ANNUAL MEETING
OF THE
BOARD OF DIRECTORS
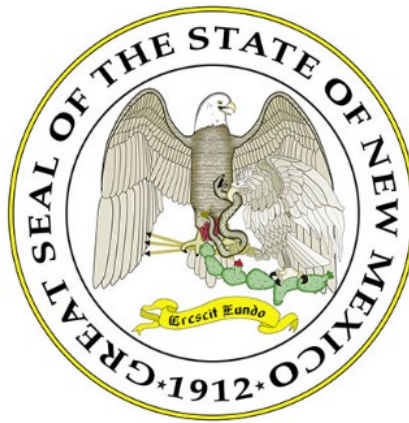
July 24 & 25, 2025

9:30/9:00 AM

Day 2

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 25, 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
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AGENDA – July 25th (Day 2)

11. Date & Location of Next Board Meeting   President

    Tentative -- August 26, 2025, 9:30 AM
    CNM Workforce Training Center
    5600 Eagle Rock Ave NE
    Albuquerque, NM 87113

12. Adjourn   President

MEKETA

New Mexico Retiree Health Care Authority

July 25, 2025

Meeting Materials

Table of Contents

Corporate Update | 2Q.2025

MEKETA

6
Offices

250+
255+

Employees   Clients

98%
Client Retention Rate

5:1
Client | Consultant Ratio

$2.4T
Assets Under Advisement

$380B
Assets in Alternative Investments

Meketa Investment Group is proud to work for over 30 million American families everyday!

Client and employee counts as of March 31, 2025; assets under advisement as of December 31, 2024; assets in alternative investments as of December 31, 2024.

Client retention rate is one minus the number of clients lost divided by the number of clients at prior year-end. Average over the previous five years.

UPCOMING EVENTS
Q1 Investment Perspectives Webcast
April 2025

MEKETA

THOUGHT LEADERSHIP

Converging Paths or Persistent Gaps? Understanding Valuations Across Public and Private Equity

Sustaining Missions and Navigating Markets: Frameworks for Endowment and Foundation Spending Policies

AI Infrastructure Investment

Valuations play a critical role in shaping long-term investment outcomes and are often considered to be an important determinant of future performance. Therefore, it is natural for allocators of large pools of assets to examine valuations across different markets. An area that has drawn attention in recent years is the comparison of valuations for the stock market and private equity, as both public and private equity valuations are near all-time highs. In this research note, we aim to evaluate where private equity valuations are relative to public markets, with a focus on North American buyout strategies and US equities, and what implications this may have.

Our focus in this paper is on endowments and foundations that aim to maintain intergenerational equity, and how best to maintain this goal through spending policy development.

Since OpenAI launched its generative artificial intelligence application, ChatGPT, in late 2022, AI has catapulted to the forefront of technology companies in the US.

The growing competition in AI development has driven a significant surge in investments in technological research and innovation. In the US, the so-called "Magnificent Seven" companies have each developed their own proprietary large language models (LLMs).

Read more here:
https://meketa.com/leadership/converging-paths-or-persistent-gaps-understanding-valuations-across-public-and-private-equity/

Read more here:
https://meketa.com/leadership/sustaining-missions-and-navigating-markets-frameworks-for-endowment-and-foundation-spending-policies/

Read more here:
https:///meketa.com/leadership/ai-infrastructure-investment

ANNOUNCING
OUR NEWEST SHAREHOLDER

Matt Curran
Research Consultant

HONORS AND AWARDS FOR MEKETA'S DECORATED LEADERS

Congratulations to Meketa's Mika Malone, CAIA on being named to Chief Investment Officer magazine's 2025 Knowledge Brokers list!

The annual Knowledge Brokers list honors influential and insightful investment consultants, recognizing them for their strategic counsel and success in connecting asset owners with impactful investment opportunities. Mika's leadership, thoughtful guidance, and client-first mindset continue to make a lasting impact both at Meketa and across the industry.

View the full story here:
https://www.linkedin.com/feed/update/urn:li:activity:73309860008714383361

Meketa is proud to have received a 2025 Pension Partners of the Year Award from the National Conference on Public Employee Retirement Systems (NCPERS).

"Education is a crucial component of our service to clients and the wider pension fund industry" said Stephen McCourt, co-CEO, Meketa Investment Group. "We're honored to be recognized by NCPERS, and we're especially proud of the contributions of our colleagues Judy Chambers and David Sancewich, whose efforts have helped trustees navigate an increasingly complex investment landscape."

View full story here:
https://www.linkedin.com/feed/update/urn:li:activity:7343354503682768897

CONGRATULATIONS TO ALAN SPATRICK ON CELEBRATING 45 YEARS WITH MEKETA

Alan's journey at Meketa Investment Group spans an incredible 45 years, making him a living archive of the firm's history, evolution, and ethos. As employee number three, he has witnessed and influenced Meketa's transformation from a small operation to a sophisticated institutional investment advisory firm.
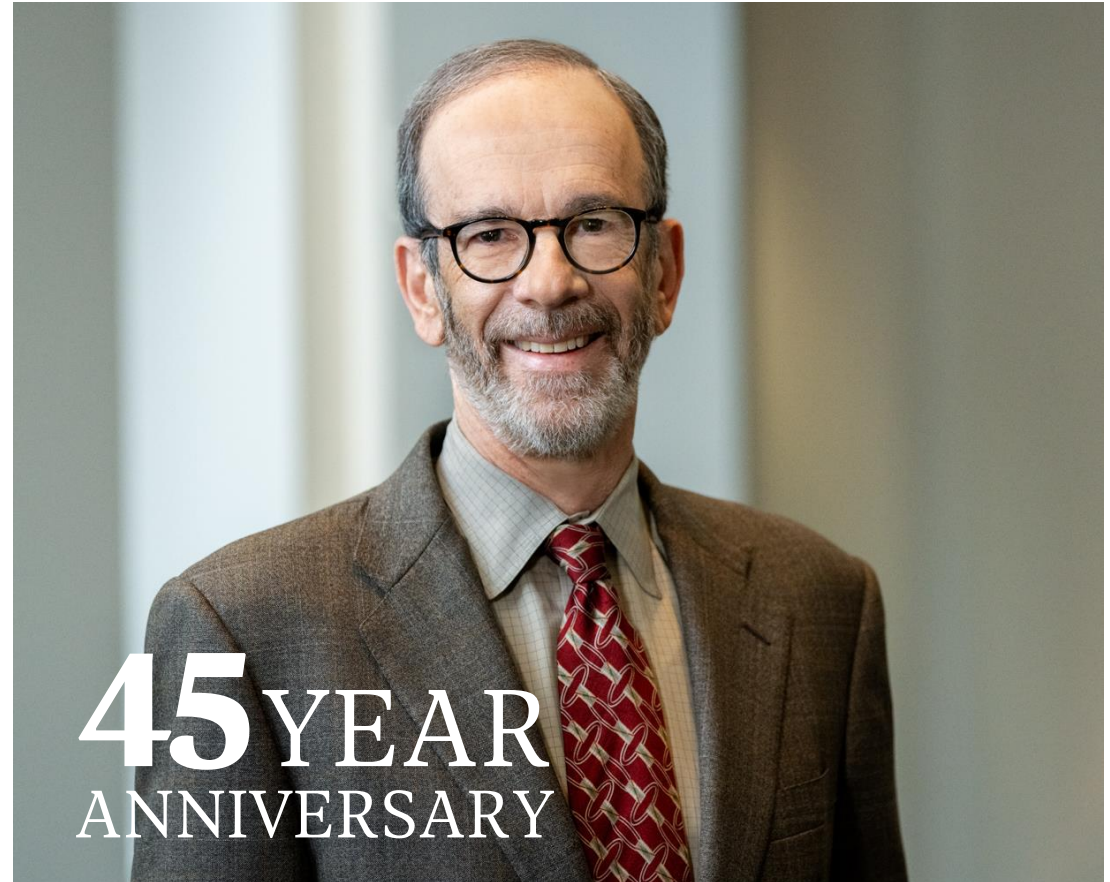
View the full story here: **Celebrating 45 Years of Inspiration Insights from the Archive of Alan Spatrick, Meketa Consultant, from His Journey Along the Way**
https://meketa.com/wp-content/uploads/2025/03/MEKETA_Anniversary-Alan-Spatrick.pdf

MEKETA IN THE WILD

IPEM Conference

Meketa's **Balaj Singh, CFA, CAIA** enjoyed moderating a panel at April's Pensions & Investments x IPEM conference, 2025 Private Markets: The LP Perspective. Balaj and his fellow panelists discussed the state of private equity and how LPs are monitoring their private equity portfolios to ensure they meet investment objectives, noting "private equity investing is not about a "set it and forget it" mentality."

Talking Hedge

It was great to hear Meketa's **Zachary Driscoll, CFA** moderate the panel, Leveraging Total Portfolio Principles to Compound Better, at last month's Talking Hedge Austin conference. The discussion offered valuable insights and was a great kick-off to the event.

PREA Institute

Christy Fields from Meketa had the pleasure of leading the session, The Performance of Real Estate and Other Alternatives, at the conference in Chicago, with **Rajeev Ranade** joining as well. The Institute is dedicated to exploring real estate investment where theory meets practice, fostering insightful discussions and innovative ideas.

MEKETA IN THE NEWS

Pensions&Investments

Expanding the Playbook – Private Equity's Evolving Opportunities in Sports | April 30, 2025
Commentary by Balaj Singh, *Senior Private Markets Analyst*

"For private equity investors, the sports sector offers the allure of cultural relevance, anticipated steady demand and growing institutional acceptance. But it also requires patience, creativity and an understanding that this is not your typical PE asset class. The playbook is still being written."

EQDerivatives

Long Volatility Gains Momentum, Trend Strategies Show Resilience Amid Market Corrections
By Quratulain Tejani | May 7, 2025

Meketa said risk mitigating strategies helped institutional clients navigate volatility as markets tumbled in April. Long volatility strategies proved effective in mitigating risk, and should a drawdown or inflationary themes continue to extend, trend following strategies will be ready to take the baton.

Meketa's risk management framework, which is categorized into first responders, such as long volatility, second responders, such as trend following and diversifiers, is helping investors weather equity drawdowns and potentially benefit from bear market conditions. Ryan Lobdell, head of marketable alternatives, highlighted that many of these strategies have stood their ground during the recent market selloffs, despite liquidity concerns expressed by some.

"The vast majority of these [systematic strategies] trade futures contracts on different types of assets, such as equity, equity indices, rates, currencies [and] commodities.," said Zack Driscoll, research consultant at Meketa.

"Many first responder strategies, [such as long volatility], did quite well over the first week to 10 days of April," said Lobdell. "There has been an uptick in interest, but in terms of people actually putting dollars to work, I think that's been a hit or miss because of liquidity constraints within private markets allocations."

Second responder strategies, such as trend following, tend to perform well during bear markets or prolonged drawdowns — especially when asset managers take long and short positions across macro markets within a six-week to six-month time horizon, Lobdell said. "This played out during the global financial crisis and again in 2022, when persistent market trends created favorable conditions for these approaches. But in times like the mid-April market selloffs, or the beginning of COVID-19, when trends rapidly reverse, the performance of the strategy can suffer in the short term as it repositions. If equities are trending down, trend followers will likely be net sellers, leading to negative correlations to equities." This, Lobdell said, may produce an attractive profile, such as convexity.

Diversifiers, such as global macro, equity market neutral, relative value, event-driven, insurance-linked securities, alternative risk premia and multistrategies, act as hedges and contribute to returns during bull and flat equity markets, particularly when bonds might be failing to deliver the required portfolio protection, Lodbell and Driscoll highlighted. "[These] diversified sets of hedges or protection in a portfolio tend to not do as well when there's no trend. When markets move sideways and are choppy, like we've seen, that's a harder environment for them to succeed in," **Driscoll said. "Ultimately, no single group of a risk management functional framework, or a single strategy within a group, is likely to effectively fulfill all objectives. We work hard to educate clients on the role of the framework and how each strategy within interacts, to manage their expectations."**

chief investment officer

How Companies With Frozen, Overfunded Pensions Approach the Future
By Matt Toledo | May 1, 2025

Corporations are increasingly evaluating de-risking options for their pension funds, while also adding risk to their portfolios.

"The majority of plans that are frozen and just a little bit overfunded are still targeting termination," says **Jonathan Camp**, a managing principal at Meketa. "But we have seen an uptick in companies that are opening back up their plans. … Some of these frozen plans that have excess assets—let's say they are 5% or 10% overfunded—that's when [the sponsors] start to have to think to [themselves]: Are we going to terminate the plan and then use those assets for some other purpose?"

How Frozen, Surplus-Asset Plans Are Investing

"If you're 100% or over 100% funded, you're going to have a heavier allocation to bonds—the higher quality, the better," says Camp. "So typically Treasurys, AAA bonds, AA bonds…you're generally focused on investment-grade, high-quality corporate bonds."

Will More Plans Like IBM Reopen?

"The plans that I see that are frozen and using their assets to open back up and offer new benefits, from what I've seen, they tend to be cash balance plans," Camp says, noting that other types of plans are not unfreezing their pensions.

Executive Summary

Current Status

→ As of June 30, 2025, the Fund was valued at $1.8 billion. During the second quarter, the Fund returned 5.5%, which brings the YTD return to 6.4%.

→ All asset classes were within 3% of their respective policy targets at quarter-end.

Next Steps

→ At this meeting, we plan to address the following topic:

- Conduct a detailed review of various asset allocation policies and their return and risk characteristics. Due to recent structural changes in offerings from the New Mexico State Investment Council (SIC) and their incompatibility with the current asset allocation policy, a new asset allocation policy should be adopted as soon as practical.

→ At upcoming meetings, we plan to address the following topics:

- Review Meketa's observations regarding the Investment Policy Statement and discuss any potential changes.

- Discuss a potential policy for Staff authority on portfolio rebalancing.

- Evaluate the SIC's options for passive vs. active strategies within public equities and make a recommendation to the Board.

Economic and Market Update
Data as of June 30, 2025

Commentary

During the quarter, US trade policy drove market dynamics. Significant volatility in early April after the initial tariff announcement was followed by a recovery in risk assets on their later temporary suspension. In fixed income markets, fiscal policy uncertainty and growing debt levels shaped market sentiment.

→ Domestic equities rose during the quarter (Russell 3000: +11.0%) and growth stocks, particularly technology, led the way.

→ Non-US developed-market stocks (MSCI EAFE: +11.8%) beat US markets, extending their outperformance over most asset classes year-to-date by returning +19.4%.

→ Emerging market equities were the best performers, returning +12.0% for the quarter, despite a modest +2.0% return in China.

→ In mid-June, the Federal Reserve held rates steady (but messaging was perceived as more accommodative by market participants compared to earlier in the year), with inflation, while improving, remaining above target and the unemployment rate still low.

→ Outside of longer dated government bonds, most fixed income markets rose for the quarter as yields generally remained stable or declined. The broad Bloomberg Aggregate Index returned +1.2%, while long-term Treasuries fell -1.5%. Riskier bonds did better as risk sentiment improved with emerging market debt increasing +7.6% and high yield bonds gaining +3.5%.

→ Looking ahead, continued uncertainty related to the US administration's tariff policies and their impact on the economy, inflation, and Fed policy will be key. The track of the US deficit, China's economy and relations with the US, as well as concerns over elevated valuations and weakening earnings in the US equity market, will also be important focuses for the rest of this year.

Index Returns[1]

YTD

Index	Return
MSCI EAFE	19.4%
MSCI Emerging Markets	15.3%
JPM GBI-EM Global Diversified	12.3%
MSCI ACWI	10.0%
S&P 500	6.2%
Russell 3000	5.8%
Bloomberg Commodity Index	5.5%
Bloomberg US TIPS	4.7%
Bloomberg High Yield	4.6%
Bloomberg Short-Term TIPS	4.0%
Bloomberg Aggregate	4.0%
FTSE NAREIT Equity	-0.3%
Russell 2000	-1.8%

Q2

Index	Return
MSCI Emerging Markets	12.0%
MSCI EAFE	11.8%
MSCI ACWI	11.5%
Russell 3000	11.0%
S&P 500	10.9%
Russell 2000	8.5%
JPM GBI-EM Global Diversified	7.6%
Bloomberg High Yield	3.5%
Bloomberg Aggregate	1.2%
Bloomberg Short-Term TIPS	1.0%
Bloomberg US TIPS	0.5%
FTSE NAREIT Equity	-1.2%
Bloomberg Commodity Index	-3.1%

→ After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.

→ US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

[1] Source: Bloomberg. Data is as of June 30, 2025.

Domestic Equity Returns[1]

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	5.1	10.9	6.2	15.2	19.7	16.6	13.6
Russell 3000	5.1	11.0	5.8	15.3	19.1	15.9	12.9
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.3
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.7	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
Russell MidCap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
Russell MidCap Growth	4.4	18.2	9.8	26.5	21.4	12.6	12.1
Russell MidCap Value	3.5	5.3	3.1	11.5	11.3	13.7	8.4
Russell 2000	5.4	8.5	-1.8	7.7	10.0	10.0	7.1
Russell 2000 Growth	5.9	12.0	-0.5	9.7	12.4	7.4	7.1
Russell 2000 Value	4.9	5.0	-3.2	5.5	7.4	12.5	6.7

US Equities: The Russell 3000 index returned +5.1% in June and +11.0% in the second quarter.

→ US stocks rose during the second quarter as tariff concerns stabilized after the early April volatility. Strong corporate earnings, particularly in the technology sector, and a relatively resilient US economy also drove results.

→ Growth stocks outpaced value stocks across the market cap spectrum during the quarter, particularly in large cap (+17.8% versus +3.8%) due to strong gains in the large-cap companies focused on AI.

→ Small cap stocks (Russell 2000) had strong results (+8.5%) in Q2 but trailed large cap stocks (Russell 1000), which gained +11.1%. Gains in the large cap technology sector, elevated interest rates, and overall uncertainty related to the path of the US economy drove the underperformance.

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[1] Source: Bloomberg. Data is as of June 30, 2025.

Russell 3000 Sector Returns[1]
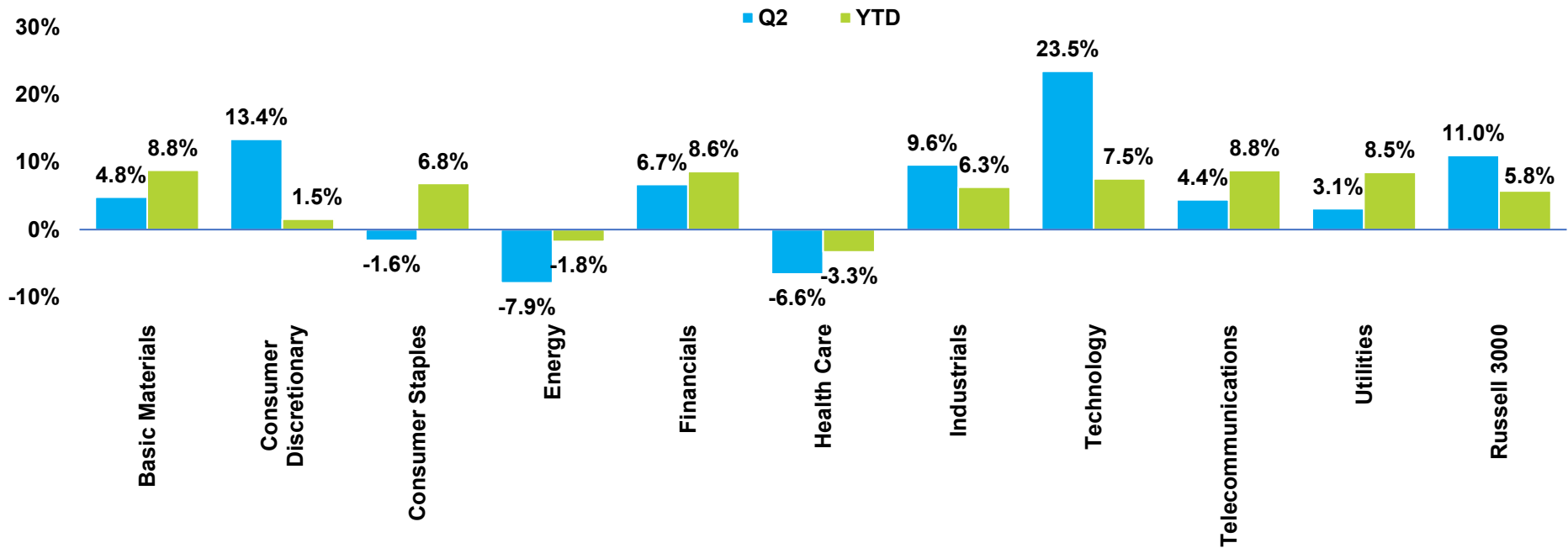
→ Technology stocks led the way in the second quarter. This sector contributed more than half of the quarter's gains in the Russell 3000 index. AI favorites, including NVIDIA and Broadcom, rebounded amid strong earnings reports.

→ Consumer discretionary stocks performed well for the quarter (+13.4%) given the slight easing of tariff concerns.

→ Energy (-7.9%) and Health Care (-6.6%) were the largest detractors among sectors for the second quarter. Increased supply and weakening demand and plans by the new administration to lower drug prices, respectively, weighed on the two sectors.

[1] Source: Bloomberg. Data is as of June 30, 2025.

Foreign Equity Returns[1]

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.4	12.0	17.9	17.7	14.0	10.1	6.1
MSCI EAFE	2.2	11.8	19.4	17.7	16.0	11.1	6.5
MSCI EAFE (Local Currency)	0.2	4.8	7.8	8.0	13.5	11.6	7.0
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
MSCI Emerging Markets	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI Emerging Markets (Local Currency)	4.9	7.9	10.8	12.9	10.4	7.9	6.5
MSCI EM ex China	7.0	16.5	14.5	9.4	13.2	11.3	6.2
MSCI China	3.7	2.0	17.3	33.8	3.1	-1.0	2.1

Foreign Equity: Developed international equities (MSCI EAFE) returned +2.2% in June and +11.8% in the second quarter and emerging market equities (MSCI Emerging Markets) rose +6.0% in June and +12.0% in the second quarter.

→ Developed markets outpaced US peers as continued weakness in the US dollar (USD) acted as a significant tailwind adding +7.0% to local returns. Eurozone equities had strong results, led by real estate and industrials (particularly defense) and benefiting from two rate cuts over the quarter as inflation fell below the ECB target of 2%. Japan also saw strong returns led by growth stocks after initial tariff-related declines.

→ Emerging markets ended the quarter slightly ahead of developed peers, also benefiting from the weakening USD. After the pronounced "Liberation Day" selloff, the 90-day tariff pause, and US-China dialogue eased many fears. Korea and Taiwan tech stocks benefited from continued AI optimism. China posted a small gain for the quarter as domestic consumption data continued to weigh on sentiment, and trade uncertainty lingered. India underperformed, as growth expectations were tempered, and valuations remained high.

[1] Source: Bloomberg. Data is as of June 30, 2025.

Equity Cyclically Adjusted P/E Ratios[1]
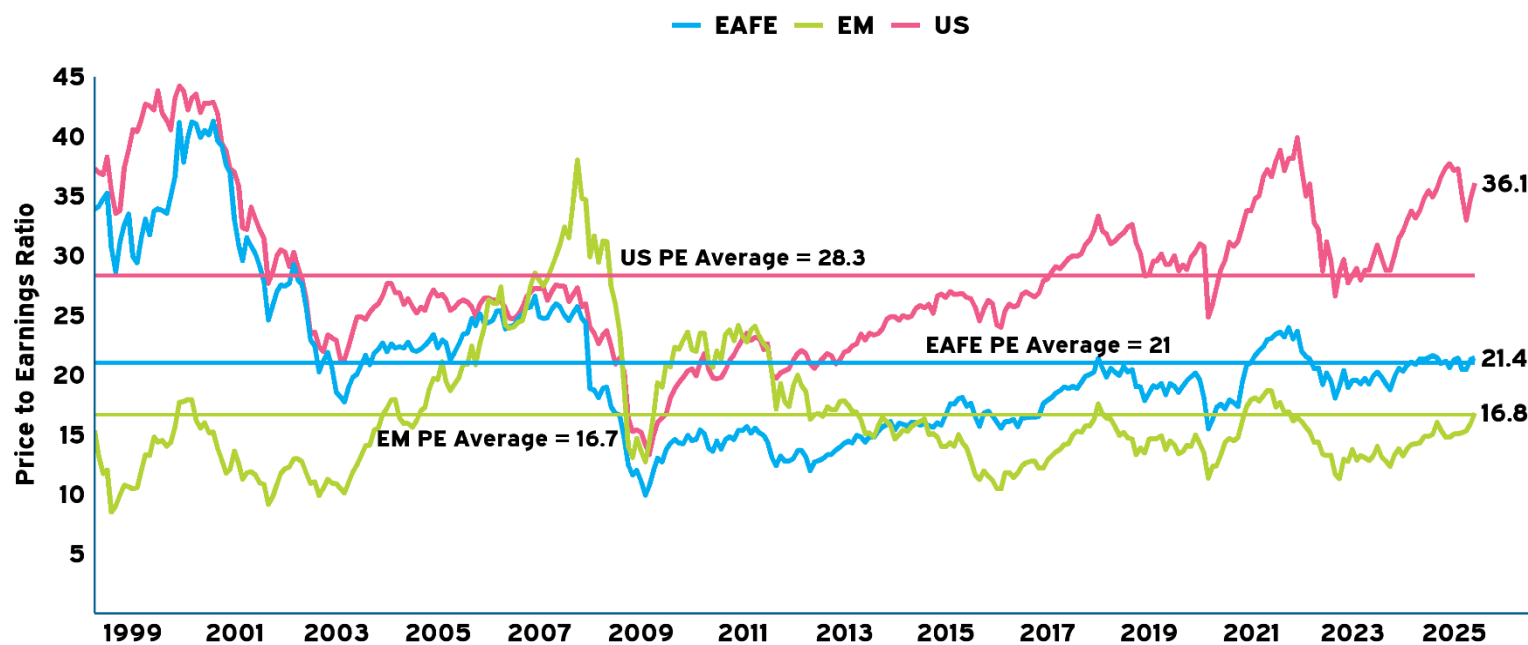
→ After a considerable pullback in April, US stock valuations rallied and finished the quarter above where they started. They continue to trade well above their long-run cyclically adjusted P/E average of 28.3.

→ While non-US developed stocks have performed very well this year, at the end of June their valuations remain close to their long-run P/E ratio of 21.

→ Emerging market stocks continued to rally this year and are now trading at valuations near their long-run average.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of June 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

Fixed Income Returns[1]

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.6	1.4	4.1	6.5	3.3	-0.1	2.1	4.7	5.9
Bloomberg Aggregate	1.5	1.2	4.0	6.1	2.5	-0.7	1.8	4.5	6.1
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7	4.1	6.5
Bloomberg Short-term TIPS	0.5	1.0	4.0	6.5	3.9	3.8	2.9	3.9	2.4
Bloomberg US Long Treasury	2.5	-1.5	3.1	1.6	-3.7	-8.2	0.1	4.8	14.7
Bloomberg High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4	7.1	3.2
JPM GBI-EM Global Diversified (USD)	2.8	7.6	12.3	13.8	8.5	1.9	2.1	--	--

Fixed Income: The Bloomberg Universal index rose +1.6% in June and +1.4% in the second quarter.

→ In the bond market, easing of trade tensions post early-April and rising concerns over expansionary US fiscal policies drove results.

→ Outside the long-end of the yield curve, declining or stable Treasury yields supported the broad US bond market, with the Bloomberg Aggregate rising +1.2% for the quarter. Long-term Treasuries (-1.5%) underperformed as fiscal concerns in the US drove rates higher, particularly for 30-year Treasuries (+20 basis points).

→ Short (+1.0%) and longer dated (+0.5%) Treasury Inflation-Protected Securities ("TIPS") also provided positive performance as inflation risks remained.

→ Given the improving risk sentiment, emerging market debt (+7.6%) and high yield (+3.5%) led the way for the quarter.

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[1] Source: Bloomberg. Data is as of June 30, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve[1]

━━ 8/31/2024   ━━ 6/30/2025
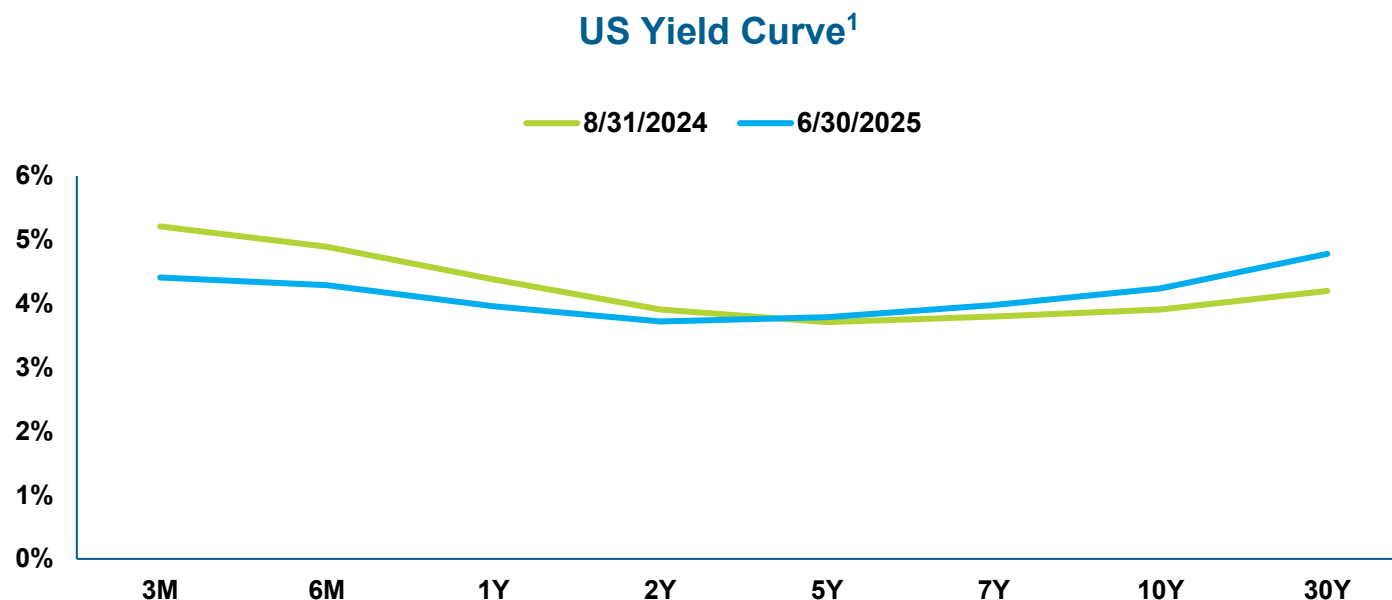
→ Fiscal concerns related to a growing US government debt load and interest expense dominated headlines and market participant concerns, as did ongoing inflation-related uncertainty.

→ The policy sensitive 2-year nominal Treasury yield was volatile but ultimately declined by 16 basis points to close near 3.7% as market participants factored in a greater likelihood of lower policy rates going forward.

→ The 10-year nominal Treasury was also volatile but ended the period largely unchanged (4.2%), while the 30-year nominal Treasury increased by 0.2% over the quarter to 4.8% on growing debt concerns.

→ These dynamics led to a continued steepening of the yield curve over the quarter.

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[1] Source: Bloomberg. Data is as of June 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

Stress is Building on US Consumers

Total Balance by Delinquency Status[1]

■ 30 days late ■ 60 days late ■ 90 days late ■ 120+ days late ■ Severely Derogatory
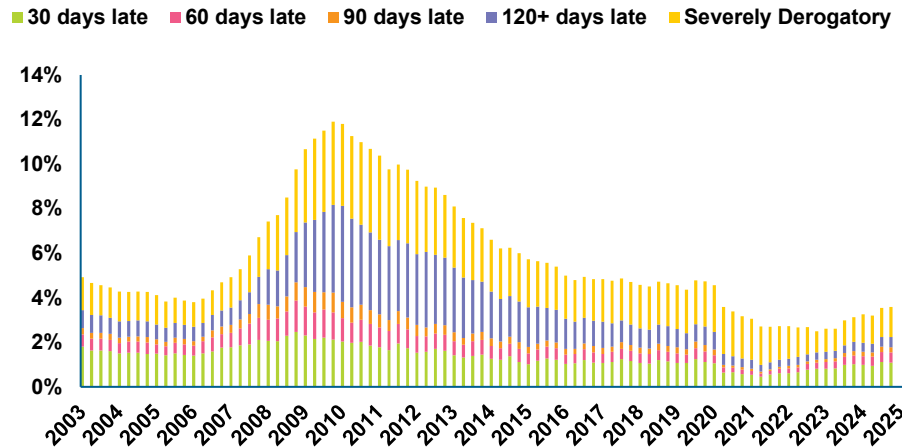
Transition into Serious Delinquency for Credit Cards by Age[2]

— 18-29 — 30-39 — 40-49 — 50-59 — 60-69 — 70+ — All
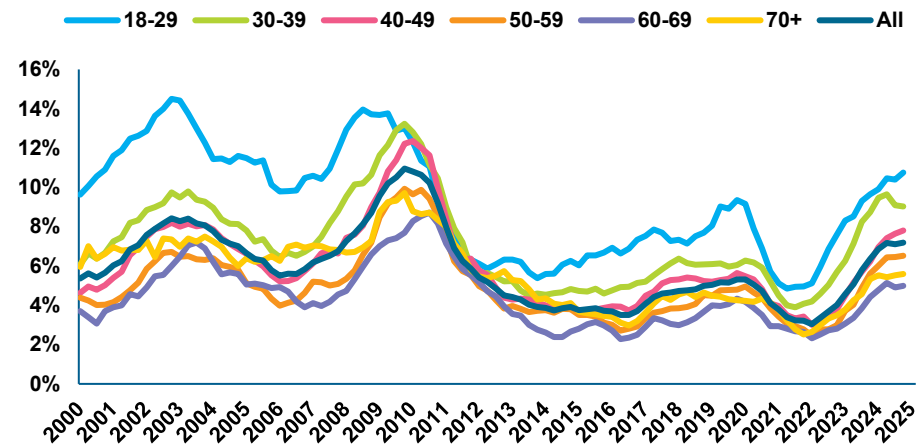
→ Signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.

→ After falling to historic lows during the pandemic, loan delinquencies recently started to increase.

→ Parts of the credit card market, particularly for younger cohorts, have begun to show stress as borrowers are subject to variable and higher borrowing costs. Total delinquencies are well below pre-pandemic levels though.

→ The restarting of student loan payments and reporting for those in default could add pressures to consumers going forward.

Credit Spreads vs. US Treasury Bonds[1]
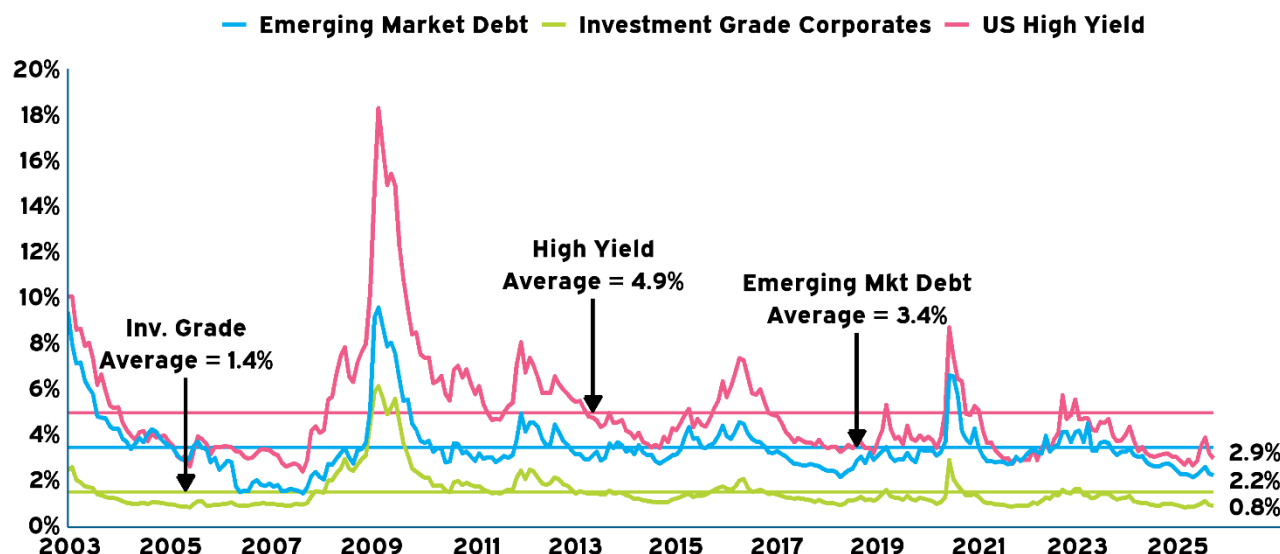
- → Despite considerable uncertainty about the looming impact of tariffs and fiscal policy, credit spreads tightened in the second quarter.

- → Investment grade spreads (the difference in yield from a comparable Treasury) spiked in the risk-off environment in April but have since declined to levels below the start of the quarter.

- → High yield spreads moved the most (3.5% to 2.9%) over the quarter. At the peak of uncertainty in April, they crossed above 4.5%. Emerging market spreads held steady (2.2%).

- → All yield spreads remained below their respective long-run averages, especially high yield (2.9% versus 4.9%).

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[1] Source: Bloomberg. Data is as of June 30, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility[1]
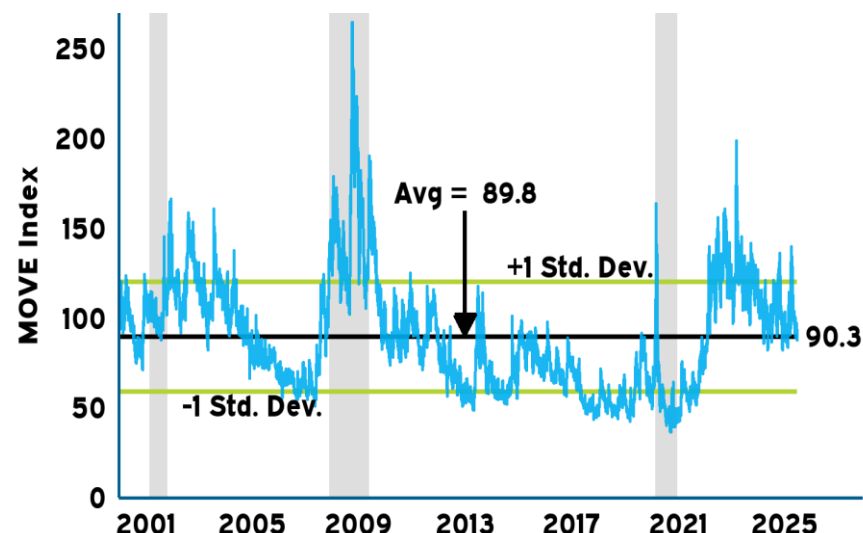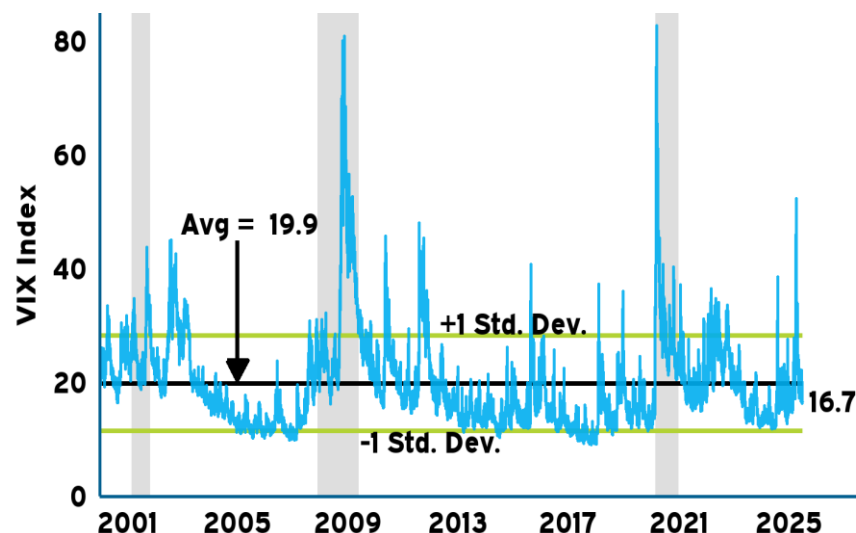
→ Bond and equity volatility spiked in April after the "Liberation Day" tariff announcement. Volatility levels finished the quarter well off highs, though, and below starting levels, as the tariff uncertainty seemed to ease.

→ Volatility levels (VIX) in the US stock market finished the quarter below its long-run average while bond market (MOVE) volatility ended the quarter slightly above its long-run average.

US Ten-Year Breakeven Inflation and CPI[1]

— Breakeven Rate 10Y   — Core CPI   — CPI

CPI Avg = 2.5%
Core CPI Avg = 2.4%
BE 10Y Avg = 2.1%

2.9%
2.7%
2.3%
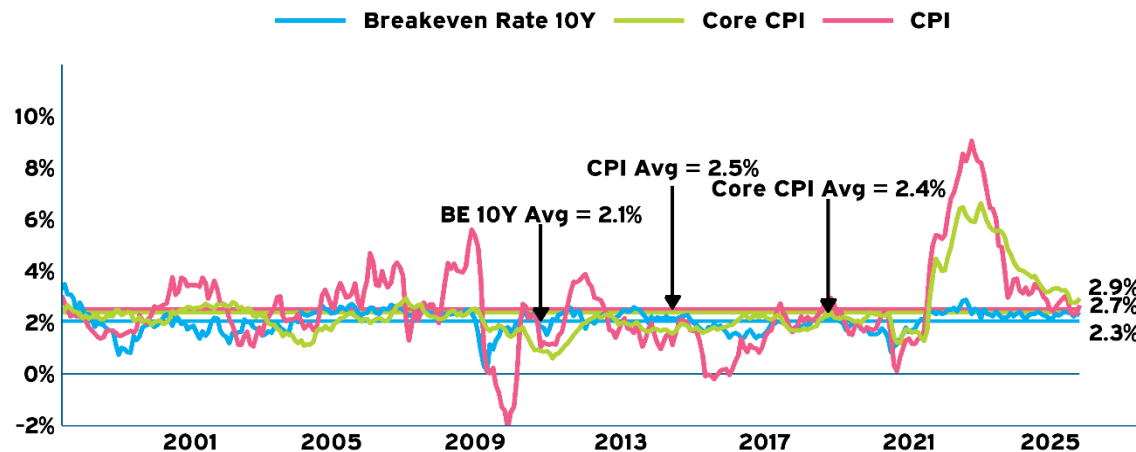
→ Inflation has been slow to return to the Fed's 2% average target, with headline twelve-month inflation rising from 2.4% to 2.7% over the quarter. In the June report, goods facing tariffs saw increases in prices, while a measurable decline in auto inflation, easing of cyclical services prices, and continued housing sector disinflation served as counters.

