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ANNUAL MEETING

OF THE

BOARD OF DIRECTORS

Day 1

July 16, 2026

8:30 AM

The Historic Plaza Hotel

230 Plaza St., Las Vegas, NM 87701

Click here to join online at
https://meet.goto.com/NMRHCA/boardmeeting

To join via Telephone call 1-224-501-3412

and use access code 724-176-285

New Mexico Retiree Health Care Authority

Annual Meeting

BOARD OF DIRECTORS

ROLL CALL

JULY 16, 2026

Member in Attendance			
Dr. Lee Caruana, President			
Dr. Tomas Salazar, Vice President			
Lance Pyle, Secretary			
NM Treasurer Laura Montoya			
Dr. Gerry Washburn			
Donna Sandoval			
Therese Saunders			
Kate Brassington			
Renee Garcia			
Heather Vigil Clark			
JoLou Trujillo-Ottino			

NMRHCA BOARD OF DIRECTORS

JULY 2026

Dr. Lee Caruana, MD, President Retired Public Employees of NM leecaruana13@gmail.com	Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 donnasandoval@cabq.gov 505-768-2975
Dr. Tomas E. Salazar, PhD, Vice President NM Assoc. of Educational Retirees PO Box 66 Las Vegas, NM 87701 salazarte@plateautel.net 505-429-2206	Therese Saunders NEA-NM, Classroom Teachers Assoc., & NM Federation of Educational Employees 5811 Brahma Dr. NW Albuquerque, NM 87120 tsaunders3@mac.com 505-934-3058
Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 lpyle@currycountynm.gov 575-763-6016	JoLou Trujillo-Ottino NM Health Care Authority 1474 Rodeo Road Santa Fe, NM 87505 jolou.trujillo-ottino@hca.nm.gov
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	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
Heather Vigil Clark State Personnel Office 2600 Cerillos Road Santa Fe, NM 87505 heather.vigilclark@spo.nm.gov 505-365-3300	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
Dr. Gerry Washburn. Ed. D. 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 16 & 17, 2026 - 8:30 AM

Meeting to Be Held at The Historic Plaza Hotel
230 Plaza St.
Las Vegas, NM 87701
Click Here to Join Via Video Conference
To Join Via Telephone call 1-224-501-3412 and use access code 724-176-285

AGENDA DAY 1 JULY 16

1.		Call to Order	Dr. Caruana, President	PAGE
2.		Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3.		Pledge of Allegiance & Salute to New Mexico State Flag	Dr. Caruana, President	
4.		Approval of Agenda	Dr. Caruana, President	4
5.		Approval of Regular Meeting Minutes from June 2, 2026	Dr. Caruana, President	6
6.		Introduction of New Board Members	Mr. Kueffer, Executive Director	
7.		Public Forum and Introductions	Dr. Caruana, President	
8.		Election of Board Officers (Action Item)	Dr. Caruana, President	
	a.	Board Policies and Procedures Revision to Language (Action Item)		12
	b.	Committee Assignments (Action Item)		19
	c.	Code of Ethics		21
	d.	Open Meetings Act Resolution (Action Item)		27
9.		Committee Reports	President	
10.		Provider Presentations		
	a.	Blue Cross Blue Shield of New Mexico Pre-Medicare	Ms. Guevara, Account Executive	31

	b.	Presbyterian Health Plan Pre-Medicare	Mr. Anaya, Account Manager Ms. Padilla, Manager Commercial Sales	71
11.		2025 Claims and Demographics Study	Ms. Donaldson, FSA, MAAA, Sr VP, Segal Mr. Madalena, Madalena Consulting LLC	81
12.		Express Scripts – Prescription Plans Pre/Post Medicare	Ms. Perdue, Account Executive Ms. Weimerskirch, Sr. Clinical Account Executive	124
13.		Actuarial Presentations – Segal & Madalena Consulting	Ms. Donaldson, FSA, MAAA, Sr VP, Segal Ms. Cohen, ASA, MAAA, Sr VP, Segal Mr. Madalena, Madalena Consulting LLC	
	a.	2025 Prescribing Patterns		171
	b.	Pharmacy Cost Driver Report		180
		(Recess for lunch at the pleasure of the Board)		
14.		Actuarial Presentations – Segal	Ms. Donaldson, FSA, MAAA, Sr VP, Segal Ms. Cohen, ASA, MAAA, Sr VP, Segal	
	a.	Long-Term Cash Flow & Solvency Modeling		223
	b.	Long-Term Solvency Modeling and Legislative Impact		248
15.		Review of Calendar Year 2027 Plan Change Options	Mr. Kueffer, Executive Director	272
16.		Board Members Fiduciary Responsibilities	Mr. Al-Gahmi, Attorney, Rodey Law Firm Mr. Carrasco, Director, Rodey Law Firm	294
17.		Executive Session – Executive Director Performance Evaluation, Pursuant to NMSA 1978, Section 10-15-1(H)-(2) To Discuss Limited Personnel Matters	President	

Recess until 8:30 AM, July 17, 2026, in the same location

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

REGULAR MEETING
June 2, 2026

CALL TO ORDER

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

ROLL CALL TO ASCERTAIN A QUORUM

A quorum was present.

Members Present

Mr. Lance Pyle, Secretary, Acting Chair
Dr. Gerry Washburn [virtual]
Ms. Donna Sandoval
Ms. Therese Saunders
Ms. Renee Garcia
Ms. Kate Brassington
Mr. Colin Baillio

Members Excused

Dr. Lee Caruana, President
Dr. Tomas Salazar, Vice President
Hon. Laura M. Montoya, NM State Treasurer

Staff Present

Mr. Neil Kueffer, Executive Director
Ms. Linda Atencio, Deputy Director Ayanniyi
Ms. Sheri Ayanniyi, Chief Financial Officer
Mr. Jess Biggs, Communications Director
Mr. Raymond Long, IT Director
Mr. Alexander George, Network Administrator

Ms. Judith Beatty, Recorder

PLEDGE OF ALLEGIANCE & SALUTE TO NEW MEXICO STATE FLAG

APPROVAL OF AGENDA

Ms. Sandoval moved approval of the agenda. Ms. Garcia seconded the motion, which passed unanimously.

The motion was reconsidered by unanimous consent and restated by Ms. Sandoval with an amendment to change Approval of Meeting Minutes to reflect the meeting of May 12, 2026. The motion, as amended, was seconded by Ms. Garcia and passed unanimously.

APPROVAL OF MEETING MINUTES: May 12, 2026

Secretary Pyle moved approval of the minutes of the May 12, 2026, meeting. Ms. Brassington seconded the motion, which passed with Ms. Saunders in abstention.

NEW BOARD MEMBER

Mr. Kueffer welcomed Colin Baillio as new board member, replacing Alex Castillo-Smith. Mr. Baillio is the Healthcare Coverage Innovations director with the New Mexico HCA, where he oversees the state's healthcare affordability fund and the state employee health insurance plan. Previously, he served as the New Mexico Deputy Superintendent of Insurance, and is a native New Mexican.

Mr. Baillio said he looked forward to doing whatever he could to help the NMRHCA in securing a long-term sustainable future.

BOARD MEMBER VACANCY AND NEXT STEPS

Mr. Kueffer stated that Raquel Alirez has resigned her position from the board, feeling that it would be in the best interest of the board to find a replacement who would have more time to dedicate to the NMRHCA's business. He thanked Ms. Alirez for her time served as a member.

Mr. Kueffer stated that the State Personnel Office is tasked with appointing a Classified state employee to replace Ms. Alirez at its June 12th meeting. He said he will be working closely with SPO with the hope that a replacement could be in place in time for the annual retreat in July.

PUBLIC FORUM AND INTRODUCTIONS

Guests introduced themselves to the board.

COMMITTEE REPORTS

Wellness Committee

Ms. Saunders reported that the Wellness Committee met on May 19. Two members were present along with all of the healthcare providers, who made very good presentations about wellness activities they are involved in. In addition, representatives from the NMRHCA's ancillary services, (Hinge Health, Livongo and Sword) were present and made presentations. Ms. Saunders suggested that the NMRHCA focus next year on compiling the numbers of people these providers have reached through their wellness activities so it can compare those numbers to the previous year's.

Finance Committee

Ms. Brassington reported that the Finance Committee met on May 26. The committee reviewed the legal services contract and voted to move it to today's agenda.

Executive Committee

Secretary Pyle said the Executive Committee met and reviewed today's agenda. The committee did not have a quorum.

STAFF UPDATES

Human Resources

Ms. Atencio reported that the General Counsel position remains open. The agency continues to talk with other agencies in an effort to find the right candidate with the required experience.

Ms. Atencio stated that Greg Archuleta, who was previously with NMRHCA, has been hired as Senior Supervisor in the Santa Fe office.

Wise & Well Health Fairs

Mr. Biggs reported on the 2026 Annual NMRHCA Wellness Fair, which was centered on the theme of "Walking the Next Mile." The NMRHCA continues to see good participation at these events, although it would love to see greater participation. In Santa Fe, 70 people attended, representing 54% of the registrants; Albuquerque had 200 people, representing 66%, and in Las Cruces, 40 people attended, representing 53% of the registrants. There were 42 people at the virtual session.

Mr. Biggs reported that Presbyterian also had a mobile unit on site so that biometric screenings could be conducted. There were 23 attendees in Santa Fe, 37 in Albuquerque and 37 in Las Cruces that engaged in the screening. In addition, Delta Dental arranged for an oral cancer screening at each of the facilities, providing 20 screenings in Santa Fe, 27

in Albuquerque, and 14 in Las Cruces. The caregivers and vendors were there representing the different health plans to answer questions.

Mr. Biggs said 80% of the attendees who were surveyed indicated that they found the event to be extremely helpful or very helpful.

Ms. Saunders said she attended the Albuquerque wellness fair and heard positive comments the entire time she was there. She congratulated Mr. Biggs on a very well-done event.

April 30, 2026, SIC Report

Ms. Ayanniyi reported that the fund began the month with a balance of $1.9 billion and ended at $2.07 billion.

BCBS NM and Lovelace/Ardent Negotiations

Mr. Kueffer said he was pleased to announce that the negotiations between Blue Cross Blue Shield and Lovelace were successful, and the parties were able to reach an agreement.

BCBS representative Marlene Baca thanked everyone for their patience and understanding during this stressful process.

Responding to Mr. Baillio, Ms. Baca said she was not able to share publicly what the final negotiation amount was, but BCBS would be working with Mr. Kueffer and Segal to let them know for budgetary purposes. She said Lovelace came to BCBS with a rather large increase, which BCBS did not agree with, but the increase will be spread across 730,000 members.

Mr. Baillio noted that the Health Care Authority and legislature have made significant investments in increasing Medicaid reimbursement rates for hospitals. Part of the hope was that it would put less pressure on the state's private market, the state employee health plan, and the NMRHCA health plan. He said this is important to think about moving forward. While there are a lot of federal changes putting pressure on the other side, healthcare and hospital costs in particular are a huge driver in making health coverage less affordable.

INVESTMENT PERFORMANCE AND GENERAL UPDATES FROM STATE INVESTMENT COUNCIL: CHARLES WOLLMANN, CHIEF COMMUNICATIONS OFFICER

Mr. Wollmann made a presentation.

LEGAL SERVICES CONTRACT

Ms. Atencio stated that NMRHCA staff released a Request for Quotations (RFQ) on May 15, 2026, to multiple law firms with experience in government and health care law. Of the firms solicited, two declined to submit proposals and one firm did not respond. The only firm responding to the RFQ was Rodey, Dickason, Sloan, Akin & Robb, P.A. After reviewing the submitted response and consideration of the NMRHCA's specialized operational and regulatory needs, staff recommends continuing legal services with the Rodey firm, which continues to demonstrate strong experience in the public sector and health care law, familiarity with NMRHCA's unique operational structure and regulatory environment, and competitive pricing for the requested services.

Ms. Atencio stated that the scope of services was on page 46 of the Board Book.

Ms. Saunders asked what the estimated number of hours would be. She noted the contract amount of $35,000.

Mr. Kueffer responded that the number of hours varies from year to year. Staff arrives at an estimate by reviewing the number of hours in previous years. With legal counsel on staff in recent years, the number of hours has been reduced.

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

2026 SEGAL OVERVIEW FOR 2027 CALENDAR BENEFITS

SEGAL Senior Vice President Debbie Donaldson made a presentation.

2026 PRELIMINARY PLAN DISCUSSIONS

Referring to the premium rate charts on pages 72-73. Mr. Kueffer commented that NMRHCA has made continued efforts to keep premium costs low through offsets, but changes at the federal level are creating a bigger divide between the actual trend and where the NMRHCA needs to be with its premiums. He cautioned that the board may find itself having to make a correction through a much larger premium increase.

ANNUAL BOARD RETREAT

Mr. Biggs reviewed the annual retreat logistics. The following documents were in the Board Book for review:

- Board Policies & Procedures
- Code of Conduct
- Election of Officers & Committee Assignments

- Open Meetings Act Resolution
- Executive Director Evaluation

Mr. Biggs referred to the evaluation form for board members to complete on pages 96-97. He said he would be communicating with President Caruana on how the assessments would be collected prior to the annual meeting. He asked board members to send the evaluations to him and not Mr. Kueffer.

OTHER BUSINESS

None.

DATE AND TIME OF NEXT BOARD MEETING

July 16, 2026, @ 8:30 AM in the Ballroom
July 17, 2926, @ 8:30 AM in the Ballroom
The Historic Plaza Hotel
230 Plaza Street
Las Vegas, NM. 87701

ADJOURN

11:35 a.m.

Accepted by:

_____

Lee Caruana, President

2026 BOARD POLICIES AND PROCEDURES MISSION STATEMENT

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

ADMINISTRATION

The Authority is governed by a Board of Directors ("Board"), which is composed of not more than 13 members (the "Board Members" or individually a "Board Member"). The Board is authorized to take all actions reasonably necessary to implement the Retiree Health Care Act (the "Act"). Currently, the Authority maintains two offices and a full time staff of 28 employees. The Authority offers comprehensive medical, dental, vision and life insurance to nearly 66,000 retired public employees. NMRHCA receives revenue from premiums paid by retirees, contributions from active employees and their employers, and funding and revenue from other various sources. The Board and Authority administer the Authority's Trust Fund ("Fund"), which is invested and managed by the New Mexico State Investment Council, as required by the Act.

Currently, the Authority has approximately 304 participating public entities including all State agencies, public and charter schools, many counties, and cities, as well as several universities.

ANNUAL REVIEW OF BOARD POLICIES AND PROCEDURES

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

OFFICERS, TERM OF OFFICE, DUTIES

Term of Office

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

Procedure for Electing Officers

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

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

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

Duties of the Chairperson

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

Duties of the Vice-Chairperson

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

Duties of the Secretary

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

BOARD COMMITTEES

The Board has the following standing committees:

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

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

CODE OF CONDUCT

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

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

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

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

BOARD TRAVEL

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

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

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

PROCEDURES FOR CONDUCT OF NMRHCA BOARD MEETINGS

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

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

Regular Meetings

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

The Board will meet at least once a year.

Special or Emergency Meetings

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

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

Public Notice

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

Agenda

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

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

Open and Closed Meetings

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

Minutes

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

Board Meeting Attendance

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

EXECUTIVE DIRECTOR

General Provisions

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

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

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

Responsibilities of the Executive Director

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

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

Employment of the Executive Director

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

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

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

Executive Director Evaluations

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

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

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

Executive Director Leave

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

APPEAL OF BENEFIT DETERMINATIONS

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

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

FY27 Board Elections/Committee Assignments

Background

Article 7C Section 10-7C-6. Board created; membership; authority.

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

B. The board shall include:

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

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

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

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

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

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

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

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

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

Summary

In compliance with section F, NMRHCA's board elections typically occur in July of each year for the ensuing 12-month period. In addition, committee assignments are designated for the same time period with a full list of FY27 committee assignments provided below.

Executive	**Finance & Investment**	**Legislative**
Dr. Caruana, President	Ms. Brassington, Chair	Mr. Salazar, Chair
Dr. Salazar, Vice President	Mr. Washburn	Ms. Montoya
Mr. Pyle, Secretary	Ms. Sandoval	Mr. Pyle
		Mr. Washburn

Audit	**Wellness**
Ms. Sandoval, Chair	Ms. Saunders, Chair
Mr. Salazar	Dr. Caruana
Ms. Montoya	Ms. Garcia
Mr. Pyle	

This rule was filed as 2 NMAC 81.3.

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

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

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

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

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

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

2.81.3.6 OBJECTIVE:

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

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

C. When a sound code of ethics is promulgated and enforced, the public has confidence in the integrity of its government. The objective of the code of ethics rule is to advance openness in government by requiring disclosure of private interests that may affect public acts, to set standards of ethical conduct, to minimize pressures on public representatives and to establish a process for reviewing and settling alleged violations.
[6/15/98; Recompiled 10/01/01]

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

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

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

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

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

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

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

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

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

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

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

2.81.3.8 PUBLIC REPRESENTATIVE/REGISTRATION/DISCLOSURE:

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

(1) name;

(2) address and telephone number;

(3) professional, occupational or business licenses;

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

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

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

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

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

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

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

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

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

(1) an occasional nonpecuniary gift of insignificant value;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.81.3.11 CODE OF ETHICS HEARING OFFICER/APPOINTMENT/QUALIFICATIONS/DUTIES:

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

B. The hearing officer shall:

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

(2) conduct hearings of all complaints received; and

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

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

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

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

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

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

A. issue a public reprimand to the public official;

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

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

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

HISTORY OF 2.81.3 NMAC:

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

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

History of Repealed Material: [RESERVED]

New Mexico Retiree Health Care Authority

Code of Ethics Disclosure Statement

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

1. **Name:** _____

2. **Address:** _____

   _____

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

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

Type of License	License No.

Continue on separate sheet if necessary

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

Name of Organization	Address of Organization	Position or Office in Organization

Continue on separate sheet if necessary

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

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

"Financial Interest" *means:*

(a) An interest of ten percent (10%) or more in a Business or an interest exceeding ten thousand dollars ($10,000) in a Business; or

(b) An ownership interest in a business; or

(c) Any employment or prospective employment (for which negotiations have already begun) with a Business,

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

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

Name of Business	Address of Business	Nature of Business

Continue on separate sheet if necessary

SIGNATURE: _____

PRINT NAME: _____

DATE: _____

NEW MEXICO RETIREE HEALTH CARE AUTHORITY
RESOLUTION NO. 2027-1

WHEREAS the Board of Directors of the New Mexico Retiree Health Care Authority (NMRHCA) met at its annual meeting at 8:30 a.m. on July 16 and 17, 2026.

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

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

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

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

1. Location and Time of Meetings: Unless otherwise specified by the NMRHCA Board, regular meetings will be held on the first Tuesday of every month. All regular meetings may be held at a location in Albuquerque, Santa Fe, or via teleconference and telephone beginning at 9:30 a.m. or as indicated in the meeting notice. Committee meetings will be held at the call of the chair.

2. Meeting Notice and Agenda: A meeting notice shall be prepared by the NMRHCA for each board meeting. Each meeting notice shall include either the agenda of the meeting or information on how the public may obtain a copy of the agenda of the meeting. Each meeting agenda shall consist of a list of specific items of business to be discussed or transacted at the meeting. Except for emergency matters, the NMRHCA shall take action only on items appearing on the agenda.

Except in the case of an emergency meeting, the agenda will be available to the public at least seventy-two (72) hours prior to the meeting from the Executive Director, whose office is located at 6300 Jefferson Street NE, Suite 105, Albuquerque, NM 87109 or by email at neil.kueffer@rhca.nm.gov. In the case of an emergency meeting, the agenda shall be made available to the public as soon as is reasonably possible.

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

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

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

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

7. Notification Process:

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

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

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

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

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

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

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

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

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

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

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

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

Passed by the NMRHCA Board this 16th day of July 2026.

_____ _____

Board President Neil Kueffer, Executive Director

BlueCross BlueShield of New Mexico

New Mexico Retiree Health Care Authority

Annual Board Meeting

July 2026

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

Executive Summary

Empower+ Wellbeing Management

$1.3M
PEPM Savings
($21.42 | $31.39 BMK)

32.5%
Clinically Managed
(23.3% Prior | 20.6% BMK)

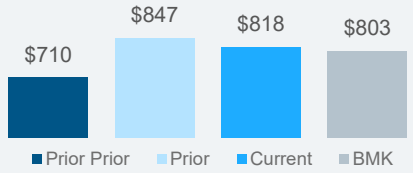
84.6%
Program Interaction
(86.4% Prior | 89.9% BMK)

91.1%
High Cost and Potential High Cost Clinically Managed

Analytics Overview

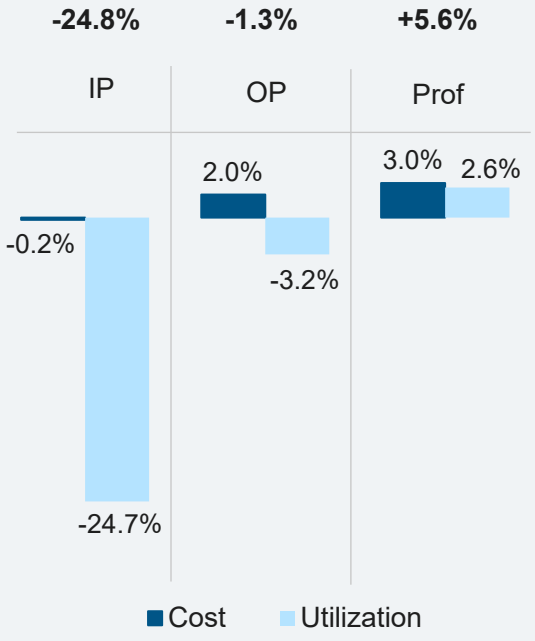
Financial Summary

Paid PMPM



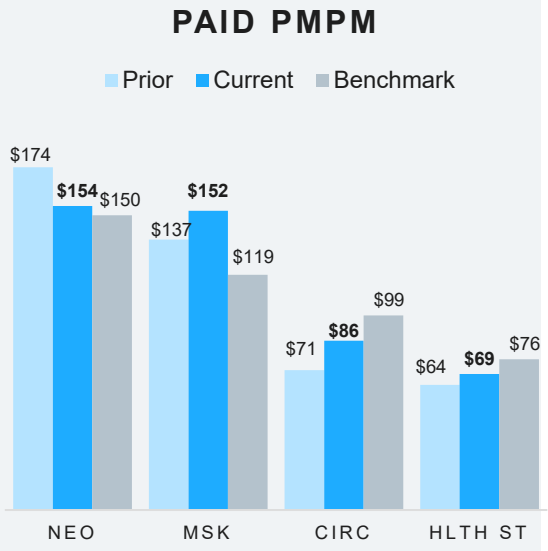
$818.17 Current PMPM
-3.4% YoY Change
1.9% Below Benchmark
$53.7M Current Paid
$60.2M Prior Spend
-10.7% YoY Change

Service Categories



Diagnoses

Top **4** diagnostic categories accounted for 56**%** of spend



Key Utilization Insights

High-Cost Claimants
High-Cost Claimants ($100K+) accounted for 36.1% of the overall spend in the current period

Neoplasms
Decreased 11% YoY

Circulatory
A top diagnostic category with a PMPM increase of 21% YoY

Cost
Cost increased among 2 of the service categories

Inpatient
The service category that impacted the paid PMPM trend with a decrease of 25%

Opportunities

Communication
Outreach to members on Annual Exams and Preventive Screenings

Galileo Virtual Primary Care
Eliminate barriers to Primary Care

Cancer Services and Support
Educating members during their cancer journey

Reporting Parameters
Current Reporting Period: represents claims incurred from January 1, 2025 through December 31, 2025 and paid January 1, 2025 through February 28, 2026.

Current: Claims incurred 1/1/2025 - 12/31/2025 and paid thru 2/28/2026. Prior: Claims incurred 1/1/2024 - 12/31/2024 and paid thru 2/28/2025.

Key Indicators

$53,738,403
Total Paid

$818.17
Current Paid PMPM

-3.4%
Change Year Over Year

1.9%
Lower than Benchmark

36.1%
Current HCC of Total Paid

41.3%
Prior HCC of Total Paid

29.8%
Benchmark HCC of Total Paid

		PMPM	COST	UTILIZATION
1.6% Trend	**Inpatient Facility**	**-24.8%**	-0.2%	-24.7%
	Outpatient Facility	**-1.3%**	2.0%	-3.2%
	Professional	**5.6%**	3.0%	2.6%

This table shows the % change from prior period to current period in paid PMPM, the % change in the amount paid per service (cost), and the % change in the number of services per 1,000 (utilization) by service category.

Key Indicator Headlines – NMRHCA

- **Excluding High-Cost Claimants,** the total paid PMPM trend was **5.1%**.
- **Professional Services** was the only service category that experienced **increases in both cost and utilization in 2025.**
- **The top 4 diagnostic categories for Retirees were Neoplasms, Musculoskeletal, Circulatory, and Health Status**. These categories accounted for **56.3%** of total medical costs in the current period (**54% prior**).

Service Category Trends

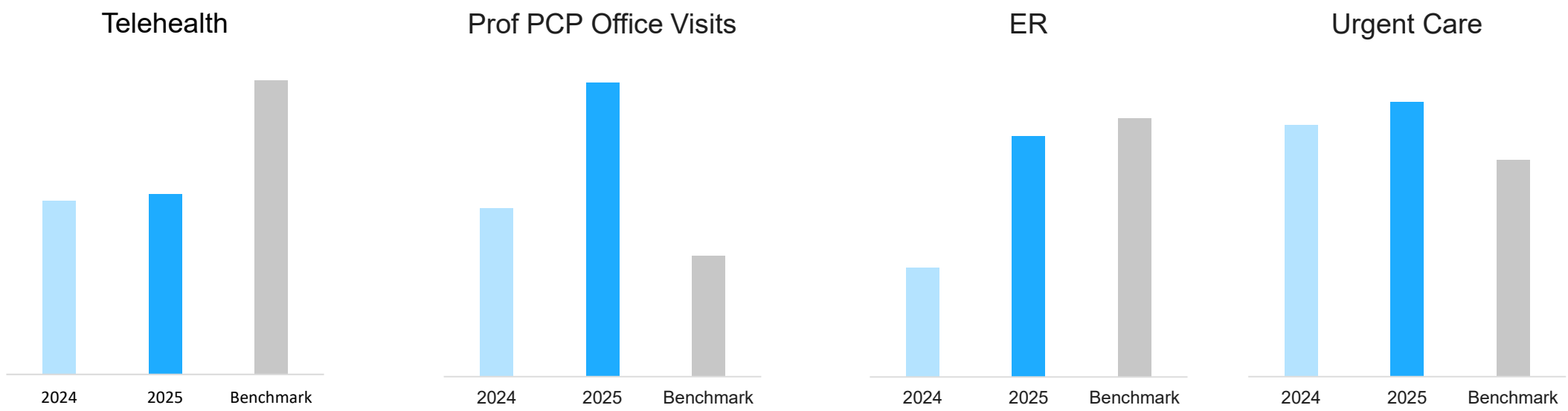
Inpatient paid PMPM decreased by 24.8% between reporting periods. The top two admission types by paid PMPM were Surgical and Medical. Surgical decreased by 13.9%. Medical decreased by 48.0%.

Outpatient paid PMPM decreased by 1.3% between reporting periods. The top two outpatient facility visit types by paid PMPM were Surgical and Emergency Room. Surgical increased by 15.2%. Emergency Room increased by 18.3%.

Professional paid PMPM increased by 5.6% between reporting periods. The top two professional service types by paid PMPM were Evaluation & Management and Medical Services & Supplies (HCPCS II). Evaluation & Management increased by 14.0%. Medical Services & Supplies (HCPCS II) decreased by 11.2%.

Levels of Care

Visits per 1,000 by Level of Care



Levels of Care - Visits Per 1,000

Member MSA	Telehealth	Prof PCP Office	Prof Specialist Office	Urgent Care Visits	ER Visits	IP Facility
Albuquerque, NM	1,618.4	3,395.7	7,968.9	241.3	221.4	39.7
Carlsbad-Artesia, NM	581.1	4,302.1	7,724.6	21.3	191.9	10.7
Farmington, NM	1,025.6	3,877.7	6,891.5	177.5	201.2	31.6
Las Cruces, NM	1,395.0	4,194.3	8,939.7	261.0	212.0	45.0
Roswell, NM	759.8	5,338.7	6,613.1	12.1	245.2	48.2
Santa Fe, NM	1,952.6	3,760.4	8,012.2	561.3	211.5	30.2

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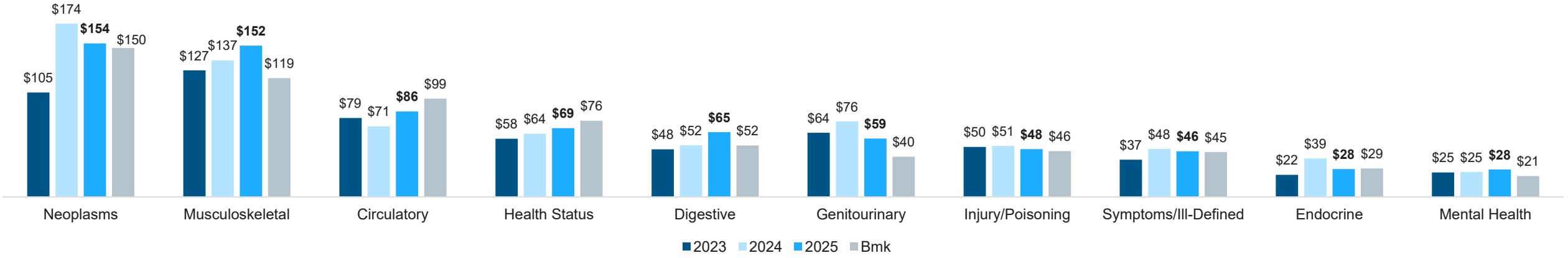
Top Diagnostic Categories

Diagnostic Categories with Paid PMPM	2023	2024	2025	% Change	Bmk	Bmk Variance
Neoplasms	$104.85	$173.89	**$154.22**	-11.3%	$149.57	3.1%
Musculoskeletal	$127.09	$137.12	**$151.85**	10.7%	$119.29	27.3%
Circulatory	$79.29	$70.91	**$85.91**	21.2%	$98.71	-13.0%
Health Status	$58.39	$63.53	**$68.98**	8.6%	$76.48	-9.8%
Digestive	$47.78	$51.80	**$65.04**	25.6%	$51.62	26.0%
Genitourinary	$64.47	$75.75	**$58.54**	-22.7%	$40.33	45.2%
Injury/Poisoning	$50.29	$51.16	**$47.93**	-6.3%	$45.97	4.3%
Symptoms/Ill-Defined	$37.34	$48.25	**$45.89**	-4.9%	$45.03	1.9%
Endocrine	$22.23	$38.59	**$27.92**	-27.6%	$28.65	-2.6%
Mental Health	$24.61	$25.03	**$27.54**	10.0%	$21.05	30.8%
All Others	$93.59	$111.36	**$84.35**	-24.3%	$126.24	-33.2%
Total	$709.92	$847.39	**$818.17**	-3.4%	$802.93	1.9%

Key Insights

- **Neoplasms** was the most costly diagnostic category and **paid PMPM decreased 11.3%** between reporting periods.
- The **top 4** diagnostic categories accounted for **56.3%** of total medical costs in the current period.
- **The Digestive** category experienced the largest percentage increase in the current period.

Top Diagnostic Categories by Paid PMPM



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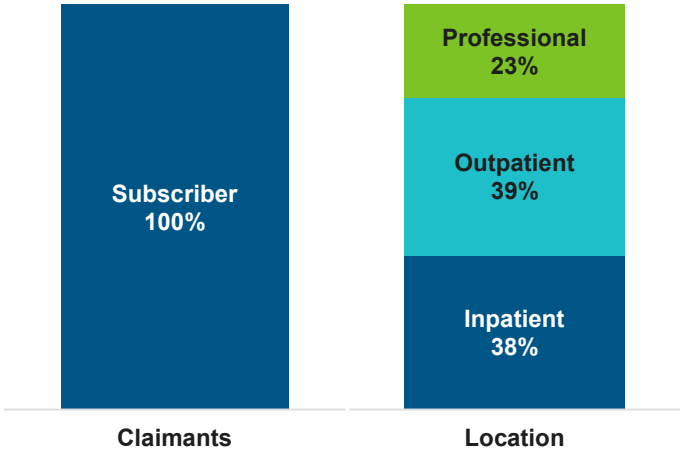
High Cost Claimants

Incurred $100K+ in the current period

79
HCCs (1.44% of membership)

97 HCCs in Prior Period

HCC Cost Distribution
By Relationship & Service Location



$19.4M
Paid
(36.1% of total spend)

$24.9M Paid Spend in Prior Period

Current Claims Paid Band Spend

	2024		2025	
	Clmnts	Paid	Clmnts	Paid
$0 – 49,999	5,760	$25,844,548	5,381	$26,091,396
$50k – 99,999	137	$9,508,286	118	$8,254,363
$100k – 299,999	76	$12,010,364	64	$11,066,489
$300k +	21	$12,841,627	15	$8,326,155
HCC Total	**97**	**$24,851,991**	**79**	**$19,392,644**

Diagnostic Categories

Neoplasms Most Costly Category

HCC Top Diagnostic Categories

	2024		2025	
	Clmnts	Paid	Clmnts	Paid
Neoplasms	35	$10,747,419	26	$7,812,436
Musculoskeletal	13	$2,105,884	18	$3,378,199
Circulatory	12	$3,144,554	13	$2,857,386
Genitourinary	5	$3,315,432	6	$2,312,394
Digestive	6	$1,013,565	4	$1,196,171
All others	26	$4,525,137	12	$1,836,057
Summary	**97**	**$24,851,991**	**79**	**$19,392,644**

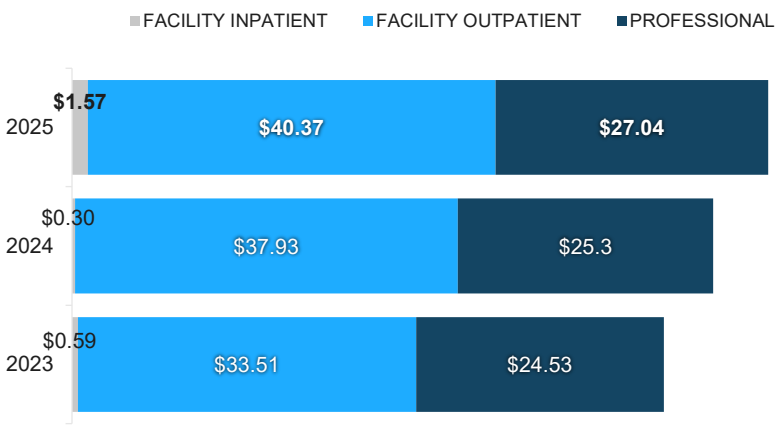
20 of the 79 HCCs were **Subscribers**.

HCC Paid PMPM trended down **16%** with the majority of HCC spend remaining in Inpatient in the current period.

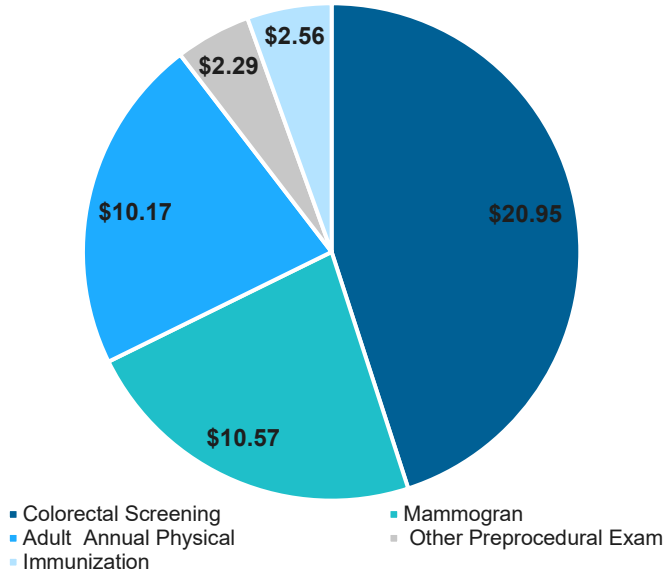
Neoplasms diagnosis impacted **33%** of all HCCs and accounted for **40%** of HCC Spend overall.

Health Status and Preventive Care

Health Status Paid PMPM by Service Category



Top 5 Health Status Diagnosis by Paid PMPM



Preventive Compliance:

Cancer Screenings:

	2023	2024	2025	Benchmark
Cervical Cancer Screening	40.7%	40.8%	41.1%	27.2%
Colorectal Cancer Screening	31.8%	35.4%	38.5%	23.7%
Mammogram Screening	59.6%	60.7%	60.3%	40.4%
Lung Cancer Screening	19.4%	20.5%	26.1%	28.2%

PCP Care:

	2023	2024	2025	Benchmark
Annual Physical (Male)	31.7%	38.5%	39.5%	29.2%
Annual Physical (Female)	24.6%	25.1%	26.2%	18.9%

- All Cancer Screenings, Immunizations and Wellness Exams are above benchmark
- Members without Medical Claims: 8.4%
  - Public Solutions Benchmark: 11.6%
- Members (18+) without PCP Claims: 58.0%
  - Public Solutions Benchmark: 59.7%

Health Status includes Dx Codes for the following:

- Preventive Screenings
- Immunizations
- Contraceptive Management
- Post-operative Rehabilitation
- Monitoring of Post-operative Organ Transplants
- Personal or Family History of certain Hereditary Conditions such as Cancer and Heart Disease

Key Insights:

All Screenings increased year over year

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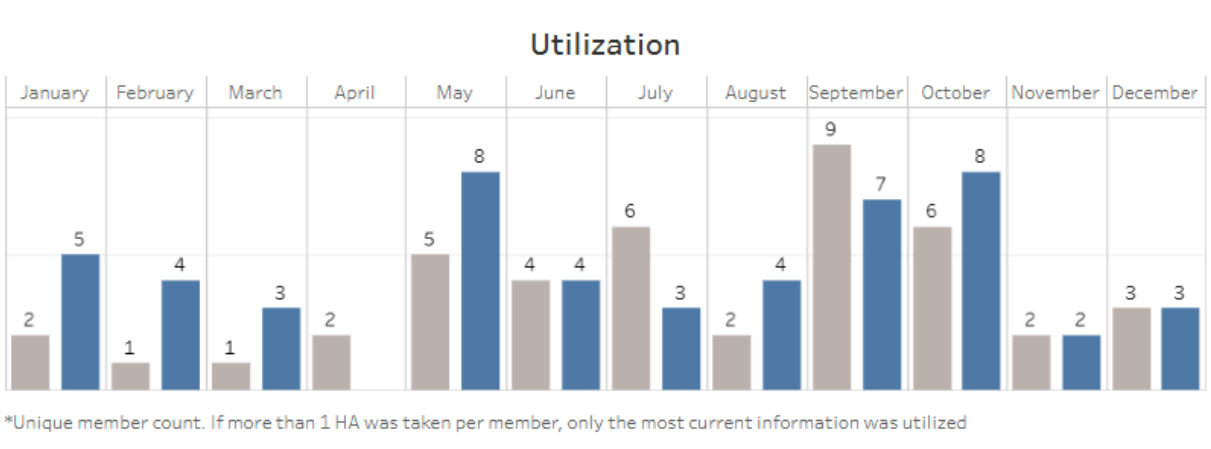
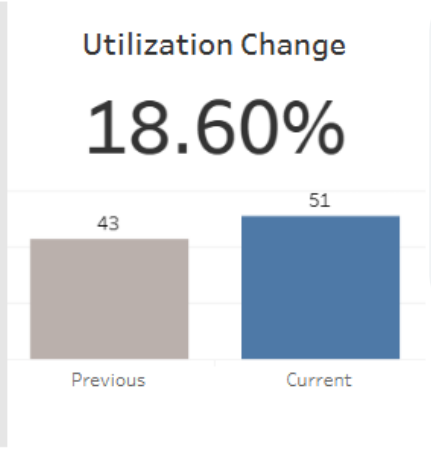
Top Issues Affecting NMRHCA Members

Utilization



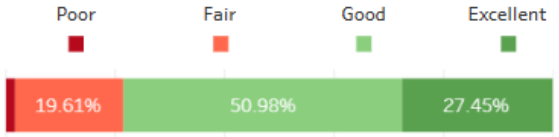
*Unique member count. If more than 1 HA was taken per member, only the most current information was utilized



Respondent's Health and Wellness Outlook

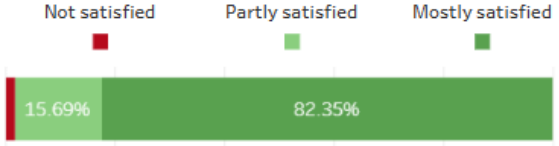
Health Perception
Fair/Poor Health

21.57%
11 of 51



Life Satisfaction
Not satisfied

1.96%
1 of 51



Readiness to Change Exercise
100.00%
8 of 8

Readiness to Change Smoking

Readiness to Change Weight Loss
88.89%
32 of 36

Blood Pressure
Out of Range
39.22%
20 of 51

Cholesterol
Out of Range
31.37%
16 of 51

HDL
Out of Range
17.14%
6 of 35

LDL
Out of Range
21.57%
11 of 51

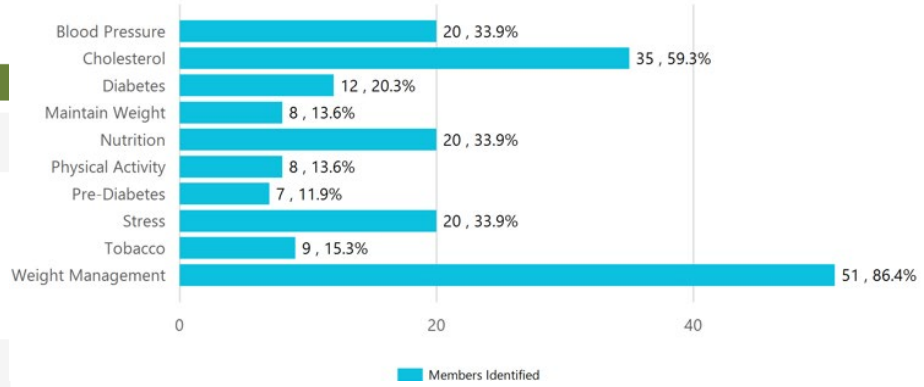
BMI

Underweight	Normal	Overweight
1.96%	21.57%	76.47%
1 of 51	11 of 51	39 of 51

Top 5 Issues Identified

1.	Weight Management	51
2.	Cholesterol	35
3.	Blood Pressure	20
4.	Nutrition	20
5.	Stress	20

Member Issues



Top 5 Self-Management Programs

1.	Healthy Bones and Joints	60%
2.	Improving Your Cholesterol	66.7%
3.	Managing Your Metabolic Syndrome	66.7%
4.	Preventing Diabetes	80%
5.	Preventative Health- Reducing Your Risks	100%

Wellness

Wild and Well: Wellness Fair

Presentation
Nature RX: The Healing Power of Exercise in the Wild

Movement
Lead an short exercise class during presentation to encourage everyday movement

Participation
Over 320 retirees attended in-person and virtual events.

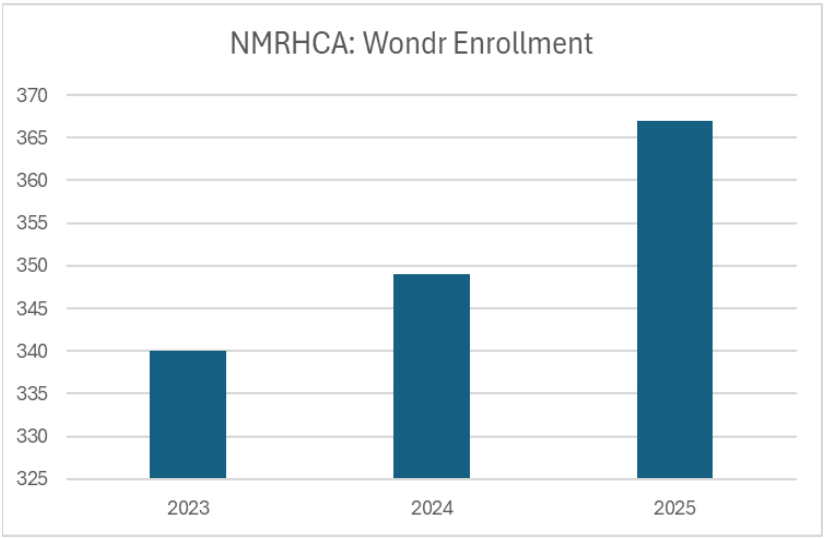
Exercise for A Healthier You: Fitness Classes

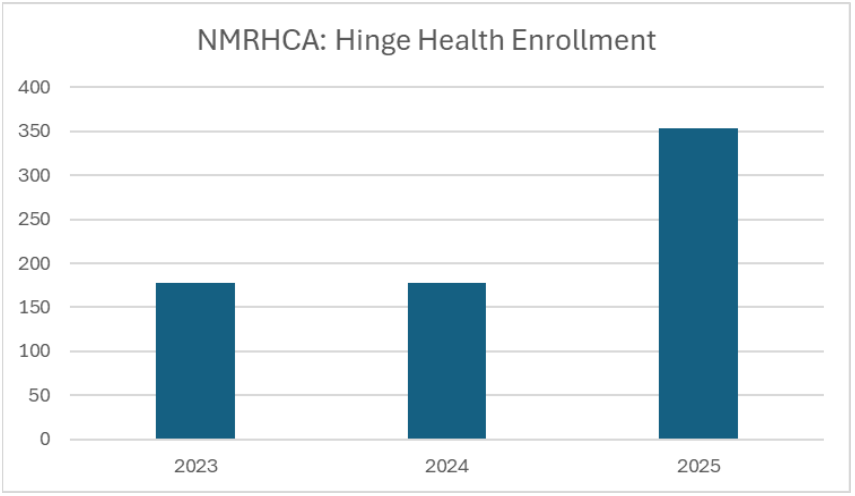
5 Participants
Have a regular group of 5 retirees that join bi-weekly for exercise classes.

Balance Exercises
Classes include balance, strength, and coordination to reduce the risk of falls

Stronger Retirees
These 5 individual have increased strength, and we have recorded no falls within two years since consistently exercising.

Point Solutions





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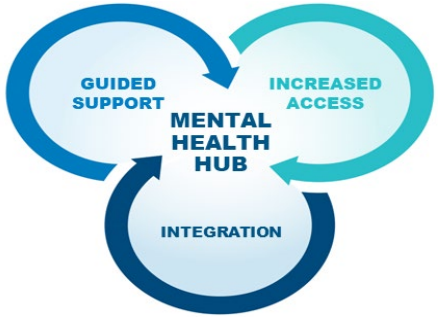
Behavioral Health

Mental Health Hub



230+ Mental Health & Wellbeing Topics

- Anxiety
- Depression
- ADHD
- Attachment Style
- Loneliness
- Parenting
- Burnout
- Stress
- Addiction & Recovery
- Resilience
- Trauma
- Eating Disorders

15+ Assessments

Help match members with evidence-based solutions from no-cost self-help resources to in-network professional services

1000+ Resources

- In-network behavioral health providers (general & specialty)
- Podcasts
- Assessments
- Articles
- Videos
- Tools
- Apps

Learning Lab

Members can obtain practical guides and tools to improve their wellbeing

learntolive

Behavioral Health digital self-service tool that makes behavioral health more accessible for members

Programs on 7 core conditions, all based on cognitive-behavioral therapy that can be accessed 24/7 via phone, tablet or computer

- Stress, Anxiety & Worry
- Depression
- Social Anxiety
- Insomnia
- Substance Abuse
- Panic
- Resilience

Members begin their journey by completing a comprehensive assessment that will provide program recommendations

Coaches are available to work with member via text, email or phone (optional)

Available to employees and dependents ages 13+

No additional cost to the member

https://www.youtube.com/watch?v=WWFcboo9wZQ

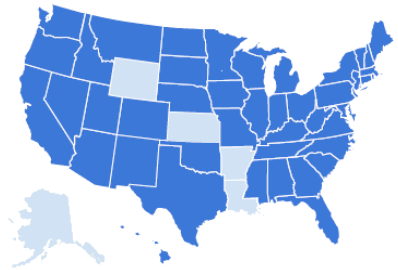
Headway

80% Therapeutic Alliance Based on 3rd appt retention

3.5 days
Avg days from scheduling to 1st appt

65K+Providers

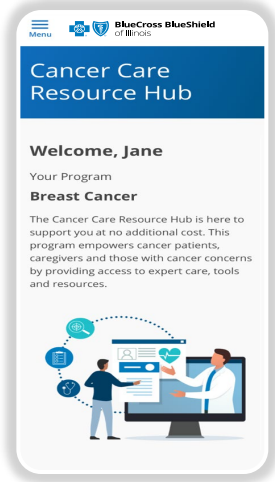
63% of Members
See PHQ-9 and GAD-7 improvement in first 90 days



https://headway.co/

ENHANCED SUPPORT with Cancer Care Hub

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



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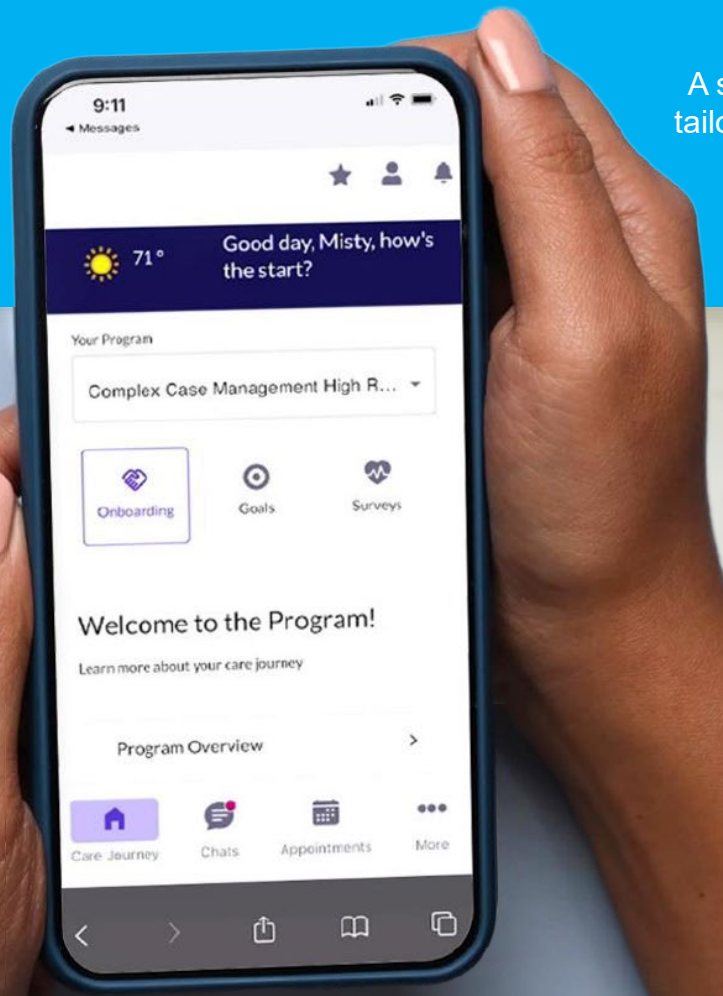
2027
New Features*

Member Engagement

CONNECT TO CARE

A secure web-based platform with tailored interactive health journeys, real-time communications, outcome-based reporting, and 24/7 self-service access.



GO Wellbeing℠ Powered by Sharecare

WELLBEING CORE

A new and improved wellness offering that provides a health risk assessment, educational courses and tools, preventive care guidance, incentives and much more

*2027 ASO enhancements applicable to ASO only.
Product under development and planned for launch in 2027; subject to change.
GO Wellbeing and all associated digital programs and services are powered by Sharecare, Inc. Sharecare is contracted by Blue Cross and Blue Shield of New Mexico to deliver a select collection of lifestyle programs, tools, and apps.

NEW MEXICO RETIREE HEALTH CARE AUTHORITY

Thank You!

Contact information:

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lisa_guevara@bcbsnm.com
505.816.4096

Appendix

Strengths, Challenges and Opportunities

STRENGTHS

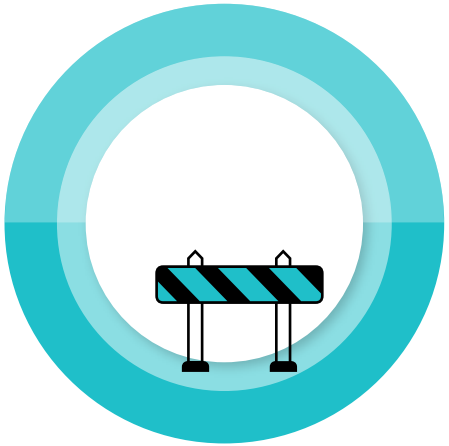
PMPM Spend decreased by 3.4% to $818.17 and is 1.9% below benchmark.

Wellbeing Management Clinically Managed increased to 32.5% from 23.3% in 2024 and higher than the benchmark at 20.6%.

Preventive Compliance cancer screenings and PCP care increased year over year and above benchmark.

Wild and Well: Wellness Fair Over 320 participants.

Headway largest network of in person or virtual mental health providers added to BCBSNM network.



CHALLENGES

High-Cost Claimants accounted for 36.1% of total overall spend.

Top Four Diagnostic Categories accounted for 56.3% of total medical costs.

Neoplasms was the most costly diagnostic category however paid PMPM decreased 11.3% between reporting periods. Four of the top five HCCs have a Neoplasm diagnosis.

Emergency Room paid PMPM increased by 18.3% between the two reporting periods and was 28.4% higher than the benchmark.

OPPORTUNITIES

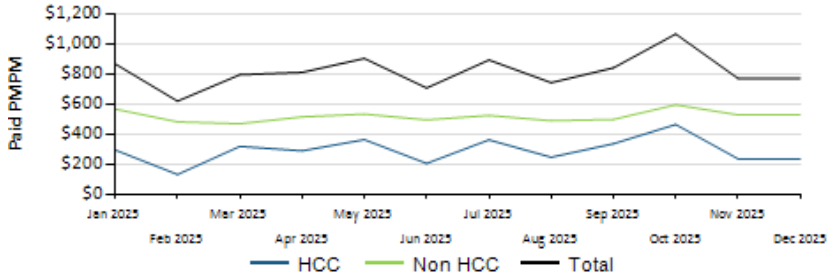
Communication Outreach to members on Galileo Virtual Primary Care, Annual Exams and Preventive Screenings.

Executive Summary Dashboard

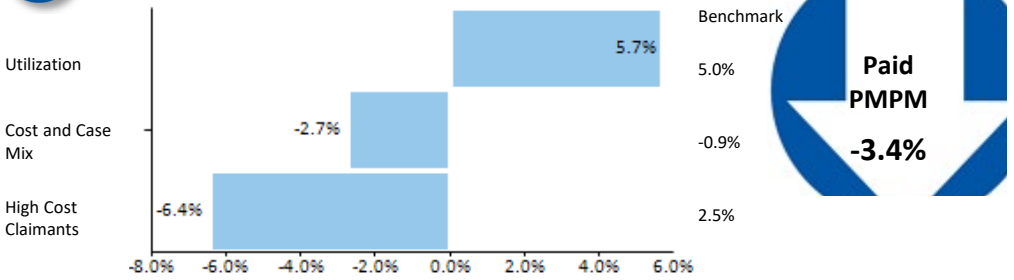
Key Metrics

	Jan 2024 - Dec 2024	Jan 2025 - Dec 2025	% Change	Benchmark
Allowed	$65,686,218	$59,011,368	-10.2%	
Paid	$60,204,825	$53,738,403	-10.7%	
Paid PMPM	$847.39	$818.17	-3.4%	$802.93
Plan Share	91.5%	91.1%		89.4%
In-Network Paid %	98.0%	98.3%		99.3%
Discount %	60.4%	58.8%		62.7%
Members	5,921	5,473	-7.6%	
Subscribers	5,921	5,473	-7.6%	
Dependents	0	0	0.0%	

Paid PMPM by Month - HCC vs. Non-HCC



Components of Paid PMPM Trend

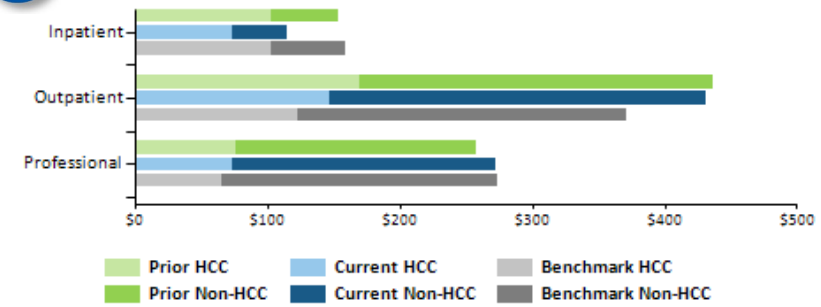


Paid PMPM
-3.4%

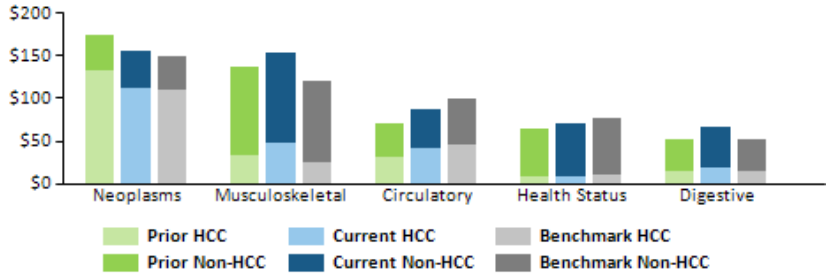
Claimant Distribution

	% of Total Paid			% of Total Unique Members		
Dollar Range	Prior	Current	Benchmark	Prior	Current	Benchmark
Non-Utilizers	0.0%	0.0%	0.0%	11.9%	11.9%	19.2%
$0-$50K	42.9%	48.6%	57.2%	84.7%	85.0%	79.0%
$50K-$100K	15.8%	15.4%	13.0%	2.0%	1.9%	1.0%
$100K-$300K	19.9%	20.6%	17.0%	1.1%	1.0%	0.6%
$300K and +	21.3%	15.5%	12.8%	0.3%	0.2%	0.1%
HCC Subtotal	**57.1%**	**51.4%**	**42.8%**	**3.4%**	**3.1%**	**1.7%**

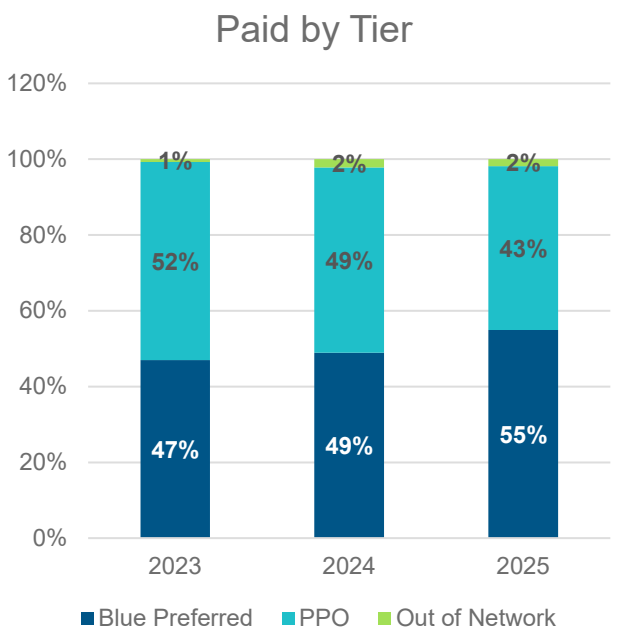
Spend by Service Category (Paid PMPM)

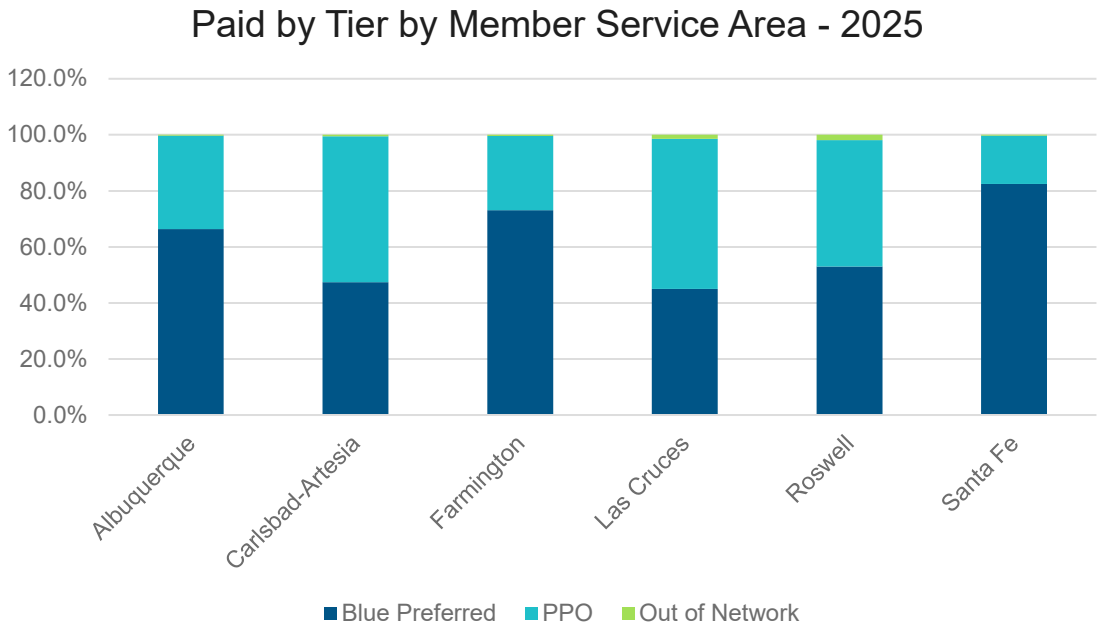


Top Diagnostic Categories (Paid PMPM)



Network Performance





Network Performance
2025

59%
Discount percentage for claims from network and par providers

$79.7M
Total discount savings for claims from network and par providers

98%
Claims paid with Tier 1 or Tier 2 benefits

Empower+ Program at a Glance

PROGRAM VALUE
$1.3M
PEPM $21.42
Bmk $31.39
Prior $21.05

PROGRAM INTERACTION
84.6%
Bmk 89.9%
Prior 86.4%

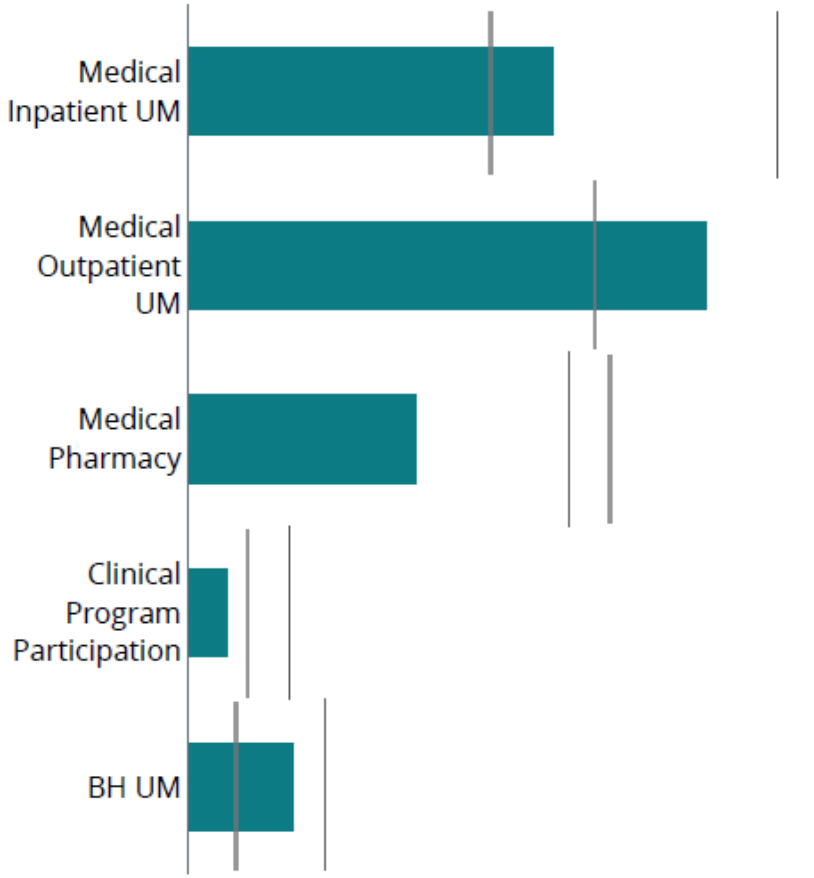
CLINICALLY MANAGED
32.5%
Bmk 20.6%
Prior 23.3%
78.4% of Total Spend
Bmk 68.7%

Autoimmune was the top saving specialty drug category

We have reduced spending on High Cost Claimants by an estimated 1.6% ($312,982 in savings).

NOTE:

Clinically Managed includes UM, CM, wellness, self-directed and strategic business partner engagements.



	CURRENT	BMK	PRIOR
Medical Inpatient UM	$387.1K | $6.21	$10.06	$5.14
Medical Outpatient UM	$549.4K | $8.82	$10.74	$6.91
Medical Pharmacy	$243.1K | $3.90	$6.50	$7.17
Clinical Program Participation	$42.7K | $0.69	$1.74	$1.02
BH UM	$112.6K | $1.81	$2.35	$0.81

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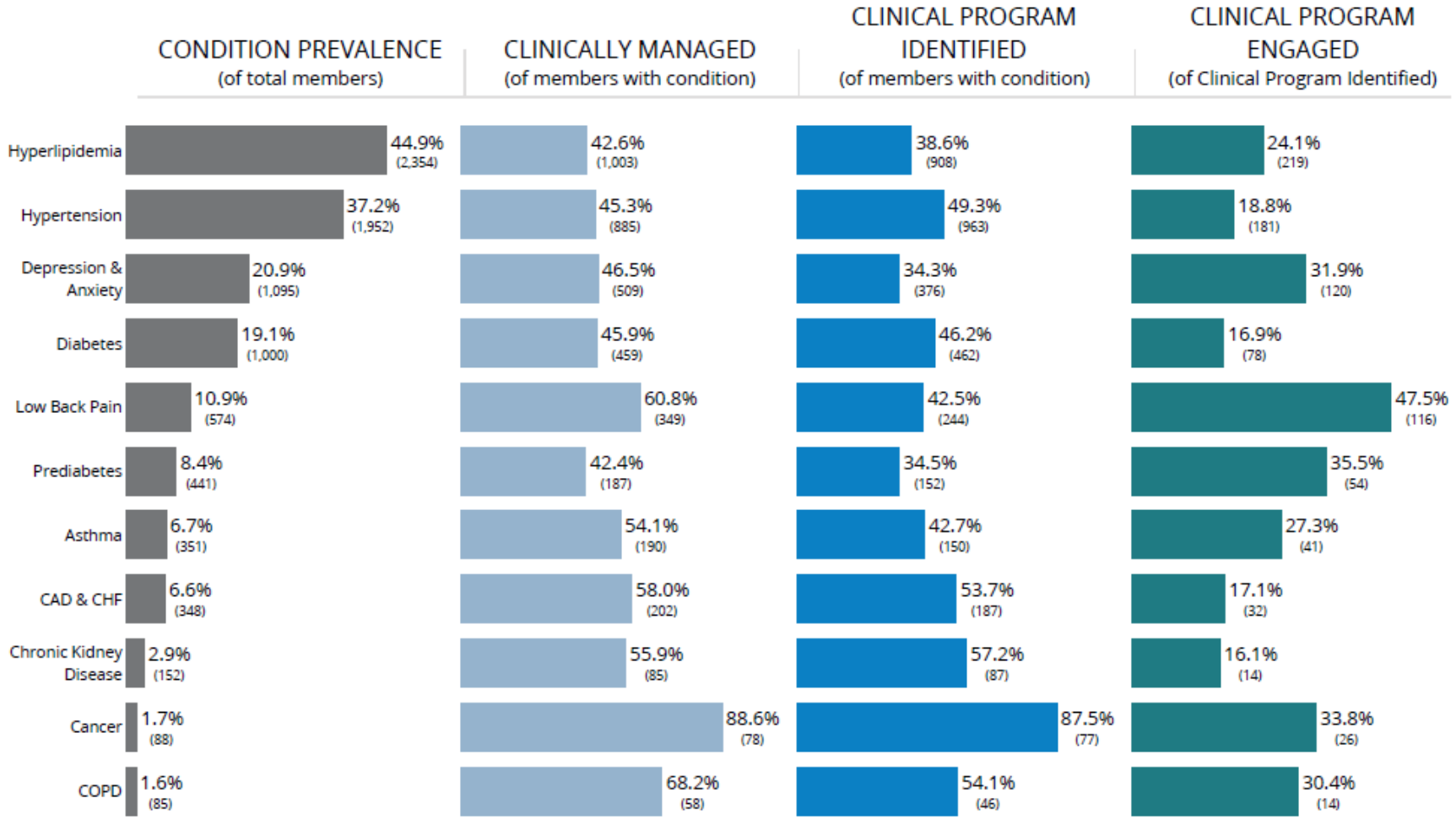
Empower+ Condition Analysis

MEMBERS WITH CONDITIONS	CLINICALLY MANAGED	ATTRIBUTED SAVINGS
73.4% Bmk 54.4%	41.8% Bmk 32.7%	$1,238,609
(3,850 / 5,243)	(1,609 / 3,850)	of the total $1,334,998 saved



Empower+ Total Program Interactions

HOUSEHOLD INTERACTION RATE BY CLAIM THRESHOLD

Household threshold category is based on the member with the highest spend in each household.
Household thresholds are currently based on incurred and paid with no run out,
all other claims based report metrics require two months run out.

ALL HOUSEHOLDS	$50K+	$100K+
84.6% | 5,005	97.7% | 170	98.6% | 68
Bmk 89.9%	Bmk 97.8%	Bmk 99.7%
Prior 86.4%	Prior 98.4%	Prior 100.0%

PROGRAM INTERACTIONS PER HOUSEHOLD

6.2

Bmk 10.2
Prior 7.6

SELF-DIRECTED ACTIVITIES

1,095

PRINT/TEXT/EMAIL COMMUNICATIONS

30,124

CLINICAL PROGRAM PARTICIPATION INTERACTIONS

1,715

UTILIZATION REQUESTS REVIEWS

3,362

BIOMETRIC SCREENINGS/ FITNESS VISITS

636

Empower+ Program Risk and Spend Analysis

CLINICALLY MANAGED

32.5%

Bmk 20.6%

Prior 23.3%

TOTAL SPEND

78.4%

Bmk 68.7%

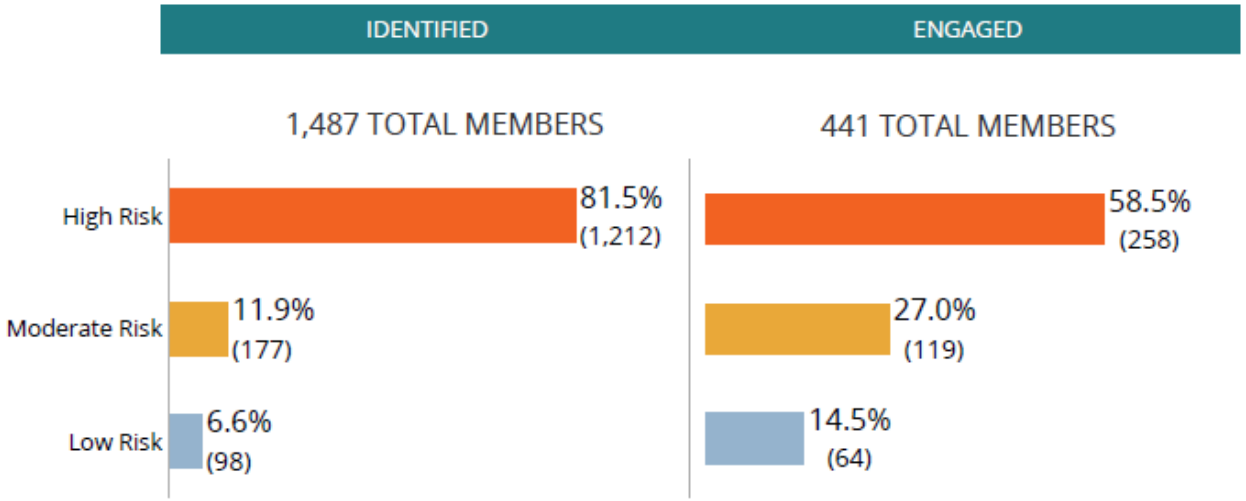
Prior 73.1%

Risk and Dollar Distribution (OF TOTAL POPULATION)

	ACCOUNT				BMK		PRIOR	
	% OF MEMBERS	% OF SPEND	MEMBER COUNT	TOTAL SPEND	% OF MEMBERS	% OF SPEND	% OF MEMBERS	% OF SPEND
High Risk	48.5%	76.4%	2,870	$38.3M	28.8%	64.9%	49.2%	81.0%
Moderate Risk	25.8%	14.9%	1,526	$7.5M	21.3%	17.5%	26.5%	12.8%
Low Risk	25.7%	8.7%	1,523	$4.4M	49.9%	17.6%	24.3%	6.2%

CLINICAL PROGRAM PARTICIPATION

Risk distribution for clinical program outreach and engagement. Includes any clinical strategic business partner engagement



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High Cost Claimant Listing

Current HCC Plan Spend	Estimated Additional Spend	% Total HCC 6-month Estimated Growth in Spend thru June 2026	% Benchmark Estimated Growth
$19.4M	$26.6M	37%	30%

Top 10 High-Cost Claimant Detail

Rank	Status	Age/Gender Band	Leading Category	Leading Diagnosis	IP	OP	PR	TOTAL	Est Spend	Managed*
1	Subscriber	Male 65+	Genitourinary	Chronic kidney disease	$82,955	$968,246	$43,077	**$1,094,278**	$2,117,436	Y
2	Subscriber	Female 50-59	Neoplasms	Female reproductive system cancers - ovary	$14,134	$45,107	$950,347	**$1,009,588**	$1,470,587	Y
3	Subscriber	Female 50-59	Neoplasms	Breast cancer - all other types	$0	$958,965	$10,165	**$969,130**	$1,311,129	Y
4	Subscriber	Female 60-64	Neoplasms	Female reproductive system cancers - cervix	$0	$103,058	$646,507	**$749,565**	$1,298,565	Y
5	Subscriber	Female 60-64	Neoplasms	Gastrointestinal cancers - anus	$0	$469,825	$2,821	**$472,646**	$947,646	Y
*6	Subscriber	Male 50-59	Genitourinary	Chronic kidney disease	$88,461	$239,037	$123,001	**$450,499**	$481,499	Y
7	Subscriber	Female 60-64	Musculoskeletal	Osteoarthritis	$0	$433,760	$15,749	**$449,509**	$495,509	Y
8	Subscriber	Female 60-64	Musculoskeletal	Spondylopathies/spondyloarthropathy (including infective)	$371,293	$10,736	$57,118	**$439,147**	$454,147	Y
9	Subscriber	Female 60-64	Circulatory	Coronary atherosclerosis and other heart disease	$376,147	$40,525	$14,143	**$430,815**	$475,814	Y
10	Subscriber	Female 60-64	Neoplasms	Multiple myeloma	$0	$422,507	$7,522	**$430,029**	$621,030	Y

* Termed from plan

*For **Top 10 High-Cost Claimant List**: "managed" refers to if member (or provider) was involved or managed by a health advisor and/or received UM activities

High Cost and Potential High Cost Management

HIGH COST CLAIMANTS IDENTIFIED FOR OUTREACH

146 | 2.8%

Bmk 2.2%

HIGH COST CLAIMANTS TARGETED FOR OUTREACH

129 | 2.5%

Bmk 2.2%

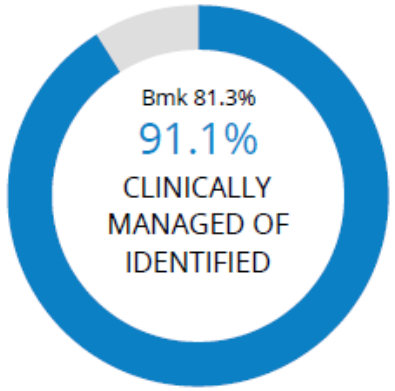
SAVINGS FOR HIGH COST CLAIMANTS

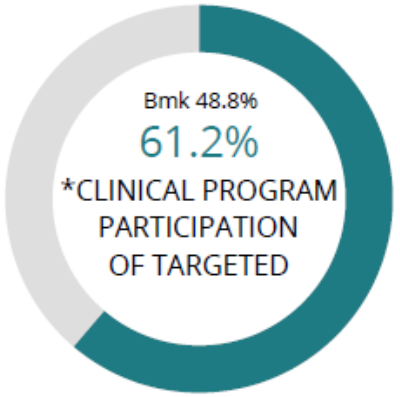
$312,982

1.6% of the Estimated HCC Total Cost

Bmk 2.1%

Total Cost: $19,709,791
Total Paid: $19,396,810



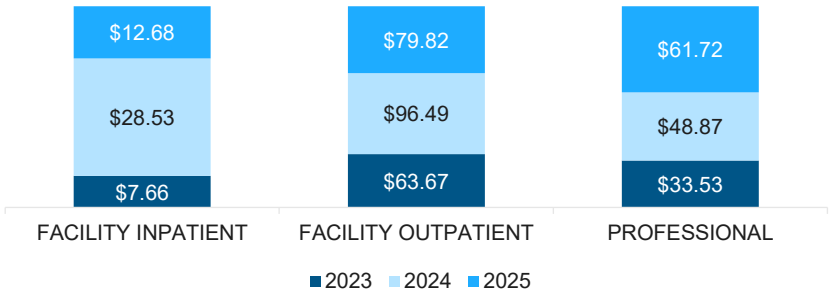


*NOTE: Includes engaged and education resources provided.

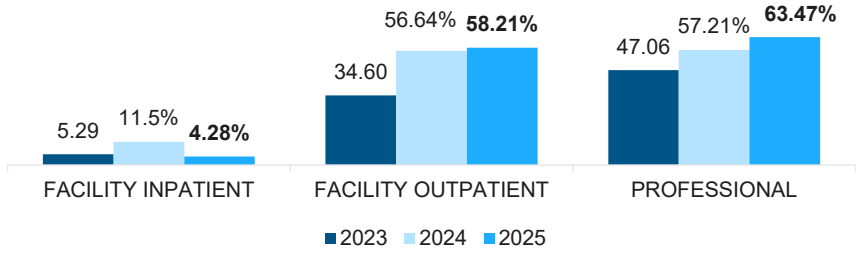
Neoplasms

Neoplasms Key Metrics					
	2023	2024	2024 % Var	2025	2025 % Var
Medical Paid	$8,277,057	$12,354,249	▲ +49.3%	$10,129,396	▼ -18.0%
Medical Paid PMPM	$104.85	$173.89	▲ +65.8%	$154.22	▼ -11.3%
Medical Pharmacy Paid PMPM	$38.21	$85.89	▲ +124.8%	$86.18	▲ +0.3%
Medical Claimants per 1000	175.3	196.3	▲ +12.0%	211.2	▲ +7.6%
Paid per Claimant	$7,178.71	$10,631.88	▲ +48.1%	$8,762.45	▼ -17.6%

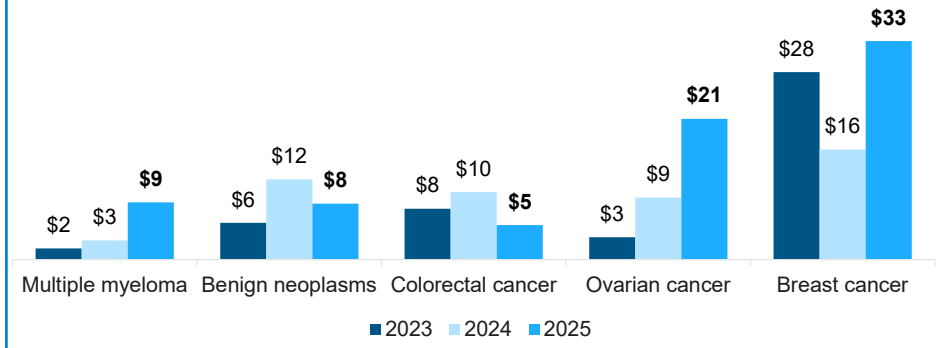
Neoplasms Paid PMPM by Service Category



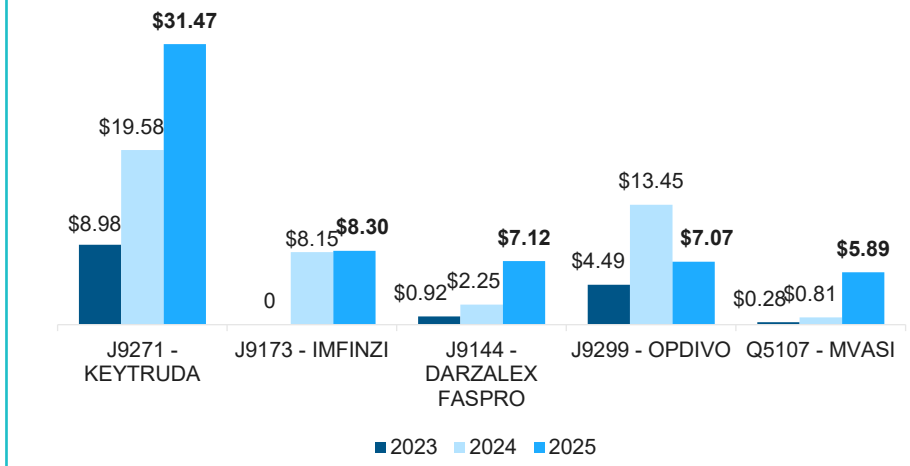
Neoplasms Medical Pharmacy % of Medical Paid



TOP CANCERS BY PMPM



MEDICAL RX TOP CANCER DRUGS



"Tobacco use, alcohol consumption, unhealthy diet, physical inactivity and air pollution are risk factors for cancer and other noncommunicable diseases."
– World Health Organization

Cancer risk and cost can be reduced by **prevention** and **early detection**.

▲ **Breast, Cervical and Colon Cancer** screenings are trending up and are above the benchmark.

▼ **Lung** screenings are trending down and below the benchmark

▲ **Millennial** and **Generation Z** populations are seeing an increase in cancer prevalence and cost.

▼ **Baby Boomer** and **Generation X** populations are decreasing in cancer prevalence and cost.

