,652,886	$1,624,441,092	$1,152,918,036	$26,991,645,976
7/1/2056	$26,991,645,976	$307,372,053	$153,686,027	$141,845,188	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,020,520,355	$1,936,030,877	$1,512,639,973	$148,560,820	$18,574,382	$8,869,208	$1,688,644,383	$1,331,875,972	$30,259,552,825

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	14.31%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	0.58%	10.50%	10.00%	varies

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

2026 Proposed Monthly Plan Rates
Scenario A

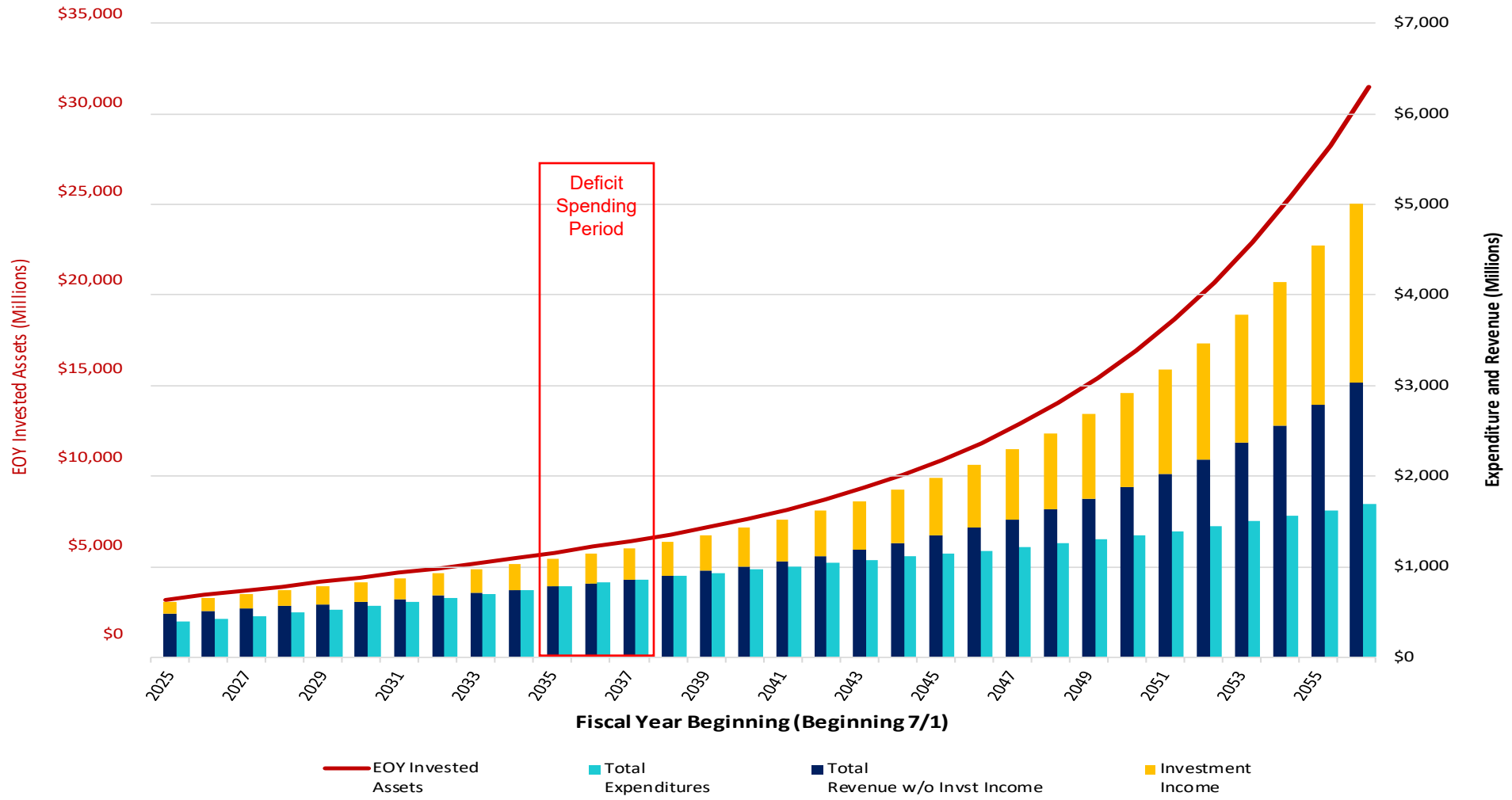
Pre-Medicare Plans – 8% / Medicare Supplement – 4%
Beyond Projection Period / Deficit Spend FY2035

Scenario A - 8%	2025	2026	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 345.90	$ 373.57	$ 27.67	$ 332.06
Spouse/Domestic Partner	$ 656.51	$ 709.03	$ 52.52	$ 630.25
Child	$ 339.03	$ 366.15	$ 27.12	$ 325.47
BCBS/Presbyterian Value				
Retiree	$ 270.19	$ 291.81	$ 21.62	$ 259.38
Spouse/Domestic Partner	$ 512.80	$ 553.82	$ 41.02	$ 492.29
Child	$ 264.38	$ 285.53	$ 21.15	$ 253.80

Scenario A - 4%	2025	2026	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$255.43	$9.82	$117.89
Spouse/Domestic Partner	$368.42	$383.16	$14.74	$176.84
Dependent Child	$491.23	$510.88	$19.65	$235.79

2025 Solvency Scenario – Scenario A

8% Non-Med / 4% Med Supp Rate Increases, No Plan Changes



New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario A - Using the starting balance as of May 31, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 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 CY2026, and 0% thereafter, Medicare Rate Increase of 4% in CY2026, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$137,986,224	$37,818,511	$58,044,139	$55,778,503	$82,173	$488,556,479	$126,562,714	$339,664,497	$37,818,511	$11,823,240	$4,125,200	$393,431,447	$95,125,032	$1,982,163,997
7/1/2026	$1,982,163,997	$136,210,147	$68,105,074	$143,796,675	$38,676,699	$65,009,436	$65,176,084	$80,021	$517,054,135	$142,086,739	$366,842,322	$38,676,699	$12,013,656	$4,228,330	$421,761,007	$95,293,128	$2,219,543,865
7/1/2027	$2,219,543,865	$139,955,926	$69,977,963	$145,499,790	$40,111,941	$72,810,568	$70,994,405	$78,808	$539,429,402	$158,378,709	$396,761,143	$40,111,941	$12,204,044	$4,334,038	$453,411,166	$86,018,236	$2,463,940,810
7/1/2028	$2,463,940,810	$143,804,714	$71,902,357	$147,474,633	$41,916,855	$81,547,837	$77,002,217	$78,127	$563,726,740	$175,074,494	$430,689,526	$41,916,855	$12,431,184	$4,442,389	$489,479,955	$74,246,785	$2,713,262,090
7/1/2029	$2,713,262,090	$147,759,344	$73,879,672	$149,396,009	$43,997,906	$91,333,577	$83,271,870	$77,339	$589,715,718	$192,123,180	$465,799,444	$43,997,906	$12,655,370	$4,553,449	$527,006,169	$62,709,548	$2,968,094,818
7/1/2030	$2,968,094,818	$151,822,726	$75,911,363	$151,452,917	$46,166,402	$102,293,606	$89,562,871	$77,812	$617,287,697	$209,512,655	$503,593,624	$46,166,402	$12,974,164	$4,667,285	$567,401,475	$49,886,221	$3,227,493,695
7/1/2031	$3,227,493,695	$155,997,851	$77,998,925	$153,448,987	$48,395,737	$114,568,839	$95,931,188	$78,204	$646,419,730	$227,221,885	$542,878,334	$48,395,737	$13,295,215	$4,783,967	$609,353,253	$37,066,477	$3,491,782,057
7/1/2032	$3,491,782,057	$160,287,792	$80,143,896	$155,339,949	$50,675,750	$128,317,100	$102,378,960	$78,975	$677,222,420	$245,264,381	$584,037,767	$50,675,750	$13,615,700	$4,903,566	$653,232,783	$23,989,637	$3,761,036,076
7/1/2033	$3,761,036,076	$164,695,706	$82,347,853	$156,974,895	$53,034,859	$143,715,152	$109,040,610	$79,357	$709,888,430	$263,688,419	$626,021,974	$53,034,859	$13,922,778	$5,026,156	$698,005,766	$11,882,664	$4,036,607,159
7/1/2034	$4,036,607,159	$169,224,838	$84,612,419	$158,054,341	$55,421,344	$160,960,970	$115,964,536	$78,925	$744,317,372	$282,662,153	$666,707,443	$55,421,344	$14,189,573	$5,151,810	$741,470,170	$2,847,203	$4,322,116,514
7/1/2035	$4,322,116,514	$173,878,521	$86,939,260	$158,570,511	$57,870,925	$180,276,286	$123,176,033	$77,878	$780,789,415	$302,471,763	$705,401,643	$57,870,925	$14,418,891	$5,280,605	$782,972,064	($2,182,650)	$4,622,405,628
7/1/2036	$4,622,405,628	$178,660,180	$89,330,090	$158,594,924	$60,360,772	$201,909,441	$130,584,697	$76,441	$819,516,544	$323,463,592	$742,121,360	$60,360,772	$14,616,129	$5,412,620	$822,510,881	($2,994,336)	$4,942,874,884
7/1/2037	$4,942,874,884	$183,573,335	$91,786,668	$158,296,076	$62,887,702	$226,138,574	$138,004,554	$75,120	$860,762,028	$345,990,687	$777,831,825	$62,887,702	$14,796,138	$5,547,935	$861,063,600	($301,572)	$5,288,563,999
7/1/2038	$5,288,563,999	$188,621,602	$94,310,801	$157,780,725	$65,496,622	$253,275,203	$145,460,007	$73,841	$905,018,801	$370,409,149	$812,877,232	$65,496,622	$14,967,779	$5,686,634	$899,028,267	$5,990,534	$5,664,963,681
7/1/2039	$5,664,963,681	$193,808,696	$96,904,348	$156,923,233	$68,181,743	$283,668,227	$153,064,788	$72,171	$952,623,205	$397,172,627	$845,632,838	$68,181,743	$15,117,851	$5,828,800	$934,761,231	$17,861,974	$6,079,998,282
7/1/2040	$6,079,998,282	$199,138,435	$99,569,217	$155,890,470	$70,939,553	$317,708,414	$160,645,263	$70,709	$1,003,962,062	$426,800,748	$877,478,259	$70,939,553	$15,259,221	$5,974,520	$969,651,553	$34,310,509	$6,541,109,539
7/1/2041	$6,541,109,539	$204,614,742	$102,307,371	$154,803,617	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,059,756,948	$459,817,408	$908,977,211	$73,835,272	$15,399,443	$6,123,883	$1,004,335,808	$55,421,140	$7,056,348,086
7/1/2042	$7,056,348,086	$210,241,647	$105,120,824	$153,672,674	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,120,595,457	$496,812,740	$939,946,360	$76,880,871	$15,537,706	$6,276,980	$1,038,641,917	$81,953,541	$7,635,114,367
7/1/2043	$7,635,114,367	$216,023,293	$108,011,646	$152,603,319	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,187,233,066	$538,422,932	$971,694,386	$80,135,636	$15,685,539	$6,433,904	$1,073,949,466	$113,283,601	$8,286,820,899
7/1/2044	$8,286,820,899	$221,963,933	$110,981,967	$151,476,673	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,260,190,319	$585,366,655	$1,003,075,613	$83,570,255	$15,829,920	$6,594,752	$1,109,070,539	$151,119,780	$9,023,307,335
7/1/2045	$9,023,307,335	$228,067,941	$114,033,971	$150,374,455	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,340,262,414	$638,485,905	$1,034,455,901	$87,229,274	$15,977,863	$6,759,621	$1,144,422,658	$195,839,756	$9,857,632,996
7/1/2046	$9,857,632,996	$234,339,810	$117,169,905	$149,299,393	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,428,099,554	$698,713,421	$1,065,981,601	$91,085,800	$16,128,931	$6,928,611	$1,180,124,944	$247,974,611	$10,804,321,027
7/1/2047	$10,804,321,027	$240,784,154	$120,392,077	$148,298,713	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,524,713,921	$767,077,441	$1,098,288,656	$95,179,541	$16,287,643	$7,101,826	$1,216,857,665	$307,856,255	$11,879,254,724
7/1/2048	$11,879,254,724	$247,405,719	$123,702,859	$147,427,110	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,631,652,339	$844,711,564	$1,132,209,018	$99,597,024	$16,460,255	$7,279,372	$1,255,545,669	$376,106,670	$13,100,072,958
7/1/2049	$13,100,072,958	$254,209,376	$127,104,688	$146,813,711	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,749,914,522	$932,814,047	$1,169,784,571	$104,322,388	$16,662,216	$7,461,356	$1,298,230,531	$451,683,991	$14,484,570,996
7/1/2050	$14,484,570,996	$261,200,134	$130,600,067	$146,445,871	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,881,024,510	$1,032,689,990	$1,210,751,171	$109,447,293	$16,891,863	$7,647,890	$1,344,738,217	$536,286,293	$16,053,547,279
7/1/2051	$16,053,547,279	$268,383,138	$134,191,569	$146,349,040	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,026,131,834	$1,145,800,865	$1,256,144,889	$114,921,546	$17,153,307	$7,839,087	$1,396,058,828	$630,073,006	$17,829,421,149
7/1/2052	$17,829,421,149	$275,763,674	$137,881,837	$146,296,829	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,187,112,412	$1,273,901,260	$1,302,509,044	$120,816,044	$17,415,697	$8,035,065	$1,448,775,851	$738,336,561	$19,841,658,970
7/1/2053	$19,841,658,970	$283,347,175	$141,673,587	$146,344,109	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,365,334,903	$1,419,060,958	$1,351,080,172	$127,052,320	$17,685,618	$8,235,941	$1,504,054,051	$861,280,852	$22,122,000,780
7/1/2054	$22,122,000,780	$291,139,222	$145,569,611	$146,581,239	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,563,289,553	$1,583,555,942	$1,402,599,770	$133,820,451	$17,973,566	$8,441,840	$1,562,835,627	$1,000,453,927	$24,706,010,648
7/1/2055	$24,706,010,648	$299,145,551	$149,572,775	$146,864,782	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,782,687,682	$1,769,959,376	$1,456,534,935	$140,982,317	$18,270,954	$8,652,886	$1,624,441,092	$1,158,246,590	$27,634,216,614
7/1/2056	$27,634,216,614	$307,372,053	$153,686,027	$147,138,677	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,025,813,844	$1,981,196,094	$1,512,639,973	$148,560,820	$18,574,382	$8,869,208	$1,688,644,383	$1,337,169,462	$30,952,582,170