→ Core inflation year-over-year also rose over the quarter, reaching 2.9%. For the month it increased 0.2%, and most core sectors outside of new and used cars saw prices increase.

→ Market participants continued to highlight the dynamic of what appears to be disinflationary pressures in non-tariff exposed prices driven by weakening growth expectations, versus prices rising for those assets and sectors likely to see tariff polices solidified in the coming weeks.

→ Longer-dated inflation expectations (breakevens) declined slightly over the quarter (2.4% to 2.3%) amidst on-going tariff and fiscal policy uncertainty. However, shorter-dated inflation swap pricing and survey-based measures suggest continued upside risk to prices.

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[1] Source: FRED. Data is as of June 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

Global Inflation (CPI Trailing Twelve Months)[1]
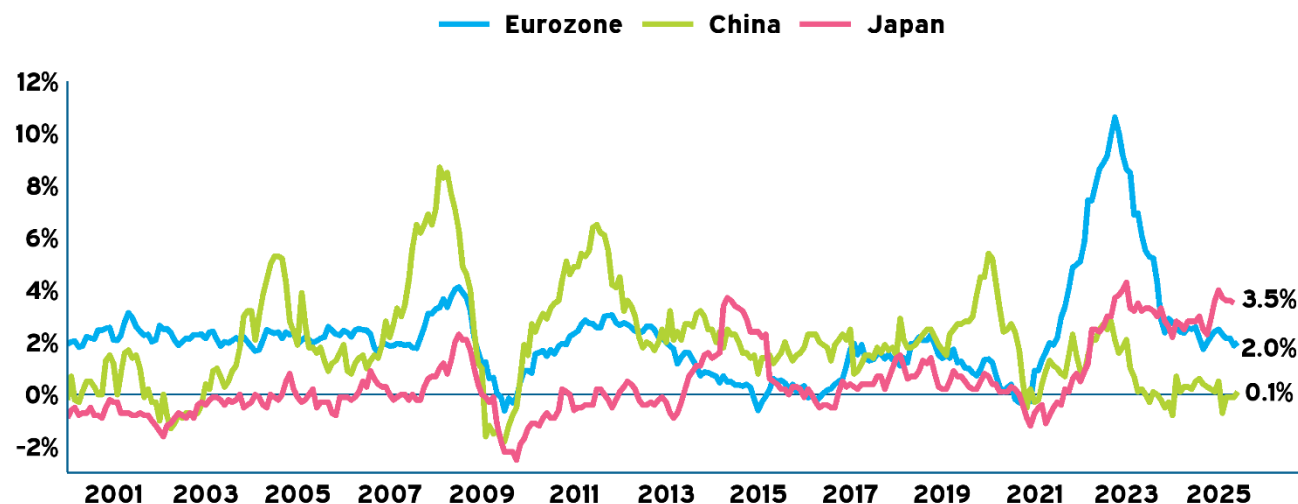
→ After its recent decline, inflation in the eurozone rose to 2% in June. Still, given reduced inflation pressures, many expect the ECB to cut interest rates once more by early next year.

→ The potential impact of future tariffs has complicated the inflation outlook for the Bank of Japan. Inflation rose 3.5% in May driven by food prices with the cost of rice up over 100% year-over-year given weak harvests.

→ In China, and amidst record policy stimulus, consumer prices rose for the first time since January. Still, some sectors are continuing to see deflationary pressures given the widespread weakness of the economy and ongoing trade uncertainty related to the US.

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[1] Source: Bloomberg. Data is as of June 2025, except Japan which is as of May 2025.

US Unemployment[1]
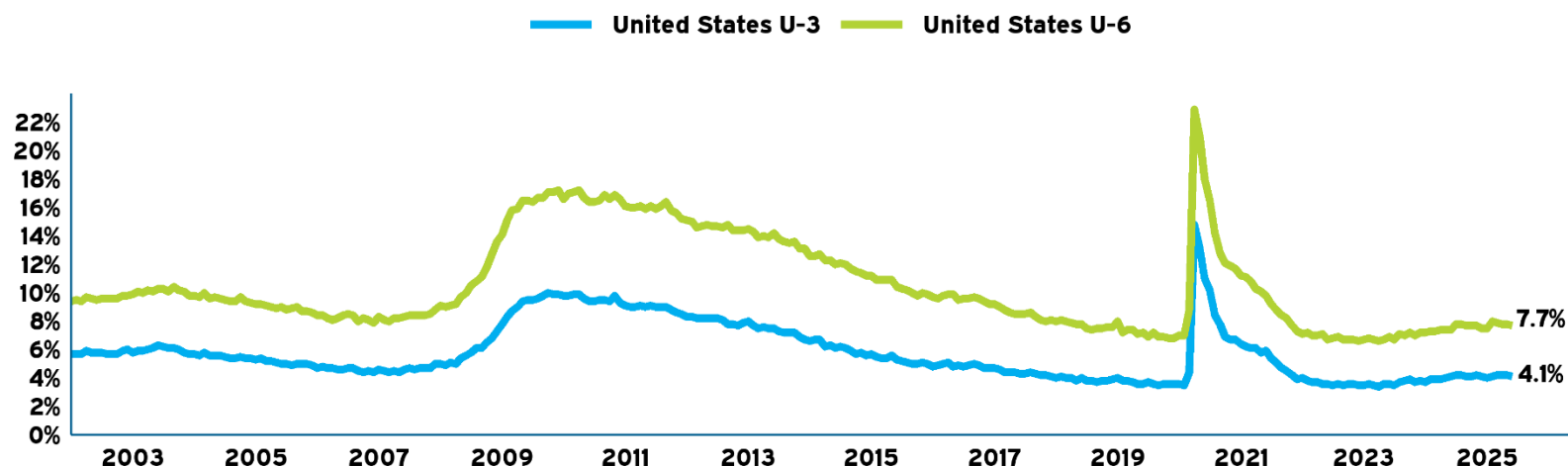
- → In June, the US added 147,000 jobs in line with the average monthly gain of 146,000 a month over the past year. The unemployment rate of 4.1% remained in the tight range of 4.0% to 4.2% since May 2024.

- → Government employment saw the largest job gains (+73,000 jobs) largely driven by education jobs in state government. The federal government lost 7,000 jobs in June bringing the total decline to 69,000 jobs this year.

- → Hires (5.6M) outnumbered separations (5.2M) with quits (3.3M) exceeding layoffs (1.6M).

- → Initial claims for unemployment remain relatively low and annual wage growth, although trending down, came in at 3.7% year-over-year for June.

[1] Source: FRED and BLS. Data is as of June 30, 2025.

Global Policy Rates[1]

Legend: United States — Eurozone — China — Japan — United Kingdom

(chart values at right edge: 4.4%, 4.2%, 2.0%, 0.5%)
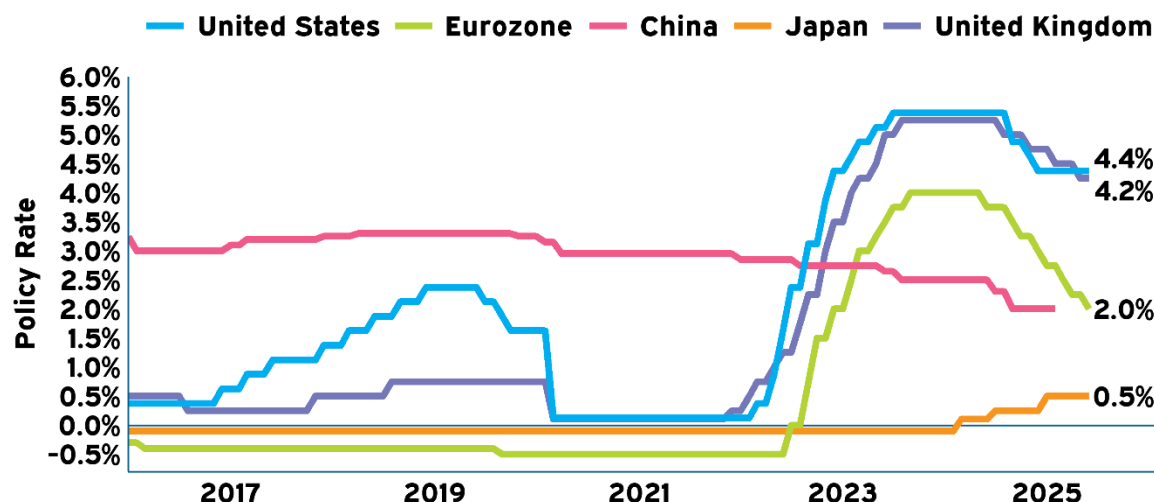
→ While the Fed remains on hold, other central banks have continued to ease policy rates. Expectations are now for the Fed to cut rates slightly less than two times (1.9 cuts based on futures prices), down from four expected cuts during the heart of growth concerns.

→ The ECB cut its policy rate for the 8th time in June, with inflation matching the 2% target supported by a stronger euro. The Bank of England held rates steady in June at +4.25% as inflation reaccelerated to 3.4% in May as regulated energy prices rose. After cutting rates in May, China's PBOC held most rates steady in June although disinflationary pressures continue to be a concern.

→ Japan kept rates at current levels in the face of an uncertain inflationary and trade pressures but voted to slow its purchase of JGBs in a continuing retreat from quantitative easing.

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[1] Source: Bloomberg. Data is as of June 30, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies[1]
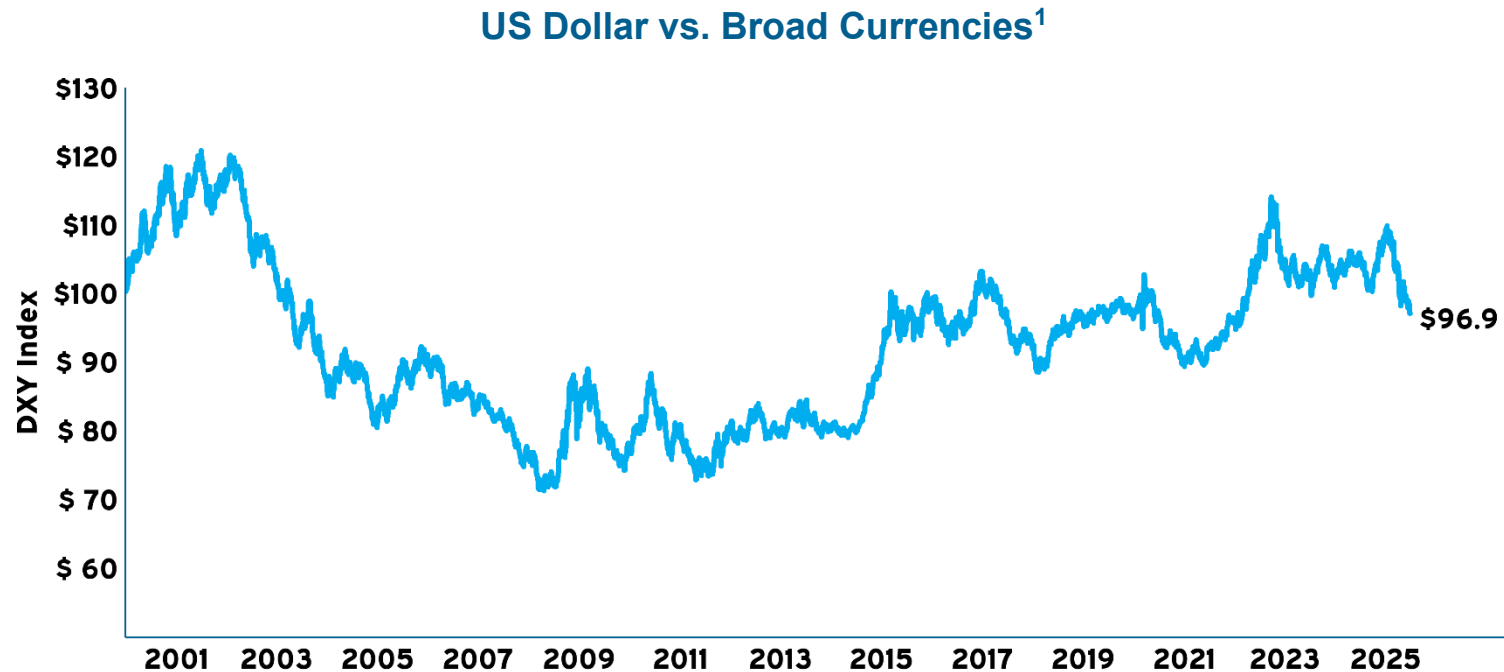
→ Over the quarter, the US dollar declined an additional -7% bringing its year-to-date drop to close to -11%.

→ Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies, potentially slower growth, non-US investor currency hedging, and fiscal concerns, all led to investors shedding US assets.

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[1] Source: Bloomberg. Data as of June 30, 2025.

Summary

Key Trends:

→ According to the International Monetary Fund's (IMF) April annual report, global growth in 2025 was downgraded from +3.3% to +2.8%, 0.5% lower than 2024. Concerns related to tariffs and their impact on growth drove the reduction. The US growth forecast saw one of the larger declines for 2025 (+2.7% to +1.8%). China's growth forecast was also substantially lowered for this year (+4.6% to +4.0%), while growth in the EU is projected to be slightly higher (+1.3%) in 2025.

→ Despite the recent pause and negotiations related to tariffs, many questions remain. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and recent developments with tariffs will likely lead to a slower pace of interest rate cuts by the Fed. Uncertainty in the US and the potential for slower growth could continue the rotation out of US assets and put continued downward pressure on the dollar.

→ Some signs of stress have started to emerge on the US consumer with sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.

→ US equities recovered from losses experienced during the first week of April and ended the quarter at all-time highs. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.

→ Trade tensions between the US and China will remain a key focus. Recently, the two countries agreed on a 90-day truce with the US lowering its maximum tariff rate on Chinese goods from 145% to 30%, with a 10% baseline level. China agreed to lower its 125% tariff on American goods to 10%. Questions remain about what will happen after the 90-day period. Notably, tariff levels on China remain higher than where they previously were.

2Q 2025 Performance Review

MEKETA

New Mexico Retiree Health Care Authority

Asset Allocation vs. Target Allocation | As of June 30, 2025

Policy

- 14.0%
- 2.0%
- 14.0%
- 10.0%
- 10.0%
- 20.0%
- 15.0%
- 10.0%
- 5.0%

Current

- 15.1%
- 1.9%
- 14.1%
- 8.3%
- 12.8%
- 20.3%
- 14.3%
- 8.2%
- 5.0%
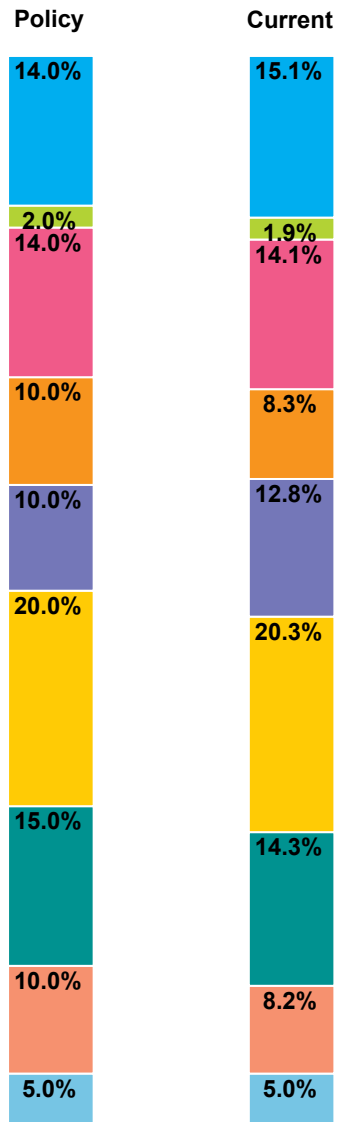
Allocation vs. Targets						
	Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Large Cap Equity	272,897,814	15.1	14.0	1.1	0.0 - 100.0	Yes
US Small/Mid Cap Equity	34,792,219	1.9	2.0	-0.1	0.0 - 100.0	Yes
Non-US Developed Markets Equity	255,219,943	14.1	14.0	0.1	0.0 - 100.0	Yes
Non-US Emerging Markets Equity	149,340,073	8.3	10.0	-1.7	0.0 - 100.0	Yes
Private Equity	230,822,844	12.8	10.0	2.8	0.0 - 100.0	Yes
Core Bonds	365,830,358	20.3	20.0	0.3	0.0 - 100.0	Yes
Private Debt	258,064,716	14.3	15.0	-0.7	0.0 - 100.0	Yes
Real Estate	148,137,895	8.2	10.0	-1.8	0.0 - 100.0	Yes
Real Assets	89,600,493	5.0	5.0	0.0	0.0 - 100.0	Yes
Total	**1,804,706,355**	**100.0**	**100.0**	**0.0**		

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	Market Value ($)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	**1,804,706,355**	**100.0**	**5.5**	**6.4**	**10.2**	**7.9**	**9.0**	**7.3**	**7.5**	**Jul-92**
Total Fund Benchmark			*5.0*	*7.0*	*10.2*	*8.0*	*8.2*	*7.0*	*7.7*	
Global Public Equity	**712,250,049**	**39.5**	**11.9**	**11.3**	**16.1**	**15.1**	**12.1**	**8.7**	**7.9**	**May-11**
MSCI AC World Index			*11.7*	*10.3*	*16.7*	*17.9*	*14.2*	*10.5*	*9.5*	
US Equity	**307,690,033**	**17.0**	**10.4**	**4.8**	**14.2**	**18.2**	**16.3**	**12.6**	**12.1**	**May-11**
Russell 3000 Index			*11.0*	*5.8*	*15.3*	*19.1*	*16.0*	*13.0*	*12.9*	
US Large Cap Index Pool	272,897,814	15.1	11.1	6.1	15.6	19.6	16.8	13.3	13.2	May-11
Russell 1000 Index			*11.1*	*6.1*	*15.7*	*19.6*	*16.3*	*13.4*	*13.2*	
US SMID Cap Alternative Weighted Index Pool	34,792,219	1.9	4.9	-4.5	4.6	7.5	--	--	4.2	Feb-21
S&P SmallCap 600 Index			*4.9*	*-4.5*	*4.6*	*7.6*	*--*	*--*	*4.3*	
Non-US Equity	**404,560,016**	**22.4**	**13.2**	**16.9**	**17.4**	**12.2**	**8.6**	**5.5**	**3.8**	**May-11**
MSCI AC World ex USA index			*12.3*	*18.3*	*18.4*	*14.6*	*10.7*	*6.6*	*5.3*	
Non-US Developed Markets Index Pool	255,219,943	14.1	14.2	19.3	19.4	14.7	11.1	6.6	5.7	May-11
Non US Developed Markets Passive Custom Index			*12.7*	*19.3*	*19.3*	*15.4*	*11.3*	*6.6*	*5.7*	
Non-US Emerging Markets Active Pool	149,340,073	8.3	11.5	13.0	14.0	8.3	--	--	-1.8	Jan-21
MSCI Emerging Markets (Net)			*12.0*	*15.3*	*15.3*	*9.7*	*--*	*--*	*1.3*	

Performance returns are all net of fees throughout the report.
The Non US Developed Markets Passive Custom Index is composed of 100% MSCI EAFE Index (USD) (Net) through 04/2017, and the MSCI World Ex US IMI Index (USD) (Net) thereafter.

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	Market Value ($)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	**230,822,844**	**12.8**	**1.3**	**2.1**	**5.6**	**3.4**	**15.5**	**12.0**	**11.9**	**Apr-15**
Private Equity Pool	230,822,844	12.8	1.3	2.1	5.6	3.4	15.5	12.0	11.9	Apr-15
MSCI ACWI + 2%			*12.1*	*11.1*	*18.5*	*19.7*	*15.9*	*12.2*	*12.0*	
Fixed Income	**623,895,074**	**34.6**	**1.6**	**4.3**	**7.7**	**4.8**	**3.8**	**4.1**	**4.4**	**May-11**
Blmbg. U.S. Universal Index			*1.4*	*4.1*	*6.5*	*3.3*	*-0.1*	*2.1*	*2.6*	
Core Bonds Pool	365,830,358	20.3	1.4	4.5	6.6	3.1	-0.5	--	2.1	Oct-18
Blmbg. U.S. Aggregate Index			*1.2*	*4.0*	*6.1*	*2.5*	*-0.7*	*--*	*1.8*	
Private Debt Market Pool	258,064,716	14.3	2.0	4.0	9.3	6.8	9.6	6.3	6.3	Apr-15
S&P UBS Leveraged Loan +2%			*2.8*	*4.0*	*9.6*	*11.7*	*9.5*	*7.2*	*7.2*	
Real Estate	**148,137,895**	**8.2**	**1.0**	**1.7**	**1.2**	**-3.6**	**4.6**	**6.3**	**6.1**	**May-14**
Real Estate Pool	148,137,895	8.2	1.0	1.7	1.2	-3.6	4.6	6.3	6.1	May-14
NCREIF ODCE Net 1 Qtr Lag			*0.9*	*1.8*	*1.2*	*-5.1*	*2.0*	*4.7*	*5.5*	
Real Assets	**89,600,493**	**5.0**	**5.0**	**4.4**	**11.0**	**10.6**	**12.0**	**--**	**7.0**	**Oct-18**
Real Return Pool	89,600,493	5.0	5.0	4.4	11.0	10.6	12.0	--	7.0	Oct-18
CPI+3%			*1.6*	*3.7*	*5.7*	*6.0*	*7.7*	*--*	*6.8*	

Calendar Year Performance										
	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
Total Fund	**7.6**	**9.3**	**-7.1**	**15.5**	**9.8**	**13.2**	**-1.3**	**17.3**	**8.0**	**-1.0**
Total Fund Benchmark	*6.9*	*9.7*	*-8.5*	*12.9*	*10.3*	*14.3*	*-1.8*	*17.0*	*8.4*	*-0.8*
Global Public Equity	**13.1**	**18.8**	**-18.4**	**14.0**	**16.0**	**24.8**	**-10.4**	**26.1**	**9.6**	**-4.9**
MSCI AC World Index	*18.0*	*22.8*	*-18.0*	*19.0*	*16.8*	*27.3*	*-8.9*	*24.6*	*8.5*	*-1.8*
US Equity	**22.6**	**25.4**	**-18.8**	**26.5**	**20.0**	**31.5**	**-6.0**	**20.6**	**13.1**	**-0.5**
Russell 3000 Index	*23.8*	*26.0*	*-19.2*	*25.7*	*20.9*	*31.0*	*-5.2*	*21.1*	*12.7*	*0.5*
US Large Cap Index Pool	24.5	26.6	-19.1	26.5	20.4	31.3	-4.8	21.7	12.1	1.0
Russell 1000 Index	*24.5*	*26.5*	*-19.1*	*26.5*	*21.0*	*31.4*	*-4.8*	*21.7*	*12.1*	*0.9*
US SMID Cap Alternative Weighted Index Pool	8.5	16.0	-16.3	--	--	--	--	--	--	--
S&P SmallCap 600 Index	*8.7*	*16.1*	*-16.1*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Non-US Equity	**5.0**	**13.2**	**-18.1**	**4.8**	**13.1**	**20.5**	**-14.9**	**31.6**	**6.2**	**-8.1**
MSCI AC World ex USA index	*6.1*	*16.2*	*-15.6*	*8.3*	*11.1*	*22.1*	*-13.8*	*27.8*	*5.0*	*-5.3*
Non-US Developed Markets Index Pool	3.8	16.3	-15.0	12.7	8.4	22.9	-14.4	25.8	1.1	-0.1
Non US Developed Markets Passive Custom Index	*4.4*	*17.2*	*-15.3*	*12.4*	*8.3*	*22.9*	*-14.7*	*25.8*	*1.0*	*-0.8*
Non-US Emerging Markets Active Pool	7.1	8.0	-22.8	-8.7	--	--	--	--	--	--
MSCI Emerging Markets (Net)	*7.5*	*9.8*	*-20.1*	*-2.5*	*--*	*--*	*--*	*--*	*--*	*--*
Private Equity	**5.9**	**5.8**	**2.4**	**49.4**	**12.4**	**9.6**	**14.1**	**15.8**	**7.4**	**--**
Private Equity Pool	5.9	5.8	2.4	49.4	12.4	9.6	14.1	15.8	7.4	--
MSCI ACWI + 2%	*19.8*	*24.6*	*-16.7*	*20.9*	*18.6*	*29.1*	*-7.6*	*26.4*	*10.0*	*--*

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Trailing Net Performance | As of June 30, 2025

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
Fixed Income	**4.8**	**6.9**	**-6.7**	**4.9**	**7.0**	**6.3**	**2.2**	**7.0**	**6.4**	**0.4**
Blmbg. U.S. Universal Index	*2.0*	*6.2*	*-13.0*	*-1.1*	*7.6*	*9.3*	*-0.3*	*4.1*	*3.9*	*0.4*
Core Bonds Pool	1.7	6.0	-13.9	-1.4	9.0	8.8	--	--	--	--
Blmbg. U.S. Aggregate Index	*1.3*	*5.5*	*-13.0*	*-1.5*	*7.5*	*8.7*	*--*	*--*	*--*	*--*
Private Debt Market Pool	8.7	8.0	2.5	14.2	4.1	3.1	4.5	9.0	6.9	--
S&P UBS Leveraged Loan +2%	*11.2*	*15.3*	*0.9*	*7.5*	*4.8*	*10.3*	*3.2*	*6.3*	*12.1*	*--*
Real Estate	**-5.8**	**-9.4**	**18.8**	**20.8**	**-0.6**	**5.4**	**10.2**	**7.9**	**10.6**	**10.4**
Real Estate Pool	-5.8	-9.4	18.8	20.8	-0.6	5.4	10.2	7.9	10.6	10.4
NCREIF ODCE Net 1 Qtr Lag	*-8.0*	*-12.9*	*21.0*	*13.6*	*0.5*	*4.6*	*7.7*	*6.7*	*9.1*	*13.9*
Real Assets	**11.9**	**9.4**	**15.0**	**16.0**	**-7.6**	**4.1**	**--**	**--**	**--**	**--**
Real Return Pool	11.9	9.3	15.0	16.0	-7.6	4.1	--	--	--	--
CPI+3%	*6.0*	*6.5*	*9.6*	*10.2*	*4.4*	*5.4*	*--*	*--*	*--*	*--*

Cash Flow Summary | 1 Quarter Ending June 30, 2025

Cash Flow Summary					
	Beginning Market Value ($)	Contributions ($)	Distributions ($)	Net Cash Flow ($)	Net Investment Change ($)	Ending Market Value ($)
US Large Cap Index Pool	237,698,180	8,400,000	-	9,234,413	25,965,220	272,897,814
US SMID Cap Alternative Weighted Index Pool	31,980,088	1,200,000	-	1,339,894	1,472,238	34,792,219
Non-US Developed Markets Index Pool	215,925,871	8,400,000	-	10,871,514	28,422,558	255,219,943
Non-US Emerging Markets Active Pool	128,331,981	6,000,000	-	6,892,705	14,115,387	149,340,073
Private Equity Pool	221,803,480	6,000,000	-	7,226,646	1,792,718	230,822,844
Core Bonds Pool	348,883,526	12,000,000	-	15,527,272	1,419,560	365,830,358
Private Debt Market Pool	244,061,776	9,000,000	-	10,807,042	3,195,897	258,064,716
Real Estate Pool	140,714,401	6,000,000	-	6,922,723	500,771	148,137,895
Real Return Pool	82,419,679	3,000,000	-	3,691,429	3,489,386	89,600,493
Total	**1,651,818,983**	**60,000,000**	**-**	**72,513,638**	**80,373,734**	**1,804,706,355**

Benchmark History		
From Date	**To Date**	**Benchmark**
Total Fund		
07/01/2023	Present	14.0% Russell 1000 Index, 2.0% S&P SmallCap 600 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 20.0% Blmbg. U.S. Aggregate Index, 15.0% S&P UBS Leveraged Loan +2% 1Q Lag, 5.0% Real Return Custom Index, 10.0% NCREIF ODCE Net 1 Qtr Lag, 10.0% Preqin Private Equity 1Q Lagged
02/01/2021	07/01/2023	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% S&P SmallCap 600 Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
11/01/2018	02/01/2021	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% US Small/Mid Cap Equity Custom Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
10/01/2018	11/01/2018	14.0% Russell 1000 Index, 14.0% Non US Developed Markets Passive Custom Index, 10.0% MSCI Emerging Markets (Net), 2.0% US Small/Mid Cap Equity Custom Index, 15.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 10.0% NCREIF ODCE Index (AWA) (Net) (Monthly), 20.0% Blmbg. U.S. Aggregate Index, 5.0% Real Return Custom Index
05/01/2018	10/01/2018	20.0% Russell 1000 Index, 12.0% Non US Developed Markets Passive Custom Index, 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 25.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
04/01/2018	05/01/2018	20.0% Russell 1000 Index, 12.0% Non US Developed Markets Passive Custom Index, 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 25.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
05/01/2017	04/01/2018	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI FOF Composite (1-qtr lagged), 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
11/01/2015	05/01/2017	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI FOF Composite (1-qtr lagged), 10.0% Cambridge Associates US PE 1Q Lagged, 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
04/01/2015	11/01/2015	20.0% Russell 1000 Index, 12.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 3.0% US Small/Mid Cap Equity Custom Index, 20.0% US Core Bonds Pool Blended Index, 10.0% Private Market Fixed Income Custom Index, 5.0% HFRI Fund of Funds Composite Index, 10.0% CA U.S. Private Equity Index (Legacy), 5.0% NCREIF ODCE Index (AWA) (Net) (Monthly)
12/01/2011	04/01/2015	25.0% Russell 1000 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index

From Date	To Date	Benchmark
11/01/2011	12/01/2011	25.0% S&P 500 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index
04/01/2011	11/01/2011	25.0% S&P 500 Index, 15.0% MSCI EAFE (Net), 15.0% MSCI Emerging Markets (Net), 10.0% US Small/Mid Cap Equity Custom Index, 35.0% US Core Bonds Pool Blended Index
12/01/2010	04/01/2011	38.0% S&P 500 Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% US Small/Mid Cap Equity Custom Index, 28.0% US Core Bonds Pool Blended Index
11/01/2007	12/01/2010	38.0% S&P 500 Index, 28.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index
08/01/2005	11/01/2007	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA High Yield BB-B Constrained Index
07/01/2005	08/01/2005	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA High Yield BB-B Constrained Index
03/01/2002	07/01/2005	38.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% MSCI Emerging Markets (Net), 9.0% Russell 2500 Index, 3.0% ICE BofA U.S. High Yield, BB-B Rated Index
01/01/2001	03/01/2002	40.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 22.0% MSCI EAFE (Net), 3.0% MSCI Emerging Markets (Net), 10.0% Russell 2500 Index
08/01/2000	01/01/2001	40.0% S&P 500 Index, 25.0% Blmbg. U.S. Aggregate Index, 22.0% MSCI EAFE (Net), 3.0% MSCI Emerging Markets Index, 10.0% Russell 2500 Index
05/01/1999	08/01/2000	45.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index, 13.0% MSCI EAFE (Net), 2.0% MSCI Emerging Markets Index
03/01/1999	05/01/1999	45.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
12/01/1995	03/01/1999	60.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index
06/01/1992	12/01/1995	40.0% S&P 500 Index, 60.0% Blmbg. U.S. Aggregate Index
Real Return Custom Index		
07/01/2023	Present	35.0% Blmbg. U.S. TIPS Index, 25.0% Bloomberg Commodity Index Total Return, 20.0% NCREIF Timberland, 20.0% CPI+3%

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New Mexico Retiree Health Care Authority

Annual Investment Expense Analysis			
	Market Value ($)	Expense Ratio (%)	Estimated Expense ($)
Total Fund	**1,804,706,355**	**0.41**	**7,339,355**
Global Public Equity	**712,250,049**	**0.14**	**975,253**
US Equity	**307,690,033**	**0.01**	**41,207**
US Large Cap Index Pool	272,897,814	0.01	27,290
US SMID Cap Alternative Weighted Index Pool	34,792,219	0.04	13,917
Non-US Equity	**404,560,016**	**0.23**	**934,046**
Non-US Developed Markets Index Pool	255,219,943	0.05	127,610
Non-US Emerging Markets Active Pool	149,340,073	0.54	806,436
Private Equity	**230,822,844**	**0.80**	**1,846,583**
Private Equity Pool	230,822,844	0.80	1,846,583
Fixed Income	**623,895,074**	**0.32**	**1,991,638**
Core Bonds Pool	365,830,358	0.10	365,830
Private Debt Market Pool	258,064,716	0.63	1,625,808
Real Estate	**148,137,895**	**1.07**	**1,585,075**
Real Estate Pool	148,137,895	1.07	1,585,075
Real Assets	**89,600,493**	**1.05**	**940,805**
Real Return Pool	89,600,493	1.05	940,805

Fee information is based on RVK's State Investment Council Third Party Investors Report as of March 31, 2025.

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New Mexico Retiree Health Care Authority

July 25, 2025

Asset Allocation Review and
Risk Analysis

Introduction

Introduction

→ The Retiree Health Care Authority last conducted an asset allocation review in 2023 with Wilshire (on a project basis) and elected to make no changes to its policy.

→ The long-term (30-year) expected return of the portfolio at the time was 7.76%

→ We thought it prudent to conduct a strategic asset allocation review again due to several factors:

- Meketa being hired as the investment consultant on a retainer basis.

- Meketa's current capital markets assumptions are meaningfully different than Wilshire's 2023 analysis.

- The portfolio's relatively high exposure to private markets investments and non-US equity.

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Asset Allocation Overview

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

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

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, and Real Estate

Each Asset Class Should Play a Specific Role

→ To be a successful baseball team, you cannot just have nine players in the shortstop position on the field

- You need a *team* where each position plays a different and important role

→ The same concept applies to portfolios: different asset classes should operate like a well-rounded team

→ And like players on a baseball team, some assets may have periods of "slumps" or "hot streaks"

- Having a diverse team of different asset classes makes it possible for other assets to "pick up the slack" so that the overall portfolio is more protected from the volatile swings of slumps and hot streaks
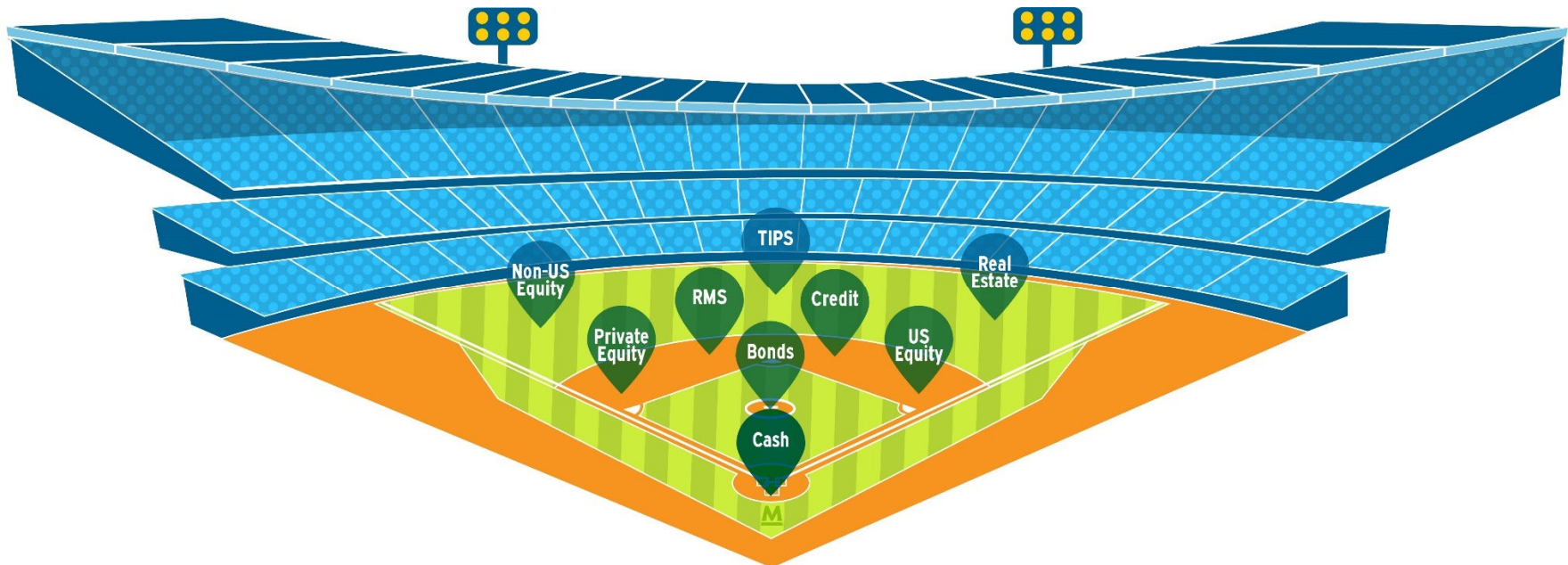
Asset Allocation

What is Asset Allocation?

→ Asset allocation refers to the distribution of assets across a number of asset classes that exhibit different correlations with each other. Each asset class exhibits a unique combination of risk and reward. The expected and realized long-term returns vary by asset class, as does the interim volatility of those returns. Some asset classes, like equities, exhibit high degrees of volatility, but also offer high returns over time. Other asset classes, like cash, experience very little volatility, but offer limited return potential.

Why is Asset Allocation important?

→ The distribution of assets across various asset classes exerts a major influence on the return behavior of the aggregate pool over short and long time periods.

How does Asset Allocation affect aggregate performance?

→ In addition to exhibiting unique characteristics, each asset class interacts differently with other asset classes. Because of low correlations, the likelihood that any two asset classes will move together in the same direction is limited, with the movement of one asset class often offsetting another's. Combining asset classes allows investors to control more fully the aggregate risk and return of their portfolios, and to benefit from the reduction in volatility that stems from diversification.

Developing Investment Objectives

What is the Fund's long-term return objective?

→ Meet or exceed the Policy Benchmark.

→ Meet or exceed the actuarial assumed rate of return of 7.0%.

What are the Fund's risk objectives?

→ Minimize volatility in asset values from year to year.

→ Limit the risk and/or extent of short-term losses.

→ Minimize the risk of permanent capital impairment.

Developing Investment Constraints

What is the overall time horizon for the Fund?

→ On-going concern, with long-term time horizon for majority of assets.

What are the liquidity needs of the Fund?

→ Net cash flows are expected to be positive through at least 2033.

Are there any other considerations that must be evaluated?

→ The Fund intends to utilize investment pools provided by the New Mexico State Investment Council.

2025 Capital Markets Expectations

Summary of Capital Markets Expectations

→ We update our capital markets expectations each year in January.

- Capital markets are dynamic, and regular updates ensure that assumptions accurately reflect the current market environment.

→ Changes in our CMEs are driven by shifts in the capital markets, including factors such as interest rates, credit spreads, cap rates, and equity prices.

- Yields increased for much of the investment grade bond market, while credit spreads tightened, especially for lower quality credit such as high yield.

- Stock market valuations continued to rise, especially in the US, where equity markets rallied at a faster pace than the gain in earnings.

- Cap rates for real estate moved higher, while the rebound in buyout multiples lagged the valuation gains for public markets.

- Not only did current Treasury yields increase, but projections for future Treasury yields also increased.

→ Our 10-year CMEs continue to be lower than our 20-year CMEs for every asset class, largely due to a higher assumed "risk-free" rate in the future.

→ The return assumption decreased for two-thirds of the asset classes over the 10-year horizon, while it increased for half the asset classes over the 20-year horizon.

→ Our lower return assumptions over the 10-year horizon implies that investors might be well served by moderating their return expectations for the next ten years.

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The Big Picture: Higher Return for the ~Same Risk[1]

→ The relationship between long-term return expectations and the level of risk accepted is not static.

→ The higher interest rates compared to a decade ago mean that many investors have greater flexibility in how they structure a portfolio to achieve their target returns.
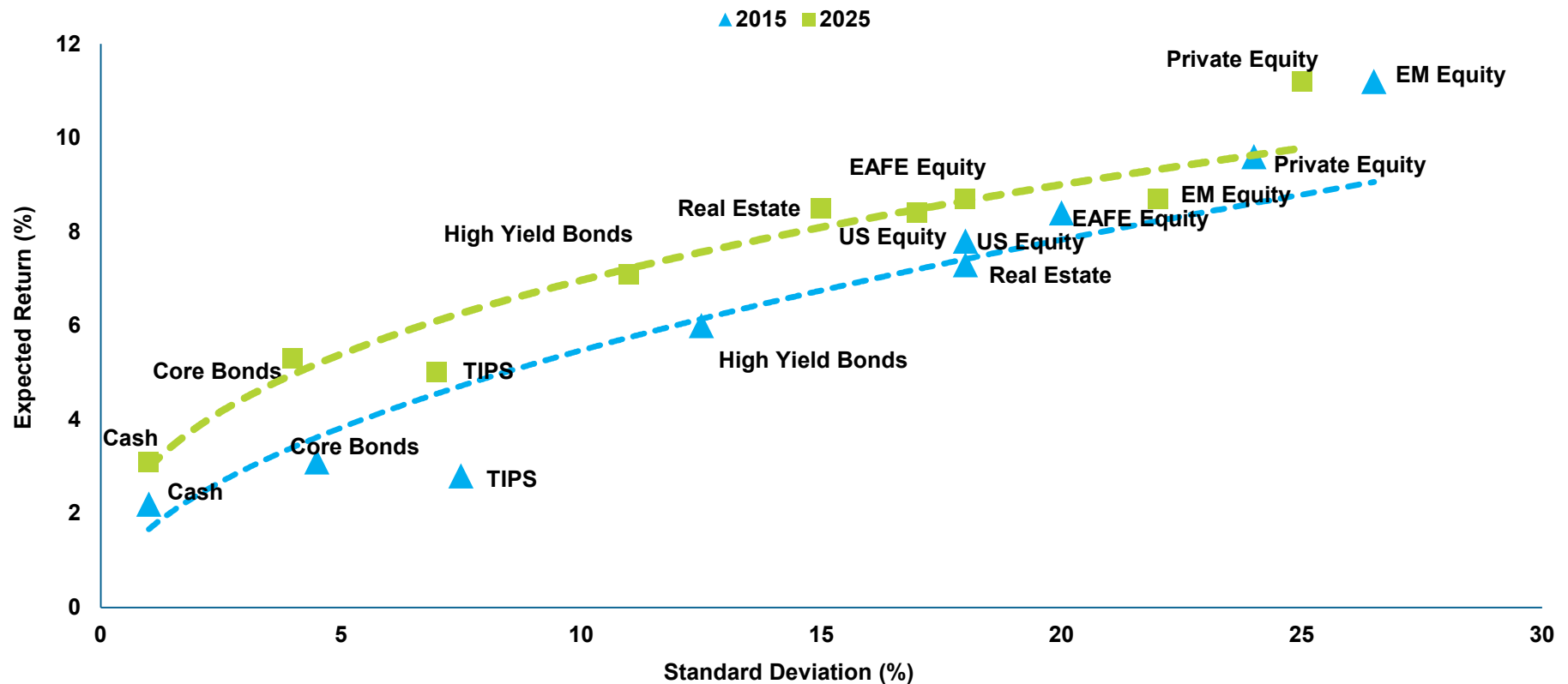
1 Expected return and standard deviation are based upon Meketa Investment Group's 2014 and 2024 20-year capital market expectations.