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Robust Member Health Data Enables Strategic Triggers

ADVANCED ANALYTICS

Oncology rules support the Cancer Support and Services product included with Empower+

TRIGGERS ENGAGE MEMBERS IN HEALTH MANAGEMENT

DETERMINISTIC

- Comorbid Chronic Disease Progression
- Diabetes
- Oncology
- Frequent Emergency Room
- Actual High-Cost Claimant

PREDICTIVE

- Likelihood of High-Need Claimant
- Risk of Readmission
- Emerging Diabetes
- Predictive Musculoskeletal
- Avoidable ER Visit
- Propensity to Engage

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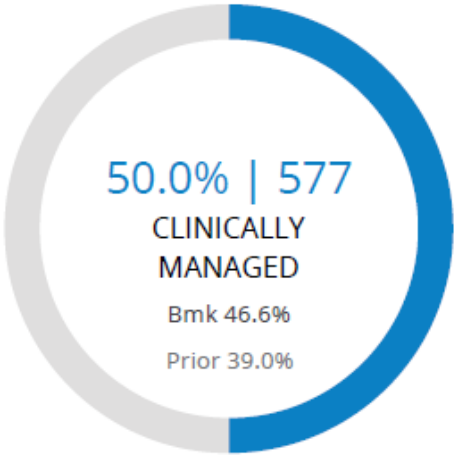
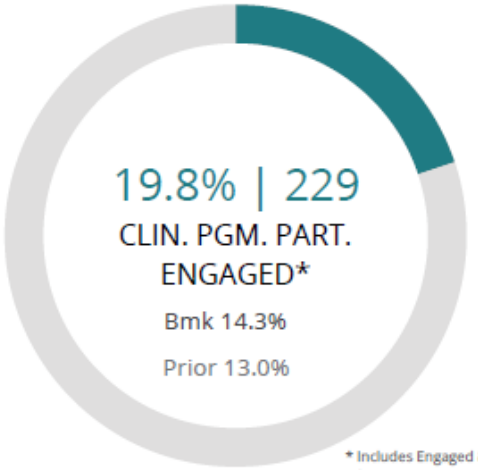
Empower+ Neoplasm Focus

NEOPLASM CLAIMANTS
OF TOTAL POPULATION
1,154 | 19.50%

MANAGEMENT ACTIVITIES
- UM Treatment Plan Appropriate: 1,022
- UM Intervention / Discharge Planning: 127
- Clinical Program Participation or Self Directed: 339

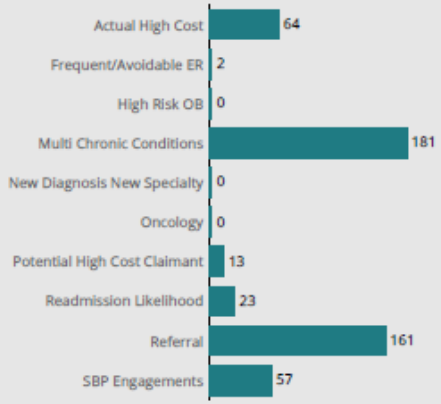


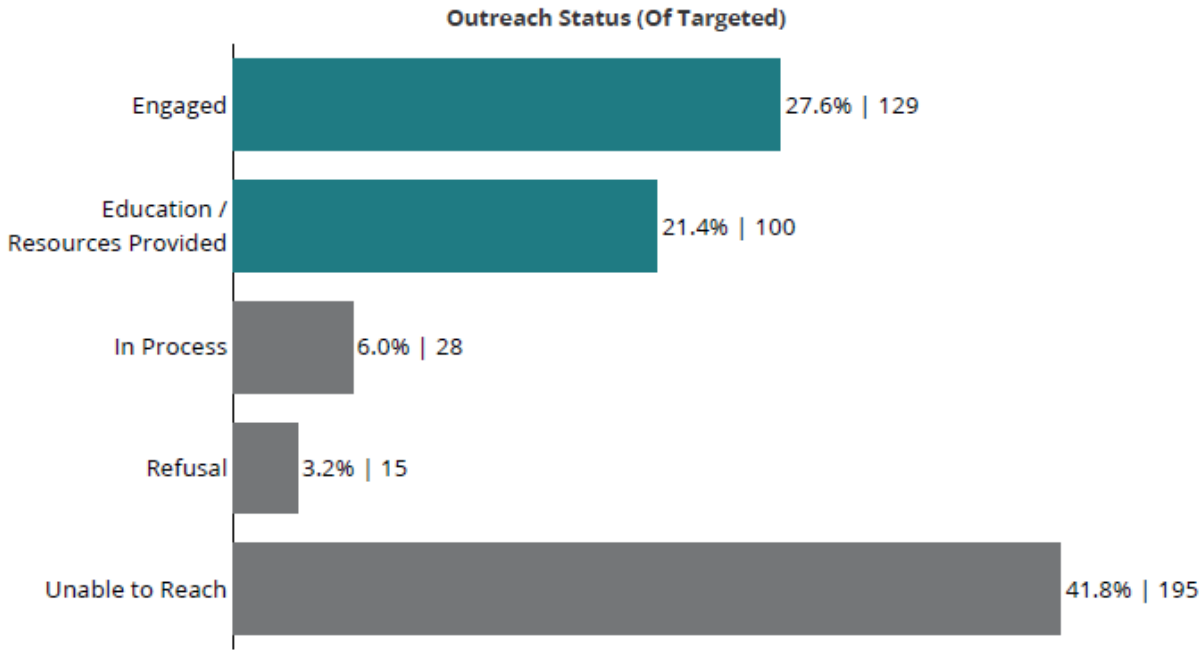


* Includes Engaged & Education/Resources Provided

NEOPLASM TARGETED
OF CLAIMANTS
467 | 40.5%

CPP Identification Trigger Categories





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Empower+ Neoplasm Focus

NEOPLASM CLAIMANTS
OF TOTAL POPULATION
1,154 | 19.50%

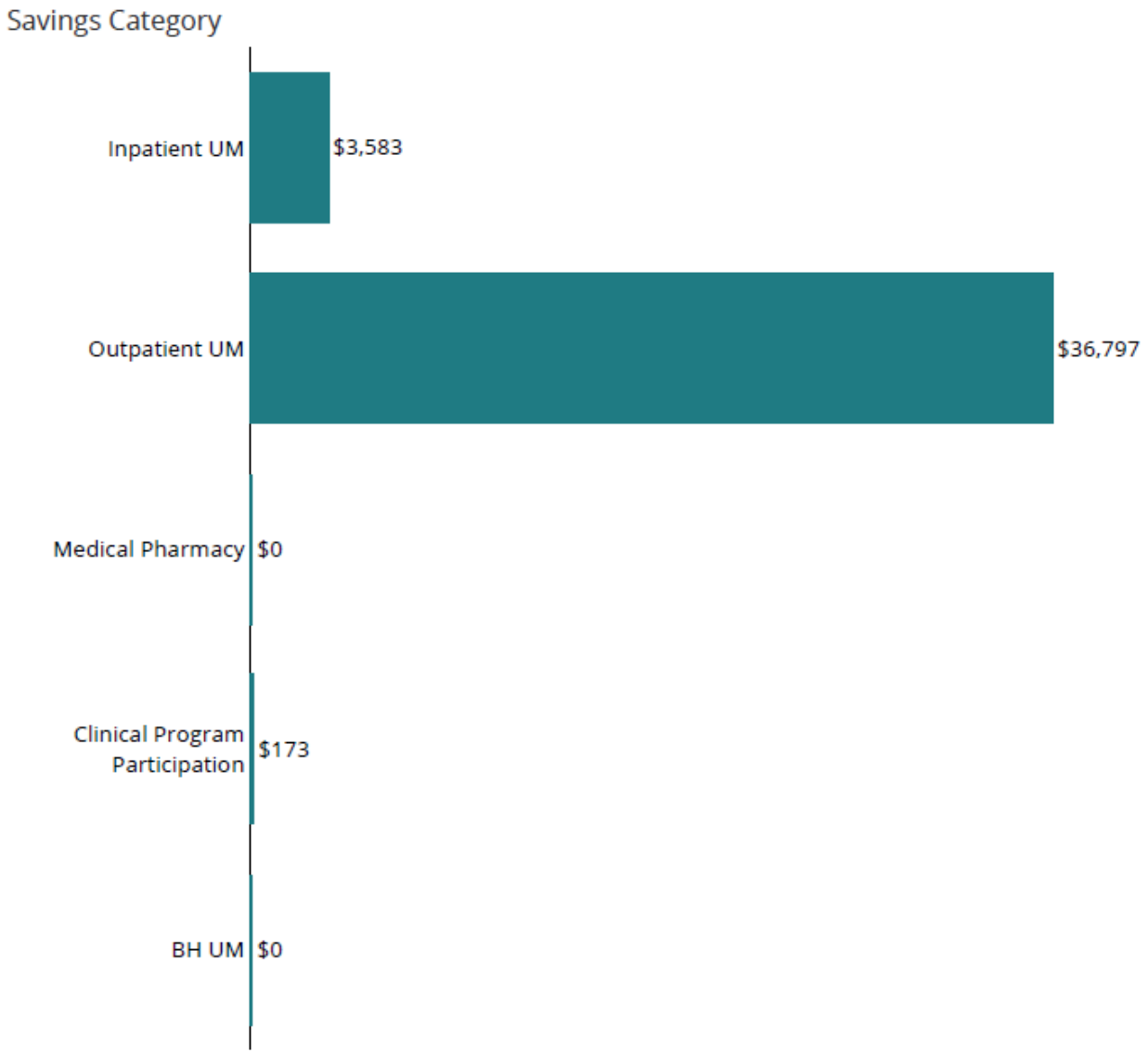
MANAGEMENT ACTIVITIES
- UM Treatment Plan Appropriate: 1,022
- UM Intervention / Discharge Planning: 127
- Clinical Program Participation or Self Directed: 339

SAVINGS FOR NEOPLASM CLAIMANTS
$40,553

0.4%
of the Estimated Total Cost
Bmk 2.5% Prior 2.0%

$10,153,678
Estimated Total Cost

$10,113,125
Total Paid



Cancer Statistics

Cancer is the second-leading cause of death, resulting in nearly **1,700 deaths every day**

Cost of Cancer

- **Direct Medical Costs** (total of health care expenditures)
- **Indirect Costs** (lost earnings due to missed work, premature death)

Cancer Risk Factors

- Cigarette Smoking
- Obesity
- Alcohol
- Dietary Factors
- Physical Inactivity
- Genetics

Cancer Prevention

- Quit Smoking
- Keep a Healthy Weight/Diet
- Increase Physical Activity
- Maintain Preventive Care
- Limit Alcohol Intake
- Health Education Courses

What is BCBSNM doing?

- Advanced HCM triggers for early identification
- Targeted communications
- Cancer Services and Support*
- SRU drug reviews
- UM for Cancer Care utilization

*CSS is a buy-up feature.

Leading Sites of New Cancer Cases – 2025 Estimates

Male

Prostate	313,780	30%
Lung & bronchus	110,680	11%
Colon & rectum	82,460	8%
Urinary bladder	65,080	6%
Melanoma of the skin	60,550	6%
Kidney & renal pelvis	52,410	5%
Non-Hodgkin lymphoma	45,140	4%
Oral cavity & pharynx	42,500	4%
Leukemia	38,720	4%
Pancreas	34,950	3%
All sites	**1,053,250**	

Female

Breast	316,950	32%
Lung & bronchus	115,970	12%
Colon & rectum	71,810	7%
Uterine corpus	69,120	7%
Melanoma of the skin	44,410	4%
Non-Hodgkin lymphoma	35,210	4%
Pancreas	32,490	3%
Thyroid	31,350	3%
Kidney & renal pelvis	28,570	3%
Leukemia	28,170	3%
All sites	**988,660**	

2025 U.S. Estimates:
~2 Million new cancer cases and over 618,000 deaths

Musculoskeletal

	2023	2024	2025	% Change	Benchmark	Benchmark Variance
Total Medical						
Paid PMPM	$127.08	$137.12	**$151.85**	10.7%	$119.29	27.3%
Non High Cost	$98.38	$105.32	**$105.61**	0.3%	$94.51	11.7%
High Cost	$28.69	$31.80	**$46.24**	45.4%	$24.78	86.6%
Paid/Claimant	$3,219	$3,467	**$3,691**	6.5%	$3,146	17.3%
Claimants/1,000	473.8	474.6	**493.7**	4.0%	437.9	12.7%
% of Total Medical Paid	17.9%	16.2%	**18.6%**		10.9%	

Key Points

Musculoskeletal paid PMPM increased **10.7% year over year**, and MSK now represents **19% of total medical spend**, up from **16% in the prior period**.

Surgical spend increased 33% in the current period

High Cost Claimants #7 and #8 fall into this category

Empower+ MSK

1,365
Musculoskeletal members were Clinically Managed

Management Activities
- UM Treatment Plan Appropriate: 2,032
- UM Intervention / Discharge Planning: 323
- Clinical Program Participation or Self Directed: 702

365
Musculoskeletal members engaged in Clinical Programs

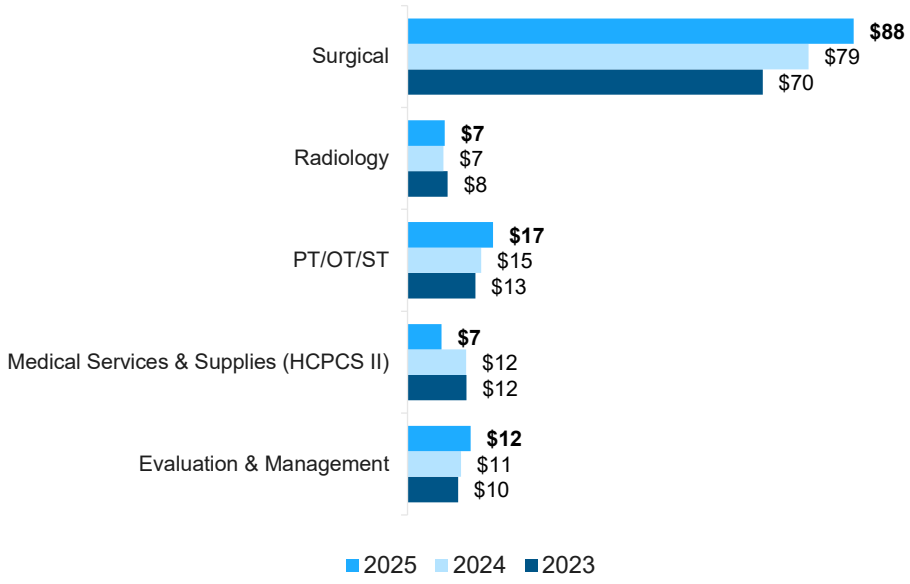
126 members provided Education/Resources

$299,445
Total Musculoskeletal Savings

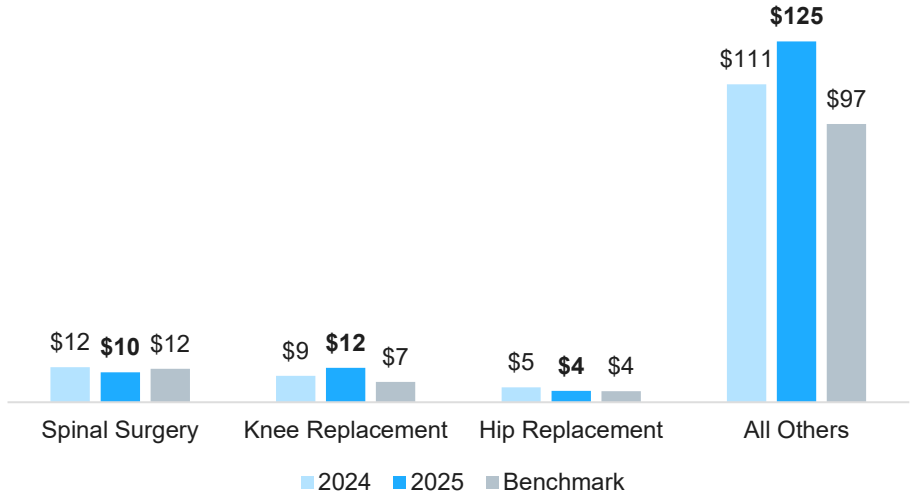
Top Savings Categories

Medical Pharmacy	$121,420
Outpatient UM	$117,522
Inpatient UM	$57,828

Musculoskeletal Paid PMPM by Top 5 Service Types

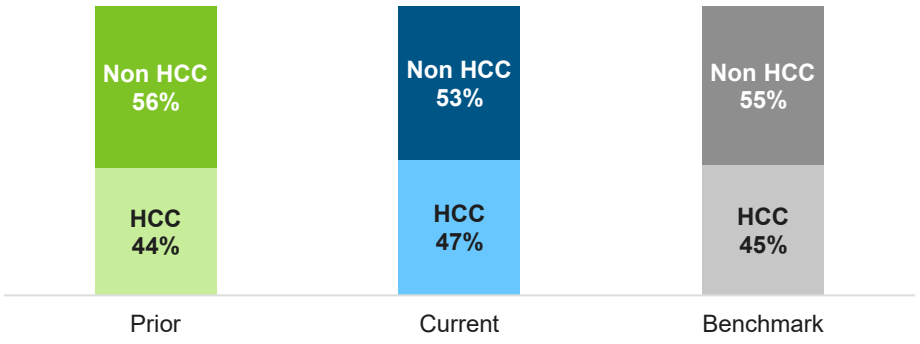


Common Musculoskeletal Surgical Procedures Paid PMPM

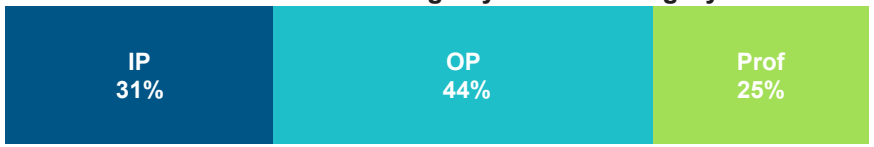


Circulatory

Paid PMPM w/ HCC Impact



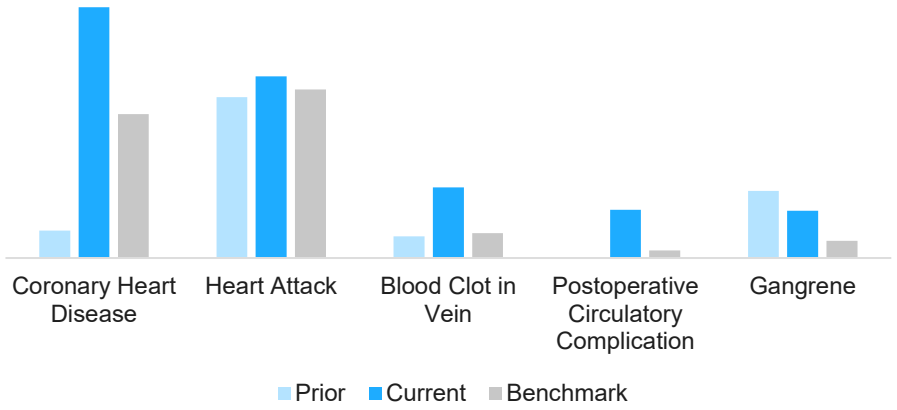
Paid Percentage by Service Category



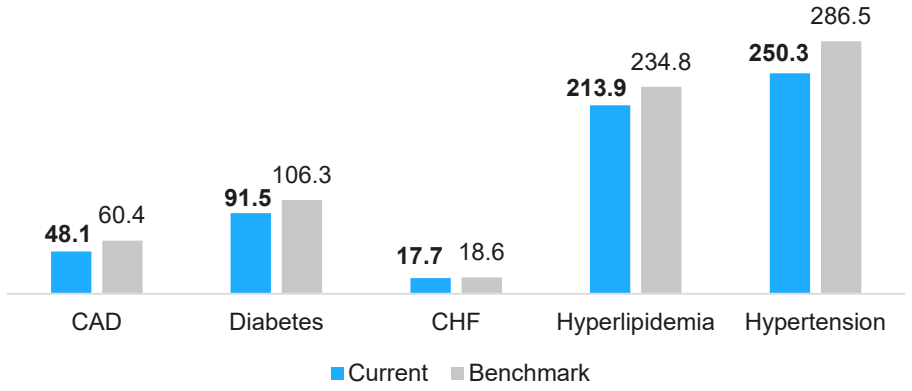
	Inpatient		Outpatient		Professional	
	Prior	Current	Prior	Current	Prior	Current
Paid PMPM	$25.78	$26.71	$27.42	$37.75	$17.70	$21.45
Utilization	7.9	7.1	212.5	252.5	1,642.2	1,598.1
Cost	$38,977	$44,977	$1,549	$1,794	$129	$161

Circulatory paid PMPM accounted for 10.5%(8.4% prior) of the total medical paid PMPM

Inpatient Circulatory Top Five Diagnoses by Paid PMPM



Common Circulatory Comorbidity: Claimants/1,000



Empower+ Circulatory

925
Circulatory members were Clinically Managed

Management Activities

- UM Treatment Plan Appropriate: 1,590
- UM Intervention / Discharge Planning: 255
- Clinical Program Participation or Self Directed: 502

193
Circulatory members engaged in Clinical Programs

134 members provided Education/Resources

$114,435
Total Circulatory Savings

Top Savings Categories

Inpatient UM	$82,403
Outpatient UM	$31,322
Medical Program Pa..	$710

Musculoskeletal Support

Musculoskeletal Support

Engagement

- Clinician Support
- Family and Caregiver
- Treating Provider
- Health Assessment

Case Management

- Condition Support
  - Treatment Decision
  - Consumer Medical
  - EMMI®
- Resource Connections
  - Hinge Health
  - Wondr Health

Co-Management

- Integrated grand rounds with Medical Director
- Behavioral Health
- Social Worker
  - Social Determinants of Health
- Pharmaceutical Care Management

Benefit / Support

- Benefit Education
- Well onTarget courses and coaching

Discharge Planning/ Ongoing Support

- Readmission Risk Assessment
- Transition of Care
  - Lower level of Care
  - Home Health Services
  - Outpatient PT/OT

Circulatory Support

Cardiometabolic Syndrome Support

Prevention

- Wondr Health
- Well OnTarget
- Blue Access for Members
- Blue 365
- Fitness Center
- Health Risk Assessment
- Preventative Screenings
- Communications
  - Standard and targeted, campaigns

At-Risk Management

- Strategic Business Partners
  - Wondr Health
  - Fitness Center
- Well OnTarget

Chronic Condition Management

- Targeted Engagement
  - Health Advisor, PCM, SW, BH
- 24/7 Nurseline
- Well onTarget
  - Health Coaching, Incentives, Digital Self-Management Courses
- Transparency Tools
  - Provider Finder, Member-Liability Estimator
- Communications
  - Targeted, Campaigns
- Utilization Management
  - Expanded Outpatient UM: Advanced Imaging, Sleep Studies

Acute Condition Management

- Targeted Engagements
- Integrated grand rounds with Medical Director
- Transparency Tools
- Utilization Management

Ongoing Support / Management

- Targeted Engagement
  - Readmission Risk Assessment

Medical Rx Summary

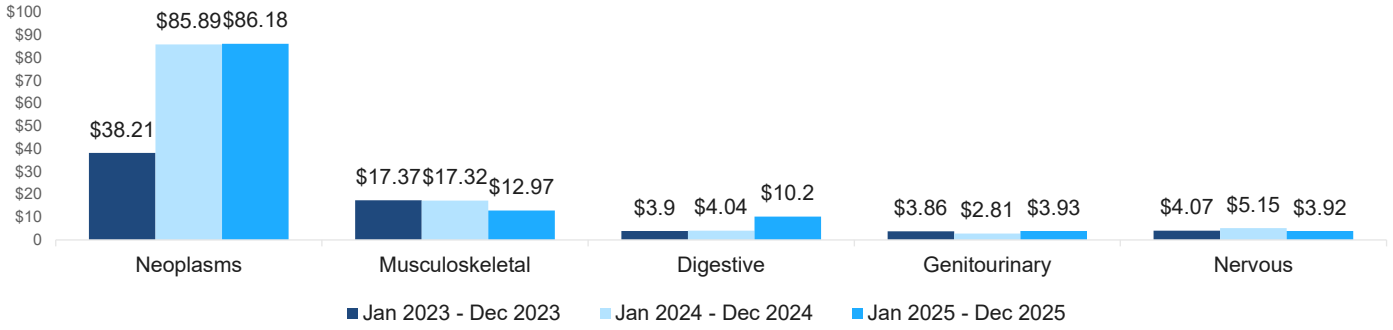
Medical Rx Key Indicators

Metrics	Jan 2023 - Dec 2023	Jan 2024 - Dec 2024	Jan 2024 - Dec 2024 % Var	Jan 2025 - Dec 2025	Jan 2025 - Dec 2025 % Var
Medical Claimants per 1000	480.2	475.0	▼ -1.1%	490.4	▲ +3.2%
Services per 1000	1,233.3	1,222.3	▼ -0.9%	1,243.5	▲ +1.7%
Medical Allowed PMPM	$94.43	$145.60	▲ +54.2%	$140.48	▼ -3.5%
Medical Pharmacy Paid PMPM	$89.41	$140.37	▲ +57.0%	$134.77	▼ -4.0%

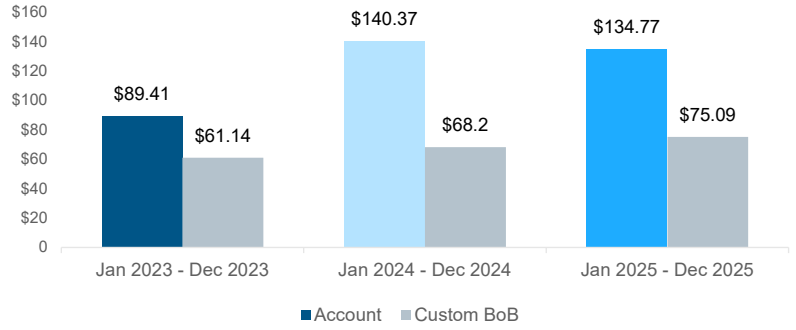
Medical Rx BMK and Variances

Metrics	Custom BoB	Custom BoB % Variance
Medical Claimants per 1000	458.4	6.98%
Services per 1000	1,048.3	18.62%
Medical Allowed PMPM	$77.74	80.71%
Medical Pharmacy Paid PMPM	$75.09	79.47%

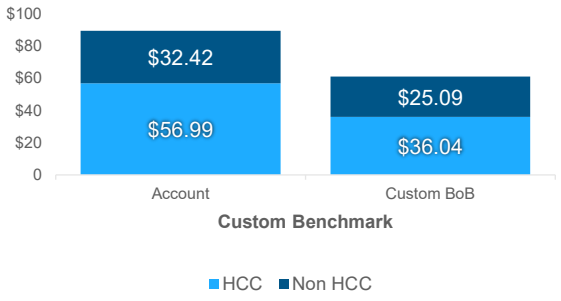
Medical Rx - Top-5 Diagnostic Categories from the Current Period



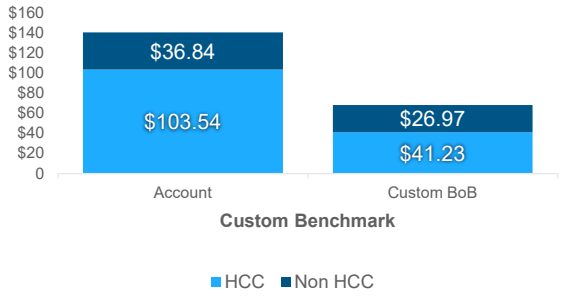
Medical Rx Paid PMPM vs. BMK



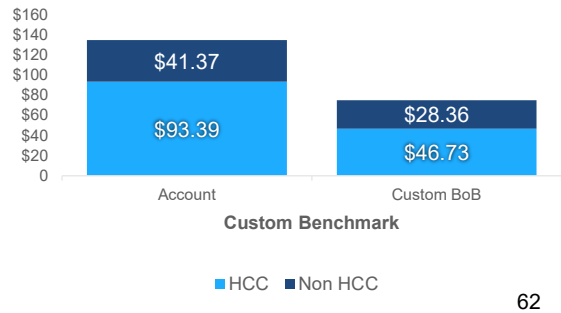
$100k HCC Indicators - Prior 2



$100k HCC Indicators - Prior



$100k HCC Indicators - Current



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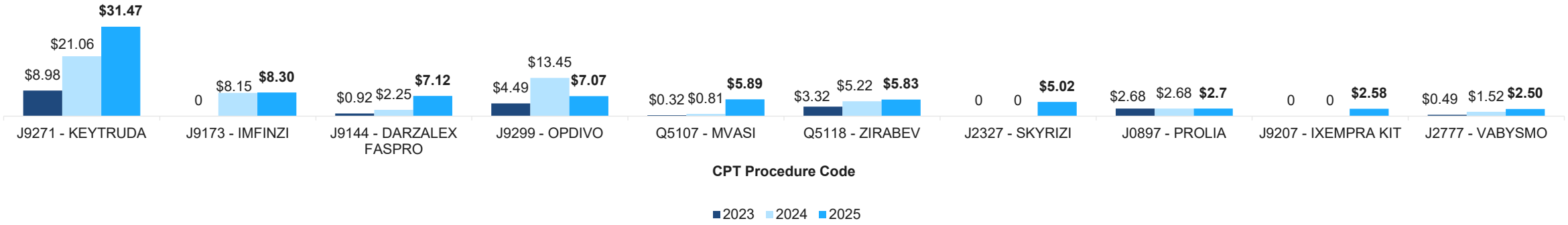
Top 10 Medical Drug Breakouts

Top-10 Medical Drugs from the Current Period - Paid PMPM



Top-10 Medical Drugs - Key Metrics

CPT Procedure Code	2024				2025				2025 % Variance			
	Claimants	Claims	Medical Rx Paid	Medical Rx Paid PMPM	Claimants	Claims	Medical Rx Paid	Medical Rx Paid PMPM	Claimants % Var	Claims % Var	Medical Rx Paid % Var	Medical Rx Paid PMPM % Var
J9271 - KEYTRUDA	7	51	$1,496,392.50	$21.06	6	49	$2,066,812.29	$31.47	▼ -14.3%	▼ -3.9%	▲ +38.1%	▲ +49.4%
J9173 - IMFINZI	2	16	$578,883.09	$8.15	3	11	$544,894.65	$8.30	▲ +50.0%	▼ -31.3%	▼ -5.9%	▲ +1.8%
J9144-DARZALEX FASPRO	1	16	$159,743.82	$2.25	2	31	$467,844.35	$7.12	▲ +100.0%	▲ +93.8%	▲ +192.9%	▲ +216.8%
J9299 - OPDIVO	2	22	$955,569.87	$13.45	1	7	$464,378.85	$7.07	▼ -50.0%	▼ -68.2%	▼ -51.4%	▼ -47.4%
Q5107 - MVASI	2	6	$57,869.35	$0.81	2	26	$386,986.11	$5.89	+0.0%	▲ +333.3%	▲ +568.7%	▲ +623.4%
Q5118 - ZIRABEV	7	39	$370,772.76	$5.22	5	42	$383,160.51	$5.83	▼ -28.6%	▲ +7.7%	▲ +3.3%	▲ +11.8%
J2327 - SKYRIZI					4	11	$329,762.09	$5.02				
J0897 - PROLIA	32	75	$190,328.12	$2.68	30	71	$177,322.74	$2.70	▼ -6.3%	▼ -5.3%	▼ -6.8%	▲ +0.8%
J9207 - IXEMPRA KIT					1	9	$169,141.50	$2.58				
J2777 - VABYSMO	12	46	$107,941.86	$1.52	12	60	$164,428.49	$2.50	+0.0%	▲ +30.4%	▲ +52.3%	▲ +64.8%
Total: Selected Filter(s)	**60**	**263**	**$3,917,501.37**	**$55.14**	**60**	**286**	**$5,154,731.58**	**$78.48**	**+0.0%**	**▲ +8.7%**	**▲ +31.6%**	**▲ +42.3%**

Service Category Breakouts

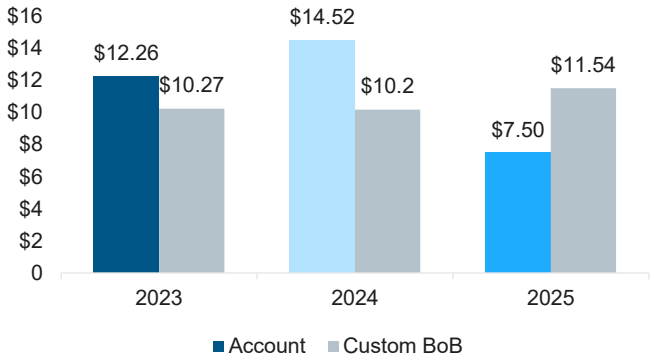
Medical Rx Paid PMPM by Service Category

Service Category	2023	2024	2024 % Var	2025	2025 % Var
FACILITY INPATIENT	$12.26	$14.52	▲ +18.5%	$7.50	▼ -48.4%
FACILITY OUTPATIENT	$38.59	$71.66	▲ +85.7%	$64.00	▼ -10.7%
PROFESSIONAL	$38.55	$54.19	▲ +40.5%	$63.27	▲ +16.8%
Total: Selected Filter(s)	**$89.41**	**$140.37**	**▲ +57.0%**	**$134.77**	**▼ -4.0%**

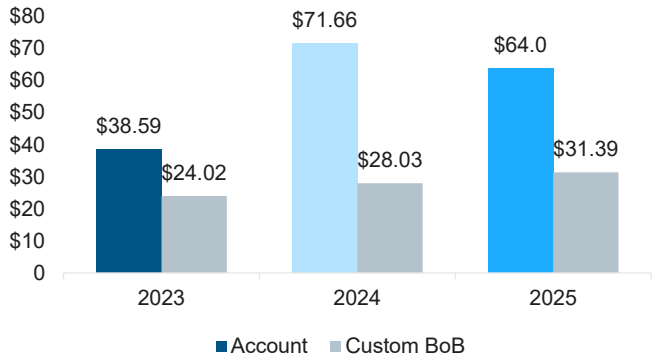
Service Category BMK and Variances

Service Category	Custom BoB	Custom BoB % Variance
FACILITY INPATIENT	$11.54	-35.02%
FACILITY OUTPATIENT	$31.39	103.87%
PROFESSIONAL	$32.16	96.73%
Total: Selected Filter(s)	**$75.09**	**79.47%**

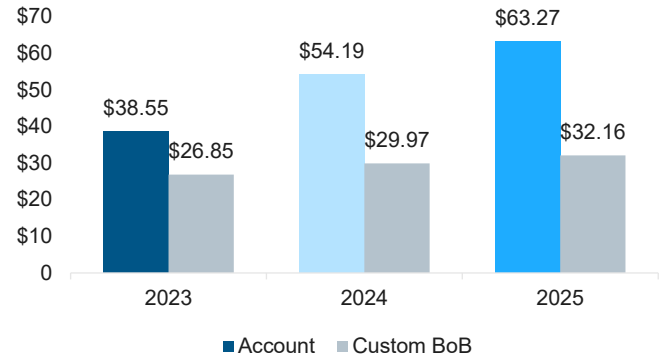
Med Rx - IP Paid PMPM vs. BMK



Med Rx - OP Paid PMPM vs. BMK



Med Rx - Prof Paid PMPM vs. BMK



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24/7 Nurseline

ESTIMATED NET SAVINGS
$11,079
$0.18 PEPM
Bmk $0.22 PEPM
Prior $0.10 PEPM

ESTIMATED SAVINGS
$11,079

ESTIMATED COST
$0

Utilization
1.0%
Bmk 0.8%
Prior 1.1%

Total Calls
61
Unique Callers
58

Triaged Calls
59
Percent Triaged
96.7%
Bmk 73.7%
Prior 81.7%

	Redirected to Higher	Confirmed Appropriate	Redirected to Lower
Emergency Room	0	0	4
Urgent Care	1	0	14
Telehealth/ Office Visit	3	12	2
Self Care	4	19	0
TOTAL	8	31	20

65

Emergency Room

7.9%
Total Plan Spend

$3,478
ER Paid/Visit

295
Visits Were Suitable for Low-Cost Alternatives

$5,389
FSER Paid/Visit

9% of ER claimants visited the ER three or more times
(7% prior)

Average cost per ER visit was 11.6% above prior year

MSK & Respiratory had the highest potential for redirection to lower settings of care

ABQ Hospital and Albuquerque ER

	2024	2025	% Change	BMK	Variance
ER Paid	$3,882,217	$4,246,651	9.4%		
ER Paid PMPM	**$54.64**	**$64.66**	**18.3%**	**$50.37**	**28.4%**
ER Visits	1,246	1,221	-2.0%		
ER Visits/1,000	210.5	223.1	6.0%	216.0	3.3%
ER Paid/Visit	$3,116	$3,478	11.6%	$2,799	24.3%
% of ER Claimants with 3+ Visits	7.1%	8.5%		8.6%	

KEY TAKE AWAYS

- ER paid PMPM **increased by 18.3%** between the two reporting periods and was **28.4% higher than** the benchmark.
- **24.2% of ER visits** were potentially non-emergent in the current reporting period compared to **25.8%** in the prior reporting period and **28.6%** for the benchmark.

Freestanding ER

- FSER paid PMPM **increased by >253%** between the two reporting periods.
- **Total paid FSER paid** increased **>350%** in the current reporting period.
- **Utilization** increased **29%** between the prior and two reporting periods

Top ER Diagnostics

Most visits	**Symptoms / Ill-Defined**
Highest Paid/Visit	**Digestive**
Highest potential non-emergent Visits / 1,000	**Respiratory**

Top ER Providers

Provider	Visits	Cost/Visit
Lovelace Health System Inc	112	$1,512
St Vincent Hospital	102	$2,830
Mountain View Regional	68	$7,096
Presbyterian Hospital	56	$2,009
Three Crosses Regional	49	$1,448

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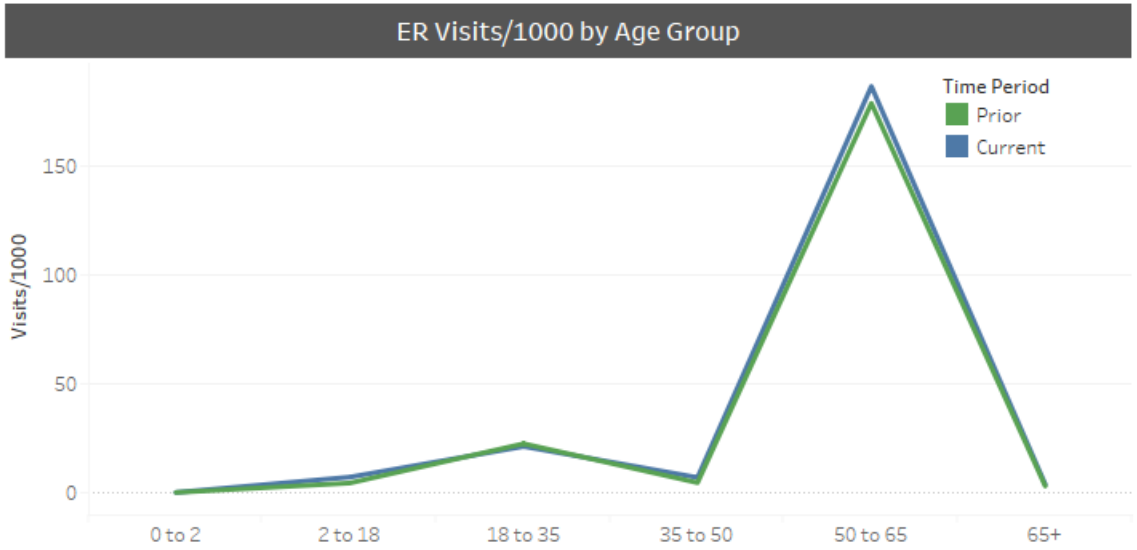
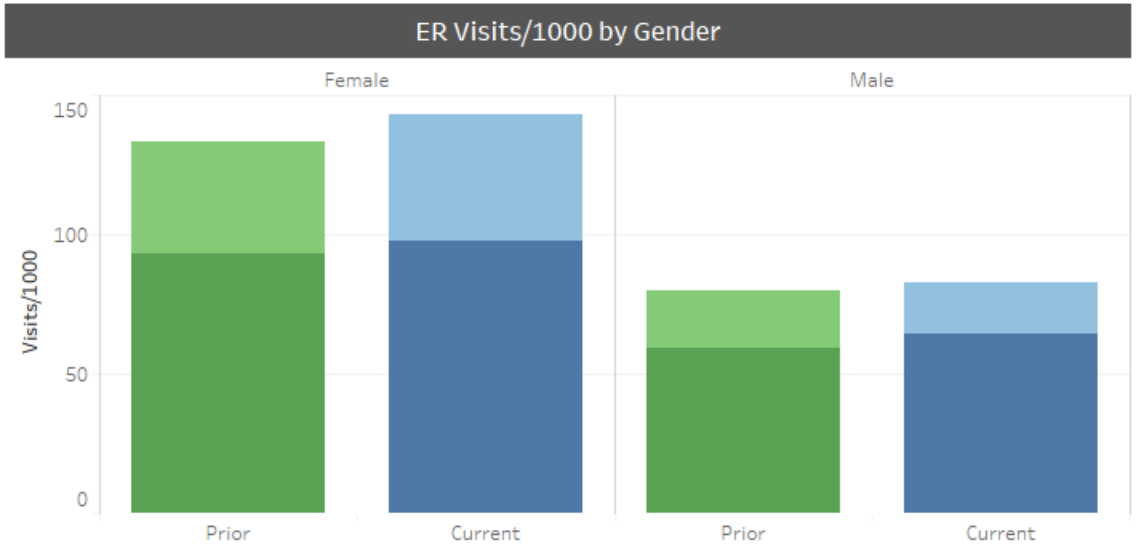
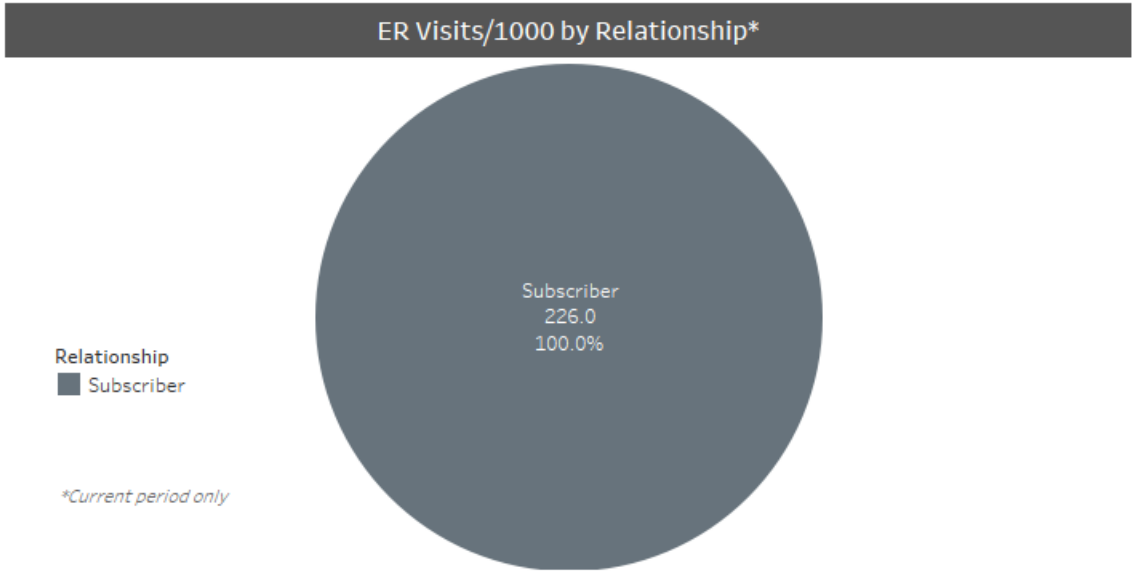
Emergency Room Top Providers

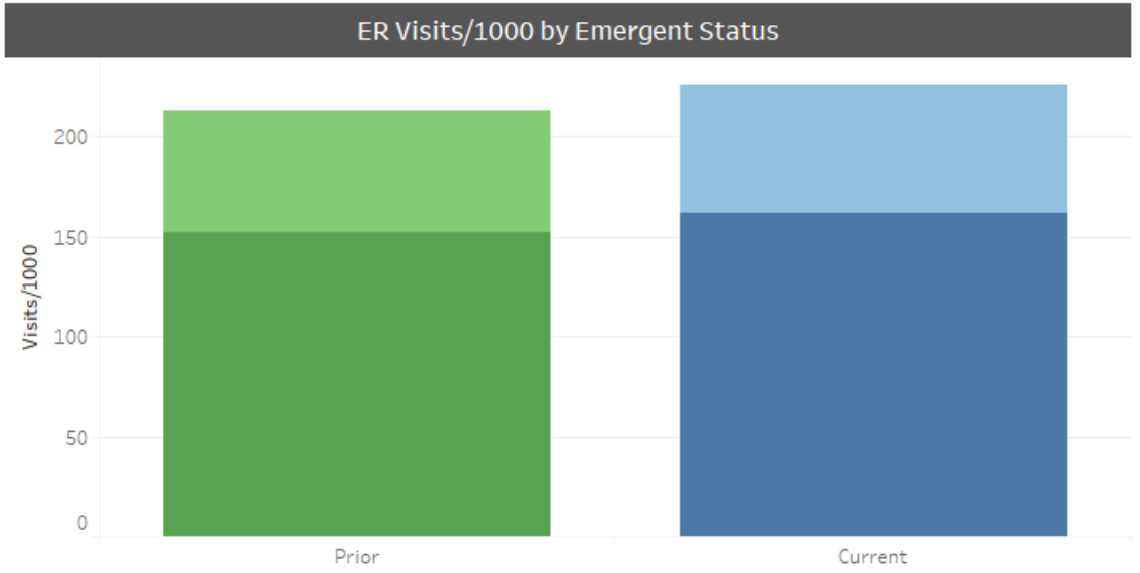
Provider Info for Current Period				
Provider	Visits	Cost/Visit	% Non-Emergent Visits	% Rural Visits
LOVELACE HEALTH SYSTEM INC	112	$1,512	26.8%	24.1%
ST VINCENT HOSPITAL	102	$2,830	33.3%	4.9%
MOUNTAIN VIEW REG HOSP	68	$7,096	32.4%	14.7%
PRESBYTERIAN HOSPITAL	56	$2,009	19.6%	17.9%
THREE CROSSES REGIONAL HOSPITA	49	$1,448	30.6%	6.1%
MEMORIAL MEDICAL CENTER	48	$4,042	35.4%	12.5%
PHS PHYS BILLING	44	$2,835	29.5%	29.5%
UNM HOSPITAL	43	$2,507	16.3%	7.0%
GILA REGIONAL MED CENTER	37	$4,770	37.8%	100.0%
SAN JUAN REG MED CENTER	32	$2,890	31.3%	3.1%
PMG SANTA FE MEDICAL CENTER	31	$2,267	29.0%	0.0%
REHOBOTH MCKINLEY HOSP	29	$4,388	24.1%	100.0%
EASTERN NM MED CENTER	28	$6,056	17.9%	100.0%
ABQ HOSPITAL LLC ★	25	$8,268	16.0%	0.0%
PHS PHYSICIAN BILLING	25	$2,799	44.0%	100.0%
NOR LEA GENERAL HOSPITAL	23	$5,717	30.4%	100.0%
ALTA VISTA REGIONAL HOSPITAL	20	$5,720	15.0%	20.0%
ALBUQUERQUE ER LLC ★	19	$1,600	26.3%	0.0%
ARTESIA GENERAL HOSPITAL	18	$235	33.3%	94.4%
COVENANT HEALTH HOBBS HOSPITAL	18	$6,353	5.6%	100.0%
GUADALUPE COUNTY HOSPITAL	16	$2,536	43.8%	100.0%
ROOSEVELT GENERAL HOSPITAL	16	$4,865	37.5%	100.0%
HOLY CROSS HOSPITAL	15	$1,820	33.3%	93.3%
CARLSBAD MEDICAL CENTER LLC	14	$9,611	35.7%	100.0%
CATHOLIC HEALTH IN	13	$4,410	7.7%	38.5%
CIBOLA GEN HOSP	13	$3,434	15.4%	100.0%
MINERS COLFAX MED CENTER	13	$3,669	30.8%	100.0%
OTERO COUNTY HOSPITAL ASSOC	12	$9,499	33.3%	100.0%
BSA HOSPITAL LLC	10	$3,935	0.0%	10.0%

Emergency Room









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Telehealth

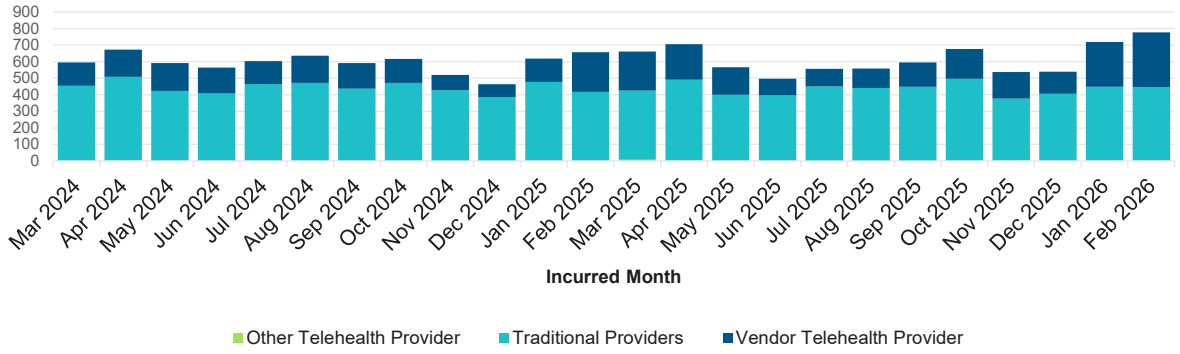
Telehealth Visits/1000: Current Period

Telehealth Visits per 1,000	Telehealth Paid PMPM
1,365.7	$13.84

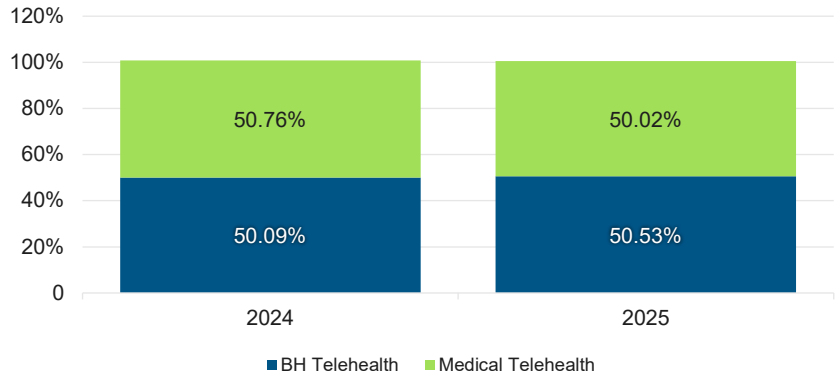
Telehealth Benchmark: Current Period

Telehealth Visits per 1,000	Telehealth Paid PMPM
1,929.2	$15.12

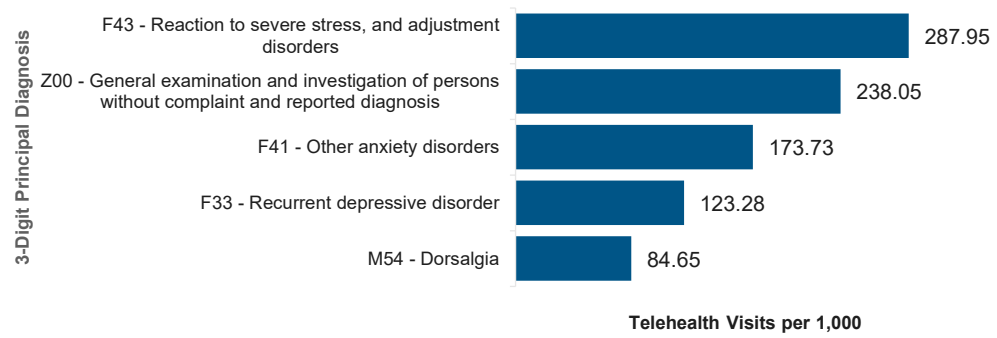
Telehealth Visits by Incurred Month: Telehealth Provider Type



% of Telehealth Visits: Behavioral Health vs Medical



Top Telehealth Diagnosis by Utilization



Telehealth Provider Type

- **Vendor Telehealth Providers** - Vendors we partner with including: MDLive, Teladoc VPC, Teladoc CCM(chronic condition management- formally Livongo), Catapult, Omada, Wondr, & Hinge)
- **Other Telehealth Providers-** Other telehealth companies/providers other than who we partner with directly (i.e., Doctor on Demand, Lyra, Sword Health, PlushCare)
- **Traditional Providers** - Traditional in-person providers offering telehealth services (i.e., a member's PCP who also sees patients in person)
- **Non Telehealth Services** - All other non-telehealth services, such as in-person office visits
- **Teladoc-Other-** All other Teladoc claims, including those accounts who do not have VPC or Chronic Condition Managed vended directly with Blue.

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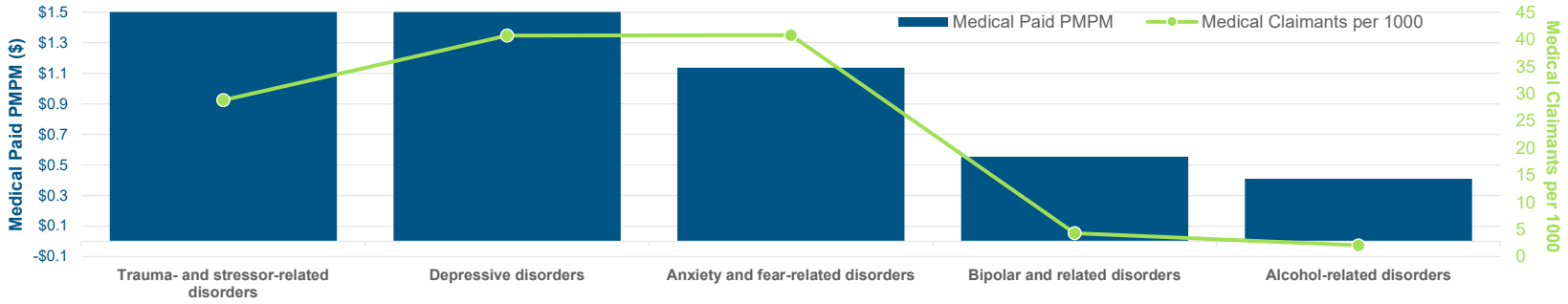
Behavioral Health

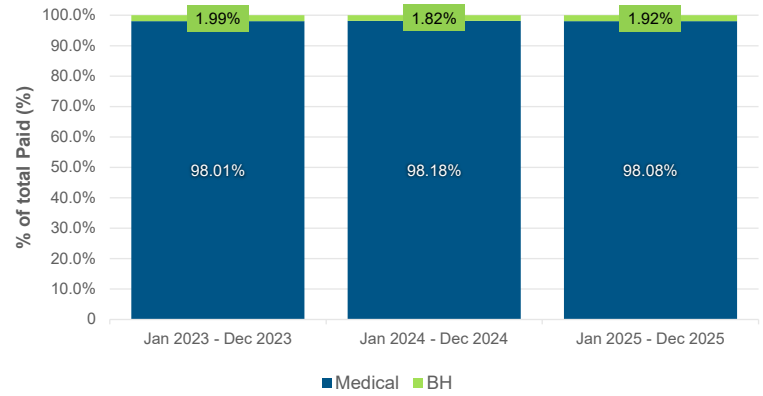
Behavioral Health Paid PMPM Year over Year Trend & Comparison to the Benchmark

BH Managed Services Diagnosis Category	Account			Custom Age/Sex Adj. BoB		Custom Age/Sex Adj. % BoB Variance	
	Jan 2024 - Dec 2024	Jan 2025 - Dec 2025	In-Network Paid %	Medical Paid PMPM	In-Network Paid %	Medical Paid PMPM	In-Network Paid %
MH (Mental Health)	$5.63	$5.77	96.3%	$8.27	98.2%	-30.19%	-1.96%
SUD (Substance Use Disorder)	$0.86	$0.72	50.1%	$0.71	93.3%	2.24%	-46.28%
Total: Selected Filter(s)	**$6.49**	**$6.50**	**91.1%**	**$8.98**	**97.5%**	**-27.63%**	**-6.57%**

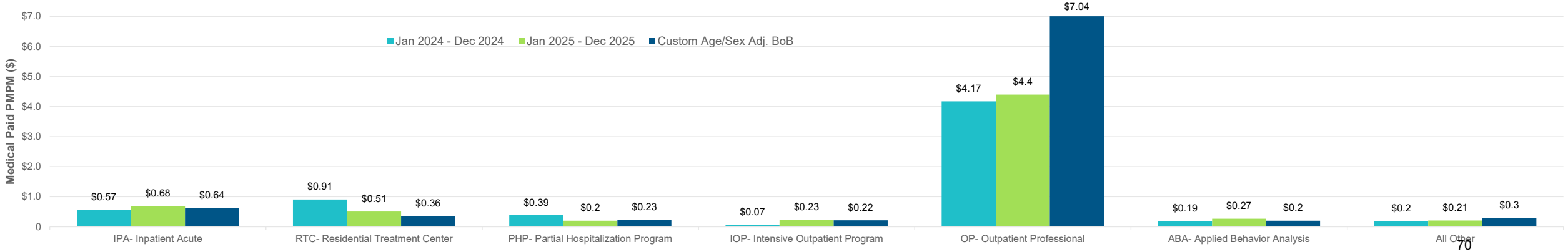
Behavioral Health Diagnoses Paid PMPM & Claimants per 1000: Current Period



Behavioral Health % vs Total Paid



Behavioral Health Levels of Care Paid PMPM



JULY 16, 2026

NMRHCA BOARD RETREAT

NON-MEDICARE

PRESBYTERIAN

Caring for New Mexicans Since 1908

899k
New Mexicans served
(out of 2.1M pop.)

14k+
employees

39
years of integration
experience

1300+
clinicians

9
hospitals

3
ambulatory surgery
centers

4
24/7 urgent care
+ ED locations

41
clinics statewide

EXECUTIVE SUMMARY

KEY FINDINGS

- Commercial membership keeps declining (**down 8.4% YoY**), yet cost per member **rose 11% to $855** — fewer members are driving higher spending
- Outpatient facility is Commercial's **largest cost category** (42% of total spend, up 19% YoY), with outpatient surgery a large part of that (most surgeries are being performed in higher-cost hospital settings instead of ambulatory surgery centers)
- Over half of Commercial members (56%) manage **2+ chronic conditions**, and depression prevalence **nearly doubled** in one year
- About **41% of Commercial ED visits** over the past two years were potentially avoidable, with nearly 1 in 5 treatable by a primary care provider
- 1 in 4 eligible Commercial members **didn't see a PCP** in 2025, and telehealth PCP visits remain underused at just 19%

OPPORTUNITIES & RECOMMENDED ACTIONS

- **Pursue site-of-service shifts** for outpatient surgeries (e.g., knee replacements) from hospital settings to ASCs to reduce facility costs
- **Reduce avoidable ED use** by redirecting low-acuity, PCP-treatable visits to lower-cost settings, including virtual care options
- **Close PCP assignment and engagement gaps** — assign the 574 members without PCPs and promote virtual PCP visits as a convenient option to boost engagement
- **Strengthen coordinated care** for members with multiple chronic conditions and rising behavioral health needs through early identification and proactive support
- **Host targeted pop-up care events** in the 5-county area (88% of members) to deliver preventive screenings, care navigation support, and wellness coaching

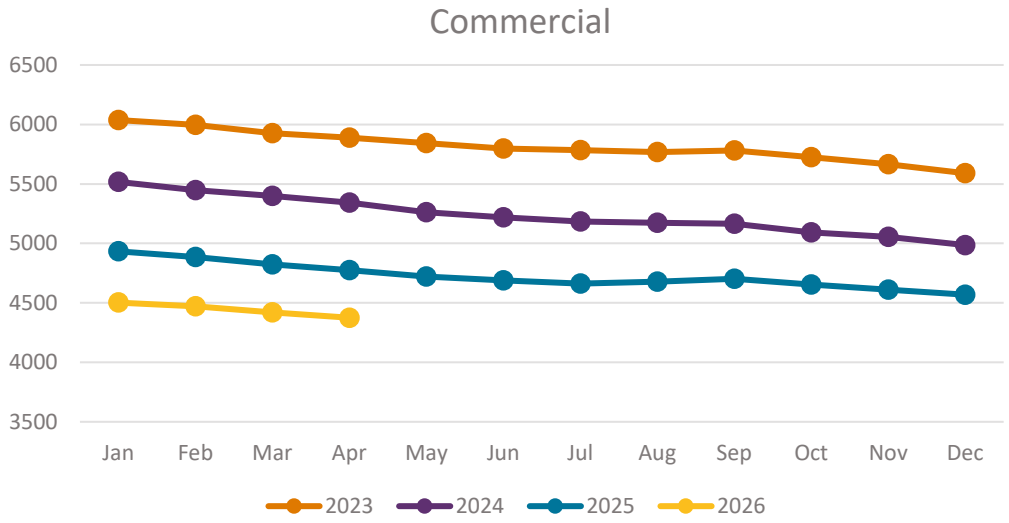
Metric	NMRHCA – Commercial
Total Members (as of 4/2026)	4,375 (↓ 8.4% YoY)
Average Age	56.0
Total Allowed PMPM (CY2025)	$855.07 (↑ 11.3% YoY)
Average Prospective Risk*	1.44

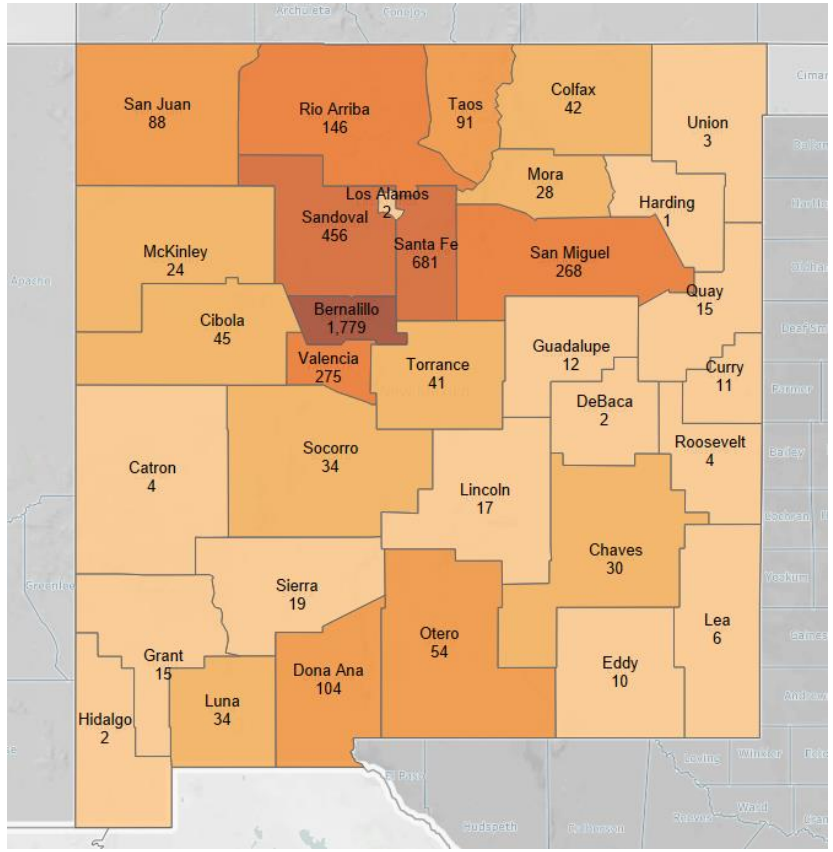
*Prospective Risk scores estimate the expected future healthcare resource use based on clinical, cost, and demographic factors; the score is normalized so 1=average expected risk

POPULATION OVERVIEW

NMRHCA membership has been steadily declining since 2023, at an average rate of -8.4% per year.

- **Membership Trends:** NMRHCA has experienced a **consistent decline in membership**, with a 7.4% decrease in 2023, followed by a 9.6% drop in 2024, and another 7.4% reduction projected for 2025.
- **Age Demographics:** Currently, 55% of NMRHCA members fall within the 60-64 age bracket, with 13% of the total membership turning 64 and becoming eligible to transition into the NMRHCA senior care plan.
- **Senior Care Transitions:** In 2023, 648 members aged into the Senior care plan from the NMRHCA Commercial plan, with 509 members aging in 2024, 402 in 2025, **and 267 members having aged into Senior care so far in 2026**.





> 80% of Commercial members live in 5-county area

COST CONCENTRATION AND KEY DRIVERS

Spend is moderately concentrated: the top 1% (55) of members account for 32% of total allowed cost ($15.4M).

Cost Concentration

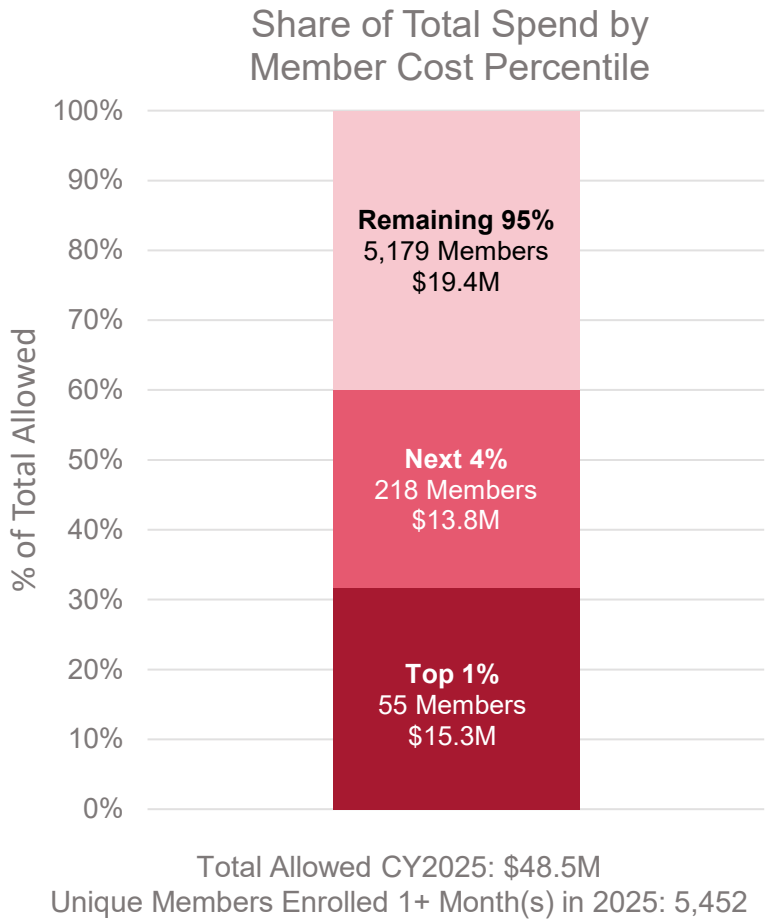
- The top **5% (273 members)** account for **60%** of total allowed cost ($29.1M); only **1 member** exceeded $1M in total allowed for 2025

Top 3 Conditions by Allowed PMPM

- **Cancer with Active Management** — $131.50 PMPM, impacting 69 members; breast cancer is the top driver by PMPM and volume (23 members)
  - Opportunity: Only **77.7%** of eligible members received a breast cancer screening in 2025 (per HEDIS specs) — improving this rate could support earlier detection and lower treatment costs
- **Degenerative Arthritis** — $65.75 PMPM, impacting 936 members
- **Liver, Gallbladder & Pancreas Diseases** — $33.60 PMPM, impacting 200 members (e.g., cirrhosis, cholelithiasis)

Key Cost Driver: Facility Outpatient

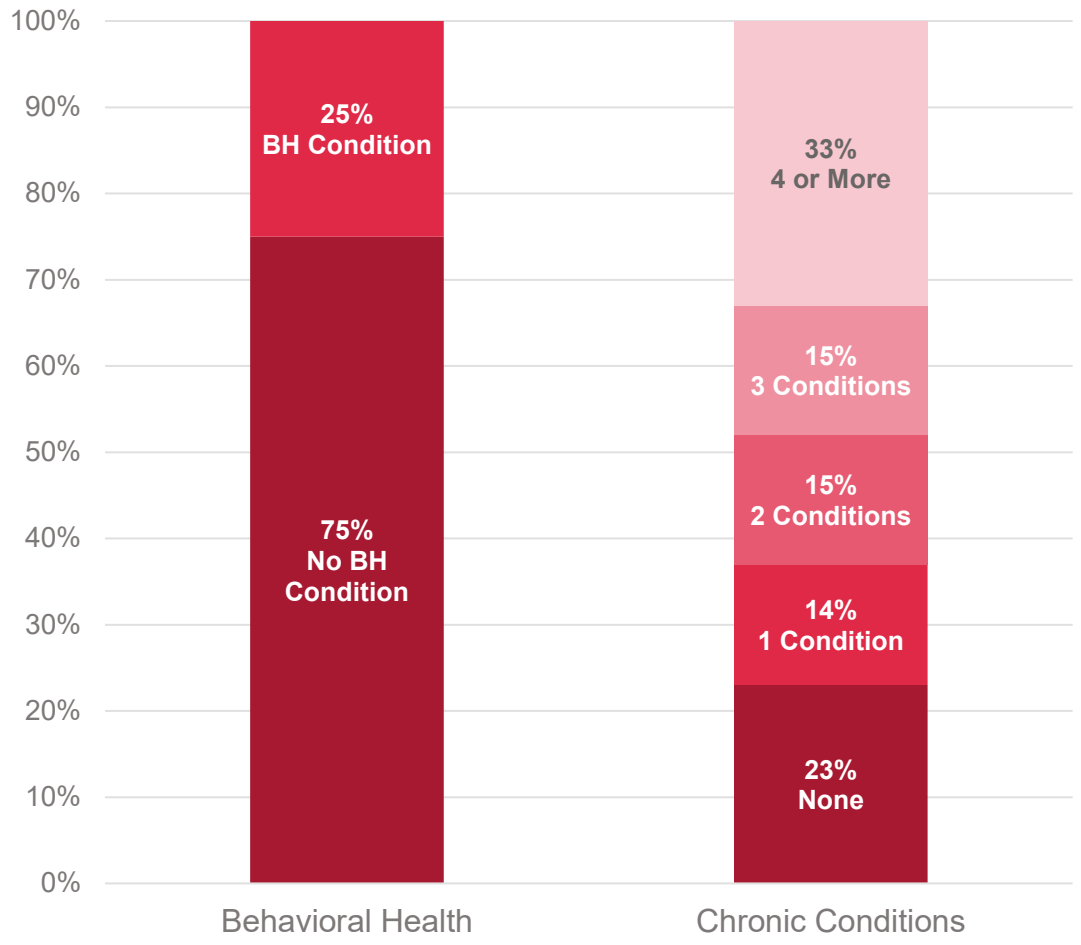
- Outpatient is the largest service category at **$356.19 PMPM** (**42% of total allowed**); top subcategories are surgery (**$115.84 PMPM**) and general radiology (**$79.90 PMPM**)
  - 82% of surgical spend is hospital outpatient vs. 18% ambulatory surgical center (ASC)
  - Knee replacements are the top surgical procedure by cost — fewer than half are performed in ASCs, representing a clear **site-of-service shift opportunity** to reduce costs
  - General radiology (excludes CT, MRI, PET) is primarily driven by **diagnostic radiology ($60.01 PMPM)**, which includes consultation, evaluation, and preventive care



POPULATION HEALTH INSIGHTS

Growing behavioral health and chronic needs create clear opportunities for coordinated, proactive support.

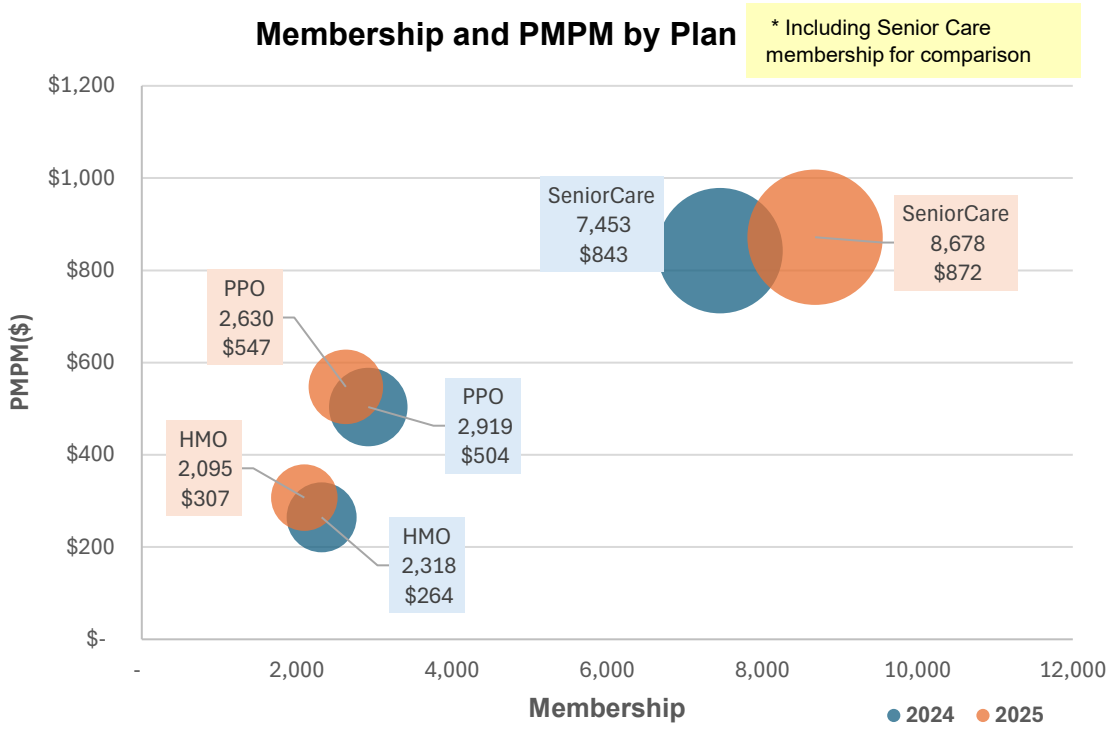
- Rising BH needs present a strong opportunity to **expand accessible, integrated support**
  - 25% of members have an indicated BH condition (1,363 members)
  - Members with BH conditions cost, on average, 2.7x more than members without ($15,299 PMPY vs. $5,567 PMPY)
  - Depression prevalence nearly doubled from 2024 to 2025, from 8.9% to 16.5%
- Opportunity to **strengthen coordinated care** for members with multiple chronic conditions
  - 56% of members have 2+ chronic conditions (3,053 members)
  - Lipid metabolism disorder remain the highest prevalence condition, affecting 40% of members
  - In 2025, 186 members qualified for care management, with 92% of those episodes successfully closed

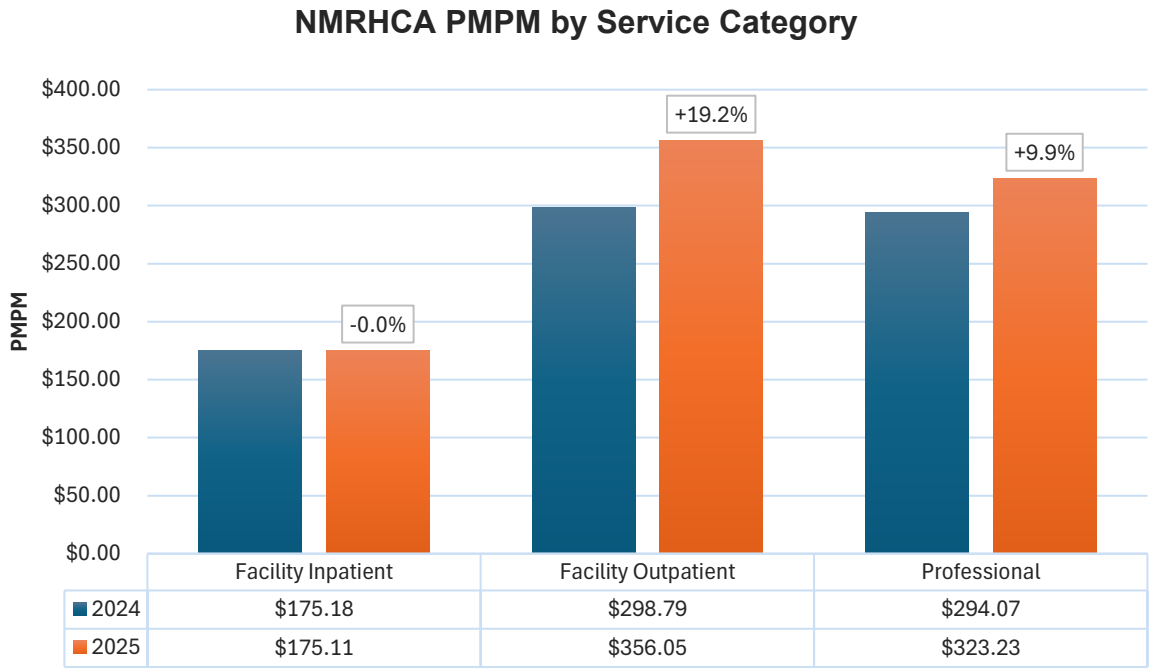


FINANCIAL KEY INDICATORS: ALLOWED, ALLOWED PMPM

Allowed PMPM increased to $855 in 2025, representing a ~11% YoY increase versus 2024.

- Overall membership decreased across all ASO plans from 2024 to 2025, while PMPM increased for all plans
- The Premier PPO plan remains the largest cost driver due to having both the highest PMPM and the largest membership
- Facility Outpatient (⬆️ 19%) and Professional (⬆️ 10%) PMPM increased making them the largest contributors to the PMPM increase





CARE COORDINATION AND CASE MANAGEMENT

Presbyterian is committed to **proactive outreach for high-risk members**, utilizing advanced predictive data models to strengthen case management and care coordination.

By thoroughly analyzing clinical data, claims information, social determinants of health, and Member engagement history, these models **enable the identification of individuals at greater risk for adverse events**, complications, unnecessary utilization, or fragmented care.

This targeted approach leveraging various technical systems allows Presbyterian to **deliver timely and personalized interventions**, improving outcomes and supporting the overall wellbeing of our members:

TRANSITION OF CARE SUPPORT

PreManage real time alerts notify care coordination team of Rising Risk members.

REPORTING OUTREACH

Rising Risk cohorts integrate PreManage, ACG, utilization, and pharmacy data.

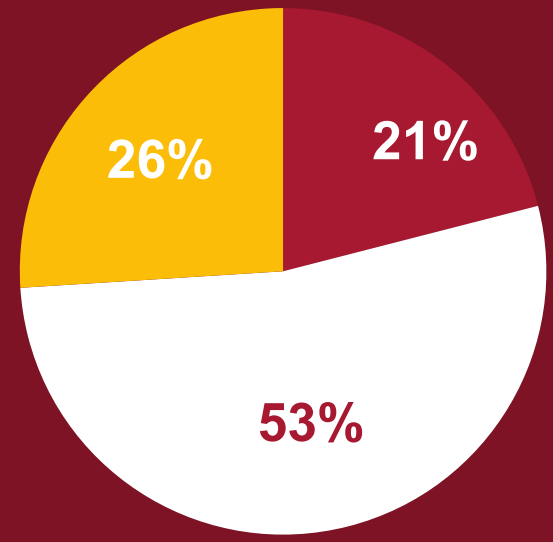
SMART ALERTS

Embedded in care coordination/ business team workflow.

OUTCOMES

From April 2025 – April 2026, 1,209 case management referrals were processed with the following outcomes:

- 21% of members **engaged**
- 53% of members **refused to participate**
- 26% of members were **unable to be reached** despite multiple outreach attempts using various methods of outreach



EXECUTIVE SUMMARY - COMMUNITY HEALTH WORKERS

CHWs delivered measurable HEDIS gains and deeper member engagement in 2025 — bridging clinical care, community trust, and predictive data to lift commercial quality performance and close care gaps.

481
members referred for CHW outreach

356
CHW assessments completed

42%
member engagement rate

200+
gaps in care closed

CHW IMPACT ON HEDIS

- **200+** open gaps in care closed across the commercial population
- **481** members referred and routed into targeted CHW outreach
- **356** CHW assessments completed to drive screenings, labs & follow-ups
- **Focus:** preventive care, chronic-condition management & employer-sponsored gaps

MEMBER ENGAGEMENT IMPACT

- **42%** engagement rate across phone, text, in-person & digital outreach
- **Education:** personalized support improves health literacy & self-management
- **Rapid:** response to care gaps identified via claims + predictive analytics
- **Trusted** navigation support across complex commercial networks

Net result: 481 members referred, 356 assessments completed, and 200+ care gaps closed at a 42% engagement rate — supporting expanded CHW investment for 2026.

WELLNESS PROGRAMS & COMMUNICATIONS UPDATES

NMRHCA BOOK CLUB

- **2025: Three (3) Book Club Events -** Sustained average engagement across three book clubs – 73%
- **2026:** July – Book: Correspondent, by Virginia Evans.

HEALTH ACADEMY

- **December 2025:** Topic – Brain Health, 70 attended, 73.7% Engagement
- **August 2026:** Topic – "Adapting to Change with Well-being"

COMMUNICATION – Wise & Well Monthly Newsletter

Engagement	#
Subscribers	16,272
Open Rate - Average	19.5%

NEW TEAM MEMBERS

Hannah Lightcap, PhD, MS
Manager, Disease Prevention & Management
PhD in Psychology with a concentration in personality and health psychology, a Master's degree in Health Promotion

Natasha Moctezuma-Cover, MA
Program Manager, Mental & Emotional Health
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Segal

New Mexico Retiree Health Care Authority

CY2025 Trends, Costs and Demographics

July 15-17, 2026

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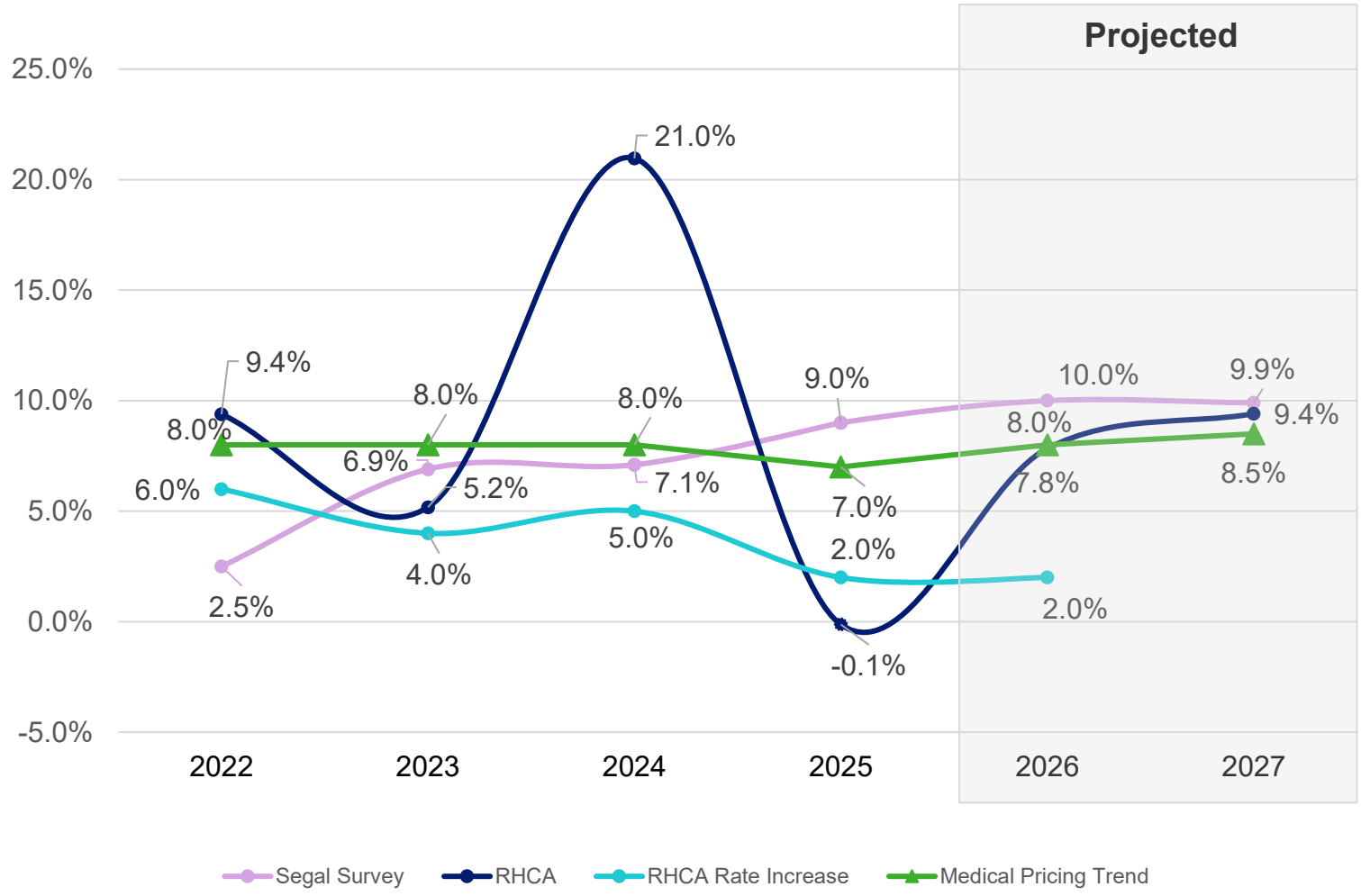
Agenda

1. Medical and Pharmacy Trends
2. Review of CY2025 Incurred Claims
3. CY2025 Demographic Analysis and Risk Scores
4. CY2025 High-Cost Claimants Reporting

Medical and Pharmacy Trends

Non-Medicare Medical Trend

Premier and Value Plans

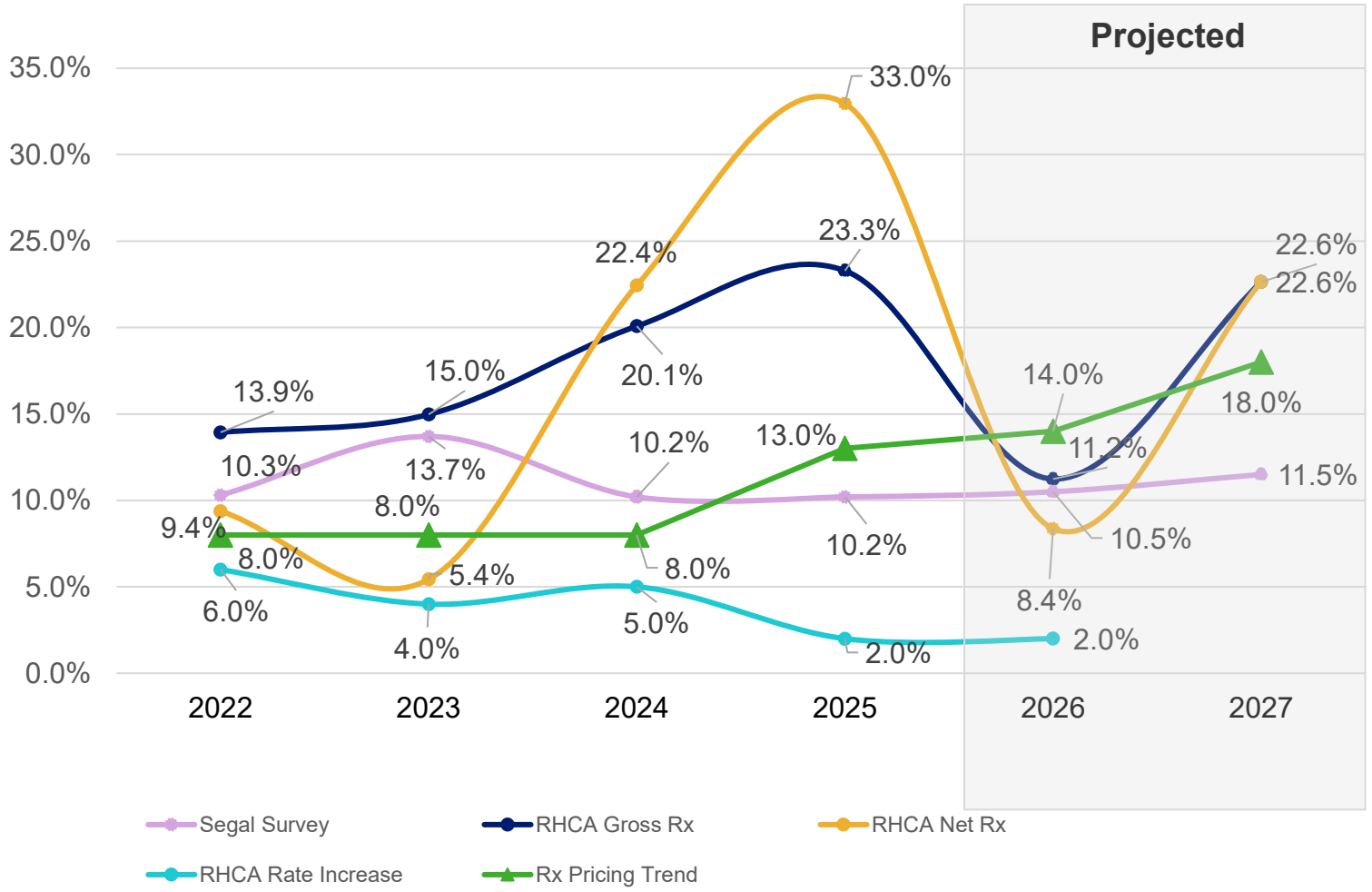


- RHCA incurred high medical claims experience in 2024 which is offset in 2025. The composite average annualized trend between 2022-2025 is 8.6%.
- RHCA's composite average trend (8.6%) for the four-year period 2022 through 2025 has been higher than Segal Survey results of 6.3%.
- Segal's national trend survey projects that 2026 non-Medicare medical trends will be 10.0%.
- Historical non-Medicare premium rate increases have been lower than actual medical claims trend since 2022.