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	14.31%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	0.58%	10.50%	10.00%	varies

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	8.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	8.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	8.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	4.00%	0.00%	0.00%	0.00%	0% to 0%

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

2026 Proposed Monthly Plan Rates
Scenario B

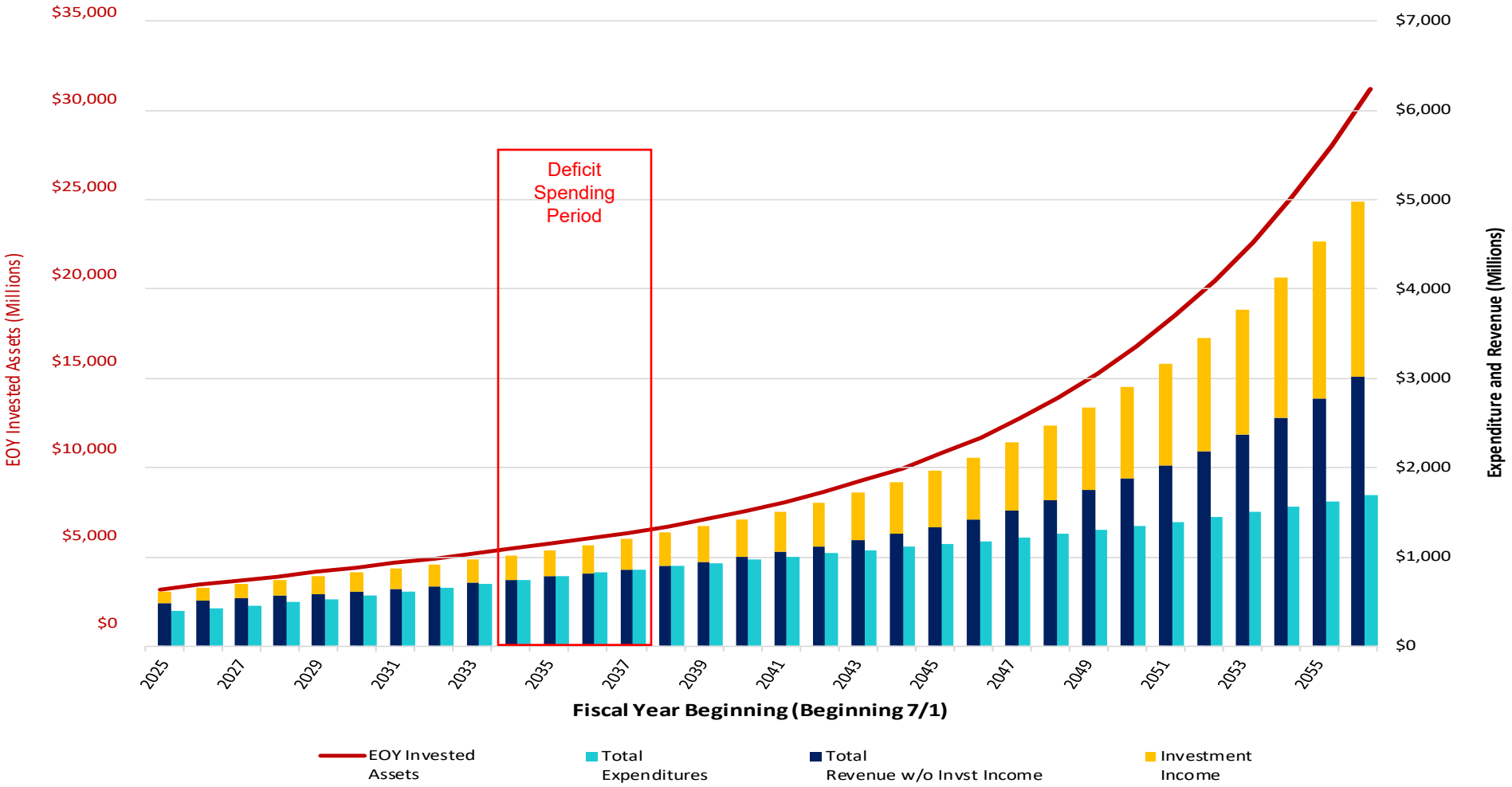
Pre-Medicare Plans – 5% / Medicare Supplement – 2%
Beyond Projection Period / Deficit Spend FY2034

Scenario B - 5%	2025	2026	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 345.90	$ 363.20	$ 17.30	$ 207.54
Spouse/Domestic Partner	$ 656.51	$ 689.34	$ 32.83	$ 393.91
Child	$ 339.03	$ 355.98	$ 16.95	$ 203.42
BCBS/Presbyterian Value				
Retiree	$ 270.19	$ 283.70	$ 13.51	$ 162.11
Spouse/Domestic Partner	$ 512.80	$ 538.44	$ 25.64	$ 307.68
Child	$ 264.38	$ 277.60	$ 13.22	$ 158.63

Scenario B - 2%	2025	2026	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$252.98	$7.37	$88.42
Spouse/Domestic Partner	$368.42	$379.47	$11.05	$132.63
Dependent Child	$491.23	$505.97	$14.74	$176.84

2025 Solvency Scenario – Scenario B

5% Non-Med / 2% Med Supp Rate Increases, No Plan Changes



Segal

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, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 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 5% in CY2026, and 0% thereafter, Medicare Rate Increase of 2% in CY2026, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$136,608,414	$37,818,511	$58,044,139	$55,778,503	$82,173	$487,178,670	$126,514,490	$339,664,497	$37,818,511	$11,823,240	$4,125,200	$393,431,447	$93,747,222	$1,980,737,965
7/1/2026	$1,980,737,965	$136,210,147	$68,105,074	$141,044,396	$38,676,699	$65,009,436	$65,176,084	$80,021	$514,301,856	$141,890,587	$366,842,322	$38,676,699	$12,013,656	$4,228,330	$421,761,007	$92,540,850	$2,215,169,402
7/1/2027	$2,215,169,402	$139,955,926	$69,977,963	$142,743,446	$40,111,941	$72,810,568	$70,994,405	$78,808	$536,673,057	$157,976,024	$396,761,143	$40,111,941	$12,204,044	$4,334,038	$453,411,166	$83,261,892	$2,456,407,318
7/1/2028	$2,456,407,318	$143,804,714	$71,902,357	$144,707,520	$41,916,855	$81,547,837	$77,002,217	$78,127	$560,959,627	$174,450,301	$430,689,526	$41,916,855	$12,431,184	$4,442,389	$489,479,955	$71,479,672	$2,702,337,291
7/1/2029	$2,702,337,291	$147,759,344	$73,879,672	$146,619,248	$43,997,906	$91,333,577	$83,271,870	$77,339	$586,938,956	$191,261,258	$465,799,444	$43,997,906	$12,655,370	$4,553,449	$527,006,169	$59,932,787	$2,953,531,336
7/1/2030	$2,953,531,336	$151,822,726	$75,911,363	$148,655,998	$46,166,402	$102,293,606	$89,562,871	$77,812	$614,490,777	$208,395,319	$503,593,624	$46,166,402	$12,974,164	$4,667,285	$567,401,475	$47,089,302	$3,209,015,957
7/1/2031	$3,209,015,957	$155,997,851	$77,998,925	$150,631,330	$48,395,737	$114,568,839	$95,931,188	$78,204	$643,602,074	$225,829,826	$542,878,334	$48,395,737	$13,295,215	$4,783,967	$609,353,253	$34,248,821	$3,469,094,603
7/1/2032	$3,469,094,603	$160,287,792	$80,143,896	$152,501,423	$50,675,750	$128,317,100	$102,378,960	$78,975	$674,383,895	$243,576,911	$584,037,767	$50,675,750	$13,615,700	$4,903,566	$653,232,783	$21,151,111	$3,733,822,625
7/1/2033	$3,733,822,625	$164,695,706	$82,347,853	$154,121,143	$53,034,859	$143,715,152	$109,040,610	$79,357	$707,034,679	$261,683,596	$626,021,974	$53,034,859	$13,922,778	$5,026,156	$698,005,766	$9,028,913	$4,004,535,134
7/1/2034	$4,004,535,134	$169,224,838	$84,612,419	$155,199,124	$55,421,344	$160,960,970	$115,964,536	$78,925	$741,462,156	$280,317,179	$666,707,443	$55,421,344	$14,189,573	$5,151,810	$741,470,170	($8,014)	$4,284,844,299
7/1/2035	$4,284,844,299	$173,878,521	$86,939,260	$155,726,546	$57,870,925	$180,276,286	$123,176,033	$77,878	$777,945,450	$299,763,169	$705,401,643	$57,870,925	$14,418,891	$5,280,605	$782,972,064	($5,026,614)	$4,579,580,855
7/1/2036	$4,579,580,855	$178,660,180	$89,330,090	$155,771,905	$60,360,772	$201,909,441	$130,584,697	$76,441	$816,693,526	$320,367,052	$742,121,360	$60,360,772	$14,616,129	$5,412,620	$822,510,881	($5,817,355)	$4,894,130,552
7/1/2037	$4,894,130,552	$183,573,335	$91,786,668	$155,497,464	$62,887,702	$226,138,574	$138,004,554	$75,120	$857,963,416	$342,480,632	$777,831,825	$62,887,702	$14,796,138	$5,547,935	$861,063,600	($3,100,184)	$5,233,511,001
7/1/2038	$5,233,511,001	$188,621,602	$94,310,801	$155,007,703	$65,496,622	$253,275,203	$145,460,007	$73,841	$902,245,778	$366,458,383	$812,877,232	$65,496,622	$14,967,779	$5,686,634	$899,028,267	$3,217,511	$5,603,186,895
7/1/2039	$5,603,186,895	$193,808,696	$96,904,348	$154,181,613	$68,181,743	$283,668,227	$153,064,788	$72,171	$949,881,586	$392,752,295	$845,632,838	$68,181,743	$15,117,851	$5,828,800	$934,761,231	$15,120,355	$6,011,059,545
7/1/2040	$6,011,059,545	$199,138,435	$99,569,217	$153,181,284	$70,939,553	$317,708,414	$160,645,263	$70,709	$1,001,252,876	$421,880,214	$877,478,259	$70,939,553	$15,259,221	$5,974,520	$969,651,553	$31,601,323	$6,464,541,082
7/1/2041	$6,464,541,082	$204,614,742	$102,307,371	$152,126,770	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,057,080,101	$454,363,926	$908,977,211	$73,835,272	$15,399,443	$6,123,883	$1,004,335,808	$52,744,293	$6,971,649,301
7/1/2042	$6,971,649,301	$210,241,647	$105,120,824	$151,028,850	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,117,951,633	$490,791,291	$939,946,360	$76,880,871	$15,537,706	$6,276,980	$1,038,641,917	$79,309,716	$7,541,750,308
7/1/2043	$7,541,750,308	$216,023,293	$108,011,646	$149,990,665	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,184,620,412	$531,796,005	$971,694,386	$80,135,636	$15,685,539	$6,433,904	$1,073,949,466	$110,670,946	$8,184,217,260
7/1/2044	$8,184,217,260	$221,963,933	$110,981,967	$148,897,063	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,257,610,710	$578,094,114	$1,003,075,613	$83,570,255	$15,829,920	$6,594,752	$1,109,070,539	$148,540,170	$8,910,851,544
7/1/2045	$8,910,851,544	$228,067,941	$114,033,971	$147,827,804	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,337,715,762	$630,524,867	$1,034,455,901	$87,229,274	$15,977,863	$6,759,621	$1,144,422,658	$193,293,105	$9,734,669,515
7/1/2046	$9,734,669,515	$234,339,810	$117,169,905	$146,785,219	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,425,585,380	$690,017,981	$1,065,981,601	$91,085,800	$16,128,931	$6,928,611	$1,180,124,944	$245,460,436	$10,670,147,933
7/1/2047	$10,670,147,933	$240,784,154	$120,392,077	$145,815,492	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,522,230,700	$757,598,412	$1,098,288,656	$95,179,541	$16,287,643	$7,101,826	$1,216,857,665	$305,373,034	$11,733,119,379
7/1/2048	$11,733,119,379	$247,405,719	$123,702,859	$144,973,034	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,629,198,263	$834,396,197	$1,132,209,018	$99,597,024	$16,460,255	$7,279,372	$1,255,545,669	$373,652,594	$12,941,168,170
7/1/2049	$12,941,168,170	$254,209,376	$127,104,688	$144,382,438	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,747,483,249	$921,605,617	$1,169,784,571	$104,322,388	$16,662,216	$7,461,356	$1,298,230,531	$449,252,718	$14,312,026,505
7/1/2050	$14,312,026,505	$261,200,134	$130,600,067	$144,032,827	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,878,611,466	$1,020,527,419	$1,210,751,171	$109,447,293	$16,891,863	$7,647,890	$1,344,738,217	$533,873,249	$15,866,427,173
7/1/2051	$15,866,427,173	$268,383,138	$134,191,569	$143,948,004	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,023,730,798	$1,132,618,421	$1,256,144,889	$114,921,546	$17,153,307	$7,839,087	$1,396,058,828	$627,671,969	$17,626,717,564
7/1/2052	$17,626,717,564	$275,763,674	$137,881,837	$143,910,549	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,184,726,132	$1,259,628,489	$1,302,509,044	$120,816,044	$17,415,697	$8,035,065	$1,448,775,851	$735,950,282	$19,622,296,335
7/1/2053	$19,622,296,335	$283,347,175	$141,673,587	$143,972,231	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,362,963,025	$1,403,622,558	$1,351,080,172	$127,052,320	$17,685,618	$8,235,941	$1,504,054,051	$858,908,974	$21,884,827,866
7/1/2054	$21,884,827,866	$291,139,222	$145,569,611	$144,222,435	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,560,930,749	$1,566,871,280	$1,402,599,770	$133,820,451	$17,973,566	$8,441,840	$1,562,835,627	$998,095,122	$24,449,794,269
7/1/2055	$24,449,794,269	$299,145,551	$149,572,775	$144,518,613	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,780,341,513	$1,751,942,114	$1,456,534,935	$140,982,317	$18,270,954	$8,652,886	$1,624,441,092	$1,155,900,421	$27,357,636,803
7/1/2056	$27,357,636,803	$307,372,053	$153,686,027	$144,804,888	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,023,480,055	$1,961,753,825	$1,512,639,973	$148,560,820	$18,574,382	$8,869,208	$1,688,644,383	$1,334,835,673	$30,654,226,301