Annualized Risk and Return Expectations for Major Asset Classes

Asset Class	10-Year Expected Return (%)	20-Year Expected Return (%)	Standard Deviation (%)
Cash Equivalents	2.8	3.1	1.0
Investment Grade Bonds	4.9	5.3	4.0
Long-term Government Bonds	5.0	5.7	12.0
TIPS	4.3	5.0	7.0
High Yield Bonds	6.3	7.1	11.0
Bank Loans	6.3	6.8	10.0
Emerging Market Debt	6.3	6.8	11.0
Private Debt	8.7	9.1	15.0
US Equity	6.4	8.4	17.0
Developed Non-US Equity	7.2	8.7	18.0
Emerging Non-US Equity	7.1	8.7	22.0
Global Equity	6.7	8.5	17.0
Private Equity	9.8	11.2	25.0
Real Estate	6.9	8.5	15.0
Infrastructure	7.2	9.2	18.0
Commodities	5.5	5.9	17.0
Hedge Funds	4.2	6.0	7.0
Inflation	2.3	2.7	NA

Asset Allocation Policy Comparison[1]

	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	Ref: SIC Land Grant[2] (%)	Ref: Public DB >$1B (%)
Growth/Equity	**50**	**50**	**41**	**35**	**55**	**56**
US Equity Large Cap	14	21	17	14	17	21
US Equity SMID Cap	2	4	3	2	3	4
Non-US Equity (Developed Markets)	14	-	-	-	-	-
Non-US Equity (Emerging Markets)	10	-	-	-	-	-
Non-US Equity Large Cap[3]	-	12	10	8	16	16
Non-US Equity SMID Cap[3]	-	3	2	2	4	4
Private Equity	10	10	9	9	15	11
Credit	**15**	**15**	**21**	**27**	**15**	**9**
Public Credit	-	-	9	17	-	4
Private Credit	15	15	12	10	15	5
Rate Sensitive	**20**	**20**	**23**	**25**	**6**	**25**[4]
Investment Grade (Core) Bonds	20	20	23	25	6	25
Real Assets	**15**	**15**	**15**	**13**	**24**	**10**
Real Estate	10	10	10	8	12	7
Real Return	5	5	5	5	12	3
Expected Return (10 years)	*7.5*	*7.4*	*7.2*	*7.0*	*7.9*	*7.0*
Expected Return (20 years)	*8.8*	*8.7*	*8.4*	*8.1*	*9.4*	*8.4*
Standard Deviation/Risk	*12.8*	*12.5*	*11.0*	*10.0*	*14.6*	*12.3*
Sharpe Ratio (10 years)	*0.37*	*0.37*	*0.40*	*0.42*	*0.35*	*0.34*
Prob. of 7.0%+ (10 Years)	*55*	*54*	*52*	*50*	*57*	*50*
Semi-liquid %[5]	*40*	*40*	*36*	*32*	*54*	*26*
Expected Investment Mgt Fee[6]	*0.42*	*0.39*	*0.37*	*0.35*	*0.54*	*-*

[1] Expected return and standard deviation are based upon Meketa Investment Group's 2025 Annual Asset Study. Throughout this document, returns for periods longer than one year are annualized.

[2] SIC asset targets from "FY 2025 Annual Investment Plan". US Equity target is 20% without specification to Large/SMID, so 17% and 3% in table is assumed based on market weights.

[3] Modeling changed to Non-US Equity Large and SMID due to structural changes in offerings from NM SIC that no longer separate emerging markets from developed markets.

[4] Includes 5% Hedge Fund allocation, not available as an asset class offering from NM SIC.

[5] Semi-liquid refers to strategies that are only available for redemption after a multi-month notification to NM SIC.

[6] Fees based on 3/31/2025 NM SIC Third Party Investors Report and info from SIC on new non-US equity pools: Public Equities (range from 0.01%-0.54%), US Core Bonds (0.1%), Credit Plus (0.21%), Private Equity (0.8%), Private Debt (0.63%), Real Estate (1.07%), Real Return (1.05%)

MVO-Based Risk Analysis

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
Worst Case Returns						
One Year	-18.3	-17.9	-15.5	-13.8	-21.0	-18.0
Three Years (annualized)	-8.3	-8.0	-6.6	-5.6	-9.9	-8.2
Five Years (annualized)	-5.0	-4.8	-3.7	-2.9	-6.2	-5.0
Ten Years (annualized)	-1.5	-1.4	-0.6	-0.1	-2.3	-1.7
Probability of Experiencing Negative Returns						
One Year	27	27	25	23	29	28
Three Years	15	14	12	10	16	15
Five Years	9	8	7	5	10	9
Ten Years	3	3	2	1	4	3
Probability of Achieving at least a 7.0% Return (10-yr)						
One Year	52	51	51	50	52	50
Three Years	53	52	51	50	54	50
Five Years	53	53	51	50	55	50
Ten Years	55	54	52	50	57	50

Historical Negative Scenario Analysis
(*Cumulative* Return)

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
Post-COVID Rate Hikes (Jan 2022 - Oct 2023)	-6.4	-5.8	-6.4	-6.9	-2.7	-8.3
COVID-19 Market Shock (Feb 2020 - Mar 2020)	-16.6	-17.0	-14.8	-13.2	-17.5	-17.9
Taper Tantrum (May - Aug 2013)	0.1	1.1	0.5	0.0	1.9	-0.3
Global Financial Crisis (Oct 2007 - Mar 2009)	-27.0	-26.5	-21.9	-18.3	-29.9	-26.6
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-11.4	-11.4	-5.2	-1.0	-14.9	-14.9
Stagflation (Jan 1973 - Sep 1974)	-18.6	-17.4	-13.8	-11.1	-19.0	-19.4

Historical Positive Scenario Analysis
(*Cumulative* Return)

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
Covid Recovery (Apr 2020 - Dec 2021)	49.7	53.5	46.2	41.0	59.4	53.0
Global Financial Crisis Recovery (Mar 2009 - Nov 2009)	33.8	30.6	27.4	25.6	31.4	34.1
Real Estate and Buyout Boom (Oct 2004 - Sept 2007)	75.4	64.3	57.5	52.4	80.4	63.5
Best of Great Moderation (Apr 2003 - Feb 2004)	30.1	26.3	22.8	20.4	28.8	29.1
Peak of the TMT Bubble (Oct 1998 - Mar 2000)	41.3	37.1	31.6	27.8	44.3	40.5
Plummeting Dollar (Jan 1986 - Aug 1987)	51.2	45.1	39.2	35.0	48.5	53.0

Stress Testing: Impact of Negative Market Movements
(Expected Return under Stressed Conditions)

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
10-year Treasury Bond rates rise 100 bps	3.8	2.9	2.1	1.4	3.8	3.7
10-year Treasury Bond rates rise 200 bps	-1.6	-2.2	-2.8	-3.4	-1.6	-2.1
10-year Treasury Bond rates rise 300 bps	-3.3	-2.4	-3.3	-4.4	-1.6	-3.5
Baa Spreads widen by 50 bps, High Yield by 200 bps	0.7	0.5	0.8	1.0	0.0	0.7
Baa Spreads widen by 300 bps, High Yield by 1000 bps	-20.6	-19.1	-16.8	-15.0	-20.9	-20.8
Trade Weighted Dollar gains 10%	-3.8	-2.5	-2.0	-1.8	-3.4	-3.7
Trade Weighted Dollar gains 20%	-2.4	-1.5	-0.7	-0.3	-3.7	-1.3
US Equities decline 10%	-5.2	-5.3	-4.3	-3.7	-6.1	-5.5
US Equities decline 25%	-15.9	-15.8	-13.7	-12.2	-18.0	-16.0
US Equities decline 40%	-24.2	-23.8	-20.8	-18.4	-26.4	-25.2

Stress Testing: Impact of Positive Market Movements
(Expected Return under Stressed Conditions)

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
10-year Treasury Bond rates drop 100 bps	1.7	2.2	2.4	2.6	1.6	2.3
10-year Treasury Bond rates drop 200 bps	9.4	8.7	8.3	8.2	7.5	10.7
10-year Treasury Bond rates drop 300 bps	12.1	11.8	11.5	11.4	10.3	13.7
Baa Spreads narrow by 30bps, High Yield by 100 bps	6.8	6.7	5.9	5.3	7.2	6.9
Baa Spreads narrow by 100bps, High Yield by 300 bps	12.5	10.7	9.9	9.7	10.7	12.6
Trade Weighted Dollar drops 10%	7.5	6.2	5.7	5.4	6.8	7.4
Trade Weighted Dollar drops 20%	21.2	17.2	15.5	14.4	17.9	21.7
U.S. Equities rise 10%	6.1	6.5	5.8	5.3	7.0	6.5
U.S. Equities rise 30%	13.9	15.3	13.2	11.8	15.7	15.5

Inflation Stress Testing
(Expected Return under Different Inflationary Conditions)

Scenario	Current Policy (%)	Mix A (7.4) (%)	Mix B (7.2) (%)	Mix C (7.0) (%)	SIC LG (%)	Pub DB >$1B (%)
Inflation slightly higher than expected	-0.2	-0.3	-0.3	-0.3	-0.2	-0.3
Inflation meaningfully higher than expected	-4.0	-4.2	-3.9	-3.6	-3.7	-5.0
Low Growth and Low Inflation	-6.1	-5.4	-5.0	-4.7	-5.3	-6.8
Low Growth and High Inflation	-9.1	-7.8	-7.2	-6.8	-7.4	-10.2
Brief, moderate inflation spike	-2.8	-2.1	-2.1	-2.1	-1.9	-2.9
Extended, moderate inflation spike	-5.4	-4.8	-4.3	-4.1	-4.8	-5.7
Brief, extreme inflation spike	-7.2	-6.5	-5.8	-5.3	-6.6	-7.6
Extended, extreme inflation spike	-9.5	-8.9	-7.8	-7.0	-9.2	-10.1
High Growth and Low Inflation	9.9	9.0	7.7	6.8	9.9	10.1
High Growth and Moderate Inflation	8.0	7.6	6.4	5.5	8.7	8.0
High Growth and High Inflation	5.8	5.9	4.9	4.1	7.1	5.7

Summary and Recommendations

Summary and Recommendations

→ Meketa recommends adjusting the asset allocation policy to one of the three proposed alternatives.

- "Mix A" retains the majority of the current asset allocation targets but adjusts the US Equity and non-US Equity components to the approximate geographic weights of a global market cap weighted equity index. With this change, US Equity would increase from a weight of 40% of public equity to a weight of 62.5%.

  - Similar to the current policy, "Mix A" would have a 10-year expected return in excess of the 7.0% discount rate.

- "Mix B" is a subtle asset allocation change from the current policy. "Mix B" makes the same relative allocation shift between US and non-US Equity described above, but also reduces risk, semi-liquid assets, and expected fees compared to the current asset allocation targets. Risk is reduced by a shift away from equities and toward fixed income (both credit and rate sensitive).

  - Similar to the current policy, "Mix B" would have a 10-year expected return in excess of the 7.0% discount rate.

- "Mix C" is a more substantial asset allocation change from the current policy. "Mix C" is a more conservative portfolio with a lower expected return and risk profile than the current policy, as well as a lower allocation to semi-liquid assets and lower expected fees.

  - Although "Mix C" would have a lower expected return than the current policy, its 10-year expected return would match the 7.0% discount rate.

Appendix

Setting Capital Market Expectations

→ Capital markets expectations ("CMEs") are the inputs needed to determine the long-term risk and returns expectations for a portfolio.

- They serve as the starting point for determining asset allocation.

→ Consultants (including Meketa) generally set them once a year.

- Our results are published in January and based on data as of December 31 for public markets and September 30 for private markets.

- Changes are driven by many factors, including interest rates, credit spreads, cap rates, and equity prices.

→ Setting CMEs involves crafting long-term forecasts for:

- Returns

- Standard Deviation

- Correlations (i.e., covariance)

→ We do not assume any "alpha."

→ For asset classes where there is no passive option (e.g., private markets) we include an assumption for estimated fees.

→ Our process relies on both quantitative and qualitative methodologies.

→ We created inputs for 113 "asset classes" for our 2025 Capital Markets Expectations.

Building 10-Year Forecasts

→ Our first step is to develop 10-year forecasts based on fundamental models.

- Each model is based on the most important factors that drive returns for that asset class:

Asset Class Category	Major Factors
Equities	Dividend Yield, GDP Growth, Valuation
Bonds	Yield to Worst, Default Rate, Recovery Rate
Commodities	Collateral Yield, Roll Yield, Inflation
Infrastructure	Public IS Valuation, Income, Growth, Leverage
Natural Resources	Price per Acre, Income, Public Market Valuation
Real Estate	Cap Rate, Yield, Growth, Leverage
Private Equity	EBITDA Multiple, Leverage, Public VC Valuation
Hedge Funds and Other	Leverage, Alternative Betas

→ The common components are income, growth, and valuation.

- Leverage and currency impact are also key factors for many strategies.

Some Factors are Naturally More Predictive Than Others[1]

Investment Grade Bonds
Yield to Worst vs. Forward 10-Year Returns

R² = 0.8954
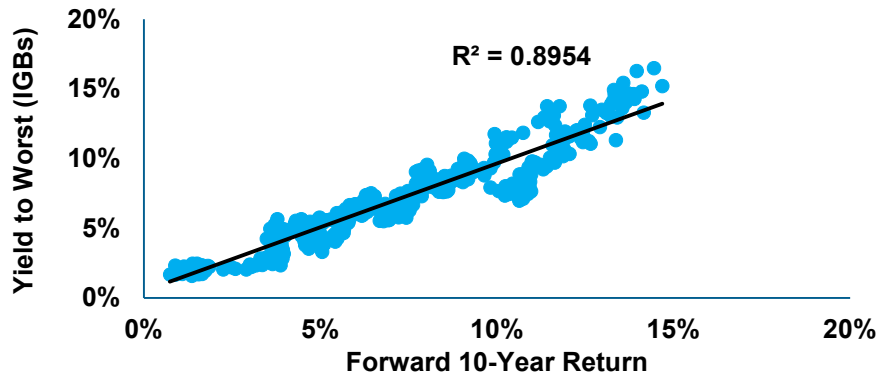
Cash (90-Day T-Bill)
Yield vs. Forward 10-Year Returns

R² = 0.7397
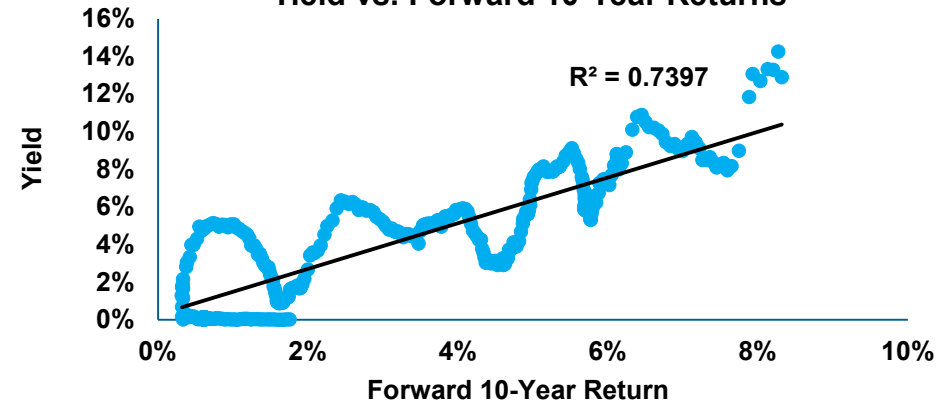
Core Real Estate
Cap Rates vs. Forward 10-Year Returns

R² = 0.0367
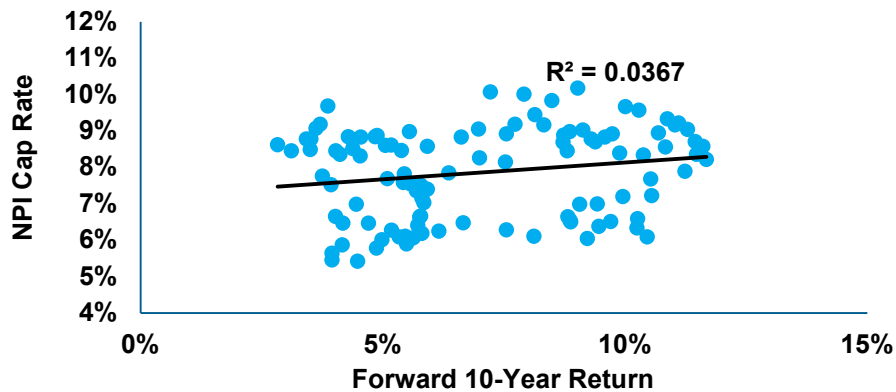
US Equities
Shiller CAPE vs. Forward 10-Year Returns

R² = 0.4747

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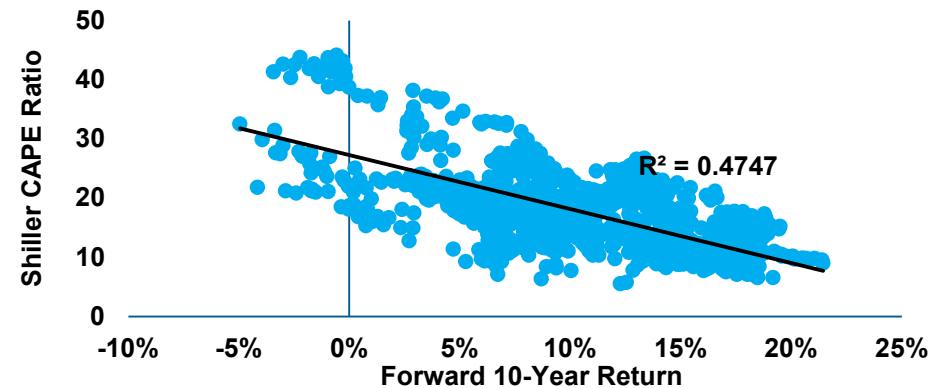
[1] Sources: Bloomberg, FRED, NCREIF, S&P, Robert Shiller (Yale University), and Meketa Investment Group. As of December 31, 2024.

10-Year Model Example

→ Bonds

- The short version for investment grade bond models is:

$$E(R) = Current\ YTW\ (yield\ to\ worst)$$

- Our models assume that there is a reversion to the mean for spreads (though not yields).

- For TIPS, we add the real yield of the TIPS index to the breakeven inflation rate.

- As with equities, we make currency adjustments when necessary for foreign bonds.

- For bonds with credit risk, Meketa estimates default rates and loss rates in order to project an expected return:

$$E(R) = YTW - (Annual\ Default\ Rate \times Loss\ Rate)$$

→ Equities

- We use a fundamental model for equities that combines income and capital appreciation.

$$E(R) = Dividend\ Yield + Expected\ Earnings\ Growth + Multiple\ Effect + Currency\ Effect$$

- Meketa evaluates historical data to develop expectations for dividend yield, earnings growth, the multiple effect, and currency effect.

  - Earnings growth is a function of real GDP growth, inflation, and exposure to foreign revenue sources.

  - We assume that long-term earnings growth is linked to economic growth.

  - However, many factors can cause differences between economic growth and EPS growth.

- Our models assume that there is a reversion toward mean pricing over this time frame.

Moving from 10-Year to 20-Year Forecasts

→ Our next step is to combine our 10-year forecasts with projections for years 11-20 for each asset class.

→ We use a risk premia approach to forecast 10-year returns in ten years (i.e., years 11-20).

- We start with an assumption (market informed, such as the 10-year forward rate) for what the risk-free rate will be in ten years.

- We then add a risk premium for each asset class.

- We use historical risk premia as a guide, but many asset classes will differ from this, especially if they have a shorter history.

- We seek consistency with finance theory (i.e., riskier assets will have a higher risk premia assumption).

→ Essentially, we assume mean-reversion over the first ten years (where appropriate), and consistency with CAPM thereafter.

→ The final step is to make any qualitative adjustments.

- The Investment Policy Committee reviews the output and may make adjustments.

The Other Inputs: Standard Deviation and Correlation

→ Standard deviation:

- We review the trailing twenty-year standard deviation, as well as skewness.

- Historical standard deviation serves as the base for our assumptions.

- If there is a negative skew, we increase the volatility assumption based on the size of the historical skewness.

Asset Class	Historical Standard Deviation (%)	Skewness	Assumption[1] (%)
Bank Loans	6.5	-2.9	10.0
FI / L-S Credit	5.8	-2.7	9.0

- We also adjust for private market asset classes with "smoothed" return streams.

→ Correlation:

- We use trailing twenty-year correlations as our guide.

- Again, we make adjustments for "smoothed" return streams.

→ Most of our adjustments are conservative in nature (i.e., they increase the standard deviation and correlation).

---

[1] Note that we round our standard deviation assumptions to whole numbers.

Correlation Data

	Inv. Grade Bonds	Long-Term Gov't Bonds	TIPS	High Yield Bonds	US Equity	Dev. Non-US Equity	Em. Market Equity	Private Equity	Real Estate	Commod.	Infra.	Hedge Funds
Investment Grade Bonds	1.00											
Long-Term Gov't Bonds	0.86	1.00										
TIPS	0.77	0.61	1.00									
High Yield Bonds	0.35	-0.03	0.47	1.00								
US Equity	0.18	-0.13	0.25	0.74	1.00							
Developed Non-US Equity	0.28	-0.07	0.34	0.77	0.87	1.00						
Emerging Market Equity	0.26	-0.06	0.35	0.72	0.71	0.85	1.00					
Private Equity	0.00	-0.10	0.03	0.66	0.90	0.83	0.79	1.00				
Real Estate	0.26	0.07	0.16	0.56	0.53	0.49	0.42	0.48	1.00			
Commodities	-0.01	-0.24	0.27	0.48	0.48	0.55	0.59	0.23	0.15	1.00		
Infrastructure	0.31	0.14	0.32	0.65	0.64	0.68	0.59	0.51	0.61	0.41	1.00	
Hedge Funds	0.15	-0.17	0.30	0.78	0.79	0.83	0.80	0.53	0.47	0.64	0.61	1.00

2024 Peer Survey[1]

→ Annually, Horizon Actuarial Services, LLC publishes a survey of capital market assumptions that they collect from various investment advisors.[1]

→ The Horizon survey is a useful tool to determine whether a consultant's expectations for returns (and risk) are reasonable.

Asset Class	Horizon 10-Year Average (%)	Meketa 10-Year (%)	Horizon 20-Year Average (%)	Meketa 20-Year (%)
Cash Equivalents	3.7	2.4	3.4	2.5
TIPS	4.4	4.3	4.3	4.7
US Core Bonds	4.9	4.6	4.9	4.8
US High Yield Bonds	6.1	6.5	6.4	6.8
Emerging Market Debt	6.2	6.3	6.3	6.2
Private Debt	8.3	9.2	8.4	9.2
US Equity (large cap)	6.5	6.9	7.0	8.5
Developed Non-US Equity	7.1	7.7	7.5	8.9
Emerging Non-US Equity	7.7	7.6	8.2	8.9
Private Equity	9.1	9.9	9.7	11.2
Real Estate	6.1	6.3	6.2	8.0
Infrastructure	7.3	7.4	7.4	9.0
Commodities	4.9	4.9	5.0	5.3
Hedge Funds	5.9	4.5	6.2	5.8
Inflation	2.4	2.4	2.4	2.8

1 The 10-year horizon included all 41 respondents to the survey, and the 20-year horizon included 26 respondents. Figures are based on Meketa's 2024 CMEs. The survey is typically published in August. Figures are based on Meketa's 2024 CMEs.

2025 Capital Markets Expectations

Our Track Record

Investment Grade Bonds, TIPS, High Yield Bonds, and Core Real Estate charts showing Actual 10-year Return, Actual 20-year Return, and Forecast 20-year ER.
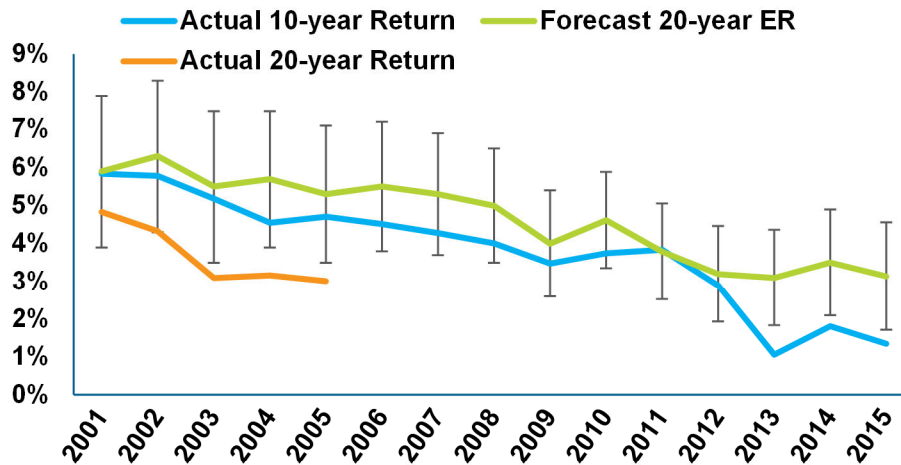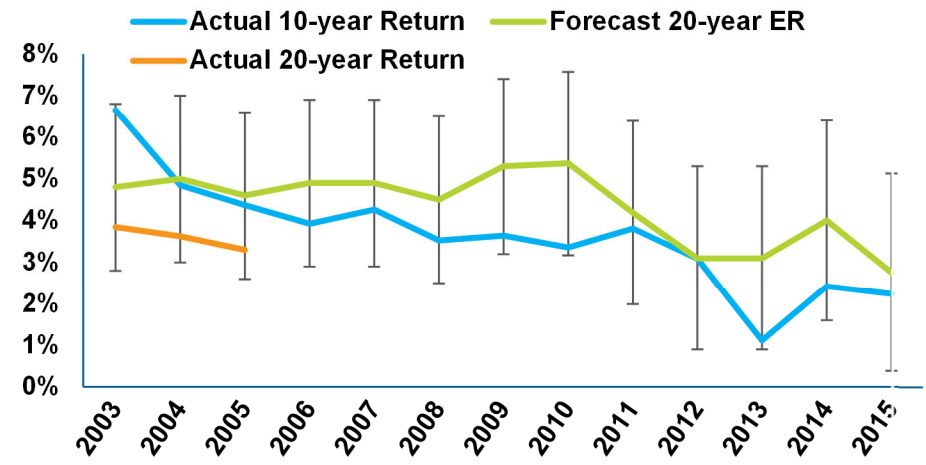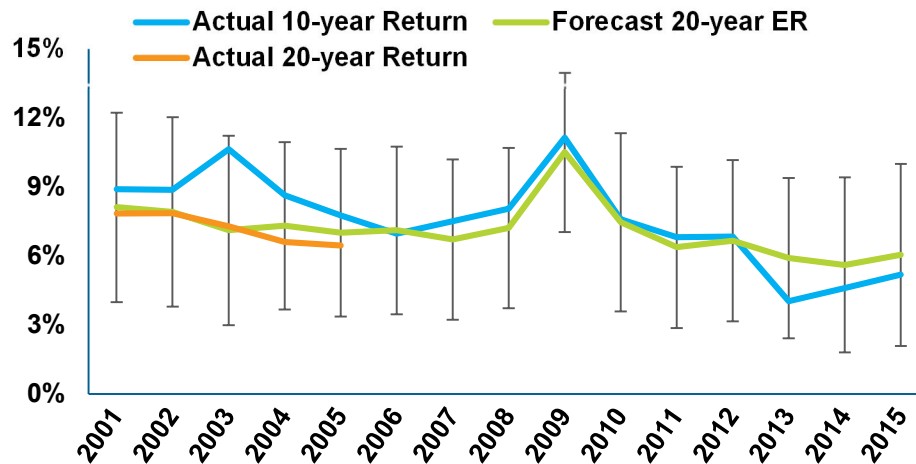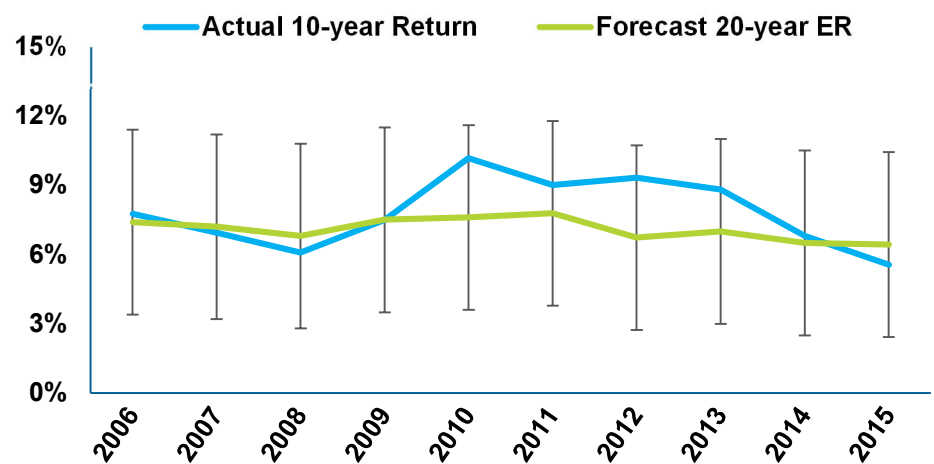
Our Track Record (continued)

US Equity
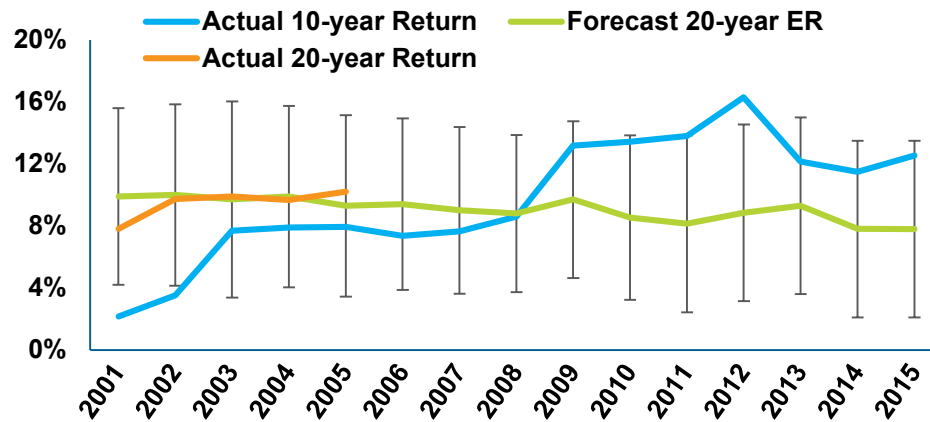
EAFE Equity
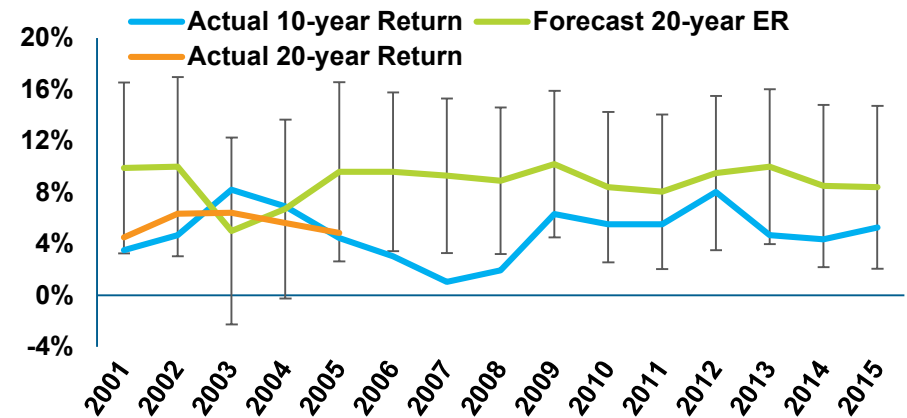
Emerging Markets Equity
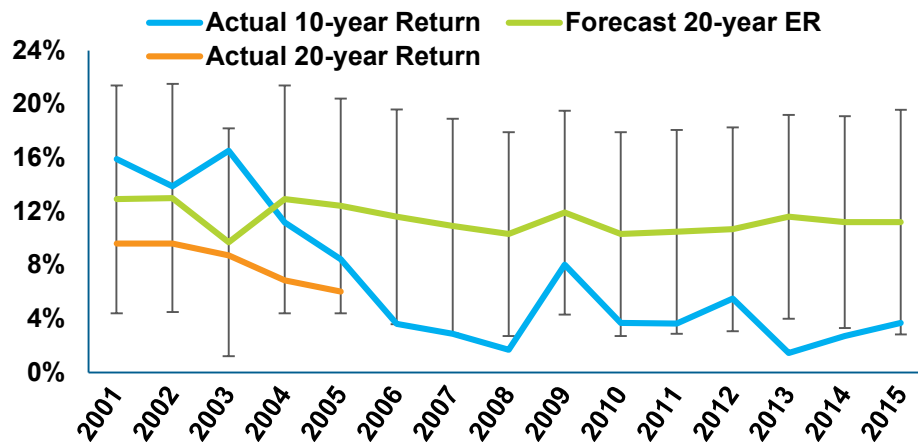
Private Equity
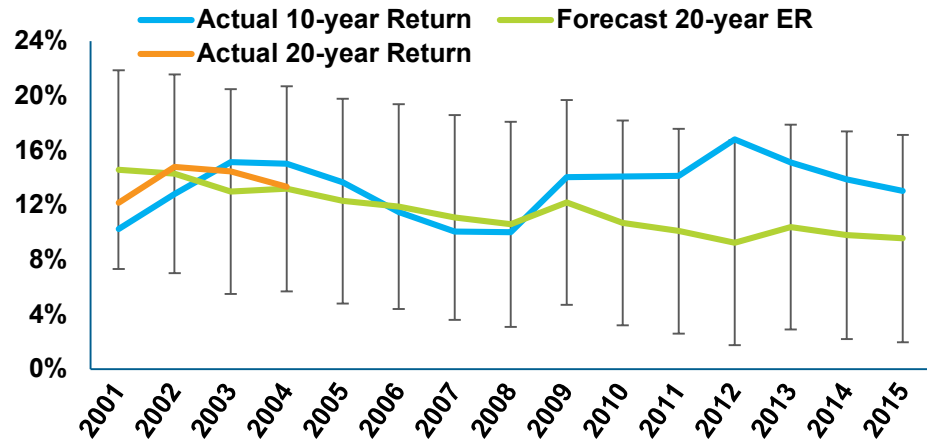
Economic Regime Management®

Economic Regime Management

→ The Economic Regime Management ("ERM") approach focuses on understanding the dynamics of the most important macro level forces that drive returns across asset classes.

→ We find the most important factors to be:

- Interest Rate Surprise – Unexpected changes in the 10 year interest rate (related to Duration).

- Inflation Surprise – Unexpected changes in the CPI growth rate.

- Growth Surprise – Unexpected changes in the Real GDP growth rate.

- Systemic Risk – "System-wide" risk that propagates through all asset classes (e.g., 2008).

→ We focus on surprises because expectations matter.

- What was considered "low" inflation in the 1970s would be considered "high" today.

→ These factors explain the majority of volatility across asset classes.

- Understanding these dynamics explain the "why" not just the "what."

Portfolio Sensitivity Comparison

Economic Regime Management
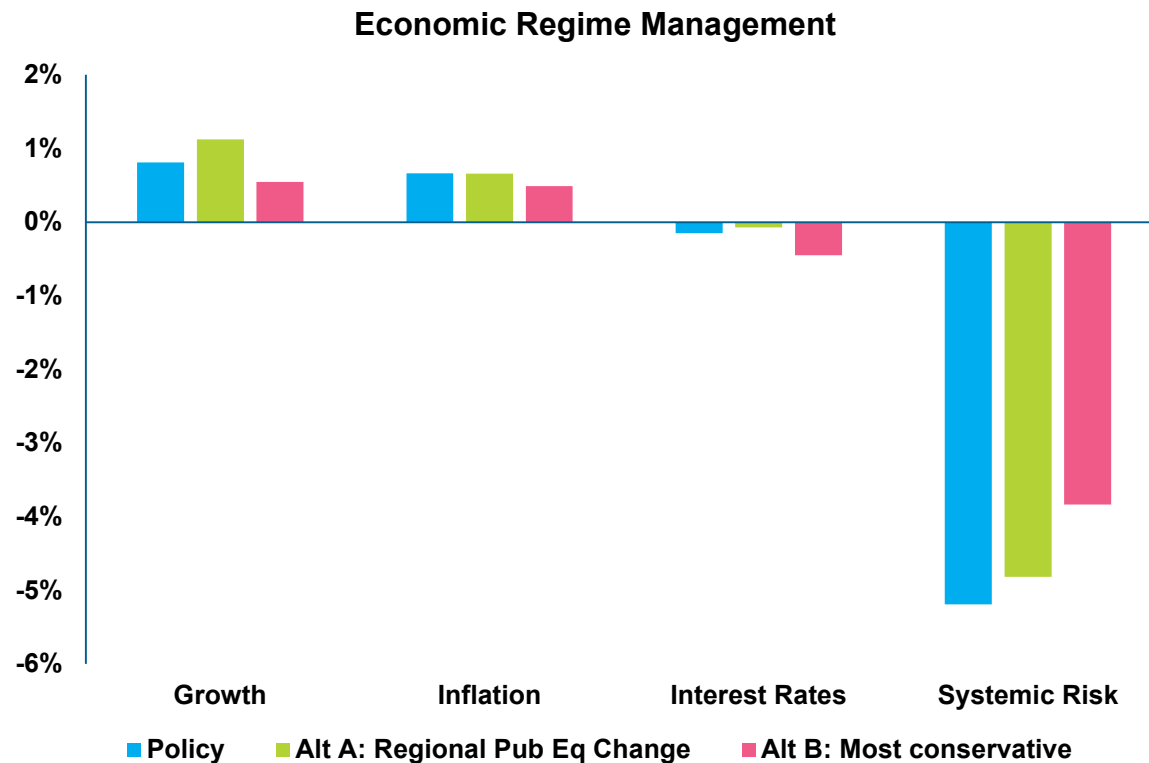
→ The chart above shows the resulting change in portfolio return given a one standard deviation event in the respective risk factor.

→ There is more concentration in Growth and Systematic Risk because these sources of risk tend to pay better (have higher expected returns) than the other risk factors.