[1] Segal Survey sourced from the 2026 *Segal Health Plan Cost Trend Survey*.
[2] RHCA non-Medicare medical claims data by incurred calendar year, sourced from Cognos and maintained by Madalena Consulting.
[3] RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

Non-Medicare Pharmacy Trend

Premier and Value Plans

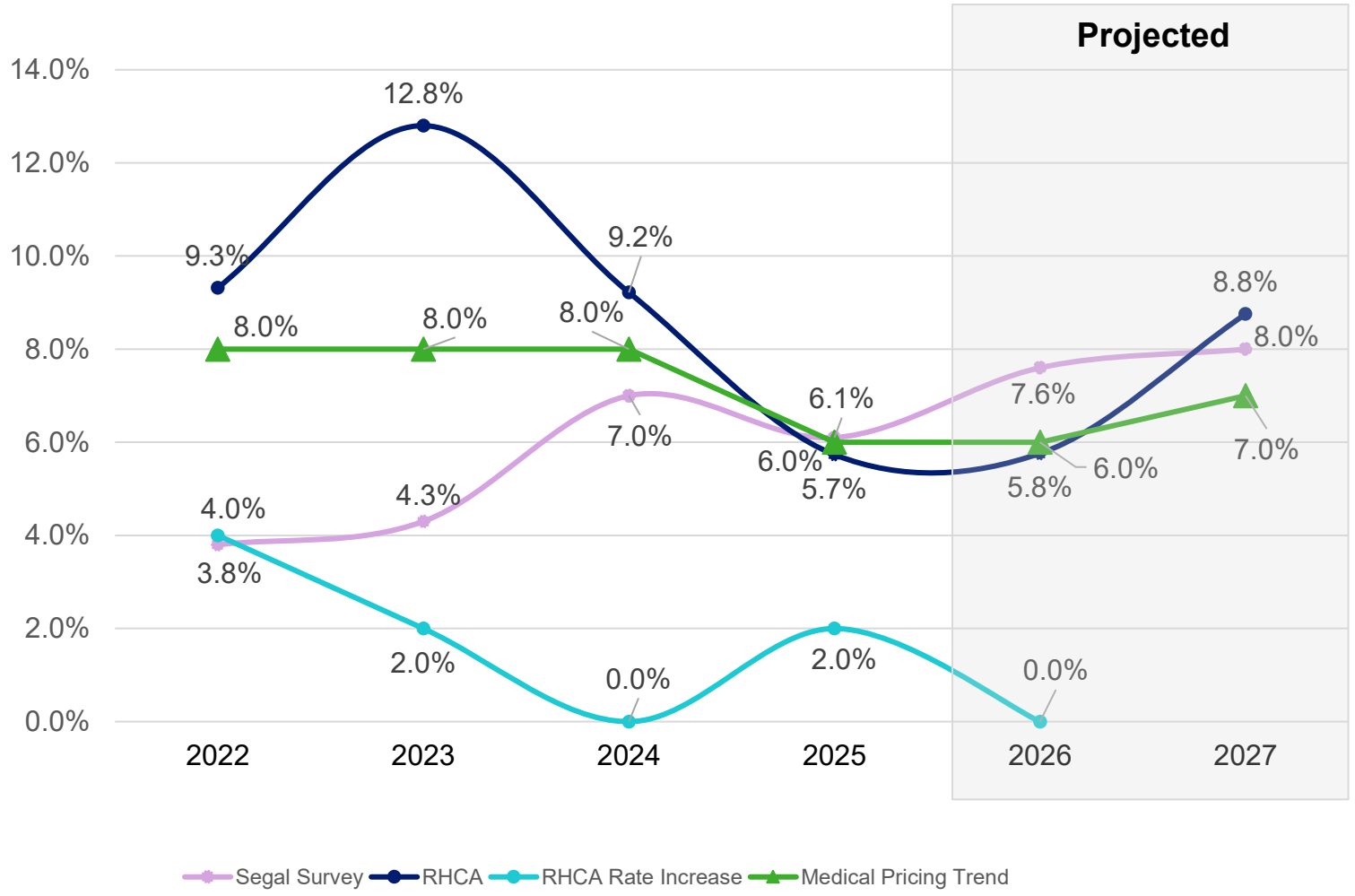


- RHCA's prescription drug trends on both a gross and net basis have exceeded 20% in 2024 and 2025. RHCA's composite average net trend from 2022 to 2025 is 17.1%.
- National prescription drug trends are expected to be about 11% in 2026. These national trends are a blend of plans cover and do not cover Anti-obesity GLP-1's. On average we see a 2%-8% trend difference for entities that cover Anti-obesity GLP-1's.
- Historical rate increases implemented by RHCA have been significantly less than actual prescription drug claims growth.

[1] Segal Survey sourced from the 2026 *Segal Health Plan Cost Trend Survey.*
[2] RHCA non-Medicare pharmacy claims data by incurred calendar year, sourced from Cognos and maintained by Madalena Consulting.
[3] Rx trends are illustrated as Gross Rx (before Rebates) and Net Rx (after Rebates).
[4] RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

Medicare Medical Trend

Medicare Supplement Plan

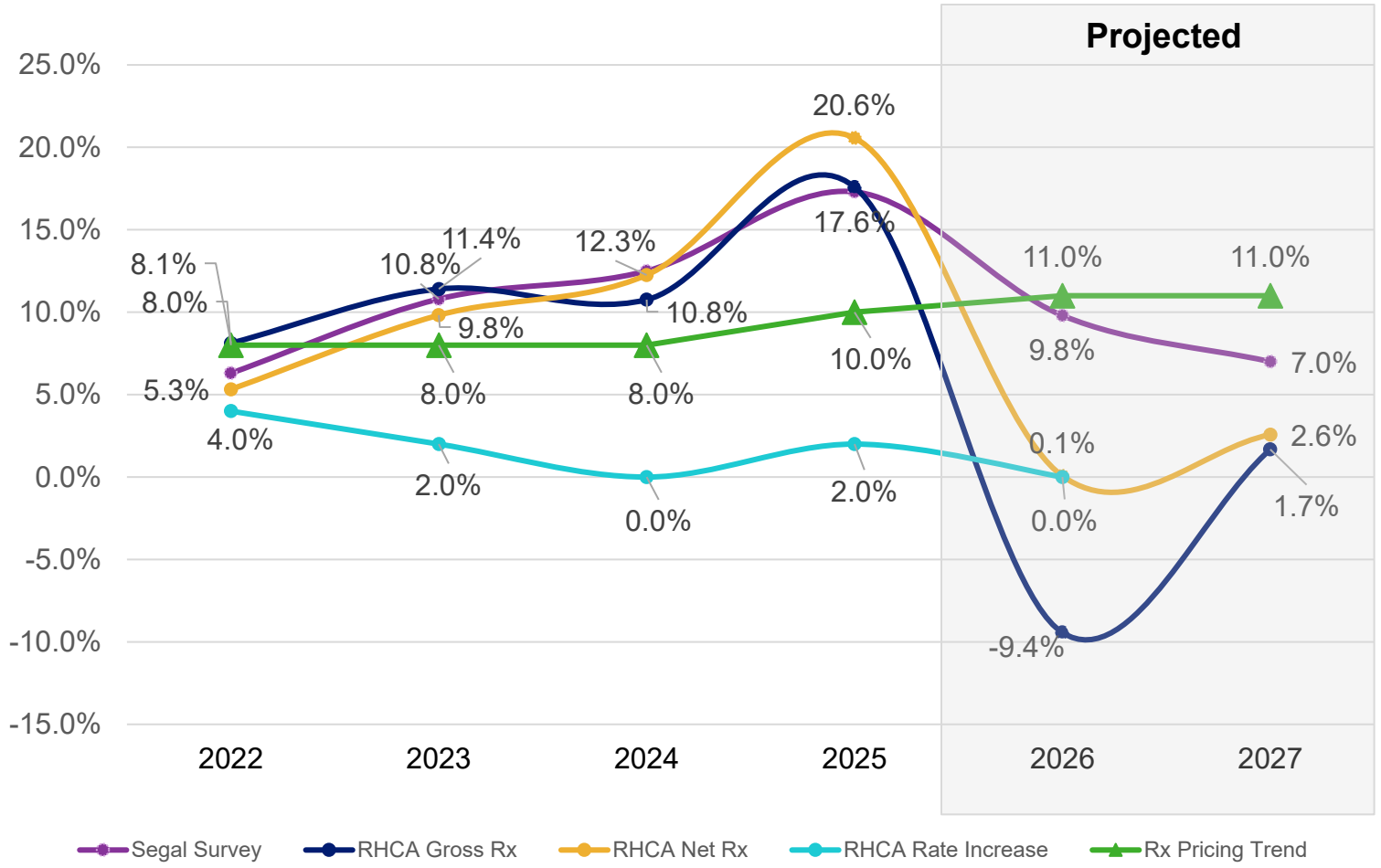


- RHCA's Medicare Supplemental Plan retiree medical trend decreased from 2023–2025 but is expected to rise in 2026–2027 with 2026 trend closer to the national average.
- RHCA's average composite trend from 2022 to 2025 is 9.2%.
- Segal's national trend survey estimates a 7.6% medical trend rate in 2026 for Medicare retirees.
- RHCA applied minimal premium rate increases between 2022 and 2026 and even held the Medicare retiree rates flat in 2024 and 2026.

[1] Segal Survey sourced from the 2026 *Segal Health Plan Cost Trend Survey*.
[2] RHCA non-Medicare medical claims data by incurred calendar year, sourced from Cognos and maintained by Madalena Consulting.
[3] RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

Medicare Pharmacy Trend

Employer Group Waiver Plan (EGWP)



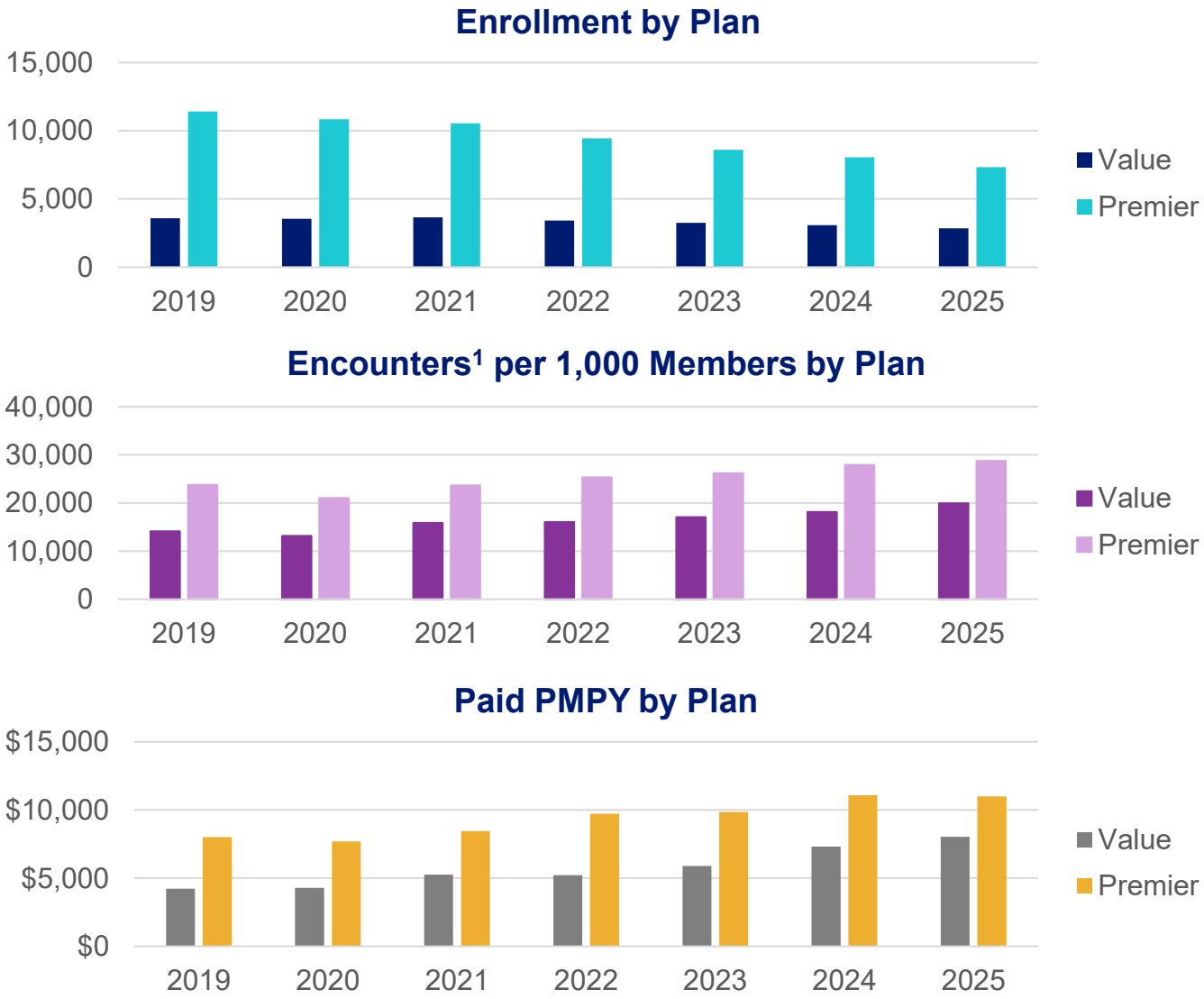
- RHCA's actual gross and net prescription drug trends are projected to decrease due to the impact of MFP drugs in both 2026 and 2027 and plan design changes effective January 1, 2026.
- RHCA's composite average trend from 2022 to 2025 is 11.9%.
- Segal's 2026 trend survey reports a Medicare Part D drug trend of 9.8% for this year which is significantly higher than RHCA's actual experience and reflects projected impact of EGWP subsidies.
- RHCA has applied minimal premium rate increases between 2022 and 2026 for Medicare retiree plans.

[1] Segal Survey sourced from the 2026 *Segal Health Plan Cost Trend Survey.* 2026 and 2027 projections are net of EGWP subsidies.
[2] RHCA historical rate increases correspond to retirees and spouses excluding dependents.
[3] Rx trends are illustrated as Gross Rx (before Rebates) and Net Rx (after Rebates). RHCA trends do not reflect EGWP subsidy revenue offsets.
[4] RHCA's historical rate increases correspond to retirees and spouses excluding dependents.

CY2025 Cost and Utilization

Historical Overview (1 of 2)

Non-Medicare Medical



- Non-Medicare plan enrollment continues to decline (10,189 in 2025 vs. 11,130 in 2024) with the Premier plan's membership declining 8.8% and the Value plan's membership declining 7.4% relative to 2024 levels.
- In 2025, encounters per 1,000 members increased in both plans: Premier plan 3.1% and Value plan 10.1% when compared to 2024.
- Between 2022 and 2025, the average increase in per member per year cost was 4.2% for Premier and 15.4% for Value Plans.

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

Historical Overview (2 of 2)

Non-Medicare Medical

	CY2024	CY2025	Percent Change
Premier Plan			
BCBSNM	$56,356,593	$49,228,555	-12.6%
Presbyterian	$32,870,388	$31,420,996	-4.4%
Sub-total	$89,226,981	$80,649,551	-9.6%
Value Plan			
BCBSNM	$4,306,908	$4,959,516	+15.2%
Presbyterian	$18,189,459	$17,860,224	-1.8%
Sub-total	$22,496,367	$22,819,737	1.4%
Grand Total	**$111,723,348**	**$103,469,291**	**-7.4%**

- Aggregate cost reductions are partially due to an 8.9% decrease in enrollment.
- Additionally, Inpatient Hospital utilization declined in 2025 as members used outpatient facilities more often.
  - Inpatient Hospital Facility costs on a PMPY basis decreased by 10.5% and 9.1% for the Premier and Value Plans, respectively.
- Other services, such as ER, Surgery, and injections, experienced positive PMPY cost trends in 2025.
  - Outpatients Hospita (10% of plan paid) : +2.5% Premier Plan, +4.7% Value Plan.
  - Emergency Room Facility (1% of plan paid): +3.7% Premier Plan, +27.3% Value Plann
  - Surgery (15% of plan paid): +7.7% Premier Plan, +18.0% Value Plan.
  - Injections(15% of plan paid): +13.2% Premier Plan, +69.7% Value Plan.

2025 Non-Medicare Medical Claims (1 of 2)

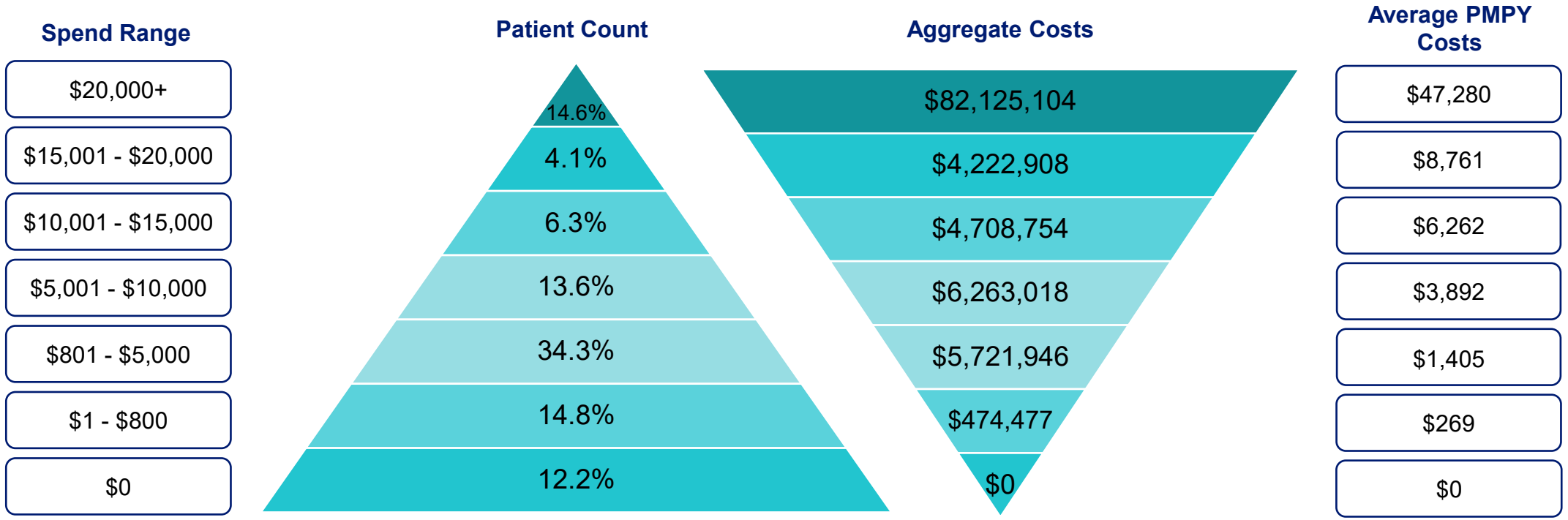
Type of Service	2025 Encounters per 1,000 Members	2024 Encounters per 1,000 Members	% Change	2025 Paid per Encounter	2024 Paid per Encounter	% Change	2025 Paid PMPY	2024 Paid PMPY	% Change
Inpatient Hospital Facility	123	130	-5.4%	$15,076	$15,868	-5.0%	$1,857	$2,066	-10.1%
Outpatient Hospital Facility	1,401	1,259	11.3%	$745	$807	-7.7%	$1,043	$1,016	2.7%
Emergency Room Facility	191	175	9.3%	$604	$605	-0.2%	$115	$106	9.1%
Anesthesia	231	235	-1.8%	$602	$579	4.1%	$139	$136	2.2%
Surgery	3,339	1,922	73.7%	$457	$724	-36.9%	$1,526	$1,391	9.7%
Lab / Path	5,748	5,724	0.4%	$300	$298	0.6%	$1,726	$1,708	1.1%
Evaluation and Management	5,293	5,082	4.1%	$108	$107	1.3%	$573	$543	5.5%
Well Visits	469	455	3.1%	$160	$162	-1.1%	$75	$74	1.9%
Emergency Room Professional	308	302	2.0%	$956	$955	0.2%	$294	$288	2.2%
Chiropractic	505	519	-2.6%	$15	$13	10.4%	$7	$7	7.6%
Medicine	5,520	5,736	-3.8%	$119	$146	-18.3%	$659	$838	-21.3%
Injections	1,097	1,087	0.9%	$1,464	$1,209	21.0%	$1,605	$1,314	22.1%
DME	890	813	9.4%	$334	$345	-3.2%	$297	$281	5.9%
Other	1,192	1,770	-32.7%	$199	$153	29.9%	$238	$272	-12.6%
Total	**26,305**	**25,208**	**4.4%**	**$386**	**$398**	**-3.1%**	**$10,155**	**$10,038**	**1.2%**

- For Inpatient Hospital Facility services, both costs and utilization decreased in 2025 compared to 2024.
  - With less than 1.0% of encounters, Inpatient Hospital Facility charges continue to be the highest with $18.9M paid in 2025.
- In contrast, for Outpatient Hospital Facility services, both costs and utilization were up by 2.7% and 11.3% respectively.

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

Distribution of Costs by Spend

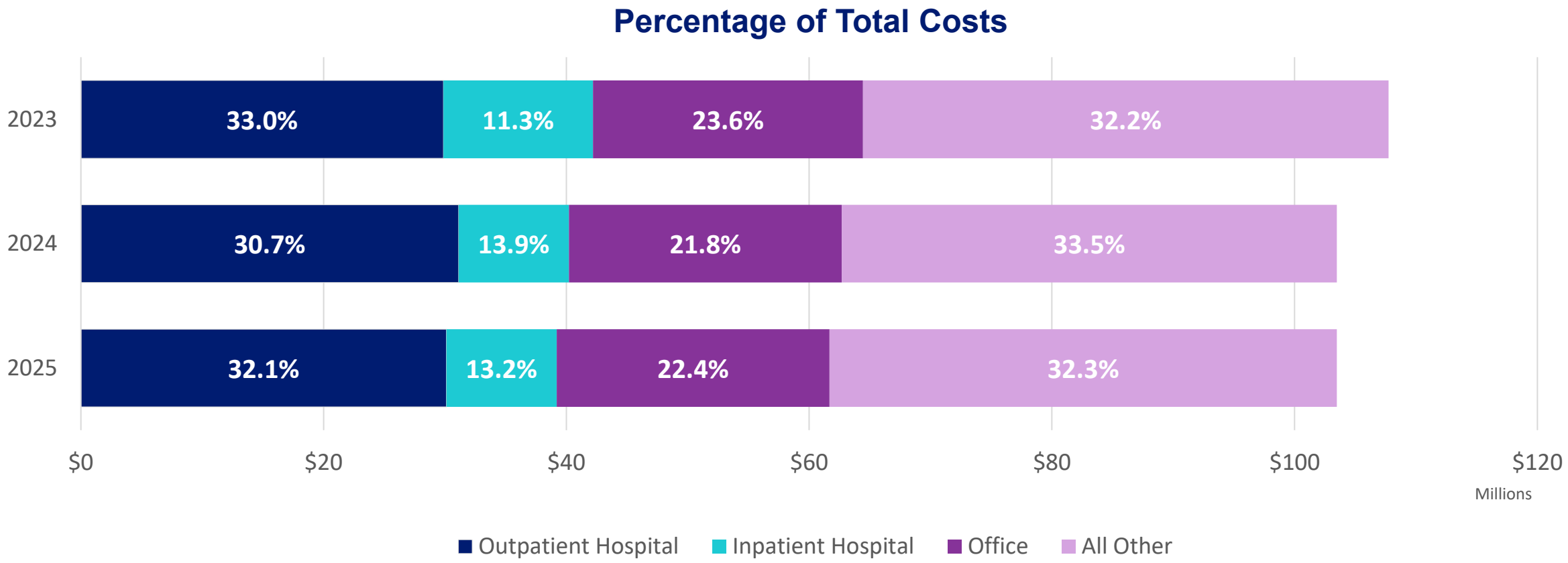
Non-Medicare Medical



- 25% of members with excess claims greater than $10,000 contribute to 88% of non-Medicare medical claims.
  - The number of members with claims in excess of $10,000 grew from 11% in 2015 to 25% in 2025.
  - In 2025, the plan paid was $5.9M less in claims for members with $10,000 or more in spend than it did in 2024.
- The number of non-utilizers decreased between 2024 and 2025 (17% change).
  - In 2020 and prior years, the average number of non-utilizers was 15-16% of members. In 2021, the percentage dropped to 11.6% and has steadily increased each year until in 2025, 12.2% of members had no claims.

Costs by Place of Service for All Members

Non-Medicare Medical



- Overall costs decreased in 2025 with some change in the distribution of costs from inpatient to outpatient setting.

[1] "Inpatient Hospital" includes facility and professional charges where Place of Service code of 21; "Outpatient Hospital" includes facility and professional charges where Place of Service code is 22; "Office" includes professional charges where Place of Service code is 11; "All Other" includes all other Place of Services codes (e.g., Emergency Room, Ambulatory Surgical Centers, Urgent Care, Ambulance, etc.).

CY2025 Facility and Professional Benchmarks

Facility Benchmarks

Measure*	2024 NMRHCA	2024 Benchmark**	2024 Ratio	2025 NMRHCA	2025 Benchmark**	2025 Ratio
Inpatient admissions	73.64	70.29	1.05	63.17	71.31	0.89
Inpatient days	379.41	357.85	1.06	353.42	364.39	0.97
Outpatient hospital encounters	3,186.47	2,571.05	1.24	3,258.23	2,730.46	1.19
Emergency room encounters	235.56	233.91	1.01	241.58	242.56	1.00

Professional Benchmarks

Measure	2024 NMRHCA	2024 Benchmark**	2024 Ratio	2025 NMRHCA	2025 Benchmark**	2025 Ratio
E&M	3.65	3.57	1.02	3.69	3.65	1.01
Well Visits	0.05	0.05	1.04	0.05	0.05	1.06
Anesthesia	0.47	0.48	0.98	0.48	0.48	0.99
Surgeries***	1.26	1.10	1.14	1.04	1.16	0.90
Radiology	1.07	1.26	0.85	1.08	1.29	0.84
Pathology	1.52	1.53	1.00	1.52	1.56	0.98
Medicine	3.12	3.18	0.98	3.30	3.31	1.00
Injectables	0.30	0.30	0.99	0.30	0.33	0.93
Total	**11.45**	**11.47**	**1.00**	**11.47**	**11.83**	**0.97**

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

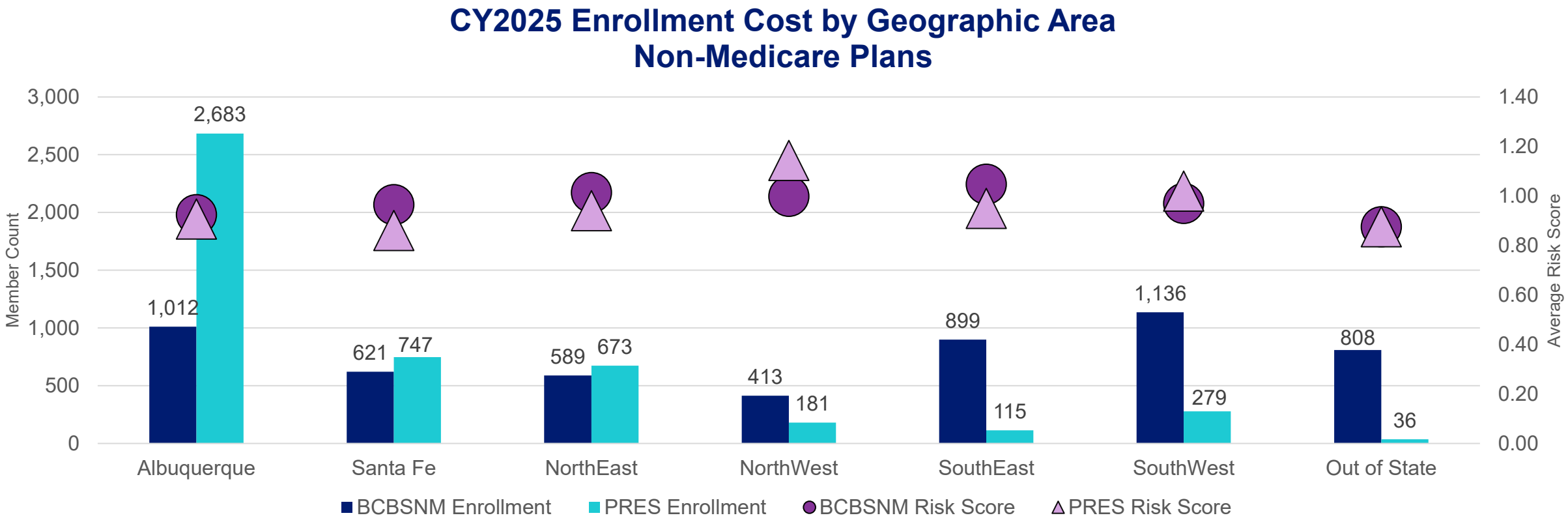
- Inpatient admissions per 1,000 decreased from 73.6 in 2024 to 63.2 in 2025, or 14.2%.
  - NMRHCA's IP admission rates was 11.4% below the benchmark in 2025.
  - Outpatient encounters were 19% higher than benchmark in 2019.
- Inpatient days decreased from 379.4 in 2024 to 353.4 in 2025, or 6.9%.
- Benchmark Population
  - Benchmark includes 5,250,000 active (15%) and retired (85%) public sector participants.
  - Combines Non-Medicare and Medicare experience.

Demographic Analysis

Understanding Enrollment Risk

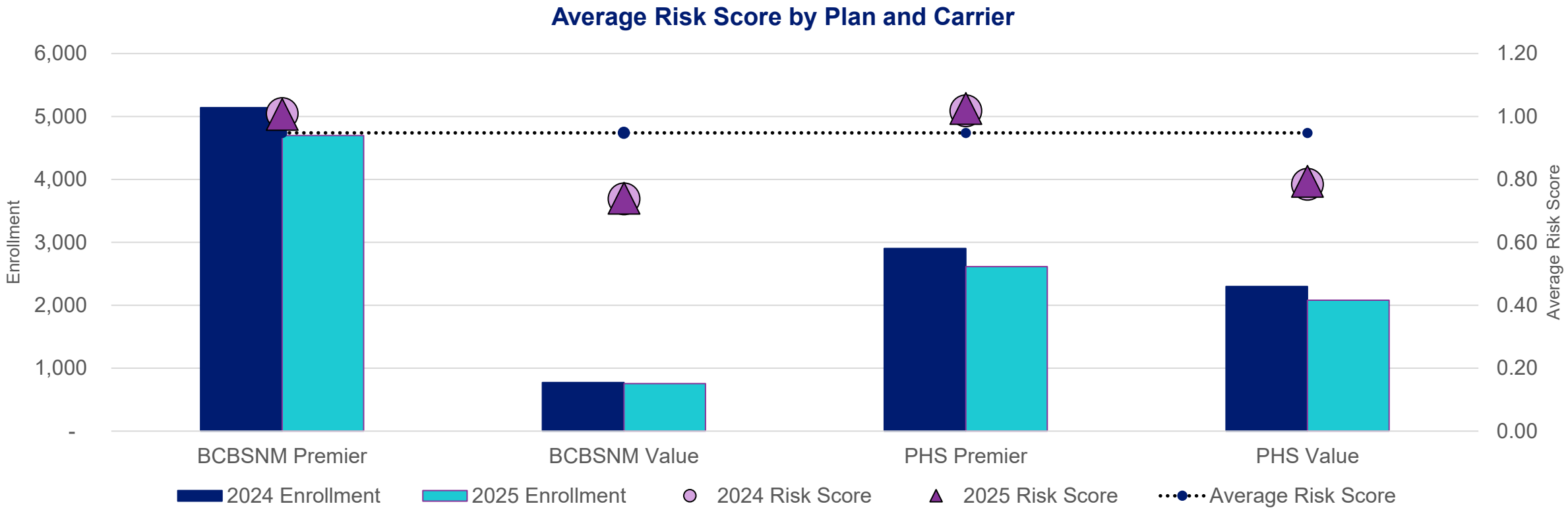
- Enrollment risk exists in many forms. With two plans being offered by two carriers each, risks may include:
  - Enrollees with differing age/gender profiles by carrier within plans.
  - Enrollees with differing risk profiles between plans and carriers.
  - Inequivalent cost impact on NMRHCA due to benefit level or different negotiated underlying unit costs terms.
- Unmanaged enrollment risk can increase overall plan cost.
  - Members are not incented to elect the plan which would be in the best financial interest of NMRHCA.
- Plan designs that do not adjust for enrollment risk frequently result in adverse selection against the plan.
  - Adverse selection is the process whereby the plan participant has enough information to determine that one course of action presents a financial advantage to them, and to the detriment of NMRHCA.

2025 Non-Medicare Regional Analysis - Medical



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

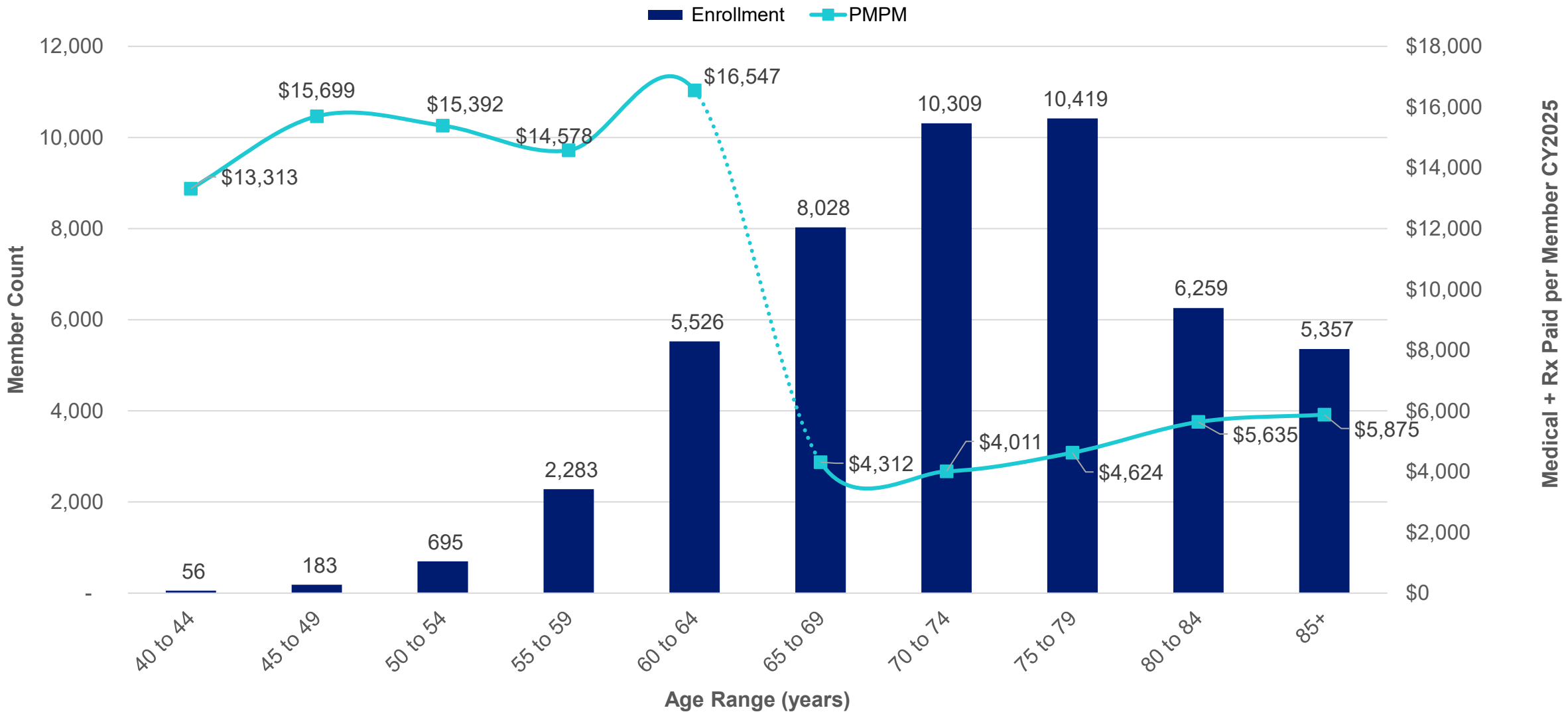
2025 Non-Medicare Health Status Risk Index[1] by Carrier



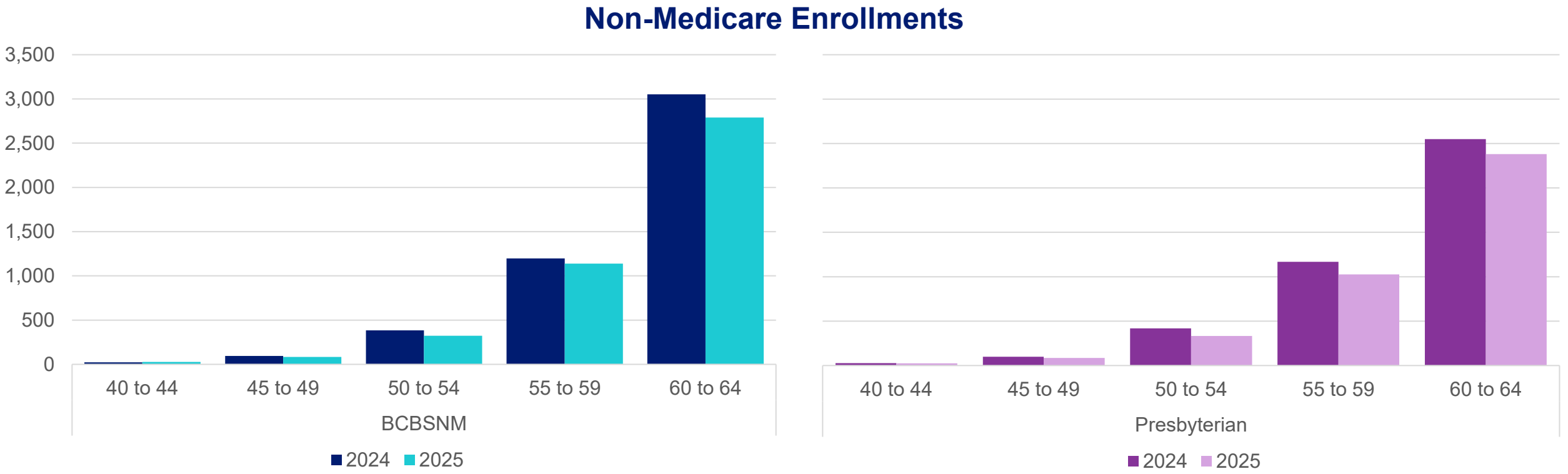
- Premier members expected to cost 30% more than Value members based on Health Status Risk Index.
- BCBSNM members expected to cost 5% more than Presbyterian members based on Health Status Risk Index.
  - In 2024, BCBSNM members expected to cost 6.4% more than Presbyterian members based solely on their Health Status Risk Index..
- For plan year 2025, 98 non-Medicare members (1.1%) migrated between the Value and Premier plans.

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

NMRHCA CY2025 Medical Claims Paid per Member for Age 40+



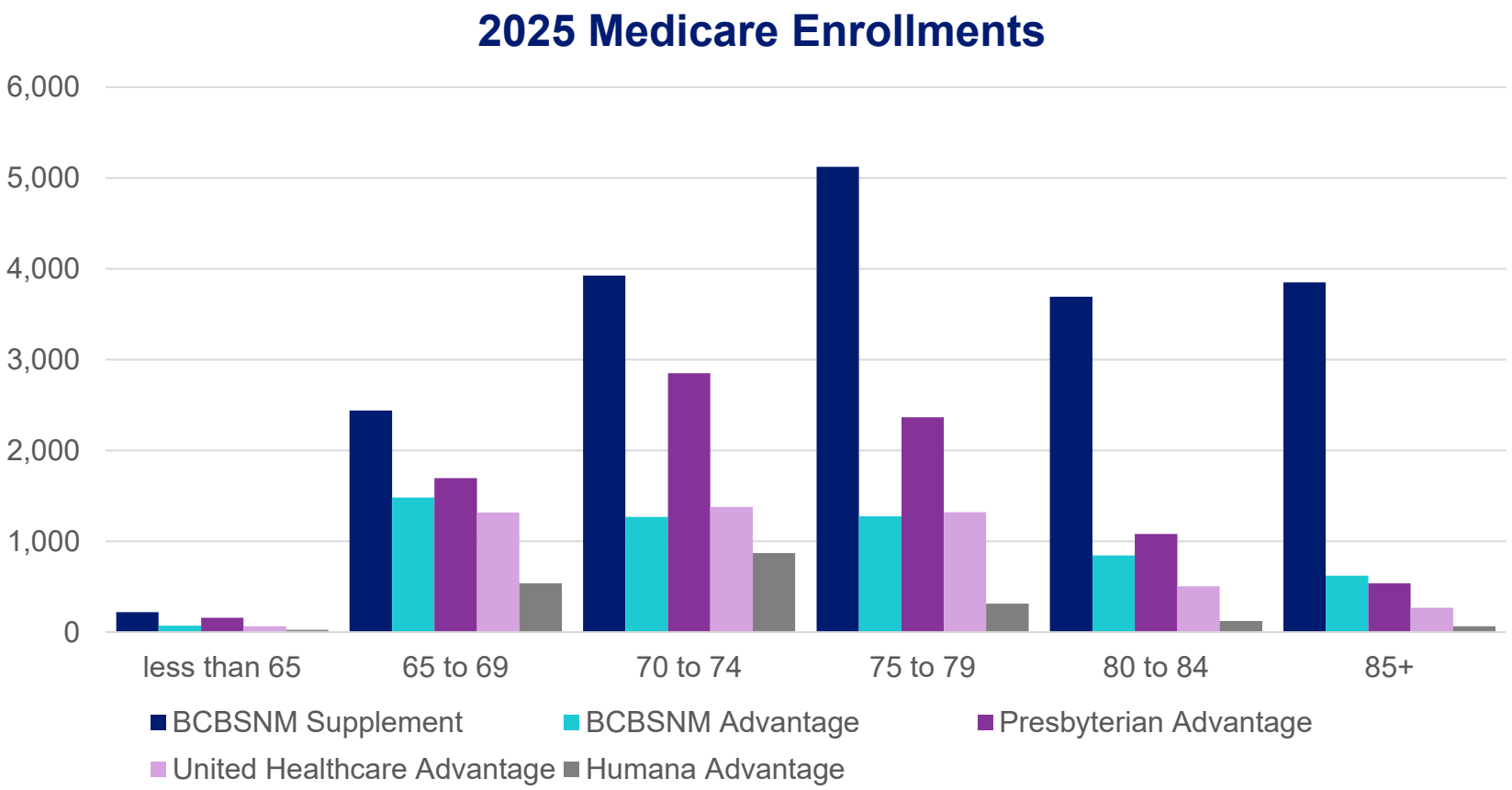
NMRHCA Members Age 40+



- Excludes members under age 40, over age 64, and those for whom age is not available.
- The distribution of non-Medicare members remained consistent in 2025 with about 53% enrolled in BCBSNM plans (2024=53%, 2023=53%, 2022=52%).
- Membership declined by 7.7% to 18.4% in the 45+ age bands from 2024 to 2025.

* Age is calculated as of December 31st.
** Data for 2021 and later are based on expanded claim datasets and eligibility sourced from CareView.

NMRHCA Medicare Members by Age and Carrier



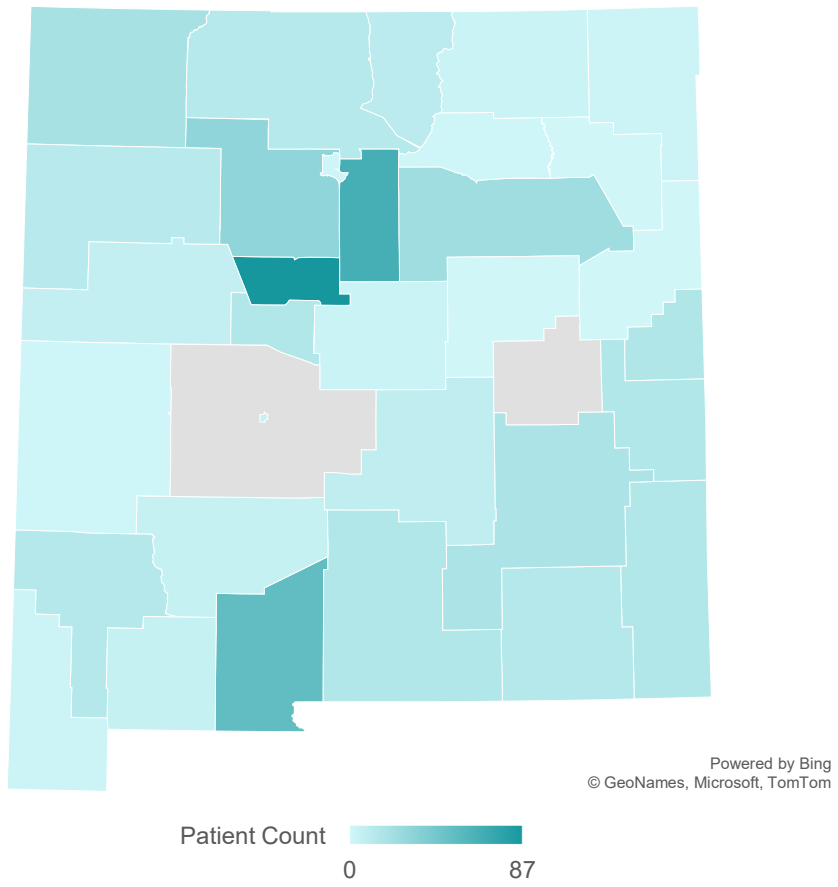
Plan	2025 Membership
Medical Supplement	19,254
Presbyterian MAPD	8,689
BCBS MAPD	5,564
UHC MAPD	4,850
Humana MAPD	1,936
Total	**40,293**

- While the Medicare Supplement plan continues to have more enrollment than each of the Medicare Advantage plans, the combined Medicare Advantage membership exceeded 52% of the Medicare population in 2025.

High-Cost Claimants – Non-Medicare

High-Cost Claimants – Non-Medicare

By Geography



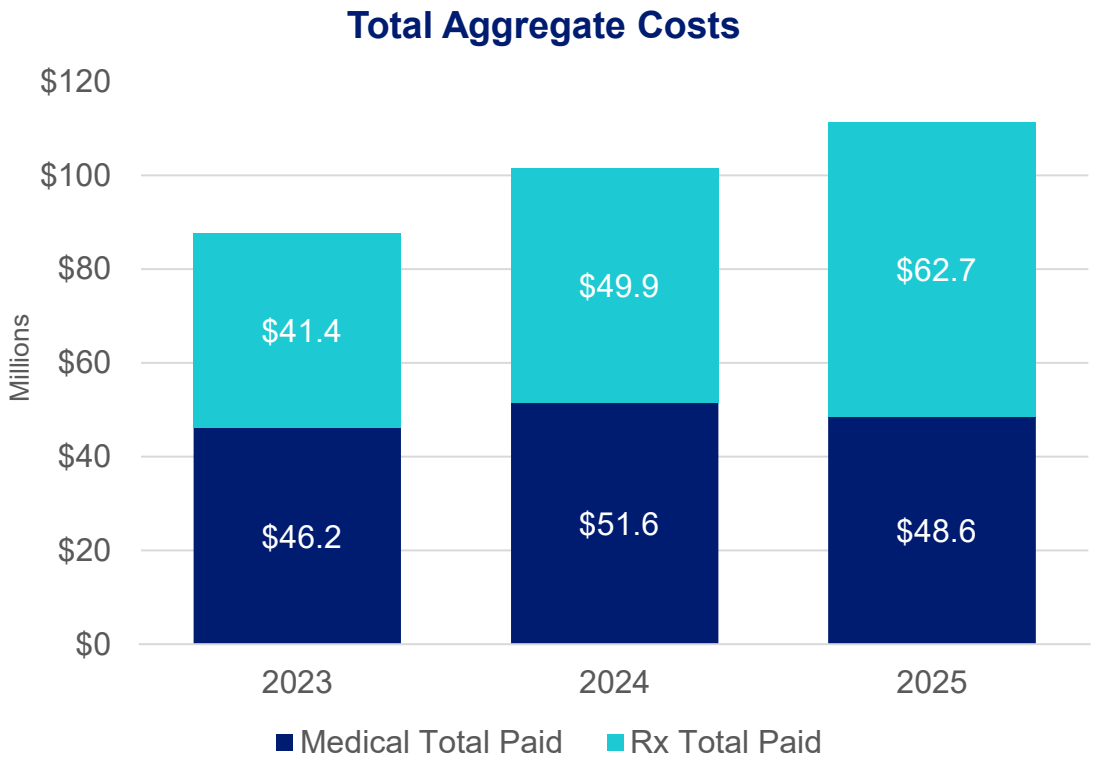
Members with Total Claims over $100,000			
County	**2023**	**2024**	**2025**
Bernalillo	30	80	87
Santa Fe	21	64	65
Dona Ana	13	45	52
Sandoval	55	21	30
San Miguel	14	27	23
All Other NM Counties	232	191	207
Out of State	63	63	45
Total	**427**	**491**	**509**

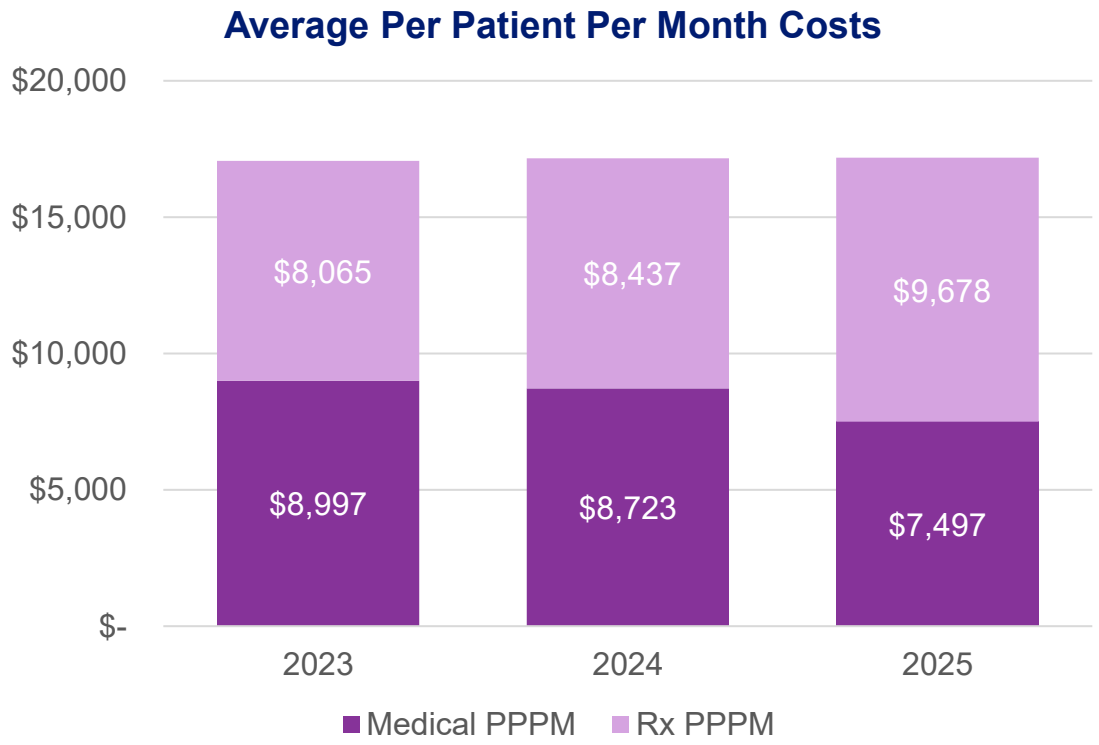
- The number of high-cost claimants increased 19% from 2023 to 2025.
  - The greatest concentration of high-cost claimants in Bernalillo County, NM but reduced number of high-cost claimants in 2024 2024 and 2025 compared to 2023.
  - Largest percent increase in high-cost claims is in Sante Fe with three times more in 2025 than 2023.

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

High-Cost Claimants – Non-Medicare

Aggregate and Per Patient per Month Costs





- Aggregate claims paid for high-cost claimants in 2025 was 10% higher than 2024. The majority of this increase was due to rising pharmacy spend (26% over the prior year).
- Pharmacy costs have increased significantly each year, driven by the increase in number of patients and the days of therapy dispensed (17% over the prior year).

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

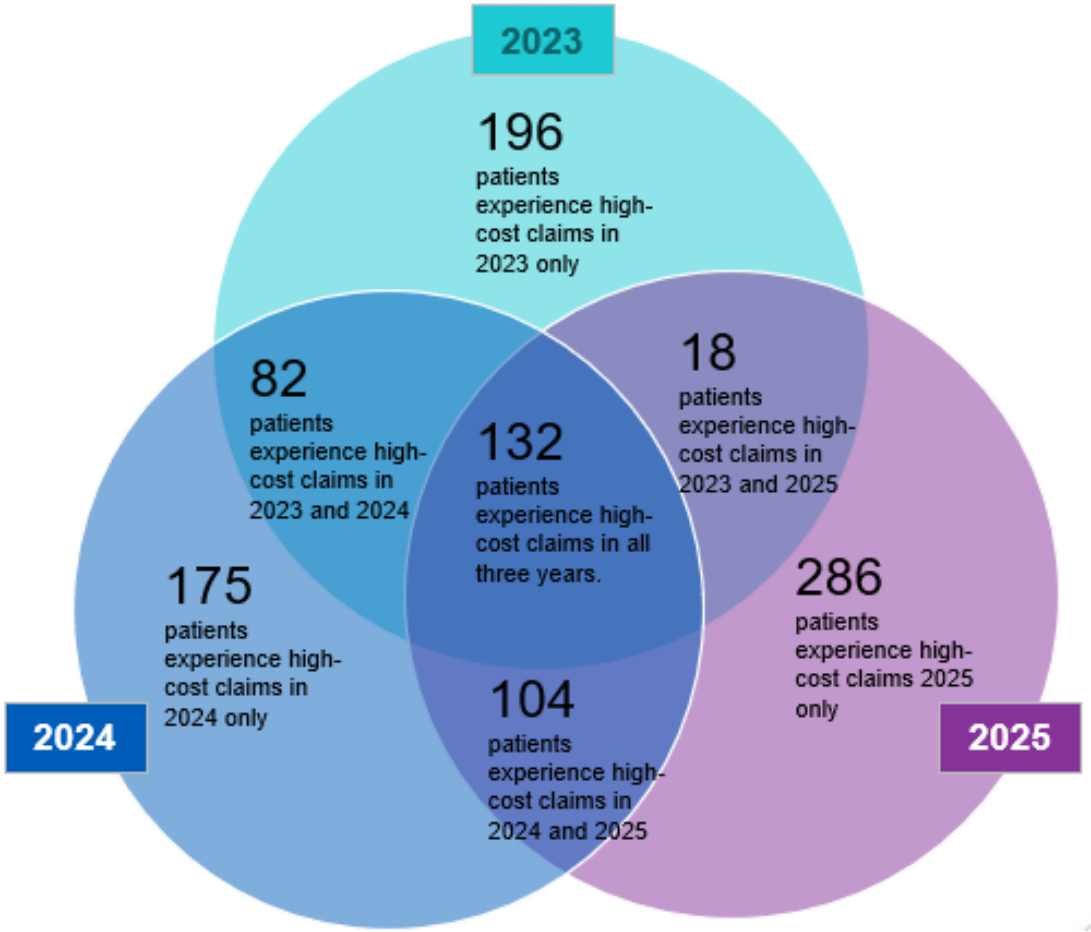
High-Cost Claimants – Non-Medicare

Medical and Pharmacy Claims

Members with Total Claims over $100,000				
Carrier	**Plan**	**2023**	**2024**	**2025**
Blue Cross Blue Shield	Premier PPO	114	124	110
Blue Cross Blue Shield	Value HMO	10	11	10
Blue Cross Blue Shield	MedSupp	210	242	291
Presbyterian	Premier PPO	70	75	84
Presbyterian	Value HMO	26	42	45
	Total	**430**	**494**	**540**

- In 2025, the number of the high-cost patients increased by 9% over 2024.
- 24% of high-cost claimants in 2025 have experienced claims in excess of $100,000 in each of the prior three years.
- The average risk score of high-cost claimants decreased from 6.17 in 2024 to 6.05 in 2025, suggesting slightly lower severity for these members.

Patient Counts by Year with Recurrence

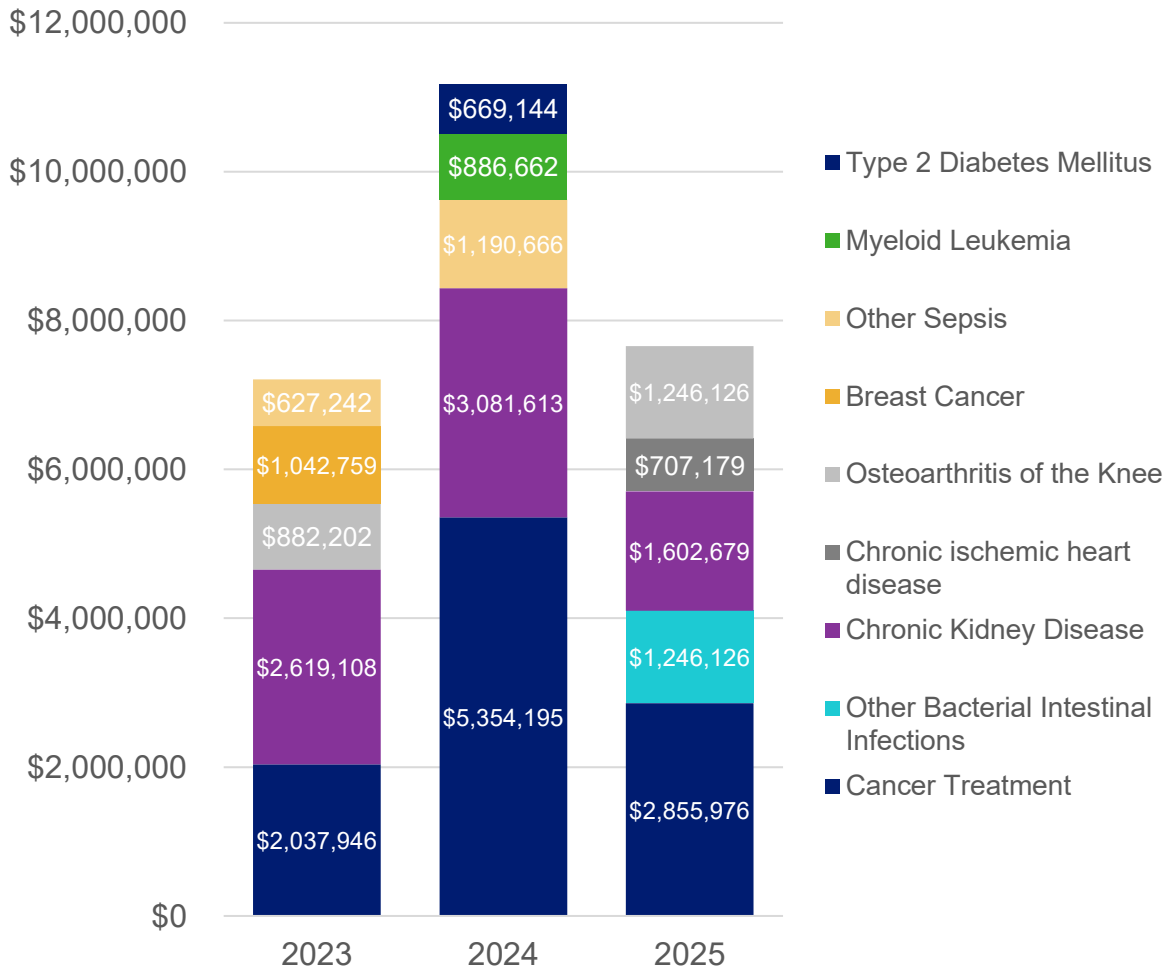


* High-Cost Claimants represent distinct patients with $100,000 or more in medical and pharmacy plan costs in both the Non-Medicare (Value, Premier) and Medicare (MedSupp) plans.

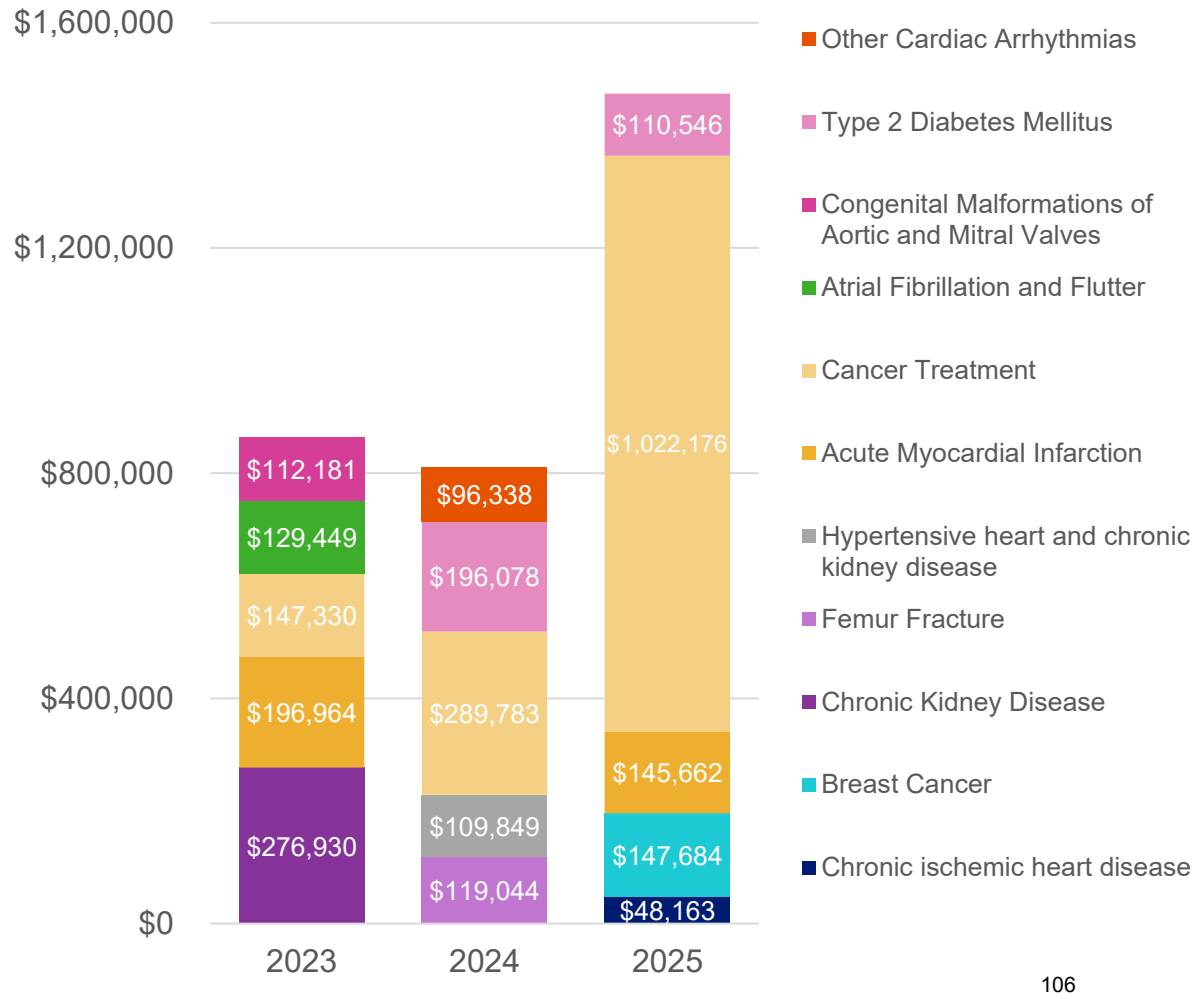
High-Cost Claimant – Non-Medicare

Top 5 Diagnoses by BCBSNM Plans by Year

Premier PPO Plan



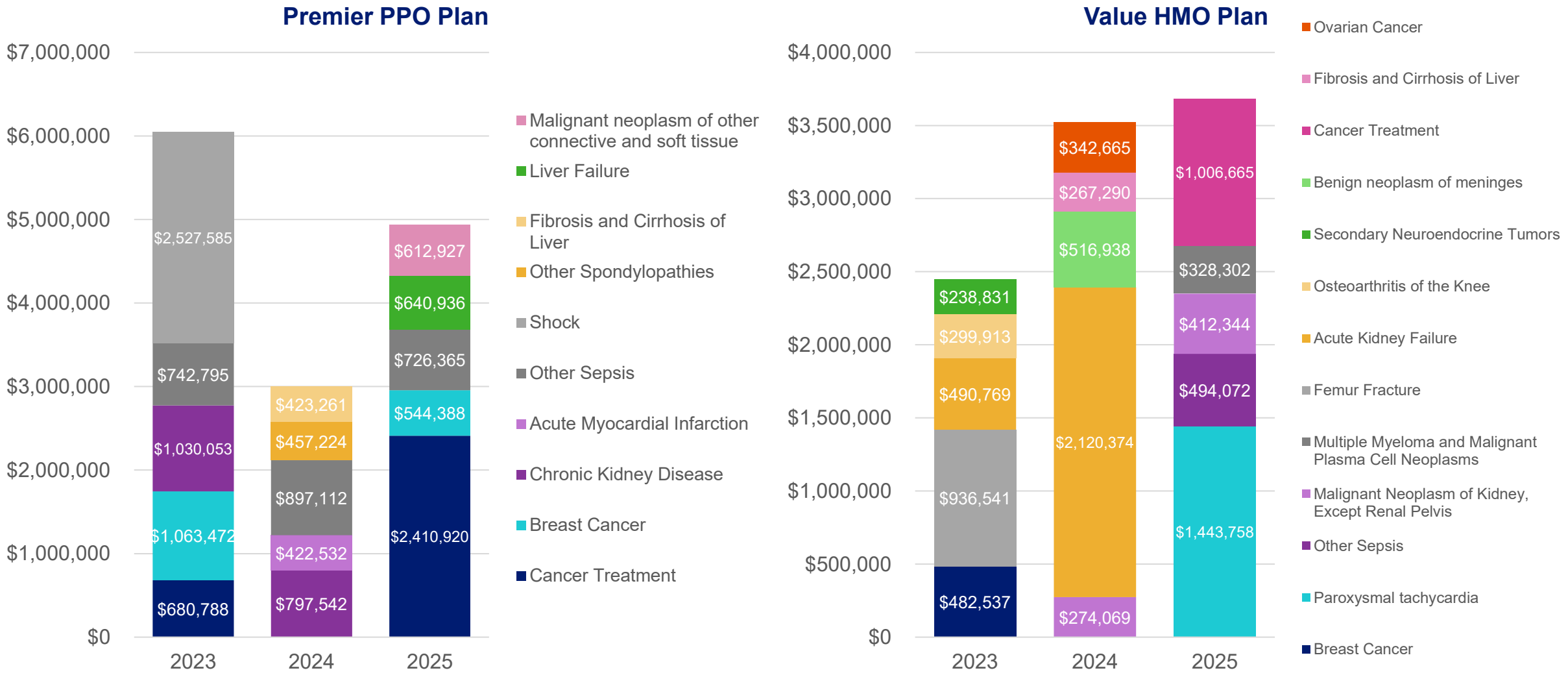
Value HMO Plan



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

High-Cost Claimant – Non-Medicare

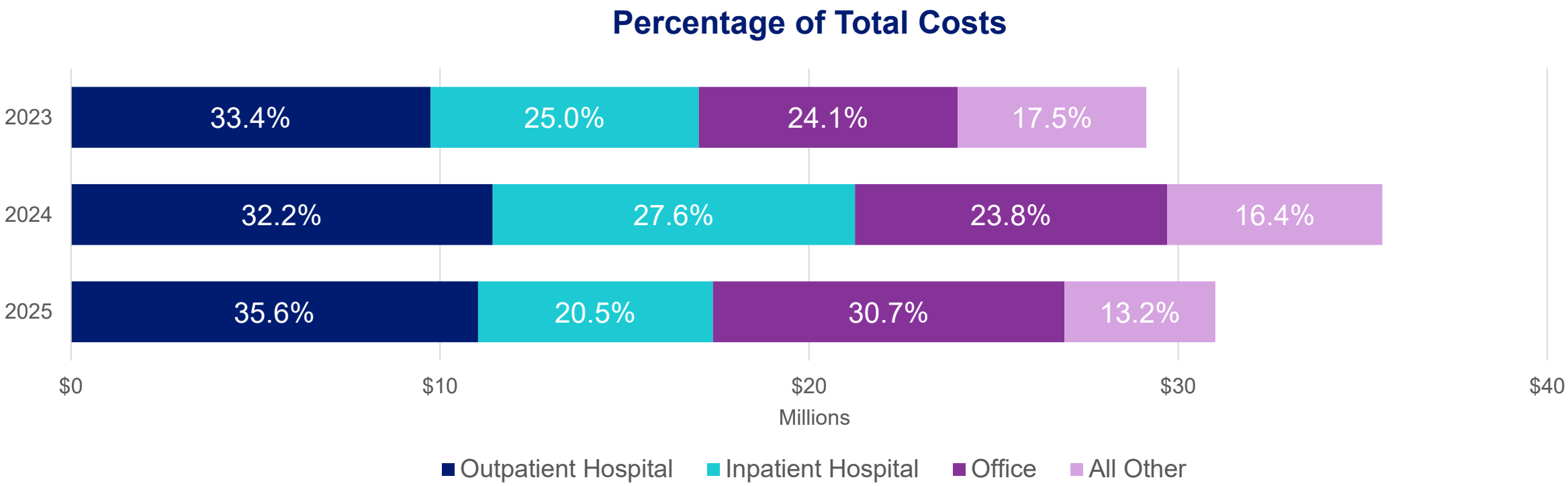
Top 5 Diagnoses by Presbyterian Plans by Year



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

Costs by Place of Service for High-Cost Claimants

Non-Medicare Medical

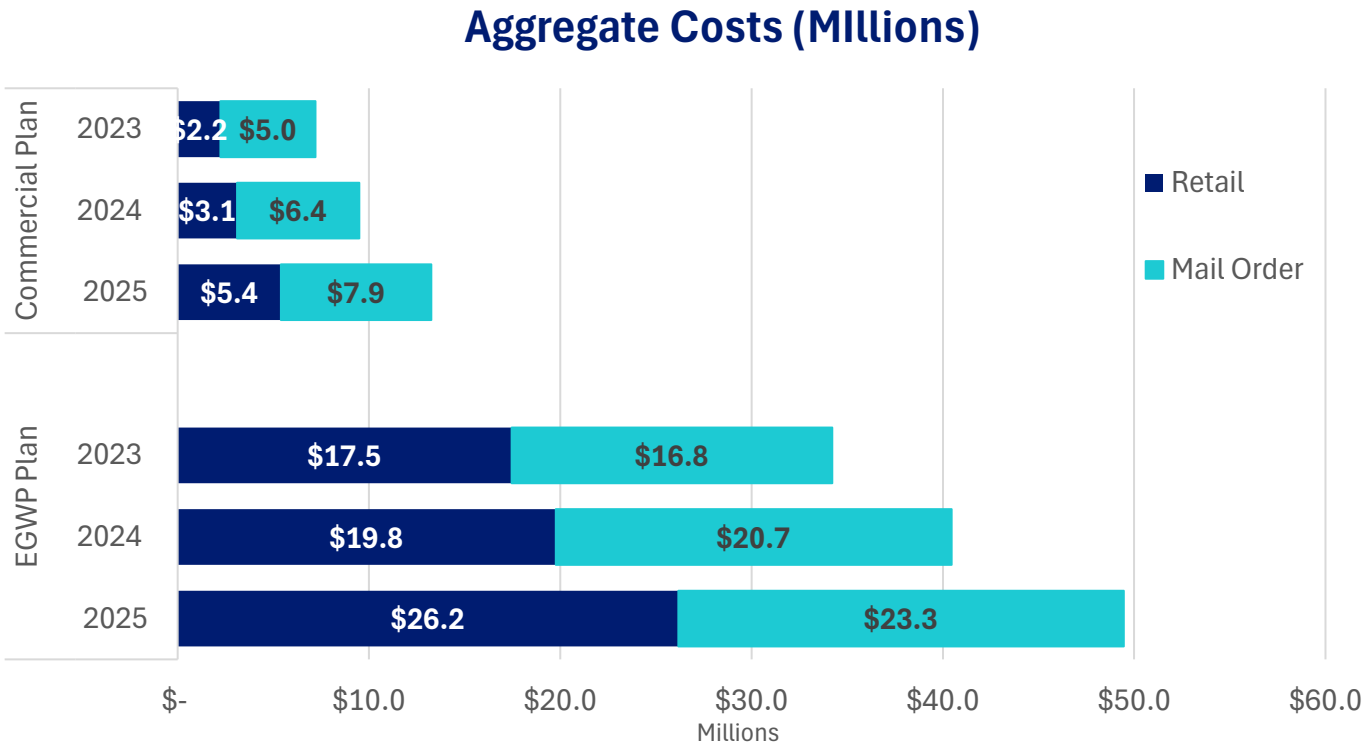


- The distribution of plan payments on behalf of high-cost claimants decreased significantly in 2025 for hospital-based care:
  - Inpatient Hospital costs decreased by 35% ($6.4M).
  - Office Visit costs increased by 13% ($9.5M).

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

High-Cost Claimants – Non-Medicare

Pharmacy Claims by Carrier



Days Supply per Patient			
Plan	**2023**	**2024**	**2025**
Commercial Plan	1,699	1,593	1,736
EGWP Plan	2,424	2,453	2,526

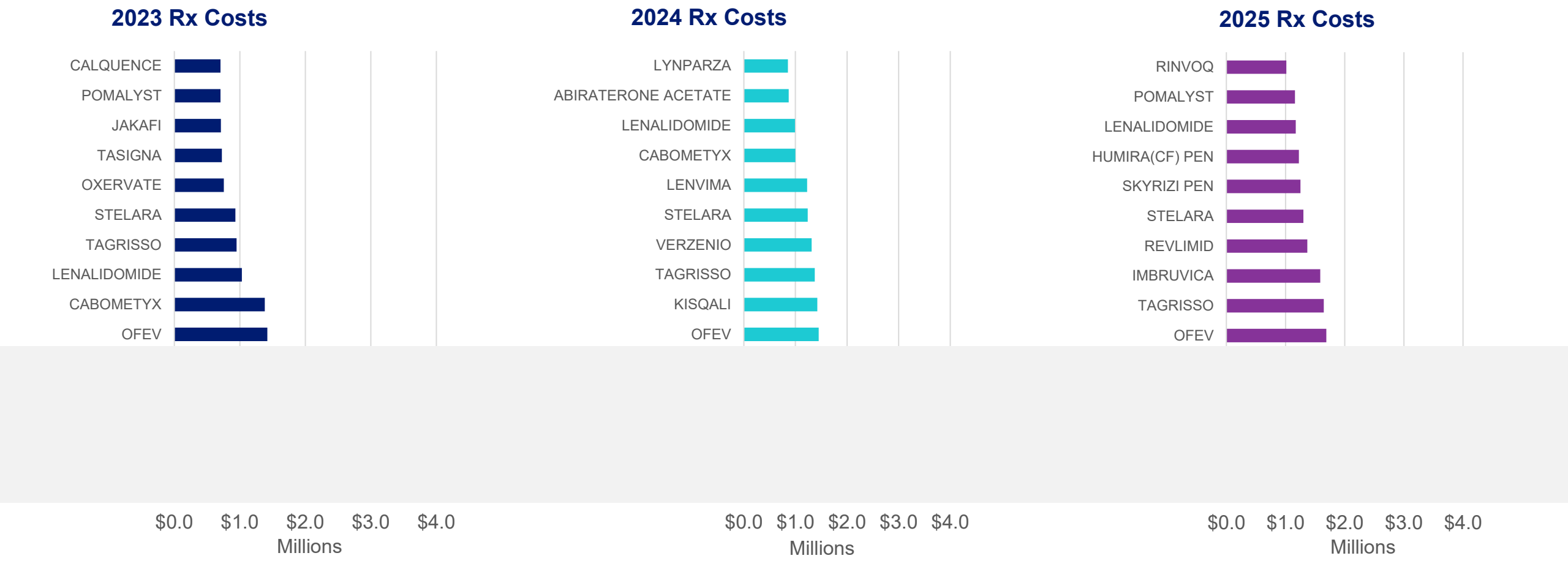
Plan Paid per Days Supply			
Plan	**2023**	**2024**	**2025**
Commercial Plan	$19.26	$23.65	$30.67
EGWP Plan	$67.24	$68.14	$67.28

- A little under half of the pharmacy plan spend for Medicare high-cost claimants is attributable to Mail Order fills as compared to 59% for non-Medicare patients.
- In 2025, the average days supply filled per high-cost claimant in the Commercial plan grew by 9.0% with the average cost per day increasing by 15.1%.

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

High-Cost Claimants – Non-Medicare

Top 15 Most Prescribed Drugs by Year



- Only two of the previous top five drugs utilized by high-cost claimants have stayed the same from 2024 to 2025.