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	14.31%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	0.58%	10.50%	10.00%	varies

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	5.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	5.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	5.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	2.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

2026 Proposed Monthly Plan Rates
Scenario C

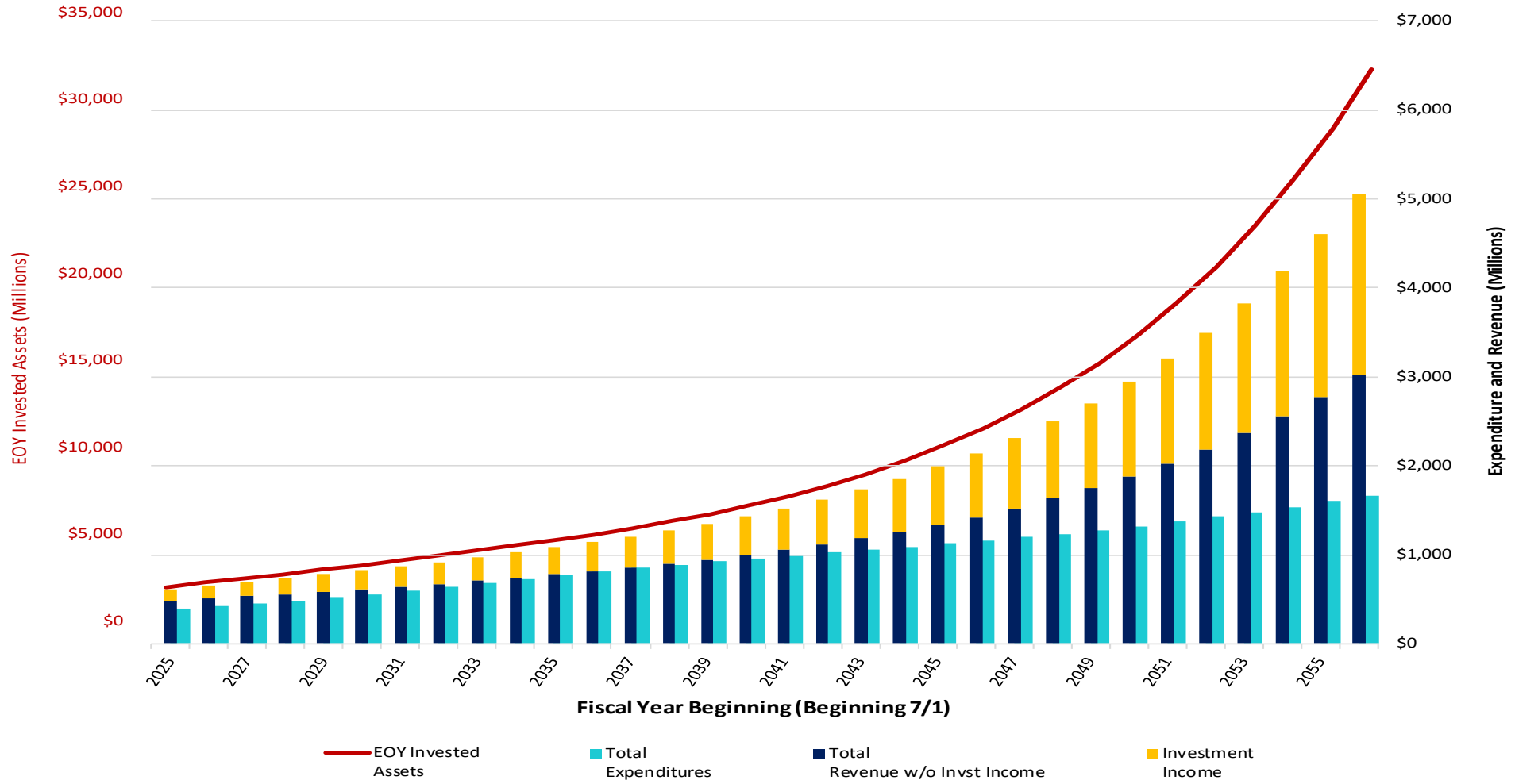
Pre-Medicare Plans – 4% & 5%(Child)/Medicare Supplement – 2% Rx Changes Pre-Medicare & Medicare EGWP – Copays/Deductible Beyond Projection Period / Deficit Spend None

Scenario C - 4%, 5% (Child)	2025	2026	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 345.90	$ 359.74	$ 13.84	$ 166.03
Spouse/Domestic Partner	$ 656.51	$ 682.77	$ 26.26	$ 315.12
Child	$ 339.03	$ 355.98	$ 16.95	$ 203.42
BCBS/Presbyterian Value				
Retiree	$ 270.19	$ 281.00	$ 10.81	$ 129.69
Spouse/Domestic Partner	$ 512.80	$ 533.31	$ 20.51	$ 246.14
Child	$ 264.38	$ 277.60	$ 13.22	$ 158.63

Scenario C - 2%	2025	2026	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$250.52	$4.91	$58.95
Spouse/Domestic Partner	$368.42	$375.79	$7.37	$88.42
Dependent Child	$491.23	$501.05	$9.82	$117.90

2025 Solvency Scenario – Scenario C

4% Non-Medicare retiree and spouse, 5% Non-Medicare dependent, 2% Med Supp Rate Increases, CY2026 Non-Medicare Rx and EGWP Plan Changes



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, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; CY2026 Rx Non-Medicare Plan Changes, and No Annual Non-Medicare Plan Changes thereafter; CY2026 EGWP plan changes, and No Annual Medicare Supplement & EGWP plan changes thereafter; Annual Non-Medicare Rate Increases of 4% for Retiree and Spouse and 5% dependents in CY2026, and 0% thereafter, Medicare Rate Increase of 2% in CY2026, and 0% thereafter. Assumed rate of return of 7%; Payroll growth assumption of 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$136,388,024	$37,818,511	$58,044,139	$55,778,503	$82,173	$486,958,279	$126,591,940	$337,231,261	$37,818,511	$11,823,240	$4,125,200	$390,998,211	$95,960,068	$1,983,028,260
7/1/2026	$1,983,028,260	$136,210,147	$68,105,074	$140,609,904	$38,676,699	$65,009,436	$65,176,084	$80,021	$513,867,364	$142,221,732	$361,527,144	$38,676,699	$12,013,656	$4,228,330	$416,445,829	$97,421,535	$2,222,671,527
7/1/2027	$2,222,671,527	$139,955,926	$69,977,963	$142,313,936	$40,111,941	$72,810,568	$70,994,405	$78,808	$536,243,547	$158,694,114	$390,819,047	$40,111,941	$12,204,044	$4,334,038	$447,469,070	$88,774,477	$2,470,140,118
7/1/2028	$2,470,140,118	$143,804,714	$71,902,357	$144,279,936	$41,916,855	$81,547,837	$77,002,217	$78,127	$560,532,043	$175,627,633	$424,089,492	$41,916,855	$12,431,184	$4,442,389	$482,879,921	$77,652,123	$2,723,419,873
7/1/2029	$2,723,419,873	$147,759,344	$73,879,672	$146,193,537	$43,997,906	$91,333,577	$83,271,870	$77,339	$586,513,245	$192,977,092	$458,515,079	$43,997,906	$12,655,370	$4,553,449	$519,721,804	$66,791,441	$2,983,188,405
7/1/2030	$2,983,188,405	$151,822,726	$75,911,363	$148,227,498	$46,166,402	$102,293,606	$89,562,871	$77,812	$614,062,278	$210,735,962	$495,603,747	$46,166,402	$12,974,164	$4,667,285	$559,411,598	$54,650,679	$3,248,575,047
7/1/2031	$3,248,575,047	$155,997,851	$77,998,925	$150,198,875	$48,395,737	$114,568,839	$95,931,188	$78,204	$643,169,618	$228,888,622	$534,169,867	$48,395,737	$13,295,215	$4,783,967	$600,644,786	$42,524,832	$3,519,988,502
7/1/2032	$3,519,988,502	$160,287,792	$80,143,896	$152,063,823	$50,675,750	$128,317,100	$102,378,960	$78,975	$673,946,294	$247,454,825	$574,590,438	$50,675,750	$13,615,700	$4,903,566	$643,785,454	$30,160,840	$3,797,604,166
7/1/2033	$3,797,604,166	$164,695,706	$82,347,853	$153,679,744	$53,034,859	$143,715,152	$109,040,610	$79,357	$706,593,280	$266,490,253	$615,810,597	$53,034,859	$13,922,778	$5,026,156	$687,794,389	$18,798,891	$4,082,893,311
7/1/2034	$4,082,893,311	$169,224,838	$84,612,419	$154,758,040	$55,421,344	$160,960,970	$115,964,536	$78,925	$741,021,072	$286,171,472	$655,717,209	$55,421,344	$14,189,573	$5,151,810	$730,479,935	$10,541,137	$4,379,605,919
7/1/2035	$4,379,605,919	$173,878,521	$86,939,260	$155,289,714	$57,870,925	$180,276,286	$123,176,033	$77,878	$777,508,618	$306,793,514	$693,621,064	$57,870,925	$14,418,891	$5,280,605	$771,191,485	$6,317,133	$4,692,716,565
7/1/2036	$4,692,716,565	$178,660,180	$89,330,090	$155,342,033	$60,360,772	$201,909,441	$130,584,697	$76,441	$816,263,653	$328,711,675	$729,545,133	$60,360,772	$14,616,129	$5,412,620	$809,934,654	$6,328,999	$5,027,757,239
7/1/2037	$5,027,757,239	$183,573,335	$91,786,668	$155,074,789	$62,887,702	$226,138,574	$138,004,554	$75,120	$857,540,741	$352,287,698	$764,460,633	$62,887,702	$14,796,138	$5,547,935	$847,692,408	$9,848,333	$5,389,893,271
7/1/2038	$5,389,893,271	$188,621,602	$94,310,801	$154,591,981	$65,496,622	$253,275,203	$145,460,007	$73,841	$901,830,057	$377,886,465	$798,709,409	$65,496,622	$14,967,779	$5,686,634	$884,860,443	$16,969,613	$5,784,749,350
7/1/2039	$5,784,749,350	$193,808,696	$96,904,348	$153,774,502	$68,181,743	$283,668,227	$153,064,788	$72,171	$949,474,475	$405,971,023	$830,672,702	$68,181,743	$15,117,851	$5,828,800	$919,801,094	$29,673,381	$6,220,393,753
7/1/2040	$6,220,393,753	$199,138,435	$99,569,217	$152,782,551	$70,939,553	$317,708,414	$160,645,263	$70,709	$1,000,854,143	$437,070,676	$861,734,747	$70,939,553	$15,259,221	$5,974,520	$953,908,041	$46,946,102	$6,704,410,531
7/1/2041	$6,704,410,531	$204,614,742	$102,307,371	$151,736,196	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,056,689,526	$471,719,511	$892,451,681	$73,835,272	$15,399,443	$6,123,883	$987,810,278	$68,879,248	$7,245,009,291
7/1/2042	$7,245,009,291	$210,241,647	$105,120,824	$150,646,701	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,117,569,484	$510,518,844	$922,639,836	$76,880,871	$15,537,706	$6,276,980	$1,021,335,392	$96,234,091	$7,851,762,226
7/1/2043	$7,851,762,226	$216,023,293	$108,011,646	$149,616,547	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,184,246,294	$554,116,998	$953,601,432	$80,135,636	$15,685,539	$6,433,904	$1,055,856,512	$128,389,782	$8,534,269,006
7/1/2044	$8,534,269,006	$221,963,933	$110,981,967	$148,531,873	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,257,245,520	$603,245,685	$984,197,603	$83,570,255	$15,829,920	$6,594,752	$1,090,192,530	$167,052,990	$9,304,567,682
7/1/2045	$9,304,567,682	$228,067,941	$114,033,971	$147,471,772	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,337,359,731	$658,760,645	$1,014,795,628	$87,229,274	$15,977,863	$6,759,621	$1,124,762,385	$212,597,345	$10,175,925,672
7/1/2046	$10,175,925,672	$234,339,810	$117,169,905	$146,438,246	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,425,238,407	$721,608,931	$1,045,548,375	$91,085,800	$16,128,931	$6,928,611	$1,159,691,718	$265,546,689	$11,163,081,292
7/1/2047	$11,163,081,292	$240,784,154	$120,392,077	$145,477,137	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,521,892,344	$792,834,259	$1,077,078,520	$95,179,541	$16,287,643	$7,101,826	$1,195,647,529	$326,244,815	$12,282,160,366
7/1/2048	$12,282,160,366	$247,405,719	$123,702,859	$144,643,130	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,628,868,359	$873,588,737	$1,110,174,232	$99,597,024	$16,460,255	$7,279,372	$1,233,510,884	$395,357,475	$13,551,106,578
7/1/2049	$13,551,106,578	$254,209,376	$127,104,688	$144,058,957	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,747,159,769	$965,091,773	$1,146,876,300	$104,322,388	$16,662,216	$7,461,356	$1,275,322,261	$471,837,508	$14,988,035,860
7/1/2050	$14,988,035,860	$261,200,134	$130,600,067	$143,714,652	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,878,293,291	$1,068,671,435	$1,186,908,387	$109,447,293	$16,891,863	$7,647,890	$1,320,895,433	$557,397,858	$16,614,105,153
7/1/2051	$16,614,105,153	$268,383,138	$134,191,569	$143,633,114	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,023,415,909	$1,185,814,023	$1,231,311,618	$114,921,546	$17,153,307	$7,839,087	$1,371,225,558	$652,190,351	$18,452,109,527
7/1/2052	$18,452,109,527	$275,763,674	$137,881,837	$143,600,485	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,184,416,068	$1,318,301,134	$1,276,621,644	$120,816,044	$17,415,697	$8,035,065	$1,422,888,451	$761,527,618	$20,531,938,278
7/1/2053	$20,531,938,278	$283,347,175	$141,673,587	$143,666,959	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,362,657,753	$1,468,231,578	$1,324,086,772	$127,052,320	$17,685,618	$8,235,941	$1,477,060,652	$885,597,101	$22,885,766,957
7/1/2054	$22,885,766,957	$291,139,222	$145,569,611	$143,921,996	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,560,630,310	$1,637,912,616	$1,374,425,054	$133,820,451	$17,973,566	$8,441,840	$1,534,660,911	$1,025,969,400	$25,549,648,973
7/1/2055	$25,549,648,973	$299,145,551	$149,572,775	$144,223,043	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,780,045,943	$1,829,951,260	$1,427,116,022	$140,982,317	$18,270,954	$8,652,886	$1,595,022,179	$1,185,023,764	$28,564,623,997
7/1/2056	$28,564,623,997	$307,372,053	$153,686,027	$144,514,108	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,023,189,276	$2,047,307,921	$1,481,920,820	$148,560,820	$18,574,382	$8,869,208	$1,657,925,229	$1,365,264,046	$31,977,195,965