Negative Historical Scenario Returns - Sample Inputs

	Post-COVID Rate Hikes (Jan 2022-Oct 2023)	Covid-19 Market Shock (Feb 2020-Mar 2020)	Taper Tantrum (May - Aug 2013)	Global Financial Crisis (Oct 2007 - Mar 2009)	Popping of the TMT Bubble (Apr 2000 - Sep 2002)	LTCM (Jul - Aug 1998)
Cash Equivalents	5.5	0.4	0.0	2.6	9.9	0.8
Short-term Investment Grade Bonds	-1.6	0.4	-0.1	7.9	21.9	1.6
Investment Grade Bonds	-15.4	-0.9	-3.7	8.5	28.6	1.8
Long-term Corporate Bonds	-30.7	-18.4	-9.3	-10.3	26.9	-0.6
Long-term Government Bonds	-38.5	12.7	-11.6	24.2	35.5	4.1
TIPS	-13.2	-0.4	-8.5	8.2	37.4	0.7
Global Inflation Linked Bonds	-25.7	-6.5	-7.4	-3.9	39.7	0.7
High Yield Bonds	-7.1	-20.8	-2.0	-22.8	-6.3	-5.0
Bank Loans	8.8	-20.3	0.8	-23.7	6.3	0.7
Direct Lending	12.2	-4.8	2.6	-3.3	-2.0	-2.6
Foreign Bonds	-22.0	-4.5	-3.2	2.1	8.5	3.5
Emerging Market Bonds (major)	-15.8	-15.3	-11.5	-5.0	6.3	-28.2
Emerging Market Bonds (local)	-12.9	-13.9	-14.3	-7.9	7.2	-34.1
US Equity	-11.6	-35.0	3.0	-45.8	-43.8	-15.4
Developed Market Equity (non-US)	-12.1	-32.7	-2.2	-52.1	-46.7	-11.5
Emerging Market Equity	-21.8	-31.2	-9.4	-51.2	-43.9	-26.7
Global Equity	-12.9	-33.6	-0.7	-49.3	-46.7	-14.0
Private Equity/Debt	7.5	-7.8	5.7	-27.7	-23.6	-3.2
Private Equity	1.7	-7.4	5.8	-28.2	-26.2	-3.3
Private Debt	13.6	-10.1	4.6	-22.3	-1.8	-2.3
REITs	-31.4	-41.0	-13.3	-63.0	45.4	-15.3
Core Private Real Estate	-1.9	0.7	3.6	-10.6	23.6	2.3
Value-Added Real Estate	-4.0	-3.5	3.0	-32.2	25.4	0.0
Opportunistic Real Estate	9.1	-8.6	4.0	-25.7	21.4	1.5
Natural Resources (Private)	16.0	-22.1	2.5	-31.2	-3.9	-16.9
Timberland	18.4	0.1	1.3	20.7	-1.5	0.5
Farmland	12.5	-0.1	3.3	26.7	11.4	0.8
Commodities (naïve)	12.4	-18.9	-2.4	-36.9	18.5	-12.0
Infrastructure (Core Private)	13.6	-1.3	3.7	-0.8	24.8	-0.3
Hedge Funds	-2.1	-9.1	-0.4	-17.8	-2.1	-9.4
Long-Short	-9.5	-10.9	1.0	-26.4	-8.8	-8.3
Hedge Fund of Funds	-3.3	-7.6	-0.5	-19.5	-0.4	-7.7

Negative Historical Scenario Returns - Sample Inputs (continued)

	Rate spike (1994 Calendar Year)	Crash of 1987 (Sep - Nov 1987)	Strong dollar (Jan 1981 - Sep 1982)	Volcker Recession (Jan - Mar 1980)	Stagflation (Jan 1973 - Sep 1974)
Cash Equivalents	3.9	1.4	24.4	2.9	13.5
Short-term Investment Grade Bonds	0.5	2.3	29.9	-2.6	4.3
Investment Grade Bonds	-2.9	2.2	29.9	-8.7	7.9
Long-term Corporate Bonds	-5.8	1.5	29.6	-14.1	-12.0
Long-term Government Bonds	-7.6	2.6	28.4	-13.6	-1.8
TIPS	-7.5	2.8	15.6	-7.8	4.3
Global Inflation Linked Bonds	-7.9	2.9	16.5	-8.3	4.5
High Yield Bonds	-1.0	-3.6	6.9	-2.3	-15.5
Bank Loans	10.3	-1.7	3.3	-1.1	-7.5
Direct Lending	7.6	-2.3	3.2	-1.0	-7.2
Foreign Bonds	5.3	-0.3	34.8	-6.5	-1.4
Emerging Market Bonds (major)	-18.9	-9.2	-1.6	-2.6	-20.2
Emerging Market Bonds (local)	-22.8	-11.0	-2.0	-3.2	-23.9
US Equity	1.3	-29.5	-2.3	-4.1	-42.6
Developed Market Equity (non-US)	7.8	-14.5	-18.0	-7.0	-36.3
Emerging Market Equity	-7.3	-25.3	-12.1	-6.6	-44.2
Global Equity	5.0	-20.5	-11.1	-5.4	-40.4
Private Equity/Debt	13.2	-0.7	-2.7	-2.5	-18.2
Private Equity	14.2	-0.5	-3.9	-2.7	-20.1
Private Debt	6.2	-1.8	3.0	-1.0	-6.9
REITs	-3.5	-19.5	2.5	-3.6	-33.9
Core Private Real Estate	6.4	2.5	23.9	5.5	-4.4
Value-Added Real Estate	6.5	4.3	44.2	9.6	-7.6
Opportunistic Real Estate	18.8	3.1	30.7	7.0	-5.6
Natural Resources (Private)	12.6	-9.9	-9.5	-9.1	19.3
Timberland	15.4	9.2	23.6	-7.4	5.5
Farmland	9.4	5.3	13.3	-4.2	3.1
Commodities (naïve)	16.6	1.8	-16.0	-9.6	139.5
Infrastructure (Core Private)	-11.5	-0.1	-0.2	-0.1	-0.5
Hedge Funds	4.1	-7.8	-3.8	-1.9	-15.7
Long-Short	2.6	-10.0	-4.9	-2.5	-19.8
Hedge Fund of Funds	-3.5	-5.7	-2.7	-1.4	-11.5

Positive Historical Scenario Returns - Sample Inputs

	Covid-19 Recovery (Apr 2020 – Dec 2021)	Global Financial Crisis Recover (Mar 2009 - Nov 2009)	Best of Great Moderation (Apr 2003 - Feb 2004)	Peak of the TMT Bubble (Oct 1998 - Mar 2000)	Plummeting Dollar (Jan 1986 - Aug 1987)	Volcker Recovery (Aug 1982 - Apr 1983)	Bretton Wood Recovery (Oct 1974 - Jun 1975)
Cash Equivalents	0.1	0.1	0.9	6.7	10.0	6.0	4.5
Short-term Investment Grade Bonds	1.1	4.3	2.8	5.3	13.2	15.4	5.0
Investment Grade Bonds	2.6	9.0	4.6	1.7	14.4	26.4	9.2
Long-term Corporate Bonds	18.0	28.8	11.3	-3.1	15.9	42.1	17.5
Long-term Government Bonds	-7.2	2.0	4.9	-2.3	15.4	33.6	11.8
TIPS	15.6	14.3	9.1	6.3	10.2	11.5	4.1
Global Inflation Linked Bonds	18.9	24.7	9.6	6.6	10.8	12.1	4.3
High Yield Bonds	29.1	49.1	21.8	2.1	24.9	23.3	19.3
Bank Loans	24.8	32.9	10.1	6.1	11.1	10.4	8.7
Direct Lending	25.0	9.4	23.7	26.8	5.4	8.2	8.3
Foreign Bonds	5.2	23.4	15.2	-7.0	44.5	32.3	17.9
Emerging Market Bonds (major)	15.7	27.0	20.6	49.0	38.9	21.6	21.0
Emerging Market Bonds (local)	7.0	37.5	25.2	61.0	48.4	26.5	25.7
US Equity	92.0	51.6	37.2	50.2	64.8	59.3	55.1
Developed Market Equity (non-US)	55.4	60.5	56.7	53.0	140.0	29.6	34.6
Emerging Market Equity	50.9	94.6	79.4	101.3	126.5	52.1	53.4
Global Equity	75.2	59.9	46.2	54.8	98.7	46.3	43.8
Private Equity/Debt	97.8	18.8	23.3	82.4	19.0	13.7	18.4
Private Equity	101.5	16.7	23.7	90.0	21.6	14.8	20.2
Private Debt	41.2	28.7	20.4	21.3	5.9	7.9	8.0
REITs	75.1	82.5	44.6	-5.2	51.8	47.4	42.5
Core Private Real Estate	21.4	-12.1	9.0	18.1	13.1	6.8	4.5
Value-Added Real Estate	36.6	-22.4	10.9	22.0	23.6	11.9	7.8
Opportunistic Real Estate	41.1	-14.8	13.6	27.9	16.7	8.6	5.7
Natural Resources (Private)	45.4	57.6	36.1	22.2	78.3	30.2	14.8
Timberland	9.9	-3.7	8.5	20.5	28.6	20.0	8.7
Farmland	11.3	4.5	9.6	10.4	15.9	11.3	5.0
Commodities (naïve)	60.5	28.9	30.6	17.1	27.6	6.2	-20.2
Infrastructure (Core Private)	32.7	6.9	8.5	33.0	1.4	0.6	0.6
Hedge Funds	39.3	20.1	22.4	52.8	30.6	13.8	14.5
Long-Short	54.1	25.9	25.3	81.4	40.8	18.0	18.9
Hedge Fund of Funds	29.1	10.3	13.3	36.8	21.3	9.7	10.3

Inflation Scenario Description

Scenario	Scenario Description
Inflation slightly higher than expected	Inflation is .05% above inflation expectation (i.e. surprise inflation is .05%). .05% is the 25th percentile of positive, historical surprise inflation.
Inflation moderately higher than expected	Inflation is .12% above inflation expectation (i.e. surprise inflation is .12%). .12% is the median of positive, historical surprise inflation.
Inflation meaningfully higher than expected	Inflation is .2% above inflation expectation (i.e. surprise inflation is .2%). .2% is the 75th percentile of positive, historical surprise inflation.
High Growth and Low Inflation	The real GDP growth rate is 1.2% and inflation is .1%. 1.2% GDP growth is the 75th percentile of historical GDP growth and .1% inflation is the 25th percentile of historical inflation.
High Growth and Moderate Inflation	The real GDP growth rate is 1.2% and inflation is .27%. 1.2% GDP growth is the 75th percentile of historical GDP growth and .27% inflation is the median of historical inflation.
High Growth and High Inflation	The real GDP growth rate is 1.2% and inflation is .43%. 1.2% GDP growth is the 75th percentile of historical GDP growth and .43% inflation is the 75th percentile of historical inflation.
Low Growth and Low Inflation	The real GDP growth rate is .3% and inflation is .1%. .3% GDP growth is the 25th percentile of historical GDP growth and .1% inflation is the 25th percentile of historical inflation.
Low Growth and Moderate Inflation	The real GDP growth rate is .3% and inflation is .27%. .3% GDP growth is the 25th percentile of historical GDP growth and .27% inflation is the median of historical inflation.
Low Growth and High Inflation	The real GDP growth rate is .3% and inflation is .43%. .3% GDP growth is the 25th percentile of historical GDP growth and .43% inflation is the 75th percentile of historical inflation.
Brief, moderate inflation spike	Inflation is .45% and lasts for 4-8 months. .45% is the 75th percentile of historical inflation.
Extended, moderate inflation spike	Inflation is .45% and lasts for 12+ months. .45% is the 75th percentile of historical inflation.
Brief, extreme inflation spike	Inflation is .9% and lasts for 4-8 months. .9% is the 95th percentile of historical inflation.
Extended, extreme inflation spike	Inflation is .9% and lasts for 12+ months. .9% is the 95th percentile of historical inflation.

Notes and Disclaimers

[1] The returns shown in the Policy Options and Risk Analysis sections rely on estimates of expected return, standard deviation, and correlation developed by Meketa Investment Group. To the extent that actual return patterns to the asset classes differ from our expectations, the results in the table will be incorrect. However, our inputs represent our best unbiased estimates of these simple parameters.

[2] The returns shown in the Policy Options and Risk Analysis sections use a lognormal distribution, which may or may not be an accurate representation of each asset classes' future return distribution. To the extent that it is not accurate in whole or in part, the probabilities listed in the table will be incorrect. As an example, if some asset classes' actual distributions are even more right-skewed than the lognormal distribution (i.e., more frequent low returns and less frequent high returns), then the probability of the portfolio hitting a given annual return will be lower than that stated in the table.

[3] The standard deviation bars in the chart in the Risk Analysis section do not indicate the likelihood of a 1, 2, or 3 standard deviation event—they simply indicate the return we expect if such an event occurs. Since the likelihood of such an event is the same across allocations regardless of the underlying distribution, a relative comparison across policy choices remains valid.

Disclosure

You understand and agree that this document is partly based on analysis conducted using Meketa's Asset Allocation Tool ("AAT"), an interactive tool created by Meketa Investment Group, Inc. ("Meketa") for informational purposes only and is not intended to provide, and should not be relied on for, accounting, legal, tax, or investment advice. The tool generates outcomes that are hypothetical in nature and should not be considered as providing advice on which investments to buy or sell. Results may vary with each use and overtime. Specifically, the results may vary if the user modifies the inputs or there are changes to the capital markets assumptions. The information contained herein is subject to change at any time without notice.

The majority of the underlying data is updated annually, with a significant portion based on our capital markets expectations ("CMEs"). CMEs include forecasts for each asset class over a 10-year and 20-year horizon for expected return, standard deviation, and covariance. These forecasts do not represent predictions for any fund or strategy. These forecasts are forward-looking projections based upon the reasonable beliefs of Meketa and are not a guarantee of future performance. Forward-looking projections relate only to the date they are made, and Meketa assumes no duty to and does not generally undertake to update forward-looking statements outside of our standard annual CME update. Further, forward-looking projections are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking projections.

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Appendix

to future returns are not promises of actual returns a client portfolio may achieve. Assumptions, opinions, and estimates are provided for illustrative purposes only. Forecasts of financial market trends that are based on current market conditions or historical data constitute a judgment and are subject to change without notice. We do not warrant their accuracy or completeness. There is no assurance that any of the market values displayed will be attained.

The return characteristics and behavior of asset classes are represented by broad-based indices that have been selected because they are well known and are easily recognizable by investors. The AAT does not favor certain asset classes. The AAT is intended to illustrate the possible trade-offs between portfolios composed of various assets. The behavior modeled for an asset class may differ from an actual portfolio. For example, investments made for a portfolio may differ significantly in terms of security holdings, industry weightings, and asset allocation, from those of the asset class. Further, other asset classes not considered may have characteristics similar or superior to those being analyzed by the AAT.

No investment process is risk free and there is no guarantee of profitability; investors may lose some or all of their investments. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Diversification does not guarantee a profit or protect against loss. Asset classes vary significantly in projected returns and volatility.

Our models and assumptions utilize data from various vendors, including MSCI, S&P, Russell, FTSE, NCREIF, Bloomberg, Oxford Economics, FRED, etc. No model or assumptions are sponsored, endorsed, or promoted by any vendor, and vendors bear no liability.

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New Mexico Retiree Health Care Authority

2024 Prescribing Patterns

July 24-25, 2025

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Assumptions and Methodology

- Prescription drug claims provided by PBM and housed in the Cognos data warehouse

- Analysis includes both Medicare and Non-Medicare participants
  - Value and Premier non-Medicare plans
  - Medicare Supplement and Medicare Part D plans

- Data reflects self-insured costs on a plan paid basis

Antibiotic Prescribing

Distribution of antibiotics prescribed during 2021 – 2024

Category	Days of Therapy	% of Total Days
Appropriate or Not Linkable[1]	856,053	59.9%
Usually Not Appropriate	332,243	23.2%
Sometimes Appropriate	238,654	16.7%

- The paper we based our analysis on reported that 23.2% of antibiotics days of therapy are not appropriate[2]

Top 10 Providers

Provider	# Patients	Days of Therapy	% DOT Never Appropriate	
Radiology	62	675	96.9%	
Family Medicine	41	336	93.8%	
Dermatology	54	391	84.4%	
Dermatology	83	717	80.1%	
Urology	74	486	71.0%	★
Internal Medicine	37	1460	66.2%	
Urology	42	573	65.8%	
Internal Medicine	40	527	62.6%	
Nurse Practitioner	42	766	62.0%	★
Physician Assistant	47	299	61.5%	★

★ New Provider in 2024

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

Segal

CY2024 Diabetic Medication Prescribing

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

Provider	# Patients	Days of Therapy	
Nurse Practitioner	19	3,707	
Internal Medicine	8	1,830	★
Internal Medicine	17	1,663	
Nurse Practitioner	6	1,374	
Family Medicine	7	1,197	
Family Medicine	4	1,125	★
Internal Medicine	4	930	★
Internal Medicine	3	926	★
Nurse Practitioner	2	882	★
Family Medicine	4	870	★

★ New Provider in 2024   1.   Data is based on prescriptions dispensed in calendar year 2024 for both Medicare and non-Medicare plan participants

Segal

CY2024 Prescribers with Low GDR

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

Practice Area	Provider Type	50th Percentile	Generic Dispensing Rate	
Internal Medicine	PCP	70.9%	46.1%	★
Family Medicine	PCP	70.9%	14.3%	★
Internal Medicine	PCP	70.9%	69.2%	★
Ophthalmology	Specialist	77.1%	54.5%	★
Pharmacist	Specialist	77.1%	47.1%	★
Internal Medicine	PCP	70.9%	51.3%	★
General Practice	PCP	70.9%	50.0%	★
Internal Medicine	PCP	70.9%	16.7%	★
Pharmacist	Specialist	77.1%	14.3%	★
Internal Medicine	PCP	70.9%	33.3%	★

★ New Provider in 2024

1. Data is based on prescriptions dispensed in calendar year 2024 for both Medicare and non-Medicare plan participants.
2. 50th Percentile GDRs are based on data for all PCPs and Specialists, separately.

CY2024 Prescribers with High Cost per Patient

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

Practice Area	Provider Type	80th Percentile	Cost per Patient	
Physician Assistant	PCP	$1,944.95	$2,323.57	★
Internal Medicine	PCP	$1,944.95	$6,591.51	★
Internal Medicine	PCP	$1,944.95	$4,821.64	★
Family Medicine	PCP	$1,944.95	$15,121.69	★
Dermatology	Specialist	$561.58	$1,095.22	★
Family Medicine	PCP	$1,944.95	$4,882.04	★
Internal Medicine	PCP	$1,944.95	$4,392.71	★
Ophthalmology	Specialist	$561.58	$1,402.02	★
Pharmacist	Specialist	$561.58	$3,779.68	★
Nurse Practitioner	PCP	$1,944.95	$4,062.31	★

★ New Provider in 2024

1. Data is based on prescriptions dispensed in calendar year 2024 for both Medicare and non-Medicare plan participants.
2. 80th Percentile costs are based on data for all PCPs and Specialists, separately.

CY2024 Narcotic Analgesics

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

Practice Area	Provider Type	80th Percentile	Days per Patient	# Distinct Patients	
Internal Medicine	PCP	11.94	12.22	319	
Specialist	Specialist	2.56	3.82	165	
Nurse Practitioner	PCP	11.94	23.63	139	
Internal Medicine	PCP	11.94	18.51	115	
Family Medicine	PCP	11.94	17.17	113	
Internal Medicine	PCP	11.94	22.57	112	
Family Medicine	PCP	11.94	13.21	112	★
Family Medicine	PCP	11.94	24.40	105	
Family Medicine	PCP	11.94	14.01	99	★
Family Medicine	PCP	11.94	20.31	88	

★ New Provider in 2024

1. Data is based on prescriptions dispensed in calendar year 2024 for both Medicare and non-Medicare plan participants.
2. 80th Percentile days per patient figure is based on data for all PCPs and Specialists, separately.

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New Mexico Retiree Health Care Authority

Pharmacy Cost Driver Report

Incurred Calendar Years 2022-2024

July 24, 2025

Agenda

Assumptions and Methodology

Prescription Drug

- Overall Prescription Drug

- Commercial Prescription Drug

- EGWP Prescription Drug

Assumptions and Methodology

- Prescription drug claims provided by PBM and housed in the Cognos data warehouse
  - Claims net of manufacturer rebates have been shown only on where indicated the PMPM is net of rebates. All other aggregate level or PMPM pharmacy costs are shown on a gross cost basis
- Data reflects self-insured allowed claim costs incurred on or after 1/1/2022 and paid through 5/31/2025.
  - Costs reflect both plan and member payments net of provider discounts
  - Costs do not reflect SaveOnSP fees or savings
- Geographic regions map to the following counties based on retiree residence:
  - Albuquerque region includes Bernalillo, Sandoval, Torrance and Valencia counties
  - Santa Fe region includes Santa Fe County
  - Northwest Region includes Cibola, McKinley and San Juan counties
  - Northeast Region includes Colfax, Guadalupe, Harding, Los Alamos, Mora, Rio Arriba, San Miguel, Taos and Union counties
  - Southwest Region includes Catron, Dona Ana, Grant, Hidalgo, Luna, Otero, Sierra and Socorro counties
  - Southeast Region includes Chaves, Curry, De Baca, Eddy, Lea, Lincoln, Quay and Roosevelt counties
  - Outside of State includes all other states
- Distinct Patients means the count of unique patients by calendar year utilizing pharmacy benefits.

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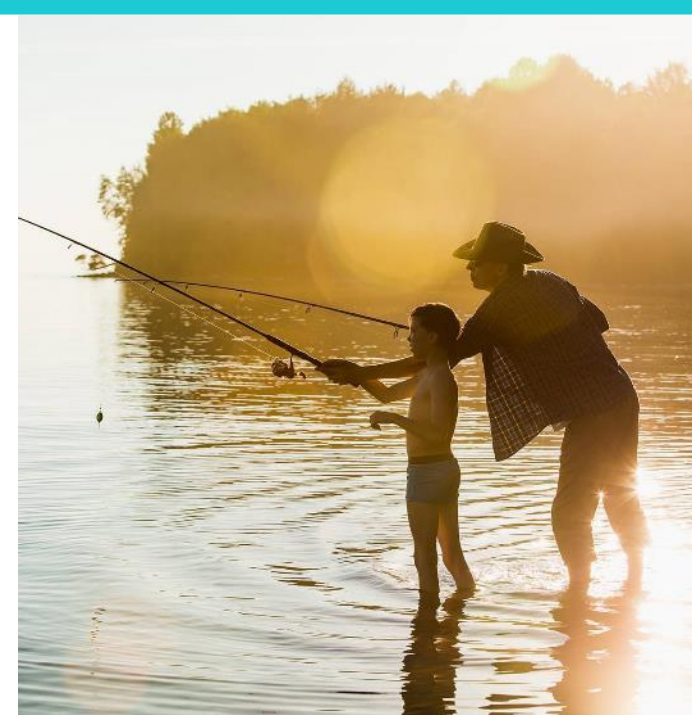
Assumptions and Methodology

- Historical average enrollment levels by demographic:

Plan	2022	2023	2024
Commercial Plan	13,484	12,365	11,130
EGWP Plan	21,131	20,502	19,981
Total	**34,615**	**32,867**	**31,111**

Geographic Region	2022	2023	2024
Albuquerque	8,743	8,236	7,703
Santa Fe	4,050	3,936	3,747
Northwest	2,281	2,196	2,126
Northeast	4,300	4,027	3,788
Southwest	5,251	5,033	4,803
Southeast	4,978	4,778	4,581
Out-of-State	5,012	4,662	4,363
Total	**34,615**	**32,867**	**31,111**

Calendar Year	Male	Female	Total
2022	13,755	20,860	**34,615**
2023	12,990	19,877	**32,867**
2024	12,223	18,888	**31,111**

Calendar Year	Under 15	15-29	30-44	45-59	60+	Total
2022	156	1,316	126	4,592	28,428	**34,615**
2023	139	1,152	97	4,079	27,399	**32,867**
2024	114	991	72	3,538	26,397	**31,111**

Segal

Prescription Drug

Prescription Drug Costs PMPM
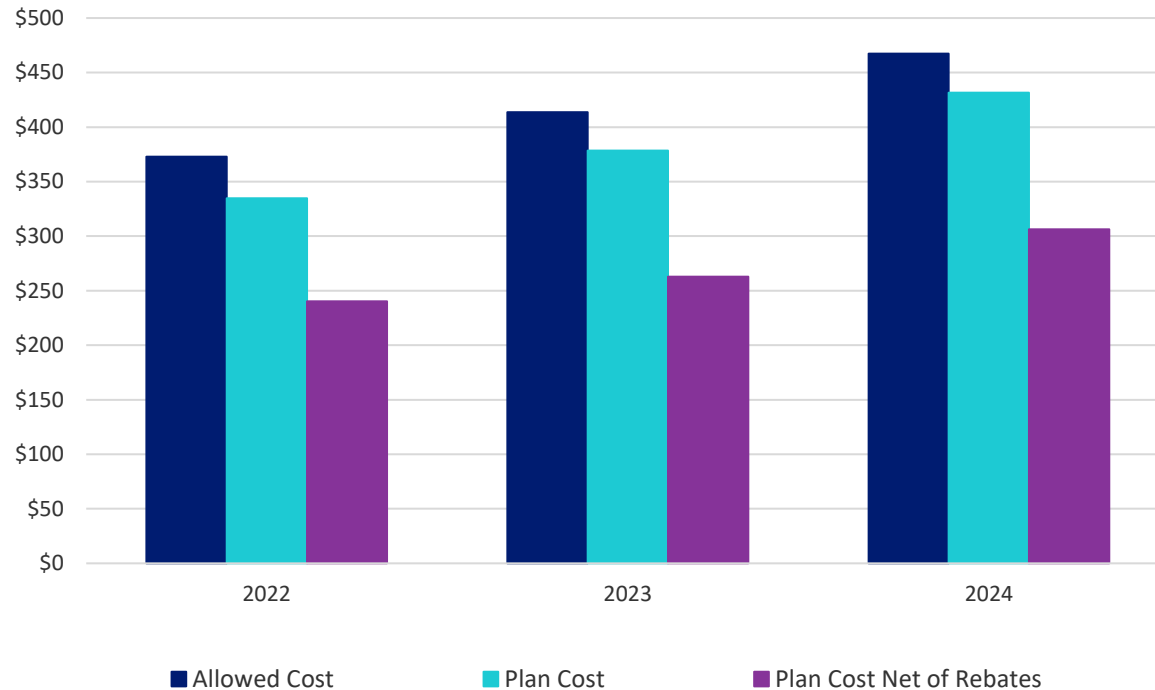
	2022	2023	2024
PMPM Cost			
Allowed Cost	$372.86	$413.68	$467.23
Plan Cost	$334.61	$378.34	$431.51
Plan Cost Net of Rebates	$240.19	$262.75	$306.15
Allowed PMPM Cost Trend			
Allowed Cost		10.9%	12.9%
Plan Cost		13.1%	14.1%
Plan Cost Net of Rebates		9.4%	16.5%

Observations

- Member cost share, as a percentage of allowed costs, decreased from 10.3 to 7.6% between 2022 and 2024.
- Rebates have grown from 28% to 29% of plan costs in the three-year period.
- For the plan year beginning January 1, 2022, NMRHCA entered into a new contract with Express Scripts which resulted in improvements to pricing guarantees.

PMPM Drug Cost by Plan
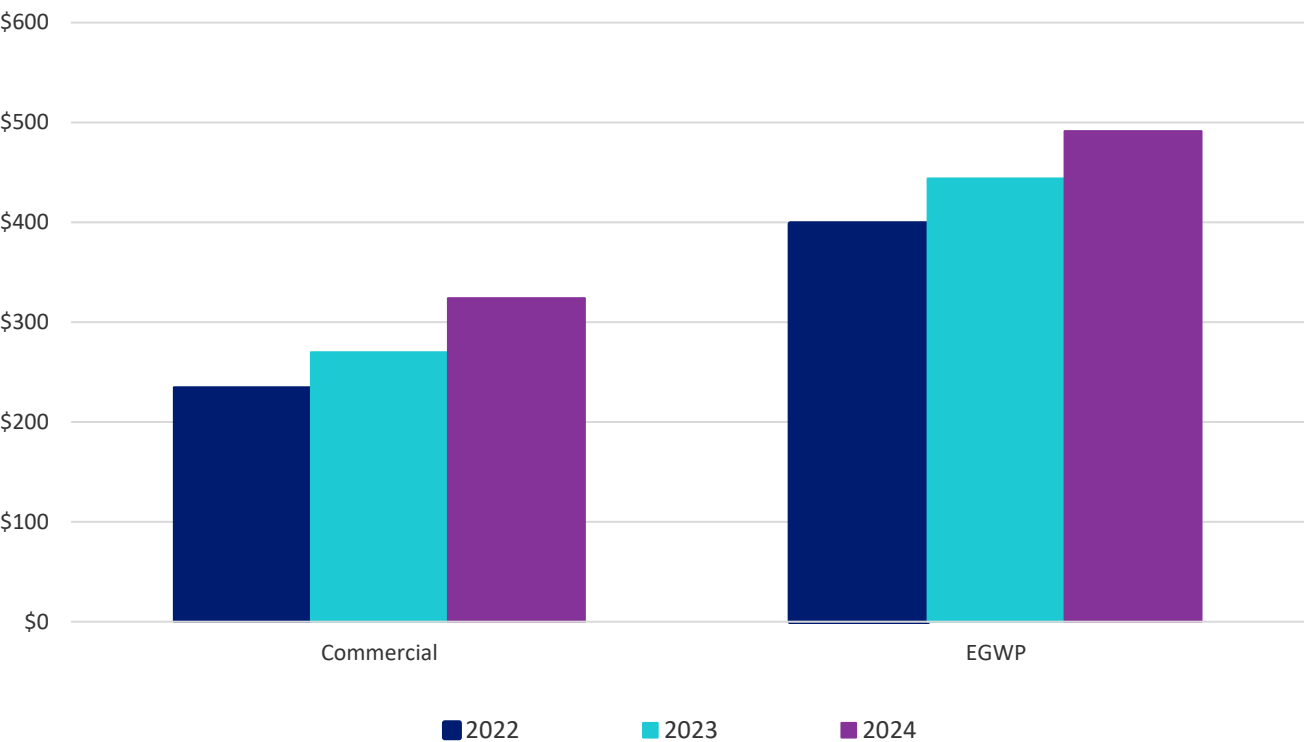
	2022	2023	2024
PMPM Plan Cost			
Commercial	$234.78	$269.92	$324.12
EGWP	$398.31	$443.73	$491.33
PMPM Plan Cost Trend			
Commercial		15.0%	20.1%
EGWP		11.4%	10.7%

Observations

- Average costs in the commercial plan are about 34% less than those in the EGWP plan before the impact of rebates.
- The commercial plan experienced a higher trend in 2023 than the EGWP plan, which was driven by the increasing cost of brand drugs at retail.

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⭐ **Segal**   7

Prescription Drug Cost by Geographic Area
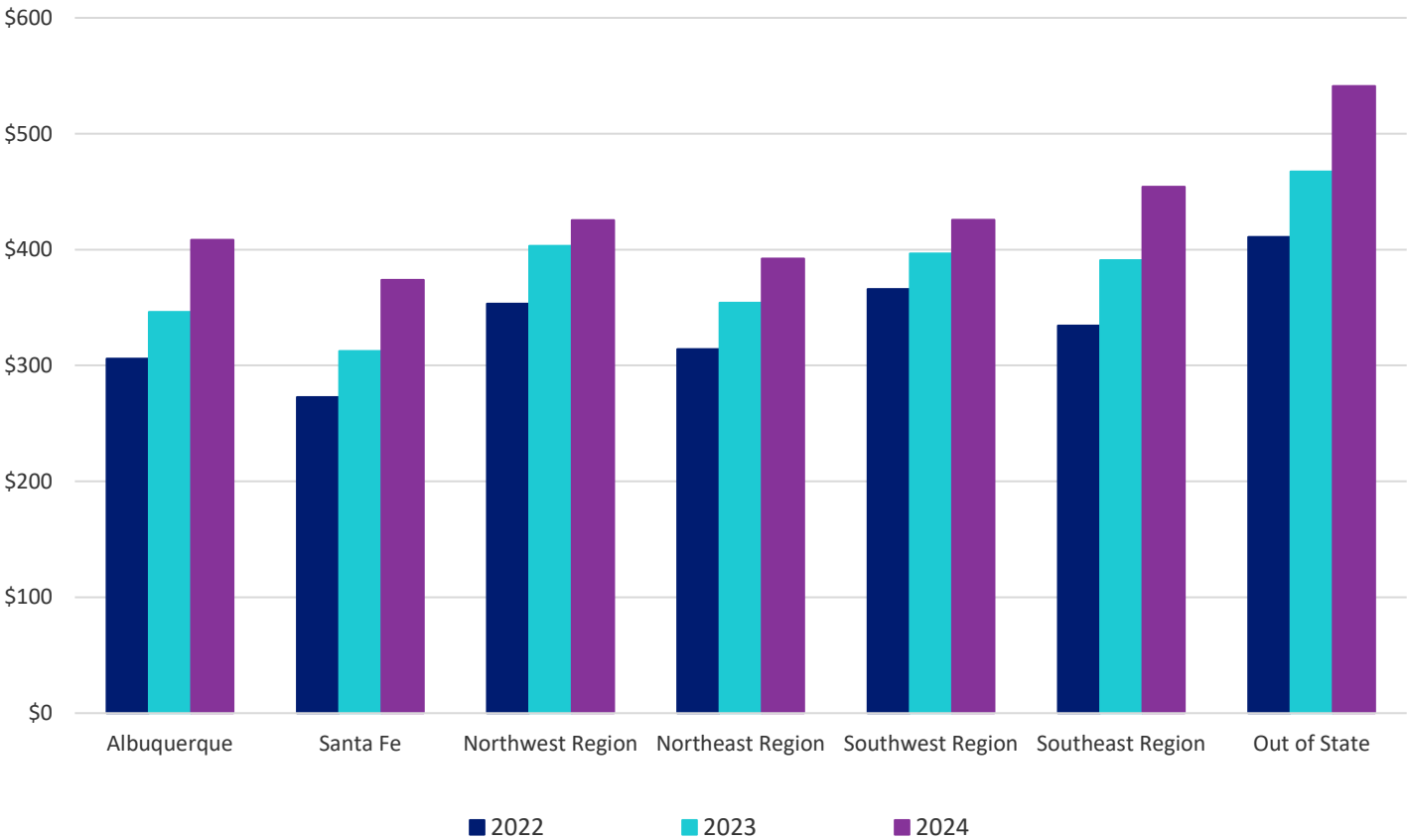
	2022	2023	2024
PMPM Plan Cost			
Albuquerque	$305.99	$346.22	$408.42
Santa Fe	$272.68	$312.35	$374.00
Northwest Region	$353.36	$403.24	$425.36
Northeast Region	$314.02	$354.06	$392.14
Southeast Region	$365.92	$396.59	$425.75
Southwest Region	$334.50	$390.86	$454.29
Out-of-State	$411.01	$467.48	$541.28
PMPM Plan Cost Trend			
Albuquerque		13.1%	18.0%
Santa Fe		14.5%	19.7%
Northwest Region		14.1%	5.5%
Northeast Region		12.7%	10.8%
Southeast Region		8.4%	7.4%
Southwest Region		16.8%	16.2%
Out-of-State		13.7%	15.8%

★ Segal

Allowed PMPM by Gender
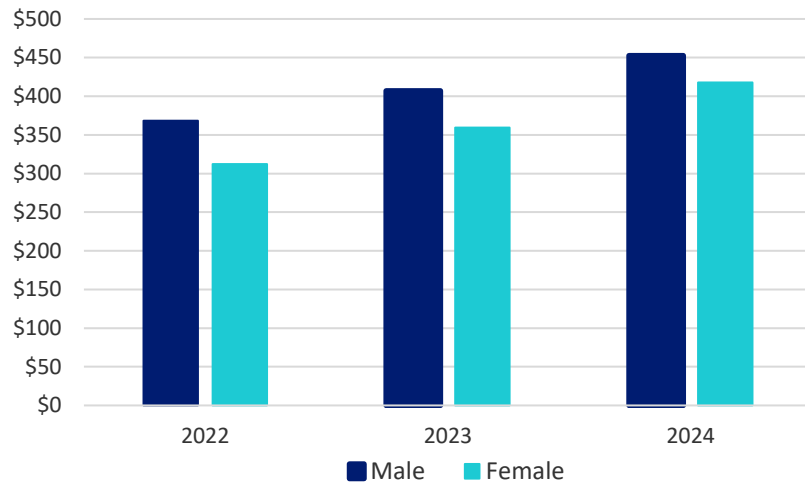
	2022	2023	2024
PMPM Plan Cost			
Male	$368.33	$406.93	$452.48
Female	$312.37	$359.65	$417.94
PMPM Plan Cost Trend			
Male		10.5%	11.2%
Female		15.1%	16.2%

Allowed PMPM by Age Band
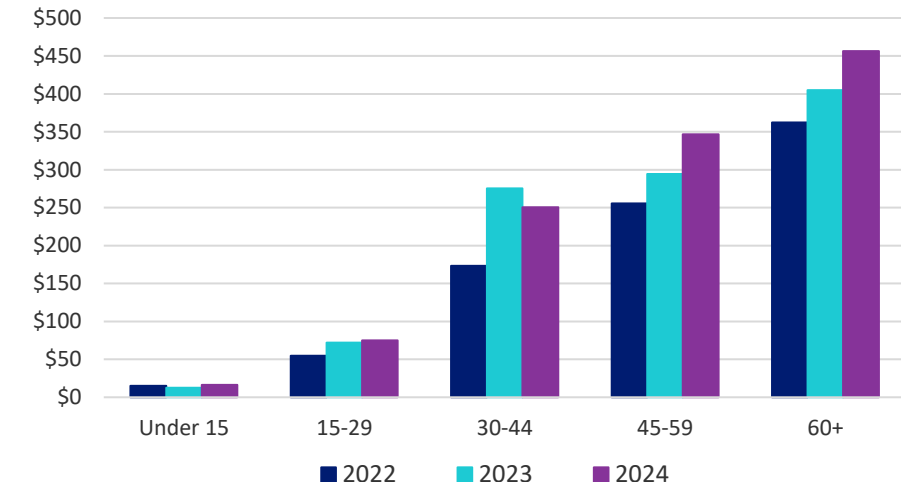
	2022	2023	2024
Allowed PMPM Cost			
Under 15	$15.27	$12.37	$16.27
15 – 29	$54.71	$71.98	$75.05
30 – 44	$173.22	$275.20	$250.44
45 – 59	$255.41	$294.25	$346.51
60+	$362.19	$404.96	$456.54
Allowed PMPM Cost Trend			
Under 15		-19.0%	31.5%
15 - 29		31.6%	4.3%
30 - 44		58.9%	-9.0%
45 - 59		15.2%	17.8%
60+		11.8%	12.7%

Observations

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

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★ Segal

Prescription Drug Allowed PMPM Cost
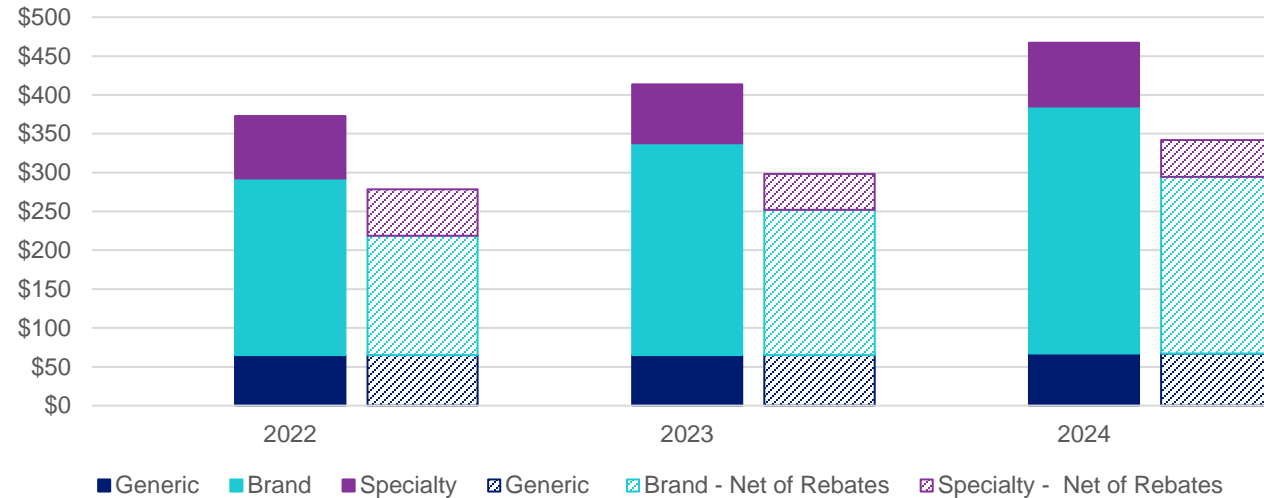
	2022	2023	2024
Plan Cost PMPM			
Generic	$65.02	$64.94	$67.13
Brand	$227.23	$272.66	$317.83
Specialty	$80.60	$76.08	$82.27
Plan Cost PMPM Trend			
Generic		-0.1%	3.4%
Brand		20.0%	16.6%
Specialty		-5.6%	8.1%

Distribution of Scripts
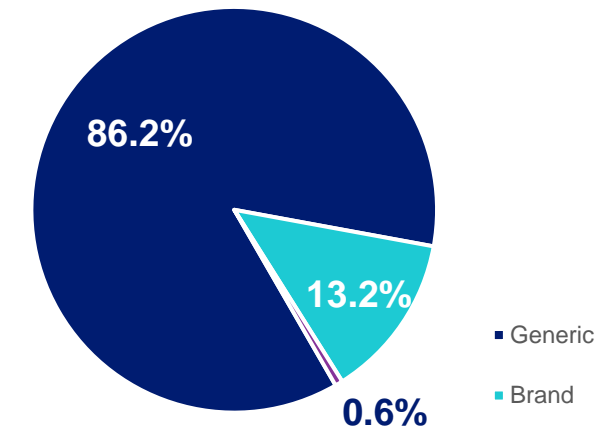
Distribution of Plan Costs
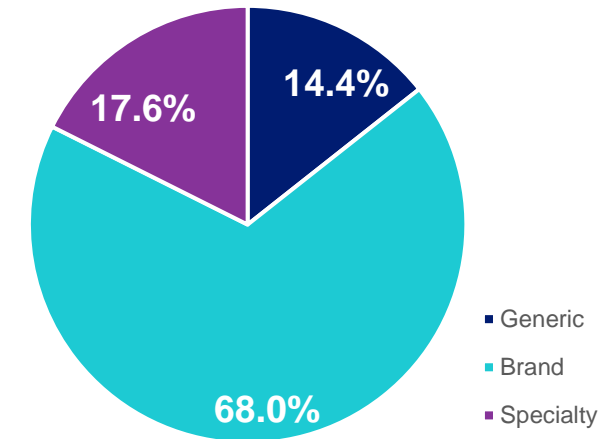
Observations

- Historically, rebates have reduced PMPM drug costs by 34-39%.

- Specialty drugs account for less than 1% of scripts and over 18% of allowed charges (before rebates), which drives overall trend.