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

Questions

Appendix

2025 Non-Medicare Medical Claims (2 of 2)

Type of Service	2025 Encounters[1]	% of 2025 Encounters	2025 Paid	% of 2025 Paid
Inpatient Hospital Facility	1,255	0.5%	$18,920,056	18.3%
Outpatient Hospital Facility	14,273	5.3%	$10,629,045	10.3%
Emergency Room Facility	1,948	0.7%	$1,176,218	1.1%
Anesthesia	2,350	0.9%	$1,414,903	1.4%
Surgery	34,018	12.7%	$15,548,287	15.0%
Lab / Path	58,561	21.8%	$17,586,479	17.0%
Evaluation and Management	53,927	20.1%	$5,837,329	5.6%
Well Visits	4,781	1.8%	$767,218	0.7%
Emergency Room Professional	3,135	1.2%	$2,998,497	2.9%
Chiropractic	5,149	1.9%	$75,089	0.1%
Medicine	56,243	21.0%	$6,713,375	6.5%
Infusions and Injections	11,173	4.2%	$16,353,301	15.8%
DME	9,064	3.4%	$3,029,372	2.9%
Ambulance and Other	12,146	4.5%	$2,420,124	2.3%
Total	**268,023**	**100.0%**	**$103,469,291**	**100.0%**

- Lab/Path drives the highest encounter volume with 58,000+ encounters representing 21.8% of total
  - Also, the 2nd highest overall service based on percentage of 2025 plan paid (17.0%)
- With less than 1.0% of encounters, Inpatient Hospital Facility charges continue to be the highest with $18.9M paid in 2025

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

2025 Non-Medicare Medical Claims by Carrier

	Blue Cross Blue Shield of New Mexico Non-Medicare				Presbyterian Healthcare Services Non-Medicare			
Type of Service	2025 Encounters	% of 2025 Encounters	2025 Paid	% of 2025 Paid	2025 Encounters	% of 2025 Encounters	2025 Paid	% of 2025 Paid
Inpatient Hospital Facility	576	0.4%	$7,641,045	14.1%	679	0.6%	$11,279,011	22.9%
Outpatient Hospital Facility	8,797	5.5%	$7,277,602	13.4%	5,476	5.0%	$3,351,443	6.8%
Emergency Room Facility	626	0.4%	$432,422	0.8%	1,322	1.2%	$743,796	1.5%
Anesthesia	1,438	0.9%	$818,878	1.5%	912	0.8%	$596,025	1.2%
Surgery	23,129	14.6%	$7,667,146	14.1%	10,889	9.9%	$7,881,141	16.0%
Lab / Path	34,357	21.7%	$9,429,170	17.4%	24,204	22.1%	$8,157,309	16.6%
Evaluation and Management	31,322	19.8%	$3,163,245	5.8%	22,605	20.7%	$2,674,084	5.4%
Well Visits	2,603	1.6%	$378,155	0.7%	2,178	2.0%	$389,063	0.8%
Emergency Room Professional	1,763	1.1%	$1,514,559	2.8%	1,372	1.3%	$1,483,938	3.0%
Chiropractic	3,323	2.1%	$36,334	0.1%	1,826	1.7%	$38,755	0.1%
Medicine	31,977	20.2%	$3,854,274	7.1%	24,266	22.2%	$2,859,100	5.8%
Infusions and Injections	6,401	4.0%	$8,193,861	15.1%	4,772	4.4%	$8,159,440	16.6%
DME	5,420	3.4%	$2,263,840	4.2%	3,644	3.3%	$765,531	1.6%
Ambulance and Other	6,851	4.3%	$1,517,539	2.8%	5,295	4.8%	$902,584	1.8%
Total	**158,583**	**100.0%**	**$54,188,071**	**100.0%**	**109,440**	**100.0%**	**$49,281,220**	**100.0%**

- Lab/Path drives the highest encounter volume for BCBSNM (21.7%) while medicine drives the highest encounter volume for Presbyterian (22.2%)
  - Lab/Path is also the highest overall service as a percentage of 2025 plan paid for BCBSNM (17.4%) and 2nd highest for Presbyterian (16.6%)
- With less than 1% of encounters, Inpatient Hospital Facility charges continue to be among the highest cost services for both BCBSNM and Presbyterian

2025 vs 2024 Claims Experience for **Premier Plan**

Type of Service	2025 Encounters per 1,000 Members	2024 Encounters per 1,000 Members	% Change	2025 Paid per Encounter	2024 Paid per Encounter	% Change	2025 Paid PMPY	2024 Paid PMPY	% Change
Inpatient Hospital Facility	133	147	-9.5%	$14,073	$14,223	-1.1%	$1,876	$2,096	-10.5%
Outpatient Hospital Facility	1,566	1,439	8.8%	$764	$811	-5.8%	$1,196	$1,167	2.5%
Emergency Room Facility	185	174	6.2%	$633	$648	-2.4%	$117	$113	3.7%
Anesthesia	255	257	-0.5%	$630	$590	6.9%	$161	$151	6.3%
Surgery	3,736	2,163	72.7%	$440	$706	-37.6%	$1,645	$1,527	7.7%
Lab / Path	6,249	6,196	0.9%	$302	$304	-0.8%	$1,886	$1,885	0.1%
Evaluation and Management	5,753	5,513	4.3%	$109	$106	2.2%	$626	$587	6.7%
Well Visits	485	468	3.5%	$159	$160	-0.7%	$77	$75	2.8%
Emergency Room Professional	322	319	0.7%	$981	$952	3.1%	$315	$304	3.9%
Chiropractic	595	611	-2.6%	$14	$13	11.2%	$8	$8	8.3%
Medicine	5,994	6,328	-5.3%	$123	$156	-21.5%	$736	$990	-25.6%
Injections	1,191	1,204	-1.1%	$1,451	$1,268	14.4%	$1,728	$1,527	13.2%
DME	1,006	936	7.5%	$344	$345	-0.2%	$346	$322	7.4%
Other	1,292	2,154	-40.0%	$205	$151	35.3%	$265	$326	-18.8%
Total	**28,761**	**27,908**	**3.1%**	**$382**	**$397**	**-3.8%**	**$10,983**	**$11,077**	**-0.9%**

2025 vs 2024 Claims Experience for **Value Plan**

Type of Service	2025 Encounters per 1,000 Members	2024 Encounters per 1,000 Members	% Change	2025 Paid per Encounter	2024 Paid per Encounter	% Change	2025 Paid PMPY	2024 Paid PMPY	% Change
Inpatient Hospital Facility	97	85	13.8%	$18,634	$23,320	-20.1%	$1,807	$1,987	-9.1%
Outpatient Hospital Facility	975	785	24.3%	$664	$788	-15.7%	$648	$619	4.7%
Emergency Room Facility	208	177	17.2%	$537	$494	8.7%	$112	$88	27.3%
Anesthesia	167	178	-6.2%	$490	$536	-8.6%	$82	$95	-14.3%
Surgery	2,313	1,289	79.4%	$527	$802	-34.2%	$1,220	$1,034	18.0%
Lab / Path	4,454	4,488	-0.8%	$295	$277	6.3%	$1,314	$1,245	5.5%
Evaluation and Management	4,106	3,953	3.9%	$106	$108	-2.1%	$435	$428	1.7%
Well Visits	430	421	2.1%	$166	$170	-2.4%	$71	$72	-0.3%
Emergency Room Professional	272	256	6.3%	$881	$965	-8.7%	$240	$247	-3.0%
Chiropractic	275	277	-1.0%	$17	$16	6.0%	$5	$4	5.0%
Medicine	4,297	4,185	2.7%	$107	$105	2.1%	$460	$439	4.8%
Injections	853	780	9.3%	$1,510	$972	55.4%	$1,287	$758	69.7%
DME	589	492	19.8%	$291	$349	-16.4%	$172	$172	0.1%
Other	933	766	21.9%	$180	$169	6.2%	$168	$130	29.5%
Total	**19,968**	**18,133**	**10.1%**	**$402**	**$404**	**-0.5%**	**$8,020**	**$7,317**	**9.6%**

2025 vs 2024 Claims Experience for BCBSNM

Type of Service	2025 Encounters per 1,000 Members	2024 Encounters per 1,000 Members	% Change	2025 Paid per Encounter	2024 Paid per Encounter	% Change	2025 Paid PMPY	2024 Paid PMPY	% Change
Inpatient Hospital Facility	105	131	-19.8%	$13,266	$13,702	-3.2%	$1,395	$1,798	-22.4%
Outpatient Hospital Facility	1,606	1,310	22.6%	$827	$848	-2.4%	$1,329	$1,111	19.6%
Emergency Room Facility	114	97	17.3%	$691	$837	-17.5%	$79	$82	-3.2%
Anesthesia	263	257	2.4%	$569	$516	10.4%	$150	$132	13.0%
Surgery	4,223	2,453	72.2%	$331	$521	-36.4%	$1,400	$1,278	9.6%
Lab / Path	6,274	6,204	1.1%	$274	$279	-1.8%	$1,722	$1,734	-0.7%
Evaluation and Management	5,720	5,456	4.8%	$101	$98	3.1%	$578	$534	8.1%
Well Visits	475	453	4.8%	$145	$146	-0.2%	$69	$66	4.6%
Emergency Room Professional	322	316	1.9%	$859	$819	4.9%	$277	$259	6.9%
Chiropractic	607	644	-5.7%	$11	$10	8.8%	$7	$6	2.6%
Medicine	5,839	6,600	-11.5%	$121	$162	-25.5%	$704	$1,068	-34.1%
Injections	1,169	1,161	0.7%	$1,280	$1,257	1.9%	$1,496	$1,459	2.6%
DME	990	883	12.1%	$418	$459	-8.9%	$413	$405	2.1%
Other	1,251	2,562	-51.2%	$222	$122	81.2%	$277	$313	-11.5%
Total	**28,958**	**28,526**	**1.5%**	**$342**	**$359**	**-4.8%**	**$9,895**	**$10,244**	**-3.4%**

2025 vs 2024 Claims Experience for Presbyterian

Type of Service	2025 Encounters per 1,000 Members	2024 Encounters per 1,000 Members	% Change	2025 Paid per Encounter	2024 Paid per Encounter	% Change	2025 Paid PMPY	2024 Paid PMPY	% Change
Inpatient Hospital Facility	144	129	11.7%	$16,611	$18,373	-9.6%	$2,393	$2,371	1.0%
Outpatient Hospital Facility	1,162	1,201	-3.2%	$612	$756	-19.0%	$711	$908	-21.6%
Emergency Room Facility	281	263	6.7%	$563	$507	10.9%	$158	$133	18.4%
Anesthesia	194	210	-8.0%	$654	$666	-1.8%	$126	$140	-9.7%
Surgery	2,311	1,318	75.3%	$724	$1,153	-37.2%	$1,672	$1,520	10.1%
Lab / Path	5,136	5,178	-0.8%	$337	$324	3.9%	$1,731	$1,679	3.1%
Evaluation and Management	4,797	4,656	3.0%	$118	$119	-0.4%	$567	$553	2.6%
Well Visits	462	457	1.1%	$179	$181	-1.4%	$83	$83	-0.3%
Emergency Room Professional	291	286	1.9%	$1,082	$1,125	-3.9%	$315	$322	-2.1%
Chiropractic	387	377	2.8%	$21	$19	9.7%	$8	$7	12.8%
Medicine	5,149	4,753	8.3%	$118	$121	-2.8%	$607	$576	5.3%
Injections	1,013	1,003	1.0%	$1,710	$1,147	49.1%	$1,731	$1,150	50.6%
DME	773	734	5.4%	$210	$190	10.6%	$162	$139	16.5%
Other	1,124	871	29.1%	$170	$258	-33.8%	$192	$224	-14.6%
Total	**23,223**	**21,435**	**8.3%**	**$450**	**$457**	**-1.6%**	**$10,457**	**$9,805**	**6.7%**

2025 Non-Medicare In-Network vs Out-of-Network Analysis

	BCBSNM		Presbyterian	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Members	4,358		3,850	
# of Services	153,482	6,559	105,902	3,888
% of Services	95.9%	4.1%	96.5%	3.5%
Average # Services per Member	35.22	1.51	27.51	1.01
Plan Paid	$51,242,160	$2,945,911	$43,431,450	$5,849,770
% Plan Paid	94.6%	5.4%	88.1%	11.9%
Avg Cost per Service	$333.86	$449.14	$410.11	$1,504.57

- In 2025, approximately 8.5% of overall plan payments were to out-of-network providers
  - These payments represented 4.1% of services for BCBSNM and 3.5% of services for Presbyterian
- Approximately 73% of Presbyterian enrollees and 30% of BCBSNM enrollees reside in either Albuquerque or Santa Fe.

NMRHCA- Members Age 40+

	Age Group	2025 Members	% of 2025 Members	2024 Members	% of 2024 Members	Difference
BCBSNM	40 to 44	26	1%	23	0%	0.1%
Non-Medicare	45 to 49	83	2%	94	2%	-0.1%
	50 to 54	322	7%	383	8%	-0.7%
	55 to 59	1,138	26%	1,198	25%	0.9%
	60 to 64	2,789	64%	3,052	64%	-0.3%
BCBSNM Average Age		**4,358**	**56.4 years**	**4,750**	**56.5 years**	**-0.1 years**
Presbyterian	40 to 44	25	1%	28	1%	0.0%
Non-Medicare	45 to 49	85	2%	98	2%	-0.1%
	50 to 54	332	9%	418	10%	-1.2%
	55 to 59	1,027	27%	1,169	27%	-0.7%
	60 to 64	2,381	62%	2,550	60%	2.0%
Presbyterian Average Age		**3,850**	**56.3 years**	**4,263**	**56.2 years**	**0.0 years**
Total	40 to 44	51	1%	51	1%	0.1%
Non-Medicare	45 to 49	168	2%	192	2%	-0.1%
	50 to 54	654	8%	801	9%	-0.9%
	55 to 59	2,165	26%	2,367	26%	0.1%
	60 to 64	5,170	63%	5,602	62%	0.8%
Non-Medicare Average Age		**8,208**	**56.3 years**	**9,013**	**56.4 years**	**0.0 years**

- Excludes members under age 40, over age 64, and those for whom age is not available.
- The distribution of non-Medicare members remained consistent in 2025 with about 53% enrolled in BCBSNM plans (2024=53%, 2023=53%, 2022=52%).
- Across each age group and carrier, membership has declined significantly from 2024 to 2025.
- Decimal places beyond 0.1 years are not displayed in Average Age figures but are incorporated in the difference calculation.

* Age is calculated as of December 31st

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

2025 Medicare Members by Age and Carrier (1 of 2)

	Age Group	2025 Members	% of 2025 Members	2024 Members	% of 2024 Members	Difference
BCBSNM Medicare Supplement	less than 65	221	1%	245	1%	-0.1%
	65 to 69	2,441	13%	2,592	13%	-0.4%
	70 to 74	3,924	20%	4,445	22%	-2.0%
	75 to 79	5,123	27%	5,112	26%	0.9%
	80 to 84	3,694	19%	3,700	19%	0.5%
	85+	3,851	20%	3,759	19%	1.1%
Average Age		**19,254**	**78.0 years**	**19,853**	**77.7 years**	**0.3 years**
BCBSNM Medicare Advantage	less than 65	71	1%	56	2%	-0.3%
	65 to 69	1481	27%	586	17%	10.1%
	70 to 74	1270	23%	751	21%	1.6%
	75 to 79	1276	23%	966	27%	-4.4%
	80 to 84	846	15%	650	18%	-3.2%
	85+	620	11%	530	15%	-3.8%
Average Age		**5,564**	**75.0 years**	**3,539**	**76.9 years**	**-1.9 years**
Presbyterian Medicare Advantage	less than 65	157	2%	190	2%	-0.3%
	65 to 69	1,696	20%	2,067	23%	-3.5%
	70 to 74	2,852	33%	3,075	34%	-1.5%
	75 to 79	2,367	27%	2,179	24%	2.9%
	80 to 84	1081	12%	1,018	11%	1.1%
	85+	536	6%	440	5%	1.3%
Average Age		**8,689**	**74.4 years**	**8,969**	**73.8 years**	**0.6 years**
United Healthcare Medicare Advantage	less than 65	65	1%	90	1%	-0.2%
	65 to 69	1,317	27%	1,931	32%	-4.9%
	70 to 74	1,377	28%	1,769	29%	-1.0%
	75 to 79	1,319	27%	1,430	24%	3.4%
	80 to 84	505	10%	527	9%	1.7%
	85+	267	6%	272	5%	1.0%
Average Age		**4,850**	**73.9 years**	**6,019**	**73.0 years**	**0.8 years**
Humana Medicare Advantage	less than 65	25	1%	26	1%	0.0%
	65 to 69	537	28%	807	40%	-11.8%
	70 to 74	869	45%	770	38%	7.1%
	75 to 79	315	16%	263	13%	3.4%
	80 to 84	124	6%	111	5%	1.0%
	85+	66	3%	62	3%	0.4%
Average Age		**1,936**	**72.4 years**	**2,039**	**71.5 years**	**1.0 years**
Medicare Total	less than 65	539	1%	607	2%	-0.2%
	65 to 69	7,472	19%	7,983	20%	-1.2%
	70 to 74	10,292	26%	10,810	27%	-1.2%
	75 to 79	10,400	26%	9,950	25%	1.2%
	80 to 84	6,250	16%	6,006	15%	0.7%
	85+	5,340	13%	5,063	13%	0.7%
Medicare Average Age		**40,293**	**76.1 years**	**40,419**	**75.8 years**	**0.3 years**

- 73% of Humana's MAPD enrollment is between the 65 to 69 and 70 to 74 age as compared to about 49% of BCBS MAPD plan's enrollment is in the same age group.
- In contrast, both Presbyterian Medicare Advantage and United Healthcare have 79% and 72% of their enrollment in the 70+ range, respectively. BCBSNM MAPD plans have the highest average age around 75 years with 72% of members over age 70.
- Over the last 10 years, BCBSNM Medicare Supplement membership has declined by about 450 members each year, on average. The largest drops in membership, year over year, were seen from 2021 to 2022 (740) and 2022 to 2023 (649).
- Decimal places beyond 0.1 years are not displayed but are incorporated in the difference calculation.
- Age is calculated as of December 31st.

2025 Medicare Members by Age and Carrier (2 of 2)

	BCBSNM Medicare Supplement	BCBSNM Medicare Advantage	Presbyterian Medicare Advantage	United Healthcare Medicare Advantage	Humana Medicare Advantage	Total
less than 65	0.5%	0.2%	0.4%	0.2%	0.1%	1.3%
65 to 69	6.1%	3.7%	4.2%	3.3%	1.3%	18.5%
70 to 74	9.7%	3.2%	7.1%	3.4%	2.2%	25.5%
75 to 79	12.7%	3.2%	5.9%	3.3%	0.8%	25.8%
80 to 84	9.2%	2.1%	2.7%	1.3%	0.3%	15.5%
85+	9.6%	1.5%	1.3%	0.7%	0.2%	13.3%
Total	**47.8%**	**13.8%**	**21.6%**	**12.0%**	**4.8%**	**100.0%**

- While about half of total members (47.8%) are enrolled in the BCBSNM Medical Supplement plan, enrollment in the plan decreased by about 3.0% in 2025.
- For the MAPD plans, BCBS gained members in 2025 while membership decreased for Presbyterian, United Healthcare, and Humana.

Disclaimers

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- The claims data used for this report is sourced from Cognos and maintained by Madalena Consulting. LLC. Segal did not audit the data but has reviewed in general for reasonableness.

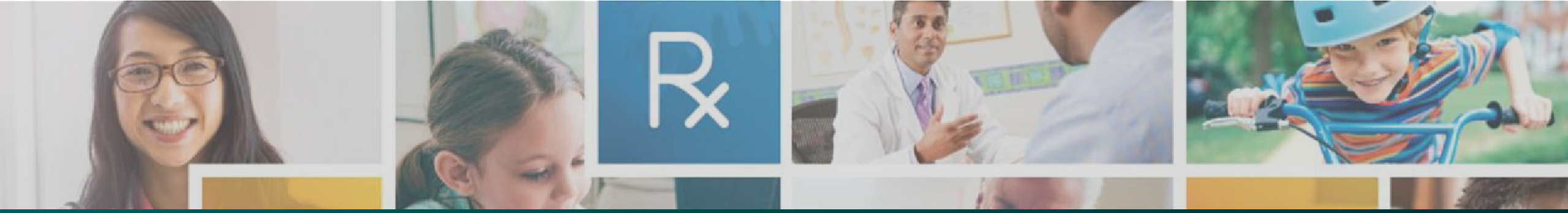
EXPRESS SCRIPTS

Annual Board Presentation

New Mexico Retiree Healthcare Authority

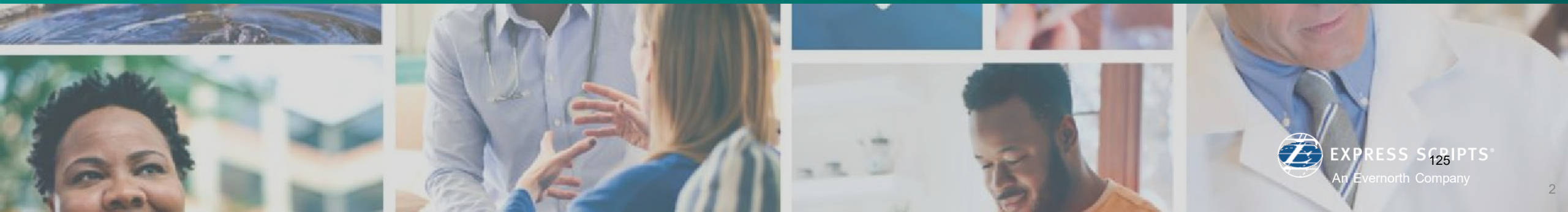
Angela Perdue – Account Executive
Angela Weimerskirch, PharmD, RPh – Sr. Clinical Account Executive
Jim Engler, VP, Commercial Special Markets Account Management

Express Scripts
By EVERNORTH



Today's Discussion

- Member Engagement
- Financial Overview
- Clinical Trends
- Managing GLP-1 Trend



EXPRESS SCRIPTS®
An Evernorth Company

MEMBER TOUCHPOINT KEY METRICS - EGWP

Informed patients are more likely to adhere to their treatment plans if they are engaged.

When we engage more effectively with members, we can better educate them on their prescription benefit so they can get the most out of their plan. Better access to the prescriptions your members need means higher medication adherence and fewer health issues from not sticking to their treatment plan. Because, at minimum, poor medication adherence results in patients **spending $2,000 in excess physician visits per year**.[1]

Did you know that people check their phones an average of 47 times a day?[1]

98%
of all text messages are opened.[2]

90%
of consumers prefer text messages over phone calls.[2]

With trends like these, we see the importance of connecting with members through digital channels including text messages and emails.

Top Actions After Login		
	WEB	MOBILE
1	MY MEDICATIONS	VIEW ORDER STATUS
2	PRICE A MED	REFILL ORDER
3	REFILLS	MAKE A PAYMENT

	COUNT	% OF MEMBER POPULATION
TOTAL LIVES DIGITALLY REGISTERED	8,702	46.13%
# OF WEB LOGINS	47,242	N/A
MOBILE APP USERS	1,376	15.81%
MEMBERS ENROLLED IN EMAILS	4,948	26.23%
MEMBERS ENROLLED IN TEXTING	2,877	15.25%

Please note: Mobile App Users rate is calculated based on Registered populations. Effective 5/1/2026: Email/Text Enrollment Rates are calculated based on Eligible populations.

1. Mobile Telephone Text Messaging for Medication Adherence in Chronic Disease: A Meta-analysis | JAMA Network
2. Top Benefits of Text Messaging in Healthcare (taylor.com)

MEMBER TOUCHPOINT KEY METRICS – COMMERCIAL

Informed patients are more likely to adhere to their treatment plans if they are engaged.

When we engage more effectively with members, we can better educate them on their prescription benefit so they can get the most out of their plan. Better access to the prescriptions your members need means higher medication adherence and fewer health issues from not sticking to their treatment plan. Because, at minimum, poor medication adherence results in patients **spending $2,000 in excess physician visits per year**.[1]

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With trends like these, we see the importance of connecting with members through digital channels including text messages and emails.

Top Actions After Login

	WEB	MOBILE
1	MY MEDICATIONS	VIEW ORDER STATUS
2	PRICE A MED	MAKE A PAYMENT
3	ORDER STATUS	REFILL ORDER

	COUNT	% OF MEMBER POPULATION
TOTAL LIVES DIGITALLY REGISTERED	4,126	44.46%
# OF WEB LOGINS	17,860	N/A
MOBILE APP USERS	1,171	28.38%
MEMBERS ENROLLED IN EMAILS	2,126	22.90%
MEMBERS ENROLLED IN TEXTING	1,791	19.29%

Please note: Mobile App Users rate is calculated based on Registered populations. Effective 5/1/2026: Email/Text Enrollment Rates are calculated based on Eligible populations.

1. Mobile Telephone Text Messaging for Medication Adherence in Chronic Disease: A Meta-analysis | JAMA Network
2. Top Benefits of Text Messaging in Healthcare (taylor.com)

FINANCIAL REVIEW

Plan Performance - Combined

Plan Performance	4-25 - 3-26	4-24 - 3-25	Change %
AWP	$372,879,921	$356,381,840	4.6%
Network & Mail Discount Savings (includes dispensing fees)	-$180,698,385	-$177,568,099	1.8%
Tax	$28,611	$39,591	-27.7%
Gross Cost	$192,210,146	$178,853,332	7.5%
Member Cost	-$14,066,149	-$13,169,001	6.8%
Copay/Deductible	-$10,687,262	-$9,858,088	8.4%
SaveOnSP	-$3,378,887	-$3,310,913	2.1%
Plan Cost	$178,142,065	$165,681,126	7.5%
Rebates*	-$48,870,289	-$49,971,573	-2.2%
Plan Cost Net	$129,271,776	$115,709,552	11.7%
Direct Subsidy**	-$26,741,996	-$8,423,704	217.5%
Prospective Federal Reinsurance**	-$8,006,300	-$14,227,799	-43.7%
Coverage Gap Discount**	-$21,057,170	-$30,017,777	-29.9%
Low-Income Cost Share Subsidy**	-$246,407	-$544,657	-54.8%
Adjusted Plan Cost Net	$73,219,903	$62,496,615	17.2%
Members	29,181	30,310	-3.7%
Gross Cost PMPM	$548.90	$491.73	11.6%
Plan Cost PMPM	$508.73	$455.52	11.7%
Rebates PMPM	$139.56	$137.39	1.6%
Plan Cost Net PMPM	$369.17	$318.13	16.0%
Adjusted Plan Cost Net PMPM	$209.10	$171.82	21.7%

* Rebates are estimated based on paid and expected to be paid amounts. Actual rebate payments may differ from estimates. SaveOnSP savings based on date of service; savings may differ from invoice

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

Plan Cost PMPM increased $53.21 (+11.7%) to $508.73

SaveOnSP provided $3,378,887 in value. Total Member Cost less SaveOnSP was $10,687,262, representing 7.5% in Total Member Cost Net.

Rebates and Subsidies reduced Plan Cost PMPM from $508.73 to $277.19 (-45.5%)

EVERNORTH HEALTH SERVICES

CLINICAL

Top 10 Indications - Commercial Pre Medicare

Top Indications by Plan Cost Net

			4-25 - 3-26						4-24 - 3-25					% Change
Rank	Peer Rank	Indication	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Peer Generic Fill Rate	Plan Cost Net PMPM	Rank	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Plan Cost Net PMPM	Plan Cost Net PMPM
1	3	INFLAMMATORY CONDITIONS	3,374	349	$6,479,467	50.7%	61.0%	$54.03	1	3,466	356	$5,193,591	52.5%	$39.87	35.5%
2	1	CANCER	1,812	216	$5,096,151	83.8%	75.0%	$42.50	3	1,755	219	$4,301,104	82.5%	$33.02	28.7%
3	2	DIABETES	35,354	2,017	$4,865,209	39.6%	36.6%	$40.57	2	38,482	2,144	$4,858,347	40.5%	$37.30	8.8%
4	10	WEIGHT LOSS	5,571	744	$3,573,784	1.4%	2.2%	$29.80	4	3,277	498	$2,326,447	2.4%	$17.86	66.9%
5	9	PULMONARY HYPERTENSION	98	5	$1,129,859	35.7%	51.1%	$9.42	10	74	4	$666,148	51.4%	$5.11	84.2%
6	5	ATOPIC DERMATITIS	2,025	929	$1,072,167	80.6%	86.8%	$8.94	7	2,232	1,025	$862,216	83.0%	$6.62	35.1%
7	19	HIV	384	42	$965,390	16.1%	23.0%	$8.05	5	389	41	$1,006,286	15.4%	$7.73	4.2%
8	6	ASTHMA	9,087	1,528	$900,016	89.3%	88.9%	$7.51	9	9,928	1,717	$704,914	90.4%	$5.41	38.7%
9	7	GI DISORDERS	1,212	302	$883,892	54.3%	55.2%	$7.37	8	1,354	311	$801,115	55.2%	$6.15	19.9%
10	22	VACCINATIONS	6,234	3,247	$861,238	0.0%	0.0%	$7.18	6	7,087	3,601	$907,693	0.0%	$6.97	3.1%
		Total Top 10:	65,151		$25,827,173	42.7%		$215.38		68,044		$21,627,861	45.0%	$166.04	29.7%
		Differences Between Periods:	-2,893		$4,199,312	-2.3%		$49.34							

The largest financially impactful change was in Inflammatory Conditions, driving $1.3M in increased net cost for a 35.5% increase in Net PMPM

Pulmonary Hypertension trend increased 84.2%, contributing an additional $4.31 to Net PMPM

Represents 76.7% of your total Plan Cost Net

EVERNORTH HEALTH SERVICES

Peer = 'Government - O65' market segment

Top 25 Drugs – Commercial Pre Medicare

Top Drugs by Plan Cost Net																
				4-25 - 3-26					4-24 - 3-25					% Change		
Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Peer Plan Cost Net PMPM	Rank	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Plan Cost Net PMPM	Peer Plan Cost Net PMPM
1	11	ZEPBOUND	WEIGHT LOSS	3,418	453	$2,104,781	$17.55	$5.12	5	1,351	225	$907,487	$6.97	151.9%	233.5%
2	2	MOUNJARO	DIABETES	4,238	509	$1,708,441	$14.25	$13.17	3	2,680	334	$1,206,750	$9.26	53.8%	80.2%
3	26	WEGOVY	WEIGHT LOSS	2,049	304	$1,465,124	$12.22	$3.72	1	1,789	272	$1,385,082	$10.63	14.9%	57.1%
4	14	RINVOQ*	INFLAMMATORY CONDITIONS	231	25	$1,155,564	$9.64	$4.54	6	206	24	$865,069	$6.64	45.1%	40.3%
5	3	OZEMPIC	DIABETES	2,854	358	$1,108,912	$9.25	$11.29	2	3,290	410	$1,376,358	$10.57	-12.5%	9.3%
6	28	KISQALI*	CANCER	51	9	$730,476	$6.09	$3.52	18	20	4	$296,957	$2.28	167.2%	54.5%
7	22	ENBREL SURECLICK*	INFLAMMATORY CONDITIONS	152	20	$695,197	$5.80	$3.83	14	120	15	$385,827	$2.96	95.7%	-1.4%
8	4	DUPIXENT PEN*	ATOPIC DERMATITIS	239	27	$689,565	$5.75	$8.35	11	195	22	$446,358	$3.43	67.8%	66.5%
9	10	SKYRIZI PEN*	INFLAMMATORY CONDITIONS	104	13	$571,326	$4.76	$5.58	15	89	11	$368,951	$2.83	68.2%	33.6%
10	5	XTANDI*	CANCER	39	5	$489,039	$4.08	$8.14	13	45	5	$418,381	$3.21	27.0%	12.7%
11	86	EVEROLIMUS*	CANCER	33	3	$435,321	$3.63	$0.86	137	2	2	$38,812	$0.30	1118.4%	16.0%
12	15	TRULICITY	DIABETES	1,047	135	$391,547	$3.27	$4.53	7	1,617	209	$650,704	$5.00	-34.6%	-24.8%
13	64	OPSUMIT*	PULMONARY HYPERTENSION	31	3	$369,294	$3.08	$1.26	49	12	1	$139,285	$1.07	188.0%	-9.6%
14		CRENESSITY*	ENDOCRINE DISORDERS	9	1	$352,853	$2.94								
15	33	VERZENIO*	CANCER	20	3	$336,704	$2.81	$3.19	12	35	3	$419,668	$3.22	-12.8%	20.4%
16	21	OTEZLA*	INFLAMMATORY CONDITIONS	110	12	$332,778	$2.78	$3.85	45	76	10	$145,185	$1.11	149.0%	22.3%
17	51	TYVASO DPI*	PULMONARY HYPERTENSION	13	1	$328,633	$2.74	$1.82							43.6%
18	1	ELIQUIS	ANTICOAGULANT	1,164	157	$324,410	$2.71	$19.67	16	1,088	150	$326,929	$2.51	7.8%	8.1%
19	54	ORENCIA CLICKJECT*	INFLAMMATORY CONDITIONS	69	13	$304,883	$2.54	$1.67	30	48	8	$199,845	$1.53	65.7%	29.8%
20	52	BIKTARVY	HIV	82	10	$304,153	$2.54	$1.69	10	129	12	$461,030	$3.54	-28.3%	18.2%
21	7	LENALIDOMIDE*	CANCER	17	5	$299,543	$2.50	$7.75	124	3	2	$44,882	$0.34	625.0%	37.9%
22	6	JARDIANCE	DIABETES	2,294	271	$299,292	$2.50	$7.78	20	2,250	262	$267,482	$2.05	21.5%	23.9%
23	76	XELJANZ XR*	INFLAMMATORY CONDITIONS	79	8	$278,498	$2.32	$1.03	39	74	8	$169,684	$1.30	78.3%	-1.1%
24	31	ABIRATERONE ACETATE*	CANCER	37	4	$274,095	$2.29	$3.35	46	17	2	$142,213	$1.09	109.4%	-1.8%
25	47	DUPIXENT SYRINGE*	ATOPIC DERMATITIS	99	9	$272,534	$2.27	$2.10	19	118	12	$270,628	$2.08	9.4%	10.8%
			Total Top 25:	18,479		$15,622,965	$130.28	$127.81		15,254		$10,933,565	$83.94	55.2%	25.6%
			Differences Between Periods:	3,225		$4,689,400	$46.35	$26.08							

*Specialty Drugs

Represents 46.8% of your total Plan Cost Net and comprises 9 indications

17 of your top 25 are specialty drugs, making up 50.7% of your Top 25 spend

EVERNORTH HEALTH SERVICES

Peer = 'Government - O65' market segment

Top 10 Indications - EGWP

Top Indications by Plan Cost Net

			4-25 - 3-26						4-24 - 3-25						% Change
Rank	Peer Rank	Indication	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Peer Generic Fill Rate	Plan Cost Net PMPM	Rank	Adjusted Rxs	Patients	Plan Cost Net	Generic Fill Rate	Plan Cost Net PMPM	Plan Cost Net PMPM
1	1	CANCER	5,475	609	$29,637,808	68.9%	74.4%	$128.72	1	5,581	599	$28,467,950	70.1%	$121.94	5.6%
2	2	INFLAMMATORY CONDITIONS	7,247	766	$11,140,037	66.9%	62.0%	$48.38	2	7,131	722	$10,359,101	68.5%	$44.37	9.0%
3	3	DIABETES	84,966	4,809	$8,711,605	43.9%	37.1%	$37.83	3	84,340	4,730	$8,142,306	46.6%	$34.88	8.5%
4	4	ANTICOAGULANT	25,896	2,822	$4,781,164	9.7%	10.7%	$20.76	4	25,414	2,793	$4,960,617	11.2%	$21.25	-2.3%
5	5	ATOPIC DERMATITIS	7,059	2,784	$2,847,324	87.0%	87.2%	$12.37	7	6,275	2,772	$1,746,930	91.1%	$7.48	65.3%
6	10	IDIOPATHIC PULMONARY FIBROSIS	239	26	$2,633,030	33.1%	23.1%	$11.44	5	204	31	$2,130,287	38.7%	$9.12	25.3%
7	8	ASTHMA	28,970	3,806	$2,282,180	87.0%	88.9%	$9.91	6	29,255	3,911	$2,051,178	85.9%	$8.79	12.8%
8	6	AMYLOIDOSIS	74	7	$2,011,689	0.0%	0.0%	$8.74	23	30	3	$725,968	0.0%	$3.11	181.0%
9	11	WEIGHT LOSS	1,903	281	$1,859,403	1.0%	1.9%	$8.08	19	1,020	168	$1,012,307	2.7%	$4.34	86.2%
10	12	OPHTHALMIC CONDITIONS	6,945	1,771	$1,708,248	85.4%	77.5%	$7.42	15	6,421	1,815	$1,191,664	86.2%	$5.10	45.3%
		Total Top 10:	168,774		$67,612,488	50.8%		$293.64		165,671		$60,788,307	52.8%	$260.38	12.8%
		Differences Between Periods:	3,103		$6,824,181	-1.9%		$33.26							

The largest financially impactful change was in Amyloidosis, driving $1.3M in increased net cost

Amyloidosis trend increased 181.0%, contributing an additional $5.63 to Net PMPM

Represents 70.5% of your total Plan Cost Net

EVERNORTH HEALTH SERVICES

Peer = 'Government - EGWP' market segment

Top 25 Drugs EGWP

Top Drugs by Plan Cost Net

				4-25 - 3-26					4-24 - 3-25				% Change	
Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Peer Plan Cost Net PMPM	Rank	Adj. Rxs	Pts.	Plan Cost Net	Plan Cost Net PMPM	Plan Cost Net PMPM	Peer Plan Cost Net PMPM
1	1	ELIQUIS	ANTICOAGULANT	18,322	2,030	$3,781,578	$16.42	$20.35	1	16,927	1,920	$3,817,588	$16.35	0.4%	8.3%
2	12	IBRANCE*	CANCER	166	15	$2,643,918	$11.48	$5.15	3	140	14	$2,285,811	$9.79	17.3%	15.7%
3	6	XTANDI*	CANCER	195	24	$2,338,924	$10.16	$7.98	4	181	23	$2,103,478	$9.01	12.7%	12.6%
4	4	DUPIXENT PEN*	ATOPIC DERMATITIS	710	78	$2,165,707	$9.41	$8.74	14	386	43	$1,164,534	$4.99	88.6%	70.6%
5	3	OZEMPIC	DIABETES	5,827	693	$2,026,993	$8.80	$10.53	5	5,632	680	$2,019,855	$8.65	1.7%	11.7%
6	2	MOUNJARO	DIABETES	5,356	606	$1,939,838	$8.42	$12.13	12	3,154	384	$1,179,588	$5.05	66.7%	90.7%
7	9	OFEV*	IDIOPATHIC PULMONARY FIBROSIS	138	18	$1,678,136	$7.29	$6.27	7	125	21	$1,495,855	$6.41	13.7%	13.6%
8	34	VERZENIO*	CANCER	73	9	$1,587,511	$6.89	$3.37	18	62	7	$1,045,883	$4.48	53.9%	24.7%
9	35	ABIRATERONE ACETATE*	CANCER	208	27	$1,574,888	$6.84	$3.36	13	145	22	$1,166,967	$5.00	36.8%	2.6%
10	7	JARDIANCE	DIABETES	7,202	872	$1,389,147	$6.03	$7.95	11	6,002	746	$1,214,624	$5.20	16.0%	24.8%
11	13	RINVOQ*	INFLAMMATORY CONDITIONS	261	30	$1,386,797	$6.02	$4.87	15	221	26	$1,126,126	$4.82	24.9%	39.0%
12	23	KISQALI*	CANCER	98	16	$1,368,751	$5.94	$4.01	8	93	14	$1,332,945	$5.71	4.1%	58.7%
13	27	IMBRUVICA*	CANCER	90	12	$1,364,692	$5.93	$3.65	2	162	18	$2,411,115	$10.33	-42.6%	-21.8%
14	26	TAGRISSO*	CANCER	75	8	$1,361,724	$5.91	$3.65	9	72	8	$1,266,006	$5.42	9.1%	15.0%
15	11	MIRABEGRON ER	URINARY DISORDERS	4,505	601	$1,338,595	$5.81	$5.39	19	2,924	462	$966,100	$4.14	40.5%	31.3%
16	5	LENALIDOMIDE*	CANCER	94	15	$1,292,681	$5.61	$8.12	21	59	10	$845,835	$3.62	55.0%	40.4%
17	22	POMALYST*	CANCER	50	7	$1,104,635	$4.80	$4.01	27	34	6	$738,620	$3.16	51.6%	-4.2%
18	10	SKYRIZI PEN*	INFLAMMATORY CONDITIONS	186	21	$1,076,633	$4.68	$5.55	24	148	16	$812,552	$3.48	34.3%	28.5%
19	8	VYNDAMAX*	AMYLOIDOSIS	44	6	$1,038,647	$4.51	$7.85	67	12	1	$305,196	$1.31	245.1%	45.2%
20	17	BRUKINSA*	CANCER	84	9	$1,028,972	$4.47	$4.54	35	57	8	$636,406	$2.73	63.9%	49.2%
21	15	ZEPBOUND	WEIGHT LOSS	1,142	161	$1,027,165	$4.46	$4.57	50	492	70	$450,779	$1.93	131.0%	293.1%
22	46	LENVIMA*	CANCER	39	8	$994,157	$4.32	$2.33	16	35	6	$1,107,236	$4.74	-9.0%	-10.8%
23	18	HUMIRA(CF) PEN*	INFLAMMATORY CONDITIONS	265	36	$913,152	$3.97	$4.35	10	348	41	$1,231,650	$5.28	-24.8%	-18.5%
24	21	XARELTO	ANTICOAGULANT	5,029	543	$880,217	$3.82	$4.02	17	5,594	603	$1,051,145	$4.50	-15.1%	-7.1%
25	60	OJJAARA*	CANCER	29	3	$873,621	$3.79	$1.45	31	23	2	$677,563	$2.90	30.7%	65.3%
			Total Top 25:	50,188		$38,177,080	$165.80	$154.20		43,028		$32,453,457	$139.01	19.3%	24.2%
			Differences Between Periods:	7,160		$5,723,623	$26.79	$30.05							

*Specialty Drugs

Represents 39.8% of your total Plan Cost Net and comprises 9 indications

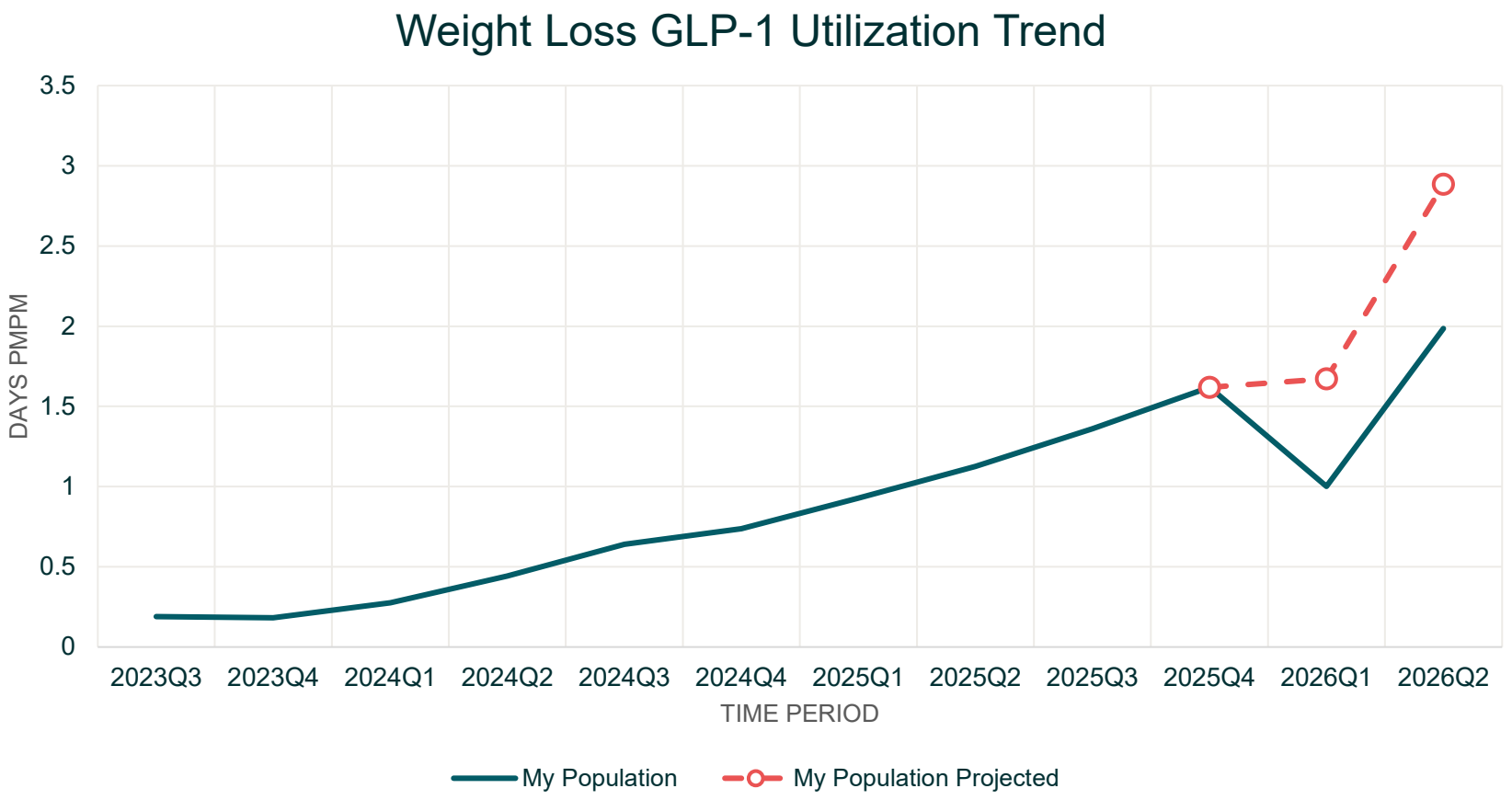
18 of your top 25 are specialty drugs, making up 67.6% of your Top 25 spend

EVERNORTH HEALTH SERVICES

Peer = 'Government - EGWP' market segment

ENCIRCLE RX REVIEW

Program Performance: Trend



Trend Performance

GLP-1 UTILIZATION TREND

Your Weight Loss GLP-1 utilization trend is **56% lower** than your projected trend had you not enrolled in EncircleRx.

ENCIRCLERX: WEIGHT LOSS

Key Performance Indicators

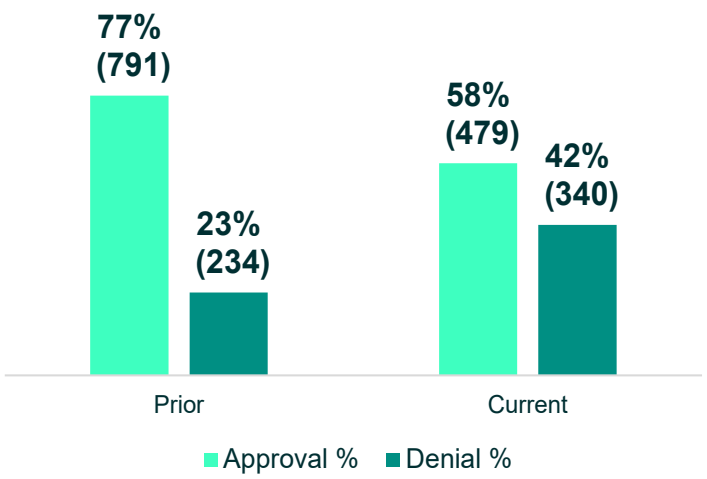
Program Outcomes

Avg. BMI Reduction
6%

Avg. Weight Loss per Participant
11 lbs

Total Weight Loss
4,267 lbs

Prior Authorization Performance

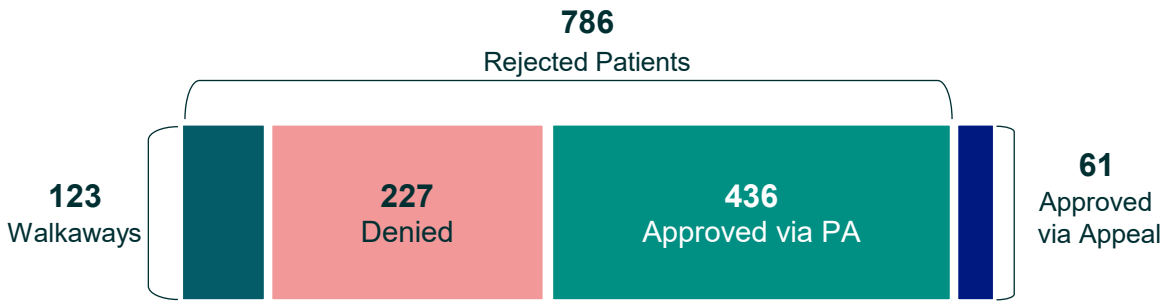


12%
of PA denials were new to therapy patients

88%
of PA denials were existing patients

Patient Journey

Utilizing Patients
497



Percent of Clinical PA Denials

57%	11%	31%
Due to BMI Requirement	Due Re-Auth Requirement	Other

Percent of Pharmacy Walkaways

89%	11%
Due to Vendor Engagement	Due Clinical PA Requirement

*Savings are net of program fees and rebates.

ENCIRCLERX: DIABETES

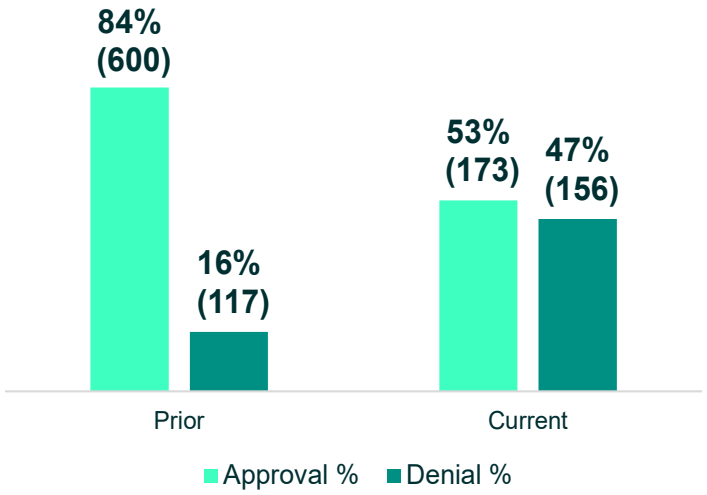
Key Performance Indicators

Program Outcomes

Patients Denied Due to Documentation Requirement

65

Prior Authorization Performance



15%

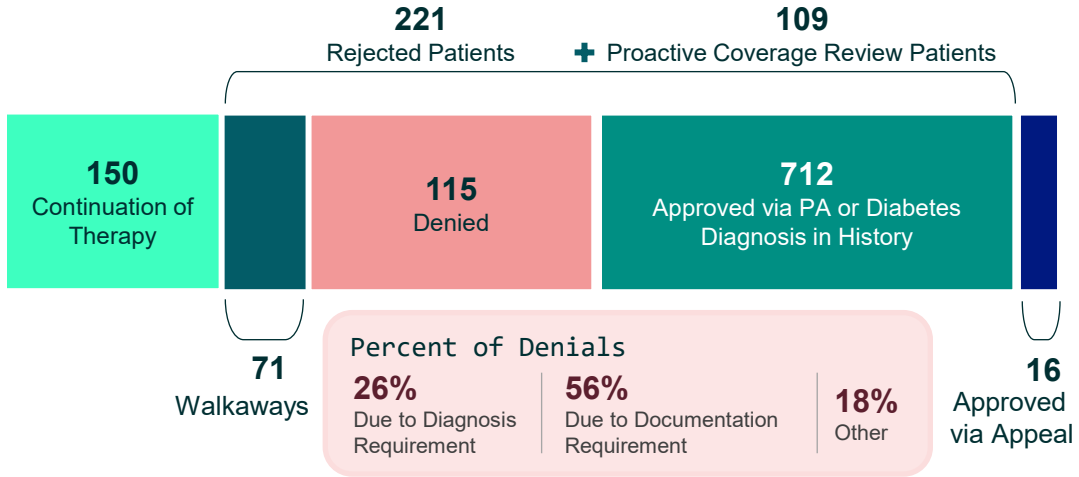
of PA denials were new to therapy patients

85%

of PA denials were existing patients

Patient Journey

Utilizing Patients
878



**Savings are net of program fees and rebates.*

APPENDIX

MEMBER TOUCHPOINT KEY METRICS - EGWP

EXPRESS SCRIPTS PBM MEMBER EXPERIENCE

With your members, every step of the way

How and when your members interact with Express Scripts on their pharmacy benefit journey matters—because there's always more we can do. This resource provides key data on your members' interactions with Express Scripts.

At Express Scripts, we believe in providing plan members with a fully-connected pharmacy benefit experience that un-complicates their lives and simplifies the health care journey. Our personalized and innovative solutions focus on ensuring members feel heard, understood, and comfortable with their prescription benefit–every step of the way.

18,861
TOTAL CLIENT LIVES

18,861
DIGITALLY ELIGIBLE LIVES

Click on the icons to the right for more information.

CALL

16,920
CALLS RECEIVED OVER PRIOR PERIOD

98%
FIRST CALL RESOLUTION RATE

WEB

47,242
OF WEB LOGINS

8,702
TOTAL LIVES DIGITALLY REGISTERED

4,948
MEMBERS ENROLLED IN EMAILS

MOBILE

1,376
MOBILE APP USERS

2,877
MEMBERS ENROLLED IN TEXTING

Source: Promoting an overdue digital transformation in healthcare | McKinsey

>60% of consumers prefer digital or online communications regarding their health

An inside look at how members think

How do we know what members actually need or want?

Our front-line Patient Care Contact Center is an integral part of the feedback loop. Not only do our Patient Advocates answer questions, they look at trends to help us identify new ways to enhance the member experience.

We're constantly gathering insights—relying on feedback gathered with an array of tools, including:

- Call monitoring
- Focus groups
- Comments from our clients
- Online feedback
- Social media
- 30,000+ post-call surveys each day

CALLS

CALLS RECEIVED OVER PRIOR PERIOD	16,920
FIRST CALL RESOLUTION RATE	98%

TOP REASONS FOR CALLS*

- ELIGIBILITY INQUIRIES
- PRIOR AUTHORIZATION
- BENEFIT INQUIRIES

At Express Scripts, we're constantly on the move to stay ahead of the evolving needs of our plan members

The world isn't slowing down and neither are we.

That's why we're investing in the future of the member experience through cutting edge technology supporting our commitment to help members stress less and save more.

We're enhancing digital tools and exploring smart services, artificial intelligence, and automation to provide an even more seamless, personalized experience members want—and appreciate.

Let's connect to talk about how we can continue to improve the member experience.

■ COUNT ■ % OF MEMBER POPULATION

MEMBERS:

CALLS RECEIVED OVER PRIOR PERIOD

16,920

FIRST CALL RESOLUTION RATE

98%

TOTAL LIVES DIGITALLY REGISTERED

8,702 46.13%

WEB LOGINS

47,242

MOBILE APP USERS

1,376 15.81%

ENROLLED IN EMAILS

4,948 26.23%

ENROLLED IN TEXT

2,877 15.25%

Please note: Mobile App Users rate is calculated based on Registered populations. Effective 5/1/2026: Email/Text Enrollment Rates are calculated based on Eligible populations.

Mobile Activity Report - New Mexico RHCA-EGWP - Monthly

Transaction Type	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
Refill Order	143	138	142	142	134	155	110	107	118	132	132	149	1,602
Renewal Order	83	73	77	72	65	77	62	65	62	83	75	54	848
Pending Order	43	36	47	32	29	47	29	42	36	41	33	32	447
New Rx	5	3	5	5	6	3	3	7	3	2	3	4	49
Auto Refill	0	5	5	7	21	12	9	4	9	8	6	7	93
Transfer to Mail	24	31	27	31	33	35	46	34	37	28	37	26	389
View Order Status	1,163	1,090	1,029	1,022	960	1,180	1,443	1,390	1,443	1,563	1,461	1,426	15,170
Price a Med	54	50	42	83	43	12	8	0	2	0	0	0	294
Make a Payment	59	65	74	55	55	62	132	112	124	123	77	105	1,043
Cash Restart Order	1	0	0	0	0	0	0	0	0	0	0	0	1
Order Payment Protocol Resolution	0	3	0	0	1	0	19	32	17	2	11	9	94
Order Delivery Scheduling	15	14	7	12	14	17	16	16	14	10	21	15	171
Login	1,701	1,672	1,533	1,597	1,463	1,587	2,184	1,986	2,066	2,113	1,998	1,937	21,837
New Registrations	0	0	0	0	0	0	0	0	0	0	0	0	0
Address Change	19	11	9	25	17	12	16	33	29	29	30	12	242
Dosing Reminder Activities :													
Adds Dosing Reminder	1	1	4	2	0	3	0	0	0	0	0	0	11
Deletes Dosing Reminder	0	0	1	0	0	3	0	0	0	9	0	1	14
Edits Dosing Reminder for drug in history	0	1	2	1	0	4	6	0	0	0	0	0	14
Total Dosing Reminder Activities	1	2	7	3	0	10	6	0	0	9	0	1	39
Total Mobile Activities	**3,311**	**3,193**	**3,004**	**3,086**	**2,841**	**3,209**	**4,083**	**3,828**	**3,960**	**4,143**	**3,884**	**3,777**	**42,319**

Mobile Detail Report Key Definitions

Refill Order:	Order refill rx and view details
Renewal Order:	Order renew rx and view details
Pending Order:	# of times members check the status of pending order
New Rx:	# of times members request New Rx: # of transactions represents total # of New Rx orders for that period
Auto Refill:	Summarizes activities related to Auto Refill setup, change, usage, confirmation, etc.
Transfer to Mail:	# of times plan members viewed Retail to Mail opportunity
View Order Status:	Provides current status of customer's prescription order. # of transactions represents total # of status checks for that period
Price a Med:	# of times plan members request plan-specific prescription coverage information and pricing.
Make a Payment:	# of times members successfully make a payment using Credit Card or Echeck payment methods. Includes payment update/add/remove activity
Cash Restart Order:	# of transactions members performed via cash option. When the prescription is not covered, but there are fills still available for patient to use, we offer this option.
Order Payment Protocol Resolution:	Verification of Order payment by receiving a confirmation of payment method, auhorization of limit excess, or past due balance is cleared and order can be released.
Order Delivery Scheduling:	Captures members' activity related to add/update order delivery date before shipping.
Login:	# of mobile app accesses regardless of which transactions are performed.
New Registrations:	# of successful registrations from plan members who seek access to expanded plan-specific digital services.
Address Change:	Summarizes the # of times members edit/add shipping address; add temporary address, and verify delivery address when ordering their medications
Dosing Reminder Activities :	
Adds Dosing Reminder:	Successfully add dosing reminder
Deletes Dosing Reminder:	Remove dosing reminder
Edits Dosing Reminder for drug in history:	Change dosing reminder

Digital Activity & Member TouchPoint Metrics (WEB) - New Mexico RHCA-EGWP - Monthly

Transaction Type	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
Estimated Registered Users** :	8702												
Estimated Digital Eligible Lives*** :	18861												**
Refills	1,366	1,256	1,255	1,259	1,204	1,262	1,093	1,048	1,218	1,185	1,210	1,211	14,567
Renewals	336	319	304	318	376	308	274	232	318	289	306	272	3,652
Auto Refills	195	193	187	189	211	214	260	289	250	193	240	216	2,637
RTM Order	62	72	94	82	74	111	104	93	110	119	99	94	1,114
HD Order Form	11	15	13	16	16	17	37	46	42	26	11	10	260
Claim Form Request	0	1	4	0	0	1	0	0	0	0	2	0	8
Prescription Claim History	73	112	126	101	75	161	778	1,036	1,189	444	267	207	4,569
Order Status	935	813	870	767	921	865	1,381	1,302	1,400	1,229	1,293	1,229	13,005
My Medications	2,559	2,321	2,445	2,466	2,439	2,295	3,281	2,854	2,955	2,711	2,529	2,745	31,600
Prior Auth	0	0	0	0	0	0	0	0	77	128	89	88	382
Find a Pharmacy	62	71	90	118	81	181	635	423	322	294	360	375	3,012
Price a Med	380	490	522	610	564	515	3,517	2,448	1,982	1,617	1,119	872	14,636
Check Coverage	60	36	60	114	65	50	231	155	121	99	128	149	1,268
New Rx	7	14	13	5	5	13	11	9	16	11	15	12	131
Payment and Invoice History	210	199	228	207	202	169	1,041	1,305	1,049	552	354	416	5,932
Benefit Overview	21	43	47	49	52	2	0	107	262	204	125	105	1,017
Benefit Balances	12	29	43	23	36	34	242	231	229	196	116	115	1,306
EOB	0	0	0	0	0	0	0	0	0	0	0	0	0
Registration	36	73	58	65	53	48	116	109	94	60	55	42	809
Session	3,669	3,774	3,796	3,481	3,316	3,299	4,816	4,608	4,651	4,083	3,834	3,915	47,242
Profile Update	60	53	103	81	62	71	63	62	82	71	76	51	835
Address Change	45	47	80	44	61	62	91	57	54	75	100	59	775
Savings Advisor	0	0	0	0	0	0	0	0	0	0	0	0	0
Drug Information	35	27	33	61	34	38	221	190	124	111	149	161	1,184
Total Transactions	**10,134**	**9,958**	**10,371**	**10,056**	**9,847**	**9,716**	**18,192**	**16,604**	**16,545**	**13,697**	**12,477**	**12,344**	**149,941**

148

Member TouchPoint Key Metrics - New Mexico RHCA-EGWP

Activity/Metric		Counts
Total Client Lives		18,861
Digitally Eligible Lives		18,861
Total Lives Digitally Registered		8,702
Registration Rate		46%
Mobile App Users		1,376
Mobile App Users Rate		16%
Web Logins		47,242
Top 3 Activities on Web After Log in		
My Medications		31,600
Price a Med		14,636
REFILLS		14,567
Members Enrolled in Emails Communication		4,948
Email Enrollment Rate		26%
Members Enrolled in Texting Communication		2,877
Text Enrollment Rate		15%
Calls Received over Prior Period (Inbound Calls)		16,920
First Call Resolution Rate***		98%
Top 3 Activities on Mobile App After Log in		
View Order Status		15,170
Refill Order		1,602
Make a Payment		1,043

MEMBER TOUCHPOINT KEY METRICS – COMMERCIAL

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9,460
TOTAL CLIENT LIVES

9,280
DIGITALLY ELIGIBLE LIVES

Click on the icons to the right for more information.

CALL

4,475
CALLS RECEIVED OVER PRIOR PERIOD

97%
FIRST CALL RESOLUTION RATE

WEB

17,860
OF WEB LOGINS

4,126
TOTAL LIVES DIGITALLY REGISTERED

2,126
MEMBERS ENROLLED IN EMAILS

MOBILE

1,171
MOBILE APP USERS

1,791
MEMBERS ENROLLED IN TEXTING

Source: Promoting an overdue digital transformation in healthcare | McKinsey

>60% of consumers prefer digital or online communications regarding their health

An inside look at how members think

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We're constantly gathering insights—relying on feedback gathered with an array of tools, including:

- Call monitoring
- Focus groups
- Comments from our clients
- Online feedback
- Social media
- 30,000+ post-call surveys each day

CALLS

CALLS RECEIVED OVER PRIOR PERIOD	4,475
FIRST CALL RESOLUTION RATE	97%

TOP REASONS FOR CALLS*

- ELIGIBILITY INQUIRIES
- PRIOR AUTHORIZATION
- BENEFIT INQUIRIES

At Express Scripts, we're constantly on the move to stay ahead of the evolving needs of our plan members

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Let's connect to talk about how we can continue to improve the member experience.

■ COUNT ■ % OF MEMBER POPULATION

MEMBERS:

CALLS RECEIVED OVER PRIOR PERIOD

4,475

FIRST CALL RESOLUTION RATE

97%

TOTAL LIVES DIGITALLY REGISTERED

4,126 44.46%

WEB LOGINS

17,860

MOBILE APP USERS

1,171 28.38%

ENROLLED IN EMAILS

2,126 22.90%

ENROLLED IN TEXT

1,791 19.29%

Please note: Mobile App Users rate is calculated based on Registered populations. Effective 5/1/2026: Email/Text Enrollment Rates are calculated based on Eligible populations.

Mobile Activity Report - New Mexico RHCA-Commercial - Monthly

Transaction Type	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
Refill Order	77	78	87	82	77	86	81	72	83	74	99	67	963
Renewal Order	30	33	15	20	30	22	35	29	27	31	26	25	323
Pending Order	10	19	12	17	13	14	17	16	15	23	11	19	186
New Rx	2	2	12	5	6	5	8	7	9	5	4	2	67
Auto Refill	0	0	0	0	1	0	0	0	0	0	1	0	2
Transfer to Mail	17	16	14	20	15	21	28	19	22	18	24	22	236
View Order Status	735	756	700	703	738	758	1,414	919	1,112	960	874	867	10,536
Price a Med	66	54	89	99	49	4	2	0	0	0	0	0	363
Make a Payment	102	110	97	93	74	94	124	115	124	94	104	92	1,223
Cash Restart Order	0	0	0	0	0	0	0	0	0	0	0	0	0
Order Payment Protocol Resolution	6	1	1	1	0	1	3	5	2	4	2	3	29
Order Delivery Scheduling	8	4	7	8	12	5	8	3	7	7	14	10	93
Login	1,109	1,170	1,154	1,179	1,113	1,297	2,091	1,680	1,576	1,394	1,377	1,381	16,521
New Registrations	0	0	0	0	0	0	0	0	0	0	0	0	0
Address Change	17	11	25	17	14	13	25	24	14	22	22	16	220
Dosing Reminder Activities :													
Adds Dosing Reminder	0	0	0	1	2	10	3	0	0	0	0	0	16
Deletes Dosing Reminder	2	2	0	0	2	0	2	0	0	0	0	0	8
Edits Dosing Reminder for drug in history	0	0	1	1	6	1	1	0	0	0	0	0	10
Total Dosing Reminder Activities	2	2	1	2	10	11	6	0	0	0	0	0	34
Total Mobile Activities	**2,181**	**2,256**	**2,214**	**2,246**	**2,152**	**2,331**	**3,842**	**2,889**	**2,991**	**2,632**	**2,558**	**2,504**	**30,796**

Mobile Detail Report Key Definitions

Refill Order:	Order refill rx and view details
Renewal Order:	Order renew rx and view details
Pending Order:	# of times members check the status of pending order
New Rx:	# of times members request New Rx: # of transactions represents total # of New Rx orders for that period
Auto Refill:	Summarizes activities related to Auto Refill setup, change, usage, confirmation, etc.
Transfer to Mail:	# of times plan members viewed Retail to Mail opportunity
View Order Status:	Provides current status of customer's prescription order. # of transactions represents total # of status checks for that period
Price a Med:	# of times plan members request plan-specific prescription coverage information and pricing.
Make a Payment:	# of times members successfully make a payment using Credit Card or Echeck payment methods. Includes payment update/add/remove activity
Cash Restart Order:	# of transactions members performed via cash option. When the prescription is not covered, but there are fills still available for patient to use, we offer this option.
Order Payment Protocol Resolution:	Verification of Order payment by receiving a confirmation of payment method, auhorization of limit excess, or past due balance is cleared and order can be released.
Order Delivery Scheduling:	Captures members' activity related to add/update order delivery date before shipping.
Login:	# of mobile app accesses regardless of which transactions are performed.
New Registrations:	# of successful registrations from plan members who seek access to expanded plan-specific digital services.
Address Change:	Summarizes the # of times members edit/add shipping address; add temporary address, and verify delivery address when ordering their medications
Dosing Reminder Activities :	
Adds Dosing Reminder:	Successfully add dosing reminder
Deletes Dosing Reminder:	Remove dosing reminder
Edits Dosing Reminder for drug in history:	Change dosing reminder

Digital Activity & Member TouchPoint Metrics (WEB) - New Mexico RHCA-Commercial - Monthly

Transaction Type	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
Estimated Registered Users** :	4126												
Estimated Digital Eligible Lives*** :	9280												**
Refills	308	306	327	310	311	348	291	298	279	314	325	246	3,663
Renewals	64	78	73	78	62	83	77	86	63	80	83	59	886
Auto Refills	62	76	76	67	58	63	88	60	58	77	67	66	818
RTM Order	33	33	30	40	34	42	49	39	35	35	36	36	442
HD Order Form	7	14	20	9	16	9	33	19	13	22	13	0	175
Claim Form Request	0	0	5	0	4	1	0	0	0	3	1	0	14
Prescription Claim History	38	48	46	58	66	125	330	279	440	119	79	69	1,697
Order Status	437	535	448	463	433	496	628	527	541	442	449	437	5,836
My Medications	795	793	871	841	722	894	1,078	973	856	742	794	695	10,054
Prior Auth	0	0	0	0	0	0	0	0	135	115	208	293	751
Find a Pharmacy	54	52	85	84	42	194	289	220	183	161	210	182	1,756
Price a Med	237	298	429	396	244	644	1,026	1,006	757	535	623	430	6,625
Check Coverage	55	44	82	78	29	80	108	87	52	54	81	79	829
New Rx	25	34	326	53	31	30	35	33	22	19	19	16	643
Payment and Invoice History	149	131	122	230	99	140	348	389	323	224	109	185	2,449
Benefit Overview	22	30	63	37	27	0	0	38	75	42	72	44	450
Benefit Balances	0	0	0	0	0	18	25	25	13	16	20	18	135
EOB	0	0	0	0	0	0	0	0	0	0	0	0	0
Registration	79	89	109	91	58	111	181	117	94	65	94	74	1,162
Session	1,222	1,479	1,809	1,402	1,154	1,421	2,093	1,796	1,654	1,273	1,330	1,227	17,860
Profile Update	23	18	41	26	15	22	28	16	19	23	14	24	269
Address Change	51	29	101	53	40	30	77	32	25	32	30	30	530
Savings Advisor	0	0	0	0	0	0	0	0	0	0	0	0	0
Drug Information	28	28	37	38	15	71	106	101	77	62	88	80	731
Total Transactions	**3,689**	**4,115**	**5,100**	**4,354**	**3,460**	**4,822**	**6,890**	**6,141**	**5,714**	**4,455**	**4,745**	**4,290**	**57,775**

Member TouchPoint Key Metrics - New Mexico RHCA-Commercial -

Activity/Metric		Counts
Total Client Lives		9,460
Digitally Eligible Lives		9,280
Total Lives Digitally Registered		4,126
Registration Rate		44%
Mobile App Users		1,171
Mobile App Users Rate		28%
Web Logins		17,860
Top 3 Activities on Web After Log in		
My Medications		10,054
Price a Med		6,625
Order Status		5,836
Members Enrolled in Emails Communication		2,126
Email Enrollment Rate		23%
Members Enrolled in Texting Communication		1,791
Text Enrollment Rate		19%
Calls Received over Prior Period (Inbound Calls)		4,475
First Call Resolution Rate***		97%
Top 3 Activities on Mobile App After Log in		
View Order Status		10,536
Make a Payment		1,223
Refill Order		963

CLINICAL

Inflammatory Conditions – Commercial Pre Medicare

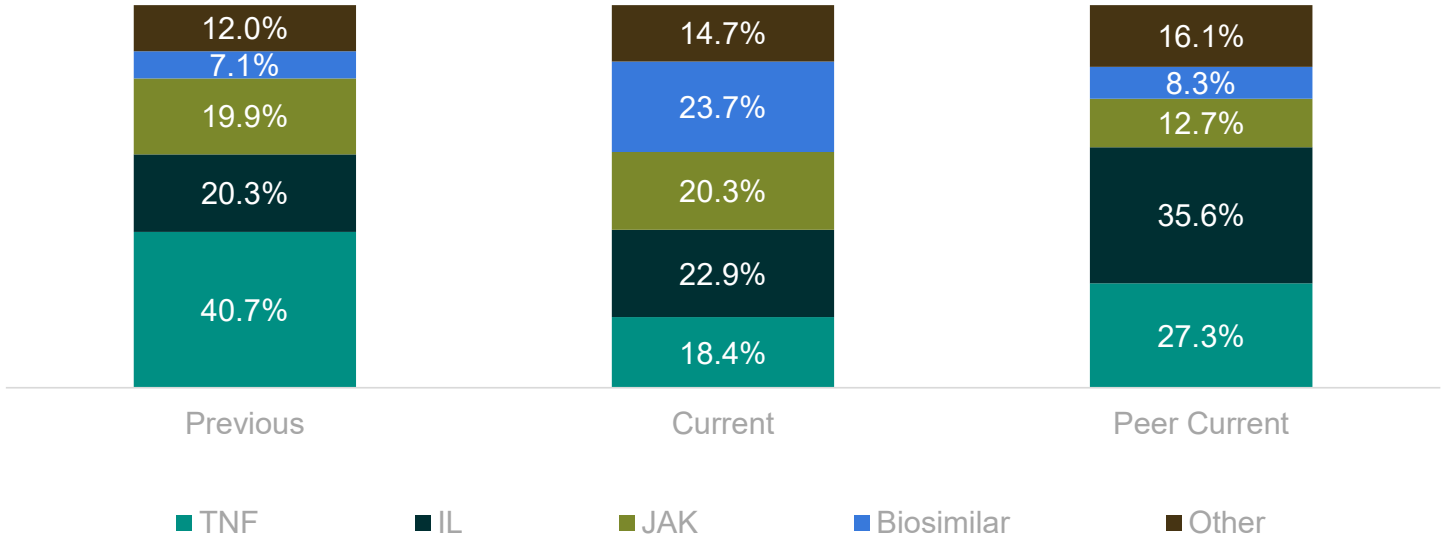
DETAILS

$6M	TOTAL NET COST	6%	LOWER UTILIZATION THAN PEER
349 -2%	PATIENTS & %CHANGE	104	NEW UTILIZERS

Drug Market Share

Drug Brand	Humira	Stelara	Actemra
Current Market Share	1.0%	0.3%	1.2%
Market Share Trend	-10.9	-0.3	0.0

Inflammatory Conditions Specialty Market Share



7% **of the net cost within this indication are from these three drugs**

TNF drugs (ex. Humira, Enbrel) have decreased in market share

Actemra accounted for 1.2% of Inflammatory Conditions market share, with 0.03 days per member

6 Inflammatory Condition drugs are in your overall Top 25

TNF: Tumor Necrosis Factor blocker **IL**: Interleukin blocker
JAK: Janus Kinase inhibitor **Other**: All other Specialty IC medications
Biosimilar : Highly similar biologic (for Humira, Stelara, Actemra & Remicade)

EVERNORTH HEALTH SERVICES

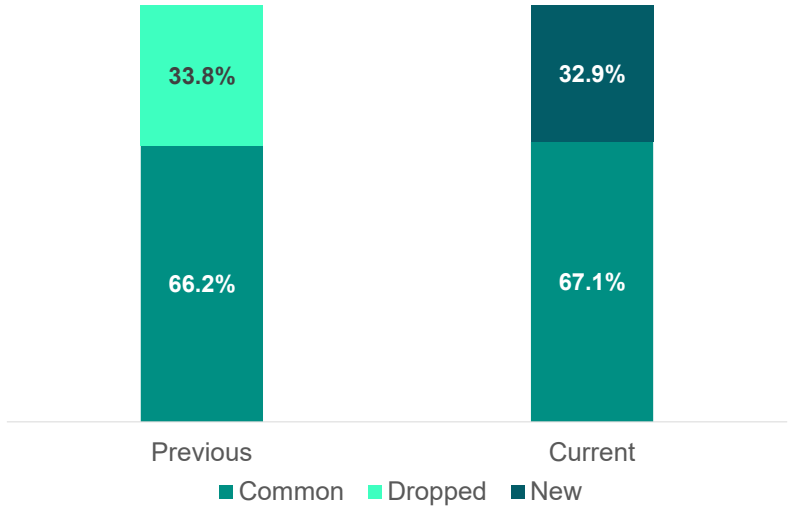
Forecast ranges are directional estimates and should not be taken as a trend guarantee.
Peer = 'Government - O65' market segment

Cancer - Commercial Pre Medicare

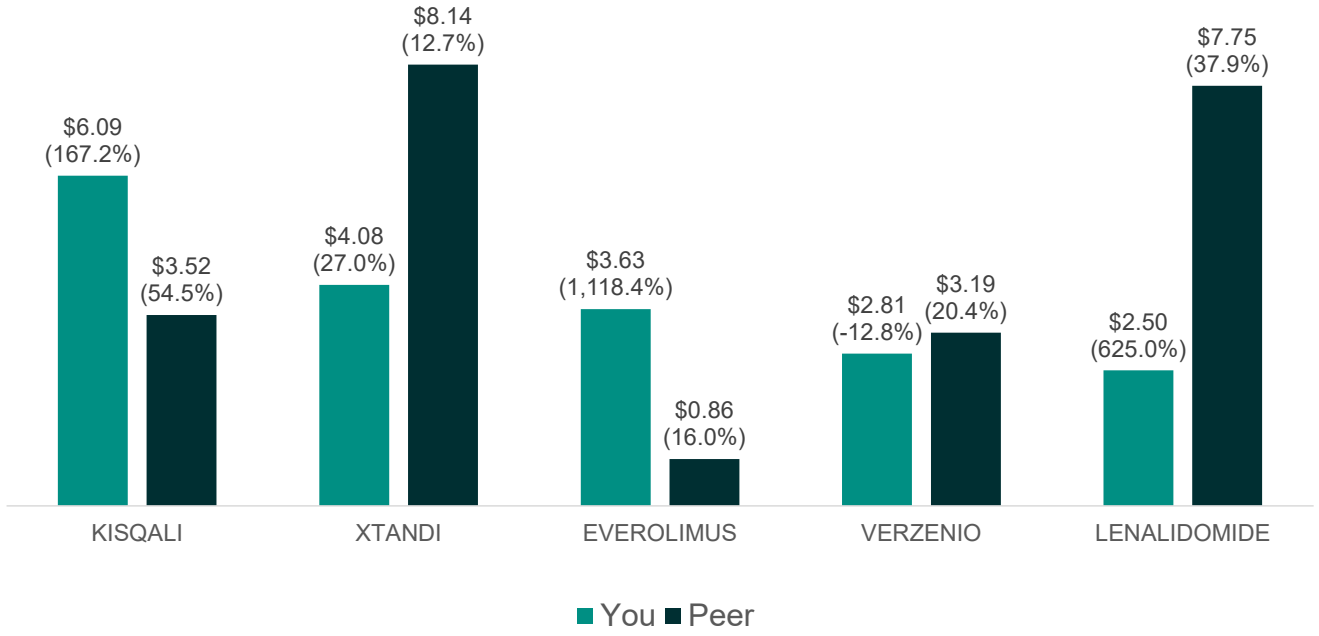
DETAILS

$5M	TOTAL NET COST	41%	LOWER UTILIZATION THAN PEER
216 -1%	PATIENTS & %CHANGE	71	NEW UTILIZERS

Cancer Patient Population Changes



Top Drugs Plan Cost Net PMPM



KISQALI increased 167.2% to $6.09 Net PMPM

Utilization of KISQALI increased 177.0%

6 Cancer drugs are in your overall Top 25

Forecast ranges are directional estimates and should not be taken as a trend guarantee.
Peer = 'Government - O65' market segment

Inflammatory Conditions - EGWP

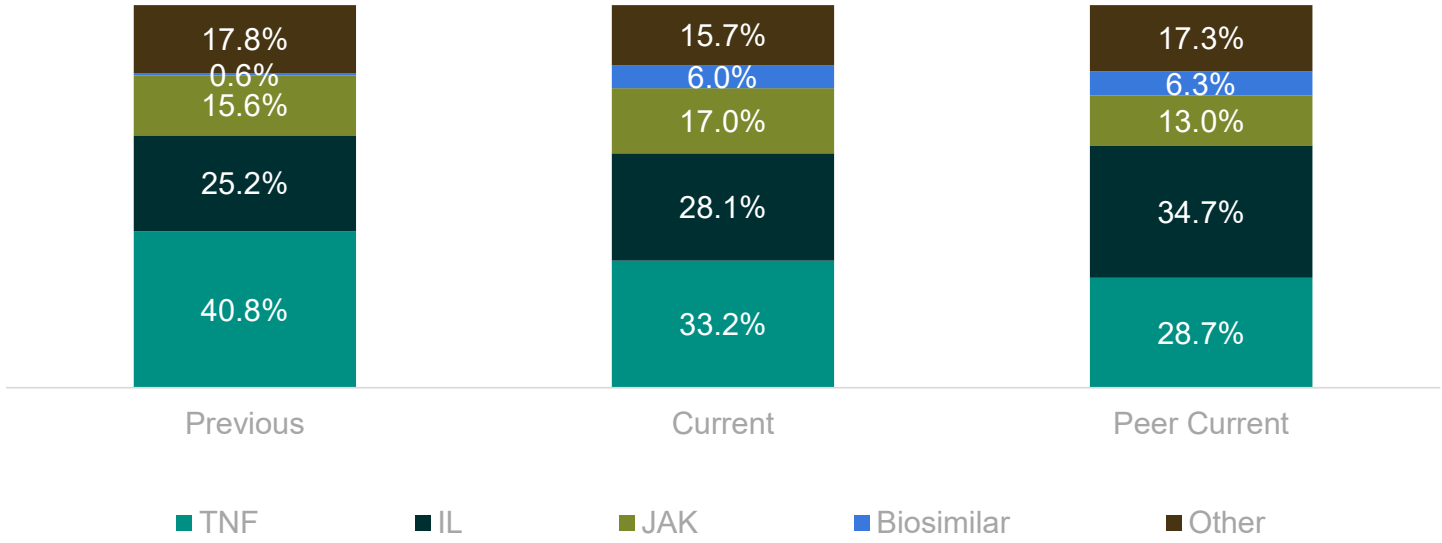
DETAILS

$11M	TOTAL NET COST	2%	HIGHER UTILIZATION THAN PEER
766	6% PATIENTS & %CHANGE	200	NEW UTILIZERS

Drug Market Share

Drug Brand	Humira	Stelara	Actemra
Current Market Share	4.8%	0.8%	1.4%
Market Share Trend	-1.8	-0.4	0.3

Inflammatory Conditions Specialty Market Share



18% **of the net cost within this indication are from these three drugs**

TNF drugs (ex. Humira, Enbrel) have decreased in market share

Humira accounted for 4.8% of Inflammatory Conditions market share, with 0.09 days per member

3 Inflammatory Condition drugs are in your overall Top 25

TNF: Tumor Necrosis Factor blocker **IL**: Interleukin blocker
JAK: Janus Kinase inhibitor **Other**: All other Specialty IC medications
Biosimilar : Highly similar biologic (for Humira, Stelara, Actemra & Remicade)

EVERNORTH HEALTH SERVICES

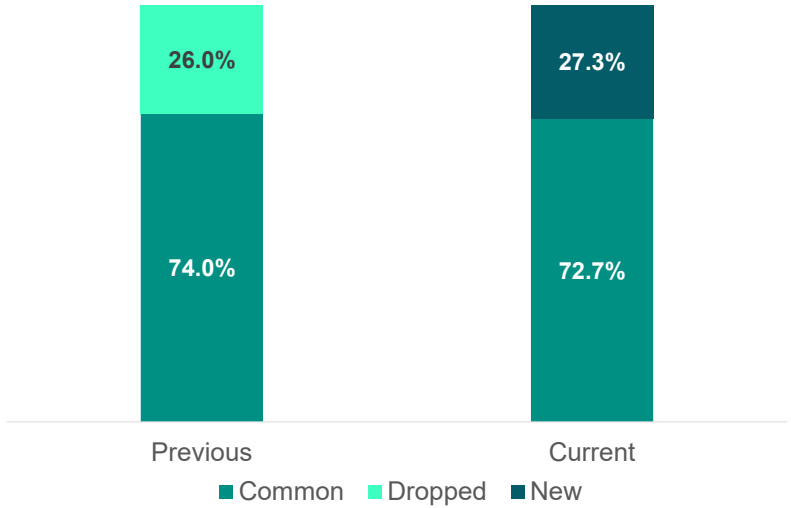
Forecast ranges are directional estimates and should not be taken as a trend guarantee.
Peer = 'Government - EGWP' market segment

Cancer - EGWP

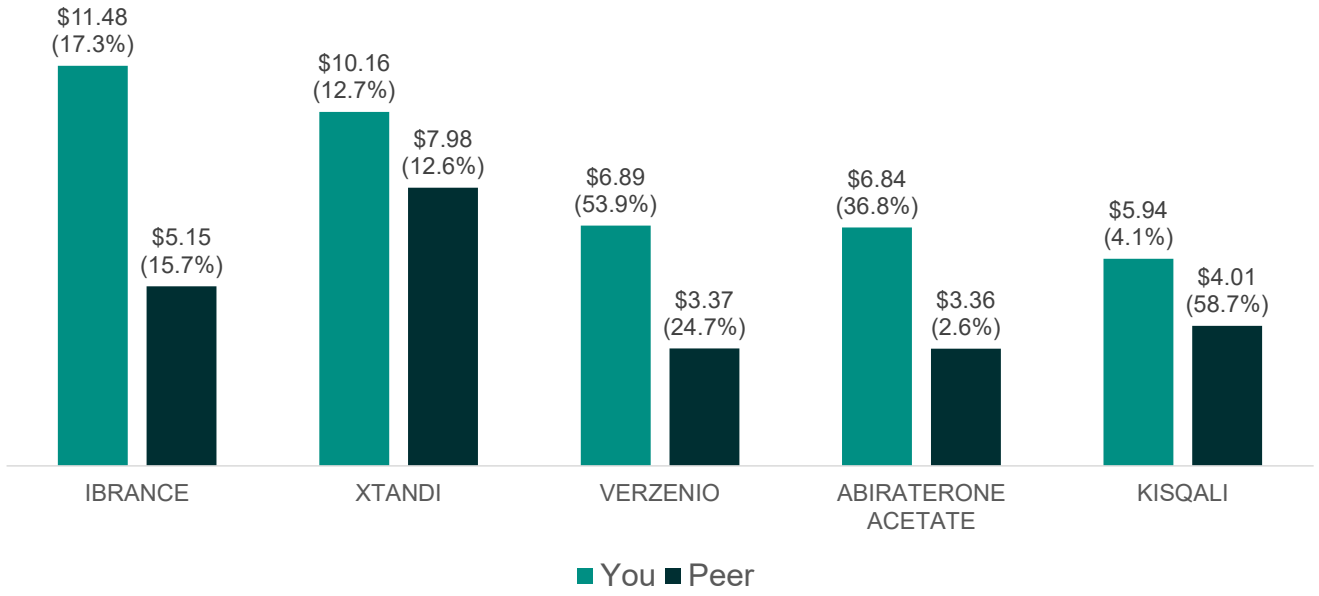
DETAILS

$30M	TOTAL NET COST	10%	LOWER UTILIZATION THAN PEER
609	2% PATIENTS & %CHANGE	166	NEW UTILIZERS

Cancer Patient Population Changes



Top Drugs Plan Cost Net PMPM



IBRANCE increased 17.3% to $11.48 Net PMPM

Utilization of IBRANCE increased 22.1%

12 Cancer drugs are in your overall Top 25

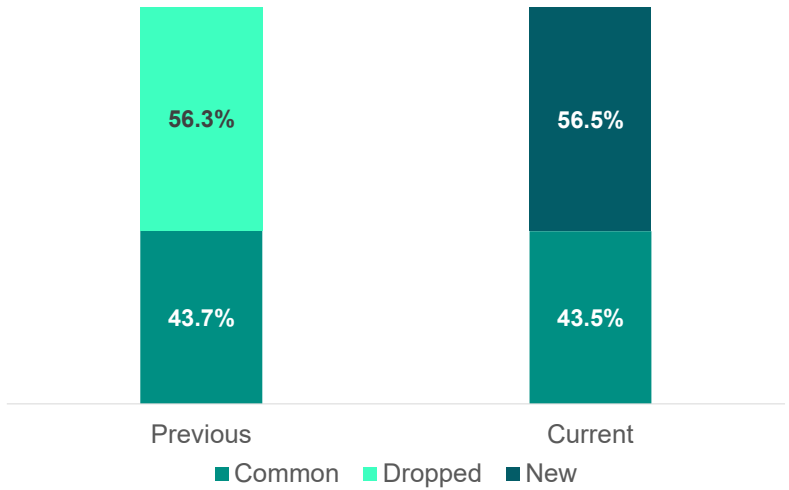
Forecast ranges are directional estimates and should not be taken as a trend guarantee.
Peer = 'Government - EGWP' market segment

Atopic Dermatitis - EGWP

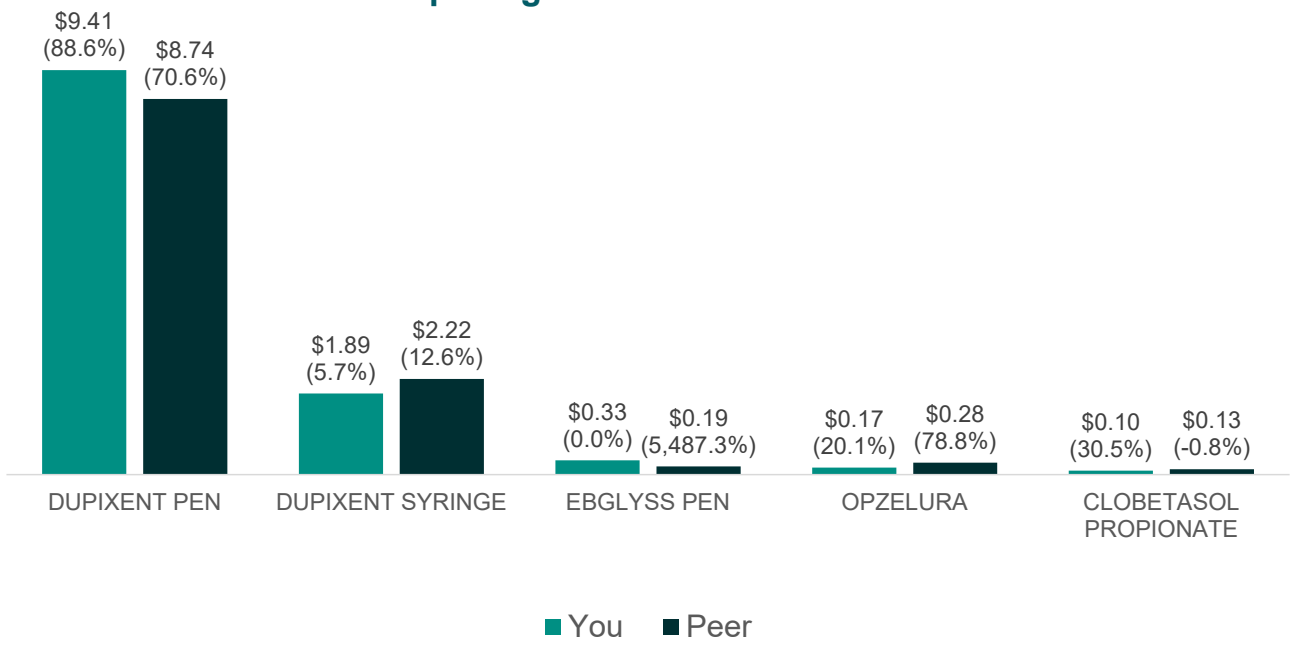
DETAILS

$3M	TOTAL NET COST	10%	LOWER UTILIZATION THAN PEER
3K	0% PATIENTS & %CHANGE	2K	NEW UTILIZERS

Atopic Dermatitis Population Changes



Top Drugs Plan Cost Net PMPM



Utilization of DUPIXENT PEN increased 86.6%

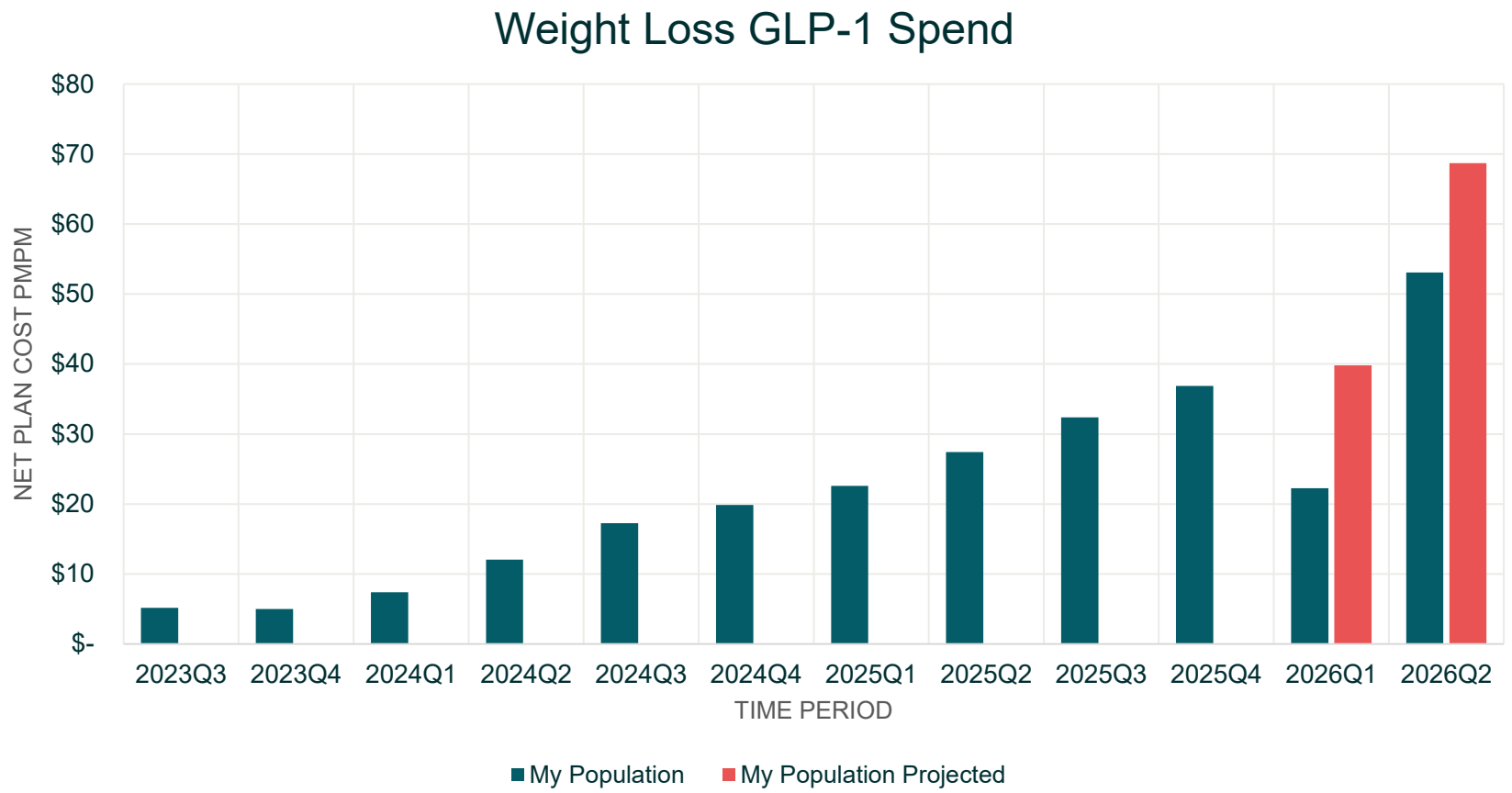
DUPIXENT PEN increased 88.6% up to $9.41 Net PMPM, 18 points higher than the peer

1 Atopic Dermatitis drug is in your overall Top 25

Forecast ranges are directional estimates and should not be taken as a trend guarantee.
Peer = 'Government - EGWP' market segment

ENCIRCLE RX

Program Performance: Plan Cost Savings



Savings

NET PLAN COST SAVINGS

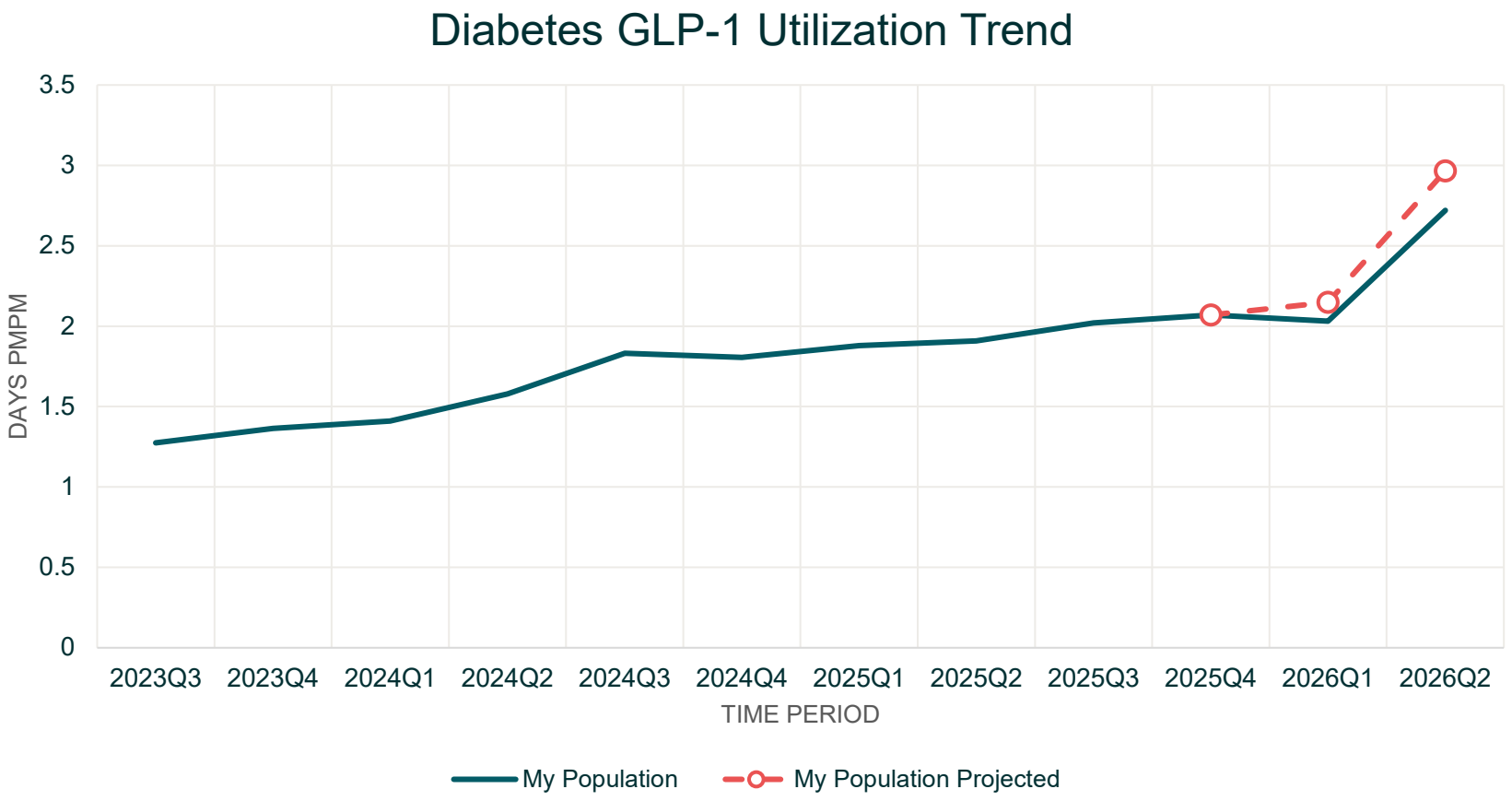
EncircleRx has reduced your net Plan Cost PMPM by **31%** resulting in **$767.3K** in total savings*.