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	12.96%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	-1.60%	10.50%	10.00%	varies

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	4.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	4.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	5.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	2.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	-2.40%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	-4.00%	0.00%	0.00%	0.00%	0% to 0%

2026 Proposed Monthly Plan Rates
Scenario D

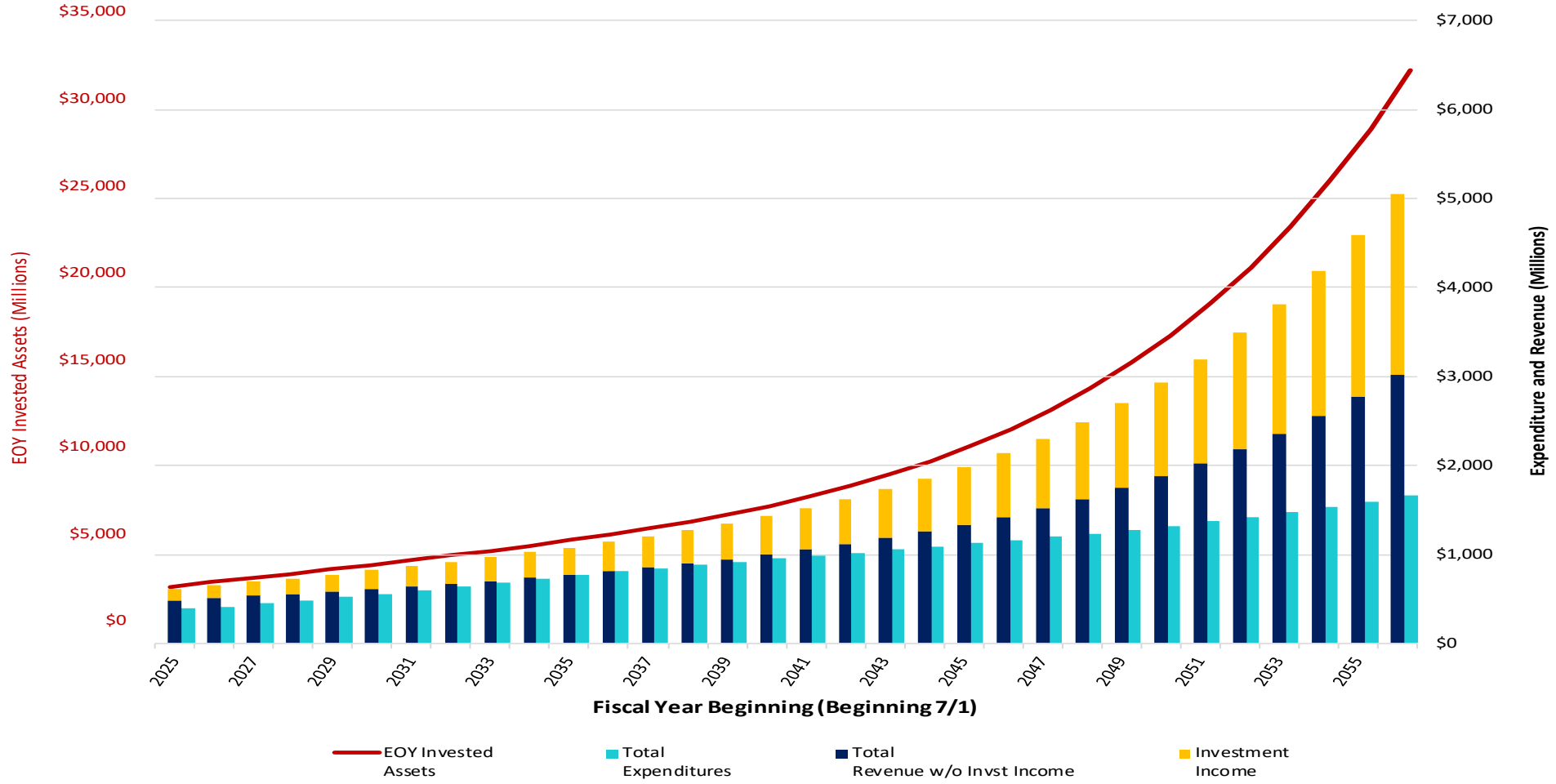
Pre-Medicare Plans – 2% & 3%(Child)/Medicare Supplement – 0% Rx Changes Pre-Medicare & Medicare EGWP* – Copays/Deductible* Beyond Projection Period / Deficit Spend None

Scenario D - 2% & 3% (Child)	2025	2026	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 345.90	$ 352.82	$ 6.92	$ 83.02
Spouse/Domestic Partner	$ 656.51	$ 669.64	$ 13.13	$ 157.56
Child	$ 339.03	$ 349.20	$ 10.17	$ 122.05
BCBS/Presbyterian Value				
Retiree	$ 270.19	$ 275.59	$ 5.40	$ 64.85
Spouse/Domestic Partner	$ 512.80	$ 523.06	$ 10.26	$ 123.07
Child	$ 264.38	$ 272.31	$ 7.93	$ 95.18

Scenario D - 0%	2025	2026	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$245.61	$0.00	$0.00
Spouse/Domestic Partner	$368.42	$368.42	$0.00	$0.00
Dependent Child	$491.23	$491.23	$0.00	$0.00

2025 Solvency Scenario – Scenario D

2% Non-Medicare retiree and spouse, 3% Non-Medicare dependent, 0% Med Supp Rate Increases, CY2026 Non-Medicare Rx Copay Changes and EGWP Plan Changes*



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

Segal

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario D - Using the starting balance as of May 31, 2025 includes $60M cash infusion expected in June 2025