Prescription Drug Cost per Day of Therapy

Prescription Drug Days per 1,000 Lives
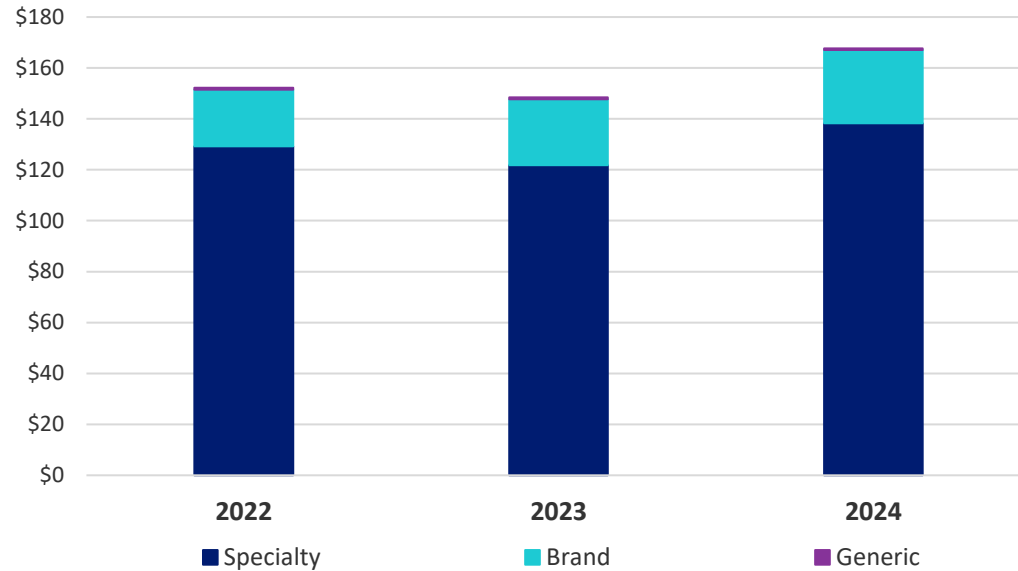
	2022	2023	2024
Plan Cost per Day of Therapy			
Generic	$0.70	$0.69	$0.69
Brand	$22.34	$25.86	$28.70
Specialty	$129.16	$121.86	$138.29
Total	$3.60	$3.95	$4.29
Trend			
Generic		-0.9%	-0.4%
Brand		15.7%	11.0%
Specialty		-5.7%	13.5%
Total		9.8%	8.7%
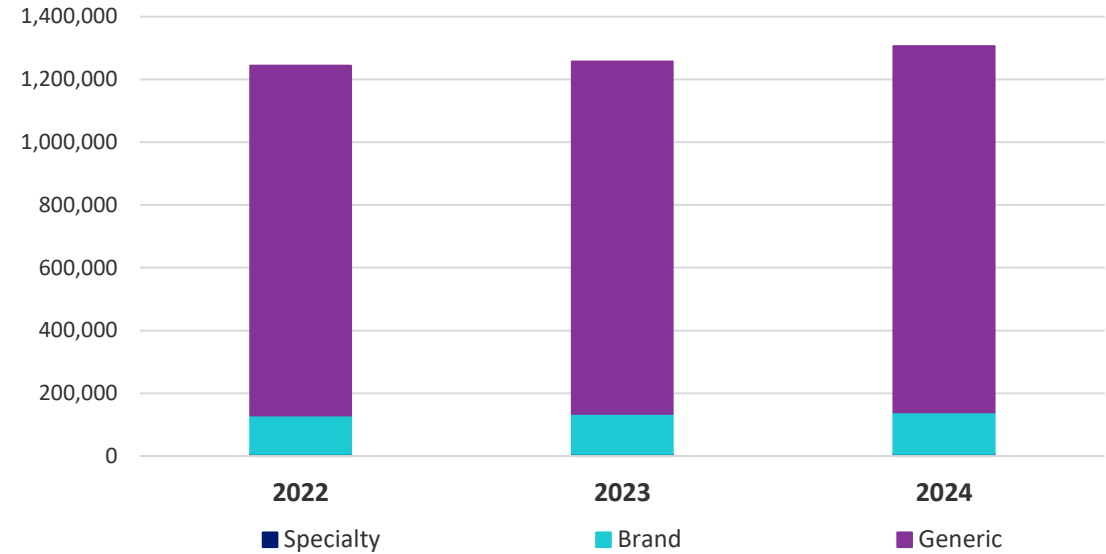
	2022	2023	2024
Days of Therapy per 1,000			
Generic	1,114,170	1,123,108	1,166,060
Brand	122,044	126,515	132,872
Specialty	7,488	7,492	7,139
Total	1,243,703	1,257,114	1,306,071
Trend			
Generic		0.8%	3.8%
Brand		3.7%	5.0%
Specialty		0.0%	-4.7%
Total		1.1%	3.9%

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

★ Segal

Distribution of Plan Costs
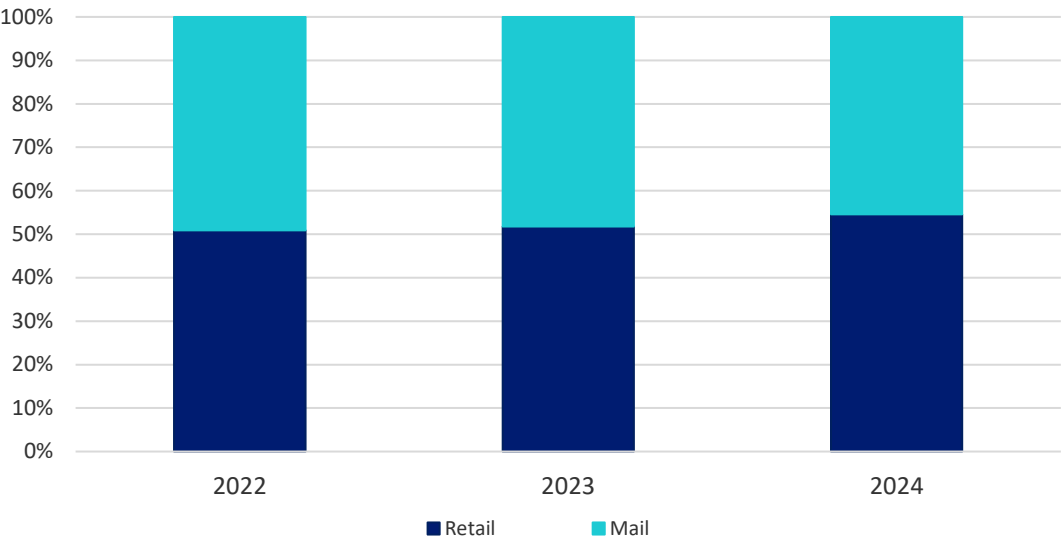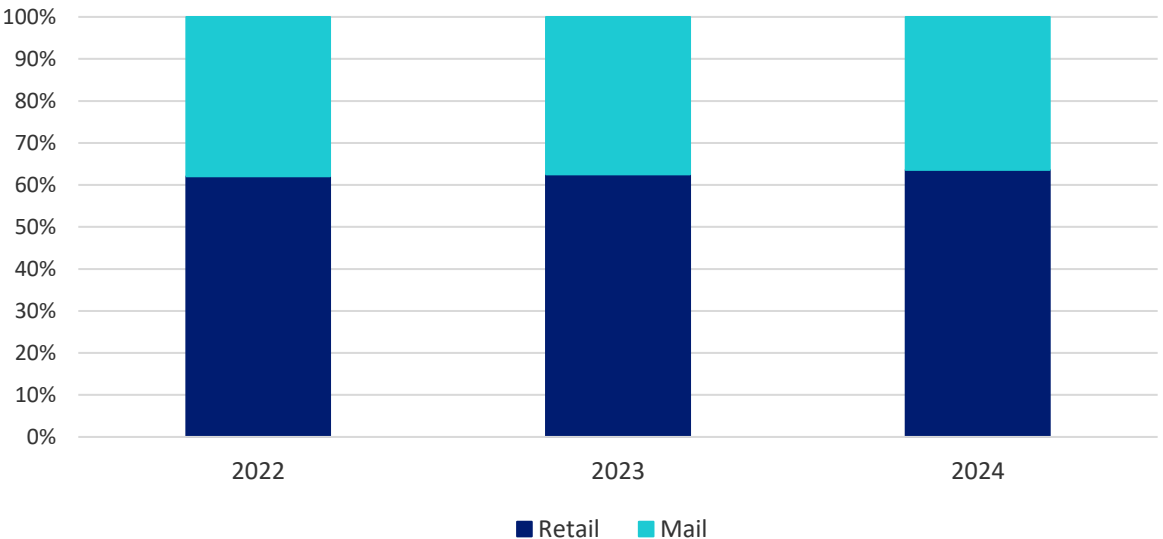
	2022	2023	2024
Allowed			
Retail	$78,866,535	$84,485,224	$95,236,159
Mail	$76,009,872	$78,672,373	$79,197,797
Total	$154,876,406	$163,157,597	$174,433,956
% Retail	50.9%	51.8%	54.6%

Distribution of 30-Day Adjusted Scripts

	2022	2023	2024
30-Day Adjusted Script Count			
Retail	890,793	860,898	861,516
Mail	544,225	516,368	492,938
Total	1,435,019	1,377,266	1,354,454
% Retail	62.08%	62.51%	63.61%

Observations

- Between 2022 and 2024, the proportion of aggregate costs and the proportion of scripts dispensed at retail have increased.
- In 2024, the average day of therapy per script at retail and mail order pharmacy was 39.4 and 83.8 days, respectively.

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

Cost vs. Quantity: Top 10 Specialty Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	HUMIRA							
	Allowed Cost per Patient	$56,720	$62,514	$55,998	10.2%	-10.4%	↓	↑
	Patients per 1,000	3.7	4.0	4.2	7.0%	7.3%		
	Average Cost per DOT	$242.15	$264.41	$273.29	9.2%	3.4%	↑	↓
	DOT per 1,000	866.2	935.2	869.4	8.0%	-7.0%		
2	ENBREL							
	Allowed Cost per Patient	$53,090	$55,880	$55,568	5.3%	-0.6%	↔	↑
	Patients per 1,000	2.1	2.0	2.2	-2.0%	5.6%		
	Average Cost per DOT	$224.09	$246.67	$257.95	10.1%	4.6%	↑	↔
	DOT per 1,000	492.8	461.8	463.9	-6.3%	0.5%		
3	XTANDI							
	Allowed Cost per Patient	$85,742	$74,295	$71,022	-13.3%	-4.4%	↓	↑
	Patients per 1,000	0.9	1.1	1.3	15.2%	26.8%		
	Average Cost per DOT	$392.97	$438.06	$454.02	11.5%	3.6%	↑	↑
	DOT per 1,000	201.7	180.6	211.2	-10.5%	16.9%		
4	DUPIXENT							
	Allowed Cost per Patient	$26,125	$30,838	$30,969	18.0%	0.4%	↔	↑
	Patients per 1,000	1.9	2.3	3.1	18.1%	37.1%		
	Average Cost per DOT	$118.75	$126.95	$137.45	6.9%	8.3%	↑	↑
	DOT per 1,000	419.5	546.9	695.2	30.4%	27.1%		
5	IBRANCE							
	Allowed Cost per Patient	$110,919	$107,707	$133,875	-2.9%	24.3%	↑	↓
	Patients per 1,000	0.8	0.9	0.6	17.5%	-27.1%		
	Average Cost per DOT	$492.80	$541.52	$586.66	9.9%	8.3%	↑	↓
	DOT per 1,000	169.1	175.5	146.7	3.8%	-16.4%		
6	IMBRUVICA							
	Allowed Cost per Patient	$131,509	$115,878	$126,968	-11.9%	9.6%	↑	↓
	Patients per 1,000	0.8	0.8	0.7	1.3%	-11.3%		
	Average Cost per DOT	$467.87	$538.27	$534.12	15.0%	-0.8%	↔	↓
	DOT per 1,000	211.1	163.7	160.5	-22.4%	-2.0%		
7	REVLIMID							
	Allowed Cost per Patient	$89,836	$56,942	$88,041	-36.6%	54.6%	↑	↓
	Patients per 1,000	1.4	1.0	0.7	-26.1%	-29.6%		
	Average Cost per DOT	$650.68	$636.11	$640.51	-2.2%	0.7%	↔	↑
	DOT per 1,000	187.5	89.9	97.2	-52.1%	8.1%		
8	OFEV							
	Allowed Cost per Patient	$73,323	$72,227	$81,550	-1.5%	12.9%	↑	↓
	Patients per 1,000	0.6	0.8	0.7	31.6%	-2.8%		
	Average Cost per DOT	$362.09	$398.60	$441.12	10.1%	10.7%	↑	↔
	DOT per 1,000	117.0	137.8	136.7	17.8%	-0.8%		
9	KISQALI							
	Allowed Cost per Patient	$88,973	$71,259	$81,021	-19.9%	13.7%	↑	↑
	Patients per 1,000	0.0	0.3	0.7	847.9%	146.5%		
	Average Cost per DOT	$529.60	$558.65	$566.58	5.5%	1.4%	↑	↑
	DOT per 1,000	4.9	34.9	96.5	619.7%	176.3%		
10	STELARA							
	Allowed Cost per Patient	$80,673	$95,072	$117,985	17.8%	24.1%	↑	↑
	Patients per 1,000	0.5	0.4	0.4	-14.4%	5.6%		
	Average Cost per DOT	$370.91	$401.28	$460.88	8.2%	14.9%	↑	↑
	DOT per 1,000	100.5	93.7	107.0	-6.8%	14.2%		

Observations

- $7.4M was spent on Humira in 2024, which is down from $8.1M in 2023. The reduction is attributable to the launch of biosimilar products in April 2024.

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Biosimilar Utilization: Humira

Plan Paid per 30-Day Supply

Humira values: $6,829 / $6,432 / $6,302 / $6,410 / $7,136 / $7,240 / $8,049 / $7,509 / $7,414 / $7,580 / $7,783 / $7,923 / $6,431 / $7,555 / $6,345 / $7,445 / $7,989 / $7,977 / $7,888 / $8,511 / $8,152 / $7,639 / $8,688 / $8,103 / $7,224 / $6,984 / $8,535 / $7,808

Legend: Humira, Biosimilars

Days of Therapy Dispensed

Humira values: 2,496 / 2,636 / 2,214 / 2,436 / 2,806 / 2,570 / 1,990 / 2,898 / 2,520 / 2,366 / 2,862 / 2,942 / 2,124 / 2,664 / 2,028 / 2,622 / 2,830 / 2,118 / 2,550 / 2,246 / 1,965 / 2,272 / 1,636 / 1,992 / 1,742 / 1,486 / 2,108 / 1,206

Legend: Humira, Biosimilars
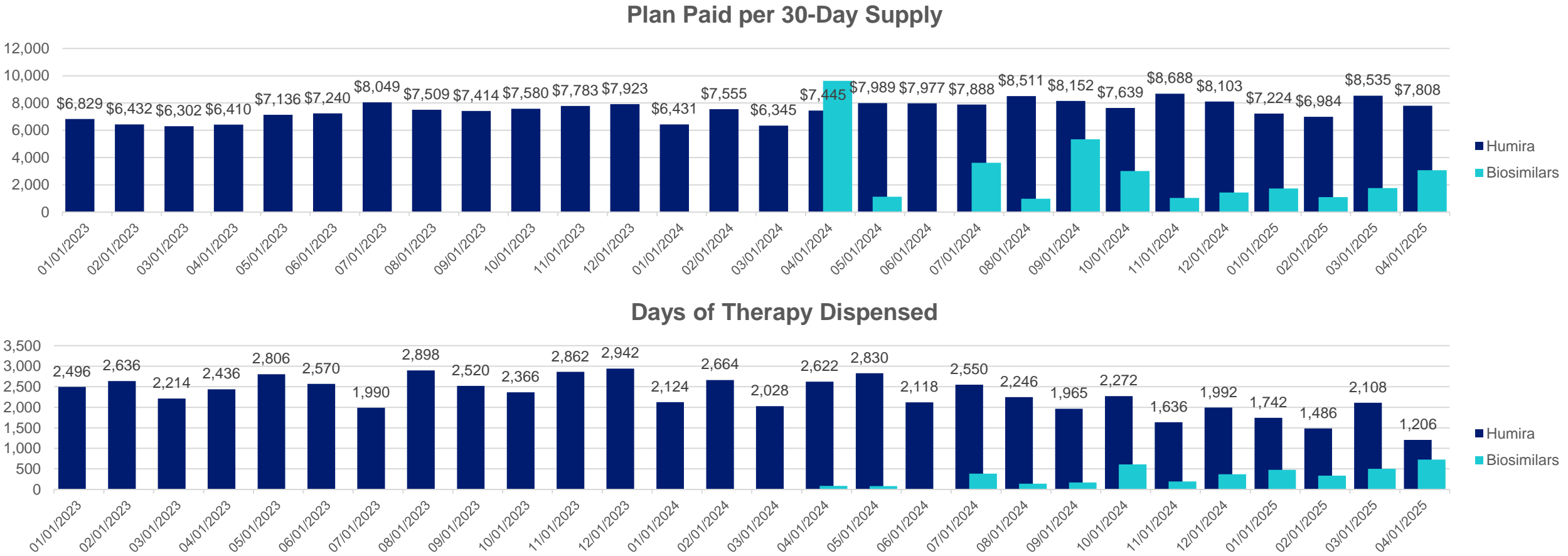
Observations

- NM RHCA members began using biosimilar's to Humira in April 2024 shortly after their launch.

- Between April 1, 2024 and March 31, 2025, the plan paid $6.8M, or $7,937 for a 30-day supply, for Humira while the average cost of a 30-day supply for biosimilars was 70% less at $2,390 per 30-day supply.

- The utilization of Humira was reduced by 15.4% based on days supply dispensed per month during the initial 12 months of biosimilar availability.

Notes:
1. Biosimilars include Adalimumab, Cyltezo, and Idacio
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

★ Segal

Biosimilar Utilization: Humira

2024 Humira Plan Paid
- Humira
- Biosimilars

$197,752
$6,954,602

Days Supply
- Humira
- Biosimilars

2,039
27,047

Prescriptions
- Humira
- Biosimilars

34
464

2024 Cost per 30-Day Supply

Drug	Cost
Adalimumab-adaz	$1,133
Adalimumab-ryvk	$1,250
Adalimumab-adbm	$1,274
Idacio	$7,315
Cyltezo	$15,361
Humira	$7,714

Observations

- NM RHCA members began using biosimilar's to Humira in April 2024 shortly after their launch.
- The average cost for a 30-day supply of Humira was $7,714 as compared to $2,910 for a biosimilar drug.

Notes:
1. Biosimilars include Adalimumab, Cyltezo, and Idacio
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Cost vs. Quantity: Top 10 Brand Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	**ELIQUIS**							
	Allowed Cost per Patient	$3,466	$3,617	$3,840	4.4%	6.2%	↑	↑
	Patients per 1,000	60.7	67.5	77.3	11.2%	14.5%		
	Average Cost per DOT	$15.92	$16.78	$17.73	5.4%	5.7%	↑	↑
	DOT per 1,000	13,222.1	14,556.3	16,749.1	10.1%	15.1%		
2	**OZEMPIC** ⭐							
	Allowed Cost per Patient	$4,669	$3,550	$4,626	-24.0%	30.3%	↑	↑
	Patients per 1,000	15.9	36.4	50.4	129.0%	38.4%		
	Average Cost per DOT	$27.90	$28.95	$30.19	3.8%	4.3%	↑	↑
	DOT per 1,000	2,664.1	4,469.2	7,727.8	67.8%	72.9%		
3	**MOUNJARO** ⭐							
	Allowed Cost per Patient	$1,693	$2,993	$3,712	76.8%	24.0%	↑	↑
	Patients per 1,000	2.3	20.3	42.1	776.8%	108.0%		
	Average Cost per DOT	$32.04	$33.26	$34.77	3.8%	4.5%	↑	↑
	DOT per 1,000	122.1	1,823.3	4,498.8	1393.1%	146.7%		
4	**JARDIANCE**							
	Allowed Cost per Patient	$2,878	$3,267	$3,556	13.5%	8.9%	↑	↑
	Patients per 1,000	18.1	27.3	38.0	51.0%	39.4%		
	Average Cost per DOT	$16.91	$17.52	$18.10	3.6%	3.3%	↑	↑
	DOT per 1,000	3,072.6	5,083.8	7,463.5	65.5%	46.8%		
5	**TRULICITY** ⭐							
	Allowed Cost per Patient	$5,256	$5,018	$4,802	-4.5%	-4.3%	↓	↓
	Patients per 1,000	29.1	33.0	27.3	13.5%	-17.4%		
	Average Cost per DOT	$28.62	$30.03	$31.49	4.9%	4.9%	↑	↓
	DOT per 1,000	5,347.6	5,521.8	4,161.8	3.3%	-24.6%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	**XARELTO**							
	Allowed Cost per Patient	$3,175	$3,469	$3,592	9.2%	3.5%	↑	↑
	Patients per 1,000	29.4	28.6	29.4	-2.6%	2.8%		
	Average Cost per DOT	$15.66	$16.38	$17.12	4.6%	4.6%	↑	↑
	DOT per 1,000	5,962.0	6,064.4	6,176.3	1.7%	1.8%		
7	**FARXIGA**							
	Allowed Cost per Patient	$3,428	$3,589	$3,696	4.7%	3.0%	↑	↑
	Patients per 1,000	16.4	21.0	24.1	28.2%	15.2%		
	Average Cost per DOT	$16.51	$16.99	$17.47	2.9%	2.8%	↑	↑
	DOT per 1,000	3,395.2	4,427.7	5,107.7	30.4%	15.4%		
8	**RINVOQ**							
	Allowed Cost per Patient	$37,671	$46,345	$49,056	23.0%	5.9%	↑	↑
	Patients per 1,000	1.1	1.5	1.8	39.5%	20.7%		
	Average Cost per DOT	$191.20	$211.76	$220.23	10.8%	4.0%	↑	↑
	DOT per 1,000	210.6	326.3	400.9	54.9%	22.9%		
9	**WEGOVY** ⭐							
	Allowed Cost per Patient	$3,086	$2,489	$3,068	-19.3%	23.2%	↑	↑
	Patients per 1,000	2.1	14.5	25.3	607.6%	74.5%		
	Average Cost per DOT	$45.36	$45.05	$45.23	-0.7%	0.4%	↔	↑
	DOT per 1,000	139.5	802.0	1,718.0	474.8%	114.2%		
10	**SKYRIZI**							
	Allowed Cost per Patient	$45,493	$57,976	$62,550	27.4%	7.9%	↑	↑
	Patients per 1,000	0.7	1.0	1.1	49.2%	2.5%		
	Average Cost per DOT	$263.22	$282.81	$272.39	7.4%	-3.7%	↓	↑
	DOT per 1,000	119.8	212.1	243.6	77.0%	14.9%		

Observations

- Four of the top 10 brand drugs are GLP-1 products with allowed charges totaling $18.6M in 2024.
  - While Trulicity utilization is declining, costs for Ozempic, Mounjaro and Wegovy are significant drivers of trend for both utilization and costs.
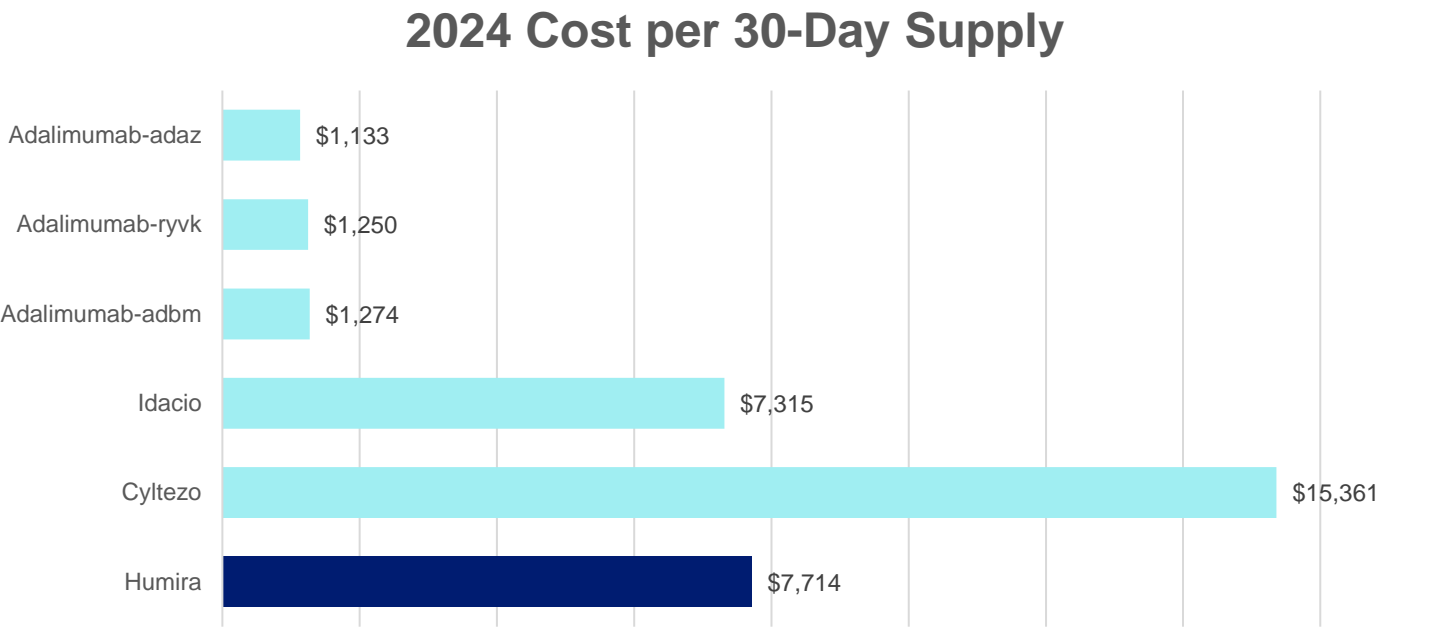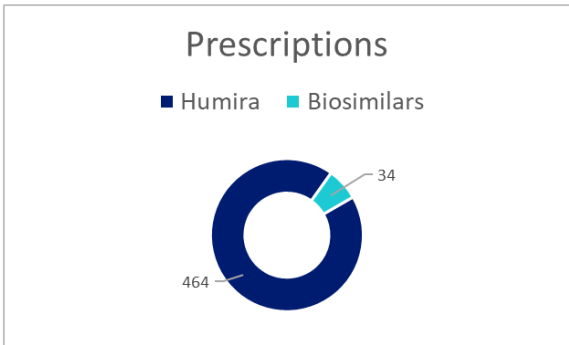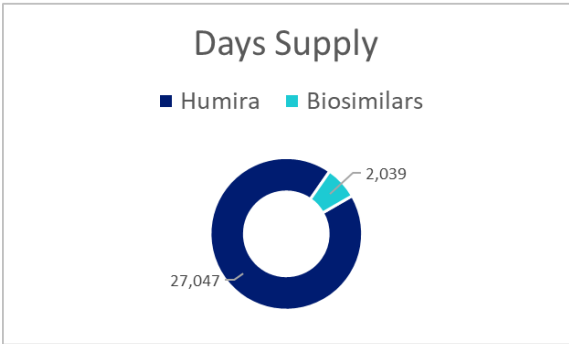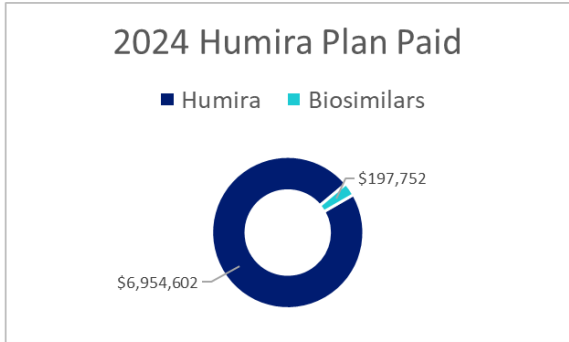
Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

GLP-1 Utilization: Ozempic

Ozempic
January 1, 2021 through April 30, 2025

Legend: ■ # of Distinct Patients ■ # of Scripts ●— Plan Paid per 30-day Supply
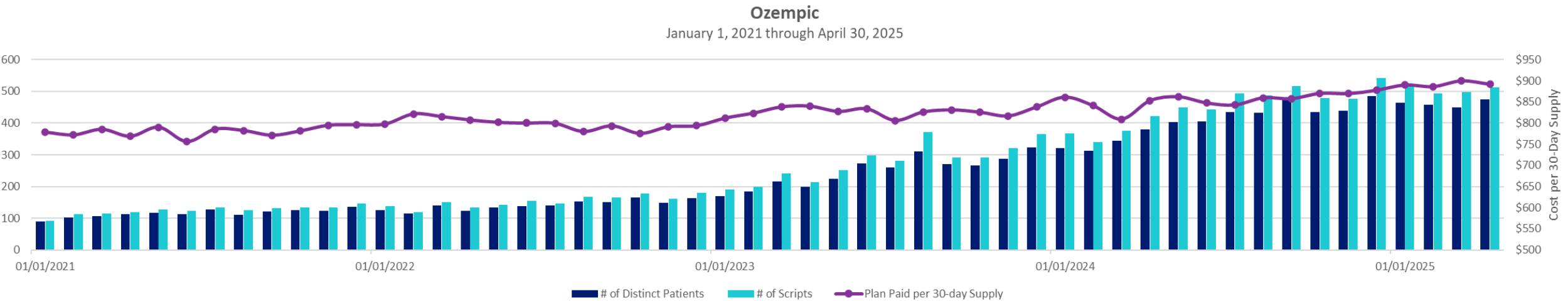
Ozempic	2022	2023	2024	2023	2024
Average Cost per Patient	$4,669	$3,550	$4,616	-24.0%	30.3%
Patients per 1,000	15.9	36.4	50.4	129.0%	38.4%
Average Cost per DOT	$27.90	$28.95	$30.19	3.8%	4.3%
DOT per 1,000	2,664.1	4,469.2	7,727.8	67.8%	72.9%

Observations

- The number of distinct patients utilizing Ozempic grew 31% from 1,198 in 2023 to 1,569 in 2024.
- While the average cost per day experienced a moderate increase in 2024, the number of days of therapy dispensed outpaced the increase in the number of patients.

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

★ Segal

Mounjaro
January 1, 2021 through April 30, 2025

Legend: ■ # of Distinct Patients ■ # of Scripts ●— Plan Paid per 30-day Supply

Mounjaro	2022	2023	2024	2023	2024
Average Cost per Patient	$1,693	$2,993	$3,712	76.8%	24.0%
Patient per 1,000	2.3	20.3	42.1	776.8%	108.0%
Average Cost per DOT	$32.04	$33.26	$34.77	3.8%	4.5%
DOT per 1,000	122.1	1,823.3	4,498.8	1,393.1%	146.7%

Observations

- The number of distinct patients utilizing Mounjaro grew by 96.8% from 666 in 2023 to 1,311 in 2024.
- While the average cost per day experienced a moderate increase in 2024, the number of days of therapy dispensed outpaced the increase in the number of patients.

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

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★ Segal   18

GLP-1 Utilization: Trulicity

Trulicity
January 1, 2021 through April 30, 2025

Legend: ■ # of Distinct Patients ■ # of Scripts ● Plan Paid per 30-day Supply
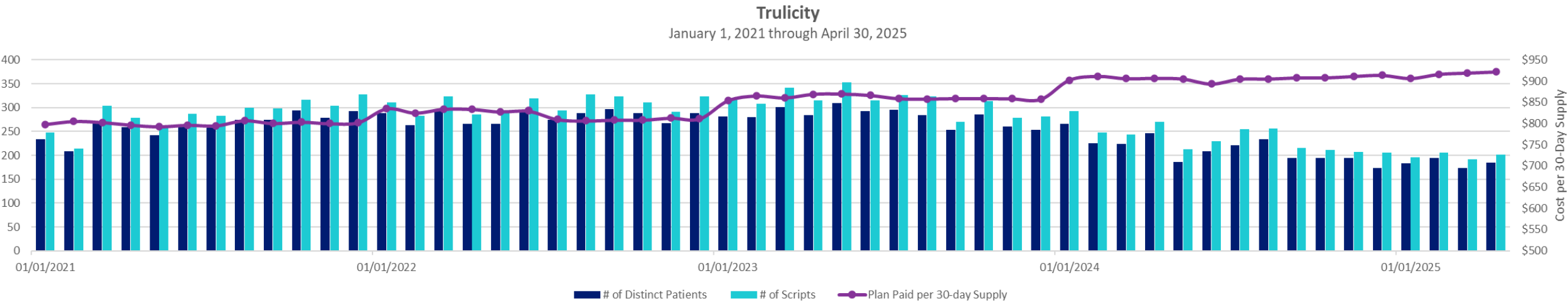
Trulicity	2022	2023	2024	2023	2024
Average Cost per Patient	$5,256	$5,018	$4,802	-4.5%	-4.3%
Patient per 1,000	29.1	33.0	27.3	13.5%	-17.4%
Average Cost per DOT	$28.62	$30.03	$31.49	4.9%	4.9%
DOT per 1,000	5,347.6	5,521.8	4,161.8	3.3%	-24.6%

Observations

- The number of distinct patients utilizing Trulicity fell by 21.8% from 1,086 in 2023 to 849 in 2024.
- While the average cost per day experienced a moderate increase in 2024, the number of days of therapy dispensed has been declining.

Notes:
1. DOT means Days of Therapy
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.
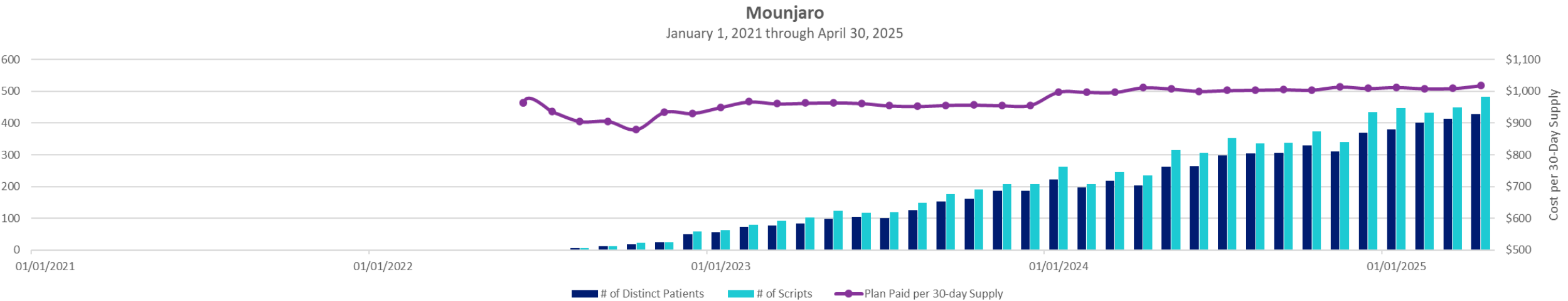
Commercial Prescription Drug

Prescription Drug PMPM Cost

Legend: Generic | Brand | Specialty | Generic | Brand - Net of Rebates | Specialty - Net of Rebates
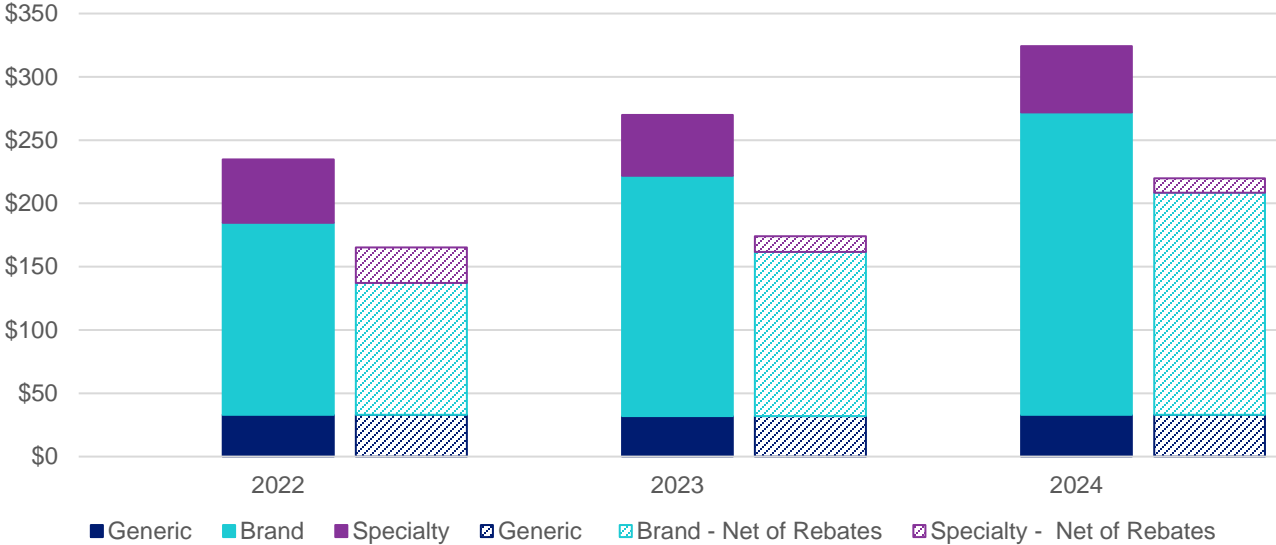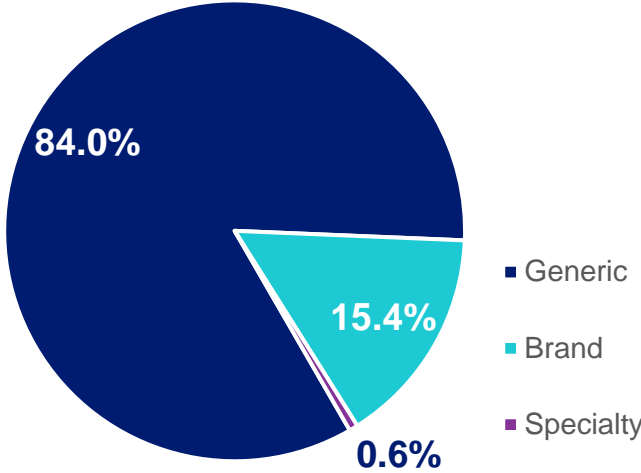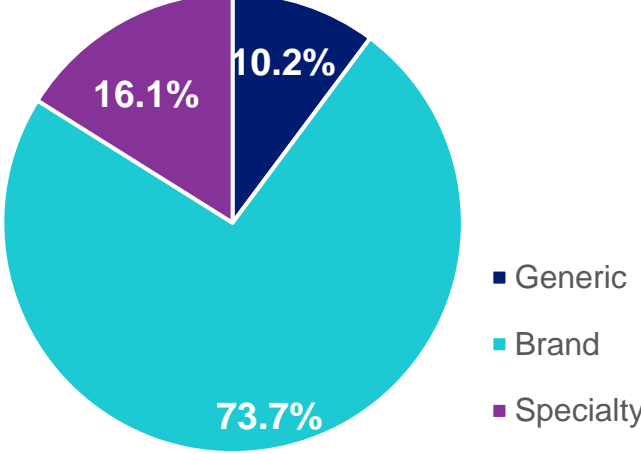
	2022	2023	2024
Plan Cost PMPM			
Generic	$33.00	$32.01	$33.04
Brand	$151.78	$189.82	$238.92
Specialty	$50.00	$48.09	$52.16
Plan Cost PMPM Trend			
Generic		-3.0%	3.2%
Brand		25.1%	25.9%
Specialty		-3.8%	8.5%

Observations

- Historically, rebates have reduced PMPM drug costs by 30-36%.
- Specialty drugs account for less than 1% of scripts and about 16% of allowed charges (before rebates), which drives overall trend.

Distribution of Scripts

- Generic: 84.0%
- Brand: 15.4%
- Specialty: 0.6%

Distribution of Plan Costs

- Generic: 10.2%
- Brand: 73.7%
- Specialty: 16.1%

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Prescription Drug Cost per Day of Therapy
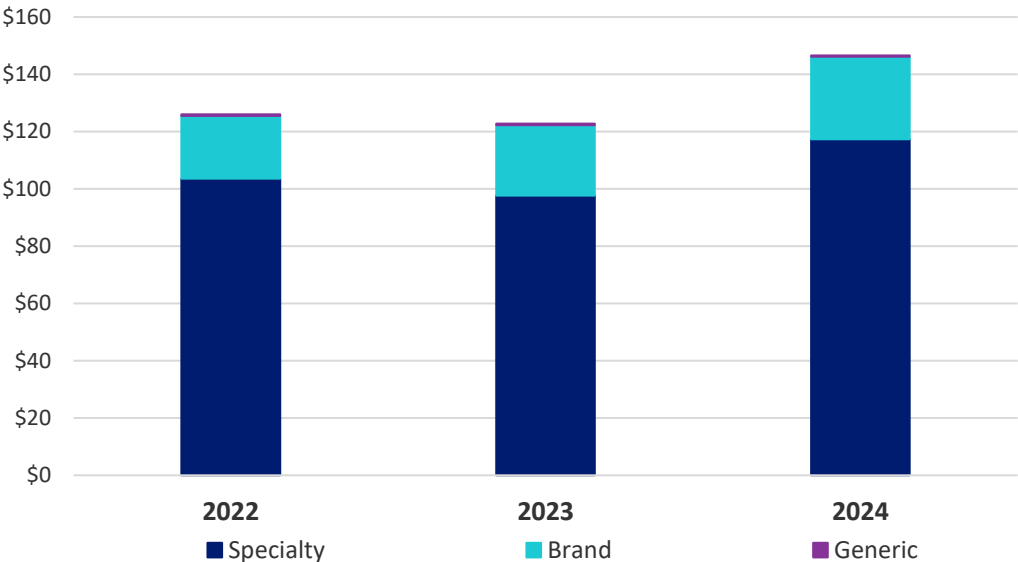
	2022	2023	2024
Plan Cost per Day of Therapy			
Generic	$0.57	$0.55	$0.54
Brand	$21.85	$24.59	$28.78
Specialty	$103.57	$97.68	$117.32
Total	$3.59	$4.07	$4.64
Trend			
Generic		-3.3%	-1.7%
Brand		12.6%	17.1%
Specialty		-5.7%	20.1%
Total		13.3%	14.2%

Prescription Drug Days per 1,000 Lives

	2022	2023	2024
Days of Therapy per 1,000			
Generic	695,921	698,078	732,800
Brand	83,362	92,624	99,602
Specialty	5,793	5,908	5,336
Total	785,076	796,611	837,738
Trend			
Generic		0.3%	5.0%
Brand		11.1%	7.5%
Specialty		2.0%	-9.7%
Total		1.5%	5.2%

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

Distribution of Plan Costs
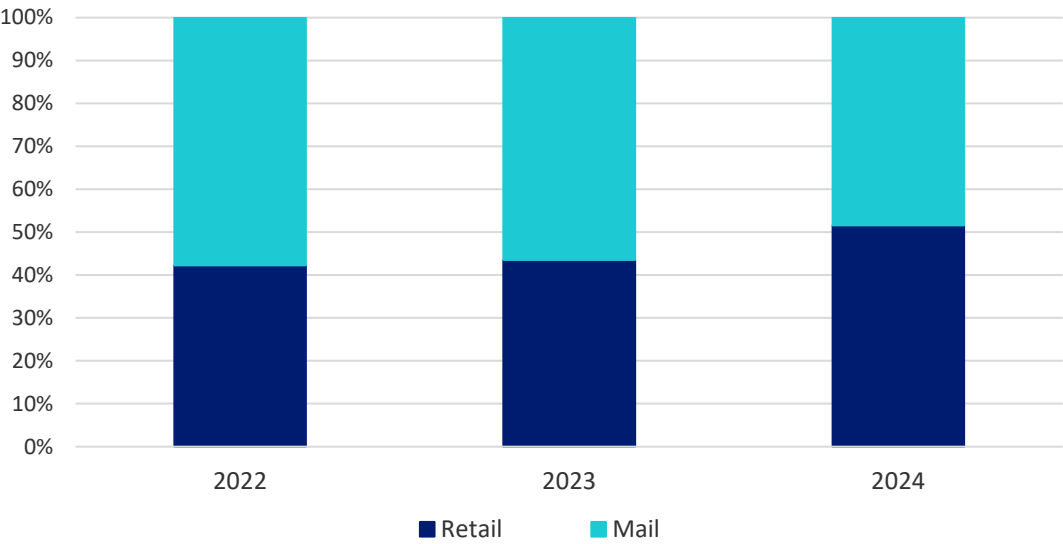
	2022	2023	2024
Allowed			
Retail	$16,046,948	$17,448,347	$22,323,178
Mail	$21,941,123	$22,603,451	$20,966,138
Total	$37,988,070	$40,051,798	$43,289,316
% Retail	42.2%	43.6%	51.6%

Distribution of 30-Day Adjusted Scripts
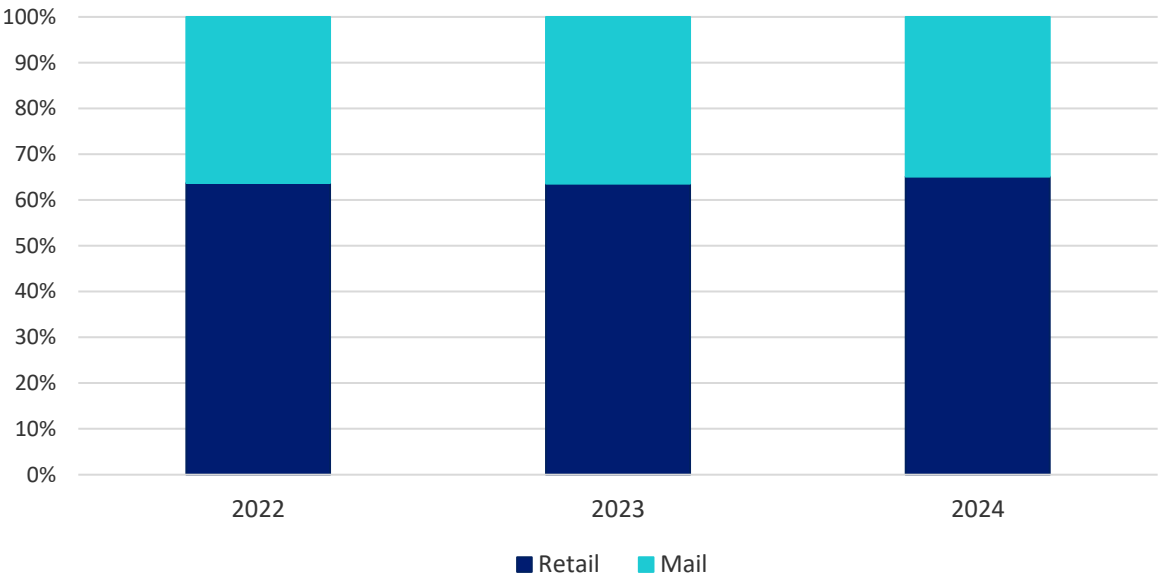
	2022	2023	2024
30-Day Adjusted Script Count			
Retail	224,850	208,841	202,317
Mail	128,004	119,503	108,481
Total	352,855	328,343	310,798
% Retail	63.7%	63.6%	65.1%

Observations

- Between 2022 and 2024, the proportion of aggregate costs have been relatively consistent, while the proportion of scripts dispensed at retail has decreased.
- In 2024, the average day of therapy per script at retail and mail order pharmacy was 29.9 and 81.9 days, respectively.