** Savings are net of program fees and rebates*

Program Performance: Plan Cost Savings

** Savings are net of program fees and rebates*

Program Performance: Trend



Trend Performance

GLP-1 UTILIZATION TREND

Your Diabetes GLP-1 utilization trend is **12% lower** than your projected trend had you not enrolled in EncircleRx.

ENCIRCLERX: WEIGHT LOSS

Net Cost Trend – Detailed

My Population								My Population Projected without EncircleRx Enrollment			
QUARTER	Cost	Net Plan Cost Trend	Utilization	Utilization Trend	Lives	Net Cost Savings	Net Cost Savings Net of ENCRx Fee	Cost	Net Plan Cost Trend	Utilization	Utilization Trend
2023Q3	$ 5.14	-41.2%	0.19	-34.8%	12248	$ -	$ -	$ -	0.0%	0.00	0.0%
2023Q4	$ 4.97	-3.4%	0.18	-3.6%	12013	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q1	$ 7.39	48.7%	0.28	50.8%	11605	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q2	$ 12.05	63.0%	0.44	60.8%	11204	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q3	$ 17.27	43.3%	0.64	44.3%	11002	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q4	$ 19.84	14.9%	0.74	15.3%	10716	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q1	$ 22.58	13.8%	0.93	26.0%	10497	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q2	$ 27.42	21.4%	1.13	21.2%	10191	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q3	$ 32.36	18.0%	1.36	21.0%	10122	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q4	$ 36.89	14.0%	1.62	19.0%	9949	$ -	$ -	$ 36.89	0.0%	1.62	0.0%
2026Q1	$ 22.25	-39.7%	1.00	-38.2%	9709	$ 510,911.59	$ 486,153.64	$ 39.79	7.9%	1.67	3.2%
2026Q2	$ 53.07	138.5%	1.98	98.4%	6340	$ 297,328.76	$ 281,160.91	$ 68.71	72.7%	2.89	72.7%

$767.3K

EncircleRx has reduced your net Plan Cost PMPM by 31% resulting in $767.3K in total savings.

86%
Projected Net CostTrend

44%
Your Net CostTrend

31% Difference

78%
Projected Utilization Trend

23%
Your Net Utilization Trend

56% Difference

ENCIRCLERX: DIABETES

Net Cost Trend – Detailed

My Population								My Population Projected without EncircleRx Enrollment			
QUARTER	Cost	Net Plan Cost Trend	Utilization	Utilization Trend	Lives	Net Cost Savings	Net Cost Savings Net of ENCRx Fee	Cost	Net Plan Cost Trend	Utilization	Utilization Trend
2023Q3	$ 18.98	-25.6%	1.27	-23.9%	12248	$ -	$ -	$ -	0.0%	0.00	0.0%
2023Q4	$ 19.55	3.0%	1.36	7.0%	12013	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q1	$ 21.11	8.0%	1.41	3.5%	11605	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q2	$ 23.68	12.2%	1.58	11.8%	11204	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q3	$ 28.22	19.2%	1.83	16.1%	11002	$ -	$ -	$ -	0.0%	0.00	0.0%
2024Q4	$ 28.01	-0.8%	1.81	-1.4%	10716	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q1	$ 26.65	-4.9%	1.88	4.0%	10497	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q2	$ 27.17	2.0%	1.91	1.5%	10191	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q3	$ 28.67	5.5%	2.02	5.9%	10122	$ -	$ -	$ -	0.0%	0.00	0.0%
2025Q4	$ 28.56	-0.4%	2.07	2.5%	9949	$ -	$ -	$ 28.56	0.0%	2.07	0.0%
2026Q1	$ 28.03	-1.8%	2.03	-1.9%	9709	$ 66,344.38	$ 61,975.33	$ 30.31	6.1%	2.15	3.8%
2026Q2	$ 52.35	86.7%	2.72	34.0%	6340	$ (200,032.89)	$ (202,886.04)	$ 41.83	38.0%	2.97	38.0%

46%
Projected Net CostTrend

83%
Your Net CostTrend

-11% Difference

43%
Projected Utilization Trend

31%
Your Net Utilization Trend

12% Difference

Thank you.

EVERNORTH
HEALTH SERVICES

Segal

New Mexico Retiree Health Care Authority

2025 Prescribing Patterns

July 15-17, 2026

Madalena Consulting, LLC

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 2022 – 2025

Category	Days of Therapy	% of Total Days
Appropriate or Not Linkable[1]	779,553	58.9%
Usually Not Appropriate	313,583	23.7%
Sometimes Appropriate	231,395	17.5%

- 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
Family Medicine	32	264	94.7%
Dermatology	41	301	83.7%
Dermatology	92	780	81.7%
Urology	61	378	78.6%
Nurse Practitioner	37	152	75.0% ★
Physician Assistant	64	463	67.8%
Internal Medicine	35	1,284	65.5%
General Practice	78	2,543	65.2% ★
Urology	41	551	64.4%
Internal Medicine	40	527	62.6%

★ New Provider in 2025

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

CY2025 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	17	2,356	
Internal Medicine	9	2,017	★
Internal Medicine	14	1,968	
Family Medicine	7	1,665	
Nurse Practitioner	7	1,494	
Family Medicine	4	1,158	★
Nurse Practitioner	4	1,114	★
Internal Medicine	6	1,110	★
Physicians Assistant	4	1,080	★
Family Medicine	6	1,080	★

★ New Provider in 2025

1. Data is based on prescriptions dispensed in calendar year 2025 for both Medicare and non-Medicare plan participants

CY2025 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
Dermatology	Specialist	76.4%	60.0% ★
Family Medicine	PCP	70.9%	60.0% ★
Nurse Practitioner	PCP	70.9%	36.4% ★
Pharmacist	Specialist	76.4%	41.5% ★
Nurse Practitioner	PCP	70.9%	47.3% ★
Optometrist	Specialist	76.4%	53.3% ★
Family Medicine	PCP	70.9%	61.4% ★
Internal Medicine	PCP	70.9%	20.0% ★
Nurse Practitioner	PCP	70.9%	50.0% ★
Family Medicine	PCP	70.9%	64.3% ★

★ New Provider in 2025

1. Data is based on prescriptions dispensed in calendar year 2025 for both Medicare and non-Medicare plan participants.
2. 50th Percentile GDRs are based on data for all PCPs and Specialists, separately.

CY2025 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	
Optometrist	Specialist	$683.70	$1,804.74	★
Psychiatry and Neurology	Specialist	$683.70	$1,873.22	★
Optometrist	Specialist	$683.70	$1,470.87	★
Specialist	Specialist	$683.70	$1,606.69	★
Family Medicine	PCP	$2,301.61	$5,887.11	★
Internal Medicine	PCP	$2,301.61	$3,061.54	★
Nurse Practitioner	PCP	$683.70	$16,784.96	★
Family Medicine	PCP	$2,301.61	$8,030.99	★
Physician Assistant	PCP	$2,301.61	$15,297.87	★
Optometrist	Specialist	$683.70	$2,104.22	★

★ New Provider in 2025

1. Data is based on prescriptions dispensed in calendar year 2025 for both Medicare and non-Medicare plan participants.
2. 80th Percentile costs are based on data for all PCPs and Specialists, separately.

CY2025 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	12.40	11.30	310	
Specialist	Specialist	3.15	4.23	158	
Nurse Practitioner	PCP	12.40	22.78	140	
Family Medicine	PCP	12.40	16.38	138	★
Internal Medicine	PCP	12.40	16.11	110	
Internal Medicine	PCP	12.40	24.77	109	
Psychiatry and Neurology	Specialist	3.15	3.63	106	★
Family Medicine	PCP	12.40	13.37	106	
Family Medicine	PCP	12.40	15.36	106	
Family Medicine	PCP	12.40	20.44	100	

★ New Provider in 2025

1. Data is based on prescriptions dispensed in calendar year 2025 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.

CY2025 Morphine Equivalent

- Top 10 Providers dispensing a morphine equivalent with an average Morphine Milligram Equivalent (MME) quantity per patient exceeding the target 80th percentile

Practice Areads	Provider Type	80th Percentile	MME Qty Per Patient	# Patients	
Internal Medicine	PCP	434.49	528.42	310	
Family Medicine	PCP	434.49	529.41	170	★
Specialist	Specialist	185.71	434.81	158	★
Nurse Practitioner	PCP	434.49	1,660.96	140	
Family Medicine	PCP	434.49	452.70	138	★
Internal Medicine	PCP	434.49	648.15	110	
Family Medicine	PCP	434.49	1,137.00	100	
Family Medicine	PCP	434.49	459.57	94	★
Family Medicine	PCP	434.49	976.51	87	
Family Medicine	PCP	434.49	746.51	86	★

★ New Provider in 2025

1. Data is based on prescriptions dispensed in calendar year 2025 for both Medicare and non-Medicare plan participants.
2. 80th Percentile quantity per patient figure is based on data for all PCPs and Specialists, separately.

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Segal

New Mexico Retiree Health Care Authority

Pharmacy Cost Driver Report

Incurred Calendar Years 2023-2025

July 15-17, 2026

Amy Cohen, ASA, MAAA Senior Vice President, Segal
Mike Madalena, Madalena Consulting, LLC

Agenda

Assumptions and Methodology

Prescription Drug

- Overall Prescription Drug
- Commercial Prescription Drug
- EGWP Prescription Drug

Assumptions and Methodology

- Prescription drug claims provided by ESI, housed in the Madalena's Cognos data warehouse
  - Claims net of manufacturer rebates have been shown only 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 1/1/2023 and paid through 5/31/2026.
  - Costs reflect both plan and member payments net of provider discounts
  - Costs do not reflect SaveOnSP fees or savings
- Geographic regions map to the following counties based on retiree residence:
  - Albuquerque region includes Bernalillo, Sandoval, Torrance and Valencia counties
  - Santa Fe region includes Santa Fe County
  - Northwest Region includes Cibola, McKinley and San Juan counties
  - Northeast Region includes Colfax, Guadalupe, Harding, Los Alamos, Mora, Rio Arriba, San Miguel, Taos and Union counties
  - Southwest Region includes Catron, Dona Ana, Grant, Hidalgo, Luna, Otero, Sierra and Socorro counties
  - Southeast Region includes Chaves, Curry, De Baca, Eddy, Lea, Lincoln, Quay and Roosevelt counties
  - Outside of State includes all other states
- Distinct Patients means the count of unique patients by calendar year utilizing pharmacy benefits.

Assumptions and Methodology Cont.

- Historical average enrollment levels by plan and gender:

Plan	2023	2024	2025	2024 % Change	2025 % Change
Commercial Plan	12,365	11,130	10,189	-10.0%	-2.5%
EGWP Plan	20,500	19,979	19,496	-8.5%	-2.4%
Total	**32,865**	**31,108**	**29,685**	**-10.0%**	**-2.5%**

Year	Male	Male % of Total	Female	Female % of Total	Total
2023	12,983	39.5%	19,882	60.5%	**32,865**
2024	12,215	39.3%	18,893	60.7%	**31,108**
2025	11,591	39.0%	18,094	61.0%	**29,685**

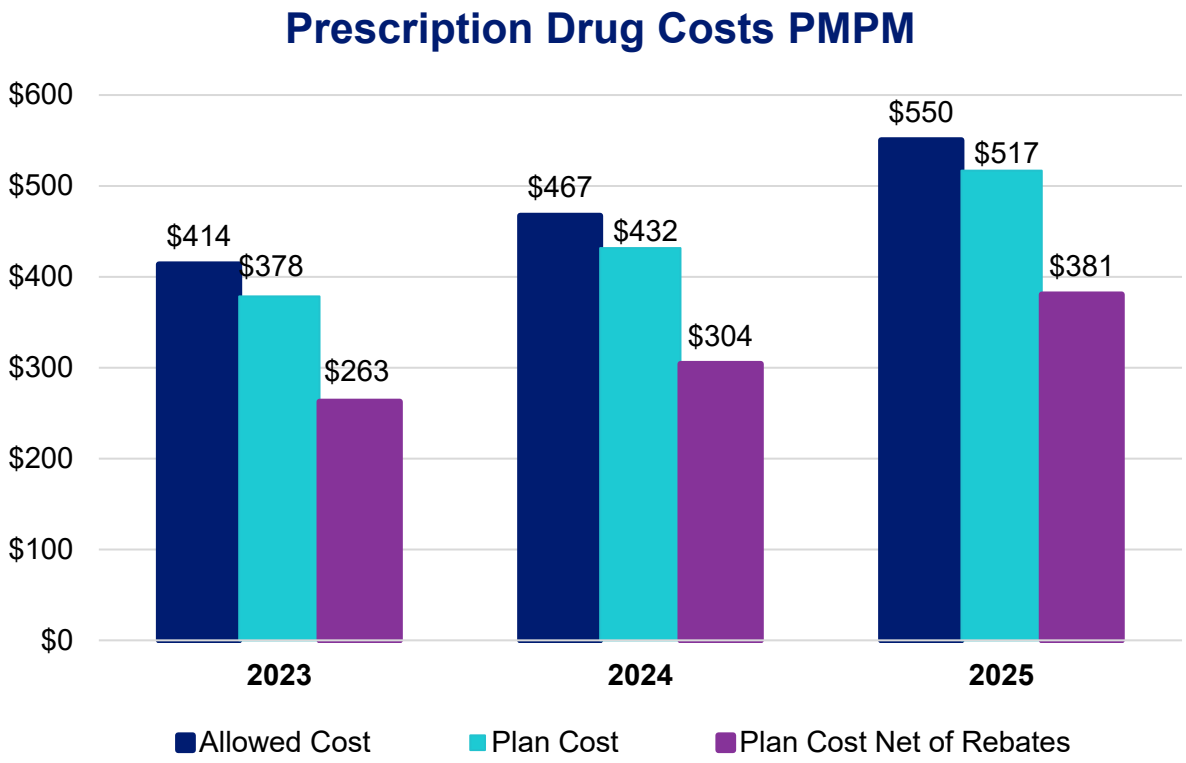
- Historical average enrollment distributions by region and age:

Geographic Region	2023	2024	2025
Albuquerque	25.1%	24.8%	24.5%
Santa Fe	11.9%	12.0%	12.1%
Northwest	6.6%	6.7%	6.8%
Northeast	12.2%	12.1%	12.2%
Southwest	15.2%	15.3%	15.4%
Southeast	14.3%	14.5%	14.7%
Out-of-State	14.7%	14.5%	14.4%
Total	**100.0%**	**100.0%**	**100.0%**

Year	Under 15	15-29	30-44	45-59	60-64	65+	Total
2023	0.4%	3.5%	0.3%	12.4%	19.3%	64.1%	**100.0%**
2024	0.4%	3.2%	0.2%	11.4%	18.7%	66.1%	**100.0%**
2025	0.3%	3.1%	0.2%	10.4%	18.4%	67.6%	**100.0%**

Prescription Drug

Total EGWP Wrap/Non-Medicare Rx Cost Summary (1 of 2)

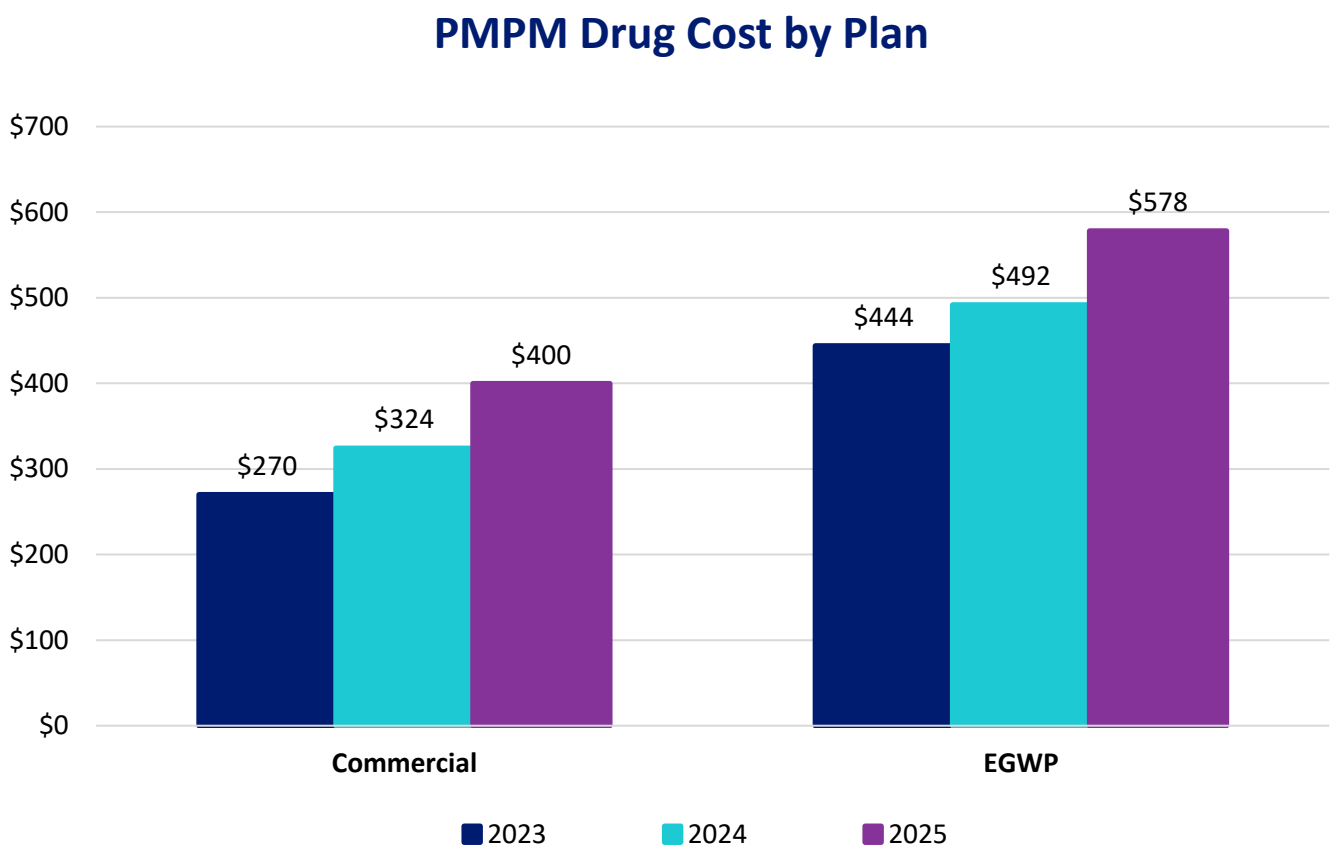


	2023	2024	2025
PMPM Cost			
Allowed Cost	$413.70	$467.34	$550.16
Plan Cost	$378.36	$431.63	$516.75
Plan Cost Net of Rebates	$262.78	$304.27	$380.53
PMPM Cost Trend			
Allowed Cost		13.0%	17.7%
Plan Cost		14.1%	19.7%
Plan Cost Net of Rebates		15.8%	25.1%

Observations

- Member cost share, as a percentage of allowed costs, decreased from 8.5% to 6.1% between 2023 and 2025.
- Rebates have decreased from 31% to 26% of plan costs in the three-year period.
  - This was anticipated because of drugs impacted by the American Rescue Plan Act (ARPA) experienced both cost and rebate reductions at the point of sale.

Total EGWP Wrap/Non-Medicare Rx Cost Summary (2 of 2)

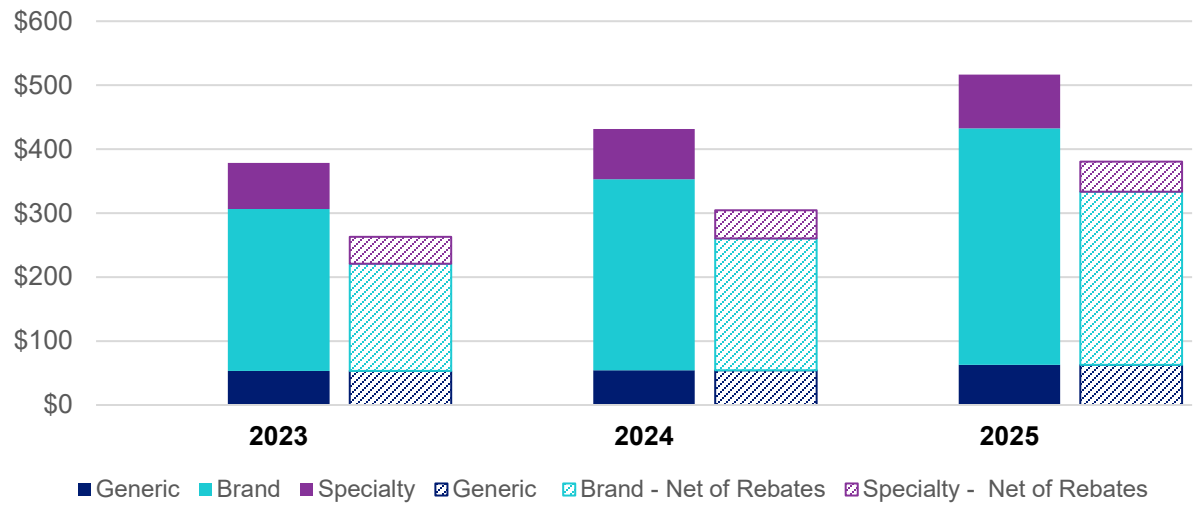


	2023	2024	2025
Plan Cost PMPM			
Commercial	$269.92	$324.12	$399.59
EGWP	$443.77	$491.51	$577.97
Plan Cost PMPM Trend			
Commercial		20.1%	23.3%
EGWP		10.8%	17.6%

Observations

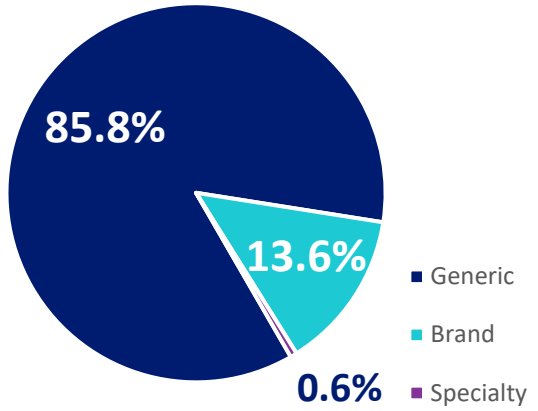
- Average costs in the commercial plan are about 31% less than those in the EGWP plan before the impact of rebates and subsidies.
- The commercial plan experienced a higher trend in 2025 than the EGWP plan, which was driven by the increasing cost of brand drugs at retail.

Prescription Drug PMPM Cost

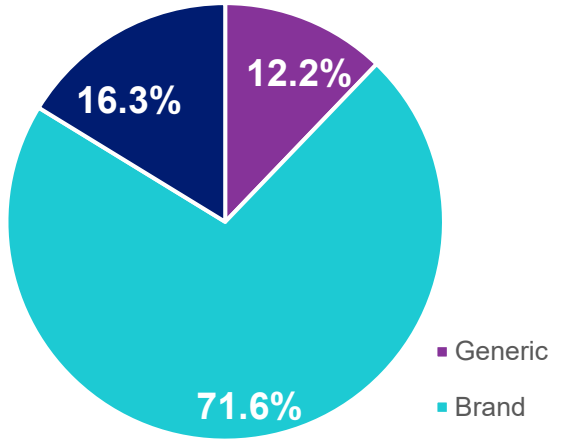


	2023	2024	2025
Plan Cost PMPM			
Generic	$53.34	$54.51	$62.90
Brand	$253.21	$298.33	$369.83
Specialty	$71.81	$78.79	$84.02
Plan Cost PMPM Trend			
Generic		2.2%	15.4%
Brand		17.8%	24.0%
Specialty		9.7%	6.6%

Distribution of Scripts



Distribution of Plan Costs

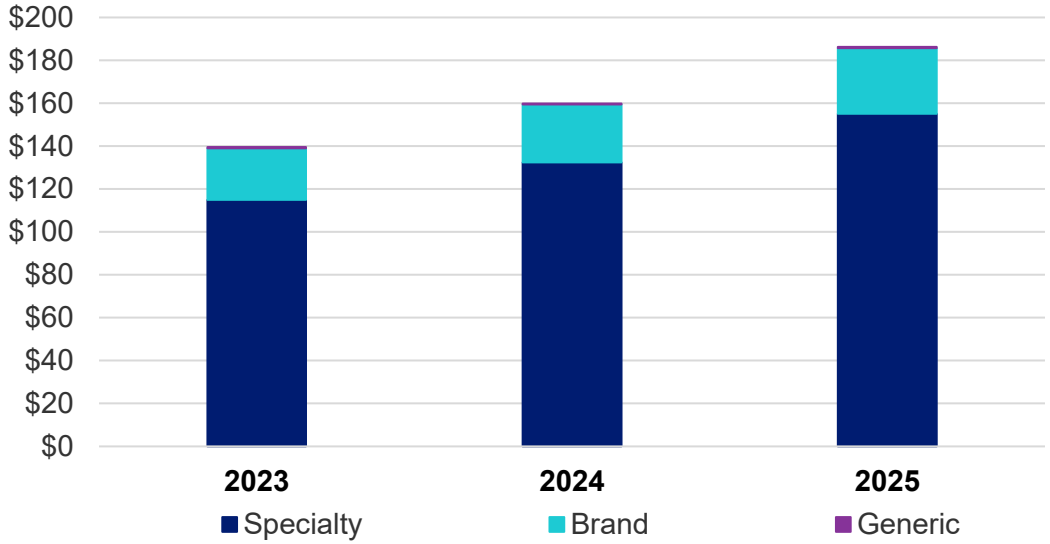


Observations

- Prior to 2025, rebates have reduced PMPM drug costs by 30%. In 2025, the rebate yield is expected to be about 26%.
- Specialty drugs account for less than 1% of scripts and about 16% of allowed charges (before rebates), which drives overall trend, along with GLP-1s.

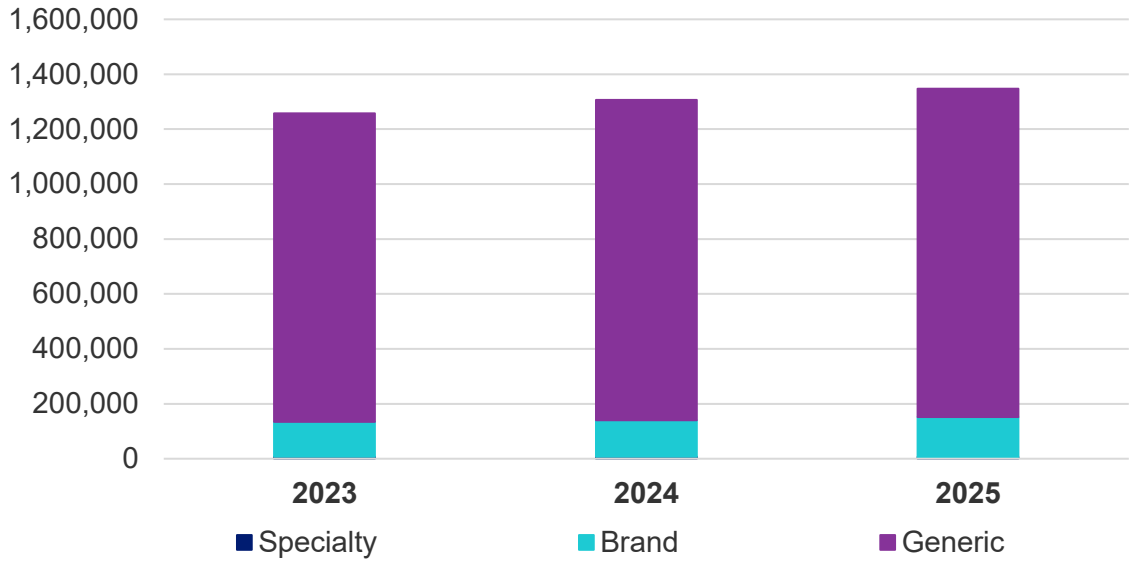
Total EGWP Wrap/Non-Medicare Plans (2 of 3)

Prescription Drug Plan Cost per Day of Therapy



	2023	2024	2025
Plan Cost per Day of Therapy			
Generic	$0.57	$0.56	$0.63
Brand	$24.02	$26.94	$30.52
Specialty	$115.01	$132.42	$155.10
Total	$3.61	$3.97	$4.60
Trend			
Generic		-1.6%	12.5%
Brand		12.2%	13.3%
Specialty		15.1%	17.1%
Total		9.8%	16.0%

Prescription Drug Days per 1,000 Lives



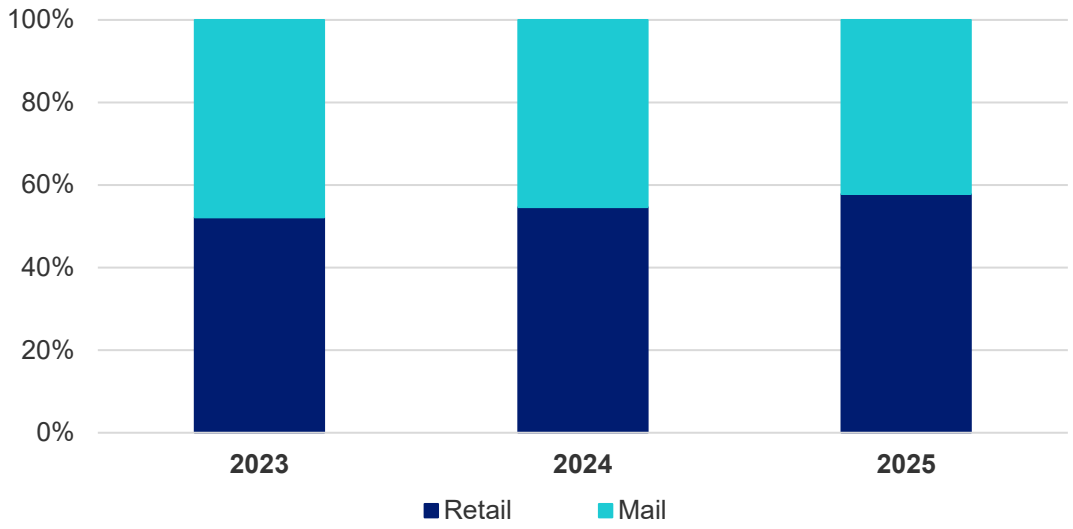
	2023	2024	2025
Days of Therapy per 1,000			
Generic	1,123,188	1,166,217	1,195,855
Brand	126,520	132,876	145,410
Specialty	7,492	7,140	6,500
Total	1,257,201	1,306,232	1,347,765
Trend			
Generic		3.8%	2.5%
Brand		5.0%	9.4%
Specialty		-4.7%	-9.0%
Total		3.9%	3.2%

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

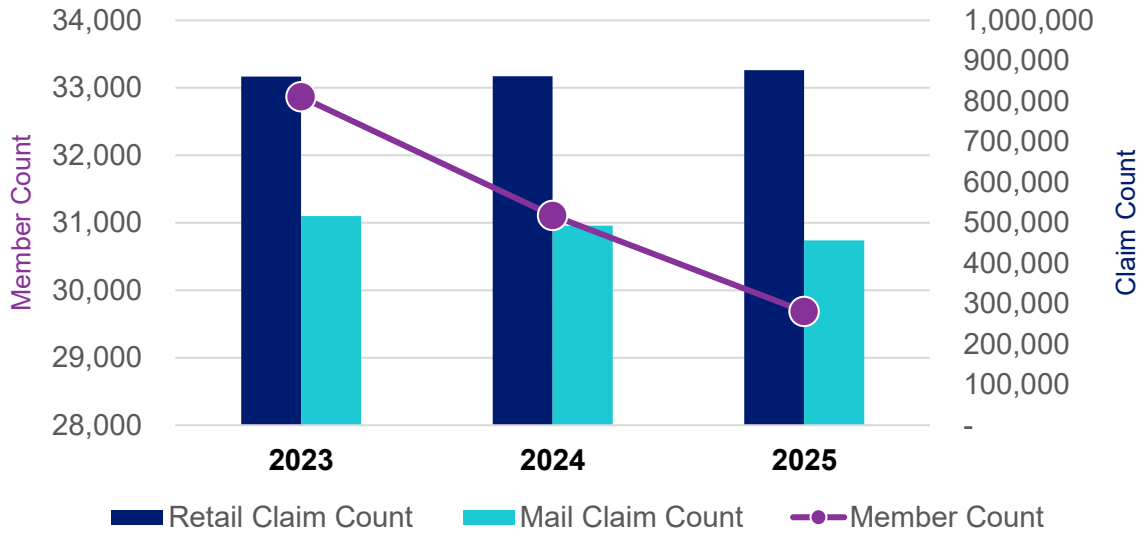
Overall Rx Plan (Plan Costs and 30-Day Adj. Claim Count)

Total EGWP Wrap/Non-Medicare Plans (3 of 3)

Distribution of Plan Cost



Distribution of 30-Day Adjusted Claims



	2023	2024	2025
Plan Cost			
Retail	$77,857,969	$87,998,745	$106,495,049
Mail	$71,362,730	$73,125,746	$77,581,070
Total	$149,220,700	$161,124,491	$184,076,119
% Retail	52.2%	54.6%	57.9%

	2023	2024	2025
30-Day Adjusted Script Count			
Retail	860,908	861,531	876,791
Mail	516,370	492,945	456,823
Total	1,377,278	1,354,476	1,333,614
% Retail	62.5%	63.6%	65.7%

Observations

- Membership has been declining over the last three years. There has been a corresponding decline in utilization overall in terms of script count; however, more scripts are being filled in retail pharmacy settings than in prior years.
- Since 2023, the average day of therapy per script at retail and mail order pharmacy has increased 4.2% (38.3 to 39.9 days) and 2.9% (83.4 to 85.8 days), respectively.

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

Cost vs. Quantity: Top 10 Specialty Drugs

Total EGWP Wrap/Non-Medicare Plans

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	**DUPIXENT**							
	Allowed Cost per Patient	$30,838	$30,969	$37,800	0.4%	22.1%	↑	↑
	Patients per 1,000	2.3	3.1	4.2	37.1%	35.4%		
	Average Cost per DOT	$126.95	$137.45	$153.79	8.3%	11.9%	↑	↑
	DOT per 1,000	547.0	695.3	1,026.7	27.1%	47.7%		
2	**HUMIRA**							
	Allowed Cost per Patient	$62,514	$55,998	$55,967	-10.4%	-0.1%	⇔	↓
	Patients per 1,000	4.0	4.2	2.6	7.3%	-38.1%		
	Average Cost per DOT	$264.41	$273.29	$281.53	3.4%	3.0%	↑	↓
	DOT per 1,000	935.2	869.5	522.4	-7.0%	-39.9%		
3	**XTANDI**							
	Allowed Cost per Patient	$74,295	$71,022	$129,948	-4.4%	83.0%	↑	↓
	Patients per 1,000	1.1	1.4	0.9	26.8%	-32.6%		
	Average Cost per DOT	$438.06	$454.02	$494.52	3.6%	8.9%	↑	↑
	DOT per 1,000	180.6	211.2	239.0	16.9%	13.2%		
4	**IBRANCE**							
	Allowed Cost per Patient	$107,707	$133,875	$138,438	24.3%	3.4%	↑	⇔
	Patients per 1,000	0.9	0.6	0.6	-27.1%	-0.4%		
	Average Cost per DOT	$541.52	$586.66	$590.02	8.3%	0.6%	⇔	↑
	DOT per 1,000	175.5	146.7	150.2	-16.4%	2.4%		
5	**KISQALI**							
	Allowed Cost per Patient	$71,259	$81,021	$98,289	13.7%	21.3%	↑	↑
	Patients per 1,000	0.3	0.7	0.8	146.5%	19.8%		
	Average Cost per DOT	$558.65	$566.58	$597.05	1.4%	5.4%	↑	↑
	DOT per 1,000	34.9	96.5	133.1	176.4%	37.9%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	**OFEV**							
	Allowed Cost per Patient	$72,227	$81,550	$74,991	12.9%	-8.0%	↓	↑
	Patients per 1,000	0.8	0.7	1.0	-2.8%	32.1%		
	Average Cost per DOT	$398.60	$441.12	$463.99	10.7%	5.2%	↑	↑
	DOT per 1,000	137.8	136.7	157.9	-0.8%	15.5%		
7	**IMBRUVICA**							
	Allowed Cost per Patient	$115,878	$126,968	$120,169	9.6%	-5.4%	↓	↓
	Patients per 1,000	0.8	0.7	0.5	-11.3%	-25.1%		
	Average Cost per DOT	$538.27	$534.12	$604.07	-0.8%	13.1%	↑	↓
	DOT per 1,000	163.8	160.5	100.5	-2.0%	-37.4%		
8	**TAGRISSO**							
	Allowed Cost per Patient	$123,735	$139,987	$157,091	13.1%	12.2%	↑	↑
	Patients per 1,000	0.2	0.3	0.4	32.1%	15.3%		
	Average Cost per DOT	$551.16	$579.42	$616.70	5.1%	6.4%	↑	↑
	DOT per 1,000	54.6	77.7	94.4	42.1%	21.5%		
9	**ORENCIA**							
	Allowed Cost per Patient	$55,282	$45,874	$53,739	-17.0%	17.1%	↑	↑
	Patients per 1,000	0.7	1.0	1.0	32.1%	4.8%		
	Average Cost per DOT	$205.03	$216.90	$236.94	5.8%	9.2%	↑	↑
	DOT per 1,000	196.9	204.0	229.2	3.6%	12.4%		
10	**REVLIMID**							
	Allowed Cost per Patient	$56,942	$88,041	$59,824	54.6%	-32.0%	↓	↑
	Patients per 1,000	1.0	0.7	0.9	-29.6%	23.8%		
	Average Cost per DOT	$636.11	$640.51	$608.78	0.7%	-5.0%	↓	↓
	DOT per 1,000	89.9	97.2	86.1	8.2%	-11.5%		

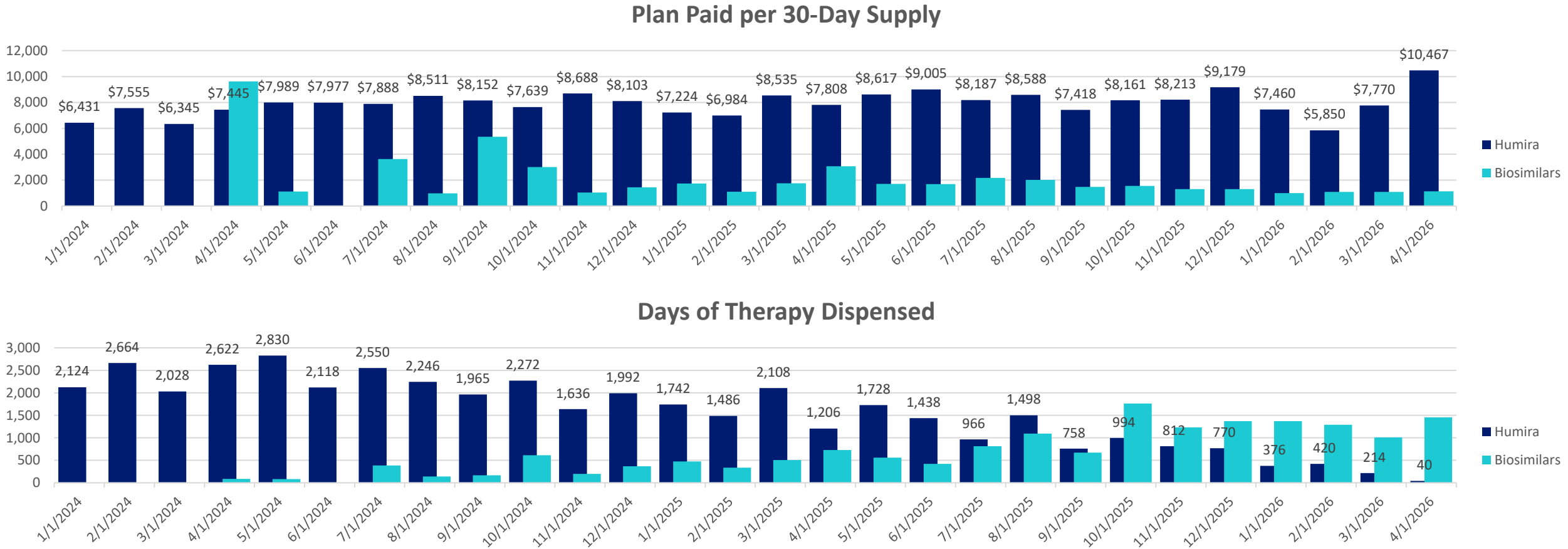
Observations

- $4.7M was spent on Dupixent in 2025, which is up from $3.0M in 2024. The increase is attributable to the specialty drug's rising cost due to the absence of biosimilars and other low-cost alternatives in the market.

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

Total EGWP Wrap/Non-Medicare Plans



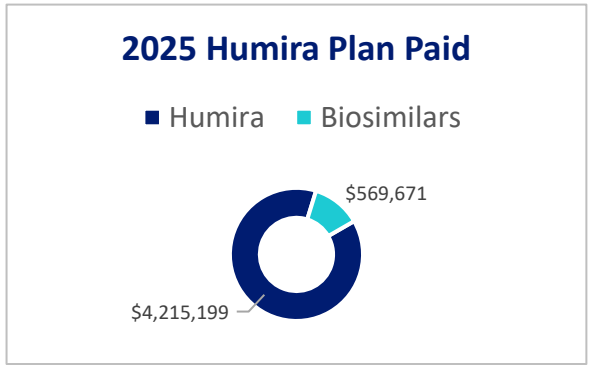
Observations

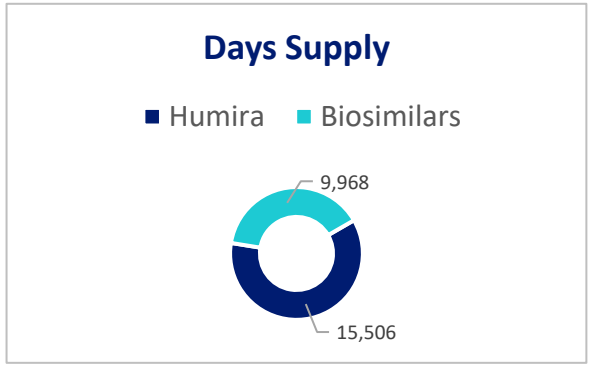
- NM RHCA members began using biosimilar's to Humira in April 2024 shortly after their launch.
- Between April 1, 2025 and March 31, 2026, the plan paid $3.1M, or $8,267 for a 30-day supply, for Humira while the average cost of a 30-day supply for biosimilars was 81% less at $1,532 per 30-day supply before rebates.
- The utilization of Humira has reduced by 56.3% based on days supply dispensed per month from the initial 12 months of biosimilar availability.

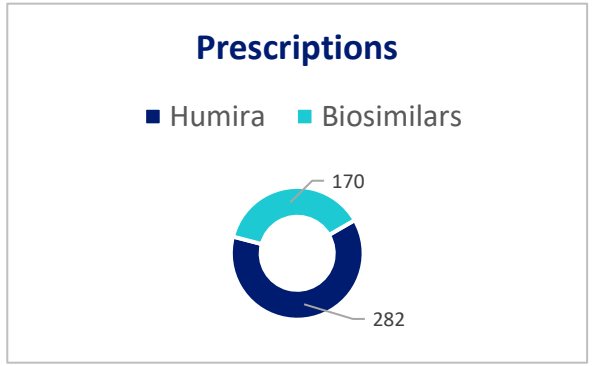
Notes:
1. Biosimilars include Adalimumab, Cyltezo, and Idacio
2. Prescription drug costs shown reflect plan payments and do not reflect the value of manufacturer rebates or variable coupon program savings.

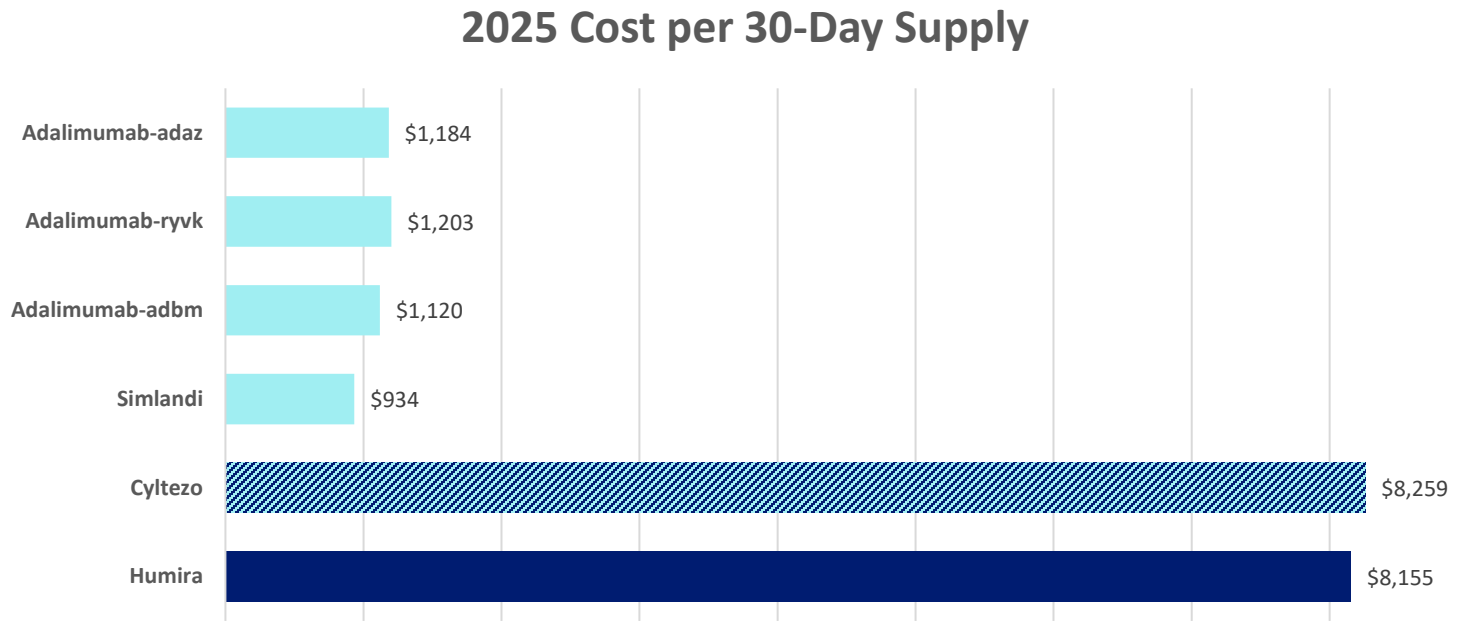
Biosimilar Utilization: Humira Cont.

Total EGWP Wrap/Non-Medicare Plans









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/Cyltezo was $8,160 as compared to $1,156 for a low-WAC biosimilar drug.

Notes:
1. Biosimilars include Adalimumab, Cyltezo, and Simlandi
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

Total EGWP Wrap/Non-Medicare Plans

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	ELIQUIS							
	Allowed Cost per Patient	$3,617	$3,840	$4,101	6.2%	6.8%	↑	↑
	Patients per 1,000	67.5	77.3	84.3	14.6%	9.0%		
	Average Cost per DOT	$16.78	$17.73	$18.12	5.7%	2.2%	↑	↑
	DOT per 1,000	14,557.2	16,750.9	19,077.1	15.1%	13.9%		
2	MOUNJARO							
★	Allowed Cost per Patient	$2,993	$3,712	$4,159	24.0%	12.1%	↑	↑
	Patients per 1,000	20.3	42.1	70.7	108.0%	67.8%		
	Average Cost per DOT	$33.26	$34.77	$35.14	4.5%	1.1%	↑	↑
	DOT per 1,000	1,823.4	4,499.3	8,370.3	146.8%	86.0%		
3	OZEMPIC							
★	Allowed Cost per Patient	$3,550	$4,626	$5,328	30.3%	15.2%	↑	⇔
	Patients per 1,000	36.5	50.4	50.2	38.4%	-0.5%		
	Average Cost per DOT	$28.95	$30.19	$31.37	4.3%	3.9%	↑	↑
	DOT per 1,000	4,469.5	7,728.6	8,524.9	72.9%	10.3%		
4	JARDIANCE							
	Allowed Cost per Patient	$3,267	$3,556	$3,991	8.9%	12.2%	↑	↑
	Patients per 1,000	27.3	38.0	44.3	39.4%	16.6%		
	Average Cost per DOT	$17.52	$18.10	$18.71	3.3%	3.3%	↑	↑
	DOT per 1,000	5,084.1	7,464.3	9,450.6	46.8%	26.6%		
5	ENBREL							
	Allowed Cost per Patient	$55,880	$55,568	$75,023	-0.6%	35.0%	↑	↓
	Patients per 1,000	2.0	2.2	2.1	5.6%	-1.5%		
	Average Cost per DOT	$246.67	$257.95	$303.60	4.6%	17.7%	↑	↑
	DOT per 1,000	461.8	464.0	524.4	0.5%	13.0%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	ZEPBOUND							
★	Allowed Cost per Patient	$1,299	$2,073	$3,216	59.6%	55.2%	↑	↑
	Patients per 1,000	0.6	20.1	44.9	3380.9%	123.3%		
	Average Cost per DOT	$35.25	$35.62	$36.07	1.1%	1.3%	↑	↑
	DOT per 1,000	21.3	1,170.8	4,006.4	5397.1%	242.2%		
7	WEGOVY							
★	Allowed Cost per Patient	$2,489	$3,068	$4,158	23.2%	35.5%	↑	↑
	Patients per 1,000	14.5	25.3	29.5	74.5%	16.6%		
	Average Cost per DOT	$45.05	$45.23	$44.93	0.4%	-0.7%	⇔	↑
	DOT per 1,000	802.0	1,718.1	2,734.5	114.2%	59.2%		
8	RINVOQ							
	Allowed Cost per Patient	$46,345	$49,056	$54,452	5.9%	11.0%	↑	↑
	Patients per 1,000	1.5	1.8	2.2	20.7%	21.6%		
	Average Cost per DOT	$211.76	$220.23	$249.21	4.0%	13.2%	↑	↑
	DOT per 1,000	326.3	401.0	478.4	22.9%	19.3%		
9	SKYRIZI							
	Allowed Cost per Patient	$57,976	$62,550	$76,100	7.9%	21.7%	↑	↑
	Patients per 1,000	1.0	1.1	1.4	2.5%	36.5%		
	Average Cost per DOT	$282.81	$272.39	$312.30	-3.7%	14.7%	↑	↑
	DOT per 1,000	212.1	243.6	353.0	14.9%	44.9%		
10	FARXIGA							
	Allowed Cost per Patient	$3,589	$3,694	$3,874	2.9%	4.9%	↑	↑
	Patients per 1,000	21.0	24.1	28.0	15.2%	16.0%		
	Average Cost per DOT	$16.99	$17.47	$18.03	2.8%	3.2%	↑	↑
	DOT per 1,000	4,428.0	5,105.3	6,017.0	15.3%	17.9%		

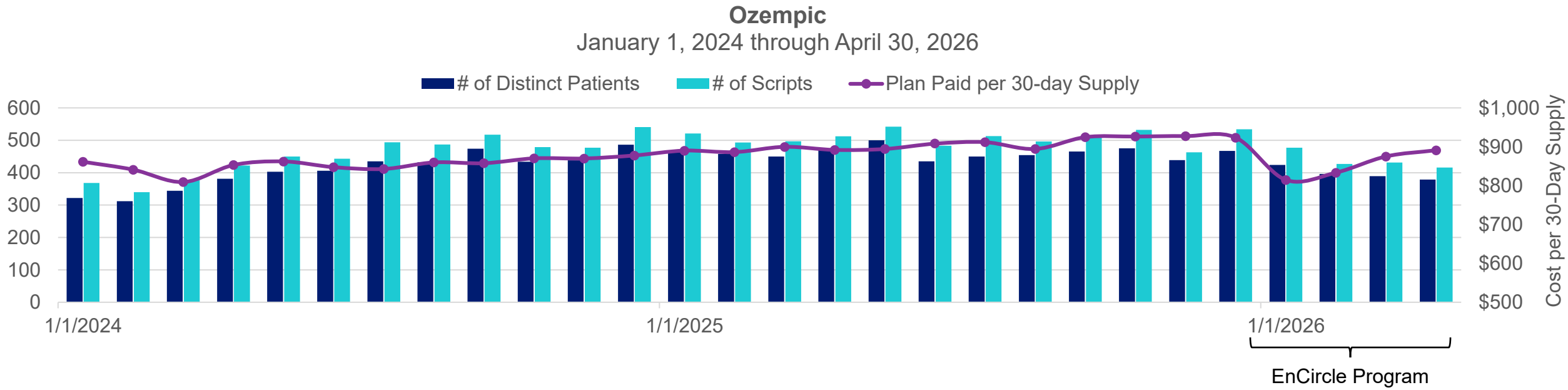
Observations

- Four of the top 10 brand drugs are GLP-1 products with allowed charges totaling $24.6M in 2025.
  - Costs for Ozempic, Mounjaro, Zepbound and Wegovy are significant drivers of trend for both utilization and costs.

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

Total EGWP Wrap/Non-Medicare Plans



	2023	2024	2025	2024	2025
Ozempic					
Average Cost per Patient	$3,550	$4,626	$5,328	30.3%	15.2%
Patients per 1,000	36.5	50.4	50.2	38.4%	-0.5%
Average Cost per DOT	$28.95	$30.19	$31.37	4.3%	3.9%
DOT per 1,000	4,469.5	7,728.6	8,524.9	72.9%	10.3%

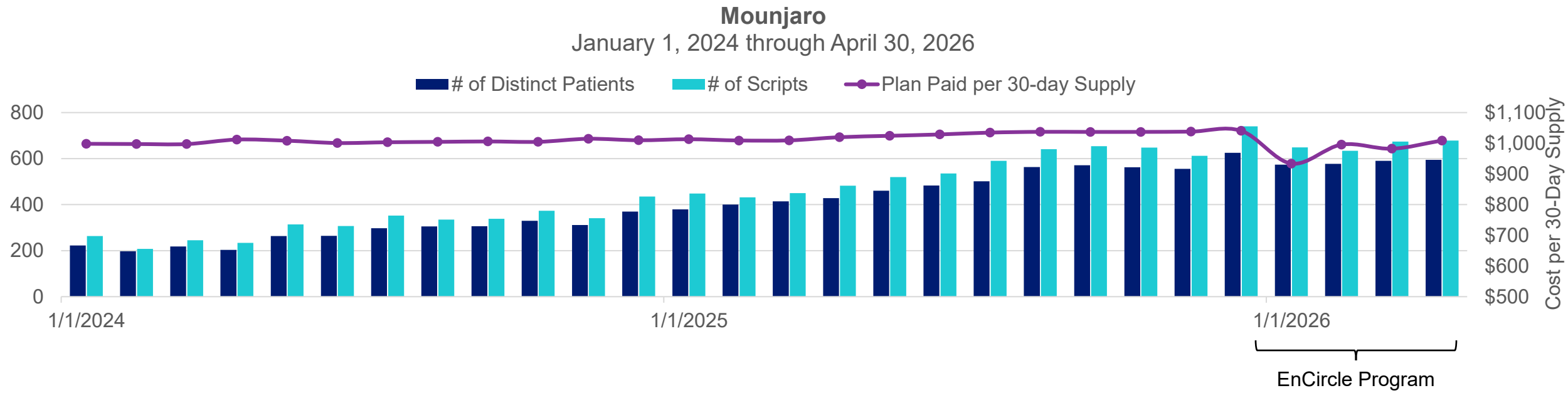
Observations

- The number of distinct patients utilizing Ozempic fell by 5% from 1,569 in 2024 to 1,490 in 2025.
- Although the number of patients decreased in 2025, both average cost per day and the number of days dispensed increased such that plan spend increased by 11.6%.

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.

GLP-1 Utilization: Mounjaro

Total EGWP Wrap/Non-Medicare Plans



	2023	2024	2025	2024	2025
Mounjaro					
Average Cost per Patient	$2,993	$3,712	$4,159	24.0%	12.1%
Patient per 1,000	20.3	42.1	70.7	108.0%	67.8%
Average Cost per DOT	$33.26	$34.77	$35.14	4.5%	1.1%
DOT per 1,000	1,823.4	4,499.3	8,370.3	146.8%	86.0%

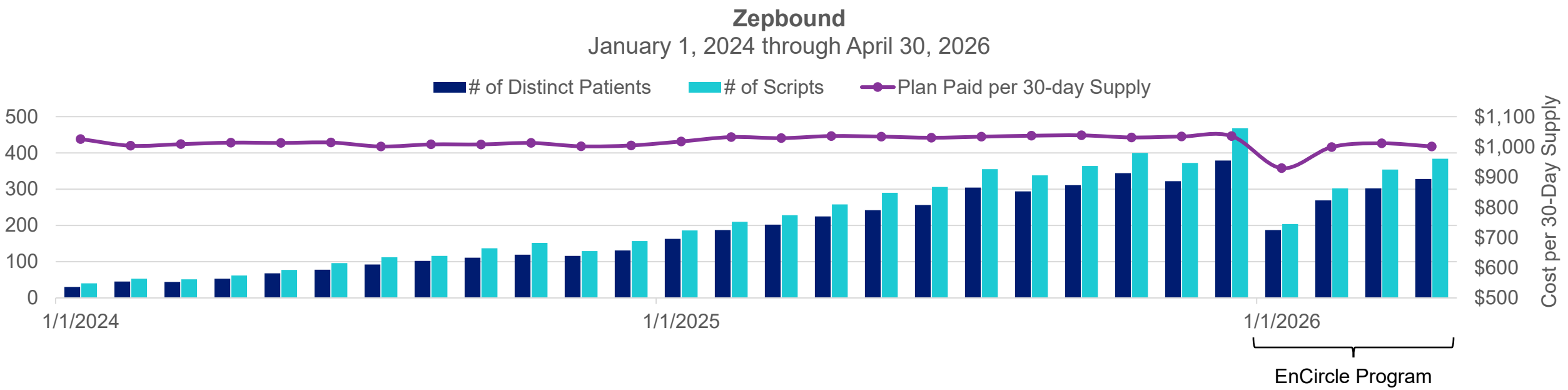
Observations

- The number of distinct patients utilizing Mounjaro grew by 60.1% from 1,311 in 2024 to 2,099 in 2025.
- While the average cost per day experienced a moderate increase in 2025, the increase in patients and days dispensed resulted in an 81.8% increase in plan payments (from $4.7M to $8.5M).

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.

GLP-1 Utilization: Zepbound

Total EGWP Wrap/Non-Medicare Plans



	2023	2024	2025	2024	2025
Zepbound					
Average Cost per Patient	$1,299	$2,073	$3,216	59.6%	55.2%
Patient per 1,000	0.6	20.1	44.9	3380.9%	123.3%
Average Cost per DOT	$35.25	$35.62	$36.07	1.1%	1.3%
DOT per 1,000	21.3	1,170.8	4,006.4	5397.1%	242.2%

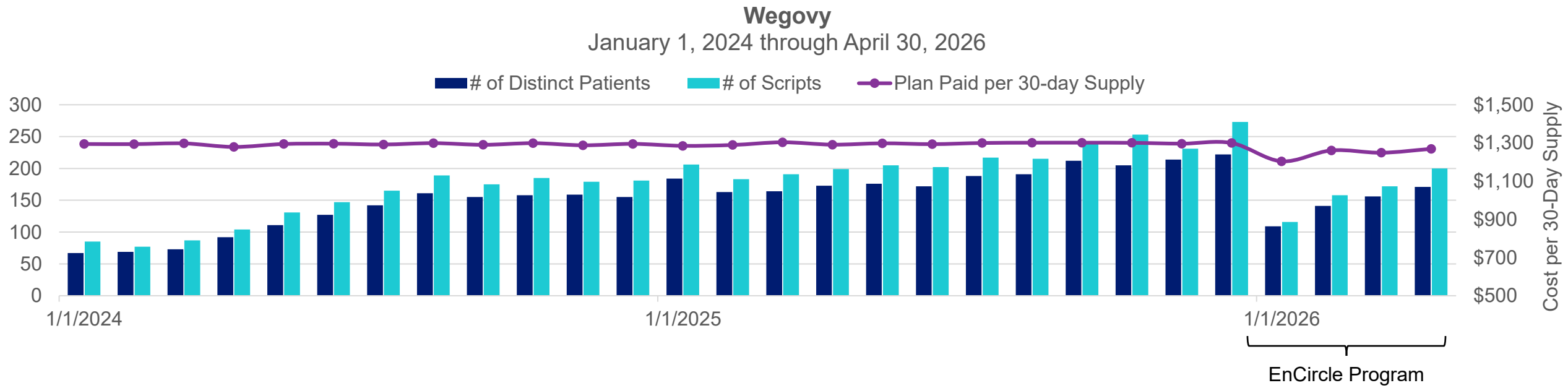
Observations

- The number of distinct patients utilizing Zepbound grew by 113% in 2025 (from 626 in 2024 to 1,334).
- In 2025, the average days supply per patient increased from 58.2 to 89.2 days, which resulted in a 235% increase in plan spend (from $1.2M to $4.1M).

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.

GLP-1 Utilization: Wegovy

Total EGWP Wrap/Non-Medicare Plans



	2023	2024	2025	2024	2025
Wegovy					
Average Cost per Patient	$2,489	$3,068	$4,158	23.2%	35.5%
Patient per 1,000	14.5	25.3	29.5	74.5%	16.6%
Average Cost per DOT	$45.05	$45.23	$44.93	0.4%	-0.7%
DOT per 1,000	802.0	1,718.1	2,734.5	114.2%	59.2%

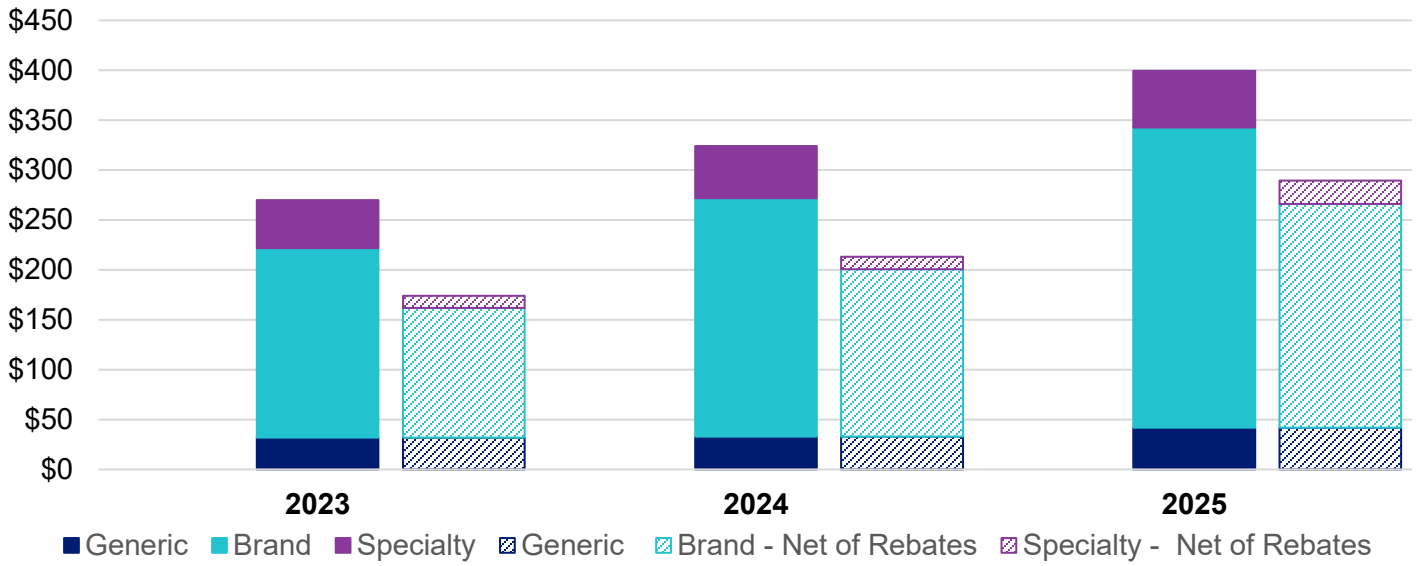
Observations

- The number of patients utilizing Wegovy grew by 11.3% in 2025 (from 788 to 877).
- In 2025, the average days supply per patient increased from 67.8 to 92.6 days, which resulted in a 52.3% increase in plan payments.

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.

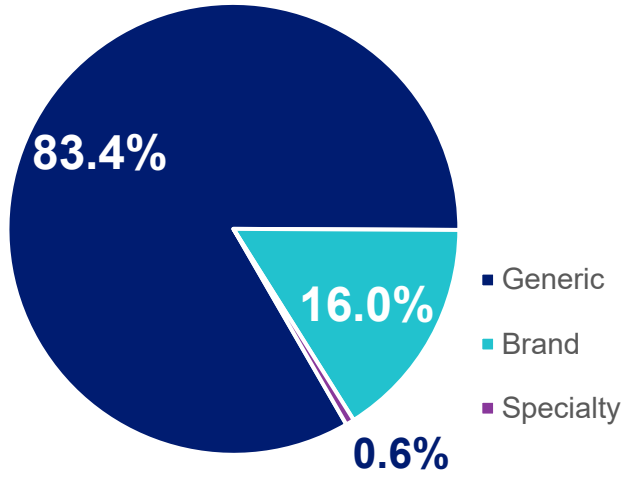
Commercial Prescription Drug

Prescription Drug PMPM Cost

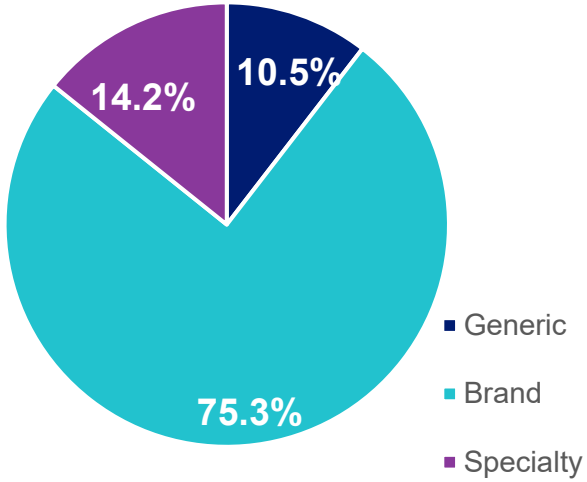


	2023	2024	2025
Plan Cost PMPM			
Generic	$32.01	$33.04	$41.79
Brand	$189.82	$238.92	$300.87
Specialty	$48.09	$52.16	$56.93
Plan Cost PMPM Trend			
Generic - Trend		3.2%	26.5%
Brand - Trend		25.9%	25.9%
Specialty - Trend		8.5%	9.1%

Distribution of Scripts



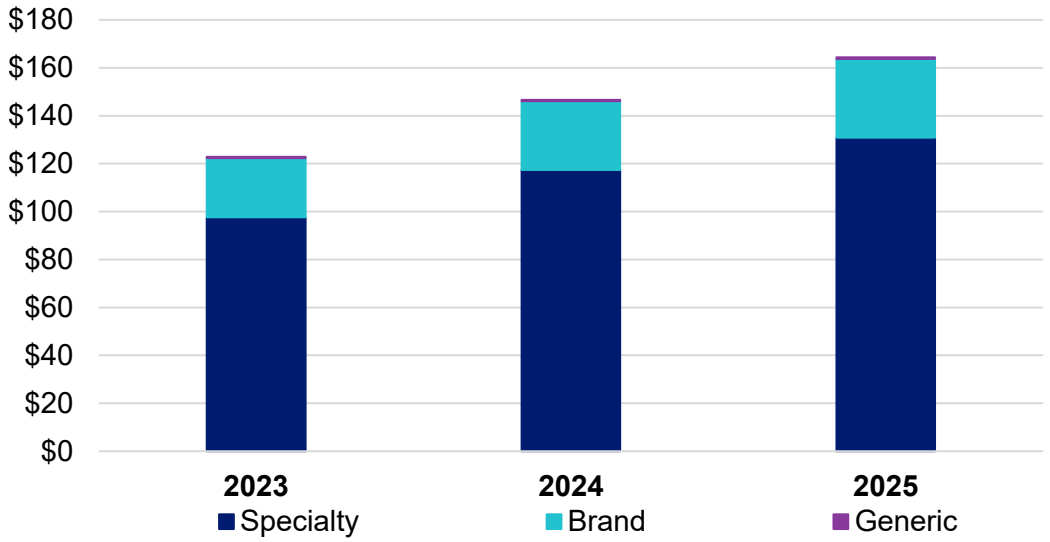
Distribution of Plan Costs



Observations

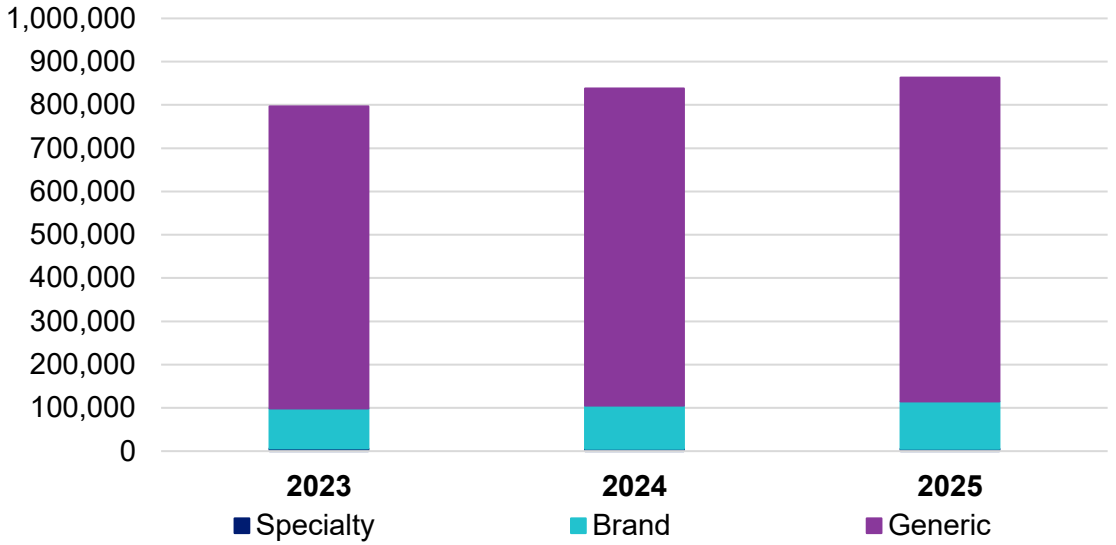
- In 2025, rebate yield dropped from 34% to 28% which was partially driven by the ARPA drug list.
- Specialty drugs account for less than 1% of scripts and about 14% of allowed charges (before rebates), which drives overall trend, along with GLP-1s.