Description: 8% trend for Non-Medicare medical until CY2028 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; 14% trend for Non-Medicare Rx through CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend; 11% trend for Medicare Rx through CY2026 decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend; CY2026 Rx Non-Medicare Copay Changes, and No Annual Non-Medicare Plan Changes thereafter; CY2026 EGWP plan changes, and No Annual Medicare Supplement & EGWP plan changes thereafter; Annual Non-Medicare Rate Increases of 2% for Retiree and Spouse and 3% dependents in CY2026, and 0% thereafter, Medicare Rate Increase of 0% throughout. Assumed rate of return of 7%; Payroll growth assumption of 4.00% for Public Safety and 3.48% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue. Includes financial impact from 2025 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2025	$1,760,476,252	$132,564,620	$66,282,310	$135,248,161	$37,818,511	$58,044,139	$55,778,503	$82,173	$485,818,417	$126,549,570	$337,301,962	$37,818,511	$11,823,240	$4,125,200	$391,068,912	$94,749,505	$1,981,775,327
7/1/2026	$1,981,775,327	$136,210,147	$68,105,074	$138,326,539	$38,676,699	$65,009,436	$65,176,084	$80,021	$511,584,000	$142,048,740	$361,680,536	$38,676,699	$12,013,656	$4,228,330	$416,599,221	$94,984,779	$2,218,808,846
7/1/2027	$2,218,808,846	$139,955,926	$69,977,963	$140,020,906	$40,111,941	$72,810,568	$70,994,405	$78,808	$533,950,518	$158,337,498	$390,989,679	$40,111,941	$12,204,044	$4,334,038	$447,639,702	$86,310,816	$2,463,457,160
7/1/2028	$2,463,457,160	$143,804,714	$71,902,357	$141,973,864	$41,916,855	$81,547,837	$77,002,217	$78,127	$558,225,971	$175,072,491	$424,278,698	$41,916,855	$12,431,184	$4,442,389	$483,069,126	$75,156,845	$2,713,686,495
7/1/2029	$2,713,686,495	$147,759,344	$73,879,672	$143,875,618	$43,997,906	$91,333,577	$83,271,870	$77,339	$584,195,327	$192,207,354	$458,722,896	$43,997,906	$12,655,370	$4,553,449	$519,929,622	$64,265,705	$2,970,159,554
7/1/2030	$2,970,159,554	$151,822,726	$75,911,363	$145,892,277	$46,166,402	$102,293,606	$89,562,871	$77,812	$611,727,057	$209,734,200	$495,832,588	$46,166,402	$12,974,164	$4,667,285	$559,640,439	$52,086,617	$3,231,980,371
7/1/2031	$3,231,980,371	$155,997,851	$77,998,925	$147,847,049	$48,395,737	$114,568,839	$95,931,188	$78,204	$640,817,792	$227,635,916	$534,420,315	$48,395,737	$13,295,215	$4,783,967	$600,895,234	$39,922,558	$3,499,538,845
7/1/2032	$3,499,538,845	$160,287,792	$80,143,896	$149,696,561	$50,675,750	$128,317,100	$102,378,960	$78,975	$671,579,033	$245,930,936	$574,863,540	$50,675,750	$13,615,700	$4,903,566	$644,058,556	$27,520,477	$3,772,990,258
7/1/2033	$3,772,990,258	$164,695,706	$82,347,853	$151,301,261	$53,034,859	$143,715,152	$109,040,610	$79,357	$704,214,797	$264,673,664	$616,106,827	$53,034,859	$13,922,778	$5,026,156	$688,090,619	$16,124,178	$4,053,788,100
7/1/2034	$4,053,788,100	$169,224,838	$84,612,419	$152,377,679	$55,421,344	$160,960,970	$115,964,536	$78,925	$738,640,711	$284,039,678	$656,034,821	$55,421,344	$14,189,573	$5,151,810	$730,797,548	$7,843,163	$4,345,670,941
7/1/2035	$4,345,670,941	$173,878,521	$86,939,260	$152,915,971	$57,870,925	$180,276,286	$123,176,033	$77,878	$775,134,875	$304,323,208	$693,957,544	$57,870,925	$14,418,891	$5,280,605	$771,527,965	$3,606,910	$4,653,601,059
7/1/2036	$4,653,601,059	$178,660,180	$89,330,090	$152,981,703	$60,360,772	$201,909,441	$130,584,697	$76,441	$813,903,323	$325,878,617	$729,898,288	$60,360,772	$14,616,129	$5,412,620	$810,287,810	$3,615,514	$4,983,095,189
7/1/2037	$4,983,095,189	$183,573,335	$91,786,668	$152,731,092	$62,887,702	$226,138,574	$138,004,554	$75,120	$855,197,044	$349,066,398	$764,829,982	$62,887,702	$14,796,138	$5,547,935	$848,061,757	$7,135,287	$5,339,296,875
7/1/2038	$5,339,296,875	$188,621,602	$94,310,801	$152,266,369	$65,496,622	$253,275,203	$145,460,007	$73,841	$899,504,445	$374,249,832	$799,094,806	$65,496,622	$14,967,779	$5,686,634	$885,245,840	$14,258,605	$5,727,805,312
7/1/2039	$5,727,805,312	$193,808,696	$96,904,348	$151,471,010	$68,181,743	$283,668,227	$153,064,788	$72,171	$947,170,983	$401,890,352	$831,071,716	$68,181,743	$15,117,851	$5,828,800	$920,200,109	$26,970,874	$6,156,666,539
7/1/2040	$6,156,666,539	$199,138,435	$99,569,217	$150,502,468	$70,939,553	$317,708,414	$160,645,263	$70,709	$998,574,060	$432,515,546	$862,146,802	$70,939,553	$15,259,221	$5,974,520	$954,320,096	$44,253,964	$6,633,436,049
7/1/2041	$6,633,436,049	$204,614,742	$102,307,371	$149,479,669	$73,835,272	$355,833,424	$168,293,275	$69,247	$1,054,432,999	$466,657,451	$892,876,483	$73,835,272	$15,399,443	$6,123,883	$988,235,080	$66,197,919	$7,166,291,418
7/1/2042	$7,166,291,418	$210,241,647	$105,120,824	$148,414,127	$76,880,871	$398,533,435	$176,078,280	$67,727	$1,115,336,910	$504,915,171	$923,076,446	$76,880,871	$15,537,706	$6,276,980	$1,021,772,003	$93,564,907	$7,764,771,496
7/1/2043	$7,764,771,496	$216,023,293	$108,011,646	$147,406,500	$80,135,636	$446,357,447	$184,035,402	$66,323	$1,182,036,247	$547,934,604	$954,049,761	$80,135,636	$15,685,539	$6,433,904	$1,056,304,841	$125,731,406	$8,438,437,507
7/1/2044	$8,438,437,507	$221,963,933	$110,981,967	$146,345,265	$83,570,255	$499,920,340	$192,212,474	$64,678	$1,255,058,912	$596,444,904	$984,656,028	$83,570,255	$15,829,920	$6,594,752	$1,090,650,955	$164,407,957	$9,199,290,368
7/1/2045	$9,199,290,368	$228,067,941	$114,033,971	$145,308,270	$87,229,274	$559,910,781	$200,582,933	$63,058	$1,335,196,229	$651,299,154	$1,015,262,943	$87,229,274	$15,977,863	$6,759,621	$1,125,229,700	$209,966,529	$10,060,556,051
7/1/2046	$10,060,556,051	$234,339,810	$117,169,905	$144,297,475	$91,085,800	$627,100,075	$209,043,116	$61,455	$1,423,097,636	$713,441,482	$1,046,024,043	$91,085,800	$16,128,931	$6,928,611	$1,160,167,385	$262,930,251	$11,036,927,784
7/1/2047	$11,036,927,784	$240,784,154	$120,392,077	$143,358,049	$95,179,541	$702,352,084	$217,647,400	$59,952	$1,519,773,256	$783,912,386	$1,077,563,078	$95,179,541	$16,287,643	$7,101,826	$1,196,132,088	$323,641,168	$12,144,481,338
7/1/2048	$12,144,481,338	$247,405,719	$123,702,859	$142,544,095	$99,597,024	$786,634,334	$226,826,836	$58,456	$1,626,769,324	$863,860,472	$1,110,667,581	$99,597,024	$16,460,255	$7,279,372	$1,234,004,232	$392,765,092	$13,401,106,901
7/1/2049	$13,401,106,901	$254,209,376	$127,104,688	$141,975,816	$104,322,388	$881,030,454	$236,376,470	$57,435	$1,745,076,627	$954,501,208	$1,147,381,384	$104,322,388	$16,662,216	$7,461,356	$1,275,827,344	$469,249,282	$14,824,857,392
7/1/2050	$14,824,857,392	$261,200,134	$130,600,067	$141,644,032	$109,447,293	$986,754,109	$246,520,516	$56,521	$1,876,222,671	$1,057,158,317	$1,187,427,052	$109,447,293	$16,891,863	$7,647,890	$1,321,414,098	$554,808,573	$16,436,824,282
7/1/2051	$16,436,824,282	$268,383,138	$134,191,569	$141,570,967	$114,921,546	$1,105,164,602	$257,065,894	$56,047	$2,021,353,761	$1,173,313,429	$1,231,847,563	$114,921,546	$17,153,307	$7,839,087	$1,371,761,502	$649,592,259	$18,259,729,970
7/1/2052	$18,259,729,970	$275,763,674	$137,881,837	$141,547,904	$120,816,044	$1,237,784,354	$268,514,607	$55,067	$2,182,363,487	$1,304,743,433	$1,277,172,826	$120,816,044	$17,415,697	$8,035,065	$1,423,439,632	$758,923,855	$20,323,397,258
7/1/2053	$20,323,397,258	$283,347,175	$141,673,587	$141,623,625	$127,052,320	$1,386,318,476	$280,544,974	$54,261	$2,360,614,419	$1,453,542,348	$1,324,653,673	$127,052,320	$17,685,618	$8,235,941	$1,477,627,553	$882,986,867	$22,659,926,473
7/1/2054	$22,659,926,473	$291,139,222	$145,569,611	$141,886,537	$133,820,451	$1,552,676,693	$293,448,948	$53,389	$2,558,594,851	$1,622,012,138	$1,375,007,991	$133,820,451	$17,973,566	$8,441,840	$1,535,243,848	$1,023,351,004	$25,305,289,615
7/1/2055	$25,305,289,615	$299,145,551	$149,572,775	$142,194,982	$140,982,317	$1,738,997,896	$307,071,830	$52,531	$2,778,017,883	$1,812,754,145	$1,427,715,393	$140,982,317	$18,270,954	$8,652,886	$1,595,621,550	$1,182,396,332	$28,300,440,092
7/1/2056	$28,300,440,092	$307,372,053	$153,686,027	$142,493,275	$148,560,820	$1,947,677,644	$321,326,937	$51,686	$3,021,168,442	$2,028,722,749	$1,482,537,104	$148,560,820	$18,574,382	$8,869,208	$1,658,541,514	$1,362,626,928	$31,691,789,769

Assumptions with Fiscal Year Basis:	FY2026	FY2027	FY2028	FY2029	FY2030+
Public Safety, et al Annual Payroll Growth	4.00%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	3.48%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Growth in Retirees under age 65	-3.51%	-2.62%	-1.52%	-0.86%	varies
Annual Growth in Retirees age 65+	1.86%	1.55%	1.24%	0.99%	varies
Non-Medicare Prescription Drug Rebate Trend	19.69%	13.18%	13.00%	12.00%	varies
Medicare Prescription Drug Rebate Trend	5.52%	-1.60%	10.50%	10.00%	varies

Assumptions with Calendar Year Basis:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Medical Claims Trend	8.00%	8.00%	8.00%	7.75%	7.50%
Non-Medicare Prescription Drug Claims Trend	14.00%	13.00%	12.00%	11.00%	10.00%
Medicare Medical Claims Trend	6.00%	6.00%	6.00%	6.00%	6.00%
Medicare Prescription Drug Claims Trend	11.00%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Direct Subsidy	28.77%	4.50%	4.50%	4.50%	4.50%
Annual Growth in Coverage Gap Discount Program Revenue	11.24%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Federal Reinsurance	12.87%	10.50%	10.00%	9.50%	9.00%
Annual Growth in EGWP Low Income Subsidy	9.00%	10.50%	10.00%	9.50%	9.00%
Humana Medicare Advantage Premium Increase	91.55%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	0.00%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	53.19%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

Premium Rates for Self-funded Plans effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Retiree % Increase	2.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	2.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	3.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2026	CY2027	CY2028	CY2029	CY2030+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	-2.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	-4.00%	0.00%	0.00%	0.00%	0% to 0%

Participation by Plan

Enrollment Counts
July 1, 2025

Medical Plan	Retiree	Spouse	Dependent	Grand Total
BCBS Premier PPO	3,308	909	425	4,642
Presbyterian Premier PPO	2,015	375	196	2,586
BCBS Value HMO	483	196	81	760
Presbyterian Value HMO	1,427	404	228	2,059
BCBS Medicare Supplemental Plan	16,180	3,425	6	19,611
BCBS Medicare Advantage I (HMO)	2,490	773	3	3,266
BCBS Medicare Advantage PPO	1,560	553	4	2,117
Humana Medicare Advantage I (PPO)	1,475	463		1,938
Presbyterian Medicare Advantage I (PPO)	6,936	1,804	6	8,746
United Healthcare Medicare Advantage I (PPO)	3,783	1,098	2	4,883
Grand Total	**39,657**	**10,000**	**951**	**50,608**

Plan Comparison
NM Retiree Health Care Authority, State of New Mexico RMD, NM Public School Insurance Authority and Albuquerque Public Schools
As of 7/1/2025

Plan Premiums for individual member per month with employer subsidy of 64%	NMRHCA Premier PPO - BCBS and PHP **$345.90**	NMRHCA Value Plan HMO - BCBS and PHP $270.19	SONM PPO – BCBS $326.90	SONM HMO – BCBS and PHP $281.08	NMPSIA High Option - BCBS and PHP $329.64, $266.57	NMPSIA EPO BCBS $296.67 *TERMING 12/31/25	NMPSIA Low Option - BCBS and PHP $228.55 $184.85	APS PPO BCBS and PHP $258.26 Food Services: $258.37	APS EPO BCBS and PHP $271.18 Food Services: $361.58
Annual Deductible	$500 to $800/Individual	$1,500/Individual	$500 to $750/Individual	$350/ $425/ $500/Individual	$750/Individual	$500/Individual	$2,000/Individual	$1,000/Individual	$500/Individual
Annual Out-of-Pocket Limit	$3,750 to 4,500/Individual	$5,500/Individual	$4,000 or $5,000/Individual	$3,750/ $4,000/$4,250/ $5,000/ Individual	$4,100/Individual	$3,250/Individual	$4,100/Individual	$5,000/$10,000/$12,500	$4,000/$8,000/$12,000
Office Services	Primary - $20 or $30 Specialist - $35 to $45	Primary -$35 Specialist - $55	Primary -$40-$50 Specialist - $60-$70	Primary -$25, $35, $40 Specialist - $45, $50, $60	Primary -$25 Specialist - $50	Primary -$25 Specialist - $35	Primary -$30 Specialist - $60	Primary -$30 Specialist - $60	Primary -$20 Specialist - $50
Preventive Services	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%
Related testing (includes routine Pap test, mammograms, colonoscopy, physicals, etc.) & immunization (deductible waived)	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%
Lab, X-Ray, and Pathology	Plan pays 100%	Plan pays 100%	30%-40%	$20, $100, 25%	$30 freestanding lab/ radiology or actual allowed or $60 hospital outpatient or actual allowed, (whiche ver is less per day)	$25 freestanding lab/ radiology or actual allowed or $50 hospital outpatient or actual allowed, (whichever is less per day)	$35 freestanding lab/ radiology or actual allowed or $70 hospital outpatient or actual allowed, (whichever is less per day)	$30	$20
Emergency Room	$250	$350	$325	20%, $300	$450 copay	$150 copay plus 20% after deductible	$450 copay after deductible	$450	$350
Urgent Care Facility	$45	$55	$65-$75	$60, $100	$50	$35	$60	$75	$50
Ambulance Services	25%	30%	20%, 30%	20% or $30 Ground/$100 Air	$50 copay	$25	25%	20%	20%
High-Tech Radiology (MRI, PET & CT)	10%, 25% or $100 office/ freestanding radiology	30% or $125 office/ freestanding radiology	25% to max $300 per test or $300 copay per test per day	$250 per test per day; 25% up to max of $250 per test	Up to $600 copay per day (deductible waived)	Up to $500 copay per day (deductible waived)	Up to $700 copay per day (deductible waived)	$120 copay per day freestanding facility, 20% outpatient hospital	$120 copay per day freestanding facility, 20% outpatient hospital
Rehabilitation Inpatient or Outpatient (Occupational, Physical, and Speech)	10% or 25% / $20 or $30 - Physical therapy outpatient alternative to surgery 4 copay max	30% / $35 - Physical therapy outpatient alternative to surgery 4 copay max	$1,250 - $1,750 Inpatient/ $40-$50 Outpatient	20% or $700 Inpatient/$25, $35 or $40 Outpatient	20% Inpatient/$25 copay up to $250; thereafter no charge for remaining calendar year	$500 copay plus 20% Inpatient/ $25 up to $250 then no charge rest of year Outpatient	25% Inpatient/ $30 Outpatient	20% Inpatient, $30 copay $480 maximum per CY and 60 visit max per condition	20% Inpatient, $20 copay $320 maximum per CY and 60 visit max per condition
Alternative (chiropractic, acupuncture, etc.)	$20 or $30 $1,500 combined annual max	$35 $1,500 combined annual max	$40-$50, max 25 combined visits a year	$25, $35, $40 max 25 combined visits a year	$25 - Chiropractic $50, combined max 30 visits	$25 - Chiropractic $35, combined max 30 visits	$30 - Chiropractic 25%, combined max 30 visits	$30, max 25 or 20 visits a calendar year	$20, max 25 visits a calendar year
Hospitalization - Inpatient	10% or 25%	30%	$1,250-$1750 per admission	20% or $700 per admission	20% coinsurance after deductible	$500 facility copay plus admission 20%	25%	20%	20%
Surgery - Outpatient	10% or 25%	30%	25%/$500 per visit and 35%/$700 per visit and $500 copay/visit, plus 25% coinsurance	$500 or $250 copay plus 25%	20% coinsurance after deductible	$150 copay plus 20%	25%	20%	20%
Majority of Other Covered Services	10% or 25%	30%	Vary	Vary	Vary	Vary	25%	20%	20%