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

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★ Segal   23

EGWP Prescription Drug

Prescription Drug PMPM Cost

Distribution of Scripts

- Generic
- Brand
- Specialty
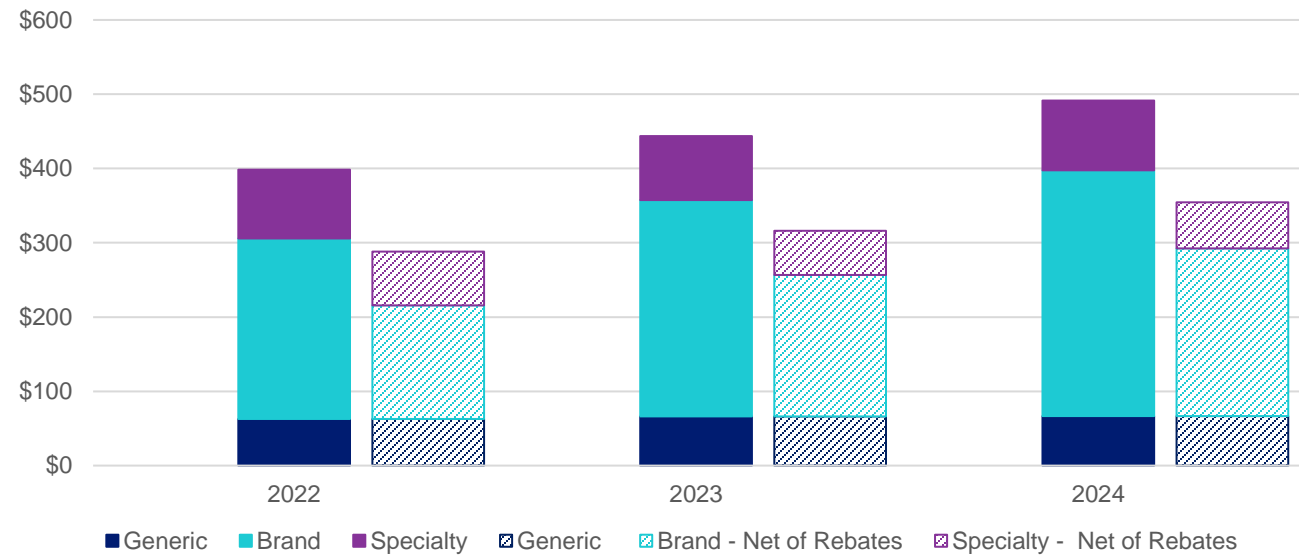
	2022	2023	2024
Plan Cost PMPM			
Generic	$62.74	$66.20	$66.46
Brand	$243.12	$291.43	$331.26
Specialty	$92.45	$86.10	$93.61
Plan Cost PMPM Trend			
Generic		5.5%	0.4%
Brand		19.9%	13.7%
Specialty		-6.9%	8.7%

Distribution of Plan Costs
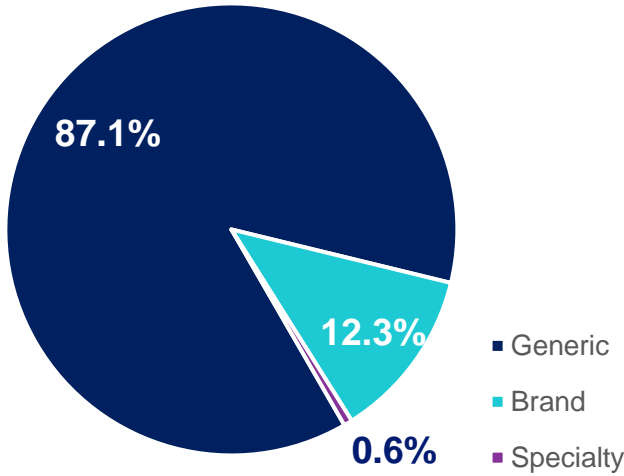
- Generic
- Brand
- Specialty
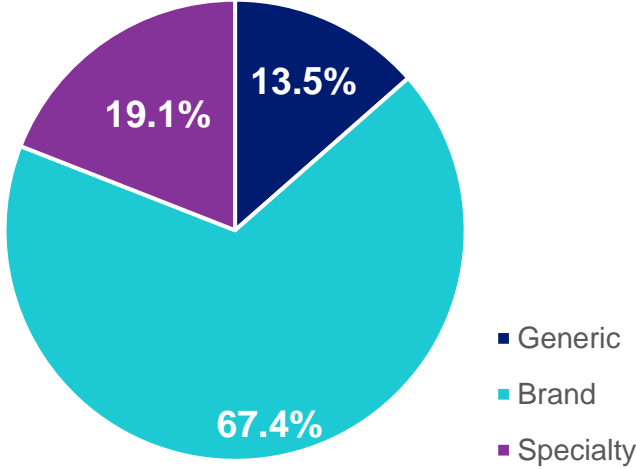
Observations

- Historically, rebates have reduced PMPM drug costs by 28-29%
- Specialty drugs account for less than 1% of scripts and about 19% of allowed charges (before rebates), which drives overall trend.

Segal 25

Prescription Drug Cost per Day of Therapy

Prescription Drug Days per 1,000 Lives

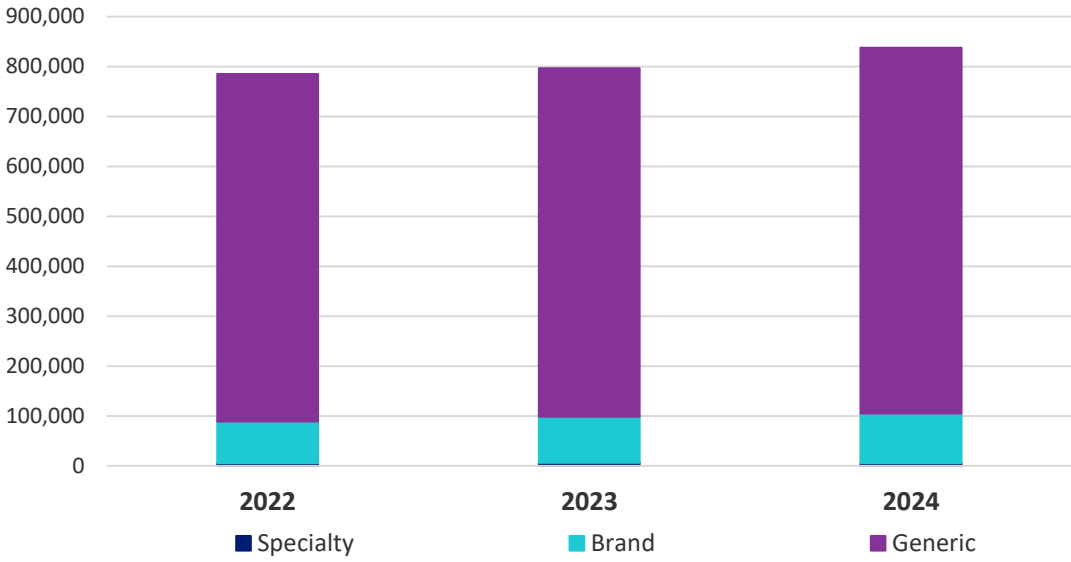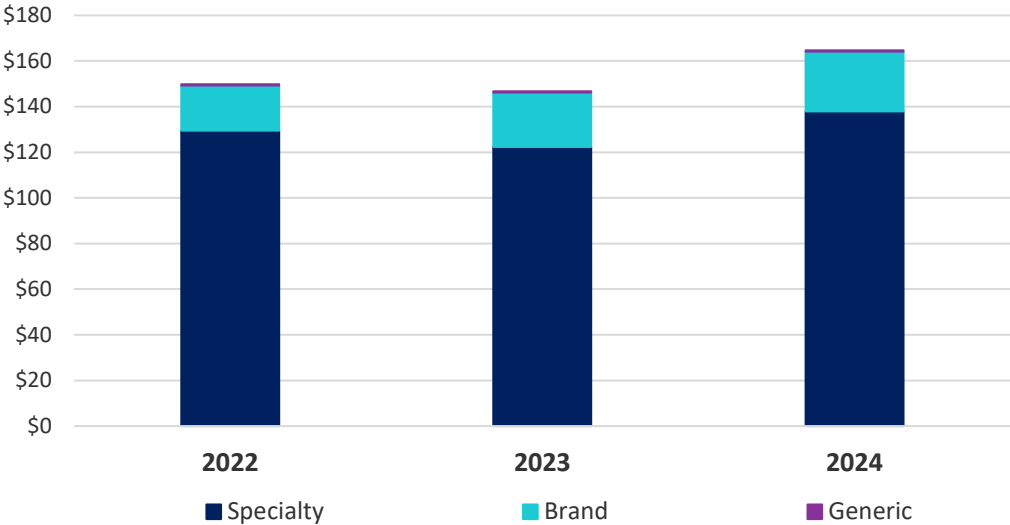|	2022	2023	2024
Plan Cost per Day of Therapy			
Generic	$0.55	$0.58	$0.57
Brand	$19.88	$23.80	$26.26
Specialty	$129.45	$122.32	$137.93
Total	$3.11	$3.47	$3.76
Trend			
Generic		5.6%	-1.6%
Brand		19.7%	10.3%
Specialty		-5.5%	12.8%
Total		11.5%	8.5%
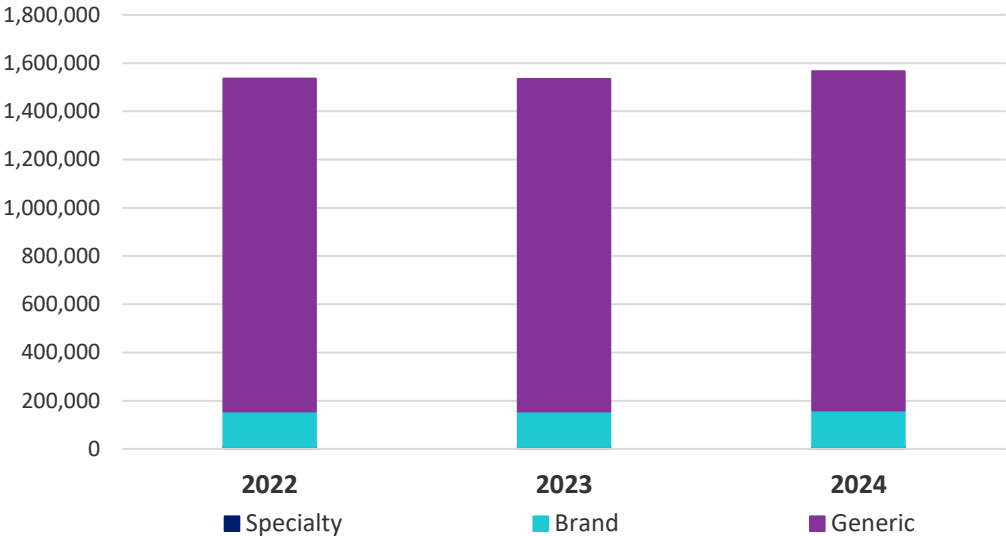
	2022	2023	2024
Days of Therapy per 1,000			
Generic	1,381,049	1,379,452	1,407,392
Brand	146,727	146,955	151,404
Specialty	8,570	8,447	8,144
Total	1,536,346	1,534,854	1,566,939
Trend			
Generic		-0.1%	2.0%
Brand		0.2%	3.0%
Specialty		-1.4%	-3.6%
Total		-0.1%	2.1%

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

Distribution of Plan Costs
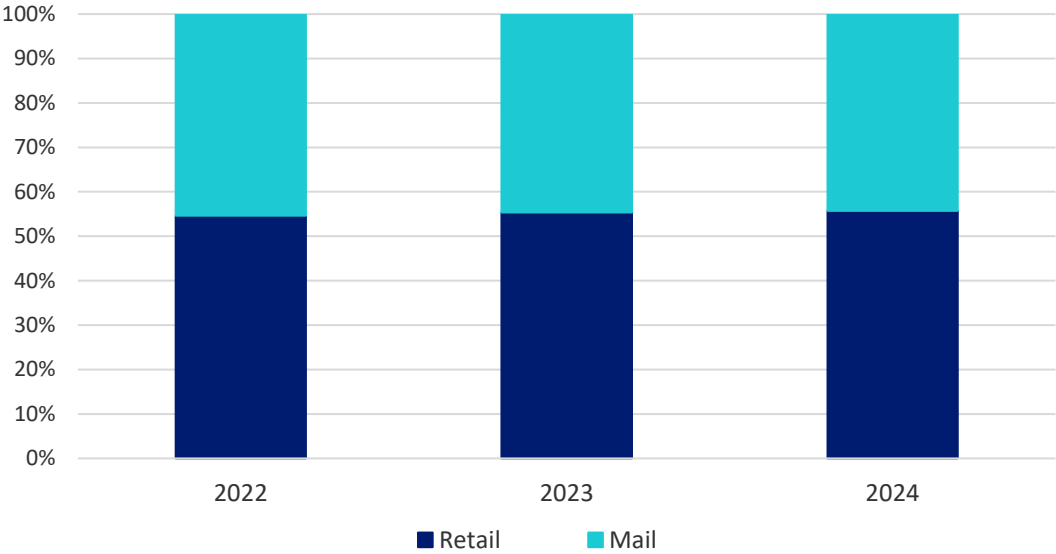
	2022	**2023**	**2024**
Allowed			
Retail	$55,186,682	$60,409,206	$65,650,408
Mail	$45,814,223	$48,759,205	$52,159,403
Total	$101,000,905	$109,168,411	$117,809,810
% Retail	54.6%	55.3%	55.7%

Distribution of 30-Day Adjusted Scripts
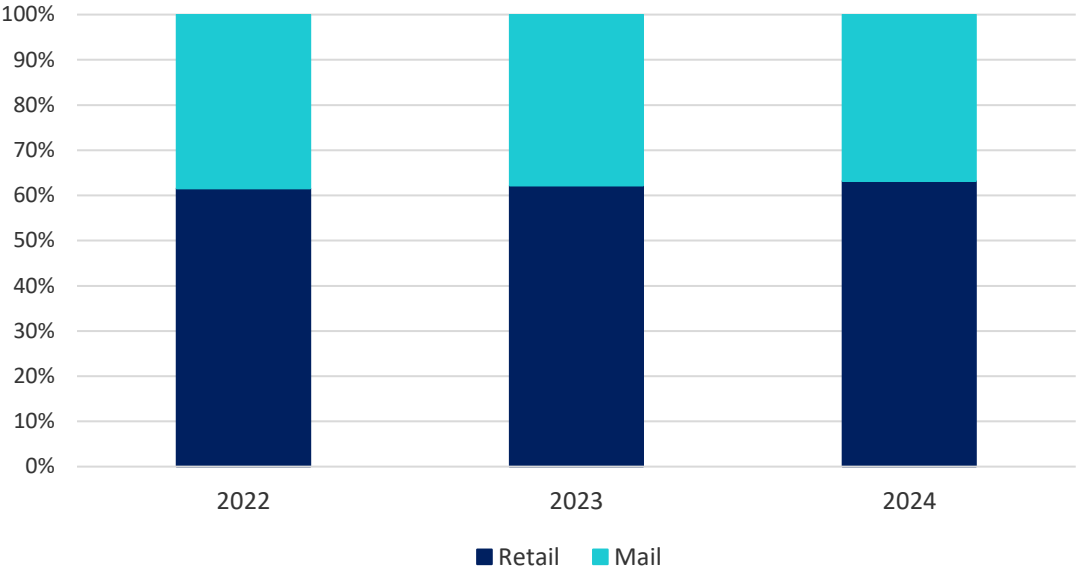
	2022	**2023**	**2024**
30-Day Adjusted Script Count			
Retail	665,943	652,058	659,199
Mail	416,221	396,865	384,456
Total	1,082,164	1,048,923	1,043,656
% Retail	61.5%	62.2%	63.2%

Observations

- Between 2022 and 2024, the proportion of scripts and costs for drugs dispensed at retail has been slightly increasing.
- In 2024, the average day of therapy per script at retail and mail order pharmacy was 43.6 and 84.3 days, respectively.

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

Appendix

Left table

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
29	ABIRATERONE							
	Allowed Cost per Patient	$33,187	$30,714	$35,000	-7.5%	14.0%	↑	↓
	Patients per 1,000	1.2	1.5	1.3	31.6%	-17.6%		
	Average Cost per DOT	$225.76	$242.60	$266.40	7.5%	9.8%	↑	↓
	DOT per 1,000	169.9	192.6	164.7	13.4%	-14.5%		
42	LENALIDOMIDE							
	Allowed Cost per Patient	$35,559	$75,871	$37,173	113.4%	-51.0%	↓	↑
	Patients per 1,000	0.4	0.4	0.8	5.3%	88.7%		
	Average Cost per DOT	$623.84	$570.46	$524.74	-8.6%	-8.0%	↓	↔
	DOT per 1,000	23.1	56.7	56.9	145.7%	0.5%		
51	MIRABEGRON							
	Allowed Cost per Patient	$0	$0	$1,418	0.0%	0.0%	↔	↔
	Patients per 1,000	-	-	16.9	0.0%	0.0%		
	Average Cost per DOT	$0.00	$0.00	$11.69	0.0%	0.0%	↔	↔
	DOT per 1,000	-	-	2,052.0	0.0%	0.0%		
58	ESTRADIOL							
	Allowed Cost per Patient	$306	$260	$221	-15.1%	-14.8%	↓	↑
	Patients per 1,000	63.5	78.9	89.5	24.1%	13.5%		
	Average Cost per DOT	$1.94	$1.82	$1.49	-6.3%	-18.4%	↓	↑
	DOT per 1,000	9,988.1	11,238.4	13,326.1	12.5%	18.6%		
60	EVEROLIMUS							
	Allowed Cost per Patient	$25,642	$33,568	$53,330	30.9%	58.9%	↑	↓
	Patients per 1,000	0.5	0.4	0.4	-18.1%	-17.0%		
	Average Cost per DOT	$245.51	$279.07	$325.54	13.7%	16.7%	↑	↑
	DOT per 1,000	54.3	51.2	57.9	-5.7%	13.0%		

Right table

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
66	AMBRISENTAN							
	Allowed Cost per Patient	$83,201	$66,415	$33,968	-20.2%	-48.9%	↓	↑
	Patients per 1,000	0.2	0.3	0.5	35.4%	99.6%		
	Average Cost per DOT	$255.44	$255.44	$256.64	0.0%	0.5%	↔	↑
	DOT per 1,000	65.9	71.2	72.3	8.1%	1.6%		
67	PIRFENIDONE							
	Allowed Cost per Patient	$25,331	$44,335	$47,323	75.0%	6.7%	↑	↑
	Patients per 1,000	0.4	0.4	0.4	-2.8%	5.6%		
	Average Cost per DOT	$281.46	$287.42	$264.00	2.1%	-8.1%	↓	↑
	DOT per 1,000	33.8	56.3	69.1	66.6%	22.8%		
82	PAZOPANIB							
	Allowed Cost per Patient	$0	$10,816	$60,506	0.0%	459.4%	↑	↑
	Patients per 1,000	-	0.1	0.2	0.0%	269.8%		
	Average Cost per DOT	$0.00	$360.53	$362.00	0.0%	0.4%	↔	↑
	DOT per 1,000	-	1.8	37.6	0.0%	1960.1%		
85	FLUTICASONE							
	Allowed Cost per Patient	$35	$110	$118	210.4%	7.9%	↑	↑
	Patients per 1,000	100.2	107.7	109.9	7.5%	2.1%		
	Average Cost per DOT	$0.36	$1.09	$1.13	202.4%	3.4%	↑	↑
	DOT per 1,000	9,826.3	10,839.7	11,545.7	10.3%	6.5%		
91	METOPROLOL							
	Allowed Cost per Patient	$73	$61	$52	-16.2%	-14.8%	↓	↑
	Patients per 1,000	205.7	211.2	242.8	2.7%	15.0%		
	Average Cost per DOT	$0.37	$0.32	$0.31	-13.2%	-4.6%	↓	↑
	DOT per 1,000	40,552.0	40,198.3	41,289.7	-0.9%	2.7%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Retail	2022	2023	2024
Allowed PMPM			
Generic	$26.72	$23.52	$24.76
Brand	$76.04	$95.87	$143.00
Specialty	$8.92	$10.62	$16.51
Total	$111.68	$130.01	$184.27
Allowed per Day of Therapy			
Generic	$0.54	$0.47	$0.47
Brand	$17.14	$20.14	$25.93
Specialty	$50.59	$48.94	$66.54
Total	$68.27	$69.56	$92.94
Days per 1,000 Lives			
Generic	448,750	450,685	480,858
Brand	49,597	53,583	61,802
Specialty	1,928	2,411	2,674
Total	500,276	506,679	545,333
Rx Count per 1,000 Lives			
Generic	14,385	14,308	15,394
Brand	2,668	2,992	2,739
Specialty	66	76	82
Total	17,119	17,375	18,215
Average Days per Script			
Generic	31.20	31.50	31.24
Brand	18.59	17.91	22.56
Specialty	29.28	31.92	32.56
Total	79.07	81.33	86.36

Mail	2022	2023	2024
Allowed PMPM			
Generic	$15.59	$16.83	$17.10
Brand	$98.67	$116.95	$120.83
Specialty	$51.79	$47.49	$44.44
Total	$166.05	$181.27	$182.37
Allowed per Day of Therapy			
Generic	$0.62	$0.69	$0.68
Brand	$28.77	$30.70	$33.46
Specialty	$130.01	$131.29	$168.32
Total	$159.40	$162.68	$202.45
Days per 1,000 Lives			
Generic	247,171	247,394	251,943
Brand	33,765	39,041	37,800
Specialty	3,865	3,497	2,662
Total	284,800	289,932	292,405
Rx Count per 1,000 Lives			
Generic	2,914	2,922	2,904
Brand	474	634	615
Specialty	75	64	50
Total	3,464	3,620	3,569
Average Days per Script			
Generic	84.81	84.65	86.77
Brand	71.22	61.58	61.42
Specialty	51.29	54.80	53.38
Total	207.32	201.04	201.57

2024 Top Therapeutic Classes

Rank	Therapeutic Class	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average Days Supply per Script
1	ANTIDIABETICS	3,892	21,933	983,461	$11,054,819	$2,840	$504.03	$11.24	44.8
2	ANALGESICS - ANTI-INFLAMMATORY	2,280	6,738	225,006	$6,971,265	$3,058	$1,034.62	$30.98	33.4
3	ANTINEOPLASTICS	350	1,691	79,724	$4,162,962	$11,894	$2,461.83	$52.22	47.1
4	DERMATOLOGICALS	2,738	5,364	125,802	$2,954,947	$1,079	$550.89	$23.49	23.5
5	ADHD/ANTI-NARCOLEPSY/ANTI-OBESITY/ANOREXIANTS	652	3,729	110,328	$2,898,634	$4,446	$777.32	$26.27	29.6
6	ANTIVIRALS	1,251	2,617	61,928	$1,855,659	$1,483	$709.08	$29.96	23.7
7	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	2,359	7,956	305,783	$1,175,668	$498	$147.77	$3.84	38.4
8	ANTICOAGULANTS	346	1,790	77,263	$956,676	$2,765	$534.46	$12.38	43.2
9	VACCINES	3,561	7,284	7,307	$912,378	$256	$125.26	$124.86	1.0
10	CARDIOVASCULAR AGENTS - MISC.	252	982	35,818	$908,083	$3,604	$924.73	$25.35	36.5
11	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	99	383	14,961	$900,646	$9,097	$2,351.56	$60.20	39.1
12	GASTROINTESTINAL AGENTS - MISC.	226	880	36,190	$821,896	$3,637	$933.97	$22.71	41.1
13	ASSORTED CLASSES	102	567	22,408	$784,075	$7,687	$1,382.85	$34.99	39.5
14	PASSIVE IMMUNIZING AGENTS	7	78	2,191	$650,263	$92,895	$8,336.70	$296.79	28.1
15	MEDICAL DEVICES	658	3,457	144,687	$619,852	$942	$179.30	$4.28	41.9
	All Other	48,443	177,003	7,091,094	$5,661,492	$116.87	$31.99	$0.80	40.1
Grand Total		**67,216**	**242,452**	**9,323,951**	**$43,289,316**	**$644.03**	**$178.55**	**$4.64**	**38.5**

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

2024 Top 15 Drugs

Rank	Drug Name	# Distinct Patients	Rx Count	Days of Therapy	Metric Quantity	Allowed Charge	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average Cost per MQ	Average Days Supply per Script
1	HUMIRA	72	235	14,356	1,083	$3,769,058	$52,348	$16,039	$263	$3,480	61.1
2	OZEMPIC	615	2,475	89,410	9,204	$2,788,042	$4,533	$1,126.48	$31.18	$302.92	36.1
3	MOUNJARO	635	1,874	64,532	4,611	$2,252,130	$3,547	$1,201.78	$34.90	$488.43	34.4
4	WEGOVY	597	1,435	42,086	3,968	$1,920,691	$3,217	$1,338.46	$45.64	$484.05	29.3
5	TRULICITY	353	1,300	49,724	3,537	$1,566,744	$4,438	$1,205.19	$31.51	$442.96	38.2
6	RINVOQ	28	104	6,116	6,116	$1,347,316	$48,118	$12,954.96	$220.29	$220.29	58.8
7	ENBREL	27	81	4,844	692	$1,271,058	$47,076	$15,692.07	$262.40	$1,836.79	59.8
8	JARDIANCE	318	1,423	66,465	66,015	$1,177,534	$3,703	$827.50	$17.72	$17.84	46.7
9	DUPIXENT	38	187	8,246	1,208	$1,134,592	$29,858	$6,067.33	$137.59	$939.23	44.1
10	ZEPBOUND	485	922	26,189	1,866	$945,005	$1,948	$1,024.95	$36.08	$506.43	28.4
11	FARXIGA	197	900	41,153	41,153	$709,457	$3,601	$788.29	$17.24	$17.24	45.7
12	SKYRIZI	12	29	2,324	29	$630,458	$52,538	$21,739.92	$271.28	$21,739.92	80.1
13	TALTZ	15	64	2,212	85	$604,012	$40,267	$9,437.68	$273.06	$7,106.02	34.6
14	ELIQUIS	169	757	32,523	65,249	$570,498	$3,376	$753.63	$17.54	$8.74	43.0
15	XTANDI	7	33	1,350	3,420	$567,996	$81,142	$17,211.99	$420.74	$166.08	40.9
	All Other	89,487	230,633	8,872,421	14,938,017	$27,713,892	$309.70	$120.16	$3.12	$1.86	38.5
Grand Total		**93,055**	**242,452**	**9,323,951**	**15,146,253**	**$48,968,480**	**$526.23**	**$201.97**	**$5.25**	**$3.23**	**38.5**

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

Cost vs. Quantity: Top 10 Specialty Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	HUMIRA							
	Allowed Cost per Patient	$53,954	$65,670	$52,348	21.7%	-20.3%	↓	↑
	Patients per 1,000	2.0	2.1	2.3	5.3%	10.2%		
	Average Cost per DOT	$234.91	$250.84	$262.54	6.8%	4.7%	↑	↓
	DOT per 1,000	457.8	549.6	461.4	20.0%	-16.0%		
2	ENBREL							
	Allowed Cost per Patient	$53,051	$51,742	$47,076	-2.5%	-9.0%	↓	↑
	Patients per 1,000	1.0	0.8	0.9	-16.4%	5.6%		
	Average Cost per DOT	$218.37	$242.20	$262.40	10.9%	8.3%	↑	↓
	DOT per 1,000	238.6	175.5	155.7	-26.5%	-11.3%		
3	DUPIXENT							
	Allowed Cost per Patient	$27,491	$32,386	$29,858	17.8%	-7.8%	↓	↑
	Patients per 1,000	0.9	1.0	1.2	8.7%	25.5%		
	Average Cost per DOT	$117.06	$124.41	$137.59	6.3%	10.6%	↑	↑
	DOT per 1,000	210.3	253.4	265.0	20.5%	4.6%		
4	TALTZ							
	Allowed Cost per Patient	$29,354	$35,534	$40,267	21.1%	13.3%	↑	↓
	Patients per 1,000	0.5	0.6	0.5	5.3%	-16.6%		
	Average Cost per DOT	$248.98	$253.82	$273.06	1.9%	7.6%	↑	↓
	DOT per 1,000	64.7	80.9	71.1	25.1%	-12.1%		
5	XTANDI							
	Allowed Cost per Patient	$55,698	$119,145	$81,142	113.9%	-31.9%	↓	↑
	Patients per 1,000	0.1	0.1	0.2	-57.9%	269.8%		
	Average Cost per DOT	$421.96	$441.28	$420.74	4.6%	-4.7%	↓	↑
	DOT per 1,000	19.1	16.4	43.4	-13.8%	164.1%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	GAMUNEX-C							
	Allowed Cost per Patient	$79,397	$69,937	$91,914	-11.9%	31.4%	↑	↑
	Patients per 1,000	0.1	0.2	0.2	5.3%	26.8%		
	Average Cost per DOT	$380.62	$306.47	$406.10	-19.5%	32.5%	↑	↑
	DOT per 1,000	30.1	34.7	43.6	15.2%	25.7%		
7	XELJANZ							
	Allowed Cost per Patient	$38,826	$40,075	$41,603	3.2%	3.8%	↑	↑
	Patients per 1,000	0.4	0.3	0.4	-17.3%	5.6%		
	Average Cost per DOT	$169.34	$179.20	$193.10	5.8%	7.8%	↑	↑
	DOT per 1,000	92.7	74.8	76.2	-19.3%	1.8%		
8	KISQALI							
	Allowed Cost per Patient	$88,973	$39,915	$110,449	-55.1%	176.7%	↑	↑
	Patients per 1,000	0.0	0.1	0.1	110.6%	111.3%		
	Average Cost per DOT	$529.60	$570.21	$631.13	7.7%	10.7%	↑	↑
	DOT per 1,000	4.9	4.3	22.5	-12.2%	428.2%		
9	STELARA							
	Allowed Cost per Patient	$72,310	$110,981	$99,886	53.5%	-10.0%	↓	↑
	Patients per 1,000	0.2	0.1	0.1	-29.8%	5.6%		
	Average Cost per DOT	$407.76	$466.30	$574.06	14.4%	23.1%	↑	↓
	DOT per 1,000	30.7	29.0	22.4	-5.8%	-22.8%		
10	REVLIMID							
	Allowed Cost per Patient	$106,202	$81,889	$163,624	-22.9%	99.8%	↑	↓
	Patients per 1,000	0.2	0.2	0.1	-12.2%	-57.7%		
	Average Cost per DOT	$669.34	$672.33	$779.16	0.4%	15.9%	↑	↓
	DOT per 1,000	27.5	18.5	13.5	-32.6%	-27.1%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Segal 33

Cost vs. Quantity: Top 10 Non-Specialty Brand Drugs

Commercial Rx Plan

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	**OZEMPIC**							
	Allowed Cost per Patient	$4,417	$3,162	$4,533	-28.4%	43.4%	↑	↑
	Patients per 1,000	6.0	14.8	19.8	147.3%	33.7%		
	Average Cost per DOT	$28.20	$29.25	$31.18	3.7%	6.6%	↑	↑
	DOT per 1,000	936.7	1,598.5	2,873.9	70.7%	79.8%		
2	**MOUNJARO**							
	Allowed Cost per Patient	$1,618	$3,008	$3,547	85.9%	17.9%	↑	↑
	Patients per 1,000	1.4	10.3	20.4	611.9%	98.5%		
	Average Cost per DOT	$31.93	$33.14	$34.90	3.8%	5.3%	↑	↑
	DOT per 1,000	73.2	933.3	2,074.2	1174.9%	122.2%		
3	**WEGOVY**							
	Allowed Cost per Patient	$3,208	$2,601	$3,217	-18.9%	23.7%	↑	↑
	Patients per 1,000	1.6	12.2	19.2	640.9%	57.3%		
	Average Cost per DOT	$46.17	$45.20	$45.64	-2.1%	1.0%	↔	↑
	DOT per 1,000	114.4	702.2	1,352.8	513.8%	92.6%		
4	**TRULICITY**							
	Allowed Cost per Patient	$5,109	$4,827	$4,438	-5.5%	-8.1%	↓	↓
	Patients per 1,000	13.0	14.1	11.3	9.1%	-19.8%		
	Average Cost per DOT	$28.74	$29.82	$31.51	3.8%	5.6%	↑	↓
	DOT per 1,000	2,305.6	2,289.9	1,598.3	-0.7%	-30.2%		
5	**RINVOQ**							
	Allowed Cost per Patient	$38,670	$44,058	$48,118	13.9%	9.2%	↑	↑
	Patients per 1,000	0.5	0.8	0.9	54.9%	18.3%		
	Average Cost per DOT	$190.55	$212.72	$220.29	11.6%	3.6%	↑	↑
	DOT per 1,000	99.7	157.5	196.6	58.1%	24.8%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	**JARDIANCE**							
	Allowed Cost per Patient	$3,186	$3,540	$3,703	11.1%	4.6%	↑	↑
	Patients per 1,000	8.2	9.2	10.2	12.7%	10.5%		
	Average Cost per DOT	$16.64	$17.05	$17.72	2.4%	3.9%	↑	↑
	DOT per 1,000	1,570.4	1,920.4	2,136.4	22.3%	11.2%		
7	**ZEPBOUND**							
	Allowed Cost per Patient	$0	$1,496	$1,948	0.0%	30.2%	↑	↑
	Patients per 1,000	-	0.3	15.6	0.0%	5023.7%		
	Average Cost per DOT	$0.00	$35.62	$36.08	0.0%	1.3%	↑	↑
	DOT per 1,000	-	12.8	841.8	0.0%	6487.4%		
8	**FARXIGA**							
	Allowed Cost per Patient	$3,604	$3,340	$3,601	-7.3%	7.8%	↑	↑
	Patients per 1,000	4.5	5.5	6.3	20.7%	15.6%		
	Average Cost per DOT	$16.41	$16.78	$17.24	2.2%	2.8%	↑	↑
	DOT per 1,000	996.0	1,090.1	1,322.8	9.5%	21.3%		
9	**SKYRIZI**							
	Allowed Cost per Patient	$46,350	$64,734	$52,538	39.7%	-18.8%	↓	↓
	Patients per 1,000	0.4	0.5	0.4	12.8%	-15.5%		
	Average Cost per DOT	$246.36	$257.97	$271.28	4.7%	5.2%	↑	↓
	DOT per 1,000	76.1	114.5	74.7	50.5%	-34.8%		
10	**ELIQUIS**							
	Allowed Cost per Patient	$3,006	$3,063	$3,376	1.9%	10.2%	↑	↑
	Patients per 1,000	4.9	4.7	5.4	-3.4%	14.4%		
	Average Cost per DOT	$15.95	$16.43	$17.54	3.0%	6.8%	↑	↑
	DOT per 1,000	925.9	884.8	1,045.4	-4.4%	18.1%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Segal

Cost vs. Quantity: Top 10 Non-Specialty Generic Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	**ESTRADIOL**							
	Allowed Cost per Patient	$303	$246	$233	-18.8%	-5.5%	↓	↑
	Patients per 1,000	31.3	38.5	42.0	23.1%	9.2%		
	Average Cost per DOT	$1.90	$1.76	$1.58	-7.3%	-10.4%	↓	↑
	DOT per 1,000	4,990.7	5,379.2	6,194.2	7.8%	15.2%		
2	**ABIRATERONE**							
	Allowed Cost per Patient	$26,393	$37,668	$40,210	42.7%	6.7%	↑	↓
	Patients per 1,000	0.1	0.2	0.1	68.5%	-47.2%		
	Average Cost per DOT	$183.28	$179.37	$243.70	-2.1%	35.9%	↑	↓
	DOT per 1,000	20.8	51.1	21.2	145.7%	-58.5%		
3	**PAZOPANIB**							
	Allowed Cost per Patient	$0	$0	$46,498	0.0%	0.0%	↔	↔
	Patients per 1,000	-	-	0.1	0.0%	0.0%		
	Average Cost per DOT	$0.00	$0.00	$357.68	0.0%	0.0%	↔	↔
	DOT per 1,000	-	-	12.5	0.0%	0.0%		
4	**ALBUTEROL**							
	Allowed Cost per Patient	$101	$95	$77	-5.7%	-19.3%	↓	↓
	Patients per 1,000	56.7	50.5	47.9	-10.8%	-5.2%		
	Average Cost per DOT	$1.97	$1.78	$1.40	-9.5%	-21.2%	↓	↓
	DOT per 1,000	2,897.3	2,694.4	2,615.0	-7.0%	-2.9%		
5	**FLUTICASONE**							
	Allowed Cost per Patient	$24	$30	$147	24.7%	391.9%	↑	↑
	Patients per 1,000	27.2	23.6	24.7	-12.9%	4.4%		
	Average Cost per DOT	$0.45	$0.56	$2.23	23.4%	300.1%	↑	↑
	DOT per 1,000	1,446.7	1,272.6	1,633.6	-12.0%	28.4%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	**TESTOSTERONE**							
	Allowed Cost per Patient	$673	$483	$466	-28.2%	-3.6%	↓	↑
	Patients per 1,000	4.6	6.1	7.6	31.8%	25.3%		
	Average Cost per DOT	$5.56	$5.45	$4.64	-2.0%	-15.0%	↓	↑
	DOT per 1,000	555.9	536.6	762.0	-3.5%	42.0%		
7	**FINGOLIMOD**							
	Allowed Cost per Patient	$0	$23,320	$18,434	0.0%	-21.0%	↓	↑
	Patients per 1,000	-	0.1	0.2	0.0%	32.1%		
	Average Cost per DOT	$0.00	$148.06	$153.62	0.0%	3.7%	↑	↔
	DOT per 1,000	-	19.2	19.3	0.0%	0.6%		
8	**TERIFLUNOMIDE**							
	Allowed Cost per Patient	$0	$20,479	$22,995	0.0%	12.3%	↑	↑
	Patients per 1,000	-	0.1	0.1	0.0%	111.3%		
	Average Cost per DOT	$0.00	$113.77	$113.56	0.0%	-0.2%	↔	↑
	DOT per 1,000	-	11.0	26.0	0.0%	137.7%		
9	**AMBRISENTAN**							
	Allowed Cost per Patient	$91,959	$49,811	$30,595	-45.8%	-38.6%	↓	↑
	Patients per 1,000	0.1	0.1	0.1	5.3%	58.5%		
	Average Cost per DOT	$255.44	$255.44	$254.95	0.0%	-0.2%	↔	↓
	DOT per 1,000	20.8	11.9	11.6	-43.0%	-2.5%		
10	**NP**							
	Allowed Cost per Patient	$219	$231	$243	5.5%	5.2%	↑	↓
	Patients per 1,000	11.6	12.1	11.2	4.5%	-6.9%		
	Average Cost per DOT	$1.09	$1.11	$1.09	2.4%	-2.5%	↓	↔
	DOT per 1,000	2,327.3	2,506.6	2,519.2	7.7%	0.5%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Segal

Retail	2022	2023	2024
Allowed PMPM			
Generic	$47.69	$45.74	$47.34
Brand	$144.51	$177.13	$205.12
Specialty	$47.56	$42.12	$42.09
Total	$239.76	$264.99	$294.54
Allowed per Day of Therapy			
Generic	$0.51	$0.52	$0.50
Brand	$19.81	$23.53	$25.57
Specialty	$102.84	$94.43	$98.88
Total	$123.16	$118.48	$124.96
Days per 1,000 Lives			
Generic	858,749	863,889	893,401
Brand	81,195	84,950	91,245
Specialty	5,493	5,294	5,072
Total	945,438	954,134	989,718
Rx Count per 1,000 Lives			
Generic	19,693	19,411	19,718
Brand	2,537	2,882	2,875
Specialty	147	134	129
Total	22,377	22,427	22,722
Average Days per Script			
Generic	43.61	44.51	45.31
Brand	32.00	29.47	31.74
Specialty	37.46	39.40	39.24
Total	113.06	113.38	116.29