Prescription Drug Cost per Day of Therapy



	2023	2024	2025
Plan Cost per Day of Therapy			
Generic	$0.55	$0.54	$0.67
Brand	$24.59	$28.79	$32.83
Specialty	$97.68	$117.32	$130.81
Total	$4.07	$4.64	$5.56
Trend			
Generic		-1.7%	24.0%
Brand		17.0%	14.0%
Specialty		20.1%	11.5%
Total		14.2%	19.7%

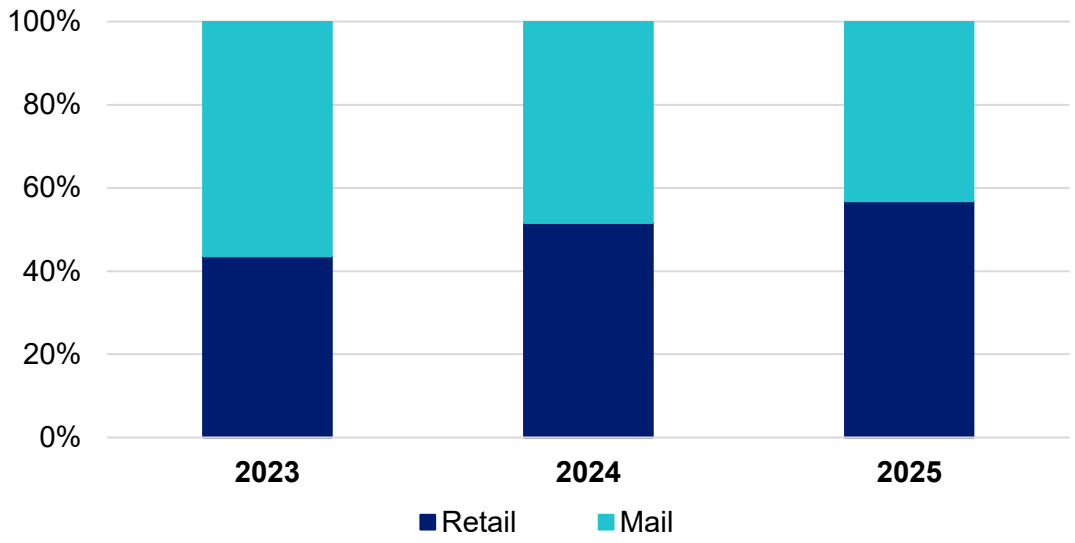
Prescription Drug Days per 1,000 Lives



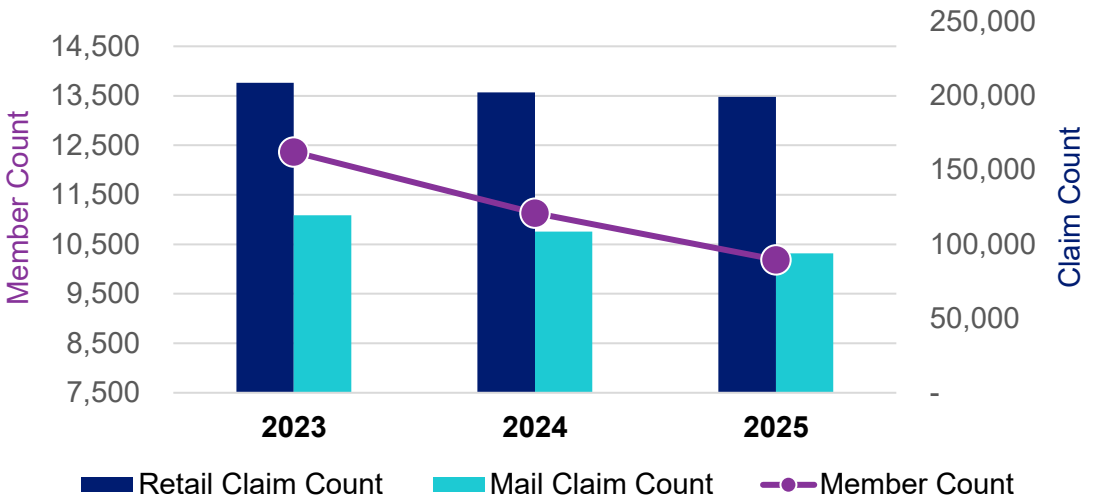
	2023	2024	2025
Days of Therapy per 1,000			
Generic	698,107	732,895	747,801
Brand	92,619	99,600	109,979
Specialty	5,908	5,336	5,222
Total	796,635	837,830	863,002
Trend			
Generic		5.0%	2.0%
Brand		7.5%	10.4%
Specialty		-9.7%	-2.1%
Total		5.2%	3.0%

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

Distribution of Plan Cost



Distribution of 30-Day Adjusted Claims



	2023	2024	2025
Plan Cost			
Retail	$17,448,747	$22,321,680	$27,748,649
Mail	$22,603,451	$20,966,138	$21,108,506
Total	$40,052,198	$43,287,818	$48,857,155
% Retail	43.6%	51.6%	56.8%

	2023	2024	2025
30-Day Adjusted Script Count			
Retail	208,850	202,340	199,243
Mail	119,503	108,481	93,859
Total	328,353	310,821	293,102
% Retail	63.6%	65.1%	68.0%

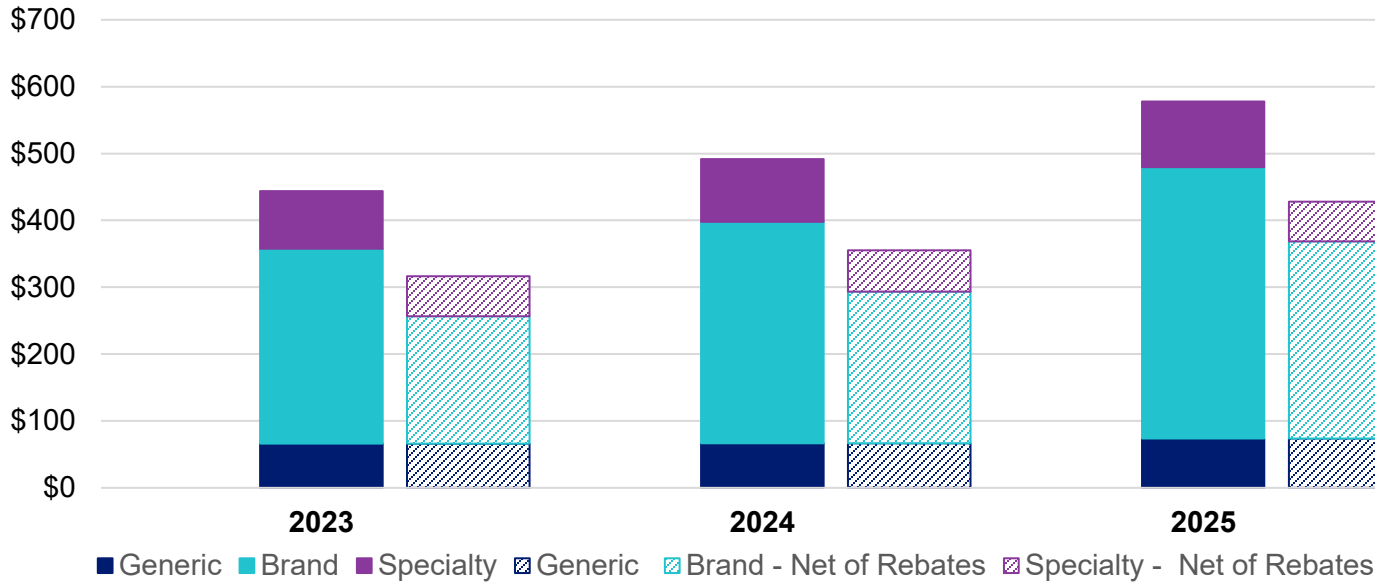
Observations

- As the non-Medicare population – and the number of prescriptions filled - declines, costs are rising at retail pharmacies faster than mail order.
- In 2025, the average day of therapy per script at retail and mail order pharmacy was 30.1 and 84.4 days, respectively.

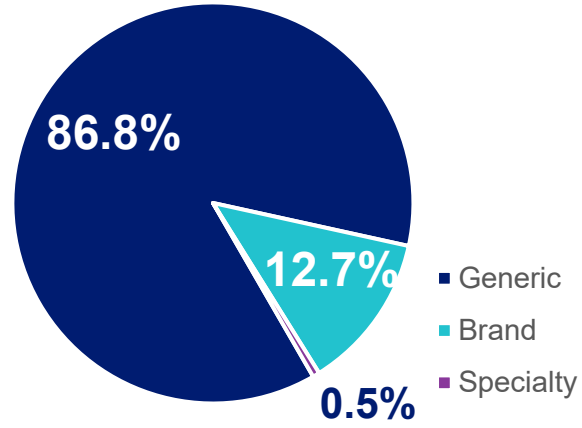
Notes:
1. Prescription drug costs shown do not reflect the value of manufacturer rebates

EGWP Wrap Prescription Drug

Prescription Drug PMPM Cost

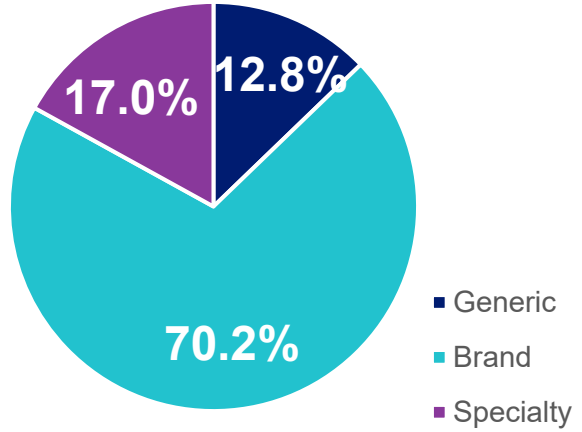


Distribution of Scripts



	2023	2024	2025
Plan Cost PMPM			
Generic	$66.21	$66.47	$73.93
Brand	$291.45	$331.42	$405.87
Specialty	$86.11	$93.62	$98.17
Plan Cost PMPM Trend			
Generic		0.4%	11.2%
Brand		13.7%	22.5%
Specialty		8.7%	4.9%

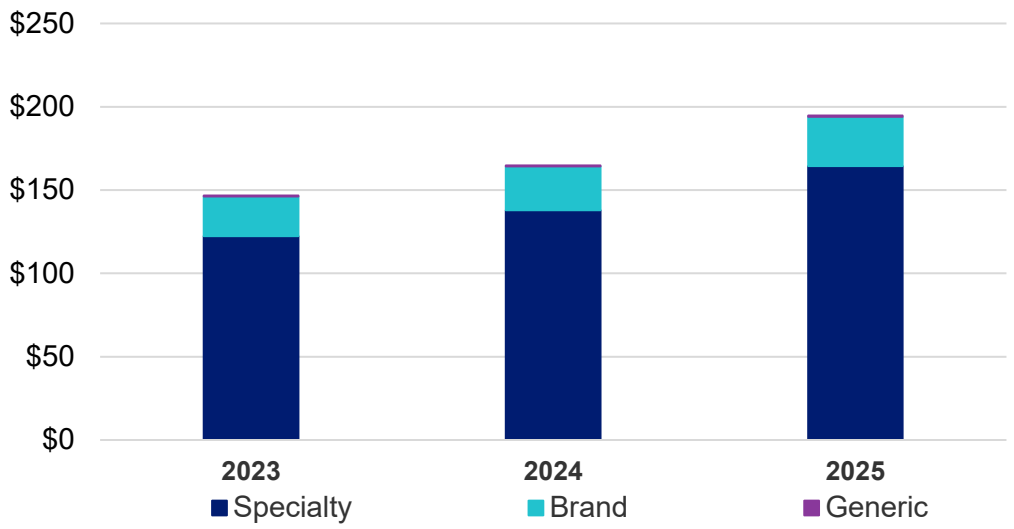
Distribution of Plan Costs



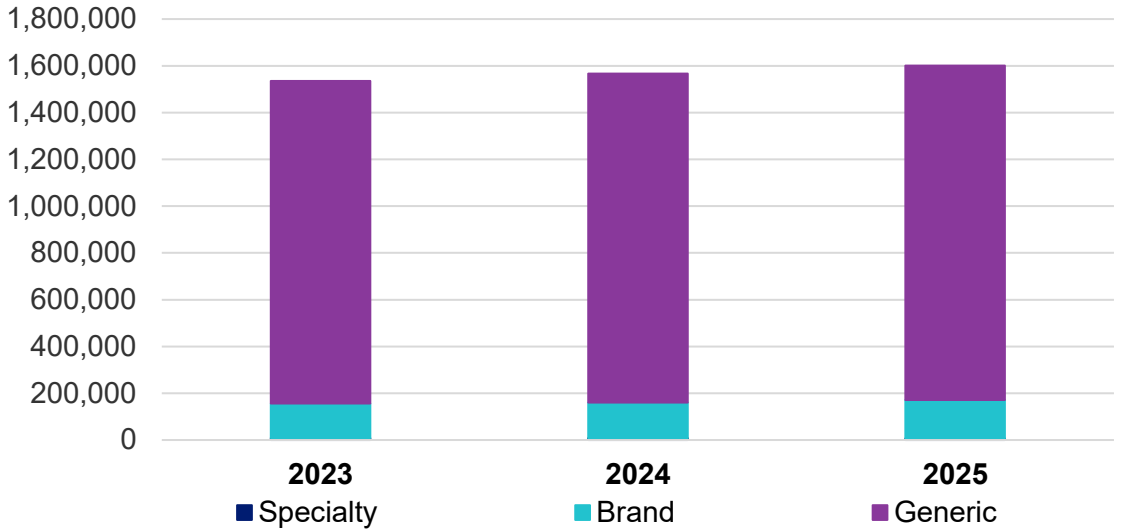
Observations

- In 2025, rebate yield dropped from 28% to 26% which was partially driven by the ARPA drug list.
- Specialty drugs account for less than 1% of scripts and about 17% of allowed charges (before rebates), which drives overall trend, along with GLP1s.

Prescription Drug Cost per Day of Therapy



Prescription Drug Days per 1,000 Lives

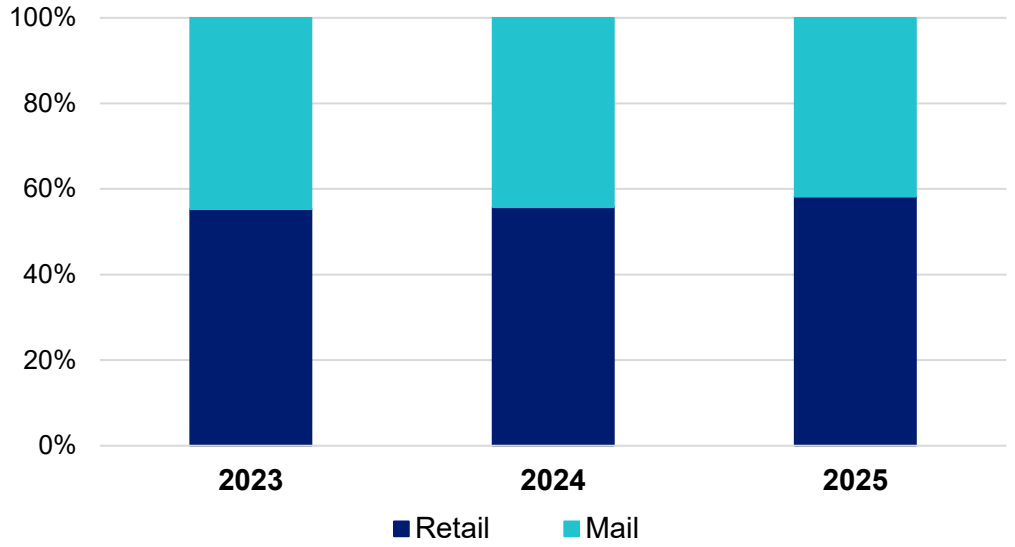


	2023	2024	2025
Plan Cost per Day of Therapy			
Generic	$0.58	$0.57	$0.62
Brand	$23.80	$26.27	$29.71
Specialty	$122.32	$137.93	$164.35
Total	$3.47	$3.76	$4.33
Trend			
Generic		-1.6%	9.5%
Brand		10.4%	13.1%
Specialty		12.8%	19.2%
Total		8.5%	15.1%

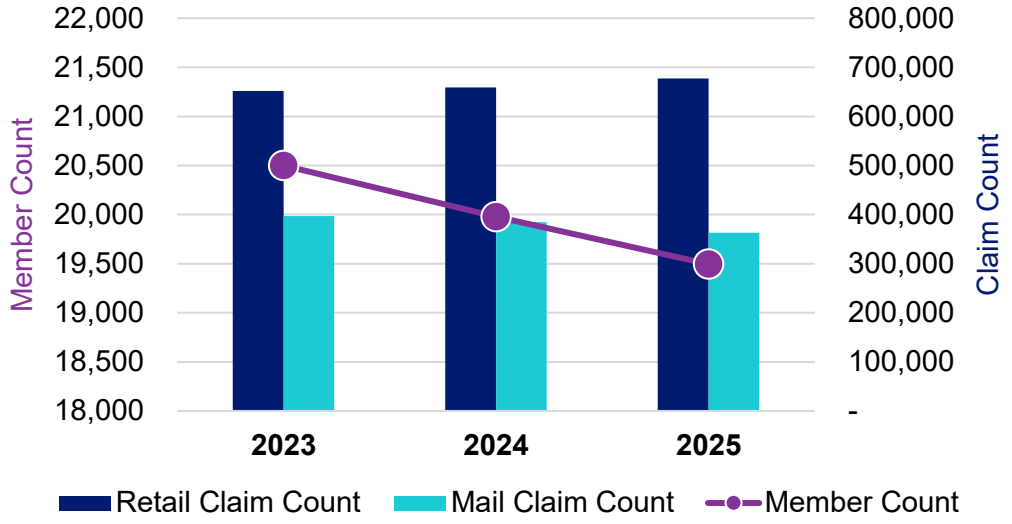
	2023	2024	2025
Days of Therapy per 1,000			
Generic	1,379,589	1,407,609	1,430,014
Brand	146,969	151,413	163,927
Specialty	8,448	8,145	7,168
Total	1,535,005	1,567,167	1,601,109
Trend			
Generic		2.0%	1.6%
Brand		3.0%	8.3%
Specialty		-3.6%	-12.0%
Total		2.1%	2.2%

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

Distribution of Plan Cost



Distribution of 30-day Adjusted Claims



	2023	2024	2025
Plan Cost			
Retail	$60,409,223	$65,677,065	$78,746,400
Mail	$48,759,279	$52,159,608	$56,472,564
Total	$109,168,502	$117,836,673	$135,218,964
% Retail	55.3%	55.7%	58.2%

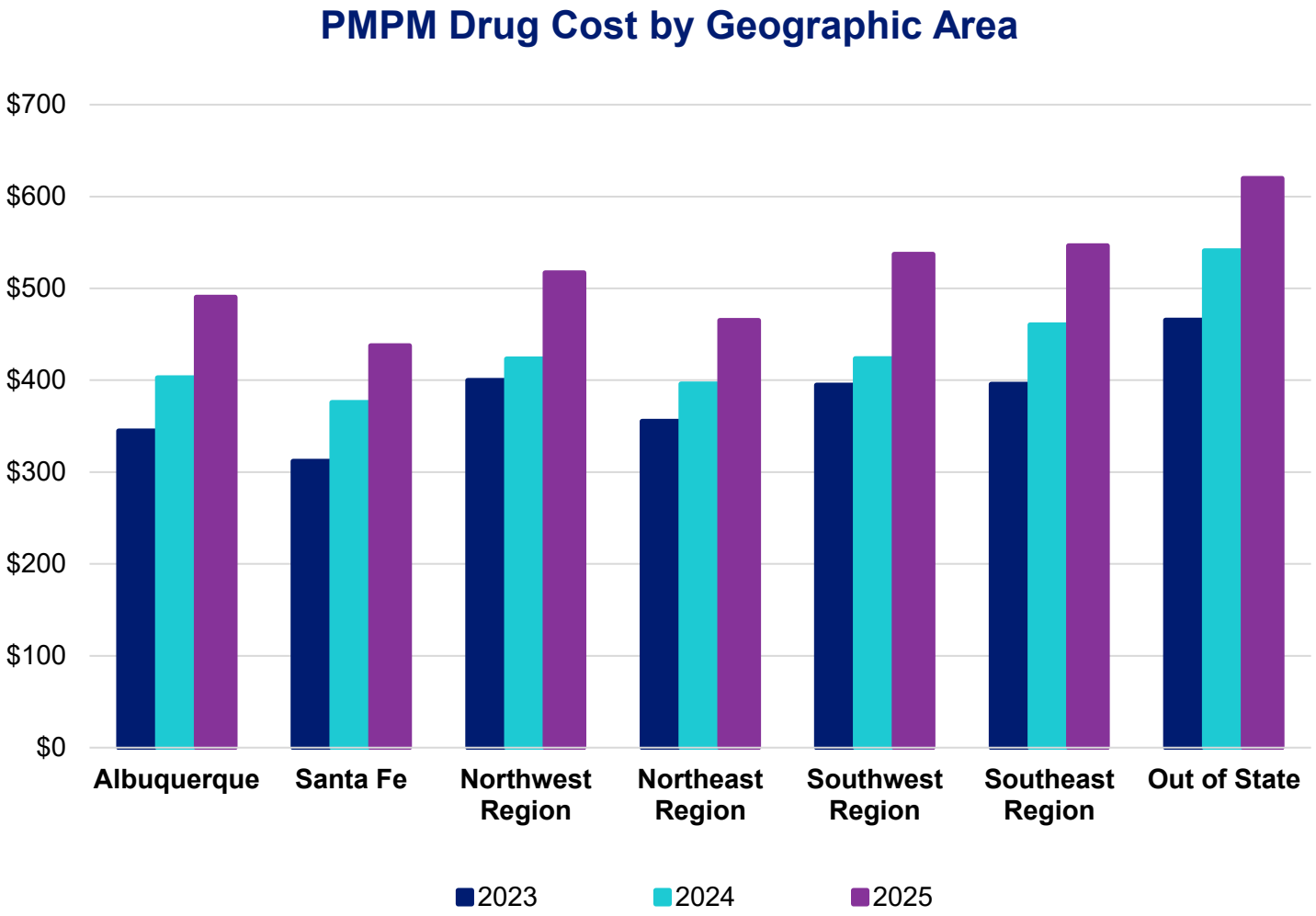
	2023	2024	2025
30-Day Adjusted Script Count			
Retail	652,058	659,191	677,548
Mail	396,867	384,464	362,964
Total	1,048,925	1,043,655	1,040,512
% Retail	62.2%	63.2%	65.1%

Observations

- While the Medicare population has been steadily declining over the last three years, costs and utilization continues to increase and is shifting more to the retail pharmacy setting.
- In 2025, the average day of therapy per script at retail and mail order pharmacy was 44.1 and 86.1 days, respectively.

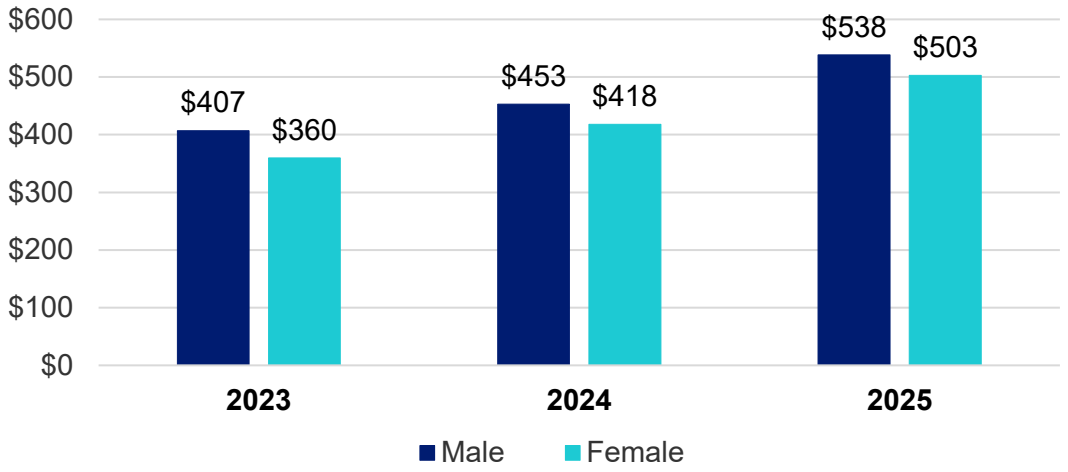
Notes:
1. Unless otherwise stated, prescription drug costs shown do not reflect the value of manufacturer rebates

Appendix



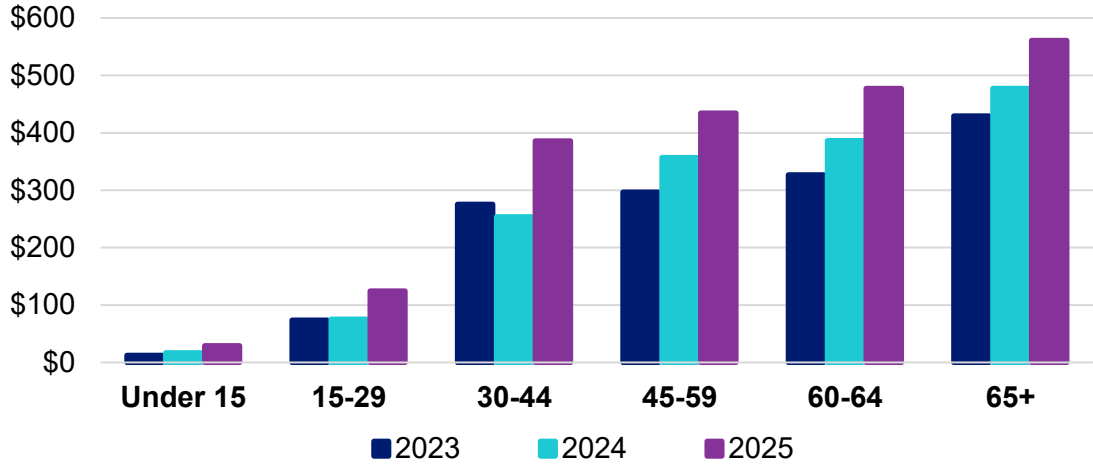
	2023	2024	2025
Plan Cost PMPM			
Albuquerque	$344.64	$402.76	$490.46
Santa Fe	$311.93	$375.92	$437.47
Northwest Region	$399.84	$423.13	$517.00
Northeast Region	$355.43	$395.81	$465.15
Southeast Region	$394.72	$423.34	$536.97
Southwest Region	$395.78	$460.26	$546.42
Out-of-State	$465.47	$540.83	$619.81
Plan Cost PMPM Trend			
Albuquerque		16.9%	21.8%
Santa Fe		20.5%	16.4%
Northwest Region		5.8%	22.2%
Northeast Region		11.4%	17.5%
Southeast Region		7.3%	26.8%
Southwest Region		16.3%	18.7%
Out-of-State		16.2%	14.6%

PMPM Cost by Gender



	2023	2024	2025
Plan Cost PMPM			
Male	$407.15	$452.98	$538.43
Female	$359.57	$417.82	$502.86
Plan Cost PMPM Trend			
Male		11.3%	18.9%
Female		16.2%	20.4%

PMPM Cost by Age Band



	2023	2024	2025
Plan Cost PMPM			
Under 15	$12.52	$16.63	$29.36
15 – 29	$73.53	$75.54	$124.35
30 – 44	$275.64	$253.65	$385.72
45 – 59	$296.92	$357.11	$434.57
60-64	$326.96	$386.16	$477.22
65+	$429.20	$477.38	$560.66
Plan Cost PMPM Trend			
Under 15		32.8%	76.6%
15 – 29		2.7%	64.6%
30 – 44		-8.0%	52.1%
45 – 59		20.3%	21.7%
60-64		18.1%	23.6%
65+		11.2%	17.4%

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.

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

Total EGWP Wrap/Non-Medicare Plans

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
24	ABIRATERONE							
	Allowed Cost per Patient	$30,714	$35,000	$37,936	14.0%	8.4%	↑	↑
	Patients per 1,000	1.5	1.3	1.4	-17.6%	12.9%		
	Average Cost per DOT	$242.60	$266.40	$249.93	9.8%	-6.2%	↓	↑
	DOT per 1,000	192.6	164.7	214.8	-14.5%	30.4%		
27	MIRABEGRON							
	Allowed Cost per Patient	$0	$1,418	$1,781	0.0%	25.5%	↑	↑
	Patients per 1,000	-	16.9	27.1	0.0%	60.0%		
	Average Cost per DOT	$0.00	$11.69	$10.53	0.0%	-9.9%	↓	↑
	DOT per 1,000	-	2,052.2	4,575.2	0.0%	122.9%		
34	LENALIDOMIDE							
	Allowed Cost per Patient	$75,871	$37,173	$29,728	-51.0%	-20.0%	↓	↑
	Patients per 1,000	0.4	0.8	1.4	88.7%	71.9%		
	Average Cost per DOT	$570.46	$524.74	$529.25	-8.0%	0.9%	⇔	↑
	DOT per 1,000	56.7	56.9	77.6	0.5%	36.3%		
49	EVEROLIMUS							
	Allowed Cost per Patient	$33,568	$53,330	$51,291	58.9%	-3.8%	↓	↑
	Patients per 1,000	0.4	0.4	0.6	-17.0%	62.0%		
	Average Cost per DOT	$279.07	$325.54	$486.57	16.7%	49.5%	↑	↑
	DOT per 1,000	51.2	57.9	60.4	13.1%	4.2%		
63	ESTRADIOL							
	Allowed Cost per Patient	$260	$221	$223	-14.8%	0.6%	⇔	↑
	Patients per 1,000	78.9	89.5	103.7	13.5%	15.9%		
	Average Cost per DOT	$1.82	$1.49	$1.36	-18.4%	-8.4%	↓	↑
	DOT per 1,000	11,239.1	13,327.6	16,959.2	18.6%	27.2%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
64	TERIPARATIDE							
	Allowed Cost per Patient	$14,168	$17,080	$16,223	20.6%	-5.0%	↓	↑
	Patients per 1,000	0.5	1.1	1.4	105.4%	25.8%		
	Average Cost per DOT	$89.83	$119.56	$119.79	33.1%	0.2%	⇔	↑
	DOT per 1,000	86.4	160.7	191.6	86.1%	19.2%		
67	PIRFENIDONE							
	Allowed Cost per Patient	$44,335	$47,323	$37,952	6.7%	-19.8%	↓	↑
	Patients per 1,000	0.4	0.4	0.6	5.6%	48.5%		
	Average Cost per DOT	$287.42	$264.00	$258.59	-8.1%	-2.1%	↓	↑
	DOT per 1,000	56.3	69.1	84.0	22.8%	21.6%		
80	AMBRISENTAN							
	Allowed Cost per Patient	$66,415	$33,968	$64,305	-48.9%	89.3%	↑	↓
	Patients per 1,000	0.3	0.5	0.3	99.6%	-50.7%		
	Average Cost per DOT	$255.44	$256.64	$252.18	0.5%	-1.7%	↓	↓
	DOT per 1,000	71.2	72.3	68.7	1.6%	-5.0%		
93	FLUTICASONE							
	Allowed Cost per Patient	$110	$118	$125	7.9%	5.8%	↑	⇔
	Patients per 1,000	107.7	109.9	109.6	2.1%	-0.3%		
	Average Cost per DOT	$1.09	$1.13	$1.16	3.4%	2.9%	↑	↑
	DOT per 1,000	10,840.4	11,546.9	11,828.8	6.5%	2.4%		
98	METOPROLOL							
	Allowed Cost per Patient	$61	$52	$58	-14.8%	10.6%	↑	↓
	Patients per 1,000	211.2	242.9	223.9	15.0%	-7.8%		
	Average Cost per DOT	$0.32	$0.31	$0.31	-4.6%	1.5%	↑	⇔
	DOT per 1,000	40,200.7	41,294.1	41,492.1	2.7%	0.5%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

	2023	2024	2025
Allowed PMPM			
Generic	$23.52	$24.76	$30.63
Brand	$95.87	$142.99	$196.79
Specialty	$10.62	$16.51	$21.15
Total	$130.01	$184.27	$248.57
Plan Cost per Day of Therapy			
Generic	$0.47	$0.47	$0.56
Brand	$20.14	$25.93	$29.62
Specialty	$48.94	$66.54	$77.57
Total	$2.78	$3.68	$4.64
Days per 1,000 Lives			
Generic	450,713	480,943	509,013
Brand	53,579	61,798	74,724
Specialty	2,411	2,674	2,910
Total	506,703	545,415	586,647
Rx Count per 1,000 Lives			
Generic	14,310	15,407	16,264
Brand	2,992	2,741	3,122
Specialty	76	82	94
Total	17,377	18,230	19,480
Average Days per Script			
Generic	31.50	31.22	31.30
Brand	17.91	22.54	23.93
Specialty	31.92	32.56	30.95
Total	29.16	29.92	30.11

Mail

	2023	2024	2025
Allowed PMPM			
Generic	$16.83	$17.10	$20.76
Brand	$116.95	$120.84	$132.38
Specialty	$47.49	$44.44	$45.57
Total	$181.27	$182.38	$198.71
Plan Cost per Day of Therapy			
Generic	$0.69	$0.68	$0.91
Brand	$30.70	$33.46	$39.63
Specialty	$131.29	$168.32	$197.81
Total	$6.30	$6.44	$7.50
Days per 1,000 Lives			
Generic	247,394	251,952	238,788
Brand	39,041	37,802	35,254
Specialty	3,497	2,662	2,312
Total	289,932	292,416	276,355
Rx Count per 1,000 Lives			
Generic	2,922	2,904	2,715
Brand	634	615	515
Specialty	64	50	43
Total	3,620	3,569	3,273
Average Days per Script			
Generic	84.65	86.77	87.96
Brand	61.58	61.42	68.42
Specialty	54.80	53.38	53.42
Total	80.09	81.93	84.43

2025 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	3,687	21,561	913,833	$11,242,840	$3,049	$521.44	$12.30	42.4
2	ANALGESICS - ANTI-INFLAMMATORY	2,083	6,362	209,886	$6,461,220	$3,102	$1,015.60	$30.78	33.0
3	ADHD/ANTI-NARCOLEPSY/ANTI-OBESITY/ANOREXIANTS	953	6,688	200,547	$6,009,098	$6,305	$898.49	$29.96	30.0
4	ANTINEOPLASTICS	341	1,855	80,376	$4,913,034	$14,408	$2,648.54	$61.13	43.3
5	DERMATOLOGICALS	2,535	4,929	121,014	$3,841,702	$1,515	$779.41	$31.75	24.6
6	ANTIVIRALS	988	2,269	58,510	$1,347,858	$1,364	$594.03	$23.04	25.8
7	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	2,196	7,335	276,919	$1,322,221	$602	$180.26	$4.77	37.8
8	GASTROINTESTINAL AGENTS - MISC.	228	863	36,438	$1,278,835	$5,609	$1,481.85	$35.10	42.2
9	CARDIOVASCULAR AGENTS - MISC.	203	906	32,892	$1,262,474	$6,219	$1,393.46	$38.38	36.3
10	ANTICOAGULANTS	325	1,824	74,257	$990,568	$3,048	$543.07	$13.34	40.7
11	VACCINES	3,177	6,160	6,419	$857,302	$270	$139.17	$133.56	1.0
12	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	94	414	15,148	$847,952	$9,021	$2,048.19	$55.98	36.6
13	ASSORTED CLASSES	101	544	23,970	$779,103	$7,714	$1,432.17	$32.50	44.1
14	MEDICAL DEVICES	595	3,139	129,644	$699,946	$1,176	$222.98	$5.40	41.3
15	MIGRAINE PRODUCTS	342	1,562	41,135	$697,043	$2,038	$446.25	$16.95	26.3
	All Other		165,064	6,556,721	$6,299,130		$38.16	$0.96	39.7
Grand Total			**231,475**	**8,777,709**	**$48,850,323**		**$211.04**	**$5.57**	**37.9**

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

2025 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	MOUNJARO	976	3,313	108,730	7,755	$3,831,309	$3,926	$1,156	$35	$494	32.8
2	ZEPBOUND	1,004	3,086	90,889	6,482	$3,296,003	$3,283	$1,068.05	$36.26	$508.52	29.5
3	WEGOVY	653	2,093	62,432	5,916	$2,820,712	$4,320	$1,347.69	$45.18	$476.77	29.8
4	OZEMPIC	529	2,549	84,790	8,853	$2,744,435	$5,188	$1,076.67	$32.37	$310.00	33.3
5	ENBREL	27	98	5,768	824	$1,932,823	$71,586	$19,722.68	$335.09	$2,345.66	58.9
6	RINVOQ	32	97	6,712	6,712	$1,778,721	$55,585	$18,337.33	$265.01	$265.01	69.2
7	DUPIXENT	38	143	9,212	1,416	$1,628,086	$42,844	$11,385.21	$176.74	$1,149.78	64.4
8	JARDIANCE	308	1,434	68,403	68,313	$1,261,277	$4,095	$879.55	$18.44	$18.46	47.7
9	SKYRIZI	16	42	3,170	55	$1,099,925	$68,745	$26,188.69	$346.98	$20,145.15	75.5
10	TRULICITY	217	926	34,101	2,430	$1,090,718	$5,026	$1,177.88	$31.98	$448.85	36.8
11	HUMIRA	23	43	2,580	210	$837,360	$36,407	$19,473.48	$324.56	$3,987.43	60.0
12	KISQALI	7	38	1,064	1,974	$752,013	$107,430	$19,789.81	$706.78	$380.96	28.0
13	FARXIGA	194	989	42,134	42,179	$750,439	$3,868	$758.79	$17.81	$17.79	42.6
14	ORENCIA	15	71	2,604	372	$660,873	$44,058	$9,308.07	$253.79	$1,776.54	36.7
15	XTANDI	5	37	1,170	4,320	$630,022	$126,004	$17,027.62	$538.48	$145.84	31.6
	Top 15 Total		14,959	523,759	157,810	25,114,715		$1,678.90	$47.95	$159.14	35.0
	All Other		216,486	8,252,349	13,395,176	$29,560,915		$136.55	$3.58	$2.21	38.1
Grand Total			**231,445**	**8,776,108**	**13,552,987**	**$54,675,630**		**$236.24**	**$6.23**	**$4.03**	**37.9**

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	2023	2024	2025	2024	2025	Price	Quantity
1	**DUPIXENT**							
	Allowed Cost per Patient	$32,386	$29,858	$42,844	-7.8%	43.5%	↑	↑
	Patients per 1,000	1.0	1.2	1.3	25.5%	4.8%		
	Average Cost per DOT	$124.41	$137.59	$176.74	10.6%	28.4%	↑	↑
	DOT per 1,000	253.5	265.1	310.3	4.6%	17.1%		
2	**HUMIRA**							
	Allowed Cost per Patient	$65,670	$52,348	$36,407	-20.3%	-30.5%	↓	↓
	Patients per 1,000	2.1	2.3	0.8	10.2%	-66.5%		
	Average Cost per DOT	$250.84	$262.54	$324.56	4.7%	23.6%	↑	↓
	DOT per 1,000	549.6	461.5	86.9	-16.0%	-81.2%		
3	**KISQALI**							
	Allowed Cost per Patient	$39,915	$110,449	$107,430	176.7%	-2.7%	↓	↑
	Patients per 1,000	0.1	0.1	0.2	111.3%	83.4%		
	Average Cost per DOT	$570.21	$631.13	$706.78	10.7%	12.0%	↑	↑
	DOT per 1,000	4.3	22.5	35.8	428.2%	59.3%		
4	**ORENCIA**							
	Allowed Cost per Patient	$40,369	$34,650	$44,058	-14.2%	27.2%	↑	↑
	Patients per 1,000	0.2	0.2	0.5	47.9%	124.6%		
	Average Cost per DOT	$194.83	$216.56	$253.79	11.2%	17.2%	↑	↑
	DOT per 1,000	31.5	36.0	87.7	14.2%	143.6%		
5	**XTANDI**							
	Allowed Cost per Patient	$119,145	$81,142	$126,004	-31.9%	55.3%	↑	↓
	Patients per 1,000	0.1	0.2	0.2	269.8%	-25.1%		
	Average Cost per DOT	$441.28	$420.74	$538.48	-4.7%	28.0%	↑	↓
	DOT per 1,000	16.4	43.4	39.4	164.1%	-9.2%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	**XELJANZ**							
	Allowed Cost per Patient	$40,075	$41,603	$74,722	3.8%	79.6%	↑	↓
	Patients per 1,000	0.3	0.4	0.3	5.6%	-23.8%		
	Average Cost per DOT	$179.20	$193.10	$234.42	7.8%	21.4%	↑	↑
	DOT per 1,000	74.9	76.2	85.9	1.8%	12.8%		
7	**TALTZ**							
	Allowed Cost per Patient	$35,534	$40,267	$62,259	13.3%	54.6%	↑	↓
	Patients per 1,000	0.6	0.5	0.3	-16.6%	-37.1%		
	Average Cost per DOT	$253.82	$273.06	$307.87	7.6%	12.7%	↑	↓
	DOT per 1,000	80.9	71.1	61.3	-12.1%	-13.8%		
8	**COSENTYX**							
	Allowed Cost per Patient	$54,406	$41,772	$77,045	-23.2%	84.4%	↑	↑
	Patients per 1,000	0.2	0.2	0.2	26.8%	22.3%		
	Average Cost per DOT	$242.88	$279.72	$354.81	15.2%	26.8%	↑	↑
	DOT per 1,000	34.1	28.8	51.2	-15.5%	77.8%		
9	**STELARA**							
	Allowed Cost per Patient	$110,981	$99,886	$221,697	-10.0%	121.9%	↑	↓
	Patients per 1,000	0.1	0.1	0.1	5.6%	-47.6%		
	Average Cost per DOT	$466.30	$574.06	$1,131.11	23.1%	97.0%	↑	↓
	DOT per 1,000	29.0	22.4	13.2	-22.8%	-41.0%		
10	**TYVASO**							
	Allowed Cost per Patient	$145,646	$298,289	$127,436	104.8%	-57.3%	↓	↑
	Patients per 1,000	0.1	0.0	0.1	-47.2%	214.4%		
	Average Cost per DOT	$743.09	$819.48	$1,027.71	10.3%	25.4%	↑	↑
	DOT per 1,000	11.9	11.7	12.5	-1.9%	7.1%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

Commercial Rx Plan

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	**MOUNJARO**							
	Allowed Cost per Patient	$3,008	$3,547	$3,926	17.9%	10.7%	↑	↑
	Patients per 1,000	10.3	20.4	32.9	98.5%	61.1%		
	Average Cost per DOT	$33.14	$34.90	$35.24	5.3%	1.0%	⇔	↑
	DOT per 1,000	933.4	2,074.5	3,662.8	122.3%	76.6%		
2	**ZEPBOUND**							
	Allowed Cost per Patient	$1,496	$1,948	$3,283	30.2%	68.5%	↑	↑
	Patients per 1,000	0.3	15.6	33.8	5024.0%	116.9%		
	Average Cost per DOT	$35.62	$36.08	$36.26	1.3%	0.5%	⇔	↑
	DOT per 1,000	12.8	841.9	3,061.8	6487.7%	263.7%		
3	**WEGOVY**							
	Allowed Cost per Patient	$2,601	$3,217	$4,320	23.7%	34.3%	↑	↑
	Patients per 1,000	12.2	19.2	22.0	57.3%	14.6%		
	Average Cost per DOT	$45.20	$45.64	$45.18	1.0%	-1.0%	↓	↑
	DOT per 1,000	702.2	1,352.9	2,103.1	92.7%	55.5%		
4	**OZEMPIC**							
	Allowed Cost per Patient	$3,162	$4,533	$5,188	43.4%	14.4%	↑	↓
	Patients per 1,000	14.8	19.8	17.8	33.7%	-9.9%		
	Average Cost per DOT	$29.25	$31.18	$32.37	6.6%	3.8%	↑	⇔
	DOT per 1,000	1,598.6	2,874.2	2,856.3	79.8%	-0.6%		
5	**ENBREL**							
	Allowed Cost per Patient	$51,742	$47,076	$71,586	-9.0%	52.1%	↑	↑
	Patients per 1,000	0.8	0.9	0.9	5.6%	4.8%		
	Average Cost per DOT	$242.20	$262.40	$335.09	8.3%	27.7%	↑	↑
	DOT per 1,000	175.5	155.7	194.3	-11.3%	24.8%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	**RINVOQ**							
	Allowed Cost per Patient	$44,058	$48,118	$55,585	9.2%	15.5%	↑	↑
	Patients per 1,000	0.8	0.9	1.1	18.3%	19.8%		
	Average Cost per DOT	$212.72	$220.29	$265.01	3.6%	20.3%	↑	↑
	DOT per 1,000	157.6	196.6	226.1	24.8%	15.0%		
7	**JARDIANCE**							
	Allowed Cost per Patient	$3,540	$3,703	$4,095	4.6%	10.6%	↑	↑
	Patients per 1,000	9.2	10.2	10.4	10.5%	1.5%		
	Average Cost per DOT	$17.05	$17.72	$18.44	3.9%	4.1%	↑	↑
	DOT per 1,000	1,920.5	2,136.6	2,304.3	11.3%	7.8%		
8	**SKYRIZI**							
	Allowed Cost per Patient	$64,734	$52,538	$68,745	-18.8%	30.8%	↑	↑
	Patients per 1,000	0.5	0.4	0.5	-15.5%	39.7%		
	Average Cost per DOT	$257.97	$271.28	$346.98	5.2%	27.9%	↑	↑
	DOT per 1,000	114.5	74.7	106.8	-34.8%	42.9%		
9	**TRULICITY**							
	Allowed Cost per Patient	$4,827	$4,438	$5,026	-8.1%	13.2%	↑	↓
	Patients per 1,000	14.1	11.3	7.3	-19.8%	-35.6%		
	Average Cost per DOT	$29.82	$31.51	$31.98	5.6%	1.5%	↑	↓
	DOT per 1,000	2,290.0	1,598.4	1,148.8	-30.2%	-28.1%		
10	**FARXIGA**							
	Allowed Cost per Patient	$3,340	$3,601	$3,868	7.8%	7.4%	↑	↑
	Patients per 1,000	5.5	6.3	6.5	15.6%	3.2%		
	Average Cost per DOT	$16.78	$17.24	$17.81	2.8%	3.3%	↑	↑
	DOT per 1,000	1,090.2	1,322.9	1,419.4	21.3%	7.3%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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 Generic Drugs

Commercial Rx Plan

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	EVEROLIMUS							
	Allowed Cost per Patient	$0	$12,722	$64,953	0.0%	410.6%	↑	↑
	Patients per 1,000	-	0.0	0.2	0.0%	528.8%		
	Average Cost per DOT	$0.00	$424.06	$578.21	0.0%	36.4%	↑	↑
	DOT per 1,000	-	1.0	22.7	0.0%	2254.4%		
2	ESTRADIOL							
	Allowed Cost per Patient	$246	$233	$224	-5.5%	-3.8%	↓	↑
	Patients per 1,000	38.5	42.0	50.1	9.2%	19.1%		
	Average Cost per DOT	$1.76	$1.58	$1.43	-10.4%	-9.3%	↓	↑
	DOT per 1,000	5,379.6	6,194.9	7,829.3	15.2%	26.4%		
3	ABIRATERONE							
	Allowed Cost per Patient	$37,668	$40,210	$44,785	6.7%	11.4%	↑	↑
	Patients per 1,000	0.2	0.1	0.2	-47.2%	31.0%		
	Average Cost per DOT	$179.37	$243.70	$248.81	35.9%	2.1%	↑	↑
	DOT per 1,000	51.1	21.2	30.3	-58.5%	42.9%		
4	FINGOLIMOD							
	Allowed Cost per Patient	$23,320	$18,434	$51,823	-21.0%	181.1%	↑	↓
	Patients per 1,000	0.1	0.2	0.1	32.1%	-37.1%		
	Average Cost per DOT	$148.06	$153.62	$185.08	3.7%	20.5%	↑	↑
	DOT per 1,000	19.2	19.3	28.3	0.6%	46.7%		
5	TERIFLUNOMIDE							
	Allowed Cost per Patient	$20,479	$22,995	$64,364	12.3%	179.9%	↑	↓
	Patients per 1,000	0.1	0.1	0.1	111.3%	-47.6%		
	Average Cost per DOT	$113.77	$113.56	$178.79	-0.2%	57.4%	↑	↓
	DOT per 1,000	11.0	26.0	24.3	137.7%	-6.9%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	LENALIDOMIDE							
	Allowed Cost per Patient	$46,128	$37,401	$26,846	-18.9%	-28.2%	↓	↑
	Patients per 1,000	0.1	0.1	0.1	-47.2%	109.6%		
	Average Cost per DOT	$599.07	$534.31	$639.19	-10.8%	19.6%	↑	↑
	DOT per 1,000	9.4	4.5	5.7	-52.0%	25.8%		
7	ALBUTEROL							
	Allowed Cost per Patient	$95	$77	$71	-19.3%	-7.8%	↓	↑
	Patients per 1,000	50.5	47.9	50.1	-5.2%	4.7%		
	Average Cost per DOT	$1.78	$1.40	$1.36	-21.2%	-2.9%	↓	⇔
	DOT per 1,000	2,694.5	2,615.2	2,598.4	-2.9%	-0.6%		
8	AMBRISENTAN							
	Allowed Cost per Patient	$49,811	$30,595	$99,622	-38.6%	225.6%	↑	↓
	Patients per 1,000	0.1	0.1	0.0	58.5%	-65.1%		
	Average Cost per DOT	$255.44	$254.95	$255.44	-0.2%	0.2%	⇔	↑
	DOT per 1,000	11.9	11.6	13.1	-2.5%	13.5%		
9	FLUTICASONE							
	Allowed Cost per Patient	$30	$147	$127	391.9%	-13.6%	↓	↑
	Patients per 1,000	23.6	24.7	26.2	4.4%	6.3%		
	Average Cost per DOT	$0.56	$2.23	$2.00	300.1%	-10.3%	↓	↑
	DOT per 1,000	1,272.7	1,633.8	1,671.8	28.4%	2.3%		
10	TESTOSTERONE							
	Allowed Cost per Patient	$483	$466	$400	-3.6%	-14.2%	↓	↑
	Patients per 1,000	6.1	7.6	8.0	25.3%	4.8%		
	Average Cost per DOT	$5.45	$4.64	$4.23	-15.0%	-8.8%	↓	↓
	DOT per 1,000	536.7	762.1	751.4	42.0%	-1.4%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

	2023	2024	2025
Allowed PMPM			
Generic	$45.75	$47.34	$54.82
Brand	$177.15	$205.25	$252.20
Specialty	$42.12	$42.09	$47.34
Total	$265.02	$294.69	$354.35
Plan Cost per Day of Therapy			
Generic	$0.52	$0.50	$0.59
Brand	$23.53	$25.59	$27.84
Specialty	$94.43	$98.88	$125.54
Total	$3.09	$3.32	$3.87
Days per 1,000 Lives			
Generic	863,974	893,532	933,223
Brand	84,958	91,246	104,853
Specialty	5,295	5,073	4,515
Total	954,227	989,850	1,042,591
Rx Count per 1,000 Lives			
Generic	19,419	19,745	20,416
Brand	2,883	2,878	3,101
Specialty	134	129	122
Total	22,436	22,752	23,639
Average Days per Script			
Generic	44.49	45.25	45.71
Brand	29.47	31.70	33.81
Specialty	39.40	39.21	37.04
Total	42.53	43.51	44.10

Mail

	2023	2024	2025
Allowed PMPM			
Generic	$34.03	$33.87	$31.99
Brand	$131.63	$142.81	$166.55
Specialty	$44.81	$52.06	$51.04
Total	$210.47	$228.75	$249.58
Plan Cost per Day of Therapy			
Generic	$0.67	$0.67	$0.67
Brand	$24.17	$27.30	$33.03
Specialty	$169.16	$202.41	$230.38
Total	$4.10	$4.52	$5.19
Days per 1,000 Lives			
Generic	515,615	514,077	496,791
Brand	62,011	60,167	59,074
Specialty	3,153	3,072	2,654
Total	580,779	577,316	558,519
Rx Count per 1,000 Lives			
Generic	6,068	6,050	5,724
Brand	762	753	717
Specialty	47	50	43
Total	6,878	6,853	6,484
Average Days per Script			
Generic	84.97	84.98	86.79
Brand	81.33	79.88	82.44
Specialty	66.43	61.75	61.37
Total	84.44	84.25	86.14

2025 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	874	4,604	224,488	$29,186,315	$33,394	$6,339.34	$130.01	48.8
2	ANTIDIABETICS	8,616	40,983	2,407,565	$22,847,534	$2,652	$557.49	$9.49	58.7
3	ANTICOAGULANTS	2,822	13,826	761,042	$11,817,357	$4,188	$854.72	$15.53	55.0
4	ANALGESICS - ANTI-INFLAMMATORY	3,790	11,420	480,634	$11,677,176	$3,081	$1,022.52	$24.30	42.1
5	DERMATOLOGICALS	7,635	15,068	375,234	$8,857,395	$1,160	$587.83	$23.60	24.9
6	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	5,927	20,316	1,007,535	$5,548,476	$936	$273.11	$5.51	49.6
7	CARDIOVASCULAR AGENTS - MISC.	795	2,955	147,684	$4,524,072	$5,691	$1,530.99	$30.63	50.0
8	RESPIRATORY AGENTS - MISC.	41	275	9,036	$3,826,854	$93,338	$13,915.83	$423.51	32.9
9	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS - MISC.	1,544	7,570	380,485	$3,420,659	$2,215	$451.87	$8.99	50.3
10	OPHTHALMIC AGENTS	6,218	18,736	817,486	$3,206,832	$516	$171.16	$3.92	43.6
11	ASSORTED CLASSES	240	1,115	52,677	$3,092,143	$12,884	$2,773.22	$58.70	47.2
12	ENDOCRINE AND METABOLIC AGENTS - MISC.	1,658	6,070	416,535	$3,040,909	$1,834	$500.97	$7.30	68.6
13	ANTIVIRALS	1,894	3,725	111,327	$2,094,858	$1,106	$562.38	$18.82	29.9
14	ADHD/ANTI-NARCOLEPSY/ANTI-OBESITY/ANOREXIANTS	434	2,605	87,943	$2,003,018	$4,615	$768.91	$22.78	33.8
15	GASTROINTESTINAL AGENTS - MISC.	612	2,110	103,287	$1,942,721	$3,174	$920.72	$18.81	49.0
	All Other		431,003	23,453,471	$18,068,949		$41.92	$0.77	54.4
Grand Total			**582,381**	**30,836,429**	**$135,155,269**		**$232.07**	**$4.38**	**52.9**

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

2025 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	2,343	10,064	532,536	1,060,192	$9,651,663	$4,119	$959	$18	$9	52.9
2	OZEMPIC	961	3,947	168,271	17,238	$5,193,682	$5,404	$1,315.86	$30.86	$301.29	42.6
3	MOUNJARO	1,123	3,788	139,742	9,971	$4,899,300	$4,363	$1,293.37	$35.06	$491.35	36.9
4	JARDIANCE	1,007	3,563	212,138	211,813	$3,987,417	$3,960	$1,119.12	$18.80	$18.83	59.5
5	HUMIRA	55	255	12,926	1,018	$3,528,050	$64,146	$13,835.49	$272.94	$3,465.67	50.7
6	DUPIXENT	86	385	21,266	3,016	$3,059,081	$35,571	$7,945.67	$143.85	$1,014.15	55.2
7	XTANDI	22	145	5,925	21,150	$2,878,577	$130,844	$19,852.25	$485.84	$136.10	40.9
8	ENBREL	36	168	9,800	1,376	$2,793,637	$77,601	$16,628.79	$285.06	$2,030.26	58.3
9	XARELTO	708	2,471	156,197	158,588	$2,783,878	$3,932	$1,126.62	$17.82	$17.55	63.2
10	IBRANCE	19	109	4,458	3,297	$2,630,316	$138,438	$24,131.34	$590.02	$797.79	40.9
11	FARXIGA	637	2,371	136,481	137,336	$2,469,163	$3,876	$1,041.40	$18.09	$17.98	57.6
12	SKYRIZI	27	106	7,308	112	$2,172,396	$80,459	$20,494.30	$297.26	$19,361.82	68.9
13	TRULICITY	326	1,352	66,123	4,714	$2,102,671	$6,450	$1,555.23	$31.80	$446.05	48.9
14	OFEV	27	138	4,267	8,534	$1,955,600	$72,430	$14,171.01	$458.31	$229.15	30.9
15	IMBRUVICA	15	118	2,984	3,164	$1,802,541	$120,169	$15,275.77	$604.07	$569.70	25.3
	Top 15 Total		28,980	1,480,422	1,641,520	51,907,972		$1,791.17	$35.06	$31.62	51.1
	All Other		553,401	29,356,007	43,605,956	$89,284,250		$161.34	$3.04	$2.05	53.0
Grand Total			**582,381**	**30,836,429**	**45,247,476**	**$141,192,222**		**$242.44**	**$4.58**	**$3.12**	**52.9**

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	2023	2024	2025	2024	2025	Price	Quantity
1	**HUMIRA**							
	Allowed Cost per Patient	$58,943	$60,378	$64,146	2.4%	6.2%	↑	↓
	Patients per 1,000	1.9	1.9	1.9	3.9%	-3.9%		
	Average Cost per DOT	$283.74	$285.45	$272.94	0.6%	-4.4%	↓	↑
	DOT per 1,000	385.6	408.0	435.4	5.8%	6.7%		
2	**DUPIXENT**							
	Allowed Cost per Patient	$29,659	$31,697	$35,571	6.9%	12.2%	↑	↑
	Patients per 1,000	1.3	1.9	2.9	45.9%	55.4%		
	Average Cost per DOT	$129.14	$137.36	$143.85	6.4%	4.7%	↑	↑
	DOT per 1,000	293.5	430.2	716.4	46.6%	66.5%		
3	**XTANDI**							
	Allowed Cost per Patient	$71,577	$68,998	$130,844	-3.6%	89.6%	↑	↓
	Patients per 1,000	1.0	1.1	0.7	12.1%	-34.1%		
	Average Cost per DOT	$437.74	$462.63	$485.84	5.7%	5.0%	↑	↑
	DOT per 1,000	164.2	167.8	199.6	2.2%	18.9%		
4	**IBRANCE**							
	Allowed Cost per Patient	$103,194	$130,801	$138,438	26.8%	5.8%	↑	↑
	Patients per 1,000	0.7	0.6	0.6	-16.4%	4.8%		
	Average Cost per DOT	$546.00	$587.80	$590.02	7.7%	0.4%	⇔	↑
	DOT per 1,000	138.0	135.9	150.2	-1.5%	10.5%		
5	**OFEV**							
	Allowed Cost per Patient	$72,227	$86,044	$72,430	19.1%	-15.8%	↓	↑
	Patients per 1,000	0.8	0.6	0.9	-19.7%	48.9%		
	Average Cost per DOT	$398.60	$441.25	$458.31	10.7%	3.9%	↑	↑
	DOT per 1,000	137.8	119.1	143.7	-13.6%	20.7%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	**IMBRUVICA**							
	Allowed Cost per Patient	$115,878	$126,968	$120,169	9.6%	-5.4%	↓	↓
	Patients per 1,000	0.8	0.7	0.5	-11.3%	-25.1%		
	Average Cost per DOT	$538.27	$534.12	$604.07	-0.8%	13.1%	↑	↓
	DOT per 1,000	163.8	160.5	100.5	-2.0%	-37.4%		
7	**KISQALI**							
	Allowed Cost per Patient	$80,214	$74,097	$94,525	-7.6%	27.6%	↑	↑
	Patients per 1,000	0.2	0.5	0.6	156.6%	4.8%		
	Average Cost per DOT	$557.04	$546.96	$556.61	-1.8%	1.8%	↑	↑
	DOT per 1,000	30.7	74.0	97.3	141.4%	31.4%		
8	**TAGRISSO**							
	Allowed Cost per Patient	$123,735	$154,035	$141,033	24.5%	-8.4%	↓	↑
	Patients per 1,000	0.2	0.3	0.3	5.6%	31.0%		
	Average Cost per DOT	$551.16	$578.53	$602.71	5.0%	4.2%	↑	↑
	DOT per 1,000	54.6	68.5	78.8	25.3%	15.1%		
9	**REVLIMID**							
	Allowed Cost per Patient	$52,487	$80,483	$58,547	53.3%	-27.3%	↓	↑
	Patients per 1,000	0.9	0.6	0.7	-24.5%	15.3%		
	Average Cost per DOT	$626.71	$618.15	$617.47	-1.4%	-0.1%	⇔	↓
	DOT per 1,000	71.4	83.7	70.3	17.3%	-16.1%		
10	**POMALYST**							
	Allowed Cost per Patient	$71,940	$68,063	$170,340	-5.4%	150.3%	↑	↓
	Patients per 1,000	0.2	0.3	0.2	35.8%	-18.5%		
	Average Cost per DOT	$756.13	$741.60	$782.91	-1.9%	5.6%	↑	↑
	DOT per 1,000	20.3	26.6	51.3	31.0%	93.2%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

EGWP Wrap Plan

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	ELIQUIS							
	Allowed Cost per Patient	$3,659	$3,876	$4,119	5.9%	6.3%	↑	↑
	Patients per 1,000	62.8	71.9	78.9	14.6%	9.8%		
	Average Cost per DOT	$16.80	$17.75	$18.12	5.6%	2.1%	↑	↑
	DOT per 1,000	13,672.4	15,705.4	17,939.6	14.9%	14.2%		
2	OZEMPIC							
	Allowed Cost per Patient	$3,815	$4,686	$5,404	22.8%	15.3%	↑	↑
	Patients per 1,000	21.7	30.7	32.4	41.6%	5.6%		
	Average Cost per DOT	$28.79	$29.60	$30.86	2.8%	4.3%	↑	↑
	DOT per 1,000	2,870.9	4,854.4	5,668.6	69.1%	16.8%		
3	MOUNJARO							
	Allowed Cost per Patient	$2,977	$3,867	$4,363	29.9%	12.8%	↑	↑
	Patients per 1,000	10.0	21.7	37.8	117.7%	74.1%		
	Average Cost per DOT	$33.38	$34.65	$35.06	3.8%	1.2%	↑	↑
	DOT per 1,000	890.0	2,424.9	4,707.5	172.4%	94.1%		
4	JARDIANCE							
	Allowed Cost per Patient	$3,127	$3,503	$3,960	12.0%	13.1%	↑	↑
	Patients per 1,000	18.0	27.8	33.9	54.2%	22.1%		
	Average Cost per DOT	$17.80	$18.26	$18.80	2.6%	2.9%	↑	↑
	DOT per 1,000	3,163.6	5,327.7	7,146.3	68.4%	34.1%		
5	ENBREL							
	Allowed Cost per Patient	$58,672	$61,300	$77,601	4.5%	26.6%	↑	↓
	Patients per 1,000	1.2	1.3	1.2	5.6%	-5.7%		
	Average Cost per DOT	$249.40	$255.71	$285.06	2.5%	11.5%	↑	↑
	DOT per 1,000	286.3	308.2	330.1	7.7%	7.1%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	XARELTO							
	Allowed Cost per Patient	$3,536	$3,617	$3,932	2.3%	8.7%	↑	↓
	Patients per 1,000	24.4	25.5	23.9	4.5%	-6.6%		
	Average Cost per DOT	$16.30	$17.02	$17.82	4.4%	4.7%	↑	↓
	DOT per 1,000	5,301.0	5,424.5	5,261.8	2.3%	-3.0%		
7	FARXIGA							
	Allowed Cost per Patient	$3,678	$3,726	$3,876	1.3%	4.0%	↑	↑
	Patients per 1,000	15.5	17.8	21.5	15.0%	20.5%		
	Average Cost per DOT	$17.06	$17.55	$18.09	2.8%	3.1%	↑	↑
	DOT per 1,000	3,337.8	3,782.4	4,597.6	13.3%	21.6%		
8	SKYRIZI							
	Allowed Cost per Patient	$52,641	$68,271	$80,459	29.7%	17.9%	↑	↑
	Patients per 1,000	0.6	0.7	0.9	16.8%	34.7%		
	Average Cost per DOT	$311.97	$272.88	$297.26	-12.5%	8.9%	↑	↑
	DOT per 1,000	97.5	168.9	246.2	73.1%	45.8%		
9	TRULICITY							
	Allowed Cost per Patient	$5,161	$5,058	$6,450	-2.0%	27.5%	↑	↓
	Patients per 1,000	18.9	15.9	11.0	-15.6%	-31.1%		
	Average Cost per DOT	$30.17	$31.45	$31.80	4.3%	1.1%	↑	↓
	DOT per 1,000	3,232.1	2,563.8	2,227.5	-20.7%	-13.1%		
10	RINVOQ							
	Allowed Cost per Patient	$48,728	$49,995	$53,352	2.6%	6.7%	↑	↑
	Patients per 1,000	0.7	0.9	1.1	23.3%	23.5%		
	Average Cost per DOT	$210.87	$220.17	$235.06	4.4%	6.8%	↑	↑
	DOT per 1,000	168.7	204.4	252.3	21.1%	23.5%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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 Generic Drugs

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
1	ABIRATERONE							
	Allowed Cost per Patient	$29,389	$34,405	$37,011	17.1%	7.6%	↑	↑
	Patients per 1,000	1.3	1.1	1.2	-12.0%	10.8%		
	Average Cost per DOT	$265.45	$269.75	$250.12	1.6%	-7.3%	↓	↑
	DOT per 1,000	141.5	143.5	184.4	1.4%	28.5%		
2	MIRABEGRON							
	Allowed Cost per Patient	$0	$1,435	$1,802	0.0%	25.6%	↑	↑
	Patients per 1,000	-	15.4	25.3	0.0%	64.4%		
	Average Cost per DOT	$0.00	$11.67	$10.52	0.0%	-9.9%	↓	↑
	DOT per 1,000	-	1,889.2	4,327.5	0.0%	129.1%		
3	LENALIDOMIDE							
	Allowed Cost per Patient	$87,769	$37,153	$30,040	-57.7%	-19.1%	↓	↑
	Patients per 1,000	0.3	0.7	1.2	143.0%	68.6%		
	Average Cost per DOT	$564.79	$523.92	$520.60	-7.2%	-0.6%	⇔	↑
	DOT per 1,000	47.3	52.4	71.9	10.9%	37.2%		
4	TERIPARATIDE							
	Allowed Cost per Patient	$14,168	$17,036	$16,223	20.2%	-4.8%	↓	↑
	Patients per 1,000	0.5	1.1	1.4	93.7%	33.4%		
	Average Cost per DOT	$89.83	$119.11	$119.79	32.6%	0.6%	⇔	↑
	DOT per 1,000	86.4	151.7	191.6	75.6%	26.3%		
5	PIRFENIDONE							
	Allowed Cost per Patient	$44,335	$47,323	$39,914	6.7%	-15.7%	↓	↑
	Patients per 1,000	0.4	0.4	0.5	5.6%	39.7%		
	Average Cost per DOT	$287.42	$264.00	$259.07	-8.1%	-1.9%	↓	↑
	DOT per 1,000	56.3	69.1	83.0	22.8%	20.1%		

Rank	Drug Name	2023	2024	2025	2024	2025	Price	Quantity
6	EVEROLIMUS							
	Allowed Cost per Patient	$33,568	$57,390	$43,839	71.0%	-23.6%	↓	↑
	Patients per 1,000	0.4	0.3	0.4	-24.5%	15.3%		
	Average Cost per DOT	$279.07	$323.87	$431.33	16.1%	33.2%	↑	↓
	DOT per 1,000	51.2	57.0	37.7	11.2%	-33.9%		
7	AMBRISENTAN							
	Allowed Cost per Patient	$71,159	$34,691	$59,259	-51.2%	70.8%	↑	↓
	Patients per 1,000	0.2	0.5	0.2	111.3%	-47.6%		
	Average Cost per DOT	$255.44	$256.97	$251.40	0.6%	-2.2%	↓	↓
	DOT per 1,000	59.3	60.8	55.6	2.4%	-8.5%		
8	ESTRADIOL							
	Allowed Cost per Patient	$273	$211	$221	-22.5%	4.7%	↑	↑
	Patients per 1,000	40.4	47.5	53.6	17.6%	13.0%		
	Average Cost per DOT	$1.88	$1.41	$1.30	-25.1%	-7.6%	↓	↑
	DOT per 1,000	5,859.5	7,132.7	9,130.0	21.7%	28.0%		
9	METOPROLOL							
	Allowed Cost per Patient	$62	$52	$55	-16.1%	5.3%	↑	↓
	Patients per 1,000	171.0	200.0	189.5	17.0%	-5.3%		
	Average Cost per DOT	$0.32	$0.30	$0.30	-5.0%	-2.3%	↓	↑
	DOT per 1,000	33,452.1	34,546.5	35,255.0	3.3%	2.1%		
10	FLUTICASONE							
	Allowed Cost per Patient	$132	$110	$124	-16.8%	13.3%	↑	↓
	Patients per 1,000	84.0	85.2	83.3	1.4%	-2.2%		
	Average Cost per DOT	$1.16	$0.94	$1.02	-18.6%	8.1%	↑	↑
	DOT per 1,000	9,567.7	9,913.2	10,157.0	3.6%	2.5%		

Notes:
1. Rank is based on total aggregate dollars by NDC in PY2025
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

Long-Term Cash Flow & Solvency Modeling

Methodology Report

July 15-17, 2026 / Debbie Donaldson, FSA, MAAA

Segal

Segal

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July 15, 2026

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

Re: 2026 Long-Term Cash Flow and Solvency Modelling

Dear Board of Directors:

At the request of New Mexico Retiree Health Care Authority, Segal has performed the 2026 Long-Term Cash Flow and Solvency Modeling. The reporting package contains the results and details of our analysis and consists of the following documents:

- Long-Term Cash Flow and Solvency Modeling Methodology Report (attached to this document)
- July 1, 2026 Baseline Scenario - long-term solvency assumptions
- July 1, 2026 long-term solvency Baseline Scenario – 0% non-Medicare, 0% Medicare Supplement premium increases through FY2058, no plan design changes
- Scenario A – Non-Medicare rate increase of 6% in CY2027, and 4% thereafter, Medicare rate increase of 4% in CY2027, and 3% thereafter, no plan design changes
- Scenario B – Non-Medicare rate increases of 4% per year, Medicare rate increase of 3% per year, no plan design changes
- Scenario C – Non-Medicare rate increase of 5% per year, Medicare rate increase of 2% per year, no plan design changes
- Scenario D – Non-Medicare rate increase of 8% in CY2027, and 4% per year thereafter, Medicare rate increase of 6% in CY2027, and 4% per year thereafter, no plan design changes
- Sensitivity analysis to July 1, 2026 long-term solvency assumptions for Baseline Scenario
- Plan design considerations

This reporting package should be transmitted and considered only in its entirety. Our analysis is intended to illustrate the future cash flows of the New Mexico Retiree Health Care Authority (NMRHCA) based on membership information available through April 30, 2026. Calculations are prepared annually at the Board's request to aid in its strategic planning and should not be relied upon for any other purpose.

To prepare our analysis we relied upon data from several sources which are detailed in the following Methodology Report. We did not audit this data, and our review was limited to determining that it appears to be reasonable and acceptable for the projection of revenues and expenditures under the NMRHCA benefits program. We certify to the best of our knowledge that the data methods, and assumptions used to develop our projections are reasonable and are calculated in accordance with generally accepted and consistently applied actuarial principles.

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

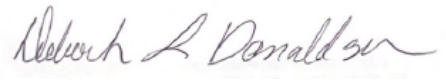
Retiree cost projections reflect the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection. It does not reflect any changes that may occur in the nature of benefits over time, or any anticipated increase in the number of those eligible for retiree benefits beyond the annual growth in retirees developed using the FY2025 open valuation output table.

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

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

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

Sincerely,



Deborah L. Donaldson, FSA, MAAA
Senior Vice President

Cc: Amy Cohen, ASA, MAAA

Segal

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Beginning of Year Invested Assets

Invested assets as of July 1, 2026 were assumed to equal actual invested assets as of March 31, 2026.

Revenue

Employer Contribution

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

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

NMRHCA staff provided baseline Employer/Employee Contributions, as well as the percentage of contributions originating from Enhanced Programs versus Non-Enhanced Programs. This information allowed us to estimate FY2026 active payroll to be approximately $6.6 billion.

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

Employee Contribution

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

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

NMRHCA staff provided baseline Employer/Employee Contributions, as well as the percentage of contributions originating from Enhanced and Non-Enhanced Programs. This information allowed us to estimate FY2026 active payroll to be approximately $6.6 billion. Payroll was projected separately for Enhanced Program ("Public Safety, et al") employees and Non-Enhanced Program ("Other Occupations") employees. Each payroll component is assumed to increase at *the* Annual Payroll Growth rates displayed in the first two rows under the general heading *Assumptions with Fiscal Year Basis* in each Scenario. NMRHCA staff provided the

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

Retiree Medical

Baseline contribution and premium rates and subsidy percentages were verified at www.nmrhca.org on the 2026 Rate Sheet included on the Forms And Important Information page.

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

Membership is projected by plan for non-Medicare and Medicare-eligible members at the rates of change displayed under the general heading *Assumptions with Fiscal Year Basis* in each Scenario. The basis of the assumed rates of change is an open valuation projection of covered lives, and all other components based on assumptions consistent with those utilized in the July 1, 2025 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and years of creditable service. Total annual unsubsidized contributions and premiums are calculated directly by multiplying projected monthly rates by projected member months.

In the Baseline Scenario, the CY26 subsidy provided by NMRHCA is assumed to remain constant in all future years. NMRHCA staff provided years of service at retirement by enrollment category as of May 1, 2026. The current subsidy was calculated and applied to future annual contributions and premiums individually for the following enrollment categories: non-Medicare Retirees, non-Medicare Spouses, non-Medicare Dependents (no subsidy), Medicare Supplement Retirees, Medicare Supplement Spouses, Medicare Supplement Dependents (no subsidy), Medicare Advantage Retirees, Medicare Advantage Spouses, and Medicare Advantage Dependents (no subsidy).

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

Consistent with the methodology used in the prior year, BCBSNM and Presbyterian Non-Medicare

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

Non-Medicare Carrier	BCBSNM PPO MAPD	Medicare Supplement
BCBSNM	50%	50%
Presbyterian	50%	50%

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

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

- Supplemental Life: 0%
- Dental: Contracted terms through FY2028, then 6%
- Vision: Contracted terms through FY2028, then 5%

Tax Revenue

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

Medicare PDP & Manufacturers Discount

CY2026 and CY2027 baseline projections incorporated the historical data provided by Express Scripts. The Employer Group Waiver Plan (EGWP) that provides prescription drug benefits to Medicare-eligible retirees enrolled in the Medicare Supplement plan is comprised of revenue sources:

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

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

The impact of the Inflation Reduction Act of 2022 (IRA) has been taken into consideration in the modelling. The impact of the IRA to the CY2027 Direct Subsidy is not known yet and incorporates estimates from ESI and agreed to by Segal.

Miscellaneous

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

Total Revenue

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

Investment Income

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

Expenditures

Medical/Rx

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

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

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

Claims per member per month are projected separately for each plan. To do so, the historical paid claims experience base is adjusted to reflect the baseline year known plan provisions, and the claims trend assumption is applied from the midpoint of the experience base to the midpoint of the baseline projection period. Claims in each subsequent projection year are developed by applying the respective calendar year claims trend and benefit modification assumptions itemized under the general heading *Assumptions with Calendar Year Basis* and the sub-heading *Self-funded Plan Benefit Modifications effective 1/1* for each Scenario. The trend assumptions incorporated into future projections can be found in the July 1, 2026 Long-Term Solvency Assumptions for Baseline Scenario document.

The modelling reflects the CY2026 impacts associated with the Inflation Reduction Act . Otherwise, no future plan design changes have been assumed relative to the current plan design.

Membership is projected by plan for non-Medicare members and Medicare-eligible members at the growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*. The basis of the assumed rates of change is an open valuation projection of covered lives, based on assumptions consistent with those utilized in the July 1, 2025 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB 74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and years of creditable service. Total annual medical and prescription drug claims are calculated directly by multiplying projected per member per month paid claims by projected member months.

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

New Medicare retirees are assumed to automatically enroll in a Medicare Advantage plan. BCBSNM and Presbyterian Non-Medicare members assumed to enroll into the BCBSNM PPO Medicare Advantage plan, with 50 percent opting to enroll in the Medicare Supplement plan.

Basic Life

Basic life premium is conservatively assumed to remain flat (i.e., no mortality assumption is used), as basic life coverage is no longer provided to new retirees. The portion of the basic life premium paid by NMRHCA is 0% in calendar year 2026. NMRHCA staff provides baseline basic life premiums.

Ancillary Premiums

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

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

- Supplemental Life: 0%
- Dental: Contracted terms through FY2028, then 6%
- Vision: Contracted terms through FY2028, then 5%

ASO & Health Care (HC) Reform Fees

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

- BCBSNM non-Medicare Network Access and Claims Administration
- BCBSNM non-Medicare Disease Management
- BCBSNM non-Medicare Wellness Services
- BCBSNM Medicare Supplement plan Claims Administration
- PHP non-Medicare Network Access and Claims Administration

- PHP non-Medicare Disease Management
- PHP non-Medicare Custom Bundle Administration
- PHP Wellness Services
- ESI non-Medicare per member per month Administration fee
- ESI non-Medicare per member per month Advanced Opioid Management Program fee
- ESI non-Medicare SaveOnSP fees
- ESI EGWP per member per month Administration fee
- ESI EGWP per member per month Advanced Opioid Management Program fee
- Livongo Diabetes Management Program per participant per month fee
- EnCircle care management platform per participant per month fee

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

Membership is projected by carrier for non-Medicare members and Medicare-eligible members at the growth rates displayed under the general heading *Assumptions with Fiscal Year Basis*. The basis of the assumed rates of change is an open valuation projection of covered lives, based on assumptions consistent with those utilized in the July 1, 2025 valuation of NMRHCA's liability for Other Post-Employment Benefits under the Governmental Accounting Standards Board's Statement Number 43 (now GASB74) and adjusted to reflect the impact of changes effective July 31, 2021 to subsidy levels on the basis of age and year of credible service. Total annual *ASO & HC Reform Fees* are calculated directly by multiplying projected per member per month fees by projected member months.

Program Support

NMRHCA staff provided the approved FY2026 Program Support budget. The budget for Program Support is assumed to increase 2.5% per annum.

Total Expenditures

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

End of Year Invested Assets

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

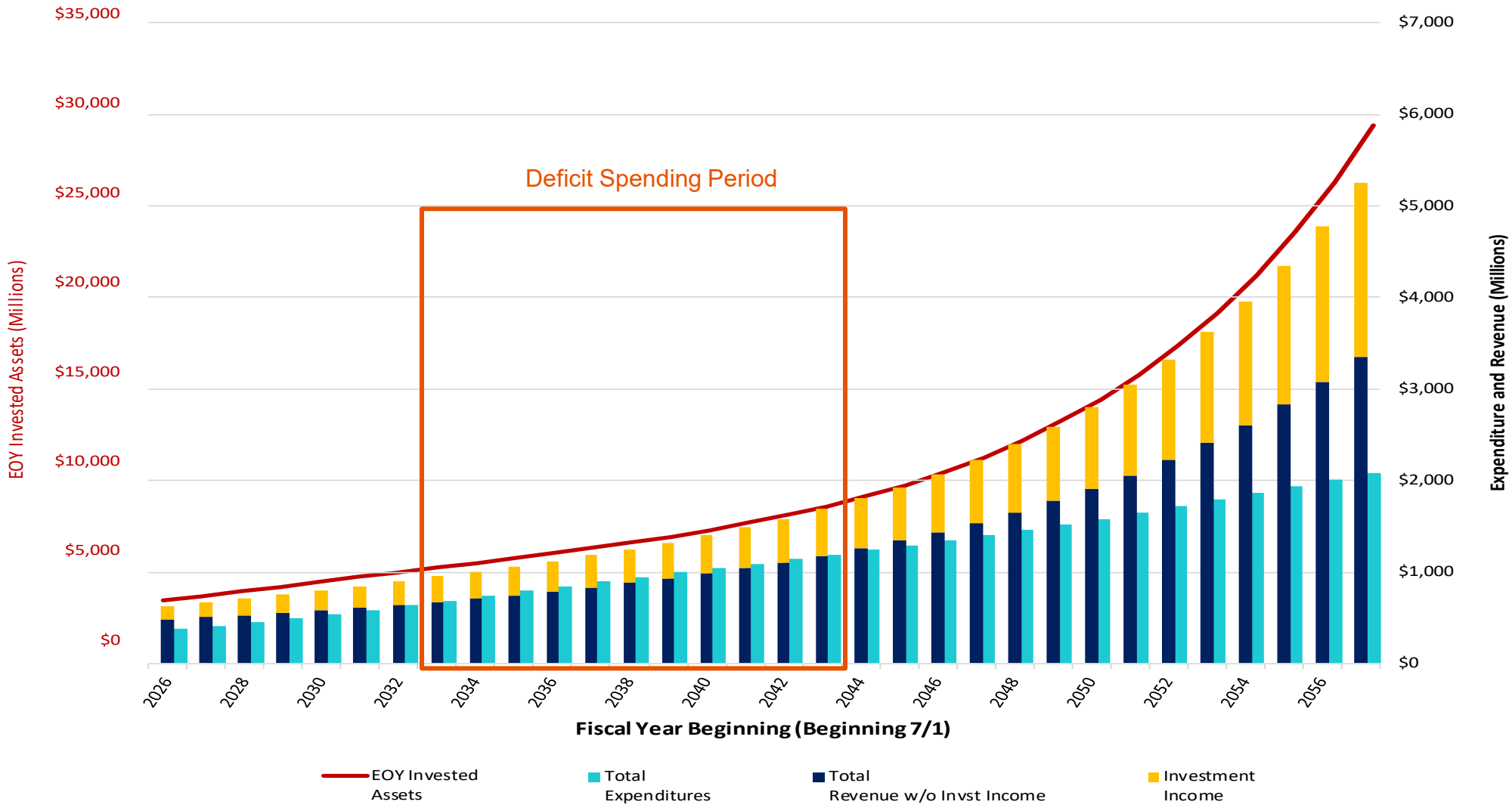
Projected Year of Insolvency

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

Based on the July 1, 2026 Baseline Assumptions and the methodology described herein, as applied to claims and membership information through March 31, 2026, the Authority is projected to remain solvent through the projection period.