Plan Comparison
NM Retiree Health Care Authority, State of New Mexico RMD, NM Public School Insurance Authority and Albuquerque Public Schools
As of 7/1/2025

Prescription Plans:

	NMRHCA Premier PPO - BCBS and PHP		NMRHCA Value Plan HMO - BCBS and PHP		SONM PPO – BCBS		SONM HMO – BCBS and PHP		NMPSIA High Option - BCBS and PHP		NMPSIA EPO BCBS		NMPSIA Low Option - BCBS and PHP		APS PPO BCBS and PHP		APS EPO BCBS and PHP	
Copay (Retail)	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*
Generic	$5	$15	$5	$15	$6		$6		$10		$10		$10		20%	$10	20%	$10
Brand	$30	$60	$30	$60	$35	$95	$35	$95	30% w/$30 min- $60 max		$30	$60	$30	$60	30%	$100	30%	$100
Brand Non-Formulary	$50	$125	$50	$125	$60	$130	$60	$130	70%		70%		70%		40%	$100	40%	$175
Specialty					$60 generic, $85 preferred brand, $125 non-		$60 generic, $85 preferred brand, $125 non-preferred								$100 generic, $125 preferred /$200 non-preferred			
Up to 30 or 34 day supply					**$50 deductible applies to formulary and non-formulary only		**$50 deductible applies to formulary and non-formulary only											
Copay (Mail Order)	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Maximum*
Generic	$12	$35	$12	$35	$17		$17		$22		$22		$22		$20		$20	
Preferred Brand	$60	$120	$60	$120	$120		$120		$60		$60		$60		$150		$150	
Non-Formulary	$100	$250	$100	$250	$155		$155		70%		70%		70%		$300		$300	
Specialty					$60 generic, $85 preferred		$60 generic, $85 preferred		$55 generic, $80 preferred /$130 non-preferred		$55 generic, $80		$55 generic, $80		$100, $125, $200 based on tier		$100, $125, $200 based on tier	

PPO = Preferred Provider Organization
HMO = Health Maintenance Organization
EPO = Exclusive Provider Organization
BCBS = Blue Cross Blue Sheild
PHP = Presbtyerian Health Plan

Summary of Proposals

Jul-25			
	Baseline	Scenario A	Scenario B
Pre-Medicare Rate Increase	0%	8%	5%
Medicare Supplement Plan Rate Increase	0%	4%	2%
Deficit Spending Period (FY)	2034	2035	2034
Solveny Period	Beyond Projection Period	Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/57	$ 30,259,552,825	$ 30,952,582,170	$ 30,654,226,301
Plan Changes	None	None	None

		Scenario C	Scenario D
Pre-Medicare Rate Increase		4%/5% (Child)	2% / 3% (Child)
Medicare Supplement Plan Rate Increase		2%	2%
Deficit Spending Period (FY)		None	2033
Solveny Period		Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/56		$ 31,977,195,965	$ 18,292,615,155
Plan Changes		Deductibles for Pre-Medicare $50 Brand drugs and Medicare EGWP $250 Brand durgs and Copays increases on Pre-Medicare and Medicare EGWP Retail $10-$30,$45-$100,$75-$200 Mail	Deductible only for Medicare EGWP $250 and Copays increases on Pre-Medicare and Medicare EGWP Retail $10-$30,$45-$100,$75-$200 Mail Order $24-$70-$90-$200,$150-$400

Staff Recommendations

- Scenario D:
  - Premium Increases to Pre-Medicare and Medicare Supplement Plans
  - Changes to Cost Sharing Prescription Plans for Pre-Medicare and Medicare Supplement Plans
  - Addition of Deductible to Supplement EGWP Plan for Brand and Higher Tiers

THANK YOU

NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

MEKETA

New Mexico Retiree Health Care Authority

July 24, 2025

Investments 101

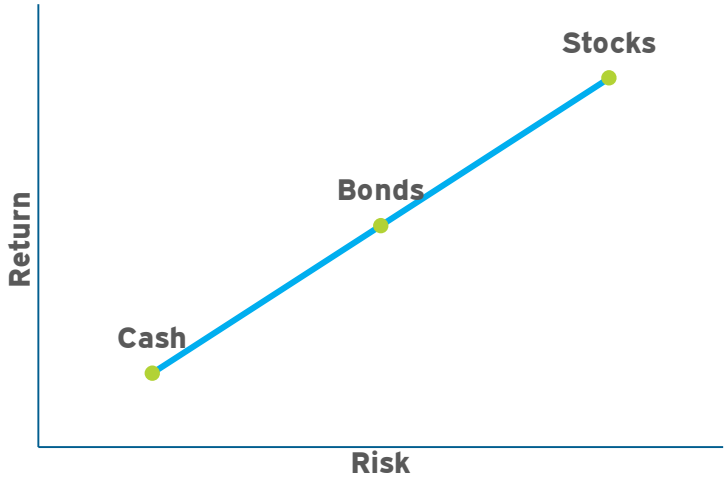
Table of Contents

The Basics of Risk & Return

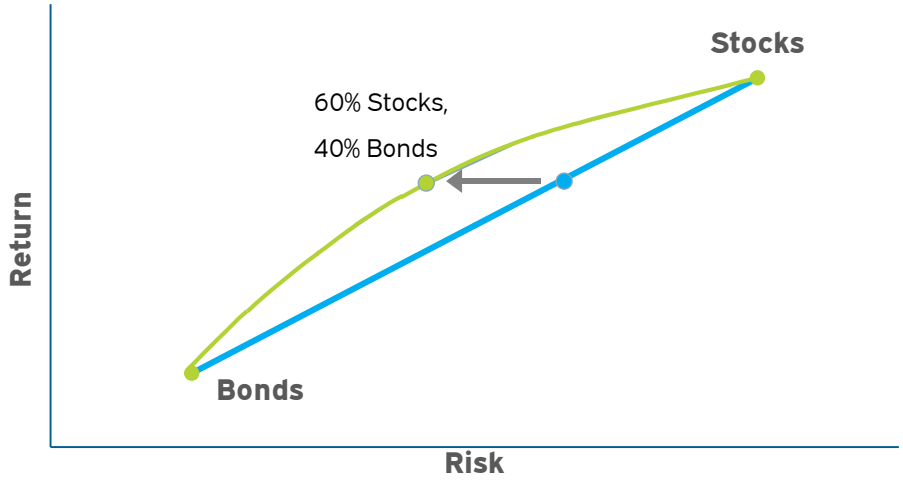
What is the Risk/Return Tradeoff?

- Return potential is linked to level of risk (i.e., higher risk = higher return)
  - If you want a higher return, you must be willing to accept (or "tradeoff") greater risk
    - Conversely, if you want less risk, the tradeoff is lower returns
- However, higher risk does not guarantee higher returns, it only provides the *possibility* of higher returns
- Risk is the chance that an investment's actual return will be different than its expected return
  - All investments involve some degree of risk

Risk/Return Tradeoff Example of Different Asset Classes



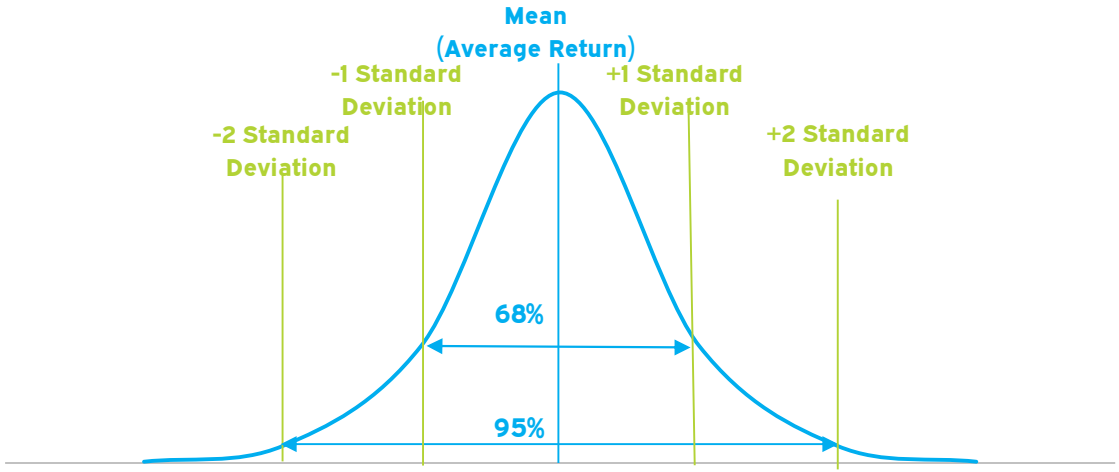
Combining Assets Can Improve Portfolio Efficiency



Common Investment Terms

- Standard Deviation: risk is typically measured through statistics, such as standard deviation (dispersion (i.e., volatility) of returns around the average return)

Normal Distribution of Returns (Bell Shaped Curve)



- Sharpe Ratio: this is also referred to as risk-adjusted return. It is calculated as return in excess of the risk-free rate, divided by standard deviation. The higher the number, the better.
- Beta: measures the risk of an investment or portfolio relative to the overall market. The market itself has a beta of 1.0.
- Alpha: measures out/underperformance of the market compared to what was expected by its beta.

Asset Allocation & Diversification

What is Asset Allocation?

- It is the decision of how much to invest in different asset classes
- Asset allocation is likely to have the largest impact of any investment decision and be a key driver of long-term returns
  - Each asset class exhibits unique risk and return behavior
  - Each asset class also interacts differently with other asset classes
- Asset allocation is like cooking
  - Putting together a great dish first involves selecting the proper ingredients
    - We must understand the characteristics of each individual ingredient
    - We must also understand how those ingredients interact with each other
  - Then we need to figure out the right amount of each ingredient to include
    - The proper combination should yield an optimal result

What is Diversification?

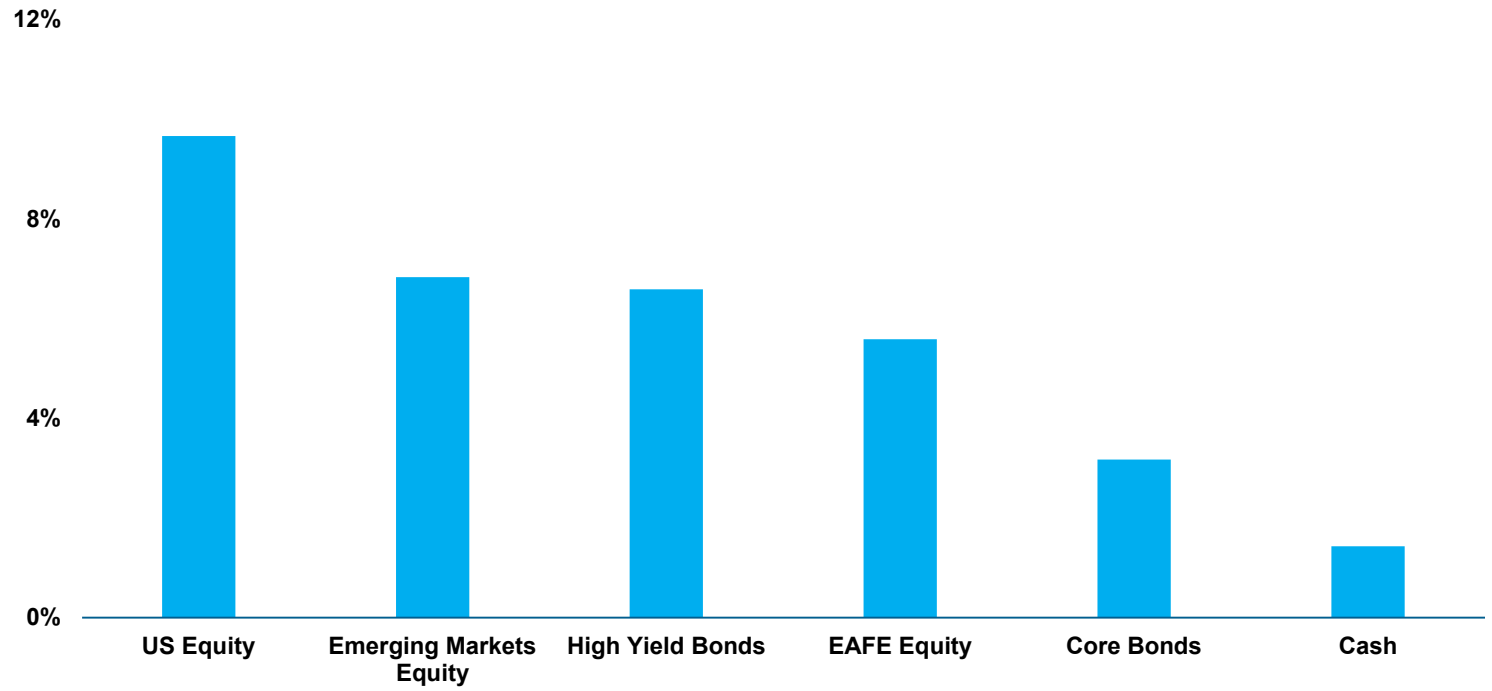
- Diversification is the process of building a portfolio with different asset classes that work cohesively together to lower the portfolio's overall risk without lowering expected return
  - It is the only way to reduce risk without reducing expected returns, because different asset classes do not always move in sync with each other

Asset Classes: Public Markets

How have Public Markets Performed?