Mail	2022	2023	2024
Allowed PMPM			
Generic	$31.82	$34.03	$33.87
Brand	$116.24	$131.61	$142.79
Specialty	$45.73	$44.81	$52.06
Total	$193.80	$210.45	$228.72
Allowed per Day of Therapy			
Generic	$0.60	$0.67	$0.67
Brand	$19.97	$24.17	$27.30
Specialty	$176.96	$169.16	$202.41
Total	$197.53	$193.99	$230.38
Days per 1,000 Lives			
Generic	522,300	515,562	513,991
Brand	65,531	62,005	60,158
Specialty	3,077	3,153	3,072
Total	590,908	580,720	577,221
Rx Count per 1,000 Lives			
Generic	6,139	6,067	6,047
Brand	799	762	750
Specialty	50	47	50
Total	6,987	6,877	6,847
Average Days per Script			
Generic	85.08	84.98	84.99
Brand	82.06	81.33	80.23
Specialty	61.75	66.43	61.75
Total	228.89	232.73	226.97

2024 Top Therapeutic Classes

Rank	Therapeutic Class	# Distinct Patients	Rx Count	Days of Therapy	Plan Cost	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average Days Supply per Script
1	ANTINEOPLASTICS	863	4,584	225,711	$26,023,770	$30,155	$5,677.09	$115.30	49.2
2	ANTIDIABETICS	8,502	39,566	2,355,959	$19,719,989	$2,319	$498.41	$8.37	59.5
3	ANTICOAGULANTS	2,805	13,337	745,072	$10,743,505	$3,830	$805.54	$14.42	55.9
4	ANALGESICS - ANTI-INFLAMMATORY	3,853	11,918	487,963	$10,679,529	$2,772	$896.08	$21.89	40.9
5	DERMATOLOGICALS	7,733	15,386	358,423	$5,825,583	$753	$378.63	$16.25	23.3
6	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	5,916	20,098	999,512	$4,996,561	$845	$248.61	$5.00	49.7
7	CARDIOVASCULAR AGENTS - MISC.	824	2,970	143,807	$4,224,702	$5,127	$1,422.46	$29.38	48.4
8	RESPIRATORY AGENTS - MISC.	30	221	7,501	$3,076,523	$102,551	$13,920.92	$410.15	33.9
9	ASSORTED CLASSES	260	1,175	50,031	$3,071,661	$11,814	$2,614.18	$61.40	42.6
10	ANTIVIRALS	2,485	4,504	110,397	$2,906,700	$1,170	$645.36	$26.33	24.5
11	OPHTHALMIC AGENTS	6,290	18,085	787,995	$2,713,709	$431	$150.05	$3.44	43.6
12	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	1,530	7,652	378,074	$2,569,011	$1,679	$335.73	$6.79	49.4
13	ENDOCRINE AND METABOLIC AGENTS - MISC.	1,638	6,095	418,234	$2,519,113	$1,538	$413.31	$6.02	68.6
14	GASTROINTESTINAL AGENTS - MISC.	684	2,498	115,412	$1,707,780	$2,497	$683.66	$14.80	46.2
15	VACCINES	7,148	10,173	22,695	$1,622,352	$227	$159.48	$71.49	2.2
	All Other	123,147	432,561	24,102,881	$15,409,320	$125.13	$35.62	$0.64	55.7
Grand Total		**173,708**	**590,823**	**31,309,667**	**$117,809,810**	**$678.21**	**$199.40**	**$3.76**	**53.0**

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

2024 Top 15 Drugs

Rank	Drug Name	# Distinct Patients	Rx Count	Days of Therapy	Metric Quantity	Allowed Charge	Average Cost per Patient	Average Cost per Script	Average Cost per DOT	Average Cost per MQ	Average Days Supply per Script
1	ELIQUIS	2,237	9,178	488,565	972,941	$8,669,632	$3,876	$945	$18	$9	53.2
2	OZEMPIC	954	3,311	151,012	15,381	$4,470,169	$4,686	$1,350.10	$29.60	$290.63	45.6
3	HUMIRA	60	283	12,691	1,018	$3,622,655	$60,378	$12,800.90	$285.45	$3,558.60	44.8
4	JARDIANCE	864	2,896	165,733	165,542	$3,026,169	$3,503	$1,044.95	$18.26	$18.28	57.2
5	XARELTO	794	2,697	168,746	173,945	$2,872,129	$3,617	$1,064.93	$17.02	$16.51	62.6
6	IMBRUVICA	21	209	4,992	5,142	$2,666,318	$126,968	$12,757.50	$534.12	$518.54	23.9
7	MOUNJARO	676	2,121	75,433	5,386	$2,614,058	$3,867	$1,232.46	$34.65	$485.34	35.6
8	TRULICITY	496	1,749	79,755	5,697	$2,510,418	$5,061	$1,435.34	$31.48	$440.66	45.6
9	IBRANCE	19	123	4,228	3,213	$2,485,226	$130,801	$20,205.09	$587.80	$773.49	34.4
10	ENBREL	40	157	9,589	1,316	$2,451,997	$61,300	$15,617.81	$255.71	$1,863.22	61.1
11	XTANDI	35	153	5,220	18,150	$2,414,942	$68,998	$15,783.93	$462.63	$133.05	34.1
12	FARXIGA	554	2,087	117,754	118,759	$2,066,059	$3,729	$989.97	$17.55	$17.40	56.4
13	DUPIXENT	58	261	13,384	1,900	$1,838,402	$31,697	$7,043.68	$137.36	$967.50	51.3
14	OFEV	19	111	3,705	7,410	$1,634,844	$86,044	$14,728.32	$441.25	$220.63	33.4
15	REVLIMID	20	119	2,604	1,844	$1,609,658	$80,483	$13,526.54	$618.15	$872.92	21.9
	All Other	232,373	565,368	30,006,256	44,732,114	$80,512,801	$346.48	$142.41	$2.68	$1.80	53.1
Grand Total		**239,220**	**590,823**	**31,309,667**	**46,229,758**	**$125,465,476**	**$524.48**	**$212.36**	**$4.01**	**$2.71**	**53.0**

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

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	HUMIRA							
	Allowed Cost per Patient	$59,955	$58,943	$60,378	-1.7%	2.4%	↑	↑
	Patients per 1,000	1.7	1.9	1.9	8.9%	3.9%		
	Average Cost per DOT	$250.27	$283.74	$285.45	13.4%	0.6%	⇔	↑
	DOT per 1,000	408.3	385.5	407.9	-5.6%	5.8%		
2	IMBRUVICA							
	Allowed Cost per Patient	$131,509	$115,878	$126,968	-11.9%	9.6%	↑	↓
	Patients per 1,000	0.8	0.8	0.7	1.3%	-11.3%		
	Average Cost per DOT	$467.87	$538.27	$534.12	15.0%	-0.8%	⇔	↓
	DOT per 1,000	211.1	163.7	160.5	-22.4%	-2.0%		
3	IBRANCE							
	Allowed Cost per Patient	$118,270	$103,194	$130,801	-12.7%	26.8%	↑	↓
	Patients per 1,000	0.6	0.7	0.6	26.4%	-16.4%		
	Average Cost per DOT	$494.03	$546.00	$587.80	10.5%	7.7%	↑	↓
	DOT per 1,000	138.3	138.0	135.9	-0.2%	-1.5%		
4	ENBREL							
	Allowed Cost per Patient	$53,125	$58,672	$61,300	10.4%	4.5%	↑	↑
	Patients per 1,000	1.1	1.2	1.3	10.9%	5.6%		
	Average Cost per DOT	$229.45	$249.40	$255.71	8.7%	2.5%	↑	↑
	DOT per 1,000	254.2	286.3	308.2	12.6%	7.7%		
5	XTANDI							
	Allowed Cost per Patient	$91,305	$71,577	$68,998	-21.6%	-3.6%	↓	↑
	Patients per 1,000	0.8	1.0	1.1	28.7%	12.0%		
	Average Cost per DOT	$389.95	$437.74	$462.63	12.3%	5.7%	↑	↑
	DOT per 1,000	182.6	164.2	167.8	-10.1%	2.2%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	DUPIXENT							
	Allowed Cost per Patient	$24,915	$29,659	$31,697	19.0%	6.9%	↑	↑
	Patients per 1,000	1.0	1.3	1.9	26.4%	45.9%		
	Average Cost per DOT	$120.45	$129.14	$137.36	7.2%	6.4%	↑	↑
	DOT per 1,000	209.2	293.5	430.2	40.3%	46.6%		
7	OFEV							
	Allowed Cost per Patient	$73,323	$72,227	$86,044	-1.5%	19.1%	↑	↓
	Patients per 1,000	0.6	0.8	0.6	31.6%	-19.7%		
	Average Cost per DOT	$362.09	$398.60	$441.25	10.1%	10.7%	↑	↓
	DOT per 1,000	117.0	137.8	119.1	17.8%	-13.6%		
8	REVLIMID							
	Allowed Cost per Patient	$87,441	$52,487	$80,483	-40.0%	53.3%	↑	↓
	Patients per 1,000	1.2	0.9	0.6	-28.1%	-24.5%		
	Average Cost per DOT	$647.47	$626.71	$618.15	-3.2%	-1.4%	↓	↑
	DOT per 1,000	160.0	71.3	83.7	-55.4%	17.3%		
9	KISQALI							
	Allowed Cost per Patient	$0	$80,214	$74,097	0.0%	-7.6%	↓	↑
	Patients per 1,000	-	0.2	0.5	0.0%	156.6%		
	Average Cost per DOT	$0.00	$557.04	$546.96	0.0%	-1.8%	↓	↑
	DOT per 1,000	-	30.7	74.0	0.0%	141.4%		
10	TAGRISSO							
	Allowed Cost per Patient	$127,112	$123,735	$154,035	-2.7%	24.5%	↑	↑
	Patients per 1,000	0.3	0.2	0.3	-6.4%	5.6%		
	Average Cost per DOT	$507.10	$551.16	$578.53	8.7%	5.0%	↑	↑
	DOT per 1,000	65.2	54.6	68.5	-16.2%	25.3%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Cost vs. Quantity: Top 10 Non-Specialty Brand Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	**ELIQUIS**							
	Allowed Cost per Patient	$3,506	$3,659	$3,876	4.4%	5.9%	↑	↑
	Patients per 1,000	55.8	62.8	71.9	12.5%	14.6%		
	Average Cost per DOT	$15.92	$16.80	$17.75	5.6%	5.6%	↑	↑
	DOT per 1,000	12,296.2	13,671.5	15,703.8	11.2%	14.9%		
2	**OZEMPIC**							
	Allowed Cost per Patient	$4,821	$3,815	$4,686	-20.9%	22.8%	↑	↑
	Patients per 1,000	9.9	21.7	30.7	118.0%	41.6%		
	Average Cost per DOT	$27.74	$28.79	$29.60	3.8%	2.8%	↑	↑
	DOT per 1,000	1,727.4	2,870.7	4,853.9	66.2%	69.1%		
3	**JARDIANCE**							
	Allowed Cost per Patient	$2,622	$3,127	$3,503	19.2%	12.0%	↑	↑
	Patients per 1,000	9.9	18.0	27.8	82.8%	54.2%		
	Average Cost per DOT	$17.20	$17.80	$18.26	3.5%	2.6%	↑	↑
	DOT per 1,000	1,502.2	3,163.4	5,327.1	110.6%	68.4%		
4	**XARELTO**							
	Allowed Cost per Patient	$3,232	$3,536	$3,617	9.4%	2.3%	↑	↑
	Patients per 1,000	25.0	24.4	25.5	-2.3%	4.5%		
	Average Cost per DOT	$15.58	$16.30	$17.02	4.6%	4.4%	↑	↑
	DOT per 1,000	5,191.4	5,300.7	5,423.9	2.1%	2.3%		
5	**MOUNJARO**							
	Allowed Cost per Patient	$1,818	$2,977	$3,867	63.7%	29.9%	↑	↑
	Patients per 1,000	0.9	10.0	21.7	1051.5%	117.7%		
	Average Cost per DOT	$32.22	$33.38	$34.65	3.6%	3.8%	↑	↑
	DOT per 1,000	48.9	890.0	2,424.6	1719.6%	172.4%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	**TRULICITY**							
	Allowed Cost per Patient	$5,374	$5,161	$5,061	-4.0%	-1.9%	↓	↓
	Patients per 1,000	16.1	18.9	15.9	17.0%	-15.6%		
	Average Cost per DOT	$28.53	$30.17	$31.48	5.8%	4.3%	↑	↓
	DOT per 1,000	3,042.0	3,231.9	2,563.5	6.2%	-20.7%		
7	**FARXIGA**							
	Allowed Cost per Patient	$3,360	$3,678	$3,729	9.4%	1.4%	↑	↑
	Patients per 1,000	11.8	15.5	17.8	31.1%	15.0%		
	Average Cost per DOT	$16.55	$17.06	$17.55	3.1%	2.8%	↑	↑
	DOT per 1,000	2,399.3	3,337.6	3,784.9	39.1%	13.4%		
8	**JANUVIA**							
	Allowed Cost per Patient	$3,797	$3,880	$3,896	2.2%	0.4%	⇔	↓
	Patients per 1,000	16.2	15.0	13.2	-7.1%	-12.1%		
	Average Cost per DOT	$15.65	$16.32	$17.05	4.3%	4.5%	↑	↓
	DOT per 1,000	3,924.9	3,573.7	3,019.0	-8.9%	-15.5%		
9	**SKYRIZI**							
	Allowed Cost per Patient	$44,292	$52,641	$68,271	18.8%	29.7%	↑	↑
	Patients per 1,000	0.3	0.6	0.7	100.1%	16.8%		
	Average Cost per DOT	$292.55	$311.97	$272.88	6.6%	-12.5%	↓	↑
	DOT per 1,000	43.7	97.5	168.9	123.0%	73.1%		
10	**RINVOQ**							
	Allowed Cost per Patient	$36,821	$48,728	$49,995	32.3%	2.6%	↑	↑
	Patients per 1,000	0.6	0.7	0.9	26.4%	23.3%		
	Average Cost per DOT	$191.78	$210.87	$220.17	10.0%	4.4%	↑	↑
	DOT per 1,000	110.9	168.7	204.4	52.1%	21.1%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Segal

Cost vs. Quantity: Top 10 Non-Specialty Generic Drugs

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
1	ABIRATERONE							
	Allowed Cost per Patient	$34,158	$29,389	$34,405	-14.0%	17.1%	↑	↓
	Patients per 1,000	1.0	1.3	1.1	26.4%	-12.0%		
	Average Cost per DOT	$231.69	$265.45	$269.75	14.6%	1.6%	↑	↑
	DOT per 1,000	149.1	141.5	143.5	-5.1%	1.4%		
2	LENALIDOMIDE							
	Allowed Cost per Patient	$35,667	$87,769	$37,153	146.1%	-57.7%	↓	↑
	Patients per 1,000	0.3	0.3	0.7	-12.2%	143.0%		
	Average Cost per DOT	$623.92	$564.79	$523.92	-9.5%	-7.2%	↓	↑
	DOT per 1,000	19.8	47.3	52.4	138.6%	10.9%		
3	MIRABEGRON							
	Allowed Cost per Patient	$0	$0	$1,435	0.0%	0.0%	↔	↔
	Patients per 1,000	-	-	15.4	0.0%	0.0%		
	Average Cost per DOT	$0.00	$0.00	$11.67	0.0%	0.0%	↔	↔
	DOT per 1,000	-	-	1,889.0	0.0%	0.0%		
4	EVEROLIMUS							
	Allowed Cost per Patient	$25,642	$33,568	$57,390	30.9%	71.0%	↑	↓
	Patients per 1,000	0.5	0.4	0.3	-18.1%	-24.5%		
	Average Cost per DOT	$245.51	$279.07	$323.87	13.7%	16.1%	↑	↑
	DOT per 1,000	54.3	51.2	57.0	-5.7%	11.2%		
5	PIRFENIDONE							
	Allowed Cost per Patient	$25,331	$44,335	$47,323	75.0%	6.7%	↑	↑
	Patients per 1,000	0.4	0.4	0.4	-2.8%	5.6%		
	Average Cost per DOT	$281.46	$287.42	$264.00	2.1%	-8.1%	↓	↑
	DOT per 1,000	33.8	56.3	69.1	66.6%	22.8%		

Rank	Drug Name	2022	2023	2024	2023	2024	Price	Quantity
6	AMBRISENTAN							
	Allowed Cost per Patient	$79,698	$71,159	$34,691	-10.7%	-51.2%	↓	↑
	Patients per 1,000	0.1	0.2	0.4	47.4%	111.3%		
	Average Cost per DOT	$255.44	$255.44	$256.97	0.0%	0.6%	↔	↑
	DOT per 1,000	45.1	59.3	60.7	31.6%	2.4%		
7	METOPROLOL							
	Allowed Cost per Patient	$74	$62	$52	-16.1%	-16.1%	↓	↑
	Patients per 1,000	167.8	171.0	200.0	1.9%	17.0%		
	Average Cost per DOT	$0.37	$0.32	$0.30	-14.3%	-5.0%	↓	↑
	DOT per 1,000	33,539.2	33,450.1	34,542.8	-0.3%	3.3%		
8	ESTRADIOL							
	Allowed Cost per Patient	$308	$273	$211	-11.5%	-22.5%	↓	↑
	Patients per 1,000	32.3	40.4	47.5	25.1%	17.6%		
	Average Cost per DOT	$1.99	$1.88	$1.41	-5.6%	-25.1%	↓	↑
	DOT per 1,000	4,997.4	5,859.2	7,131.9	17.2%	21.7%		
9	ATORVASTATIN							
	Allowed Cost per Patient	$35	$35	$43	-1.5%	24.7%	↑	↑
	Patients per 1,000	225.5	204.8	221.4	-9.2%	8.1%		
	Average Cost per DOT	$0.19	$0.16	$0.21	-14.1%	27.7%	↑	↑
	DOT per 1,000	42,129.7	43,846.9	46,272.1	4.1%	5.5%		
10	FLUTICASONE							
	Allowed Cost per Patient	$40	$132	$110	234.1%	-16.8%	↓	↑
	Patients per 1,000	73.0	84.0	85.2	15.1%	1.4%		
	Average Cost per DOT	$0.34	$1.16	$0.94	236.7%	-18.6%	↓	↑
	DOT per 1,000	8,379.6	9,567.1	9,912.1	14.2%	3.6%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2024
2. DOT means Days of Therapy
3. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

Disclaimer

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New Mexico Retiree Health Care Authority (NMRHCA)
2024 Annual Board Meeting

UnitedHealthcare Group Medicare Advantage (PPO) Plans

July 24-25, 2025

Introductions

Michelle Vollrath, CEBS
Senior Vice President

Joe Larson
Senior Strategic Account Executive

Geoff Rensi
Vice President, Client Management

Joleen McBride
Senior Client Service Manager

NMRHCA - UnitedHealthcare Group Medicare Advantage (PPO) Plan

Customized medical and prescription drug benefits

Covers you no matter where you live or travel in the U.S., D.C. and 5 U.S. territories

In-network and out-of-network benefits are the same with the non-differential plan design

Members can see any Medicare provider that accepts the plan – no referrals required to see a specialist

Includes several additional benefits not covered by Medicare: Acupuncture, Chiro, Podiatry, Hearing and Vision Exams/Allowances, SilverSneakers®, Healthy at Home

Nationwide plan and includes worldwide coverage for urgent care & emergencies

The UnitedHealthcare PPO Plan is a non-differential PPO plan.

Learn more at retiree.uhc.com/NMRHCA

Serving NMRHCA Retirees – 2024 Advocate4Me™

Call Volume

8,826

Volume of calls handled

Calls answered by a UnitedHealthcare advocate

United Experience Survey (UES) Member Satisfaction

95.9% | 96.2% | 96.4% | 96.1%

- Q1
- Q2
- Q3
- Q4

96.1%

Year-to-Date
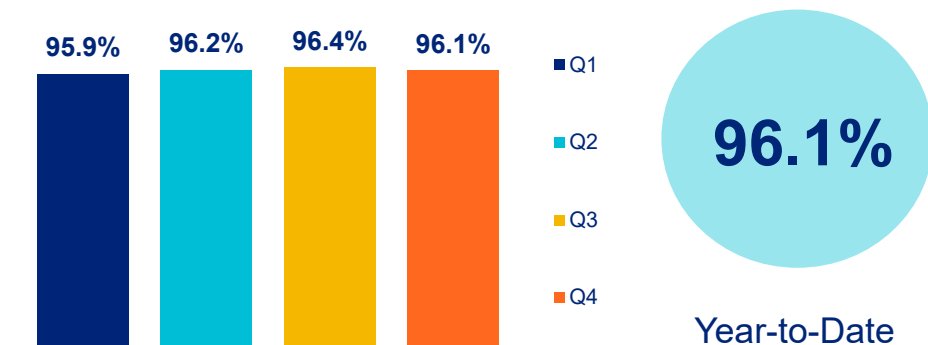
Average Speed to Answer

91.7%

Answered in 30 seconds

Goal: 80% of calls in 30s

Abandonment Rate

0.8%

Percentage of calls abandoned

Goal: <5%

Top Call Trends

Category	Percentage
Benefit Inquiry	33.3%
Claim Inquiry	11.3%
Find A Provider	10.9%
Rx Claim Inquiry	8.6%
Rewards	5.5%
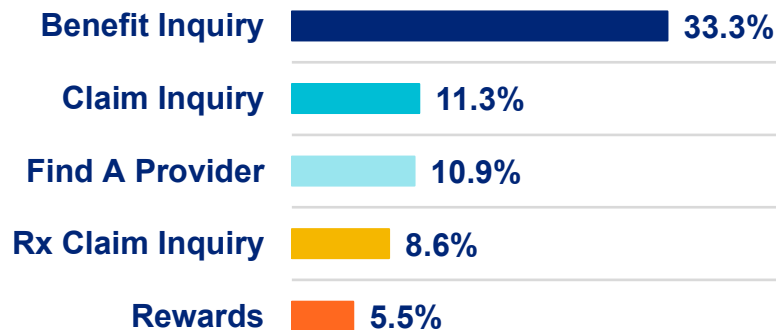
Our Holistic Approach to Care and Support

UnitedHealthcare HouseCalls

Wellness and Incentives

Care and Disease Management

Transitional Care

Member Support

Integrated Medical – Behavioral Health

Digital Tools and Virtual Care

Social Drivers of Health

57%
of total population engaged in a clinical program or service

86%
primary care utilization

2,892
total Annual Wellness Visits completed

HouseCalls Innovation

Diabetic Retinal Exam (DRE)

- Diabetic retinopathy is a leading cause of blindness among US adults[1]

- Early detection and treatment of diabetic retinopathy can reduce the risk of vision loss[1]

Key Points:
- Diabetic retinal exam is offered during a HouseCalls visit

- Exam images are read by an ophthalmologist, and results are provided within 48 hours, including diagnosis and referral if applicable

Member eligibility:
- Members who are due for an **eye exam** at the time of their visit

Camera is FDA approved for retinal imaging

>50%
of diabetics will develop diabetic retinopathy[2]

50% risk
of blindness within 5 years if proliferative retinopathy is left untreated[1]

[1]Lundeen EA, Burke-Conte Z, Rein DB, et al. Prevalence of Diabetic Retinopathy in the US in 2021. *JAMA Ophthalmol.* 2023;141(8):747–754. doi:10.1001/jamaophthalmol.2023.2289
[2]National Eye Institute. (2024, December 10). https://www.nei.nih.gov/learn-about-eye-health/eye-conditions-and-diseases/diabetic-retinopathy

Behavioral Health Access: Updates

149,000+ Medicare Accepting Behavioral Health Providers added to UnitedHealthcare Network

Virtual Visits
Available to schedule 24/7

Behavioral Health Network Medicare Changes

Provider License Expansion

Coverage of:

1. Marriage and Family Therapist (MFT)
2. Mental Health Counselor (MHC)
3. Addiction Counselors

Intensive Outpatient Services (IOP) added as Basic Benefit

Expansion of IOP includes:

1. Community Mental Health Centers (CMHC)
2. Rural Health Clinics (RHC)
3. Federally Qualified Health Center (FQHC)
4. Outpatient Facilities
5. Providers with Opioid Treatment Program (OTP) certification

Adequacy Requirements for Geographic Areas

New specialties included in review and ongoing monitoring:

1. Clinical Psychology
2. Clinical Social Worker

Let's Move by UnitedHealthcare

Let's Move works to integrate self-support, virtual and in-person wellness programs for your retirees through:

Providing opportunities for members to participate in **interactive wellness activities**

Promoting **healthy lifestyle choices** to help optimize overall health and well-being

Educating, supporting and empowering members with the knowledge and tools to **maintain healthy behaviors**

Members can explore our program offerings, resources, and featured, monthly topics by logging into their account at **retiree.uhc.com/NMRHCA**

Let's Move by UnitedHealthcare

Nutrition   Fitness   Mental Health   Connection

2025 Scheduled Program Offerings

- *Financial Wellness Webinars*
- *Monthly Nutrition Webinars*
- *Hydroponic Gardening Series*
- *Tobacco Cessation Program*

- *Laugh with Soul™ - Laughter Yoga Classes*
- *Rest and Renew Yoga Classes*
- *Move & Flow Dance Classes*
- *Fraud & Identity Theft Prevention Videos*

Let's Move on-demand video library
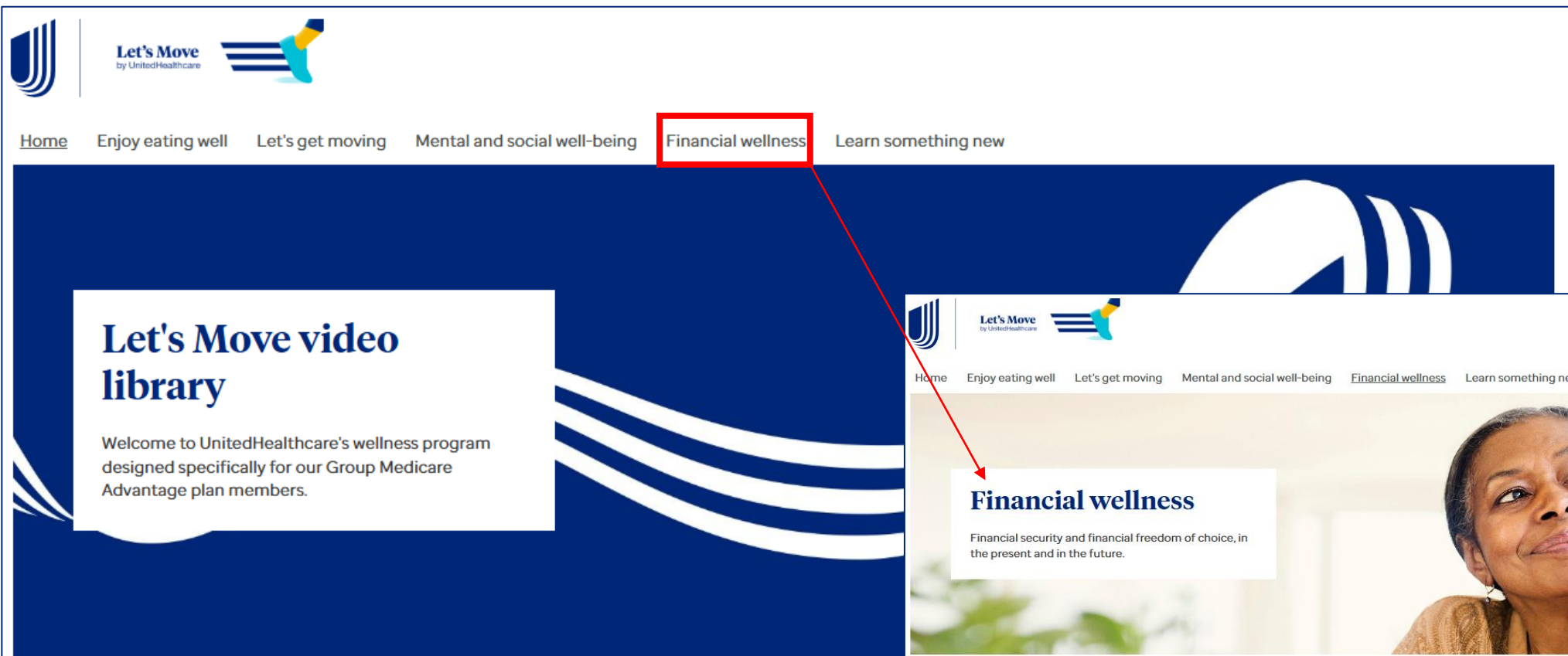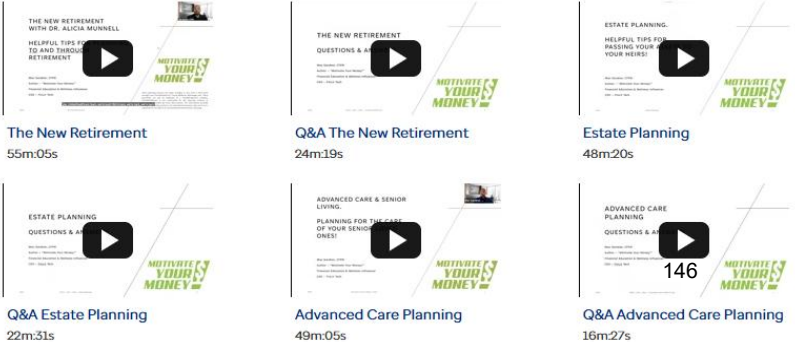
NMRHCA - 2024 Population Health Scorecard

13,968 Total Star Gaps Closed	**3,651** Member Rewards Redeemed	**42,131** Total Gym Visits
	92% Known Primary Care Provider	
80% Breast Cancer Screening	**77%** Colorectal Cancer Screening	**72%** Eye Exams for Diabetics

New Mexico Retiree Health Care Authority

Board Meeting
July 24-25, 2025

Presented by:

Julie Bodenski, Account Executive

Humana®

NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

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Member Snapshot

Humana MAPD PPO
Serving NMRHCA membership nationwide
July 2025:   1,934 members

	2024	2023
Average Members (2024 Plan Year)	1,942	1,723
Male/Female Ratio	45/55	45/55
Average Age	71.6	70.8

1,650 avg membership in New Mexico 2024

- Texas = 101
- Colorado = 48
- Arizona = 46
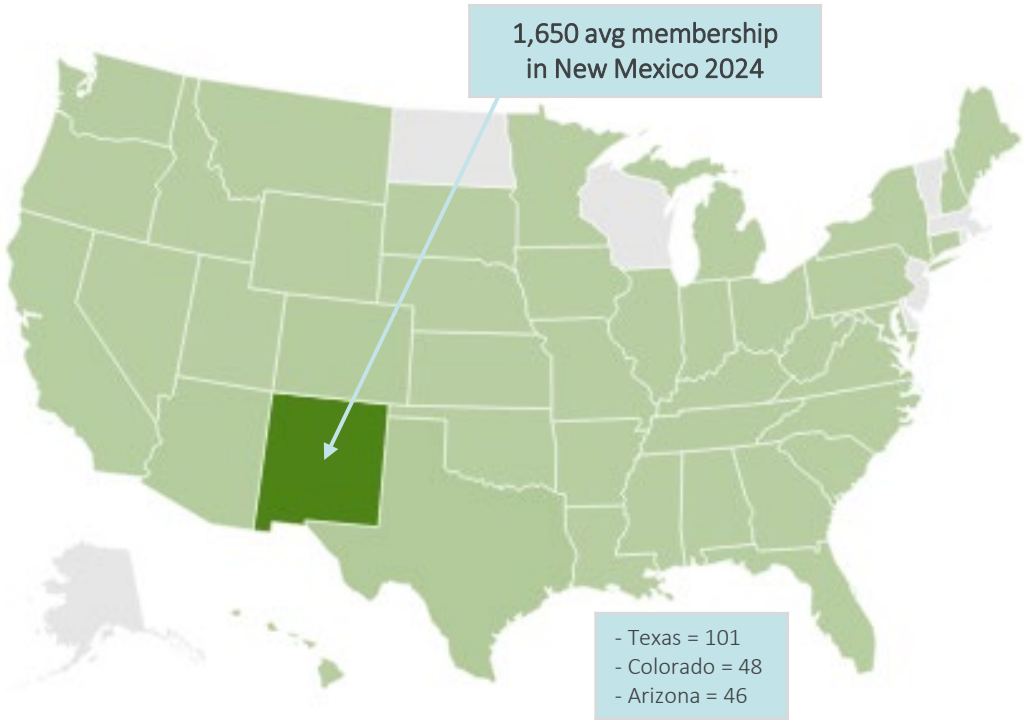
Member Engagement

Member Engagement is the key to connecting members to their health. Humana's primary means of member contact include phone calls, e-mails and SMS messaging.
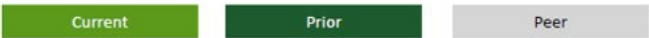
Phone Numbers*

100%

| Prior | 100% |
| Peer | 92% |

E-mail addresses**

69%

| Prior | 65% |
| Peer | 46% |

MyHumana.com Registrations

54%

| Prior | 53% |
| Peer | 48% |

Current | Prior | Peer

*Phone Number on File is defined as a 10-digit number with a valid area code
**e-mail Address on File is defined as the employee providing an e-mail address

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Putting health first: everything we do centers around the member

Care support at every stage of health

Healthy
- Go365 by Humana and Health coaching
- SilverSneakers
- Value-based care providers
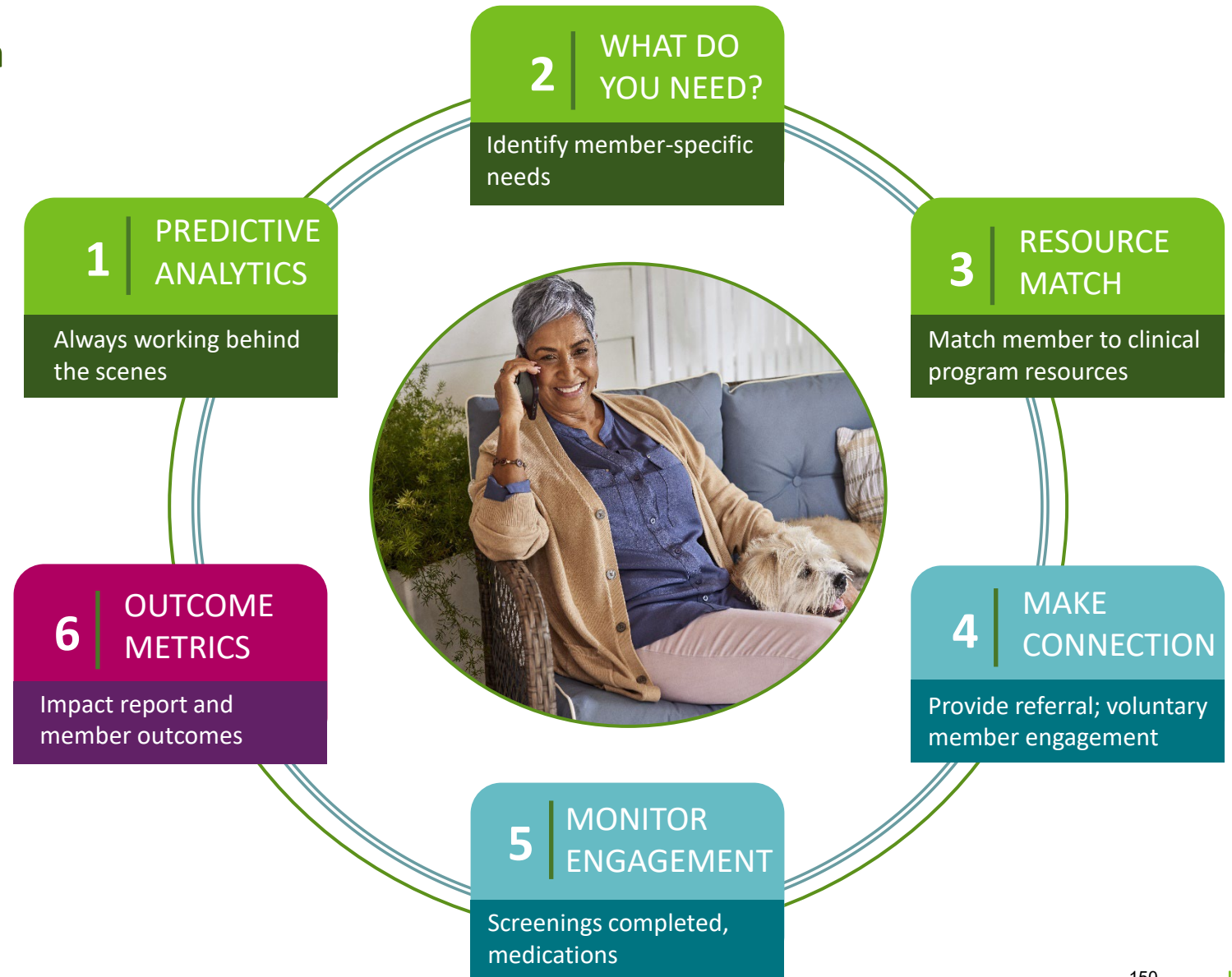
Manageable conditions
- In-home health & well-being assessment
- Humana Health alerts (gaps in care)
- Behavioral health services
- Telehealth

Early-stage disease and high risk
- Telephonic Case Management
- Well-dine food program

Complex and chronic conditions
- Chronic kidney disease management
- Transplant management
- Oncology quality management
- End-life Care Services

1 PREDICTIVE ANALYTICS
Always working behind the scenes

2 WHAT DO YOU NEED?
Identify member-specific needs

3 RESOURCE MATCH
Match member to clinical program resources

4 MAKE CONNECTION
Provide referral; voluntary member engagement

5 MONITOR ENGAGEMENT
Screenings completed, medications

6 OUTCOME METRICS
Impact report and member outcomes

Campaign schedule (all dates are tentative and subject to change)

2025											
Jan.	**Feb.**	**March**	**April**	**May**	**June**	**July**	**Aug.**	**Sept.**	**Oct.**	**Nov.**	**Dec.**

- **Annual Checkup** — Jan.
- **Annual Checkup** — March
- **Annual Checkup** — April
- **Annual Checkup** — May
- **Annual Checkup** — Aug.
- **Risk of Falls** — March
- **Risk of Falls** — May
- **Risk of Falls** — July
- **Nymbl & Pyx Health (Data support)** — Feb.–June
- **Osteoporosis Post-Fracture** — Jan.–Dec.
- **Live agent appointment scheduling** — March–Oct.
- **Colorectal cancer screening** — March–Oct.
- **Breast cancer screening** — Feb.
- **Breast cancer screening** — March–Oct.
- **Diabetes Kidney** — March
- **Diabetes Eye** — April
- **Diabetes Kidney** — May
- **Diabetes Eye** — June
- **Diabetes Kidney** — July
- **Colorectal test kit repeater** — April–Aug.
- **Test Kit Offer and Reminder** — June–Aug.
- **Homestretch** — Sept.–Nov.
- **Part D- Statin Therapy** — March–Dec.
- **Part D- Medication Adherence** — March–Dec.

Legend: Plum = Holistic   **Light Teal** = CAHPS/HOS   **Dark Green** = HEDIS   **Navy** = Patient Safety

In-Home Health & Well-being Assessment (IHWA)

What is included

Screenings: Review of recommended screenings based on age and health status

Education: Deliver relevant information on health conditions, medications and preventive care

Referral: Connect patients to available resources that can help address specific health and social needs

Medication management: May improve adherence through reviewing medication lists, educating on benefits and side effects, and connecting with resources that help provide financial assistance

Social determinants of health: Identify social needs that can be barriers to achieving better health, such as food insecurity, social isolation, transportation and loneliness

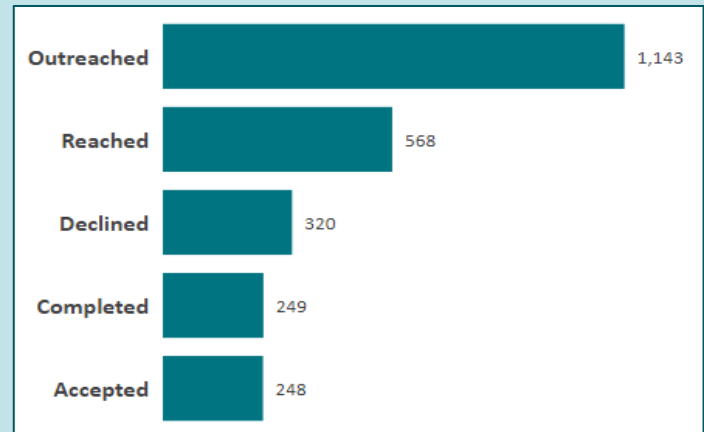The first step toward better health starts with a Health & Well-being Assessment.

Schedule now

To speak to an agent or schedule a virtual visit, call 855-204-1752, 8 a.m. to 11 p.m. ET M–F; 9 a.m. to 5 p.m. ET Sat. (TTY: 711).
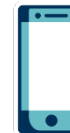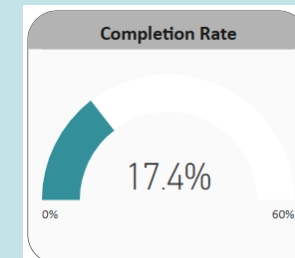
Outreach by multiple channels:
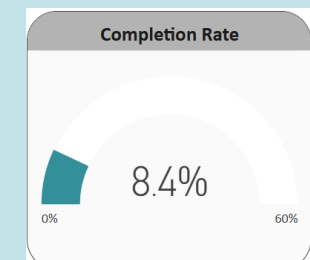Mail, Phone, Email, SMS

IHWA results - 2024

Outreached	1,143
Reached	568
Declined	320
Completed	249
Accepted	248

2024 Completion Rate: 17.4%

Completion Rate
17.4%
0%   60%

2023 Completion Rate: 11.1%

IHWA results - 2025 YTD

2025 YTD – as of 7/10/2025

Completion Rate
8.4%
0%   60%

- **Outreached: 761**
- **Reached: 280**
- **Accepted: 134**
- **Completed: 116**

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Preventive Services

Good health begins with prevention. Many diseases are far more treatable and less costly when found in the early stages of development. Humana educates our members about the importance of getting their recommended preventive services.
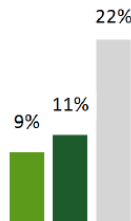
Members receiving at least one Preventive Service

	2024	2023	
	Current	Prior	Peer
Total Membership	64.0%	65.0%	77.6%
Female	72.1%	70.3%	82.5%
Male	54.0%	58.4%	70.4%

Preventive Office Visits

50% 50% 64%
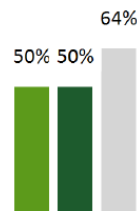
Influenza Vaccinations

9% 11% 22%

Pneumococcal Immunizations

4% 6% 6%

Breast Cancer Screenings

45% 43% 49%

Colorectal Cancer Screenings

8% 8% 7%
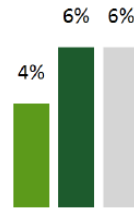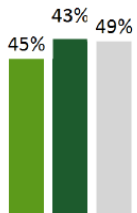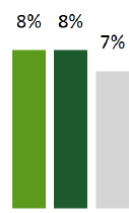
Percentages based on target population of 2,030 members

Current   Prior   National Peer

Health Alerts

Humana Health Alerts promote better health through evidence-based medicine and preventive care. Each message is tailored to the action needed to close each gap in care and to address the member's situation. The messages encourage members to obtain the care needed for better outcomes, lower costs, and healthier lives.