2026 Solvency Scenario – Baseline Scenario

*0% Non-Medicare and 0% Med Supp Rate Increases**



* 0% Non-Medicare and 0% Medicare Supplement annual rate increases throughout the projection period.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Baseline - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; 0% premium increases for all plans, all years; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$133,003,791	$40,229,040	$65,009,436	$39,215,330	$117,050	$484,613,528	$147,960,350	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$97,410,029	$2,237,497,776
7/1/2027	$2,237,497,776	$141,821,634	$70,910,817	$135,680,605	$41,740,108	$72,810,568	$40,674,103	$115,276	$503,753,111	$165,474,269	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$89,811,861	$2,492,783,906
7/1/2028	$2,492,783,906	$145,721,729	$72,860,864	$137,713,083	$43,639,557	$81,547,837	$45,686,161	$114,279	$527,283,510	$183,555,136	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$78,022,138	$2,754,361,180
7/1/2029	$2,754,361,180	$149,729,076	$74,864,538	$139,704,213	$45,830,949	$91,333,577	$51,227,794	$113,126	$552,803,274	$201,984,823	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$63,272,749	$3,019,618,751
7/1/2030	$3,019,618,751	$153,846,626	$76,923,313	$141,812,627	$48,115,130	$102,293,606	$57,114,972	$113,818	$580,220,092	$220,587,620	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$45,938,211	$3,286,144,582
7/1/2031	$3,286,144,582	$158,077,408	$79,038,704	$143,866,163	$50,464,391	$114,568,839	$63,385,248	$114,391	$609,515,145	$239,229,154	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$27,135,779	$3,552,509,516
7/1/2032	$3,552,509,516	$162,424,537	$81,212,268	$145,822,153	$52,868,119	$128,317,100	$70,001,235	$115,519	$640,760,930	$257,798,896	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$6,674,648	$3,816,983,059
7/1/2033	$3,816,983,059	$166,891,211	$83,445,606	$147,550,374	$55,355,941	$143,715,152	$77,055,809	$116,077	$674,130,170	$276,235,435	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	($13,678,251)	$4,079,540,244
7/1/2034	$4,079,540,244	$171,480,720	$85,740,360	$148,816,454	$57,873,854	$160,960,970	$84,595,025	$115,446	$709,582,828	$294,623,933	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	($31,523,710)	$4,342,640,467
7/1/2035	$4,342,640,467	$176,196,439	$88,098,220	$149,653,112	$60,459,103	$180,276,286	$92,653,690	$113,915	$747,450,765	$313,191,396	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($45,518,280)	$4,610,313,583
7/1/2036	$4,610,313,583	$181,041,842	$90,520,921	$150,127,646	$63,087,802	$201,909,441	$101,175,510	$111,813	$787,974,974	$332,237,413	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($55,457,148)	$4,887,093,849
7/1/2037	$4,887,093,849	$186,020,492	$93,010,246	$150,390,664	$65,756,568	$226,138,574	$110,017,892	$109,881	$831,444,317	$352,055,140	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($62,321,759)	$5,176,827,230
7/1/2038	$5,176,827,230	$191,136,056	$95,568,028	$150,544,639	$68,512,316	$253,275,203	$119,194,602	$108,009	$878,338,852	$372,916,491	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($66,302,984)	$5,483,440,737
7/1/2039	$5,483,440,737	$196,392,297	$98,196,149	$150,483,215	$71,348,981	$283,668,227	$128,797,003	$105,567	$928,991,439	$395,203,252	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($64,722,788)	$5,813,921,201
7/1/2040	$5,813,921,201	$201,793,085	$100,896,543	$150,313,082	$74,262,875	$317,708,414	$138,675,250	$103,428	$983,752,678	$419,371,686	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	($58,968,310)	$6,174,324,577
7/1/2041	$6,174,324,577	$207,342,395	$103,671,198	$150,110,709	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,043,281,390	$445,860,377	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	($49,052,540)	$6,571,132,415
7/1/2042	$6,571,132,415	$213,044,311	$106,522,156	$149,889,355	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,108,155,472	$475,180,516	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	($33,836,800)	$7,012,476,131
7/1/2043	$7,012,476,131	$218,903,030	$109,451,515	$149,747,753	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,179,120,469	$507,902,868	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	($13,838,663)	$7,506,540,336
7/1/2044	$7,506,540,336	$224,922,863	$112,461,432	$149,581,221	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,256,704,266	$544,686,995	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$12,767,461	$8,063,994,792
7/1/2045	$8,063,994,792	$231,108,242	$115,554,121	$149,466,477	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,341,696,346	$586,312,119	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$46,137,847	$8,696,444,758
7/1/2046	$8,696,444,758	$237,463,718	$118,731,859	$149,404,413	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,434,737,290	$633,617,700	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$86,219,445	$9,416,281,903
7/1/2047	$9,416,281,903	$243,993,971	$121,996,985	$149,441,221	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,536,742,189	$687,527,685	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$133,717,152	$10,237,526,739
7/1/2048	$10,237,526,739	$250,703,805	$125,351,902	$149,640,007	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,648,994,145	$749,114,089	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$190,162,756	$11,176,803,584
7/1/2049	$11,176,803,584	$257,598,160	$128,799,080	$150,112,192	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,772,407,962	$819,508,630	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$253,527,449	$12,249,839,663
7/1/2050	$12,249,839,663	$264,682,109	$132,341,054	$150,863,451	$114,922,744	$986,754,109	$258,822,990	$82,675	$1,908,469,131	$899,929,840	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$325,971,443	$13,475,740,946
7/1/2051	$13,475,740,946	$271,960,867	$135,980,433	$151,911,511	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,058,232,497	$991,748,510	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$407,097,692	$14,874,587,148
7/1/2052	$14,874,587,148	$279,439,791	$139,719,895	$153,085,032	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,223,583,476	$1,096,692,146	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$504,402,147	$16,475,681,441
7/1/2053	$16,475,681,441	$287,124,385	$143,562,192	$154,423,074	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,405,765,499	$1,216,866,821	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$617,377,004	$18,309,925,265
7/1/2054	$18,309,925,265	$295,020,306	$147,510,153	$156,033,789	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,607,223,026	$1,354,576,425	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$747,774,977	$20,412,276,667
7/1/2055	$20,412,276,667	$303,133,364	$151,566,682	$157,759,359	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,829,742,504	$1,512,432,899	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$897,733,532	$22,822,443,098
7/1/2056	$22,822,443,098	$311,469,531	$155,734,766	$159,535,898	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,076,135,263	$1,693,362,382	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,068,558,834	$25,584,364,314
7/1/2057	$25,584,364,314	$320,034,944	$160,017,472	$161,360,860	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,349,148,772	$1,900,646,699	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,262,904,435	$28,747,915,448

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

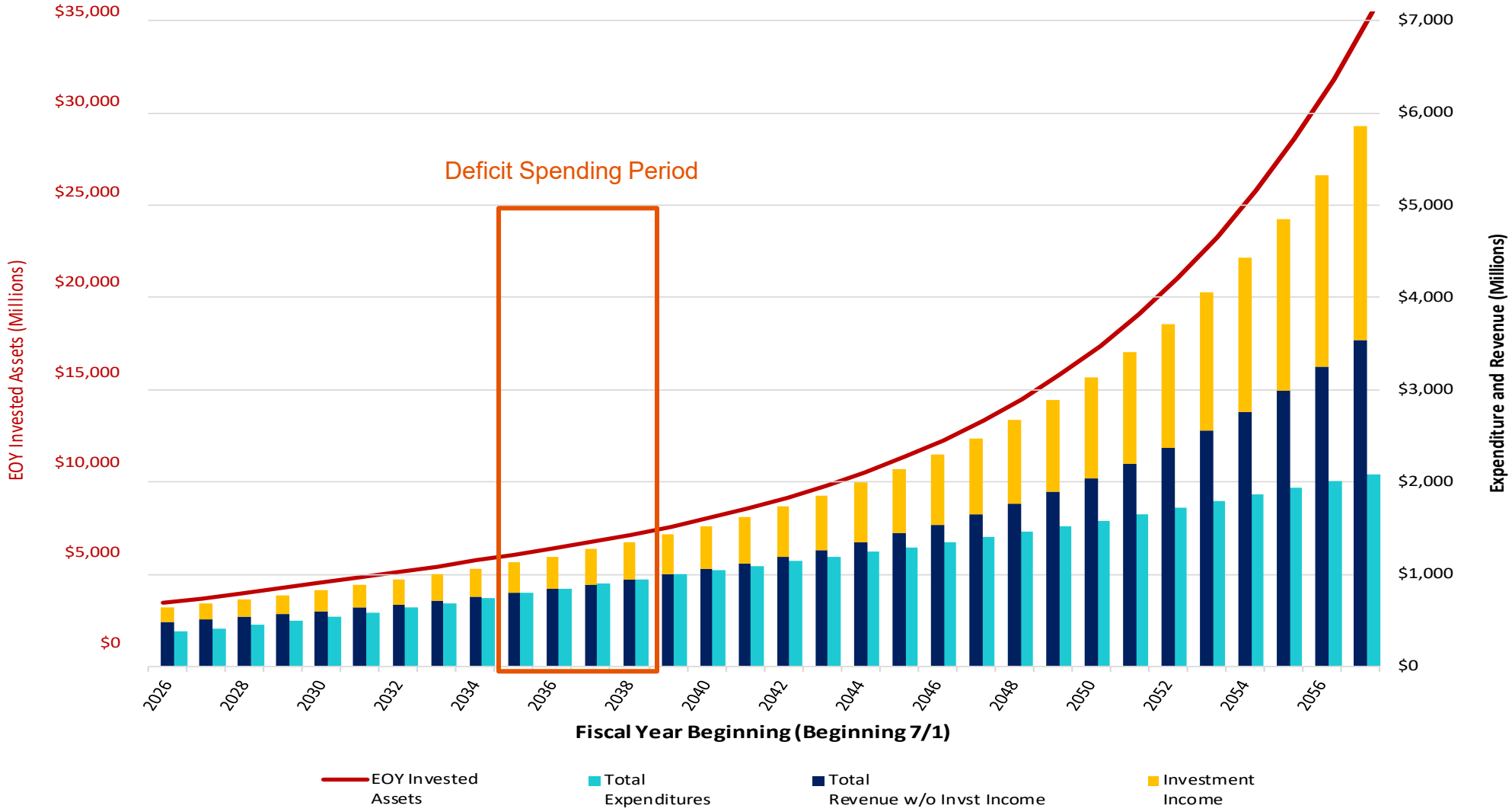
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario – Scenario A

*6% Non-Medicare and 4% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario A - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 6% in CY2027, and 4% thereafter, Medicare Rate Increase of 4% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$135,668,652	$40,229,040	$65,009,436	$39,215,330	$117,050	$487,278,388	$148,056,951	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$100,074,890	$2,240,259,238
7/1/2027	$2,240,259,238	$141,821,634	$70,910,817	$143,006,114	$41,740,108	$72,810,568	$40,674,103	$115,276	$511,078,620	$165,940,024	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$97,137,371	$2,503,336,633
7/1/2028	$2,503,336,633	$145,721,729	$72,860,864	$149,125,577	$43,639,557	$81,547,837	$45,686,161	$114,279	$538,696,004	$184,733,911	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$89,434,633	$2,777,505,177
7/1/2029	$2,777,505,177	$149,729,076	$74,864,538	$155,375,198	$45,830,949	$91,333,577	$51,227,794	$113,126	$568,474,259	$204,230,836	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$78,943,734	$3,060,679,747
7/1/2030	$3,060,679,747	$153,846,626	$76,923,313	$162,000,753	$48,115,130	$102,293,606	$57,114,972	$113,818	$600,408,218	$224,296,361	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$66,126,338	$3,351,102,446
7/1/2031	$3,351,102,446	$158,077,408	$79,038,704	$168,793,003	$50,464,391	$114,568,839	$63,385,248	$114,391	$634,441,985	$244,842,197	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$52,062,619	$3,648,007,263
7/1/2032	$3,648,007,263	$162,424,537	$81,212,268	$175,720,335	$52,868,119	$128,317,100	$70,001,235	$115,519	$670,659,113	$265,806,292	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$36,572,830	$3,950,386,384
7/1/2033	$3,950,386,384	$166,891,211	$83,445,606	$182,590,823	$55,355,941	$143,715,152	$77,055,809	$116,077	$709,170,619	$287,177,393	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$21,362,198	$4,258,925,975
7/1/2034	$4,258,925,975	$171,480,720	$85,740,360	$189,038,026	$57,873,854	$160,960,970	$84,595,025	$115,446	$749,804,400	$309,087,431	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$8,697,862	$4,576,711,268
7/1/2035	$4,576,711,268	$176,196,439	$88,098,220	$195,046,485	$60,459,103	$180,276,286	$92,653,690	$113,915	$792,844,138	$331,807,039	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($124,907)	$4,908,393,399
7/1/2036	$4,908,393,399	$181,041,842	$90,520,921	$200,668,767	$63,087,802	$201,909,441	$101,175,510	$111,813	$838,516,095	$355,680,315	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($4,916,027)	$5,259,157,688
7/1/2037	$5,259,157,688	$186,020,492	$93,010,246	$206,123,314	$65,756,568	$226,138,574	$110,017,892	$109,881	$887,176,967	$381,050,077	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($6,589,109)	$5,633,618,656
7/1/2038	$5,633,618,656	$191,136,056	$95,568,028	$211,541,274	$68,512,316	$253,275,203	$119,194,602	$108,009	$939,335,487	$408,244,997	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($5,306,349)	$6,036,557,304
7/1/2039	$6,036,557,304	$196,392,297	$98,196,149	$216,698,122	$71,348,981	$283,668,227	$128,797,003	$105,567	$995,206,346	$437,704,494	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$1,492,119	$6,475,753,917
7/1/2040	$6,475,753,917	$201,793,085	$100,896,543	$221,790,408	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,055,230,004	$469,945,611	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$12,509,016	$6,958,208,543
7/1/2041	$6,958,208,543	$207,342,395	$103,671,198	$226,917,091	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,120,087,772	$505,476,196	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$27,753,842	$7,491,438,581
7/1/2042	$7,491,438,581	$213,044,311	$106,522,156	$232,067,343	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,190,333,461	$544,881,665	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$48,341,189	$8,084,661,435
7/1/2043	$8,084,661,435	$218,903,030	$109,451,515	$237,419,917	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,266,792,633	$588,814,418	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$73,833,501	$8,747,309,354
7/1/2044	$8,747,309,354	$224,922,863	$112,461,432	$242,744,736	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,349,867,781	$638,019,926	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$105,930,976	$9,491,260,256
7/1/2045	$9,491,260,256	$231,108,242	$115,554,121	$248,180,675	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,440,410,543	$693,367,255	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$144,852,045	$10,329,479,556
7/1/2046	$10,329,479,556	$237,463,718	$118,731,859	$253,741,156	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,539,074,033	$755,794,930	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$190,556,188	$11,275,830,674
7/1/2047	$11,275,830,674	$243,993,971	$121,996,985	$259,521,333	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,646,822,302	$826,335,375	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$243,797,264	$12,345,963,312
7/1/2048	$12,345,963,312	$250,703,805	$125,351,902	$265,607,537	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,764,961,674	$906,179,563	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$306,130,286	$13,558,273,161
7/1/2049	$13,558,273,161	$257,598,160	$128,799,080	$272,361,008	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,894,656,778	$996,596,694	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$375,776,265	$14,930,646,120
7/1/2050	$14,930,646,120	$264,682,109	$132,341,054	$279,746,503	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,037,352,184	$1,098,960,319	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$454,854,495	$16,484,460,934
7/1/2051	$16,484,460,934	$271,960,867	$135,980,433	$287,929,924	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,194,250,909	$1,214,811,376	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$543,116,104	$18,242,388,414
7/1/2052	$18,242,388,414	$279,439,791	$139,719,895	$296,242,455	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,366,740,898	$1,346,047,194	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$647,559,570	$20,235,995,178
7/1/2053	$20,235,995,178	$287,124,385	$143,562,192	$304,911,763	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,556,254,188	$1,494,944,782	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$767,865,692	$22,498,805,652
7/1/2054	$22,498,805,652	$295,020,306	$147,510,153	$314,110,719	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,765,299,956	$1,664,000,541	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$905,851,907	$25,068,658,101
7/1/2055	$25,068,658,101	$303,133,364	$151,566,682	$323,639,540	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,995,622,685	$1,856,033,709	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,063,613,713	$27,988,305,523
7/1/2056	$27,988,305,523	$311,469,531	$155,734,766	$333,431,788	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,250,031,154	$2,074,191,134	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,242,454,724	$31,304,951,382
7/1/2057	$31,304,951,382	$320,034,944	$160,017,472	$343,491,702	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,531,279,614	$2,321,991,504	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,445,035,277	$35,071,978,163

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

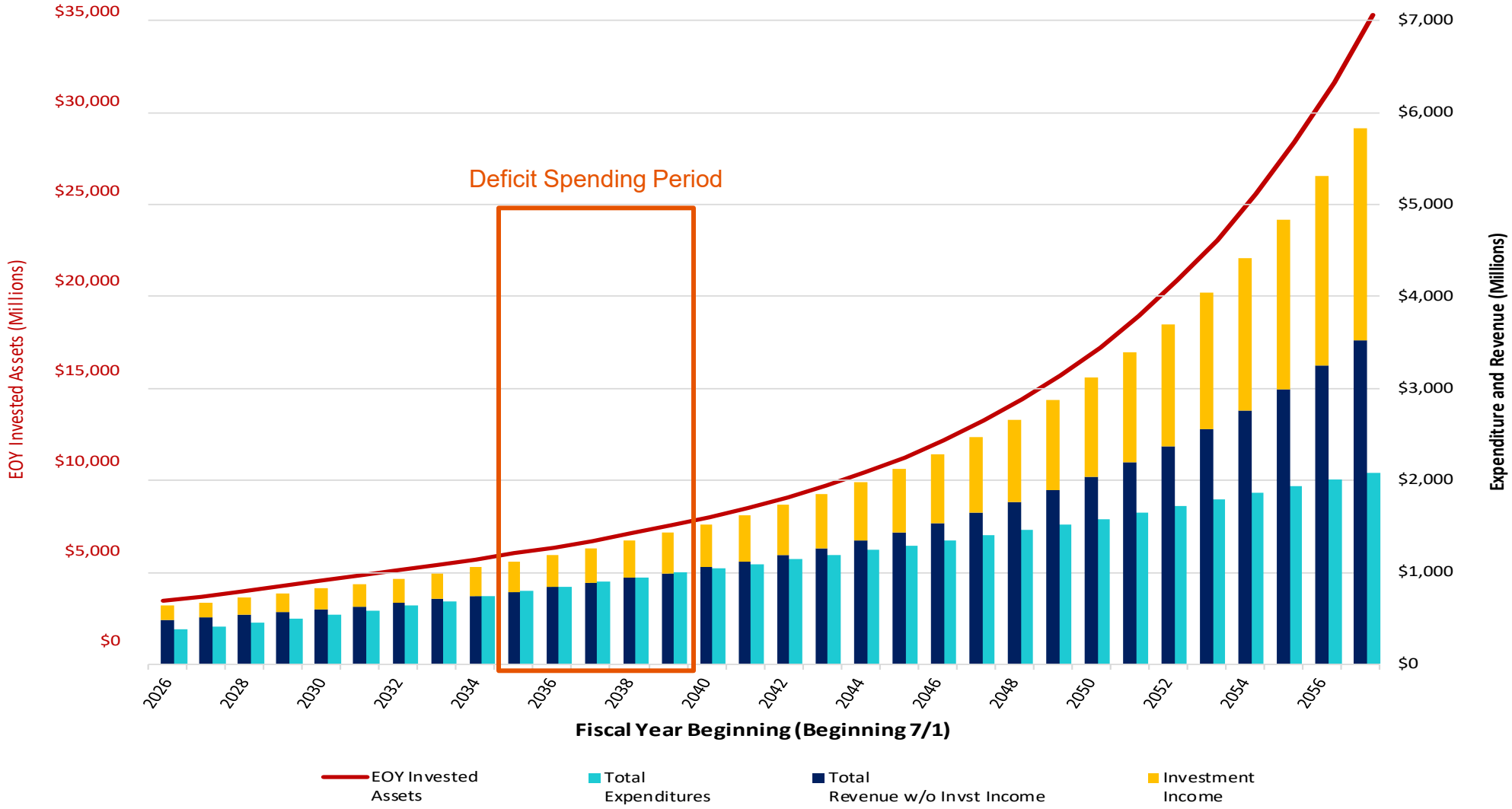
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	4.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario – Scenario B

*4% Non-Medicare and 3% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario B - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 4% in CY2027, and 4% thereafter, Medicare Rate Increase of 3% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,888,158	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,497,895	$148,028,658	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,294,396	$2,239,450,451
7/1/2027	$2,239,450,451	$141,821,634	$70,910,817	$141,415,981	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,488,488	$165,823,745	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,547,238	$2,500,821,435
7/1/2028	$2,500,821,435	$145,721,729	$72,860,864	$147,473,724	$43,639,557	$81,547,837	$45,686,161	$114,279	$537,044,151	$184,491,680	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,782,779	$2,773,095,894
7/1/2029	$2,773,095,894	$149,729,076	$74,864,538	$153,659,914	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,758,975	$203,848,984	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$77,228,450	$3,054,173,328
7/1/2030	$3,054,173,328	$153,846,626	$76,923,313	$160,210,741	$48,115,130	$102,293,606	$57,114,972	$113,818	$598,618,206	$223,759,758	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$64,336,325	$3,342,269,411
7/1/2031	$3,342,269,411	$158,077,408	$79,038,704	$166,923,980	$50,464,391	$114,568,839	$63,385,248	$114,391	$632,572,961	$244,134,050	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$50,193,596	$3,636,597,057
7/1/2032	$3,636,597,057	$162,424,537	$81,212,268	$173,767,826	$52,868,119	$128,317,100	$70,001,235	$115,519	$668,706,604	$264,908,273	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$34,620,321	$3,936,125,651
7/1/2033	$3,936,125,651	$166,891,211	$83,445,606	$180,555,594	$55,355,941	$143,715,152	$77,055,809	$116,077	$707,135,389	$286,069,712	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$19,326,969	$4,241,522,332
7/1/2034	$4,241,522,332	$171,480,720	$85,740,360	$186,928,542	$57,873,854	$160,960,970	$84,595,025	$115,446	$747,694,917	$307,749,198	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$6,588,379	$4,555,859,909
7/1/2035	$4,555,859,909	$176,196,439	$88,098,220	$192,871,620	$60,459,103	$180,276,286	$92,653,690	$113,915	$790,669,274	$330,216,477	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($2,299,772)	$4,883,776,613
7/1/2036	$4,883,776,613	$181,041,842	$90,520,921	$198,435,525	$63,087,802	$201,909,441	$101,175,510	$111,813	$836,282,852	$353,814,643	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($7,149,269)	$5,230,441,988
7/1/2037	$5,230,441,988	$186,020,492	$93,010,246	$203,832,953	$65,756,568	$226,138,574	$110,017,892	$109,881	$884,886,605	$378,885,163	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($8,879,470)	$5,600,447,680
7/1/2038	$5,600,447,680	$191,136,056	$95,568,028	$209,193,247	$68,512,316	$253,275,203	$119,194,602	$108,009	$936,987,460	$405,754,986	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($7,654,376)	$5,998,548,290
7/1/2039	$5,998,548,290	$196,392,297	$98,196,149	$214,297,451	$71,348,981	$283,668,227	$128,797,003	$105,567	$992,805,675	$434,861,816	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($908,552)	$6,432,501,554
7/1/2040	$6,432,501,554	$201,793,085	$100,896,543	$219,336,918	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,052,776,515	$466,720,875	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$10,055,526	$6,909,277,955
7/1/2041	$6,909,277,955	$207,342,395	$103,671,198	$224,409,900	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,117,580,581	$501,837,843	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$25,246,651	$7,436,362,449
7/1/2042	$7,436,362,449	$213,044,311	$106,522,156	$229,506,826	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,187,772,943	$540,795,827	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$45,780,671	$8,022,938,947
7/1/2043	$8,022,938,947	$218,903,030	$109,451,515	$234,803,585	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,264,176,301	$584,244,696	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$71,217,169	$8,678,400,812
7/1/2044	$8,678,400,812	$224,922,863	$112,461,432	$240,075,040	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,347,198,085	$632,927,280	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$103,261,280	$9,414,589,372
7/1/2045	$9,414,589,372	$231,108,242	$115,554,121	$245,457,671	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,437,687,539	$687,709,907	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$142,129,041	$10,244,428,320
7/1/2046	$10,244,428,320	$237,463,718	$118,731,859	$250,964,145	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,536,297,022	$749,528,048	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$187,779,177	$11,181,735,546
7/1/2047	$11,181,735,546	$243,993,971	$121,996,985	$256,688,049	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,643,989,017	$819,410,771	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$240,963,980	$12,242,110,297
7/1/2048	$12,242,110,297	$250,703,805	$125,351,902	$262,715,818	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,762,069,955	$898,545,395	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$303,238,567	$13,443,894,258
7/1/2049	$13,443,894,258	$257,598,160	$128,799,080	$269,400,385	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,891,696,155	$988,196,901	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$372,815,642	$14,804,906,801
7/1/2050	$14,804,906,801	$264,682,109	$132,341,054	$276,709,146	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,034,314,827	$1,089,734,114	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$451,817,138	$16,346,458,053
7/1/2051	$16,346,458,053	$271,960,867	$135,980,433	$284,803,435	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,191,124,420	$1,204,692,832	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$539,989,615	$18,091,140,501
7/1/2052	$18,091,140,501	$279,439,791	$139,719,895	$293,031,145	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,363,529,589	$1,334,965,311	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$644,348,260	$20,070,454,071
7/1/2053	$20,070,454,071	$287,124,385	$143,562,192	$301,613,234	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,552,955,659	$1,482,823,480	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$764,567,164	$22,317,844,715
7/1/2054	$22,317,844,715	$295,020,306	$147,510,153	$310,721,753	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,761,910,990	$1,650,758,023	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$902,462,941	$24,871,065,679
7/1/2055	$24,871,065,679	$303,133,364	$151,566,682	$320,157,707	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,992,140,852	$1,841,582,042	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,060,131,880	$27,772,779,601
7/1/2056	$27,772,779,601	$311,469,531	$155,734,766	$329,854,479	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,246,453,844	$2,058,435,827	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,238,877,415	$31,070,092,843
7/1/2057	$31,070,092,843	$320,034,944	$160,017,472	$339,816,232	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,527,604,144	$2,304,831,024	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,441,359,808	$34,816,283,675

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

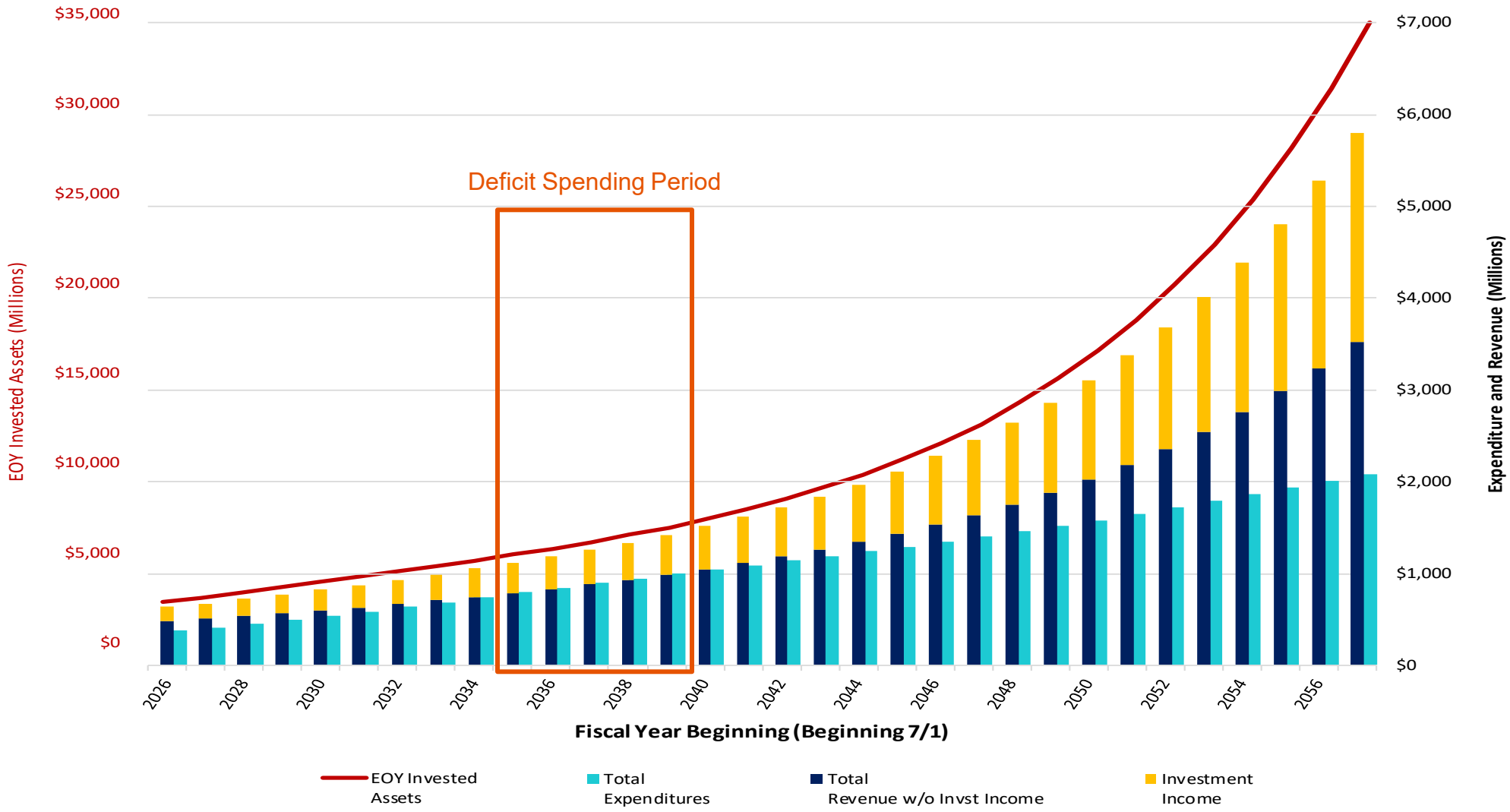
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	3.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario – Scenario C

*5% Non-Medicare and 2% Med Supp Rate Increases**



* 3% Non-Medicare and 2% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario C - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 5% in CY2027, and 5% thereafter, Medicare Rate Increase of 2% in CY2027, and 2% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,793,335	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,403,072	$148,025,221	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,199,573	$2,239,352,191
7/1/2027	$2,239,352,191	$141,821,634	$70,910,817	$141,117,647	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,190,153	$165,805,807	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,248,904	$2,500,406,902
7/1/2028	$2,500,406,902	$145,721,729	$72,860,864	$146,959,575	$43,639,557	$81,547,837	$45,686,161	$114,279	$536,530,002	$184,442,988	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,268,631	$2,772,118,521
7/1/2029	$2,772,118,521	$149,729,076	$74,864,538	$152,916,951	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,016,012	$203,751,192	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$76,485,487	$3,052,355,199
7/1/2030	$3,052,355,199	$153,846,626	$76,923,313	$159,263,945	$48,115,130	$102,293,606	$57,114,972	$113,818	$597,671,410	$223,593,622	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$63,389,530	$3,339,338,351
7/1/2031	$3,339,338,351	$158,077,408	$79,038,704	$165,795,808	$50,464,391	$114,568,839	$63,385,248	$114,391	$631,444,790	$243,880,652	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$49,065,424	$3,632,284,427
7/1/2032	$3,632,284,427	$162,424,537	$81,212,268	$172,498,849	$52,868,119	$128,317,100	$70,001,235	$115,519	$667,437,626	$264,549,607	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$33,351,344	$3,930,185,378
7/1/2033	$3,930,185,378	$166,891,211	$83,445,606	$179,164,026	$55,355,941	$143,715,152	$77,055,809	$116,077	$705,743,822	$285,588,598	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$17,935,401	$4,233,709,378
7/1/2034	$4,233,709,378	$171,480,720	$85,740,360	$185,393,250	$57,873,854	$160,960,970	$84,595,025	$115,446	$746,159,624	$307,127,104	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$5,053,086	$4,545,889,568
7/1/2035	$4,545,889,568	$176,196,439	$88,098,220	$191,151,113	$60,459,103	$180,276,286	$92,653,690	$113,915	$788,948,766	$329,431,259	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($4,020,280)	$4,871,300,547
7/1/2036	$4,871,300,547	$181,041,842	$90,520,921	$196,491,005	$63,087,802	$201,909,441	$101,175,510	$111,813	$834,338,333	$352,839,640	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($9,093,789)	$5,215,046,398
7/1/2037	$5,215,046,398	$186,020,492	$93,010,246	$201,669,611	$65,756,568	$226,138,574	$110,017,892	$109,881	$882,723,263	$377,690,562	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($11,042,813)	$5,581,694,147
7/1/2038	$5,581,694,147	$191,136,056	$95,568,028	$206,823,485	$68,512,316	$253,275,203	$119,194,602	$108,009	$934,617,698	$404,309,451	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($10,024,138)	$5,975,979,460
7/1/2039	$5,975,979,460	$196,392,297	$98,196,149	$211,678,373	$71,348,981	$283,668,227	$128,797,003	$105,567	$990,186,597	$433,130,634	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($3,527,631)	$6,405,582,463
7/1/2040	$6,405,582,463	$201,793,085	$100,896,543	$216,479,360	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,049,918,956	$464,665,655	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$7,197,967	$6,877,446,086
7/1/2041	$6,877,446,086	$207,342,395	$103,671,198	$221,314,897	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,114,485,578	$499,417,838	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$22,151,648	$7,399,015,572
7/1/2042	$7,399,015,572	$213,044,311	$106,522,156	$226,152,194	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,184,418,312	$537,966,573	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$42,426,040	$7,979,408,184
7/1/2043	$7,979,408,184	$218,903,030	$109,451,515	$231,182,573	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,260,555,290	$580,957,454	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$67,596,157	$8,627,961,795
7/1/2044	$8,627,961,795	$224,922,863	$112,461,432	$236,119,558	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,343,242,603	$629,127,065	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$99,305,798	$9,356,394,659
7/1/2045	$9,356,394,659	$231,108,242	$115,554,121	$241,118,458	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,433,348,326	$683,333,494	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$137,789,827	$10,177,517,980
7/1/2046	$10,177,517,980	$237,463,718	$118,731,859	$246,209,581	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,531,542,458	$744,504,696	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$183,024,613	$11,105,047,290
7/1/2047	$11,105,047,290	$243,993,971	$121,996,985	$251,504,161	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,638,805,129	$813,662,957	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$235,780,091	$12,154,490,338
7/1/2048	$12,154,490,338	$250,703,805	$125,351,902	$257,051,262	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,756,405,400	$891,987,607	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$297,574,011	$13,344,051,957
7/1/2049	$13,344,051,957	$257,598,160	$128,799,080	$263,354,887	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,885,650,656	$980,739,185	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$366,770,144	$14,691,561,285
7/1/2050	$14,691,561,285	$264,682,109	$132,341,054	$270,319,639	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,027,925,320	$1,081,284,945	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$445,427,631	$16,218,273,861
7/1/2051	$16,218,273,861	$271,960,867	$135,980,433	$278,226,286	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,184,547,272	$1,195,161,057	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$533,412,467	$17,946,847,384
7/1/2052	$17,946,847,384	$279,439,791	$139,719,895	$286,088,073	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,356,586,516	$1,324,252,373	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$637,405,187	$19,908,504,945
7/1/2053	$19,908,504,945	$287,124,385	$143,562,192	$294,290,821	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,545,633,246	$1,470,816,731	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$757,244,751	$22,136,566,427
7/1/2054	$22,136,566,427	$295,020,306	$147,510,153	$302,957,808	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,754,147,045	$1,637,333,905	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$894,698,995	$24,668,599,326
7/1/2055	$24,668,599,326	$303,133,364	$151,566,682	$311,908,911	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,983,892,056	$1,826,604,213	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,051,883,084	$27,547,086,623
7/1/2056	$27,547,086,623	$311,469,531	$155,734,766	$321,100,652	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,237,700,017	$2,041,755,760	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,230,123,588	$30,818,965,971
7/1/2057	$30,818,965,971	$320,034,944	$160,017,472	$330,536,466	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,518,324,378	$2,286,287,934	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,432,080,042	$34,537,333,947

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%

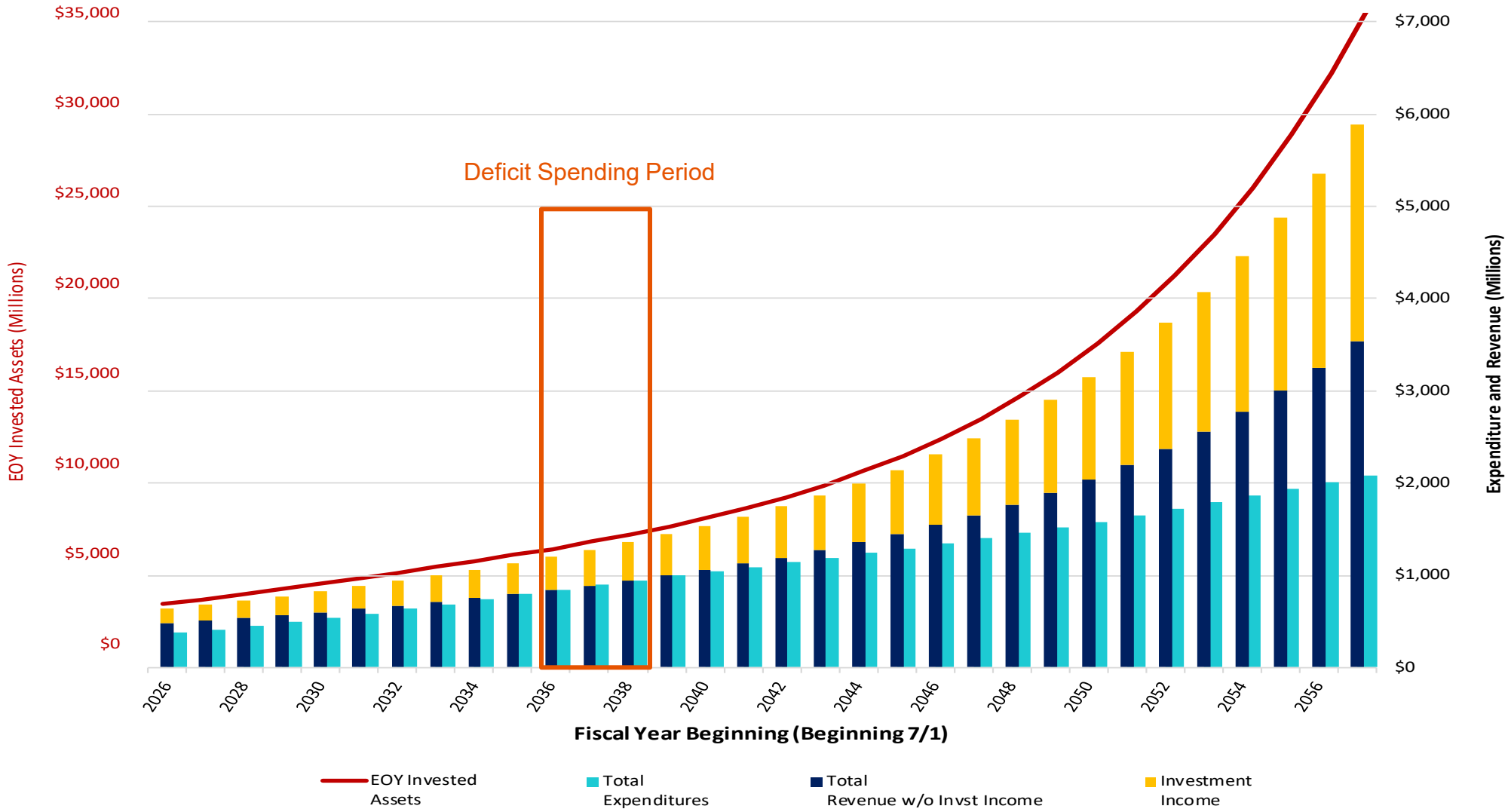
Premium Rates for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Spouse % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Child % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Medicare Supplement % Increase	2.00%	2.00%	2.00%	2.00%	2% to 2%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario –Scenario D

*8% Non-Medicare and 6% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario D - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 8% in CY2027, and 4% thereafter, Medicare Rate Increase of 6% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$136,772,525	$40,229,040	$65,009,436	$39,215,330	$117,050	$488,382,262	$148,096,966	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$101,178,764	$2,241,403,127
7/1/2027	$2,241,403,127	$141,821,634	$70,910,817	$145,260,380	$41,740,108	$72,810,568	$40,674,103	$115,276	$513,332,886	$166,104,674	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$99,391,637	$2,506,899,437
7/1/2028	$2,506,899,437	$145,721,729	$72,860,864	$151,470,792	$43,639,557	$81,547,837	$45,686,161	$114,279	$541,041,219	$185,077,229	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$91,779,848	$2,783,756,514
7/1/2029	$2,783,756,514	$149,729,076	$74,864,538	$157,813,555	$45,830,949	$91,333,577	$51,227,794	$113,126	$570,912,616	$204,772,448	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$81,382,091	$3,069,911,053
7/1/2030	$3,069,911,053	$153,846,626	$76,923,313	$164,542,231	$48,115,130	$102,293,606	$57,114,972	$113,818	$602,949,696	$225,057,760	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$68,667,816	$3,363,636,628
7/1/2031	$3,363,636,628	$158,077,408	$79,038,704	$171,441,163	$50,464,391	$114,568,839	$63,385,248	$114,391	$637,090,145	$245,846,921	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$54,710,779	$3,664,194,329
7/1/2032	$3,664,194,329	$162,424,537	$81,212,268	$178,478,493	$52,868,119	$128,317,100	$70,001,235	$115,519	$673,417,270	$267,079,837	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$39,330,988	$3,970,605,153
7/1/2033	$3,970,605,153	$166,891,211	$83,445,606	$185,458,339	$55,355,941	$143,715,152	$77,055,809	$116,077	$712,038,135	$288,747,201	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$24,229,714	$4,283,582,068
7/1/2034	$4,283,582,068	$171,480,720	$85,740,360	$192,007,010	$57,873,854	$160,960,970	$84,595,025	$115,446	$752,773,384	$310,982,623	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$11,666,846	$4,606,231,538
7/1/2035	$4,606,231,538	$176,196,439	$88,098,220	$198,108,936	$60,459,103	$180,276,286	$92,653,690	$113,915	$795,906,589	$334,058,272	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	$2,937,544	$4,943,227,353
7/1/2036	$4,943,227,353	$181,041,842	$90,520,921	$203,817,965	$63,087,802	$201,909,441	$101,175,510	$111,813	$841,665,292	$358,319,936	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($1,766,829)	$5,299,780,460
7/1/2037	$5,299,780,460	$186,020,492	$93,010,246	$209,357,089	$65,756,568	$226,138,574	$110,017,892	$109,881	$890,410,742	$384,112,452	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($3,355,334)	$5,680,537,578
7/1/2038	$5,680,537,578	$191,136,056	$95,568,028	$214,859,635	$68,512,316	$253,275,203	$119,194,602	$108,009	$942,653,848	$411,766,910	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($1,987,988)	$6,090,316,500
7/1/2039	$6,090,316,500	$196,392,297	$98,196,149	$220,096,480	$71,348,981	$283,668,227	$128,797,003	$105,567	$998,604,704	$441,725,226	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$4,890,476	$6,536,932,202
7/1/2040	$6,536,932,202	$201,793,085	$100,896,543	$225,268,378	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,058,707,975	$474,507,113	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$15,986,986	$7,027,426,301
7/1/2041	$7,027,426,301	$207,342,395	$103,671,198	$230,475,795	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,123,646,476	$510,623,487	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$31,312,546	$7,569,362,334
7/1/2042	$7,569,362,334	$213,044,311	$106,522,156	$235,707,222	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,193,973,339	$550,663,083	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$51,981,067	$8,172,006,484
7/1/2043	$8,172,006,484	$218,903,030	$109,451,515	$241,144,622	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,270,517,338	$595,281,955	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$77,558,205	$8,844,846,644
7/1/2044	$8,844,846,644	$224,922,863	$112,461,432	$246,553,397	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,353,676,442	$645,229,444	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$109,739,637	$9,599,815,725
7/1/2045	$9,599,815,725	$231,108,242	$115,554,121	$252,074,739	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,444,304,608	$701,378,686	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$148,746,109	$10,449,940,520
7/1/2046	$10,449,940,520	$237,463,718	$118,731,859	$257,722,326	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,543,055,203	$764,672,667	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$194,537,358	$11,409,150,545
7/1/2047	$11,409,150,545	$243,993,971	$121,996,985	$263,592,854	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,650,893,823	$836,148,658	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$247,868,785	$12,493,167,988
7/1/2048	$12,493,167,988	$250,703,805	$125,351,902	$269,773,669	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,769,127,806	$917,002,924	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$310,296,418	$13,720,467,330
7/1/2049	$13,720,467,330	$257,598,160	$128,799,080	$276,633,024	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,898,928,794	$1,008,510,632	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$380,048,281	$15,109,026,243
7/1/2050	$15,109,026,243	$264,682,109	$132,341,054	$284,134,212	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,041,739,892	$1,112,051,932	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$459,242,203	$16,680,320,379
7/1/2051	$16,680,320,379	$271,960,867	$135,980,433	$292,446,516	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,198,767,502	$1,229,174,913	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$547,632,697	$18,457,127,988
7/1/2052	$18,457,127,988	$279,439,791	$139,719,895	$300,887,060	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,371,385,504	$1,361,784,180	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$652,204,175	$20,471,116,343
7/1/2053	$20,471,116,343	$287,124,385	$143,562,192	$309,688,314	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,561,030,739	$1,512,164,216	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$772,642,243	$22,755,922,803
7/1/2054	$22,755,922,803	$295,020,306	$147,510,153	$319,025,396	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,770,214,633	$1,682,819,692	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$910,766,584	$25,349,509,078
7/1/2055	$25,349,509,078	$303,133,364	$151,566,682	$328,696,909	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$3,000,680,054	$1,876,578,735	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,068,671,082	$28,294,758,895
7/1/2056	$28,294,758,895	$311,469,531	$155,734,766	$338,636,078	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,255,235,443	$2,096,597,659	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,247,659,014	$31,639,015,568
7/1/2057	$31,639,015,568	$320,034,944	$160,017,472	$348,847,269	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,536,635,181	$2,346,405,297	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,450,390,844	$35,435,811,709

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	6.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

New Mexico Retiree Health Care Authority

Long-Term Solvency Modeling

July 15-17, 2026 Annual Meeting

Debbie Donaldson, FSA, MAAA , Senior Vice President
Amy Cohen, ASA, MAAA, Senior Vice President

Agenda

Overview of Key Assumptions in the 2026 Model

Baseline Solvency Scenario

Sensitivity Analysis

Additional Scenarios

Legislative Bills

2026 Model Key Assumptions

Category	Assumption	Comments*
Beginning Asset Balance	March 31, 2026 fund balance of $1,992,127,397 used as an estimate for 7/1/2026 fund balance	
Investment Return	7.25%	
Annual Payroll Growth	1.83% for FY2026 (1% for State and Teachers, 2.75% for Public Safety and Others); 2.75% thereafter	FY2026 payroll is estimated to be $6.6B
Contribution Rates (ER/EE)	2.50% / 1.25% Public Safety, et al 2.00% / 1.00% Other occupations	
Annual Growth in Retirees	Based on FY2025 open valuation output table	
Pension Tax Revenue	$65,009,436 for FY2027; increasing 12% thereafter	
Rx Rebates	For Non-Medicare Rx and EGWP Plans, reflects contract terms effective 7/1/2026; thereafter, increasing at Rx claims cost trend (see Table A)	Based on projection by Segal using historical data and current contracting terms; Updated trend assumptions to tie into Rx claim increase
Claims Trend	See Table A	Reflects updated trend assumptions to better align with those used in OPEB valuation and medical spend increases compared to GDP

*Assumption is consistent with 2025 approach unless otherwise noted

2026 Model Key Assumptions (cont'd) 1 of 3

Category	Assumption	Comments*
Medical and Rx	See Table A	Non-Medicare Medical and Rx; Medical Supplemental Plan and EGWP separate trends
Medicare Advantage	Current rates for CY2026; CY2027 based on current 2027 renewal results proposed by insurer; thereafter, see Table A; For BCBSNM HMO MAPD Plan : $0 premium 7/1/2024-6/30/2028 per RFP; in CY2029 a $10 premium and Table A trends thereafter; BCBS MAPD PPO: $55 premium for 2027 per RFP, then trend afterwards.	
Dental / Vision	Current rates FY2027; For FY2028, rates contracted through the RFP; Thereafter: Dental – 6%; Vision – 5%	
EGWP Revenue Components	CY2026 and CY2027 projected, reflecting Inflation Reduction Act of 2022 (IRA)	CY2026 projections performed by ESI and Segal; CY2027 projected IRA impacts provided by ESI and confirmed by Segal and Madalena Consulting; final 2027 Direct Subsidy impact will not be known until August 2026
Direct Subsidy	4.5% after CY2027	
CMS Reinsurance & Manufacturer Discounts	Increases with Rx trend (see Table A)	
Low Income Subsidy	Increases with Rx trend (see Table A)	

*Assumption is consistent with 2025 approach unless otherwise noted

2026 Model Key Assumptions (cont'd) 2 of 3

Category	Assumption	Comments*
Plan Design Changes		
Pre-Medicare Medical & Rx	No Plan Changes	Includes impact from 2025 legislative session bills effective 1/1/2026 and approved 2026 legislative session bills
Medicare Supplement Medical & EGWP	No Plan Changes	Includes impact from 2025 legislative session bills effective 1/1/2026 and approved 2026 legislative session bills
MAPD Plans	No Plan Changes	
Member Rate Share		
Pre-Medicare	Retiree: 36% Spouse: 64% Child(ren): 100%	
Medicare (Supplement & Advantage)	Retiree: 50% Spouse: 75% Child(ren): 100%	

*Assumption is consistent with 2025 approach unless otherwise noted

2026 Model Key Assumptions (cont'd) 3 of 3

Category	Assumption	Comments*
Minimum Years of Service to Receive Full Subsidy	Consistent with Board Approved rule change to 21.8.11 NMAC effective July 2021	
Member Migration / Participation	Non-Medicare age-ins default to BCBS PPO MAPD plan; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement.	

*Assumption is consistent with 2025 approach unless otherwise noted

Table A

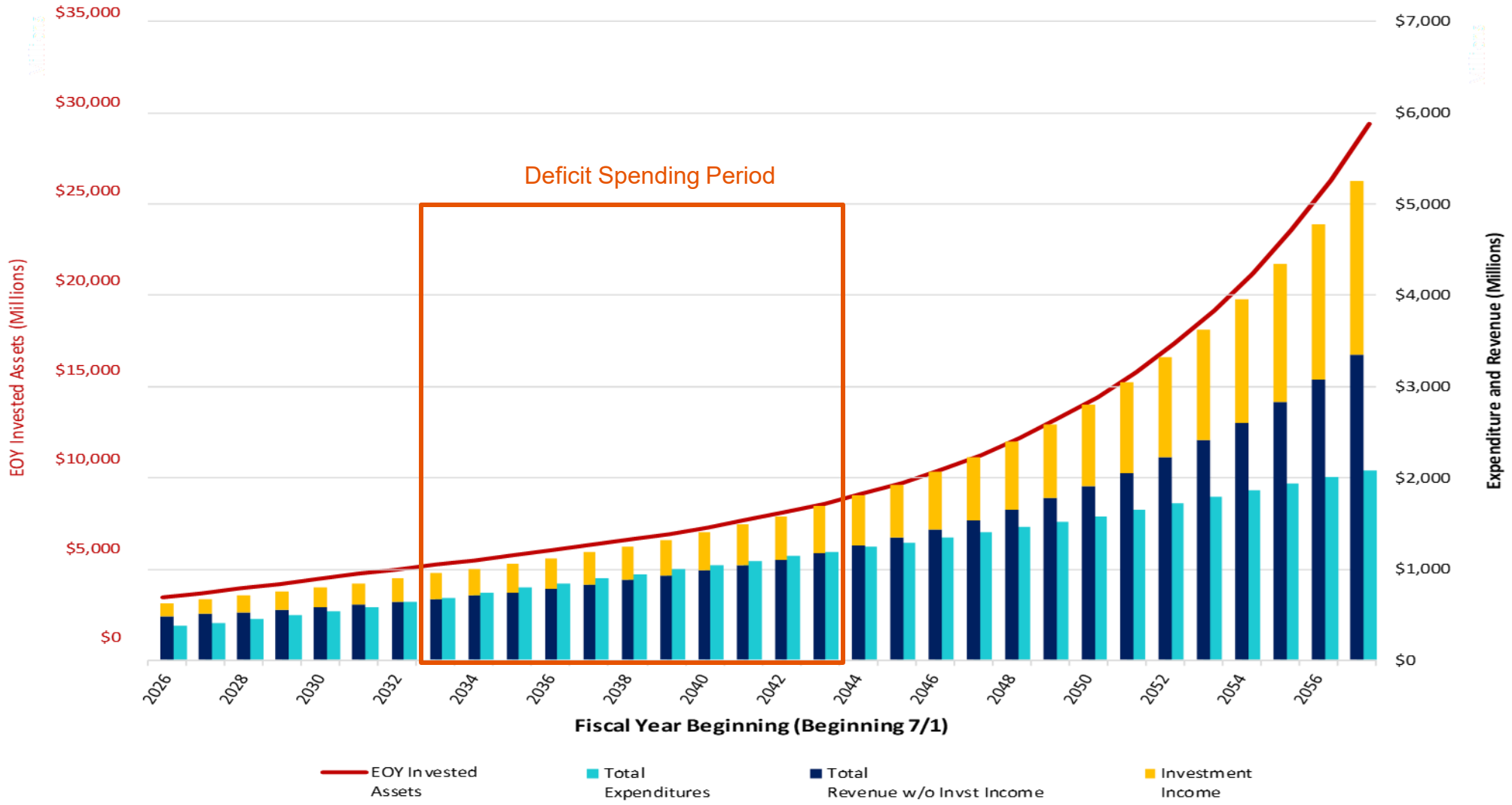
Trend Assumptions by Expense Category

Year	Non-Medicare Medical	Non-Medicare Rx	Medicare Supp Medical	Medicare EGWP	MAPD
2026	8.50%	18.00%	7.00%	11.00%	N/A
2027	8.50%	18.00%	7.00%	11.00%	N/A
2028	8.50%	18.00%	7.00%	11.00%	6.00%
2029	8.50%	18.00%	7.00%	11.00%	6.00%
2030	8.25%	17.00%	6.75%	10.75%	6.00%
2031	8.00%	16.00%	6.50%	10.50%	6.00%
2032	7.75%	15.00%	6.25%	10.25%	6.00%
2033	7.50%	14.00%	6.00%	10.00%	6.00%
2034	7.25%	13.00%	5.75%	9.75%	6.00%
2035	7.00%	12.00%	5.50%	9.50%	6.00%
2036	6.75%	11.25%	5.25%	9.25%	6.00%
2037	6.50%	10.50%	5.00%	9.00%	6.00%
2038	6.25%	10.00%	4.75%	8.75%	6.00%
2039	6.00%	9.50%	4.50%	8.50%	6.00%
2040	5.75%	9.00%	4.50%	8.25%	6.00%
2041	5.50%	8.50%	4.50%	8.00%	6.00%
2042+	5.25%→4.5%	8.0%→4.5%	4.50%	7.75%→4.50%	6.00%

Baseline Solvency Scenario

Baseline Scenario

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



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

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Baseline - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; 0% premium increases for all plans, all years; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$133,003,791	$40,229,040	$65,009,436	$39,215,330	$117,050	$484,613,528	$147,960,350	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$97,410,029	$2,237,497,776
7/1/2027	$2,237,497,776	$141,821,634	$70,910,817	$135,680,605	$41,740,108	$72,810,568	$40,674,103	$115,276	$503,753,111	$165,474,269	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$89,811,861	$2,492,783,906
7/1/2028	$2,492,783,906	$145,721,729	$72,860,864	$137,713,083	$43,639,557	$81,547,837	$45,686,161	$114,279	$527,283,510	$183,555,136	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$78,022,138	$2,754,361,180
7/1/2029	$2,754,361,180	$149,729,076	$74,864,538	$139,704,213	$45,830,949	$91,333,577	$51,227,794	$113,126	$552,803,274	$201,984,823	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$63,272,749	$3,019,618,751
7/1/2030	$3,019,618,751	$153,846,626	$76,923,313	$141,812,627	$48,115,130	$102,293,606	$57,114,972	$113,818	$580,220,092	$220,587,620	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$45,938,211	$3,286,144,582
7/1/2031	$3,286,144,582	$158,077,408	$79,038,704	$143,866,163	$50,464,391	$114,568,839	$63,385,248	$114,391	$609,515,145	$239,229,154	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$27,135,779	$3,552,509,516
7/1/2032	$3,552,509,516	$162,424,537	$81,212,268	$145,822,153	$52,868,119	$128,317,100	$70,001,235	$115,519	$640,760,930	$257,798,896	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$6,674,648	$3,816,983,059
7/1/2033	$3,816,983,059	$166,891,211	$83,445,606	$147,550,374	$55,355,941	$143,715,152	$77,055,809	$116,077	$674,130,170	$276,235,435	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	($13,678,251)	$4,079,540,244
7/1/2034	$4,079,540,244	$171,480,720	$85,740,360	$148,816,454	$57,873,854	$160,960,970	$84,595,025	$115,446	$709,582,828	$294,623,933	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	($31,523,710)	$4,342,640,467
7/1/2035	$4,342,640,467	$176,196,439	$88,098,220	$149,653,112	$60,459,103	$180,276,286	$92,653,690	$113,915	$747,450,765	$313,191,396	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($45,518,280)	$4,610,313,583
7/1/2036	$4,610,313,583	$181,041,842	$90,520,921	$150,127,646	$63,087,802	$201,909,441	$101,175,510	$111,813	$787,974,974	$332,237,413	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($55,457,148)	$4,887,093,849
7/1/2037	$4,887,093,849	$186,020,492	$93,010,246	$150,390,664	$65,756,568	$226,138,574	$110,017,892	$109,881	$831,444,317	$352,055,140	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($62,321,759)	$5,176,827,230
7/1/2038	$5,176,827,230	$191,136,056	$95,568,028	$150,544,639	$68,512,316	$253,275,203	$119,194,602	$108,009	$878,338,852	$372,916,491	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($66,302,984)	$5,483,440,737
7/1/2039	$5,483,440,737	$196,392,297	$98,196,149	$150,483,215	$71,348,981	$283,668,227	$128,797,003	$105,567	$928,991,439	$395,203,252	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($64,722,788)	$5,813,921,201
7/1/2040	$5,813,921,201	$201,793,085	$100,896,543	$150,313,082	$74,262,875	$317,708,414	$138,675,250	$103,428	$983,752,678	$419,371,686	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	($58,968,310)	$6,174,324,577
7/1/2041	$6,174,324,577	$207,342,395	$103,671,198	$150,110,709	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,043,281,390	$445,860,377	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	($49,052,540)	$6,571,132,415
7/1/2042	$6,571,132,415	$213,044,311	$106,522,156	$149,889,355	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,108,155,472	$475,180,516	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	($33,836,800)	$7,012,476,131
7/1/2043	$7,012,476,131	$218,903,030	$109,451,515	$149,747,753	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,179,120,469	$507,902,868	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	($13,838,663)	$7,506,540,336
7/1/2044	$7,506,540,336	$224,922,863	$112,461,432	$149,581,221	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,256,704,266	$544,686,995	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$12,767,461	$8,063,994,792
7/1/2045	$8,063,994,792	$231,108,242	$115,554,121	$149,466,477	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,341,696,346	$586,312,119	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$46,137,847	$8,696,444,758
7/1/2046	$8,696,444,758	$237,463,718	$118,731,859	$149,404,413	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,434,737,290	$633,617,700	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$86,219,445	$9,416,281,903
7/1/2047	$9,416,281,903	$243,993,971	$121,996,985	$149,441,221	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,536,742,189	$687,527,685	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$133,717,152	$10,237,526,739
7/1/2048	$10,237,526,739	$250,703,805	$125,351,902	$149,640,007	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,648,994,145	$749,114,089	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$190,162,756	$11,176,803,584
7/1/2049	$11,176,803,584	$257,598,160	$128,799,080	$150,112,192	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,772,407,962	$819,508,630	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$253,527,449	$12,249,839,663
7/1/2050	$12,249,839,663	$264,682,109	$132,341,054	$150,863,451	$114,922,744	$986,754,109	$258,822,990	$82,675	$1,908,469,131	$899,929,840	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$325,971,443	$13,475,740,946
7/1/2051	$13,475,740,946	$271,960,867	$135,980,433	$151,911,511	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,058,232,497	$991,748,510	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$407,097,692	$14,874,587,148
7/1/2052	$14,874,587,148	$279,439,791	$139,719,895	$153,085,032	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,223,583,476	$1,096,692,146	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$504,402,147	$16,475,681,441
7/1/2053	$16,475,681,441	$287,124,385	$143,562,192	$154,423,074	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,405,765,499	$1,216,866,821	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$617,377,004	$18,309,925,265
7/1/2054	$18,309,925,265	$295,020,306	$147,510,153	$156,033,789	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,607,223,026	$1,354,576,425	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$747,774,977	$20,412,276,667
7/1/2055	$20,412,276,667	$303,133,364	$151,566,682	$157,759,359	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,829,742,504	$1,512,432,899	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$897,733,532	$22,822,443,098
7/1/2056	$22,822,443,098	$311,469,531	$155,734,766	$159,535,898	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,076,135,263	$1,693,362,382	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,068,558,834	$25,584,364,314
7/1/2057	$25,584,364,314	$320,034,944	$160,017,472	$161,360,860	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,349,148,772	$1,900,646,699	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,262,904,435	$28,747,915,448

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Sensitivity Analysis

Sensitivity Analysis (1 of 2)

2026 Baseline Solvency Model Sensitivity to Assumption Changes

	Baseline Scenario	Low Trend: -1%	High Trend: +1%	Low Payroll Growth: -0.5%	Increase Non-Medicare Retiree Rate Share: +4%	Increase Non-Medicare Spouse Rate Share: +6%
Changing Trends:						
Non-Medicare Medical/Rx Claims Trend	8.50% / 18.00%	7.50% / 17.00%	9.50% / 19.00%	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%
Medicare Medical/Rx Claims Trend	7.00% / 11.00%	6.00% / 10.00%	8.00% / 12.00%	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%
Annual Payroll Growth - Starting FY2028	2.75%	2.75%	2.75%	2.25%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2028 and beyond	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Non-Medicare Retiree Rate Share	36.00%	36.00%	36.00%	36.00%	40.00%	36.00%
Non-Medicare Spouse Rate Share	64.00%	64.00%	64.00%	64.00%	64.00%	70.00%
Non-Medicare Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Medicare Supplement Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Results:						
Projected Year of Deficit Spending	2034	2036	2033	2033	2034	2034
Projected Year of Fiscal Insolvency	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period
Ending Balance of Projection Period	$28,747,915,448	$37,093,796,159	$18,858,157,685	$26,883,884,313	$29,064,444,816	$28,875,562,021

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

Sensitivity Analysis (2 of 2)

2026 Baseline Solvency Model Sensitivity to Assumption Changes

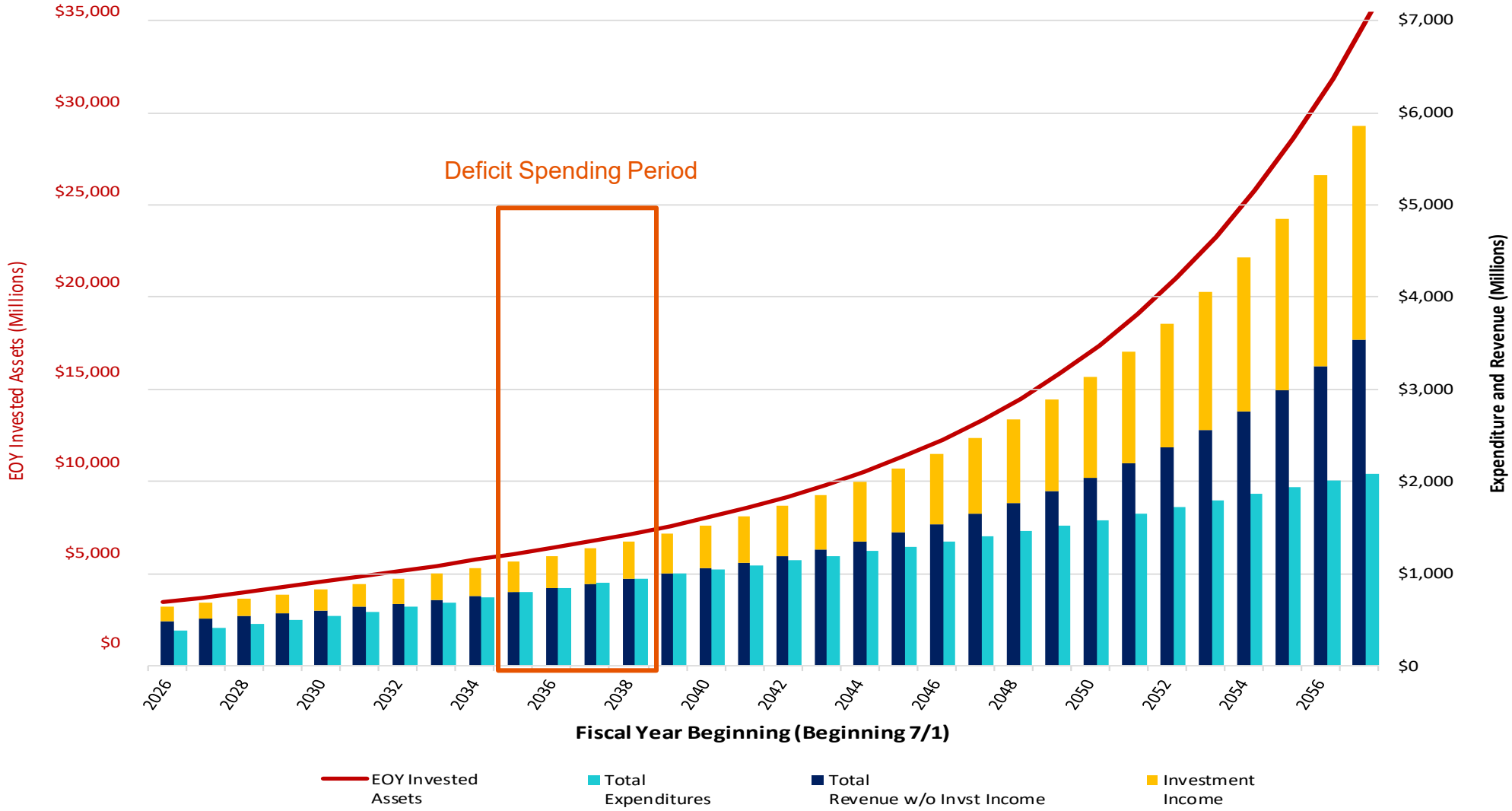
	Baseline Scenario	Increase Non-Medicare Rate Change: +1%	Decrease Non-Medicare Rate Change: -1%	Increase Medicare Supplement Rate Change: +1%	Decrease Medicare Supplement Rate Change: -1%	Low Investment Return: -1%	Very Low Investment Return: -2%
Changing Trends:							
Non-Medicare Medical/Rx Claims Trend	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%	8.50% / 18.00%
Medicare Medical/Rx Claims Trend	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%	7.00% / 11.00%
Annual Payroll Growth - Starting FY2028	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Medicare Advantage Premium Increase - CY2028 and beyond	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Non-Medicare Retiree Rate Share	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share	64.00%	64.00%	64.00%	64.00%	64.00%	64.00%	64.00%
Non-Medicare Rate Increase	0.00%	1.00%	-1.00%	0.00%	0.00%	0.00%	0.00%
Medicare Supplement Rate Increase	0.00%	0.00%	0.00%	1.00%	-1.00%	0.00%	0.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%	6.25%	5.25%
Results:							
Projected Year of Deficit Spending	2034	2034	2034	2034	2034	2034	2034
Projected Year of Fiscal Insolvency	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period	Exceeds Projection Period
Ending Balance of Projection Period	$28,747,915,448	$29,283,297,160	$28,286,410,000	$29,676,413,495	$27,956,075,986	$23,089,003,427	$18,807,659,253

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

Additional Solvency Scenarios

2026 Solvency Scenario – Scenario A

*6% Non-Medicare and 4% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario A - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 6% in CY2027, and 4% thereafter, Medicare Rate Increase of 4% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$135,668,652	$40,229,040	$65,009,436	$39,215,330	$117,050	$487,278,388	$148,056,951	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$100,074,890	$2,240,259,238
7/1/2027	$2,240,259,238	$141,821,634	$70,910,817	$143,006,114	$41,740,108	$72,810,568	$40,674,103	$115,276	$511,078,620	$165,940,024	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$97,137,371	$2,503,336,633
7/1/2028	$2,503,336,633	$145,721,729	$72,860,864	$149,125,577	$43,639,557	$81,547,837	$45,686,161	$114,279	$538,696,004	$184,733,911	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$89,434,633	$2,777,505,177
7/1/2029	$2,777,505,177	$149,729,076	$74,864,538	$155,375,198	$45,830,949	$91,333,577	$51,227,794	$113,126	$568,474,259	$204,230,836	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$78,943,734	$3,060,679,747
7/1/2030	$3,060,679,747	$153,846,626	$76,923,313	$162,000,753	$48,115,130	$102,293,606	$57,114,972	$113,818	$600,408,218	$224,296,361	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$66,126,338	$3,351,102,446
7/1/2031	$3,351,102,446	$158,077,408	$79,038,704	$168,793,003	$50,464,391	$114,568,839	$63,385,248	$114,391	$634,441,985	$244,842,197	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$52,062,619	$3,648,007,263
7/1/2032	$3,648,007,263	$162,424,537	$81,212,268	$175,720,335	$52,868,119	$128,317,100	$70,001,235	$115,519	$670,659,113	$265,806,292	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$36,572,830	$3,950,386,384
7/1/2033	$3,950,386,384	$166,891,211	$83,445,606	$182,590,823	$55,355,941	$143,715,152	$77,055,809	$116,077	$709,170,619	$287,177,393	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$21,362,198	$4,258,925,975
7/1/2034	$4,258,925,975	$171,480,720	$85,740,360	$189,038,026	$57,873,854	$160,960,970	$84,595,025	$115,446	$749,804,400	$309,087,431	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$8,697,862	$4,576,711,268
7/1/2035	$4,576,711,268	$176,196,439	$88,098,220	$195,046,485	$60,459,103	$180,276,286	$92,653,690	$113,915	$792,844,138	$331,807,039	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($124,907)	$4,908,393,399
7/1/2036	$4,908,393,399	$181,041,842	$90,520,921	$200,668,767	$63,087,802	$201,909,441	$101,175,510	$111,813	$838,516,095	$355,680,315	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($4,916,027)	$5,259,157,688
7/1/2037	$5,259,157,688	$186,020,492	$93,010,246	$206,123,314	$65,756,568	$226,138,574	$110,017,892	$109,881	$887,176,967	$381,050,077	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($6,589,109)	$5,633,618,656
7/1/2038	$5,633,618,656	$191,136,056	$95,568,028	$211,541,274	$68,512,316	$253,275,203	$119,194,602	$108,009	$939,335,487	$408,244,997	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($5,306,349)	$6,036,557,304
7/1/2039	$6,036,557,304	$196,392,297	$98,196,149	$216,698,122	$71,348,981	$283,668,227	$128,797,003	$105,567	$995,206,346	$437,704,494	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$1,492,119	$6,475,753,917
7/1/2040	$6,475,753,917	$201,793,085	$100,896,543	$221,790,408	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,055,230,004	$469,945,611	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$12,509,016	$6,958,208,543
7/1/2041	$6,958,208,543	$207,342,395	$103,671,198	$226,917,091	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,120,087,772	$505,476,196	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$27,753,842	$7,491,438,581
7/1/2042	$7,491,438,581	$213,044,311	$106,522,156	$232,067,343	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,190,333,461	$544,881,665	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$48,341,189	$8,084,661,435
7/1/2043	$8,084,661,435	$218,903,030	$109,451,515	$237,419,917	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,266,792,633	$588,814,418	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$73,833,501	$8,747,309,354
7/1/2044	$8,747,309,354	$224,922,863	$112,461,432	$242,744,736	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,349,867,781	$638,019,926	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$105,930,976	$9,491,260,256
7/1/2045	$9,491,260,256	$231,108,242	$115,554,121	$248,180,675	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,440,410,543	$693,367,255	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$144,852,045	$10,329,479,556
7/1/2046	$10,329,479,556	$237,463,718	$118,731,859	$253,741,156	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,539,074,033	$755,794,930	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$190,556,188	$11,275,830,674
7/1/2047	$11,275,830,674	$243,993,971	$121,996,985	$259,521,333	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,646,822,302	$826,335,375	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$243,797,264	$12,345,963,312
7/1/2048	$12,345,963,312	$250,703,805	$125,351,902	$265,607,537	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,764,961,674	$906,179,563	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$306,130,286	$13,558,273,161
7/1/2049	$13,558,273,161	$257,598,160	$128,799,080	$272,361,008	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,894,656,778	$996,596,694	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$375,776,265	$14,930,646,120
7/1/2050	$14,930,646,120	$264,682,109	$132,341,054	$279,746,503	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,037,352,184	$1,098,960,319	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$454,854,495	$16,484,460,934
7/1/2051	$16,484,460,934	$271,960,867	$135,980,433	$287,929,924	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,194,250,909	$1,214,811,376	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$543,116,104	$18,242,388,414
7/1/2052	$18,242,388,414	$279,439,791	$139,719,895	$296,242,455	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,366,740,898	$1,346,047,194	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$647,559,570	$20,235,995,178
7/1/2053	$20,235,995,178	$287,124,385	$143,562,192	$304,911,763	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,556,254,188	$1,494,944,782	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$767,865,692	$22,498,805,652
7/1/2054	$22,498,805,652	$295,020,306	$147,510,153	$314,110,719	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,765,299,956	$1,664,000,541	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$905,851,907	$25,068,658,101
7/1/2055	$25,068,658,101	$303,133,364	$151,566,682	$323,639,540	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,995,622,685	$1,856,033,709	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,063,613,713	$27,988,305,523
7/1/2056	$27,988,305,523	$311,469,531	$155,734,766	$333,431,788	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,250,031,154	$2,074,191,134	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,242,454,724	$31,304,951,382
7/1/2057	$31,304,951,382	$320,034,944	$160,017,472	$343,491,702	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,531,279,614	$2,321,991,504	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,445,035,277	$35,071,978,163

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

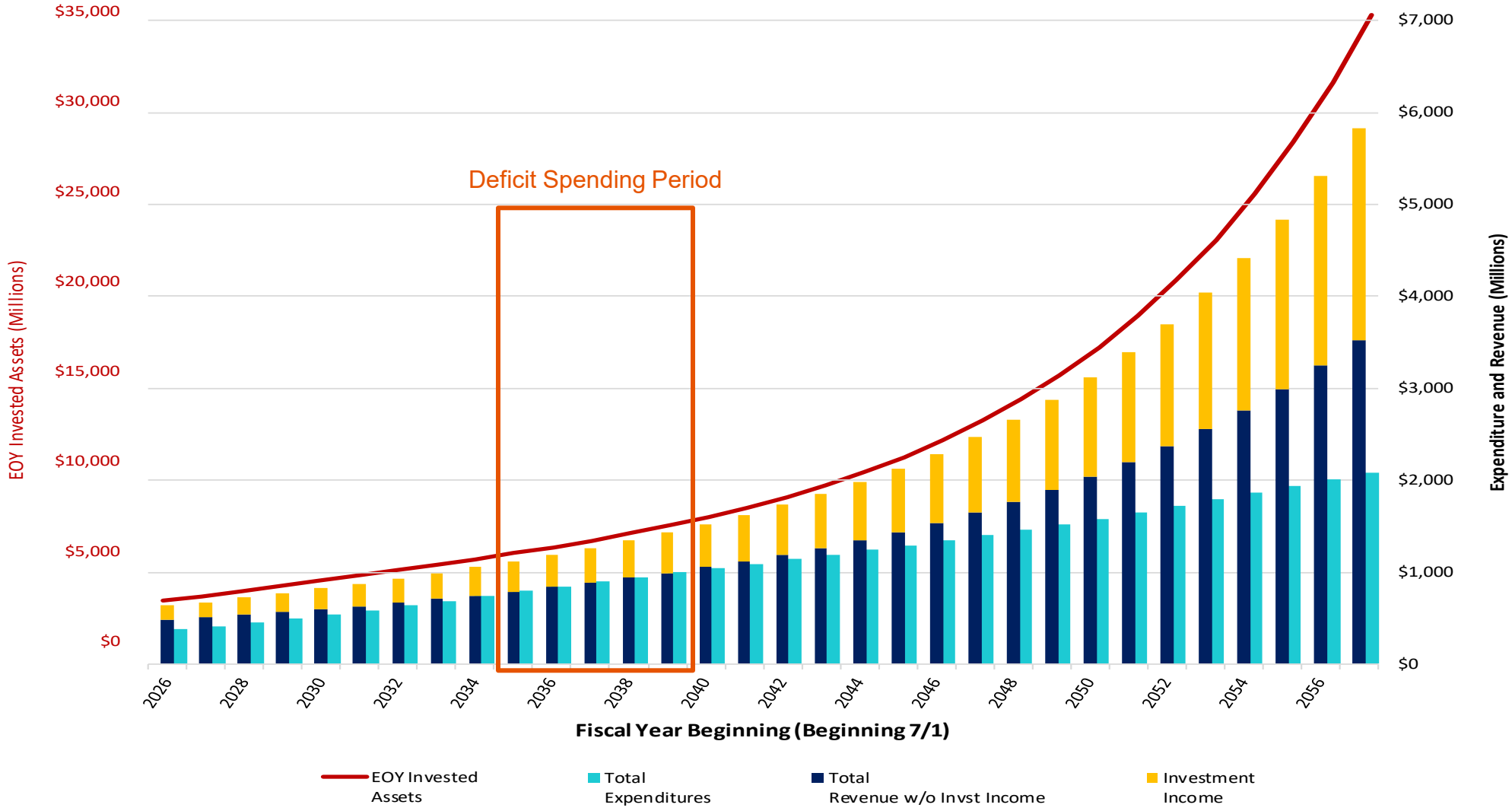
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	4.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario – Scenario B

*4% Non-Medicare and 3% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario B - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 4% in CY2027, and 4% thereafter, Medicare Rate Increase of 3% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,888,158	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,497,895	$148,028,658	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,294,396	$2,239,450,451
7/1/2027	$2,239,450,451	$141,821,634	$70,910,817	$141,415,981	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,488,488	$165,823,745	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,547,238	$2,500,821,435
7/1/2028	$2,500,821,435	$145,721,729	$72,860,864	$147,473,724	$43,639,557	$81,547,837	$45,686,161	$114,279	$537,044,151	$184,491,680	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,782,779	$2,773,095,894
7/1/2029	$2,773,095,894	$149,729,076	$74,864,538	$153,659,914	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,758,975	$203,848,984	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$77,228,450	$3,054,173,328
7/1/2030	$3,054,173,328	$153,846,626	$76,923,313	$160,210,741	$48,115,130	$102,293,606	$57,114,972	$113,818	$598,618,206	$223,759,758	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$64,336,325	$3,342,269,411
7/1/2031	$3,342,269,411	$158,077,408	$79,038,704	$166,923,980	$50,464,391	$114,568,839	$63,385,248	$114,391	$632,572,961	$244,134,050	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$50,193,596	$3,636,597,057
7/1/2032	$3,636,597,057	$162,424,537	$81,212,268	$173,767,826	$52,868,119	$128,317,100	$70,001,235	$115,519	$668,706,604	$264,908,273	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$34,620,321	$3,936,125,651
7/1/2033	$3,936,125,651	$166,891,211	$83,445,606	$180,555,594	$55,355,941	$143,715,152	$77,055,809	$116,077	$707,135,389	$286,069,712	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$19,326,969	$4,241,522,332
7/1/2034	$4,241,522,332	$171,480,720	$85,740,360	$186,928,542	$57,873,854	$160,960,970	$84,595,025	$115,446	$747,694,917	$307,749,198	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$6,588,379	$4,555,859,909
7/1/2035	$4,555,859,909	$176,196,439	$88,098,220	$192,871,620	$60,459,103	$180,276,286	$92,653,690	$113,915	$790,669,274	$330,216,477	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($2,299,772)	$4,883,776,613
7/1/2036	$4,883,776,613	$181,041,842	$90,520,921	$198,435,525	$63,087,802	$201,909,441	$101,175,510	$111,813	$836,282,852	$353,814,643	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($7,149,269)	$5,230,441,988
7/1/2037	$5,230,441,988	$186,020,492	$93,010,246	$203,832,953	$65,756,568	$226,138,574	$110,017,892	$109,881	$884,886,605	$378,885,163	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($8,879,470)	$5,600,447,680
7/1/2038	$5,600,447,680	$191,136,056	$95,568,028	$209,193,247	$68,512,316	$253,275,203	$119,194,602	$108,009	$936,987,460	$405,754,986	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($7,654,376)	$5,998,548,290
7/1/2039	$5,998,548,290	$196,392,297	$98,196,149	$214,297,451	$71,348,981	$283,668,227	$128,797,003	$105,567	$992,805,675	$434,861,816	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($908,552)	$6,432,501,554
7/1/2040	$6,432,501,554	$201,793,085	$100,896,543	$219,336,918	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,052,776,515	$466,720,875	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$10,055,526	$6,909,277,955
7/1/2041	$6,909,277,955	$207,342,395	$103,671,198	$224,409,900	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,117,580,581	$501,837,843	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$25,246,651	$7,436,362,449
7/1/2042	$7,436,362,449	$213,044,311	$106,522,156	$229,506,826	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,187,772,943	$540,795,827	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$45,780,671	$8,022,938,947
7/1/2043	$8,022,938,947	$218,903,030	$109,451,515	$234,803,585	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,264,176,301	$584,244,696	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$71,217,169	$8,678,400,812
7/1/2044	$8,678,400,812	$224,922,863	$112,461,432	$240,075,040	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,347,198,085	$632,927,280	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$103,261,280	$9,414,589,372
7/1/2045	$9,414,589,372	$231,108,242	$115,554,121	$245,457,671	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,437,687,539	$687,709,907	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$142,129,041	$10,244,428,320
7/1/2046	$10,244,428,320	$237,463,718	$118,731,859	$250,964,145	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,536,297,022	$749,528,048	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$187,779,177	$11,181,735,546
7/1/2047	$11,181,735,546	$243,993,971	$121,996,985	$256,688,049	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,643,989,017	$819,410,771	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$240,963,980	$12,242,110,297
7/1/2048	$12,242,110,297	$250,703,805	$125,351,902	$262,715,818	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,762,069,955	$898,545,395	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$303,238,567	$13,443,894,258
7/1/2049	$13,443,894,258	$257,598,160	$128,799,080	$269,400,385	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,891,696,155	$988,196,901	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$372,815,642	$14,804,906,801
7/1/2050	$14,804,906,801	$264,682,109	$132,341,054	$276,709,146	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,034,314,827	$1,089,734,114	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$451,817,138	$16,346,458,053
7/1/2051	$16,346,458,053	$271,960,867	$135,980,433	$284,803,435	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,191,124,420	$1,204,692,832	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$539,989,615	$18,091,140,501
7/1/2052	$18,091,140,501	$279,439,791	$139,719,895	$293,031,145	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,363,529,589	$1,334,965,311	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$644,348,260	$20,070,454,071
7/1/2053	$20,070,454,071	$287,124,385	$143,562,192	$301,613,234	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,552,955,659	$1,482,823,480	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$764,567,164	$22,317,844,715
7/1/2054	$22,317,844,715	$295,020,306	$147,510,153	$310,721,753	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,761,910,990	$1,650,758,023	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$902,462,941	$24,871,065,679
7/1/2055	$24,871,065,679	$303,133,364	$151,566,682	$320,157,707	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,992,140,852	$1,841,582,042	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,060,131,880	$27,772,779,601
7/1/2056	$27,772,779,601	$311,469,531	$155,734,766	$329,854,479	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,246,453,844	$2,058,435,827	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,238,877,415	$31,070,092,843
7/1/2057	$31,070,092,843	$320,034,944	$160,017,472	$339,816,232	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,527,604,144	$2,304,831,024	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,441,359,808	$34,816,283,675

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

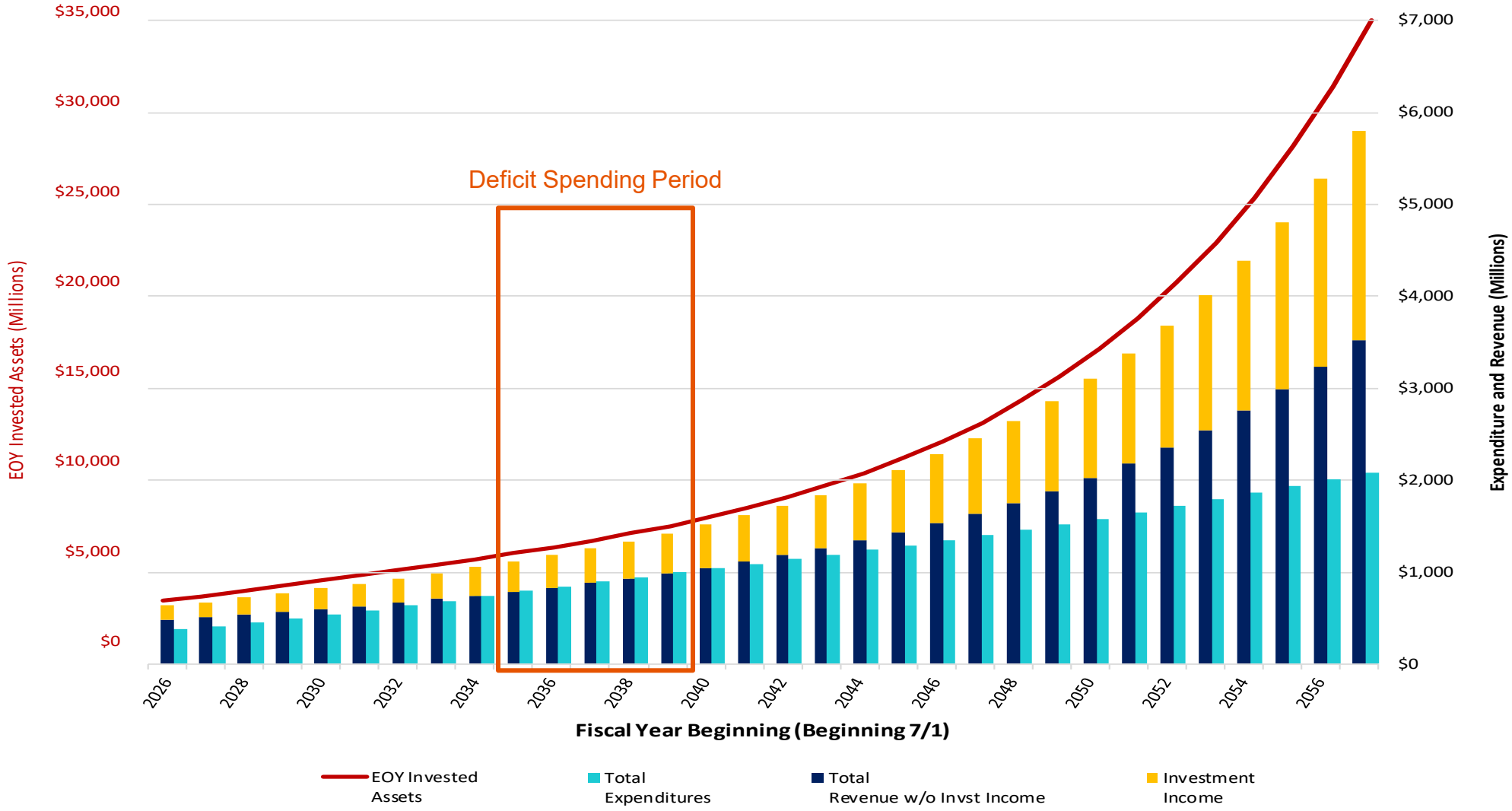
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	3.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario – Scenario C

*5% Non-Medicare and 2% Med Supp Rate Increases**



* 3% Non-Medicare and 2% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario C - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 5% in CY2027, and 5% thereafter, Medicare Rate Increase of 2% in CY2027, and 2% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,793,335	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,403,072	$148,025,221	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,199,573	$2,239,352,191
7/1/2027	$2,239,352,191	$141,821,634	$70,910,817	$141,117,647	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,190,153	$165,805,807	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,248,904	$2,500,406,902
7/1/2028	$2,500,406,902	$145,721,729	$72,860,864	$146,959,575	$43,639,557	$81,547,837	$45,686,161	$114,279	$536,530,002	$184,442,988	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,268,631	$2,772,118,521
7/1/2029	$2,772,118,521	$149,729,076	$74,864,538	$152,916,951	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,016,012	$203,751,192	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$76,485,487	$3,052,355,199
7/1/2030	$3,052,355,199	$153,846,626	$76,923,313	$159,263,945	$48,115,130	$102,293,606	$57,114,972	$113,818	$597,671,410	$223,593,622	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$63,389,530	$3,339,338,351
7/1/2031	$3,339,338,351	$158,077,408	$79,038,704	$165,795,808	$50,464,391	$114,568,839	$63,385,248	$114,391	$631,444,790	$243,880,652	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$49,065,424	$3,632,284,427
7/1/2032	$3,632,284,427	$162,424,537	$81,212,268	$172,498,849	$52,868,119	$128,317,100	$70,001,235	$115,519	$667,437,626	$264,549,607	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$33,351,344	$3,930,185,378
7/1/2033	$3,930,185,378	$166,891,211	$83,445,606	$179,164,026	$55,355,941	$143,715,152	$77,055,809	$116,077	$705,743,822	$285,588,598	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$17,935,401	$4,233,709,378
7/1/2034	$4,233,709,378	$171,480,720	$85,740,360	$185,393,250	$57,873,854	$160,960,970	$84,595,025	$115,446	$746,159,624	$307,127,104	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$5,053,086	$4,545,889,568
7/1/2035	$4,545,889,568	$176,196,439	$88,098,220	$191,151,113	$60,459,103	$180,276,286	$92,653,690	$113,915	$788,948,766	$329,431,259	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($4,020,280)	$4,871,300,547
7/1/2036	$4,871,300,547	$181,041,842	$90,520,921	$196,491,005	$63,087,802	$201,909,441	$101,175,510	$111,813	$834,338,333	$352,839,640	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($9,093,789)	$5,215,046,398
7/1/2037	$5,215,046,398	$186,020,492	$93,010,246	$201,669,611	$65,756,568	$226,138,574	$110,017,892	$109,881	$882,723,263	$377,690,562	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($11,042,813)	$5,581,694,147
7/1/2038	$5,581,694,147	$191,136,056	$95,568,028	$206,823,485	$68,512,316	$253,275,203	$119,194,602	$108,009	$934,617,698	$404,309,451	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($10,024,138)	$5,975,979,460
7/1/2039	$5,975,979,460	$196,392,297	$98,196,149	$211,678,373	$71,348,981	$283,668,227	$128,797,003	$105,567	$990,186,597	$433,130,634	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($3,527,631)	$6,405,582,463
7/1/2040	$6,405,582,463	$201,793,085	$100,896,543	$216,479,360	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,049,918,956	$464,665,655	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$7,197,967	$6,877,446,086
7/1/2041	$6,877,446,086	$207,342,395	$103,671,198	$221,314,897	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,114,485,578	$499,417,838	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$22,151,648	$7,399,015,572
7/1/2042	$7,399,015,572	$213,044,311	$106,522,156	$226,152,194	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,184,418,312	$537,966,573	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$42,426,040	$7,979,408,184
7/1/2043	$7,979,408,184	$218,903,030	$109,451,515	$231,182,573	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,260,555,290	$580,957,454	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$67,596,157	$8,627,961,795
7/1/2044	$8,627,961,795	$224,922,863	$112,461,432	$236,119,558	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,343,242,603	$629,127,065	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$99,305,798	$9,356,394,659
7/1/2045	$9,356,394,659	$231,108,242	$115,554,121	$241,118,458	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,433,348,326	$683,333,494	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$137,789,827	$10,177,517,980
7/1/2046	$10,177,517,980	$237,463,718	$118,731,859	$246,209,581	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,531,542,458	$744,504,696	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$183,024,613	$11,105,047,290
7/1/2047	$11,105,047,290	$243,993,971	$121,996,985	$251,504,161	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,638,805,129	$813,662,957	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$235,780,091	$12,154,490,338
7/1/2048	$12,154,490,338	$250,703,805	$125,351,902	$257,051,262	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,756,405,400	$891,987,607	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$297,574,011	$13,344,051,957
7/1/2049	$13,344,051,957	$257,598,160	$128,799,080	$263,354,887	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,885,650,656	$980,739,185	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$366,770,144	$14,691,561,285
7/1/2050	$14,691,561,285	$264,682,109	$132,341,054	$270,319,639	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,027,925,320	$1,081,284,945	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$445,427,631	$16,218,273,861
7/1/2051	$16,218,273,861	$271,960,867	$135,980,433	$278,226,286	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,184,547,272	$1,195,161,057	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$533,412,467	$17,946,847,384
7/1/2052	$17,946,847,384	$279,439,791	$139,719,895	$286,088,073	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,356,586,516	$1,324,252,373	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$637,405,187	$19,908,504,945
7/1/2053	$19,908,504,945	$287,124,385	$143,562,192	$294,290,821	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,545,633,246	$1,470,816,731	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$757,244,751	$22,136,566,427
7/1/2054	$22,136,566,427	$295,020,306	$147,510,153	$302,957,808	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,754,147,045	$1,637,333,905	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$894,698,995	$24,668,599,326
7/1/2055	$24,668,599,326	$303,133,364	$151,566,682	$311,908,911	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,983,892,056	$1,826,604,213	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,051,883,084	$27,547,086,623
7/1/2056	$27,547,086,623	$311,469,531	$155,734,766	$321,100,652	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,237,700,017	$2,041,755,760	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,230,123,588	$30,818,965,971
7/1/2057	$30,818,965,971	$320,034,944	$160,017,472	$330,536,466	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,518,324,378	$2,286,287,934	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,432,080,042	$34,537,333,947

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

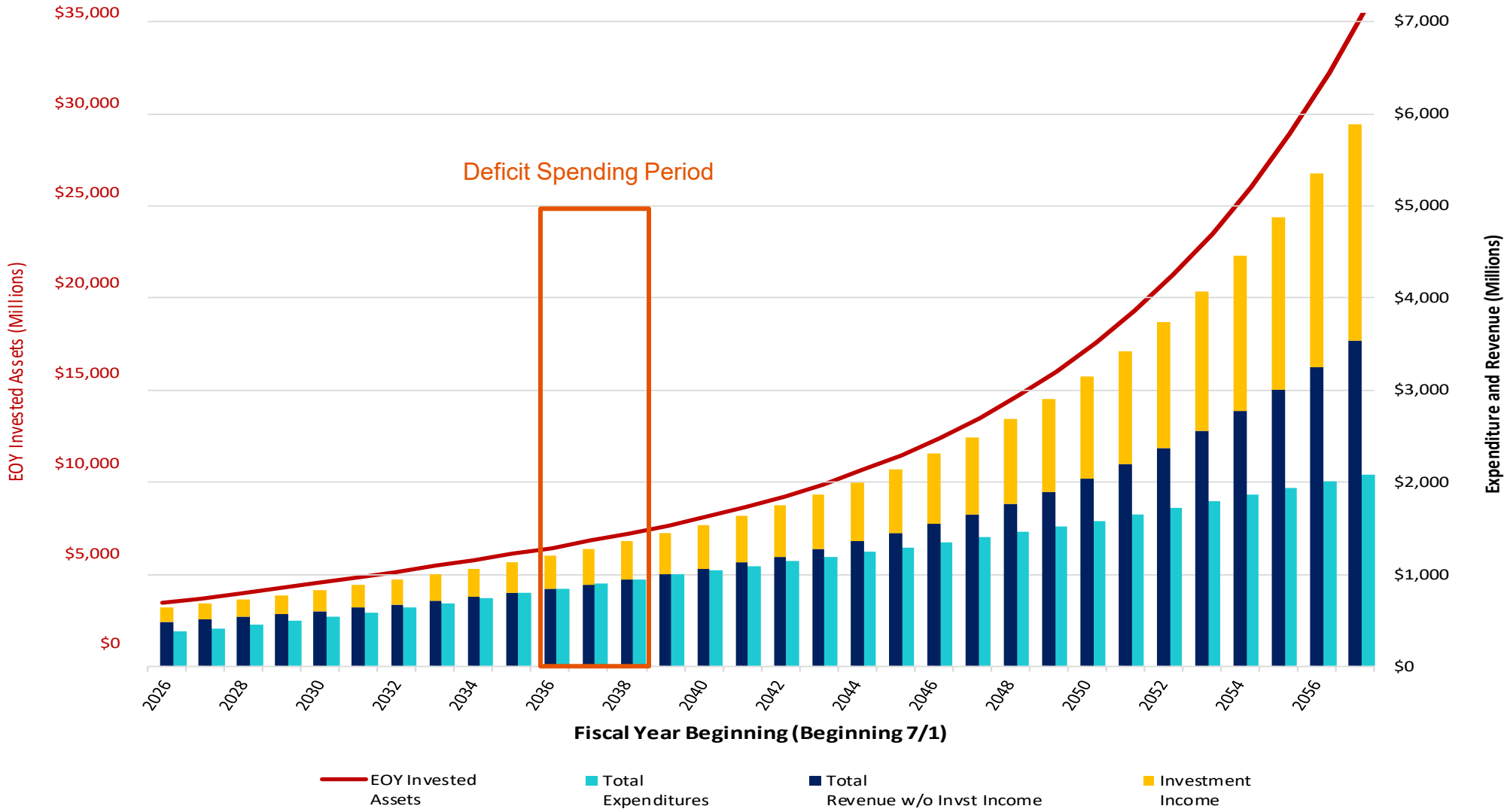
Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Spouse % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Child % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Medicare Supplement % Increase	2.00%	2.00%	2.00%	2.00%	2% to 2%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

2026 Solvency Scenario –Scenario D

*8% Non-Medicare and 6% Med Supp Rate Increases**



* 4% Non-Medicare and 3% Medicare Supplement annual rate increases throughout the projection period after the 2027.