- Historically, stocks have tended to produce higher returns relative to bonds and cash
- Core bonds are known to be one of the most stable, albeit lowest returning, asset classes
  - High yield bonds, however, may offer equity-like returns for the tradeoff of increased risk

Trailing 20-year Performance[1]

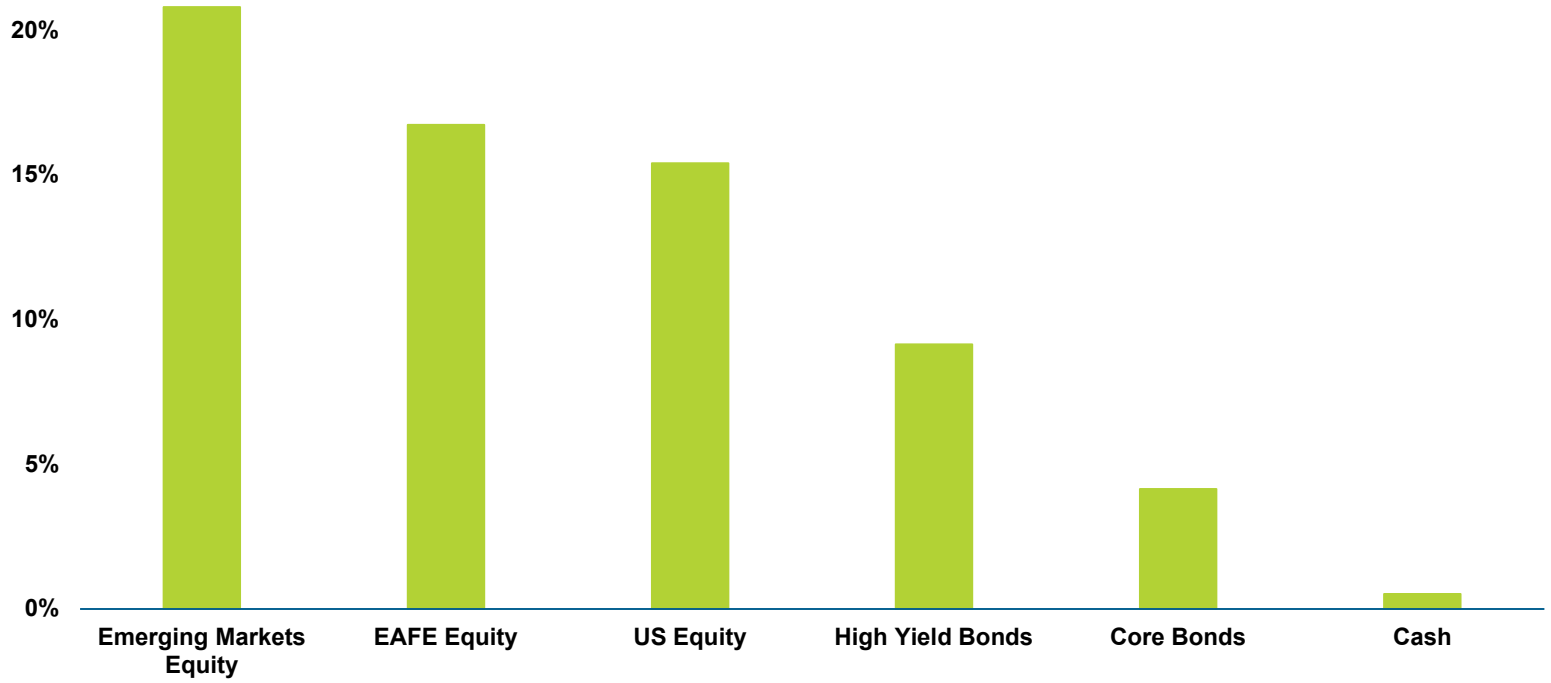


[1] Data sourced from Bloomberg as of December 31, 2023. Data is annualized monthly returns pulled in March 2024. Benchmarks and indices used: Bloomberg US Corporate High Yield Bond Index, MSCI EAFE, MSCI EM, Russell 3000, Bloomberg US Aggregate Bond Index, 90 Day US Treasury Bill.

Public Market Historical Volatility

- Consistent with traditional market theory, equity's higher returns have exhibited higher levels of volatility over the past 20 years
- Also as expected, core bond's relatively lower returns have exhibited lower relative volatility

Trailing 20-year Volatility[1]



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What is a Stock?

- A stock is a share in the ownership of a company, also known as equity
  - "Ownership" refers to a claim on a company's assets and earnings
- Stocks are publicly traded (i.e., shares can be bought and sold by anyone) on stock exchanges
  - Because the companies are publicly traded, they must adhere to strict disclosure/regulatory requirements
- Companies issue stock as a way to raise money (or "capital")

  The capital may be used for a number of things, such as research & development and expansion

Benefits & Downsides of Stocks

- Why are stocks important in a long-term portfolio?
  - Stocks are generative assets
  - They can be a primary growth provider
  - They can help to protect against loss of purchasing power (i.e., inflation)
- Stocks also have potential downsides such as:
  - Individual stock prices can be highly volatile, fluctuating widely in response to many factors
  - The stock market has exhibited higher historical volatility relative to other asset classes
  - Unlike bonds, stocks typically do not offer a stable or predictable return stream
    - Some stocks may pay periodic dividends, but this is not always the case

What is a Bond?

- Bonds are a type of fixed income investment, or debt security
  - A bond reflects one party (i.e., the investor) lending money to another party (i.e., the borrower)
  - The bond holder (the investor) buys a bond from the bond issuer (e.g., the US government) at a set price with the agreement that the issuer will pay periodic interest (i.e., the "coupon") over time and/or eventually repay the principal (i.e., the initial price of the bond) at a later date (at "maturity")
- Bonds can be traded between investors, just like stocks

Benefits & Downsides of Bonds

- Bonds are important for a long-term portfolio because they may:
  - Produce stable returns
  - Have lower volatility
  - Provide current income
  - Provide diversification benefits
- Potential downsides of bonds include:
  - Credit (default) risk
  - Susceptible to interest rate changes
  - Inflation risk for some types of bonds
  - Low historical returns (depending on the type of bond) relative to other asset classes

Asset Classes: Private Markets

What are Private Markets?

- Private markets represent the various strategies that make investments in privately held companies
- Private companies are not publicly listed nor are they traded on the stock market
- Major private market asset classes include:
  - Private Equity, Private Credit, Infrastructure, Natural Resources, Real Estate

What are the Potential Benefits of a Private Market Investment?

- Much larger investable universe than public markets
  - It is estimated there are 1000 private companies for every 1 public company[1]
- Higher expected returns than many public markets assets
- Private markets may offer diversification benefits to investor's portfolios, such as:
  - Uncorrelated returns with traditional public market assets
  - Protection during market downturns
  - Protection during inflationary periods
- Increased potential to generate manager alpha

[1] Source: United States Census Bureau and JP Morgan: "Guide to the Markets," June 2021.

What are the Risk Considerations of Private Markets?[1]

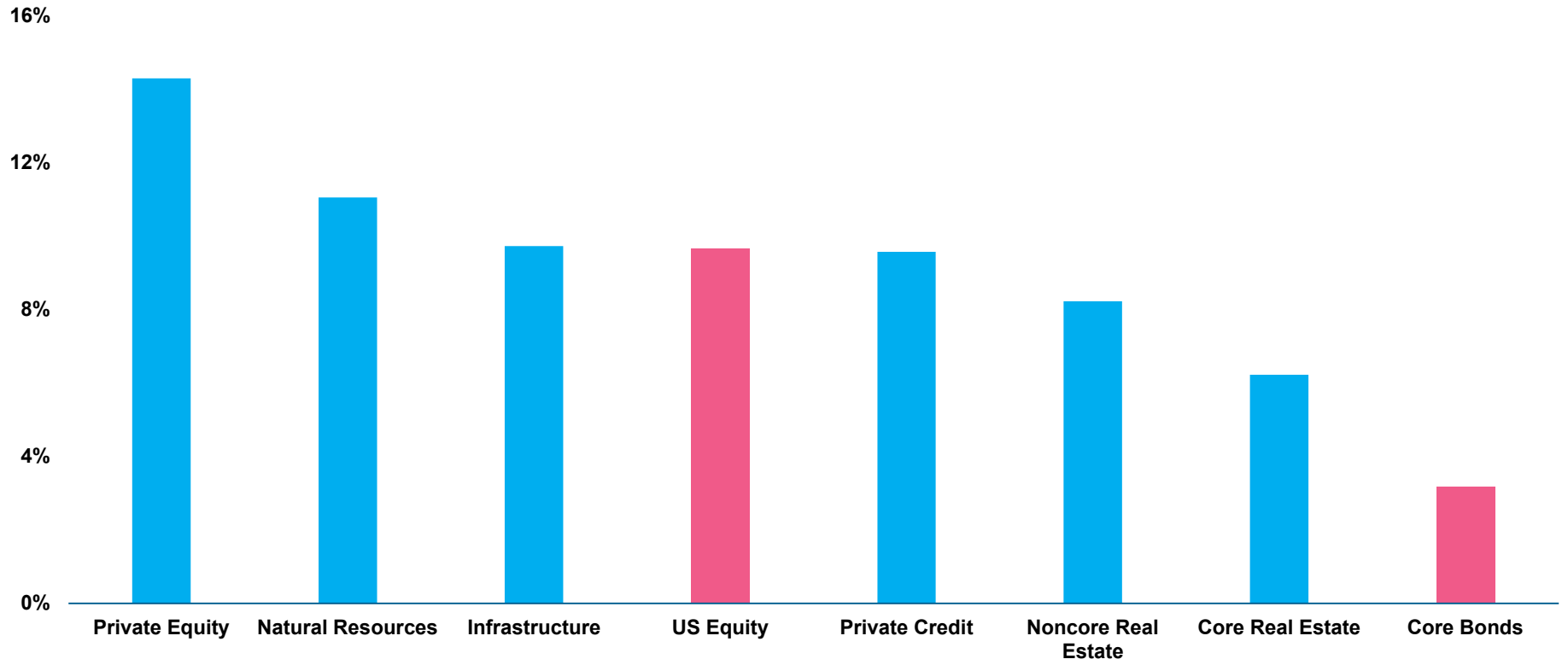
- Liquidity risk - investors are generally unable to pull capital from a fund once it has been invested
  - Too much in illiquid assets may inhibit an investor from meeting its obligations in a worst-case scenario
  - Illiquid assets cannot be rebalanced in the interim, which can lead to unintended deviations from policy
- Execution risk - the success of many strategies are predicated on significant operational improvements
- Poor vintage year timing - missing a good year or overcommitting to a bad one will harm performance
  - Vintage year diversification can help to reduce this risk
- Manager alpha can be negative, and at a greater magnitude than in public markets
- A general lack of transparency makes it more difficult to conduct due diligence
- Higher fees
- Increased use of leverage

[1] This list is not exhaustive.

How have Private Markets Performed?

→ Over the past twenty years, private markets have been among the best performing major asset classes

Trailing 20-year Performance[1]

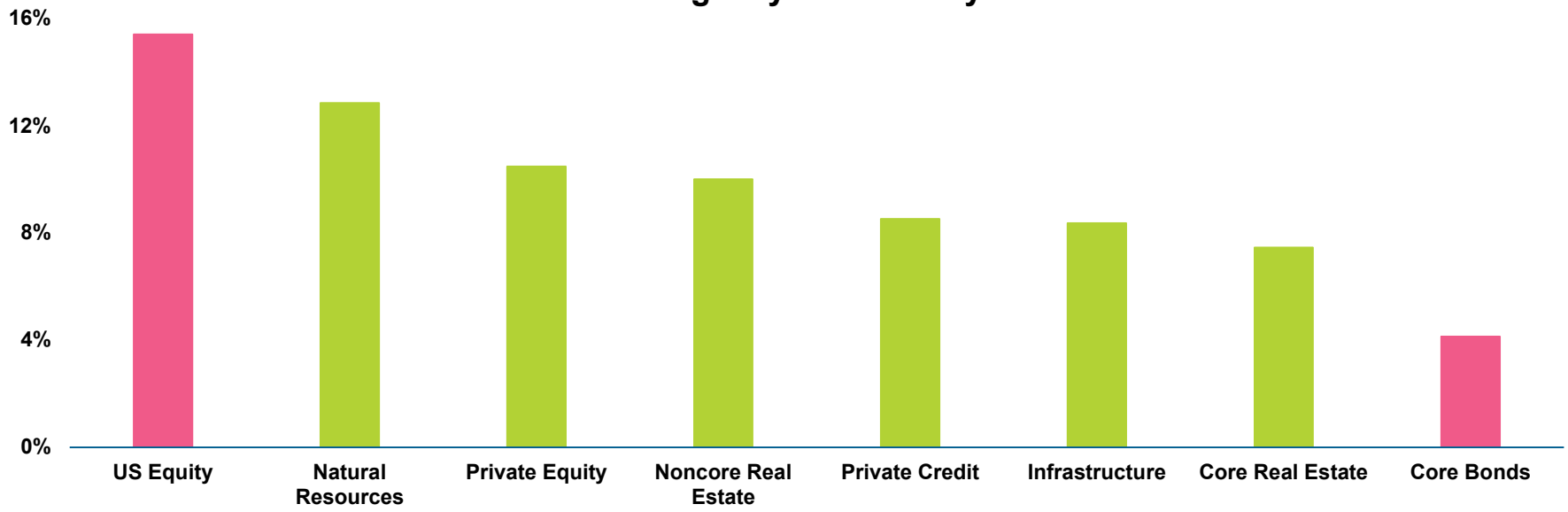


[1] Bloomberg and Cambridge Associates via IHS Markit as of 12/31/2023. Private Equity, Private Credit, Infrastructure, Natural Resources, and Real Estate returns are annualized quarterly pooled IRRs, all others are annualized monthly returns. Indices used: Cambridge Private Equity & Venture Capital Composite, Cambridge Private Credit Composite, Cambridge Infrastructure Composite, Cambridge Natural Resources Composite, Cambridge Real Estate Composite, Russell 3000, NCREIF ODCE Equal Weighted Net Total Return, Bloomberg US Aggregate Bond Index. Note that private markets performance presented in this chart is net of fees.