Top 3 Health Alerts and Total results

Alert Category	Alerts Qualified	Alerts Generated	Alerts Closed	% Closed	% Compliant	Peer % Compliant
Total	46,091	23,901	12,009	50.2%	74.2%	65.0%
Cardiovascular	17,807	8,044	3,948	49.1%	77.0%	69.5%
Prevention and Screening	9,553	6,450	4,487	69.6%	79.5%	74.9%
Diabetes	8,103	4,547	1,589	34.9%	63.5%	58.9%

Definitions

- **Alert Qualified** - opportunities to identify a person with gaps in care

- **Alerts Generated** - actionable opportunities (gaps in care)

- **Alerts Closed** - gaps in care closed

- **% Closed** - Alerts closed/Alerts generated

- **% Compliant** - Total compliant - this takes into account those that were compliant prior to any action from Humana (difference between Alerts Qualified and Alerts Generated+ Alerts Closed)/Alerts Qualified

NMRCHA Go365 Wellness Summary - 2024

Membership	Awareness %	Engagement %	Reward Redemption % Mbrs
as of Dec-2024	as of Dec-2024	as of Dec-2024	as of Dec-2024
2.03k 16 vs PM	9.56% 0.2% vs PM	4.43% 0.3% vs PM	5.76% 1.9% vs PM

Activities
Jan-2024 - Dec-2024

- Kidney Health Blood Test
- Annual Wellness Exam
- HbA1c
- Diabetes Eye Exam
- Mammogram
- Kidney Health Urine Test
- Daily Workouts
- Colorectal Screening
- 12 Workouts in Month
- Diabetic Screenings
- Community or Social Program
- Physical Activity Override
- Preventive Screening Override
- Workouts in a Quarter

Activities Mbrs Cmpl CY ▼
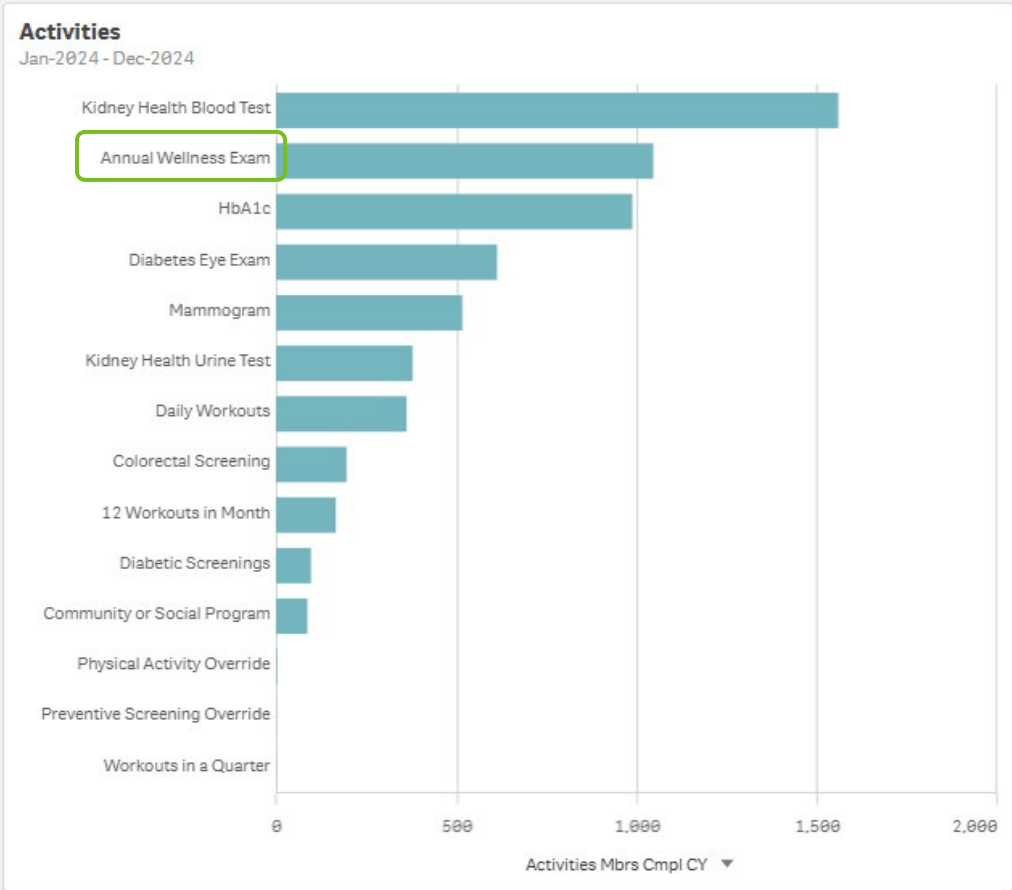
	Walmart	Albertsons	Lowe's	TJ Maxx	Darden	Panera Bread	Starbucks
	45%	15%	10%	9%	7%	7%	7%

Awareness Defined:
The member completes at least one of the following:
- Completes at least one social/community event
- Completes at least one 12 workout month event or one quarterly 12 workouts in a month
- Redeemed an item within the Go365 mall
- Has a connected device workout upload of at least 5,000 steps
- Completes enroll & onboard event
- Self-Submitted/Self-Reported any activity, rewarding or not
- Has a newly connected device in the plan year

Engagement Defined:
The member reached Awareness AND meets one of the following conditions:
- Member earns a minimum of $80 in rewardable activities

As of 12/31/2024, 79 NMRHCA members made 96 separate mall orders requesting a total of 230 gift cards. (Avg rewards per mbr $31)

Total Rewards Redeemed: $10,575

go365 by Humana

154

SilverSneakers Utilization

MSK Program – Vori Health

Top 5 Utilized Fitness Facilities by Participants
Silver Sneakers Virtual Visits (Virtual) – 1,231 visits/19 participants
Defined Fitness - Riverside Plaza (Abq) 888 visits/19 participants
Defined Fitness (Rio Rancho) 872 visits/20 participants
Defined Fitness - Juan Tabo (Abq) 808 visits/25 participants
Defined Fitness – Rio Club (Rio Rancho) 504 visits/14 participants
Defined Fitness (Farmington) 436 visits/11 participants

2024	Average Participation % by Month	8.7%
	Average Participation % for the Period**	14.8%

Peer: 13.5%

2023	Average Participation % by Month	7.4%
	Average Participation % for the Period**	12.6%

Peer: 13.1%

Humana | vori health

COMPREHENSIVE CARE MANAGEMENT PLAN FOR BACK AND JOINT PAIN

Your Vori Health services include:

Easy, convenient virtual video visits
No need to travel or sit in a waiting room to see a specialist.

A thorough doctor-led intake assessment
Understand the root cause of your pain and how to get better.

A care management plan that's built for you
Receive customized movement programs tailored to your needs.

Alternative pain relief options
We help you find the right care for pain relief by connecting you with network specialists.

Ongoing support for better living
Build better habits, regain your strength, and live your best life.

What members love about us

"I've suffered from low back pain for many years. My Vori care management team developed a plan for me and offered suggestions to help retrain my brain.

A few weeks later, my pain was minimal and I was able to sleep on my right side **for the first time in twenty years.**"[2]

Craig W., Vori Health member

ACTOR PORTRAYAL

Vori Health is available at no added cost to you[1]
COVERED BY YOUR HUMANA PLAN

Don't let pain hold you back

Activate your Vori Health account today and get expert support for your muscle and joint pain. No more waiting or wondering— just clear next steps and peace of mind.

Glucagon-like peptide-1 (GLP-1s)

- Medications initially approved for treatment of diabetes. Incidental discovery of weight loss led to clinical trials and FDA approval for indication of weight loss.
- With weight loss studies, incidental finding of lowered risk of cardiac events such as stroke or heart attack in patients with cardiac risk factors (obesity combined with hypertension, dyslipidemia, and/or other cardiac risk factors)

- Same generic drugs with different FDA approved brand name (**Bold**) and indication:
  - Semaglutide (**Ozempic**® = diabetes; **Wegovy**® = weight loss, cardiac prevention)
  - Tirzepatide (**Mounjaro**® = diabetes; **Zepbound**® = weight loss, obstructive sleep apnea)

- Humana Formulary inclusion for Medicare Part D medications is driven by FDA approval AND CMS guidance:
  - CMS – Excludes GLP-1s solely for weight loss
  - CMS – Includes GLP-1s for diabetes with prior authorization
  - CMS – Includes cardiac prevention with prior authorization (Wegovy® only as of 3/2024)
  - CMS – Includes obstructive sleep apnea with prior authorization (Zepbound® only as of 12/2024)

How the Inflation Reduction Act (IRA) will impact costs for certain medications

The IRA aims to reduce prescription medication costs for some popular drugs. **Here are some key changes:**

2023	2024	2025	2026—2029
Effective 1/1/2023: Most covered Part D vaccines have a $0 cost share cap. Insulin is capped at $35 per month (for up to a 30-day supply), bypassing the deductible. *Effective 4/1/2023:* Inflationary rebates (also known as Part B rebatable drugs) lower coinsurance costs when Part B drug prices increase faster than inflation. *Effective 7/1/2023:* Part B insulin, commonly used in insulin pumps, is capped at a $35 cost share for up to a 30-day supply.	Part D Catastrophic phase cost share reduced to $0 for beneficiaries. More Medicare beneficiaries with annual incomes up to 150% of the federal poverty limit can now qualify for full benefits.	Annual Part D out-of-pocket spending will be capped at $2,000. Beneficiaries can choose to spread their cost-sharing payments over the year with a maximum monthly cap. **Members entering Catastrophic Phase** *(results in $0 member cost share)* ➤ April 2024: 11 ➤ December 2024: 56 ➤ **April 2025: 76**	Initiation of maximum fair prices (MFPs) through Medicare Drug Price Negotiation Program • 2026: 10 Part D medications • 2027: 15 Part D medications Insulin co-pay cap at lesser of $35 or 25% of MFP Continued legislation focused on reducing inflation and limiting beneficiary prescription medication costs. Updates will be shared as they become available.

1. Juliette Cubanski, Meredith Freed, and Tricia Neuman, "What Are the Prescription Drug Provisions in the Inflation Reduction Act?," Kaiser Family Foundation, last accessed Dec. 14, 2022, www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/.
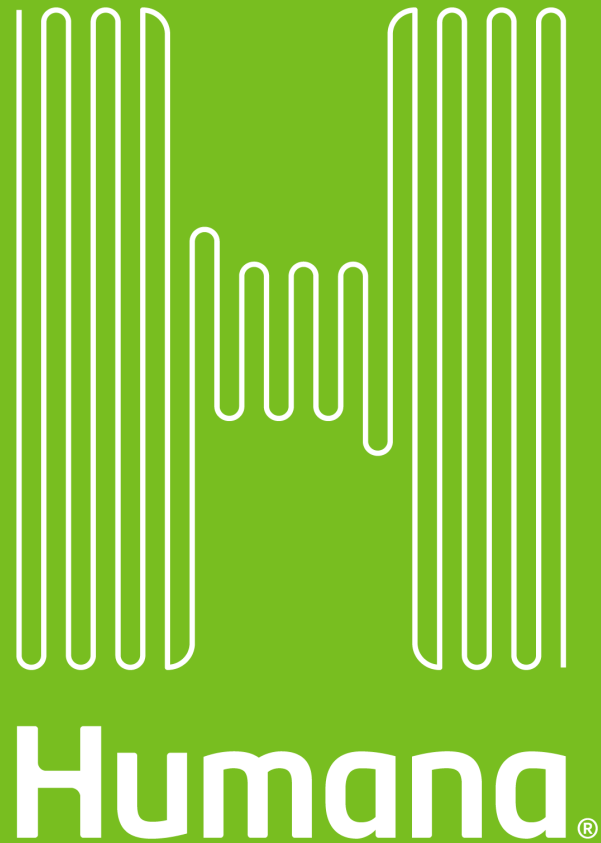
Thank you.

This material is provided for informational use only and should not be construed as medical, legal, financial, or other professional advice or used in place of consulting a licensed professional. You should consult with an applicable licensed professional to determine what is right for you.

ANNUAL WELLNESS

FAIR REVIEW 2025

NMRHCA

TOPICS PRESENTED

The Metabolic Compass: Finding Your Health Direction Through Nature

Jess Biggs, MS, Exercise Physiologist

NMRHCA Communications Director

Nature's Neurology: How Awe Inspires Lifelong Vitality

Ana Hernandez, MS, RD
The Solutions Group Wellness Program Manager

Nature Rx: The Healing Power of Exercise in the Wild

Jackie Pacheco, MPH
Blue Cross Blue Shield Worksite Wellness Operations

The Garden Rx

Paige Kinucan, BS, Exercise Science
The Solutions Group Wellness Program Manager

DOOR PRIZES

ENGAGEMENT

Las Cruces: 51 attended out of 66 registered = 77%

Santa Fe: 63 attended out of 106 registered = 59%

Albuquerque: 151 attended out of 223 registered = 67%

Las Cruces: 42 attended out of 53 registered = 79%

SURVEY RESULTS

Q2 Overall, how satisfied or dissatisfied are you with the wellness fair?

Answered: 45   Skipped: 0

Legend: Very satisfi... | Somewhat ... | Neither sat... | Somewhat ... | Very dissati...
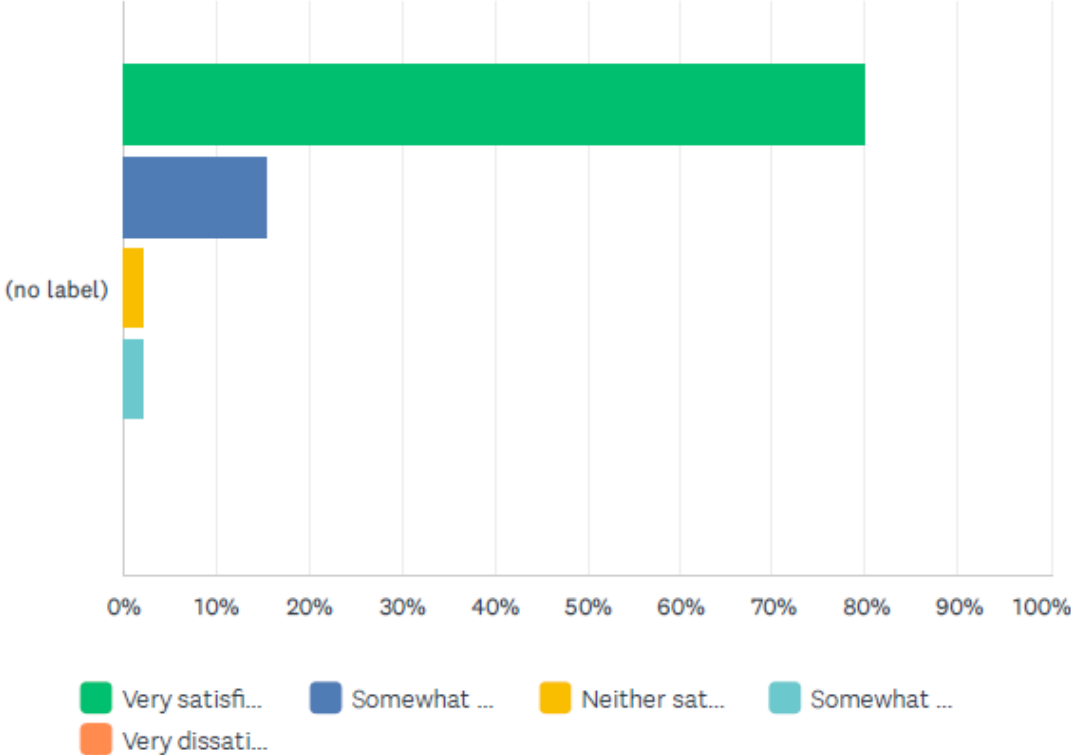
	VERY SATISFIED	SOMEWHAT SATISFIED	NEITHER SATISFIED NOR DISSATISFIED	SOMEWHAT DISSATISFIED	VERY DISSATISFIED	TOTAL	WEIGHTED AVERAGE
(no label)	80.00% 36	15.56% 7	2.22% 1	2.22% 1	0.00% 0	45	4.73

Q1 Please rate how beneficial the wellness fair was to you.

Answered: 45   Skipped: 0

	EXTREMELY HELPFUL	VERY HELPFUL	SOMEWHAT HELPFUL	SLIGHTLY HELPFUL	NOT AT ALL HELPFUL	TOTAL	WEIGHTED AVERAGE
(no label)	40.00% 18	53.33% 24	6.67% 3	0.00% 0	0.00% 0	45	4.33

Q2 Overall, how satisfied or dissatisfied are you with the wellness fair?

Answered: 45   Skipped: 0

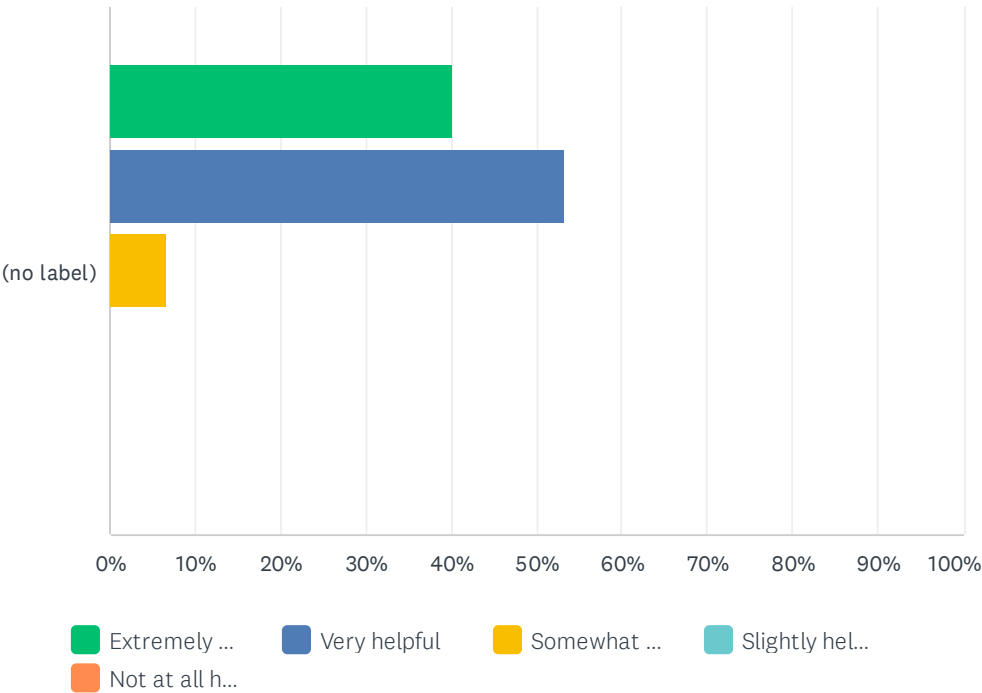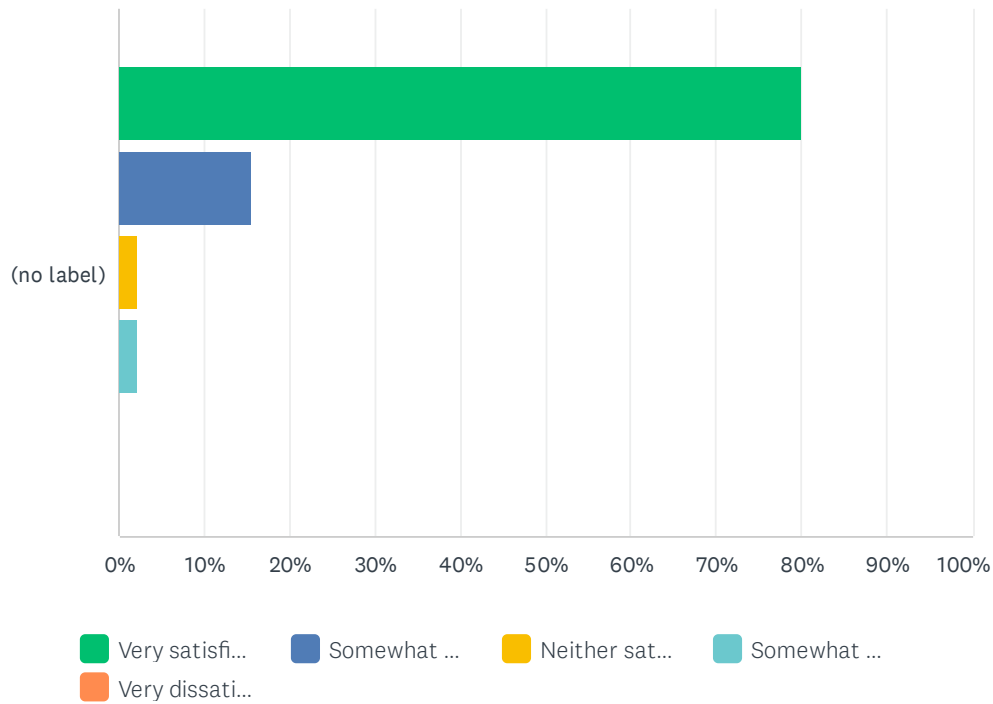|	VERY SATISFIED	SOMEWHAT SATISFIED	NEITHER SATISFIED NOR DISSATISFIED	SOMEWHAT DISSATISFIED	VERY DISSATISFIED	TOTAL	WEIGHTED AVERAGE
(no label)	80.00% 36	15.56% 7	2.22% 1	2.22% 1	0.00% 0	45	4.73

Q3 How likely is it that you would recommend this event to a friend or colleague?

Answered: 45   Skipped: 0
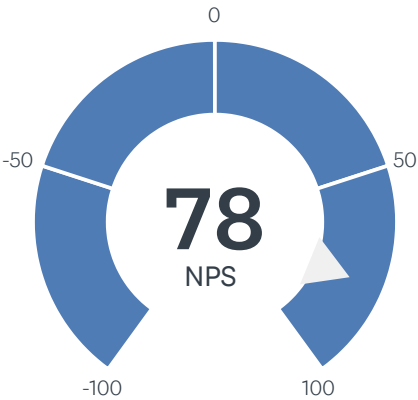
DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
2% 1	18% 8	80% 36	78

Q4 What changes would need to take place for you to give it a higher rating?

Answered: 1   Skipped: 44

#	RESPONSES	DATE
1	The first session was my least favorite. Make the information more easily discernible. Also what happened to the Door Prizes?	6/18/2025 12:29 PM

Q5 What changes would need to take place for you to give it an even higher rating?

Answered: 8   Skipped: 37

#	RESPONSES	DATE
1	Do not Rex virtual for this type of event. Found the topics all over the place and didn't seem as relevant to seniors as last year's more relevant options.	6/18/2025 1:46 PM
2	better flow to the lunch line.	6/10/2025 2:11 PM
3	Provide more time between sessions to allow us to visit vendors and get a massage	6/9/2025 6:37 PM
4	Exercise session was great. So more movement...dance maybe.	6/9/2025 5:16 PM
5	I loved the speaker for metabolic health. More like that one.	6/9/2025 4:00 PM
6	it was a good experience but the auditorium was very cold	6/9/2025 3:05 PM
7	I didn't realize it was the full 4 hours to catch everything. Maybe that was just a misunderstanding on my part. The parts I saw were good.	6/9/2025 2:55 PM
8	Perhaps one session outside if possible	6/3/2025 4:48 PM

Q6 What did the program do really well?

Answered: 39   Skipped: 6

#	RESPONSES	DATE
1	Excellent presentations, especially the one on AWE and the book reference, which I checked out at the Albuquerque library.	6/29/2025 7:54 PM
2	Presenters were all excellent, presentations easy to understand with ideas/suggestions/demonstrations as well as passionate about their topics AND encouraging.	6/20/2025 4:20 PM
3	The topics were relevant and of high interest to me. The presenters were knowledgeable, enthusiastic and engaging.	6/18/2025 2:17 PM
4	Identify options to consider that one might not have considered on their own.	6/18/2025 1:46 PM
5	I enjoyed Nature RX: The Healing Power of Exercise in the Wild and realized I need to exercise more. I learned more about Express Scripts and Davis Vision benefits. The lunch was really healthy and delicious! I got lots of information that I want to follow up on - the Wednesday Webinar Series, virtual exercise classes and cooking classes. Thank you!	6/10/2025 5:05 PM
6	The presentations were done in a way that was very understandable.	6/10/2025 11:30 AM
7	Keep the presentations short and to the point.	6/10/2025 9:57 AM
8	Presentations were interesting and informative. Also lot's of good reminders.	6/10/2025 8:11 AM
9	all information provided was very helpful	6/9/2025 9:49 PM
10	I liked being able to get my biometrics and the cancer check if my mouth. The massages were also great, but I think they should've had a tip jar. I personally gave My person $10. I think they did a great job. I enjoy the meal, however I feel like the cilantro should've been any separate container because I hate the taste of cilantro and it spread amongst my other food. I enjoyed all the speakers, but the prizes should've all been done maybe at the end of the day for those people that stuck there for the whole thing. I know I missed the announcement For the first prize giveaway because I was getting situated and did not even realize the speaker was Presenting.. I made it to the rest of the speakers, however. It was just not clear to me to read the handout that was given when I walked in and no one told me there was a schedule so I was involved with the tables.	6/9/2025 6:42 PM
11	provided relevant and interesting info	6/9/2025 6:37 PM
12	Presentations, chair massage, biometric testing .....all amazing!!!	6/9/2025 6:36 PM
13	Presenters were really good. Especially Ana's on awe	6/9/2025 6:05 PM
14	Prepared! Very organized and obviously lots of preparation and organization.	6/9/2025 5:17 PM
15	The presentations and booths were very informative and awesome! The lunch was healthy and delicious and the line went fast as I was towards the back. Great job!!!	6/9/2025 4:45 PM
16	great food	6/9/2025 4:18 PM
17	Gave me some simple things I can do during the day to improve health and well being by taping into our nature side.	6/9/2025 4:01 PM
18	Interesting lecturers	6/9/2025 3:54 PM
19	I liked that it was not crowded like the fair has been in the past. The venue was perfect, except the parking meters were not to my liking	6/9/2025 3:35 PM
20	Crowd control	6/9/2025 3:32 PM
21	Focus on the importance of physical and mental health	6/9/2025 3:30 PM
22	the presenters were good and the massage chairs were great	6/9/2025 3:06 PM

23	The outdoor theme for the presentations was well done. It was relatable to the summer.	6/9/2025 3:00 PM
24	The talks were the right length with each one packed with useful information.	6/9/2025 2:59 PM
25	Good info from both session presenters & information tables of providers.	6/9/2025 2:56 PM
26	Had engaging speakers	6/9/2025 2:55 PM
27	Well rounded overall	6/4/2025 10:03 AM
28	The food was great! The exercise routine with Jackie was very helpful.	6/4/2025 9:59 AM
29	Relaxation	6/3/2025 11:14 PM
30	Was very well organized and relevant. The presenters were very knowledgeable and dynamic.	6/3/2025 7:33 PM
31	The special healthy lunch was delicious !	6/3/2025 4:48 PM
32	I thought the presentation was right on. They had my attention the whole time. I'm also excited about getting the information sent to us now. I did not take notes and remembering everything is a little hard. Thank you all so much.	6/3/2025 3:59 PM
33	It provided me with important information!	6/3/2025 3:14 PM
34	Provided all of the information and updates that I needed!	6/3/2025 3:05 PM
35	Lots of good information and resources	6/3/2025 12:59 PM
36	Reinforced my need to move more as I age.	6/3/2025 12:08 PM
37	While all presentations were very informative, two have really stayed with me and I have practiced them. The AWE and workout presentations. Thank You!	5/29/2025 5:06 PM
38	Presentations were thoughtfully planned.	5/28/2025 3:50 PM
39	Providing information for participants to improve their overall health. E.g., adjusting our circadian rhythm to enhance physiological health	5/28/2025 2:20 PM

Q7 Do you have any additional comments or suggestions that you would like to share?

Answered: 21   Skipped: 24

#	RESPONSES	DATE
1	none noted	6/29/2025 7:54 PM
2	Well rounded program BUT Ana typically does a cooking presentation which is beneficial for the body and compliments the other topics of Metabolic Compass, AWE, and Consistent Movement.	6/20/2025 4:31 PM
3	No	6/18/2025 1:47 PM
4	The door prizes are a nice incentive to attend.	6/18/2025 12:30 PM
5	Please provide recipes for the foods served at lunch.	6/10/2025 5:09 PM
6	I have attended many of your workshops and have always come away with very helpful information that just keeps improving my lifestyle. Thank you.	6/10/2025 11:33 AM
7	Program was well organized and provided lots of useful information. Presenters were interesting. Would enjoy a live cooking demo or even a mini yoga or chair exercise class.	6/10/2025 8:14 AM
8	Allow attendees to schedule a massage. The lines were too long and prevented me from attending a session	6/9/2025 6:38 PM
9	Location was great. Very comfortable and easy to find.	6/9/2025 6:37 PM
10	Maybe a longer first break to see what the tables have to offeri	6/9/2025 6:11 PM
11	Timing of sessions was very good. Maybe more movement for the audience within the presentations. Information on joining groups to help with getting out in nature. Or, maybe the opportunity to start groups at the presentations.	6/9/2025 5:23 PM
12	There should be more free parking.	6/9/2025 3:36 PM
13	The food was different but very good	6/9/2025 3:31 PM
14	Thank you for having the companies be available for us to ask questions. The lunch was delicious and healthful.	6/9/2025 3:09 PM
15	I did not stay for the last session. The lunch line was too long and moved too slowly. I decided to leave.	6/9/2025 3:02 PM
16	No not at this time.	6/4/2025 10:00 AM
17	The next presentations should cover the same topics.	6/3/2025 7:34 PM
18	Several of the table presenters were especially helpful. The woman who did dental/throat cancer check and the nutritionist.	6/3/2025 4:50 PM
19	Maybe twice per year...???	6/3/2025 3:15 PM
20	Keep up the GOOD WORK, and KEEP the Book Club!!!	6/3/2025 3:06 PM
21	Recommended readings prior to Wellness Conference To jumpstart the experience!	5/28/2025 2:22 PM

Q8 Share Your Experiences and Wellness JourneyIf you have experienced personal success with our wellness programs and would like to share your story, please provide a brief overview and include your contact information. If chosen, we will reach out to schedule a brief phone interview. We can all inspire each other on the path to better wellness!

Answered: 7   Skipped: 38

#	RESPONSES	DATE
1	This Wellness Program Journey began with Ana doing an exercise class in 2017,as that is when I retired. A cooking show came next, and now a Book Club has been added. Miranda manages the technology and correspondence aspect. These two women have supported retirees and brought them together for exercise, healthier cooking, and intellectual discussions with the Book Club. Thank You!	6/20/2025 4:31 PM
2	I plan on following up on the wellness programs information I got at the health fair.	6/10/2025 5:09 PM
3	I have been part of the online book club from the start. I love the interaction and format of the program. Kudos to Ana and Miranda. An added benefit is seeing fellow book club members at other wellness programs!	6/9/2025 6:11 PM
4	My first time attending. Nothing to report at this time. Thank you!!	6/9/2025 5:23 PM
5	I am going to definitely use the exercise program. I enjoyed the class on gardening, but because I was worried about my car on a meter, I did not get to hear all of it.	6/9/2025 3:36 PM
6	Several years ago, one of the speakers encouraged us to check out the silver sneakers program. I realized then that I was weak, so I signed up. I am stronger now, and was able to handle 2 surgeries in May without any difficulty. No need to contact me. Patricia Snell	6/9/2025 3:09 PM
7	Trying to implement the 5-10 minute morning walk.	6/9/2025 2:57 PM

New Mexico Retiree Health Care Authority (CP)
Change in Market Value
For the Month of May 2025
(Report as of June 16, 2025)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	350,159,422.16	-	-	(96,418.78)	906,464.73	(1,114,949.77)	(1,997,526.76)	(3,112,476.53)	347,856,991.58
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	226,226,820.74	-	-	(23,766.54)	1,139,217.34	905,497.33	10,205,586.49	11,111,083.82	238,453,355.36
Non-US Emerging Markets Active Pool	130,202,503.85	-	-	(166,569.77)	498,387.72	(101,478.75)	6,341,693.38	6,240,214.63	136,774,536.43
Private Debt Market Pool	244,685,812.81	-	-		704,402.92	(3,076.46)	(302,735.44)	(305,811.90)	245,084,403.83
Private Equity Pool	222,874,516.51	-	-		788,564.53	750,482.58	(1,484,018.06)	(733,535.48)	222,929,545.56
Real Estate Pool	141,295,891.51	-	-		205,547.80	31,491.79	(169,101.18)	(137,609.39)	141,363,829.92
Real Return Pool	83,972,922.74	-	-	(15,965.22)	279,210.19	259,333.77	(82,018.00)	177,315.77	84,413,483.48
US Large Cap Index Pool	236,287,880.67	-	-	(5,907.97)	334,696.09	34,636.12	14,705,152.59	14,739,788.71	251,356,457.50
US SMID Cap Alternative Weighted Index Pool	30,643,305.71	-	-	(2,939.07)	50,769.90	1.46	1,552,510.11	1,552,511.57	32,243,648.11
Sub - Total New Mexico Retiree Health Care	1,666,349,076.70	-	-	(311,567.35)	4,907,261.22	761,938.07	28,769,543.13	29,531,481.20	1,700,476,251.77
Total New Mexico Retiree Health Care A	**1,666,349,076.70**	**-**	**-**	**(311,567.35)**	**4,907,261.22**	**761,938.07**	**28,769,543.13**	**29,531,481.20**	**1,700,476,251.77**

New Mexico Retiree Health Care Authority (CP)
Change in Market Value
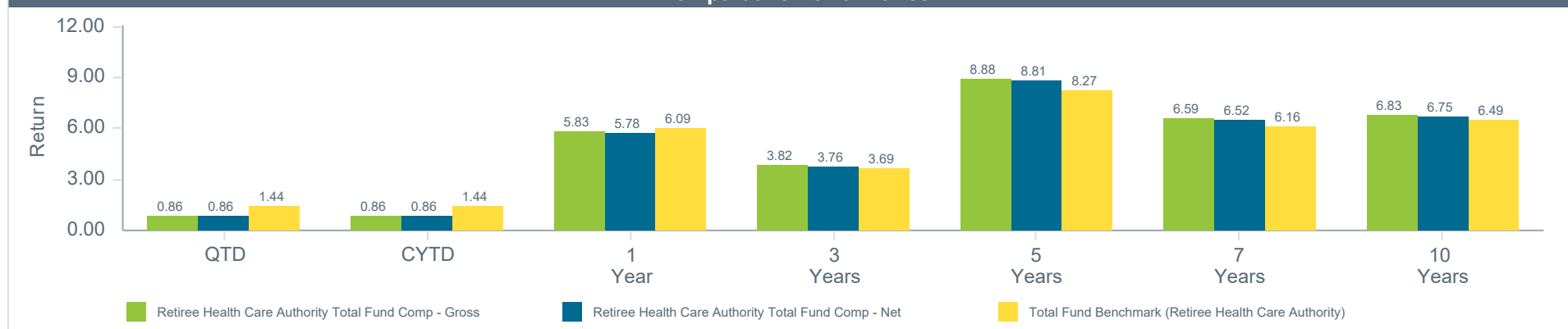### For the Month of Jun 2025
(Report as of July 17, 2025)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	347,856,991.58	12,000,000.00	-	(99,433.37)	1,939,570.72	(121,392.62)	4,254,622.18	4,133,229.56	365,830,358.49
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	238,453,355.36	8,400,000.00	-	(24,517.06)	532,077.03	111,268.66	7,747,759.39	7,859,028.05	255,219,943.38
Non-US Emerging Markets Active Pool	136,774,536.43	6,000,000.00	-	(173,401.57)	385,790.07	616,983.46	5,736,164.44	6,353,147.90	149,340,072.83
Private Debt Market Pool	245,084,403.83	9,000,000.00	-	-	595,802.33	215.02	3,384,294.46	3,384,509.48	258,064,715.64
Private Equity Pool	222,929,545.56	6,000,000.00	-	-	168,885.84	2,406,799.17	(682,386.42)	1,724,412.75	230,822,844.15
Real Estate Pool	141,363,829.92	6,000,000.00	-	-	337,677.15	43,241.21	393,146.36	436,387.57	148,137,894.64
Real Return Pool	84,413,483.48	3,000,000.00	-	(16,597.68)	296,647.87	43,725.82	1,863,233.40	1,906,959.22	89,600,492.89
US Large Cap Index Pool	251,356,457.50	8,400,000.00	-	(6,098.46)	321,334.83	954,925.63	11,871,194.10	12,826,119.73	272,897,813.60
US SMID Cap Alternative Weighted Index Pool	32,243,648.11	1,200,000.00	-	(3,036.45)	65,811.80	10,563.32	1,275,232.48	1,285,795.80	34,792,219.26
Sub - Total New Mexico Retiree Health Care	1,700,476,251.77	60,000,000.00	-	(323,084.59)	4,643,597.64	4,066,329.67	35,843,260.39	39,909,590.06	1,804,706,354.88
Total New Mexico Retiree Health Care A	**1,700,476,251.77**	**60,000,000.00**	**-**	**(323,084.59)**	**4,643,597.64**	**4,066,329.67**	**35,843,260.39**	**39,909,590.06**	**1,804,706,354.88**

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Overview

The New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.

Asset Allocation vs. Target Allocation

	Market Value ($)	Allocation (%)	Target (%)	Difference (%)
US Large Cap Index	237,698,178	14.39	14.00	0.39
US Small/Mid Cap Alt Wtd Index	31,980,089	1.94	2.00	-0.06
Non-US Developed Markets Index	215,925,889	13.07	14.00	-0.93
Non-US Emerging Markets Active	128,331,979	7.77	10.00	-2.23
US Core Bonds	348,883,517	21.12	20.00	1.12
Private Debt	244,061,773	14.78	15.00	-0.22
Real Return	82,419,678	4.99	5.00	-0.01
Real Estate	140,714,402	8.52	10.00	-1.48
Private Equity	221,803,478	13.43	10.00	3.43
Total Fund	**1,651,818,984**	**100.00**	**100.00**	**0.00**

Comparative Performance

Legend: Retiree Health Care Authority Total Fund Comp - Gross | Retiree Health Care Authority Total Fund Comp - Net | Total Fund Benchmark (Retiree Health Care Authority)

Comparative Performance

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2024	2023	2022
Retiree Health Care Authority Total Fund Comp - Gross	**0.86**	**0.86**	**5.83**	**3.82**	**8.88**	**6.59**	**6.83**	**7.69**	**9.39**	**-6.98**
Total Fund Benchmark (Retiree Health Care Authority)	*1.44*	*1.44*	*6.09*	*3.69*	*8.27*	*6.16*	*6.49*	*7.20*	*9.84*	*-8.54*
Difference	-0.58	-0.58	-0.25	0.13	0.61	0.43	0.34	0.49	-0.45	1.56
Retiree Health Care Authority Total Fund Comp - Net	**0.86**	**0.86**	**5.78**	**3.76**	**8.81**	**6.52**	**6.75**	**7.62**	**9.32**	**-7.05**
Total Fund Benchmark (Retiree Health Care Authority)	*1.44*	*1.44*	*6.09*	*3.69*	*8.27*	*6.16*	*6.49*	*7.20*	*9.84*	*-8.54*
Difference	-0.58	-0.58	-0.31	0.06	0.54	0.36	0.27	0.42	-0.52	1.48

Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
CYTD	**1,588,449,690**	**50,000,000**	**13,369,294**	**1,651,818,984**	**0.86**

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

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RVK

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

1 Year Ending March 31, 2025

Performance Attribution

Category	Value
Investment Pool Performance	5.83%
Strategic Asset Allocation (SAA)	6.09%
Tactical Asset Allocation (TAA)	0.36%
Style Selection (SS)	0.00%
Manager's Skill (MS)	-0.61 %

	SAA: 6.09%	TAA: 0.36%	SS: 0.00%	MS: -0.61 %
US Large Cap Index	1.16%	0.62%	0.00%	-0.04 %
US Small/Mid Cap Alt Wtd Index	-0.04 %	-0.03 %	0.00%	0.00%
Non-US Developed Markets Index	0.59%	-0.07 %	0.00%	-0.02 %
Non-US Emerging Markets Active	0.84%	-0.21 %	0.00%	-0.16 %
US Core Bonds	0.98%	-0.17 %	0.00%	0.09%
Private Debt	1.68%	-0.06 %	0.00%	-0.33 %
Real Return	0.38%	0.00%	0.00%	0.01%
Real Estate	-0.23 %	0.01%	0.00%	0.07%
Private Equity	0.72%	0.25%	0.00%	-0.22 %

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

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RVK

State of New Mexico
Office of the State Auditor

Via Email

May 28, 2025   SA Ref. No. 343-A

RHCA Schedule of Employer Allocations

Re: Authorization to Release FY2024 RHCA Schedule of Employer Allocations Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 5/14/2025.   The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and 2.2.2.13 NMAC. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

•   the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
•   the OSA will post the report on its public website; and
•   the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per 2.2.2.10.M(4) NMAC, at a meeting held in accordance with the Open Meetings Act, if applicable.

Although no findings were reported in your report, please remember it is ultimately the responsibility of the governing authority of the agency to maintain adequate internal controls over financial reporting and compliance.

Sincerely,

Joseph M. Maestas, PE, CFE
State Auditor

cc: Moss Adams, LLP

ANNUAL MEETING

2026 Plan Recommendations – ACTION ITEMS

Summary of Proposed Actions

o Self-Insured Plan Rate Increases

    o   *Pre-Medicare (Premier and Value Plans)*

    o   *Medicare Supplement*

o Plan Design Changes

    o   *Add a deductible to prescription plans*

    o   *Copay changes to Pre-Medicare and Medicare Supplement Plans*

o Additional Considerations

    o   *2026 Medicare Advantage Rates – Zero dollar increase up to about 75.6% increase*

Staff Recommendations

o Scenario D:

   o Premium Increases to Pre-Medicare and Medicare Supplement Plans

   o Changes to Cost Sharing Prescription Plans for Pre-Medicare and Medicare Supplement Plans

   o Addition of Deductible to Supplement EGWP Plan for Brand and Higher Tiers

Summary of Proposals (Action Item)

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