Historical Volatility

- Private markets have also tended to *appear* less volatile than public equities over the past 20 years
- However, the smoothed nature of PM's returns may contribute to this lower perceived volatility

Trailing 20-year Volatility[1]



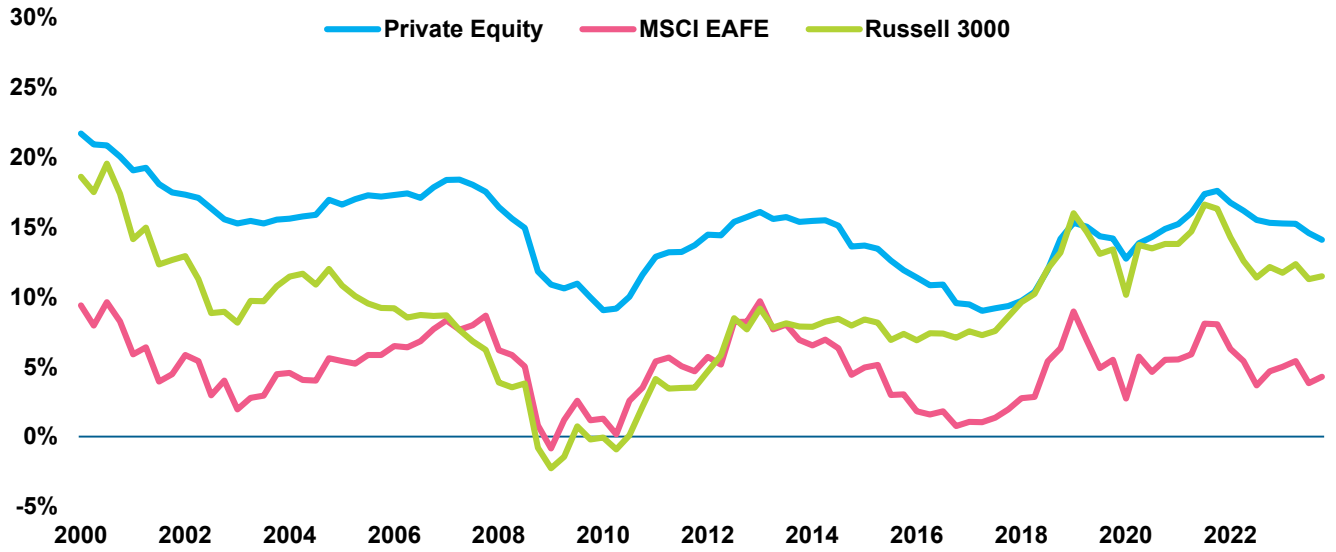
- This lower observed volatility does *not* mean these assets are less risky; it is often quite the contrary
  - PM portfolios tend to be more concentrated, and the underlying companies more highly leveraged with less diverse revenue streams than their public counterparts

[1] Bloomberg and Cambridge Associates via IHS Markit as of 12/31/2023. Private Equity, Private Credit, Infrastructure, Natural Resources, and Real Estate returns are annualized quarterly pooled IRRs, all others are annualized monthly returns. Indices used: Cambridge Private Equity & Venture Capital Composite, Cambridge Private Credit Composite, Cambridge Infrastructure Composite, Cambridge Natural Resources Composite, Cambridge Real Estate Composite, Russell 3000, NCREIF ODCE Equal Weighted Net Total Return, Bloomberg US Aggregate Bond Index. Note that private markets performance presented in this chart is net of fees.

Private Equity

Higher Historical Returns

Rolling 10-Year Annualized Quarterly Pooled IRR[1]



- → Historically, PE investors have earned 2% to 5% per year more than investors in comparable common stocks, even after paying substantial management fees and other costs
- → Over the last decade, excess PE returns have shrunk relative to US equities
  - Potential reasons behind the decline include increasing valuations of private companies, strong performance of public equities, and an influx of capital being invested in the space

[1] Cambridge Associates via IHS Markit as of 12/31/2023. Returns are annualized quarterly pooled IRRs. Indices used: Cambridge PE Composite, Cambridge MSCI EAFE Index, Cambridge Russell 3000 Index. Note that historical performance presented in this chart is net of fees.

Why Have Private Equity Returns Been So Strong?

- PE investors can "sell" unneeded liquidity to capital-needy businesses
- GPs can create a better alignment of interests between the owners and management
  - There is an inherent agency problem with most public companies where the interests of management may not align with the interests of stakeholders
- GPs can improve the value of the asset by being a "control" investor
  - Being a "control" investor allows for significant influence over strategic and management decisions
  - Many PE managers have expertise in generating new wealth through growth
- GPs can take advantage of mispricing opportunities
  - These tend to be larger and more frequent than in public markets
- GPs can use leverage to a greater extent
  - Financial engineering can help boost a fund's returns

Private Credit

What is Private Credit?

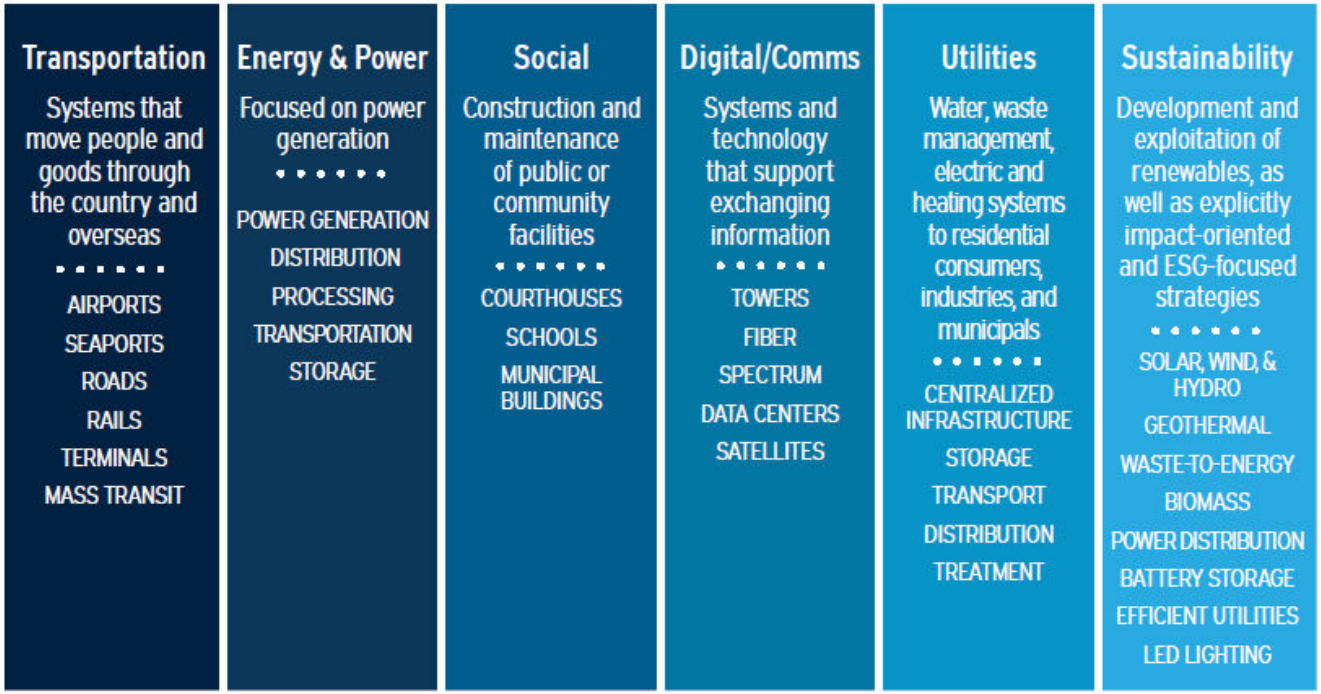
- Private credit (also known as private debt) is a loan or other form of debt financing originated by a non-bank lender that is subject to privately negotiated terms
  - Non-bank lenders are not subject to the oversight by the federal banking system
  - Examples of non-bank lenders include asset managers, pension funds, and insurance companies
- A wide range of collateral may be used, including corporate cash flows, consumer and small business receivables, financial assets, or hard assets
- Interest rates for borrowing in private markets are often higher than for public markets
  - However, there are compelling reasons why borrowers would choose private financing, such as:
    - The borrower may be too small or lack the credit history or worthiness to raise capital in public markets
    - Speed and certainty in execution
    - A flexible and tailored structure
    - Confidentiality

Infrastructure

What is Infrastructure?[1]

- It is the foundation for the production and delivery of goods and services critical to the global economy
- Characteristics: Long useful lives, High barriers to entry, Monopolistic market positioning, Generally stable usage
- Infrastructure assets are generally expected to maintain or increase in value during periods of inflation

Breakdown of Infrastructure Sectors and Sub-Sectors[2]



[1] Throughout this document, we focus on private markets infrastructure as it pertains to institutional portfolios.
[2] Source: Meketa investment Group, 2023.

Natural Resources

What are Natural Resources?

- NR assets are raw or processed commodities, including associated production facilities and services
  - They are the critical inputs for energy, food, manufacturing, and construction
- Natural resources are products of the earth that have value either:
  - In a relatively unmodified form, such as gold or diamonds
  - As a key input to manufactured goods, such as iron ore into steel and cherry wood into cabinets

Primary Sectors in Natural Resources

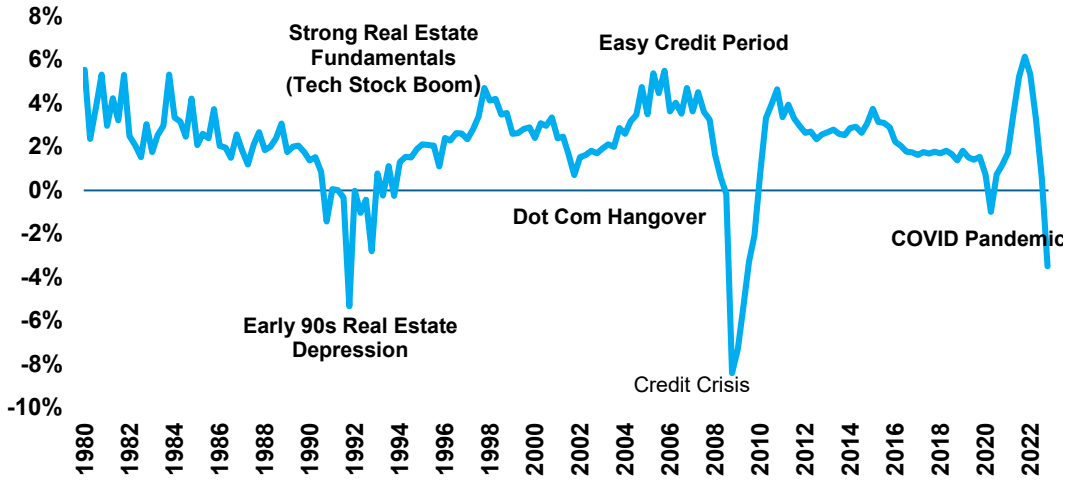
Energy	Mining	Agriculture & Timberland	Sustainability
Traditional oil and gas activities across the value chain including upstream, midstream, and downstream oil & gas, as well as energy equipment and services.	Exploration and extraction through surface or underground mining of base, industrial, precious, and other metals and minerals.	Row and permanent crop farmland, agribusiness, food manufacturing and production, timberland, and water.	Products, services, and processes that focus on de-carbonization, energy efficiency, emissions, and low-carbon and alternative fuels.

Real Estate

What is Real Estate?

- Real estate combines elements of stocks, bonds, and hard assets, and as a result has the potential to provide:
  - The steady income of bonds
  - The appreciation of stocks
  - The inflation-protection of hard assets
- Rental properties typically produce increasing rental rates during inflationary periods
- Real estate cycles tend to be linked to the performance of the broad economy

NPI Quarterly Returns - Institutional Grade Real Estate[1]



[1] Source: NCREIF Property Index (NPI) Q4 2022 Trends Report, as of January 2023.

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