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario D - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 8% in CY2027, and 4% thereafter, Medicare Rate Increase of 6% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$136,772,525	$40,229,040	$65,009,436	$39,215,330	$117,050	$488,382,262	$148,096,966	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$101,178,764	$2,241,403,127
7/1/2027	$2,241,403,127	$141,821,634	$70,910,817	$145,260,380	$41,740,108	$72,810,568	$40,674,103	$115,276	$513,332,886	$166,104,674	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$99,391,637	$2,506,899,437
7/1/2028	$2,506,899,437	$145,721,729	$72,860,864	$151,470,792	$43,639,557	$81,547,837	$45,686,161	$114,279	$541,041,219	$185,077,229	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$91,779,848	$2,783,756,514
7/1/2029	$2,783,756,514	$149,729,076	$74,864,538	$157,813,555	$45,830,949	$91,333,577	$51,227,794	$113,126	$570,912,616	$204,772,448	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$81,382,091	$3,069,911,053
7/1/2030	$3,069,911,053	$153,846,626	$76,923,313	$164,542,231	$48,115,130	$102,293,606	$57,114,972	$113,818	$602,949,696	$225,057,760	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$68,667,816	$3,363,636,628
7/1/2031	$3,363,636,628	$158,077,408	$79,038,704	$171,441,163	$50,464,391	$114,568,839	$63,385,248	$114,391	$637,090,145	$245,846,921	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$54,710,779	$3,664,194,329
7/1/2032	$3,664,194,329	$162,424,537	$81,212,268	$178,478,493	$52,868,119	$128,317,100	$70,001,235	$115,519	$673,417,270	$267,079,837	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$39,330,988	$3,970,605,153
7/1/2033	$3,970,605,153	$166,891,211	$83,445,606	$185,458,339	$55,355,941	$143,715,152	$77,055,809	$116,077	$712,038,135	$288,747,201	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$24,229,714	$4,283,582,068
7/1/2034	$4,283,582,068	$171,480,720	$85,740,360	$192,007,010	$57,873,854	$160,960,970	$84,595,025	$115,446	$752,773,384	$310,982,623	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$11,666,846	$4,606,231,538
7/1/2035	$4,606,231,538	$176,196,439	$88,098,220	$198,108,936	$60,459,103	$180,276,286	$92,653,690	$113,915	$795,906,589	$334,058,272	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	$2,937,544	$4,943,227,353
7/1/2036	$4,943,227,353	$181,041,842	$90,520,921	$203,817,965	$63,087,802	$201,909,441	$101,175,510	$111,813	$841,665,292	$358,319,936	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($1,766,829)	$5,299,780,460
7/1/2037	$5,299,780,460	$186,020,492	$93,010,246	$209,357,089	$65,756,568	$226,138,574	$110,017,892	$109,881	$890,410,742	$384,112,452	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($3,355,334)	$5,680,537,578
7/1/2038	$5,680,537,578	$191,136,056	$95,568,028	$214,859,635	$68,512,316	$253,275,203	$119,194,602	$108,009	$942,653,848	$411,766,910	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($1,987,988)	$6,090,316,500
7/1/2039	$6,090,316,500	$196,392,297	$98,196,149	$220,096,480	$71,348,981	$283,668,227	$128,797,003	$105,567	$998,604,704	$441,725,226	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$4,890,476	$6,536,932,202
7/1/2040	$6,536,932,202	$201,793,085	$100,896,543	$225,268,378	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,058,707,975	$474,507,113	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$15,986,986	$7,027,426,301
7/1/2041	$7,027,426,301	$207,342,395	$103,671,198	$230,475,795	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,123,646,476	$510,623,487	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$31,312,546	$7,569,362,334
7/1/2042	$7,569,362,334	$213,044,311	$106,522,156	$235,707,222	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,193,973,339	$550,663,083	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$51,981,067	$8,172,006,484
7/1/2043	$8,172,006,484	$218,903,030	$109,451,515	$241,144,622	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,270,517,338	$595,281,955	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$77,558,205	$8,844,846,644
7/1/2044	$8,844,846,644	$224,922,863	$112,461,432	$246,553,397	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,353,676,442	$645,229,444	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$109,739,637	$9,599,815,725
7/1/2045	$9,599,815,725	$231,108,242	$115,554,121	$252,074,739	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,444,304,608	$701,378,686	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$148,746,109	$10,449,940,520
7/1/2046	$10,449,940,520	$237,463,718	$118,731,859	$257,722,326	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,543,055,203	$764,672,667	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$194,537,358	$11,409,150,545
7/1/2047	$11,409,150,545	$243,993,971	$121,996,985	$263,592,854	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,650,893,823	$836,148,658	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$247,868,785	$12,493,167,988
7/1/2048	$12,493,167,988	$250,703,805	$125,351,902	$269,773,669	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,769,127,806	$917,002,924	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$310,296,418	$13,720,467,330
7/1/2049	$13,720,467,330	$257,598,160	$128,799,080	$276,633,024	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,898,928,794	$1,008,510,632	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$380,048,281	$15,109,026,243
7/1/2050	$15,109,026,243	$264,682,109	$132,341,054	$284,134,212	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,041,739,892	$1,112,051,932	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$459,242,203	$16,680,320,379
7/1/2051	$16,680,320,379	$271,960,867	$135,980,433	$292,446,516	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,198,767,502	$1,229,174,913	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$547,632,697	$18,457,127,988
7/1/2052	$18,457,127,988	$279,439,791	$139,719,895	$300,887,060	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,371,385,504	$1,361,784,180	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$652,204,175	$20,471,116,343
7/1/2053	$20,471,116,343	$287,124,385	$143,562,192	$309,688,314	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,561,030,739	$1,512,164,216	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$772,642,243	$22,755,922,803
7/1/2054	$22,755,922,803	$295,020,306	$147,510,153	$319,025,396	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,770,214,633	$1,682,819,692	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$910,766,584	$25,349,509,078
7/1/2055	$25,349,509,078	$303,133,364	$151,566,682	$328,696,909	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$3,000,680,054	$1,876,578,735	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,068,671,082	$28,294,758,895
7/1/2056	$28,294,758,895	$311,469,531	$155,734,766	$338,636,078	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,255,235,443	$2,096,597,659	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,247,659,014	$31,639,015,568
7/1/2057	$31,639,015,568	$320,034,944	$160,017,472	$348,847,269	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,536,635,181	$2,346,405,297	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,450,390,844	$35,435,811,709

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	6.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Legislative Bills

Cost of Legislative Bills (Amounts in $000's)

			Actual Impacts by Fiscal Year						Cumulative Impact	Projected Impact	
Legislative Session	Bill Name(s)	Effective Date(s)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2020 to FY2025	FY2026[1]	FY2027
2019	HB322	6/15/2019	$18	$37	$39	$40	$24	$41	$199	$65	$77
	HB 81	7/1/2019	$62	$62	$68	$72	$70	$61	$395	$64	$69
2020	HB126	1/1/2021		$1	$2	$5	$5	$7	$20	$13	$14
2021 / 2023 / 2025	SB317 / SB273 / SB120	1/1/2022 / 1/1/2024 / 1/1/2027			$508	$710	$653	$571	$2,442	$628	$702
2023	HB27	1/1/2024					$16	$41	$57	$36	$43
	HB73[2]	1/1/2024					$105	$211	$316	$229	$248
	HB75[2]	1/1/2024					$14	$23	$37	$20	$22
	SB132	1/1/2024					$32	$57	$89	$55	$65
	SB51[3]	1/1/2024					$638	$542	$1,180	$640	$755
2025	HB174[(4)]	1/1/2026								$409	$864
	HB233	1/1/2026								$70	$160
	SB376[(5)]	7/1/2026*									($6,000)
All Combined			**$80**	**$100**	**$617**	**$827**	**$1,557**	**$1,554**	**$4,735**	**$2,228**	**($2,981)**

[1] Legislative bills included in the FY2026 projection estimates are HB306, HB38, HB47 and SB20.
[2] Impacts from original FIR. Confirming plan changes regarding HB73 were implemented.
[3] SB51 is for point-of-sale rebates, the impact estimates are provided by ESI. The projected impacts do not include further shifts from generic to brand drugs.
[4] HB174 is for community-based pharmacies and does not impact EGWP.
[5] NMRHCA implemented reference-based-pricing; savings are anticipated to be realized beginning in FY2027.

2026 ANNUAL MEETING

CALENDAR YEAR 2027 PLAN RECOMMENDATIONS

PARTICIPATION BY PLAN

Enrollment Counts
July 1, 2026

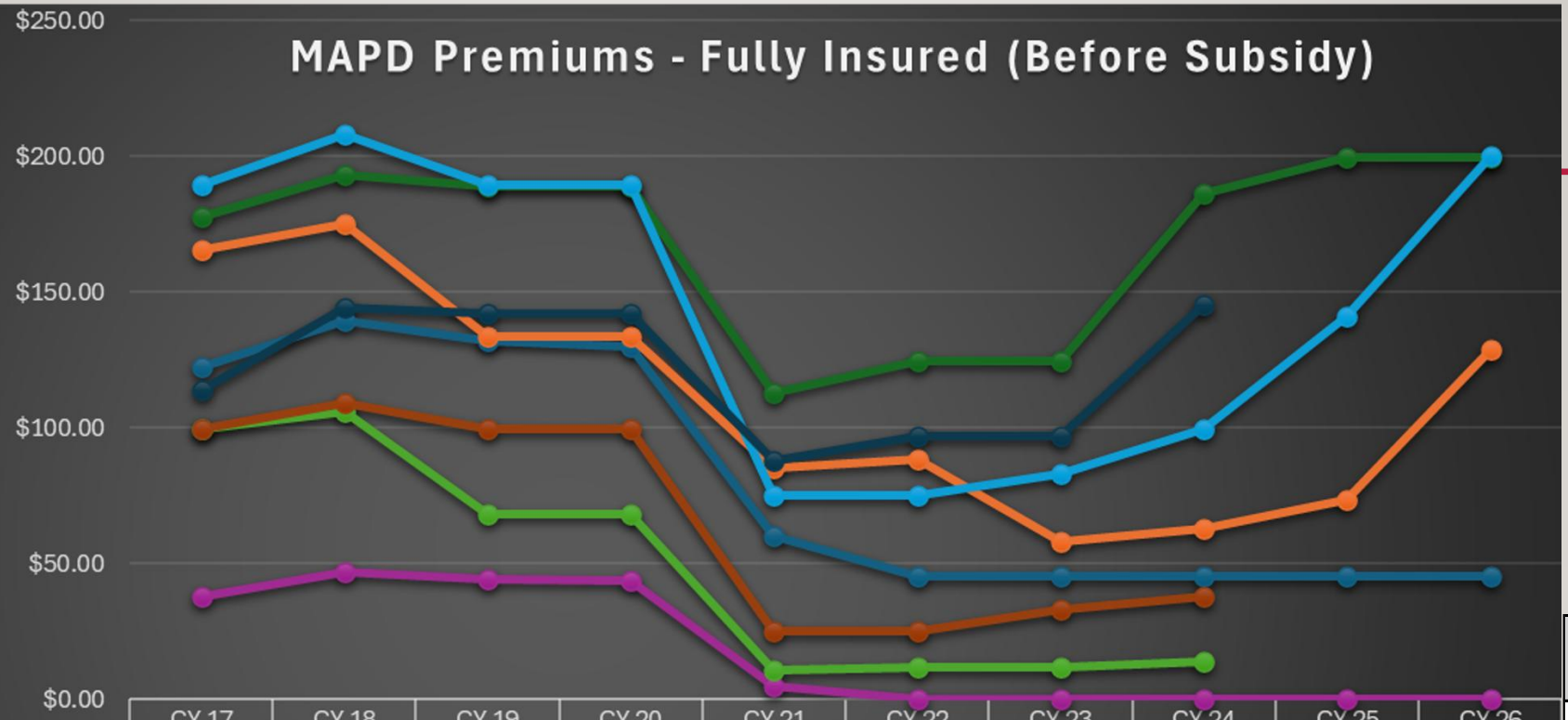
Medical Plan	Retiree	Spouse	Dependent	Grand Total
BCBS Premier PPO	3,080	844	438	4,362
Presbyterian Premier PPO	1,849	332	179	2,360
BCBS Value HMO	483	160	73	716
Presbyterian Value HMO	1,348	383	195	1,926
BCBS Medicare Supplemental Plan	15,693	3,272	6	18,971
BCBS Medicare Advantage I (HMO)	2,622	875	4	3,501
BCBS Medicare Advantage PPO	2,331	700	3	3,034
Humana Medicare Advantage I (PPO)	1,310	403		1,713
Presbyterian Medicare Advantage I (PPO)	6,861	1,746	4	8,611
United Healthcare Medicare Advantage I (PPO)	3,421	964	2	4,387
Grand Total	**38,998**	**9,679**	**904**	**49,581**
Voluntary	9,145	5,503	921	15,569
Total Enrollment	**48,143**	**15,182**	**1,825**	**65,150**

Non-Medicare	9,364
Medicare	40,217

SUMMARY OF PROPOSED ACTIONS

- **Self-Insured Plan Rate Increases**
  - Pre-Medicare (Premier and Value Plans)
  - Medicare Supplement
- **Plan Design Changes**
  - No additional plan design changes are recommended following recent benefit modifications implemented for Calendar Year 2026.
- **Additional Considerations**
  - Based on renewal information received, Medicare Advantage premium changes range from 0% to approximately 22.2%. One renewal remains pending formal submission.
  - Premium reductions for two plans by decoupling of medical and pharmacy benefits
- **Key Takeaways**
  - Staff's objective is to balance affordability for members today while protecting the long-term financial sustainability of the Trust Fund and maintaining comprehensive statewide access to care.

MEDICARE ADVANTAGE PRESCRIPTION DRUG PLANS



	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 23	CY 24	CY 25	CY 26	Total Membership - 21,184
											Enrollment as of 6/1/26
Blue Cross Blue Sheild MAPD (PPO CY25)	$122.40	$139.20	$132.20	$129.60	$60.00	$45.00	$45.00	$45.00	$45.00	$45.00	3,047
Humana MAPD 1	$165.55	$174.90	$133.65	$133.65	$84.94	$88.26	$58.22	$62.72	$73.23	$128.62	1,706
Presbyterian MAPD 1	$178.00	$193.00	$189.00	$189.00	$113.00	$124.30	$124.30	$186.45	$199.49	$199.49	8,606
United Healthcare MAPD 1	$189.39	$208.33	$189.37	$189.37	$75.00	$75.00	$83.00	$99.60	$141.00	$199.90	4,385
Blue Cross Blue Sheild MAPD HMO	$37.90	$46.60	$44.30	$43.40	$5.00	$0.00	$0.00	$0.00	$0.00	$0.00	3,440
Humana MAPD 2	$99.72	$106.12	$68.15	$68.15	$10.76	$11.54	$11.54	$13.62			0
Presbyterian MAPD 2	$114.00	$144.00	$142.00	$142.00	$88.00	$96.80	$96.80	$145.20			0
United Healthcare MAPD 2	$99.36	$109.30	$99.31	$99.31	$25.00	$25.00	$33.00	$37.60			0

CHANGES LAST FIVE YEARS – SELF INSURED

	2022	2023	2024	2025	2026
Pre-Medicare Plan Increase	6%	4%	5%	2%/ 3% Child	2%/3% Child
Medicare Supplement Plan	4%	2%	0%	2%	0%
Pre-Medicare Plan Design Copays	N/A	Medical Benefit – ER $350 Value/ $250 Premier Urgent Care $55 Value/ $45 Premier BCBS Tier 1 OOP $3,750	N/A	N/A	Pharmacy Benefit – All 3 tiers increased
Medicare Supp. Plan Design Copays	N/A	N/A	N/A	N/A	Pharmacy Benefit – All 3 tiers increased
Medicare Supp. Plan Design Deductible	N/A	N/A	N/A	N/A	Pharmacy Benefit - $250 Deductible (Generics Excluded)

HEALTH CARE PROGRAM ENVIRONMENT

- Current Pressures
  - Continued expansion of federal and state mandated health benefits, increasing plan costs.
  - Rapid growth in specialty pharmaceuticals, including gene therapies and high-cost biologics.
  - Continued demand for GLP-1 medications and other emerging therapies.
  - Medical inflation continues to exceed general inflation, driven by provider reimbursement, hospital costs, and utilization.
- Program Strengths
  - Projected deficit spending continues to move further into the future through prudent financial management.
  - Competitive procurement and negotiations continue to produce stable Medicare Advantage premiums despite significant national cost pressures.
  - Trust Fund balances continue to grow, strengthening the long-term financial position of the program.
  - GASB funding position continues to improve relative to prior years.

WHY PREMIUM INCREASES CONTINUE

Drivers of premium increases:

- Medical Inflation
- Pharmacy Trend
- Legislative Mandates
- Aging Membership

While the Trust Fund remains financially strong, these ongoing cost drivers continue to outpace general inflation, requiring periodic premium adjustments to maintain long-term program sustainability.

Plan Comparison

NM Retiree Health Care Authority, State of New Mexico RMD, NM Public School Insurance Authority and Albuquerque Public Schools Effective 1/1/2026

Plan Comparisons for IBAC as of 7/1/2026

NM Retiree Health Care Authority, NM Health Care Authority, NM Public School Insurance Authority, and Albuquerque Public Schools

Plan Premiums for individual member per month with employer subsidy of 64%	NMRHCA Premier PPO - BCBS and PHP $352.81	NMRHCA Value HMO - BCBS and PHP $275.60	NMPSIA High Option - BCBS and PHP $401.75, $324.88	NMPSIA Low Option - BCBS and PHP $278.54 , $225.28	APS EPO BCBS $289.28	APS EPO PHP $303.73	SONM (HCA) HMO CLEAR PLATINUM BCBS/PHP/UHC $323.06 Tier 1/ Tier II**	SONM (HCA) HMO - BASIC GOLD BCBS/PHP/UHC $270.89 Tier 1/ Tier II**	SONM (HCA) PPO - BASIC GOLD BCBS/PHP/UHC $377.33 Tier 1/ Tier II
Annual Deductible	$500 to $800/Individual	$1,500/Individual	$825/Individual	$2,200/Individual	$1,000/Individual	$500/Individual	$0 to $300/Individual	$500 to $700/Individual	$500 to $700/Individual
Annual Out-of-Pocket Limit	$3,750 to 4,500/Individual	$5,500/Individual	$4,500/Individual	$5,500/Individual	$5,000/Individual	$4,000/Individual	$3,500 to $4,250/Individual	$4,000 to $5,000/Individual	$4,000 to $6,000/Individual
Office Services	Primary - $20 or $30 Specialist - $35 to $45	Primary -$35 Specialist - $55	Primary -$30 Specialist - $55	Primary -$35 Specialist - $70	Primary -$30 Specialist - $60	Primary -$20 Specialist - $50	Primary -$20 or $30 Specialist - $40* or $60	Primary -$30 or $40 Specialist - $60* or $80	Primary -$30 or $40 Specialist - $60* or $80
Preventive Services	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%
Related testing (includes routine Pap test, mammograms, colonoscopy, physicals, etc.) & immunization (deductible waived)	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%	Plan pays 100%
Lab, X-Ray, and Pathology	Plan pays 100%	Plan pays 100%	$30 freestanding lab/ radiology or actual allowed or $60 hospital outpatient	$35 freestanding lab/ radiology or actual allowed or $70 hospital outpatientd	$30	$20	$20* or $30 & $75* or $100	$30* or $40 & $100* or $120	30%* or 35% after deductible
Emergency Room	$250	$350	$550	$550	$450	$350	$250 waived if admitted	$350 waived if admitted	$350 waived if admitted
Urgent Care Facility	$45	$55	$55	$70	$75	$50	$50*or $70	$80* or $100	$80* or $100
Ambulance Services	25%	30%	$55	30%	20%	20%	$100 Ground / $200 Air	30% Ground/30% Air (Tier 1 deductible applies)	30% Ground/30% Air (Tier 1 deductible applies)
High-Tech Radiology (MRI, PET & CT)	10%, 25% or $100 office/ freestanding radiology	30% or $125 office/ freestanding radiology	$600 copay per day	$700 copay per day	$120 copay per day freestanding facility, 20% outpatient hospital	$120 copay per day freestanding facility, 20% outpatient hospital	$75 or $100	30% up to $250 after deductible*,***	30% or 35% up to $300 after deductible***
Rehabilitation Inpatient or Outpatient (Occupational, Physical, and Speech)	10% or 25% / $20 or $30 - Physical therapy outpatient alternative to surgery 4 copay max	30% / $35 - Physical therapy outpatient alternative to surgery 4 copay max	Inpatient rehab. admit: 25%; Outpatient visits: $30 copay/visit to max $300 per year	Inpatient rehab. admit: 30%; Outpatient visits: $35 copay	20% Inpatient, $30 to max $480 per year and 60 visit max per condition	20% Inpatient, $20 to max $320 per year and 60 visit max per condition	Inpatient $750 or $1,250; $20 or $30 Outpatient;	Inpatient 30%; $30 or $40 Outpatient;	Inpatient 30% or 35%; $30 or $40 Outpatient
Alternative (chiropractic, acupuncture, etc.)	$30,10%,25% $1,500 combined annual max	$35, 30% $1,500 combined annual max	$25, $50 combined max 30 visits	25% - $30 combined max 30 visits	$30, max 25 visits a calendar year	$20, max 25 visits a calendar year	$20*- $60, max 25 combined visits a year	$30*- $80 max 25 combined visits a year	$30 - $80 max 25 combined visits a year
Hospitalization - Inpatient	10% or 25%	30%	25%	30%	20% coinsurance	20% coinsurance	$750 or $1,250 per admission	30% after deductilbe	30% or 35% after deductilbe
Surgery - Outpatient	10% or 25%	30%	25%	30%	20% coinsurance	20% coinsurance	$75* or $100	30% after deductible	30% or 35% after deductilbe
Majority of Other Covered Services	10% or 25%	30%	25%	30%	20%	20%	Vary	30% after deductible	30% or 35% after dedutible

* For UHC/UMR, Tier I copays and coinsurance apply to all untiered in-network facilities and specialists both nationally and in New Mexico.

** The BCBSNM HMO is only available in New Mexico and does not have an out-of-state network/Tier II.

For PHP, Tier I only applies to New Mexico, outside New Mexico Tier II applies to members accessing the national network (Aetna).

For UHC/UMR, tier is available nationwide (UHC National Network).

*** For UHC/UMR, flat copays will apply per - $250 for HMO Basic Gold and $300 for PPO Basic Gold

Plan Comparison

NM Retiree Health Care Authority, State of New Mexico RMD, NM Public School Insurance Authority and Albuquerque Public Schools Effective 1/1/2026

Prescription Plans:

	NMRHCA Premier PPO		NMRHCA Value Plan HMO		NMPSIA High Option BCBS and PHP		NMPSIA Low Option BCBS and PHP		APS EPO BCBS		APS EPO Presbyterian		SoNM (HCA) All Health Plans	
													$50 indiv./$100 family deductible applies to Brand Name medication only	
Copay (Retail)	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	*Minimum*	*Maximum*
Generic	$10	$30	$10	$30	$0	$10	$0	$15	20%	$10	20%	$10	$6	
Preferred Brand	$45	$100	$45	$100	$30	$75	$45	$112	$50	$100	$50	$100	$35	$95
Non-Formulary	$75	$200	$75	$200	70%		70%		$100	$175	$100	$175	$60	$130
Specialty					$55 Generic; $80 Preferred Brand; $130 Non-preferred Brand (CVS - Mail Order)		$55 Generic; $120 Preferred Brand; $170 Non-preferred Brand (CVS - Mail Order)		$100, $125, $200 based on tier (Accredo - Mail Order)		$100, $125, $200 based on tier (Accredo - Mail Order)		$60 generic, $85 preferred brand, $125 non-preferred must move to mail order after 2 fills at retail	
Up to 30 or 34 day supply													MAIL $50 indiv/$100 family deductible applies to Brand Name medication only	
Copay (Mail Order)	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	*Minimum*	*Maximum*
Generic	$24	$70	$24	$70	$22		$35		$20		$20		$17	
Preferred Brand	$90	$200	$90	$200	$150		$175		$150		$150		$120	
Non-Formulary	$150	$400	$150	$250	70%				$300		$300		$155	
Specialty														
90 day supply														

2026 PROPOSED MONTHLY PLAN RATES
BASELINE

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

Baseline Scenario - 0%	2026	2027	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 352.81	$ 352.81	$ -	$ -
Spouse/Domestic Partner	$ 669.64	$ 669.64	$ -	$ -
Child	$ 349.20	$ 349.20	$ -	$ -
BCBS/Presbyterian Value				
Retiree	$ 275.60	$ 275.60	$ -	$ -
Spouse/Domestic Partner	$ 523.06	$ 523.06	$ -	$ -
Child	$ 272.31	$ 272.31	$ -	$ -

Baseline Scenario - 0%	2026	2027	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$245.61	$0.00	$0.00
Spouse/Domestic Partner	$368.42	$368.42	$0.00	$0.00
Dependent Child	$491.23	$491.23	$0.00	$0.00

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Baseline - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; 0% premium increases for all plans, all years; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$133,003,791	$40,229,040	$65,009,436	$39,215,330	$117,050	$484,613,528	$147,960,350	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$97,410,029	$2,237,497,776
7/1/2027	$2,237,497,776	$141,821,634	$70,910,817	$135,680,605	$41,740,108	$72,810,568	$40,674,103	$115,276	$503,753,111	$165,474,269	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$89,811,861	$2,492,783,906
7/1/2028	$2,492,783,906	$145,721,729	$72,860,864	$137,713,083	$43,639,557	$81,547,837	$45,686,161	$114,279	$527,283,510	$183,555,136	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$78,022,138	$2,754,361,180
7/1/2029	$2,754,361,180	$149,729,076	$74,864,538	$139,704,213	$45,830,949	$91,333,577	$51,227,794	$113,126	$552,803,274	$201,984,823	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$63,272,749	$3,019,618,751
7/1/2030	$3,019,618,751	$153,846,626	$76,923,313	$141,812,627	$48,115,130	$102,293,606	$57,114,972	$113,818	$580,220,092	$220,587,620	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$45,938,211	$3,286,144,582
7/1/2031	$3,286,144,582	$158,077,408	$79,038,704	$143,866,163	$50,464,391	$114,568,839	$63,385,248	$114,391	$609,515,145	$239,229,154	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$27,135,779	$3,552,509,516
7/1/2032	$3,552,509,516	$162,424,537	$81,212,268	$145,822,153	$52,868,119	$128,317,100	$70,001,235	$115,519	$640,760,930	$257,798,896	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$6,674,648	$3,816,983,059
7/1/2033	$3,816,983,059	$166,891,211	$83,445,606	$147,550,374	$55,355,941	$143,715,152	$77,055,809	$116,077	$674,130,170	$276,235,435	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	($13,678,251)	$4,079,540,244
7/1/2034	$4,079,540,244	$171,480,720	$85,740,360	$148,816,454	$57,873,854	$160,960,970	$84,595,025	$115,446	$709,582,828	$294,623,933	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	($31,523,710)	$4,342,640,467
7/1/2035	$4,342,640,467	$176,196,439	$88,098,220	$149,653,112	$60,459,103	$180,276,286	$92,653,690	$113,915	$747,450,765	$313,191,396	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($45,518,280)	$4,610,313,583
7/1/2036	$4,610,313,583	$181,041,842	$90,520,921	$150,127,646	$63,087,802	$201,909,441	$101,175,510	$111,813	$787,974,974	$332,237,413	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($55,457,148)	$4,887,093,849
7/1/2037	$4,887,093,849	$186,020,492	$93,010,246	$150,390,664	$65,756,568	$226,138,574	$110,017,892	$109,881	$831,444,317	$352,055,140	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($62,321,759)	$5,176,827,230
7/1/2038	$5,176,827,230	$191,136,056	$95,568,028	$150,544,639	$68,512,316	$253,275,203	$119,194,602	$108,009	$878,338,852	$372,916,491	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($66,302,984)	$5,483,440,737
7/1/2039	$5,483,440,737	$196,392,297	$98,196,149	$150,483,215	$71,348,981	$283,668,227	$128,797,003	$105,567	$928,991,439	$395,203,252	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($64,722,788)	$5,813,921,201
7/1/2040	$5,813,921,201	$201,793,085	$100,896,543	$150,313,082	$74,262,875	$317,708,414	$138,675,250	$103,428	$983,752,678	$419,371,686	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	($58,968,310)	$6,174,324,577
7/1/2041	$6,174,324,577	$207,342,395	$103,671,198	$150,110,709	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,043,281,390	$445,860,377	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	($49,052,540)	$6,571,132,415
7/1/2042	$6,571,132,415	$213,044,311	$106,522,156	$149,889,355	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,108,155,472	$475,180,516	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	($33,836,800)	$7,012,476,131
7/1/2043	$7,012,476,131	$218,903,030	$109,451,515	$149,747,753	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,179,120,469	$507,902,868	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	($13,838,663)	$7,506,540,336
7/1/2044	$7,506,540,336	$224,922,863	$112,461,432	$149,581,221	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,256,704,266	$544,686,995	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$12,767,461	$8,063,994,792
7/1/2045	$8,063,994,792	$231,108,242	$115,554,121	$149,466,477	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,341,696,346	$586,312,119	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$46,137,847	$8,696,444,758
7/1/2046	$8,696,444,758	$237,463,718	$118,731,859	$149,404,413	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,434,737,290	$633,617,700	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$86,219,445	$9,416,281,903
7/1/2047	$9,416,281,903	$243,993,971	$121,996,985	$149,441,221	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,536,742,189	$687,527,685	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$133,717,152	$10,237,526,739
7/1/2048	$10,237,526,739	$250,703,805	$125,351,902	$149,640,007	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,648,994,145	$749,114,089	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$190,162,756	$11,176,803,584
7/1/2049	$11,176,803,584	$257,598,160	$128,799,080	$150,112,192	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,772,407,962	$819,508,630	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$253,527,449	$12,249,839,663
7/1/2050	$12,249,839,663	$264,682,109	$132,341,054	$150,863,451	$114,922,744	$986,754,109	$258,822,990	$82,675	$1,908,469,131	$899,929,840	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$325,971,443	$13,475,740,946
7/1/2051	$13,475,740,946	$271,960,867	$135,980,433	$151,911,511	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,058,232,497	$991,748,510	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$407,097,692	$14,874,587,148
7/1/2052	$14,874,587,148	$279,439,791	$139,719,895	$153,085,032	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,223,583,476	$1,096,692,146	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$504,402,147	$16,475,681,441
7/1/2053	$16,475,681,441	$287,124,385	$143,562,192	$154,423,074	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,405,765,499	$1,216,866,821	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$617,377,004	$18,309,925,265
7/1/2054	$18,309,925,265	$295,020,306	$147,510,153	$156,033,789	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,607,223,026	$1,354,576,425	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$747,774,977	$20,412,276,667
7/1/2055	$20,412,276,667	$303,133,364	$151,566,682	$157,759,359	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,829,742,504	$1,512,432,899	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$897,733,532	$22,822,443,098
7/1/2056	$22,822,443,098	$311,469,531	$155,734,766	$159,535,898	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,076,135,263	$1,693,362,382	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,068,558,834	$25,584,364,314
7/1/2057	$25,584,364,314	$320,034,944	$160,017,472	$161,360,860	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,349,148,772	$1,900,646,699	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,262,904,435	$28,747,915,448

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Spouse % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Child % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement % Increase	0.00%	0.00%	0.00%	0.00%	0% to 0%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

2026 PROPOSED MONTHLY PLAN RATES
SCENARIO A

Pre-Medicare Plans – 6% / Medicare Supplement – 4%
Beyond Projection Period / Deficit Spend FY2034

Scenario A - 6%	2026	2027	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 352.81	$ 373.98	$ 21.17	$ 254.02
Spouse/Domestic Partner	$ 669.64	$ 709.82	$ 40.18	$ 482.14
Child	$ 349.20	$ 370.15	$ 20.95	$ 251.42
BCBS/Presbyterian Value				
Retiree	$ 275.60	$ 292.14	$ 16.54	$ 198.43
Spouse/Domestic Partner	$ 523.06	$ 554.44	$ 31.38	$ 376.60
Child	$ 272.31	$ 288.65	$ 16.34	$ 196.06

Scenario A - 4%	2026	2027	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$255.43	$9.82	$117.89
Spouse/Domestic Partner	$368.42	$383.16	$14.74	$176.84
Dependent Child	$491.23	$510.88	$19.65	$235.79

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario A - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 6% in CY2027, and 4% thereafter, Medicare Rate Increase of 4% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$135,668,652	$40,229,040	$65,009,436	$39,215,330	$117,050	$487,278,388	$148,056,951	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$100,074,890	$2,240,259,238
7/1/2027	$2,240,259,238	$141,821,634	$70,910,817	$143,006,114	$41,740,108	$72,810,568	$40,674,103	$115,276	$511,078,620	$165,940,024	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$97,137,371	$2,503,336,633
7/1/2028	$2,503,336,633	$145,721,729	$72,860,864	$149,125,577	$43,639,557	$81,547,837	$45,686,161	$114,279	$538,696,004	$184,733,911	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$89,434,633	$2,777,505,177
7/1/2029	$2,777,505,177	$149,729,076	$74,864,538	$155,375,198	$45,830,949	$91,333,577	$51,227,794	$113,126	$568,474,259	$204,230,836	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$78,943,734	$3,060,679,747
7/1/2030	$3,060,679,747	$153,846,626	$76,923,313	$162,000,753	$48,115,130	$102,293,606	$57,114,972	$113,818	$600,408,218	$224,296,361	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$66,126,338	$3,351,102,446
7/1/2031	$3,351,102,446	$158,077,408	$79,038,704	$168,793,003	$50,464,391	$114,568,839	$63,385,248	$114,391	$634,441,985	$244,842,197	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$52,062,619	$3,648,007,263
7/1/2032	$3,648,007,263	$162,424,537	$81,212,268	$175,720,335	$52,868,119	$128,317,100	$70,001,235	$115,519	$670,659,113	$265,806,292	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$36,572,830	$3,950,386,384
7/1/2033	$3,950,386,384	$166,891,211	$83,445,606	$182,590,823	$55,355,941	$143,715,152	$77,055,809	$116,077	$709,170,619	$287,177,393	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$21,362,198	$4,258,925,975
7/1/2034	$4,258,925,975	$171,480,720	$85,740,360	$189,038,026	$57,873,854	$160,960,970	$84,595,025	$115,446	$749,804,400	$309,087,431	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$8,697,862	$4,576,711,268
7/1/2035	$4,576,711,268	$176,196,439	$88,098,220	$195,046,485	$60,459,103	$180,276,286	$92,653,690	$113,915	$792,844,138	$331,807,039	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($124,907)	$4,908,393,399
7/1/2036	$4,908,393,399	$181,041,842	$90,520,921	$200,668,767	$63,087,802	$201,909,441	$101,175,510	$111,813	$838,516,095	$355,680,315	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($4,916,027)	$5,259,157,688
7/1/2037	$5,259,157,688	$186,020,492	$93,010,246	$206,123,314	$65,756,568	$226,138,574	$110,017,892	$109,881	$887,176,967	$381,050,077	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($6,589,109)	$5,633,618,656
7/1/2038	$5,633,618,656	$191,136,056	$95,568,028	$211,541,274	$68,512,316	$253,275,203	$119,194,602	$108,009	$939,335,487	$408,244,997	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($5,306,349)	$6,036,557,304
7/1/2039	$6,036,557,304	$196,392,297	$98,196,149	$216,698,122	$71,348,981	$283,668,227	$128,797,003	$105,567	$995,206,346	$437,704,494	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$1,492,119	$6,475,753,917
7/1/2040	$6,475,753,917	$201,793,085	$100,896,543	$221,790,408	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,055,230,004	$469,945,611	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$12,509,016	$6,958,208,543
7/1/2041	$6,958,208,543	$207,342,395	$103,671,198	$226,917,091	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,120,087,772	$505,476,196	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$27,753,842	$7,491,438,581
7/1/2042	$7,491,438,581	$213,044,311	$106,522,156	$232,067,343	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,190,333,461	$544,881,665	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$48,341,189	$8,084,661,435
7/1/2043	$8,084,661,435	$218,903,030	$109,451,515	$237,419,917	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,266,792,633	$588,814,418	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$73,833,501	$8,747,309,354
7/1/2044	$8,747,309,354	$224,922,863	$112,461,432	$242,744,736	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,349,867,781	$638,019,926	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$105,930,976	$9,491,260,256
7/1/2045	$9,491,260,256	$231,108,242	$115,554,121	$248,180,675	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,440,410,543	$693,367,255	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$144,852,045	$10,329,479,556
7/1/2046	$10,329,479,556	$237,463,718	$118,731,859	$253,741,156	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,539,074,033	$755,794,930	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$190,556,188	$11,275,830,674
7/1/2047	$11,275,830,674	$243,993,971	$121,996,985	$259,521,333	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,646,822,302	$826,335,375	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$243,797,264	$12,345,963,312
7/1/2048	$12,345,963,312	$250,703,805	$125,351,902	$265,607,537	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,764,961,674	$906,179,563	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$306,130,286	$13,558,273,161
7/1/2049	$13,558,273,161	$257,598,160	$128,799,080	$272,361,008	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,894,656,778	$996,596,694	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$375,776,265	$14,930,646,120
7/1/2050	$14,930,646,120	$264,682,109	$132,341,054	$279,746,503	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,037,352,184	$1,098,960,319	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$454,854,495	$16,484,460,934
7/1/2051	$16,484,460,934	$271,960,867	$135,980,433	$287,929,924	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,194,250,909	$1,214,811,376	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$543,116,104	$18,242,388,414
7/1/2052	$18,242,388,414	$279,439,791	$139,719,895	$296,242,455	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,366,740,898	$1,346,047,194	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$647,559,570	$20,235,995,178
7/1/2053	$20,235,995,178	$287,124,385	$143,562,192	$304,911,763	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,556,254,188	$1,494,944,782	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$767,865,692	$22,498,805,652
7/1/2054	$22,498,805,652	$295,020,306	$147,510,153	$314,110,719	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,765,299,956	$1,664,000,541	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$905,851,907	$25,068,658,101
7/1/2055	$25,068,658,101	$303,133,364	$151,566,682	$323,639,540	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,995,622,685	$1,856,033,709	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,063,613,713	$27,988,305,523
7/1/2056	$27,988,305,523	$311,469,531	$155,734,766	$333,431,788	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,250,031,154	$2,074,191,134	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,242,454,724	$31,304,951,382
7/1/2057	$31,304,951,382	$320,034,944	$160,017,472	$343,491,702	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,531,279,614	$2,321,991,504	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,445,035,277	$35,071,978,163

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	6.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	4.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

2026 PROPOSED MONTHLY PLAN RATES SCENARIO B

Pre-Medicare Plans – 4% / Medicare Supplement – 3%
Beyond Projection Period / Deficit Spend FY2034

Scenario B - 4%	2026	2027	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 352.81	$ 366.92	$ 14.11	$ 169.35
Spouse/Domestic Partner	$ 669.64	$ 696.43	$ 26.79	$ 321.43
Child	$ 349.20	$ 363.17	$ 13.97	$ 167.62
BCBS/Presbyterian Value				
Retiree	$ 275.60	$ 286.62	$ 11.02	$ 132.29
Spouse/Domestic Partner	$ 523.06	$ 543.98	$ 20.92	$ 251.07
Child	$ 272.31	$ 283.20	$ 10.89	$ 130.71

Scenario B - 3%	2026	2027	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$252.98	$7.37	$88.42
Spouse/Domestic Partner	$368.42	$379.47	$11.05	$132.63
Dependent Child	$491.23	$505.97	$14.74	$176.84

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario B - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 4% in CY2027, and 4% thereafter, Medicare Rate Increase of 3% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,888,158	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,497,895	$148,028,658	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,294,396	$2,239,450,451
7/1/2027	$2,239,450,451	$141,821,634	$70,910,817	$141,415,981	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,488,488	$165,823,745	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,547,238	$2,500,821,435
7/1/2028	$2,500,821,435	$145,721,729	$72,860,864	$147,473,724	$43,639,557	$81,547,837	$45,686,161	$114,279	$537,044,151	$184,491,680	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,782,779	$2,773,095,894
7/1/2029	$2,773,095,894	$149,729,076	$74,864,538	$153,659,914	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,758,975	$203,848,984	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$77,228,450	$3,054,173,328
7/1/2030	$3,054,173,328	$153,846,626	$76,923,313	$160,210,741	$48,115,130	$102,293,606	$57,114,972	$113,818	$598,618,206	$223,759,758	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$64,336,325	$3,342,269,411
7/1/2031	$3,342,269,411	$158,077,408	$79,038,704	$166,923,980	$50,464,391	$114,568,839	$63,385,248	$114,391	$632,572,961	$244,134,050	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$50,193,596	$3,636,597,057
7/1/2032	$3,636,597,057	$162,424,537	$81,212,268	$173,767,826	$52,868,119	$128,317,100	$70,001,235	$115,519	$668,706,604	$264,908,273	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$34,620,321	$3,936,125,651
7/1/2033	$3,936,125,651	$166,891,211	$83,445,606	$180,555,594	$55,355,941	$143,715,152	$77,055,809	$116,077	$707,135,389	$286,069,712	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$19,326,969	$4,241,522,332
7/1/2034	$4,241,522,332	$171,480,720	$85,740,360	$186,928,542	$57,873,854	$160,960,970	$84,595,025	$115,446	$747,694,917	$307,749,198	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$6,588,379	$4,555,859,909
7/1/2035	$4,555,859,909	$176,196,439	$88,098,220	$192,871,620	$60,459,103	$180,276,286	$92,653,690	$113,915	$790,669,274	$330,216,477	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($2,299,772)	$4,883,776,613
7/1/2036	$4,883,776,613	$181,041,842	$90,520,921	$198,435,525	$63,087,802	$201,909,441	$101,175,510	$111,813	$836,282,852	$353,814,643	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($7,149,269)	$5,230,441,988
7/1/2037	$5,230,441,988	$186,020,492	$93,010,246	$203,832,953	$65,756,568	$226,138,574	$110,017,892	$109,881	$884,886,605	$378,885,163	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($8,879,470)	$5,600,447,680
7/1/2038	$5,600,447,680	$191,136,056	$95,568,028	$209,193,247	$68,512,316	$253,275,203	$119,194,602	$108,009	$936,987,460	$405,754,986	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($7,654,376)	$5,998,548,290
7/1/2039	$5,998,548,290	$196,392,297	$98,196,149	$214,297,451	$71,348,981	$283,668,227	$128,797,003	$105,567	$992,805,675	$434,861,816	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($908,552)	$6,432,501,554
7/1/2040	$6,432,501,554	$201,793,085	$100,896,543	$219,336,918	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,052,776,515	$466,720,875	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$10,055,526	$6,909,277,955
7/1/2041	$6,909,277,955	$207,342,395	$103,671,198	$224,409,900	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,117,580,581	$501,837,843	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$25,246,651	$7,436,362,449
7/1/2042	$7,436,362,449	$213,044,311	$106,522,156	$229,506,826	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,187,772,943	$540,795,827	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$45,780,671	$8,022,938,947
7/1/2043	$8,022,938,947	$218,903,030	$109,451,515	$234,803,585	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,264,176,301	$584,244,696	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$71,217,169	$8,678,400,812
7/1/2044	$8,678,400,812	$224,922,863	$112,461,432	$240,075,040	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,347,198,085	$632,927,280	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$103,261,280	$9,414,589,372
7/1/2045	$9,414,589,372	$231,108,242	$115,554,121	$245,457,671	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,437,687,539	$687,709,907	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$142,129,041	$10,244,428,320
7/1/2046	$10,244,428,320	$237,463,718	$118,731,859	$250,964,145	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,536,297,022	$749,528,048	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$187,779,177	$11,181,735,546
7/1/2047	$11,181,735,546	$243,993,971	$121,996,985	$256,688,049	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,643,989,017	$819,410,771	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$240,963,980	$12,242,110,297
7/1/2048	$12,242,110,297	$250,703,805	$125,351,902	$262,715,818	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,762,069,955	$898,545,395	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$303,238,567	$13,443,894,258
7/1/2049	$13,443,894,258	$257,598,160	$128,799,080	$269,400,385	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,891,696,155	$988,196,901	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$372,815,642	$14,804,906,801
7/1/2050	$14,804,906,801	$264,682,109	$132,341,054	$276,709,146	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,034,314,827	$1,089,734,114	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$451,817,138	$16,346,458,053
7/1/2051	$16,346,458,053	$271,960,867	$135,980,433	$284,803,435	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,191,124,420	$1,204,692,832	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$539,989,615	$18,091,140,501
7/1/2052	$18,091,140,501	$279,439,791	$139,719,895	$293,031,145	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,363,529,589	$1,334,965,311	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$644,348,260	$20,070,454,071
7/1/2053	$20,070,454,071	$287,124,385	$143,562,192	$301,613,234	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,552,955,659	$1,482,823,480	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$764,567,164	$22,317,844,715
7/1/2054	$22,317,844,715	$295,020,306	$147,510,153	$310,721,753	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,761,910,990	$1,650,758,023	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$902,462,941	$24,871,065,679
7/1/2055	$24,871,065,679	$303,133,364	$151,566,682	$320,157,707	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,992,140,852	$1,841,582,042	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,060,131,880	$27,772,779,601
7/1/2056	$27,772,779,601	$311,469,531	$155,734,766	$329,854,479	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,246,453,844	$2,058,435,827	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,238,877,415	$31,070,092,843
7/1/2057	$31,070,092,843	$320,034,944	$160,017,472	$339,816,232	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,527,604,144	$2,304,831,024	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,441,359,808	$34,816,283,675

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	4.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	3.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

2026 PROPOSED MONTHLY PLAN RATES SCENARIO C

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

Scenario C - 5%	2026	2027	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 352.81	$ 370.45	$ 17.64	$ 211.69
Spouse/Domestic Partner	$ 669.64	$ 703.12	$ 33.48	$ 401.78
Child	$ 349.20	$ 366.66	$ 17.46	$ 209.52
BCBS/Presbyterian Value				
Retiree	$ 275.60	$ 289.38	$ 13.78	$ 165.36
Spouse/Domestic Partner	$ 523.06	$ 549.21	$ 26.15	$ 313.84
Child	$ 272.31	$ 285.93	$ 13.62	$ 163.39

Scenario C - 2%	2026	2027	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$250.52	$4.91	$58.95
Spouse/Domestic Partner	$368.42	$375.79	$7.37	$88.42
Dependent Child	$491.23	$501.05	$9.82	$117.90

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario C - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 5% in CY2027, and 5% thereafter, Medicare Rate Increase of 2% in CY2027, and 2% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$134,793,335	$40,229,040	$65,009,436	$39,215,330	$117,050	$486,403,072	$148,025,221	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$99,199,573	$2,239,352,191
7/1/2027	$2,239,352,191	$141,821,634	$70,910,817	$141,117,647	$41,740,108	$72,810,568	$40,674,103	$115,276	$509,190,153	$165,805,807	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$95,248,904	$2,500,406,902
7/1/2028	$2,500,406,902	$145,721,729	$72,860,864	$146,959,575	$43,639,557	$81,547,837	$45,686,161	$114,279	$536,530,002	$184,442,988	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$87,268,631	$2,772,118,521
7/1/2029	$2,772,118,521	$149,729,076	$74,864,538	$152,916,951	$45,830,949	$91,333,577	$51,227,794	$113,126	$566,016,012	$203,751,192	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$76,485,487	$3,052,355,199
7/1/2030	$3,052,355,199	$153,846,626	$76,923,313	$159,263,945	$48,115,130	$102,293,606	$57,114,972	$113,818	$597,671,410	$223,593,622	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$63,389,530	$3,339,338,351
7/1/2031	$3,339,338,351	$158,077,408	$79,038,704	$165,795,808	$50,464,391	$114,568,839	$63,385,248	$114,391	$631,444,790	$243,880,652	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$49,065,424	$3,632,284,427
7/1/2032	$3,632,284,427	$162,424,537	$81,212,268	$172,498,849	$52,868,119	$128,317,100	$70,001,235	$115,519	$667,437,626	$264,549,607	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$33,351,344	$3,930,185,378
7/1/2033	$3,930,185,378	$166,891,211	$83,445,606	$179,164,026	$55,355,941	$143,715,152	$77,055,809	$116,077	$705,743,822	$285,588,598	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$17,935,401	$4,233,709,378
7/1/2034	$4,233,709,378	$171,480,720	$85,740,360	$185,393,250	$57,873,854	$160,960,970	$84,595,025	$115,446	$746,159,624	$307,127,104	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$5,053,086	$4,545,889,568
7/1/2035	$4,545,889,568	$176,196,439	$88,098,220	$191,151,113	$60,459,103	$180,276,286	$92,653,690	$113,915	$788,948,766	$329,431,259	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	($4,020,280)	$4,871,300,547
7/1/2036	$4,871,300,547	$181,041,842	$90,520,921	$196,491,005	$63,087,802	$201,909,441	$101,175,510	$111,813	$834,338,333	$352,839,640	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($9,093,789)	$5,215,046,398
7/1/2037	$5,215,046,398	$186,020,492	$93,010,246	$201,669,611	$65,756,568	$226,138,574	$110,017,892	$109,881	$882,723,263	$377,690,562	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($11,042,813)	$5,581,694,147
7/1/2038	$5,581,694,147	$191,136,056	$95,568,028	$206,823,485	$68,512,316	$253,275,203	$119,194,602	$108,009	$934,617,698	$404,309,451	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($10,024,138)	$5,975,979,460
7/1/2039	$5,975,979,460	$196,392,297	$98,196,149	$211,678,373	$71,348,981	$283,668,227	$128,797,003	$105,567	$990,186,597	$433,130,634	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	($3,527,631)	$6,405,582,463
7/1/2040	$6,405,582,463	$201,793,085	$100,896,543	$216,479,360	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,049,918,956	$464,665,655	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$7,197,967	$6,877,446,086
7/1/2041	$6,877,446,086	$207,342,395	$103,671,198	$221,314,897	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,114,485,578	$499,417,838	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$22,151,648	$7,399,015,572
7/1/2042	$7,399,015,572	$213,044,311	$106,522,156	$226,152,194	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,184,418,312	$537,966,573	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$42,426,040	$7,979,408,184
7/1/2043	$7,979,408,184	$218,903,030	$109,451,515	$231,182,573	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,260,555,290	$580,957,454	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$67,596,157	$8,627,961,795
7/1/2044	$8,627,961,795	$224,922,863	$112,461,432	$236,119,558	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,343,242,603	$629,127,065	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$99,305,798	$9,356,394,659
7/1/2045	$9,356,394,659	$231,108,242	$115,554,121	$241,118,458	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,433,348,326	$683,333,494	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$137,789,827	$10,177,517,980
7/1/2046	$10,177,517,980	$237,463,718	$118,731,859	$246,209,581	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,531,542,458	$744,504,696	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$183,024,613	$11,105,047,290
7/1/2047	$11,105,047,290	$243,993,971	$121,996,985	$251,504,161	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,638,805,129	$813,662,957	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$235,780,091	$12,154,490,338
7/1/2048	$12,154,490,338	$250,703,805	$125,351,902	$257,051,262	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,756,405,400	$891,987,607	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$297,574,011	$13,344,051,957
7/1/2049	$13,344,051,957	$257,598,160	$128,799,080	$263,354,887	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,885,650,656	$980,739,185	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$366,770,144	$14,691,561,285
7/1/2050	$14,691,561,285	$264,682,109	$132,341,054	$270,319,639	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,027,925,320	$1,081,284,945	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$445,427,631	$16,218,273,861
7/1/2051	$16,218,273,861	$271,960,867	$135,980,433	$278,226,286	$120,699,530	$1,105,164,602	$272,433,571	$81,982	$2,184,547,272	$1,195,161,057	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$533,412,467	$17,946,847,384
7/1/2052	$17,946,847,384	$279,439,791	$139,719,895	$286,088,073	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,356,586,516	$1,324,252,373	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$637,405,187	$19,908,504,945
7/1/2053	$19,908,504,945	$287,124,385	$143,562,192	$294,290,821	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,545,633,246	$1,470,816,731	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$757,244,751	$22,136,566,427
7/1/2054	$22,136,566,427	$295,020,306	$147,510,153	$302,957,808	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,754,147,045	$1,637,333,905	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$894,698,995	$24,668,599,326
7/1/2055	$24,668,599,326	$303,133,364	$151,566,682	$311,908,911	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$2,983,892,056	$1,826,604,213	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,051,883,084	$27,547,086,623
7/1/2056	$27,547,086,623	$311,469,531	$155,734,766	$321,100,652	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,237,700,017	$2,041,755,760	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,230,123,588	$30,818,965,971
7/1/2057	$30,818,965,971	$320,034,944	$160,017,472	$330,536,466	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,518,324,378	$2,286,287,934	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,432,080,042	$34,537,333,947

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Spouse % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Non-Medicare Child % Increase	5.00%	5.00%	5.00%	5.00%	5% to 5%
Medicare Supplement % Increase	2.00%	2.00%	2.00%	2.00%	2% to 2%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

2026 PROPOSED MONTHLY PLAN RATES SCENARIO D

Pre-Medicare Plans – 8% / Medicare Supplement – 6%
Beyond Projection Period / Deficit Spend FY2034

Scenario D - 8%	2026	2027	Monthly	Annual
BCBS/Presbyterian Premier			**Difference**	**Difference**
Retiree	$ 352.81	$ 381.03	$ 28.22	$ 338.70
Spouse/Domestic Partner	$ 669.64	$ 723.21	$ 53.57	$ 642.85
Child	$ 349.20	$ 377.14	$ 27.94	$ 335.23
BCBS/Presbyterian Value				
Retiree	$ 275.60	$ 297.65	$ 22.05	$ 264.58
Spouse/Domestic Partner	$ 523.06	$ 564.90	$ 41.84	$ 502.14
Child	$ 272.31	$ 294.09	$ 21.78	$ 261.42

Scenario D - 6%	2026	2027	Monthly	Annual
Medicare Supplement			**Difference**	**Difference**
Retiree	$245.61	$260.35	$14.74	$176.84
Spouse/Domestic Partner	$368.42	$390.53	$22.11	$265.26
Dependent Child	$491.23	$520.70	$29.47	$353.69

New Mexico Retiree Health Care Authority Long-Tem Solvency Modeling

Projected Year of Insolvency: Exceeds Projection Period

Scenario: Scenario D - Using the starting balance as of March 31, 2026

Description: NonMedicare Medical: 8.5% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; Medicare Medical : 7% trend until CY2029, decreasing 0.25% each year until a 4.5% ultimate trend; NonMedicare Rx: 18% trend through CY2029, decreasing 1.0% through 2035, decreasing 0.25% each year until 4.5% ultimate trend; Medicare Rx: 11% trend through CY2029, decreasing 0.25% each year until 4.5% ultimate trend; No Annual Plan Changes; Annual Non-Medicare Rate Increases of 8% in CY2027, and 4% thereafter, Medicare Rate Increase of 6% in CY2027, and 3% thereafter; Rate of return of 7.25%; Payroll growth of 2.75% for Public Safety and 1.72% for Other Occupations in FY2026 and 2.75% beginning FY2027 overall; 12% Pension Tax Revenue; Includes financial impact from 2026 approved legislation.

		REVENUE									EXPENDITURES						
Fiscal Year Beginning	BOY Invested Assets	Employer Contribution	Employee Contribution	Retiree Medical	Retiree Ancillary	Tax Revenue	Medicare PDP & Manufacturers Discount	Miscellaneous	Total Revenue w/o Invst Income	Investment Income	Medical/Rx	Ancillary Premiums	ASO & HC Reform Fees	Program Support	Total Expenditures	Rev. - Exp. Excluding Inv. Income	EOY Invested Assets
7/1/2026	$1,992,127,397	$138,025,921	$69,012,960	$136,772,525	$40,229,040	$65,009,436	$39,215,330	$117,050	$488,382,262	$148,096,966	$327,058,851	$40,229,040	$15,428,007	$4,487,600	$387,203,498	$101,178,764	$2,241,403,127
7/1/2027	$2,241,403,127	$141,821,634	$70,910,817	$145,260,380	$41,740,108	$72,810,568	$40,674,103	$115,276	$513,332,886	$166,104,674	$351,870,391	$41,740,108	$15,730,960	$4,599,790	$413,941,249	$99,391,637	$2,506,899,437
7/1/2028	$2,506,899,437	$145,721,729	$72,860,864	$151,470,792	$43,639,557	$81,547,837	$45,686,161	$114,279	$541,041,219	$185,077,229	$384,824,295	$43,639,557	$16,082,735	$4,714,785	$449,261,372	$91,779,848	$2,783,756,514
7/1/2029	$2,783,756,514	$149,729,076	$74,864,538	$157,813,555	$45,830,949	$91,333,577	$51,227,794	$113,126	$570,912,616	$204,772,448	$422,428,620	$45,830,949	$16,438,301	$4,832,654	$489,530,525	$81,382,091	$3,069,911,053
7/1/2030	$3,069,911,053	$153,846,626	$76,923,313	$164,542,231	$48,115,130	$102,293,606	$57,114,972	$113,818	$602,949,696	$225,057,760	$464,357,332	$48,115,130	$16,855,947	$4,953,471	$534,281,880	$68,667,816	$3,363,636,628
7/1/2031	$3,363,636,628	$158,077,408	$79,038,704	$171,441,163	$50,464,391	$114,568,639	$63,385,248	$114,391	$637,090,145	$245,846,921	$509,557,245	$50,464,391	$17,280,422	$5,077,307	$582,379,366	$54,710,779	$3,664,194,329
7/1/2032	$3,664,194,329	$162,424,537	$81,212,268	$178,478,493	$52,868,119	$128,317,100	$70,001,235	$115,519	$673,417,270	$267,079,837	$558,305,354	$52,868,119	$17,708,569	$5,204,240	$634,086,283	$39,330,988	$3,970,605,153
7/1/2033	$3,970,605,153	$166,891,211	$83,445,606	$185,458,339	$55,355,941	$143,715,152	$77,055,809	$116,077	$712,038,135	$288,747,201	$608,999,269	$55,355,941	$18,118,865	$5,334,346	$687,808,421	$24,229,714	$4,283,582,068
7/1/2034	$4,283,582,068	$171,480,720	$85,740,360	$192,007,010	$57,873,854	$160,960,970	$84,595,025	$115,446	$752,773,384	$310,982,623	$659,293,842	$57,873,854	$18,471,137	$5,467,705	$741,106,538	$11,666,846	$4,606,231,538
7/1/2035	$4,606,231,538	$176,196,439	$88,098,220	$198,108,936	$60,459,103	$180,276,286	$92,653,690	$113,915	$795,906,589	$334,058,272	$708,136,562	$60,459,103	$18,768,983	$5,604,397	$792,969,046	$2,937,544	$4,943,227,353
7/1/2036	$4,943,227,353	$181,041,842	$90,520,921	$203,817,965	$63,087,802	$201,909,441	$101,175,510	$111,813	$841,665,292	$358,319,936	$755,578,319	$63,087,802	$19,021,494	$5,744,507	$843,432,121	($1,766,829)	$5,299,780,460
7/1/2037	$5,299,780,460	$186,020,492	$93,010,246	$209,357,089	$65,756,568	$226,138,574	$110,017,892	$109,881	$890,410,742	$384,112,452	$802,868,771	$65,756,568	$19,252,617	$5,888,120	$893,766,076	($3,355,334)	$5,680,537,578
7/1/2038	$5,680,537,578	$191,136,056	$95,568,028	$214,859,635	$68,512,316	$253,275,203	$119,194,602	$108,009	$942,653,848	$411,766,910	$850,620,024	$68,512,316	$19,474,174	$6,035,323	$944,641,836	($1,987,988)	$6,090,316,500
7/1/2039	$6,090,316,500	$196,392,297	$98,196,149	$220,096,480	$71,348,981	$283,668,227	$128,797,003	$105,567	$998,604,704	$441,725,226	$896,514,123	$71,348,981	$19,664,917	$6,186,206	$993,714,228	$4,890,476	$6,536,932,202
7/1/2040	$6,536,932,202	$201,793,085	$100,896,543	$225,268,378	$74,262,875	$317,708,414	$138,675,250	$103,428	$1,058,707,975	$474,507,113	$942,271,737	$74,262,875	$19,845,514	$6,340,861	$1,042,720,988	$15,986,986	$7,027,426,301
7/1/2041	$7,027,426,301	$207,342,395	$103,671,198	$230,475,795	$77,322,276	$355,833,424	$148,900,098	$101,290	$1,123,646,476	$510,623,487	$988,487,077	$77,322,276	$20,025,193	$6,499,383	$1,092,333,930	$31,312,546	$7,569,362,334
7/1/2042	$7,569,362,334	$213,044,311	$106,522,156	$235,707,222	$80,539,775	$398,533,435	$159,527,375	$99,066	$1,193,973,339	$550,663,083	$1,034,589,187	$80,539,775	$20,201,443	$6,661,867	$1,141,992,272	$51,981,067	$8,172,006,484
7/1/2043	$8,172,006,484	$218,903,030	$109,451,515	$241,144,622	$83,977,553	$446,357,447	$170,586,159	$97,013	$1,270,517,338	$595,281,955	$1,081,762,880	$83,977,553	$20,390,285	$6,828,414	$1,192,959,133	$77,558,205	$8,844,846,644
7/1/2044	$8,844,846,644	$224,922,863	$112,461,432	$246,553,397	$87,604,991	$499,920,340	$182,118,812	$94,607	$1,353,676,442	$645,229,444	$1,128,760,607	$87,604,991	$20,572,082	$6,999,124	$1,243,936,805	$109,739,637	$9,599,815,725
7/1/2045	$9,599,815,725	$231,108,242	$115,554,121	$252,074,739	$91,468,868	$559,910,781	$194,095,619	$92,237	$1,444,304,608	$701,378,686	$1,176,158,472	$91,468,868	$20,757,056	$7,174,103	$1,295,558,499	$148,746,109	$10,449,940,520
7/1/2046	$10,449,940,520	$237,463,718	$118,731,859	$257,722,326	$95,541,077	$627,100,075	$206,406,256	$89,892	$1,543,055,203	$764,672,667	$1,224,677,804	$95,541,077	$20,945,509	$7,353,455	$1,348,517,845	$194,537,358	$11,409,150,545
7/1/2047	$11,409,150,545	$243,993,971	$121,996,985	$263,592,854	$99,863,340	$702,352,084	$219,006,895	$87,693	$1,650,893,823	$836,148,658	$1,274,480,424	$99,863,340	$21,143,982	$7,537,292	$1,403,025,038	$247,868,785	$12,493,167,988
7/1/2048	$12,493,167,988	$250,703,805	$125,351,902	$269,773,669	$104,526,562	$786,634,334	$232,052,028	$85,506	$1,769,127,806	$917,002,924	$1,325,219,616	$104,526,562	$21,359,486	$7,725,724	$1,458,831,388	$310,296,418	$13,720,467,330
7/1/2049	$13,720,467,330	$257,598,160	$128,799,080	$276,633,024	$109,514,242	$881,030,454	$245,269,823	$84,011	$1,898,928,794	$1,008,510,632	$1,379,830,658	$109,514,242	$21,616,746	$7,918,867	$1,518,880,513	$380,048,281	$15,109,026,243
7/1/2050	$15,109,026,243	$264,682,109	$132,341,054	$284,134,212	$114,922,744	$986,754,109	$258,822,990	$82,675	$2,041,739,892	$1,112,051,932	$1,437,546,883	$114,922,744	$21,911,223	$8,116,839	$1,582,497,689	$459,242,203	$16,680,320,379
7/1/2051	$16,680,320,379	$271,960,867	$135,980,433	$292,446,516	$120,699,530	$1,105,164,602	$272,433,571	$81,962	$2,198,767,502	$1,229,174,913	$1,499,864,506	$120,699,530	$22,251,009	$8,319,760	$1,651,134,805	$547,632,697	$18,457,127,988
7/1/2052	$18,457,127,988	$279,439,791	$139,719,895	$300,887,060	$126,919,201	$1,237,784,354	$286,554,654	$80,548	$2,371,385,504	$1,361,784,180	$1,561,147,623	$126,919,201	$22,586,751	$8,527,754	$1,719,181,329	$652,204,175	$20,471,116,343
7/1/2053	$20,471,116,343	$287,124,385	$143,562,192	$309,688,314	$133,499,462	$1,386,318,476	$300,758,539	$79,370	$2,561,030,739	$1,512,164,216	$1,623,216,688	$133,499,462	$22,931,397	$8,740,947	$1,788,388,496	$772,642,243	$22,755,922,803
7/1/2054	$22,755,922,803	$295,020,306	$147,510,153	$319,025,396	$140,640,164	$1,552,676,693	$315,263,828	$78,094	$2,770,214,633	$1,682,819,692	$1,686,550,651	$140,640,164	$23,297,764	$8,959,471	$1,859,448,050	$910,766,584	$25,349,509,078
7/1/2055	$25,349,509,078	$303,133,364	$151,566,682	$328,696,909	$148,196,314	$1,738,997,896	$330,012,050	$76,838	$3,000,680,054	$1,876,578,735	$1,750,953,624	$148,196,314	$23,675,576	$9,183,458	$1,932,008,972	$1,068,671,082	$28,294,758,895
7/1/2056	$28,294,758,895	$311,469,531	$155,734,766	$338,636,078	$156,192,079	$1,947,677,644	$345,449,742	$75,603	$3,255,235,443	$2,096,597,659	$1,817,910,191	$156,192,079	$24,061,116	$9,413,044	$2,007,576,429	$1,247,659,014	$31,639,015,568
7/1/2057	$31,639,015,568	$320,034,944	$160,017,472	$348,847,269	$164,653,034	$2,181,398,961	$361,609,114	$74,388	$3,536,635,181	$2,346,405,297	$1,887,488,386	$164,653,034	$24,454,547	$9,648,370	$2,086,244,337	$1,450,390,844	$35,435,811,709

Assumptions with Fiscal Year Basis:	FY2027	FY2028	FY2029	FY2030	FY2031+
Public Safety, et al Annual Payroll Growth	2.75%	2.75%	2.75%	2.75%	2.75%
Other Occupations Annual Payroll Growth	1.72%	2.75%	2.75%	2.75%	2.75%
Public Safety, et al Employer Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Public Safety, et al Employee Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Other Occupations Employer Rate	2.00%	2.00%	2.00%	2.00%	2.00%
Other Occupations Employee Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Investment Return	7.25%	7.25%	7.25%	7.25%	7.25%
Annual Growth in Retirees under age 65	-2.62%	-1.52%	-0.86%	-1.01%	varies
Annual Growth in Retirees age 65+	1.55%	1.24%	0.99%	0.92%	varies
Non-Medicare Prescription Drug Rebate Trend	34.86%	18.51%	18.00%	18.00%	varies
Medicare Prescription Drug Rebate Trend	-0.10%	2.23%	11.00%	11.00%	varies

Assumptions with Calendar Year Basis:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Medical Claims Trend	8.50%	8.50%	8.50%	8.25%	8.0% to 4.5%
Non-Medicare Prescription Drug Claims Trend	18.00%	18.00%	18.00%	17.00%	16.0% to 4.5%
Medicare Medical Claims Trend	7.00%	7.00%	7.00%	6.75%	6.5% to 4.5%
Medicare Prescription Drug Claims Trend	11.00%	11.00%	11.00%	10.75%	10.50% to 4.5%
EGWP Subsidies as a Percentage of Claims[1]	36.00%	36.00%	36.00%	36.00%	36.00%
Humana Medicare Advantage Premium Increase	7.77%	6.00%	6.00%	6.00%	6.00%
BCBS Medicare Advantage Premium Increase	22.22%	6.00%	6.00%	6.00%	6.00%
Presbyterian Medicare Advantage Premium Increase	15.29%	6.00%	6.00%	6.00%	6.00%
United Healthcare Medicare Advantage Premium Increase	15.06%	6.00%	6.00%	6.00%	6.00%

Member Rate-Share for Self-funded Plans effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Retiree Rate Share (20+ years of service)	36.00%	36.00%	36.00%	36.00%	36.00%
Non-Medicare Spouse Rate Share (20+ years of service)	64.00%	64.00%	64.00%	64.00%	64.00%
Medicare Retiree Rate Share (20+ years of service)	50.00%	50.00%	50.00%	50.00%	50.00%
Medicare Spouse Rate Share (20+ years of service)	75.00%	75.00%	75.00%	75.00%	75.00%
Premium Rates for Self-funded Plans effective 1/1:	**CY2027**	**CY2028**	**CY2029**	**CY2030**	**CY2031+**
Non-Medicare Retiree % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Spouse % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Non-Medicare Child % Increase	8.00%	4.00%	4.00%	4.00%	4% to 4%
Medicare Supplement % Increase	6.00%	3.00%	3.00%	3.00%	3% to 3%

Self-funded Plan Benefit Modifications effective 1/1:	CY2027	CY2028	CY2029	CY2030	CY2031+
Non-Medicare Premier	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Value	0.00%	0.00%	0.00%	0.00%	0% to 0%
Non-Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0% to 0%
Medicare Prescription Drug	0.00%	0.00%	0.00%	0.00%	0% to 0%

[1]EGWP Subsidies includes the following: Direct Subsidy, Manufacturer Discount Program, Federal Reinsurance, and Low Income Subsidy

Segal

SUMMARY OF PROPOSALS

Jul-26			
	Baseline	Scenario A	Scenario B
Pre-Medicare Rate Increase	0%	6%	4%
Medicare Supplement Plan Rate Increase	0%	4%	3%
Deficit Spending Period (FY)	2034	2035	2035
Solveny Period	Beyond Projection Period	Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/58	$ 28,747,915,448	$ 35,071,978,163	$ 34,816,283,675
Plan Changes	None	None	None

	Scenario C	Scenario D
Pre-Medicare Rate Increase	5%	8%
Medicare Supplement Plan Rate Increase	2%	6%
Deficit Spending Period (FY)	2035	2036
Solveny Period	Beyond Projection Period	Beyond Projection Period
Projected Fund Balance 6/30/58	$ 34,537,333,947	$ 35,435,811,709
Plan Changes	None	None

STAFF RECOMMENDATIONS

- Staff recommends Scenario C (5% & 2%) because it:
  - Balances affordability with long-term sustainability.
  - Continues the practice of gradual, predictable premium adjustments.
  - Minimizes member disruption by avoiding additional plan design changes.
  - Positions the program to better absorb future medical and pharmacy cost increases.
- Medicare Advantage Prescription Drug Plans
  - Discontinuing the highest-cost Medicare Advantage option if an acceptable alternative plan is available that can receive default enrollment while maintaining comparable member access and benefits.

QUESTIONS?

Thank you.

NEW MEXICO RETIREE HEALTH CARE AUTHORITY RETREAT

FIDUCIARY TRAINING

JULY 16, 2026

PRESENTED BY: IBRAHIM AL-GAHMI

RODEY | Law

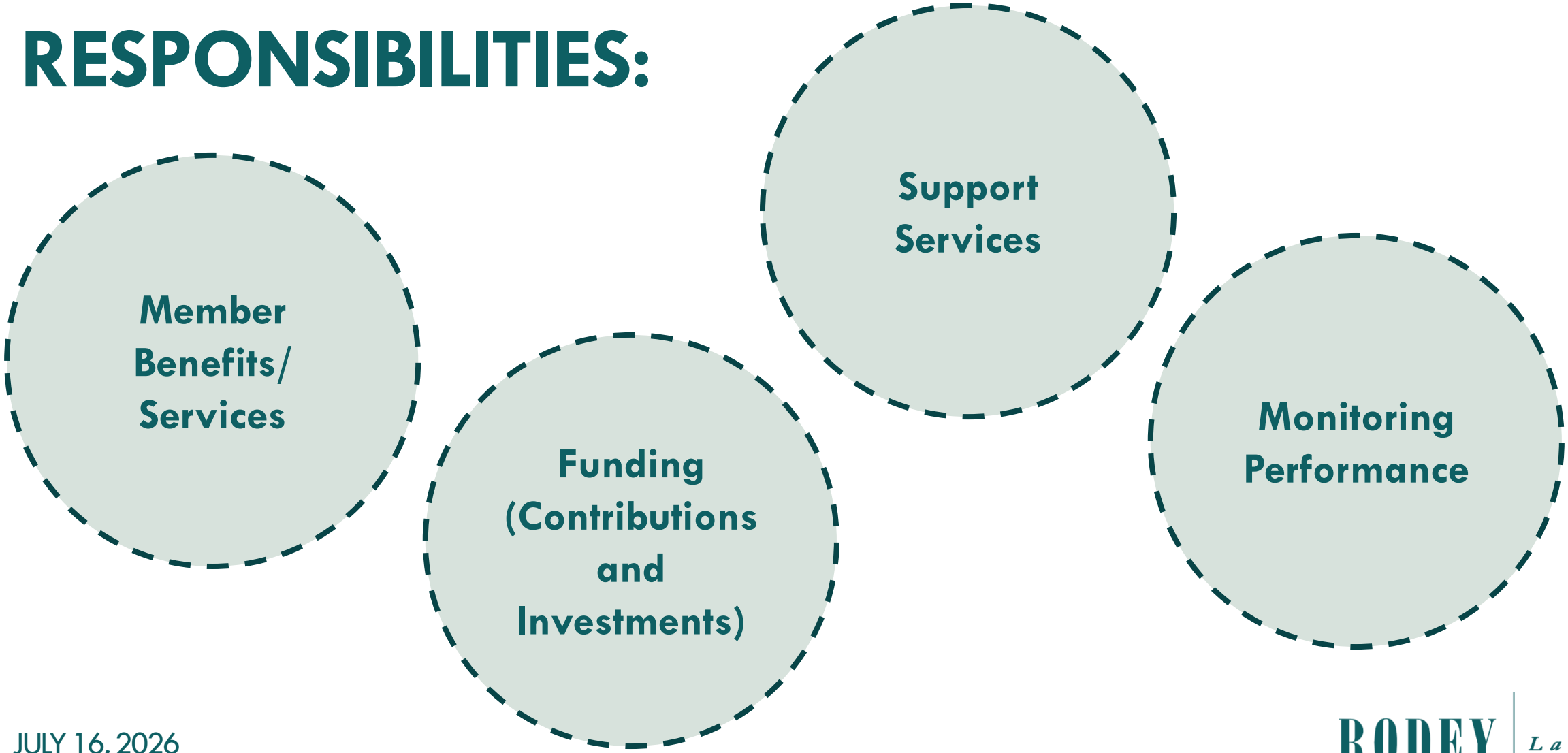
PURPOSE OF TRAINING

Understand requirements for Board service

Primer for new members, refresher for experienced members

Process to reach better decisions and reduce potential liability

CORE RESPONSIBILITIES:



BASIC DUTIES OF FIDUCIARY

SOURCES OF AUTHORITY

STATUTORY AUTHORITY:

Retiree Health Care Act (NMSA 1978, §§ 10-7C-1 through -19)

- **§ 10-7C-6 creates Board:**
  - **Elect president, vice president, secretary**
  - **Appoint officers and advisory committees**
  - **Enter into contracts with consultants, professional persons or firms**
- **Receive per diem in mileage, no other compensation, prerequisite or allowance**

OTHER RELEVANT STATUTES

1. Open Meetings Act (NMSA 1978, §§ 10-15-1 through -4)
2. Inspection of Public Records Act (NMSA 1978, §§ 14-2-1 through -12)
3. Government Conduct Act (NMSA 1978, §§ 10-16-1 through -18)
4. Gift Act (NMSA 1978, §§ 10-16B-1 through -4)
5. Per Diem and Mileage Act (NMSA 1978, §§ 10-8-1 through -8)
6. Financial Disclosure Act (NMSA 1978, §§ 10-16A-1 through -8)

NMRHCA CORNERSTONES

Value

Planning

Accountability

Confidence

BOARD DUTIES
(NMSA 1978, § 10-7C-7)

Actions reasonably necessary to implement Retiree Health Care Act:

1. **Employ services of state fiscal agent or select own fiscal agent**
2. **Employ contracts to assist in duties, determine duties and compensation of employees**
3. **Collect and disburse funds**
4. **Collect all current and historical claims and financial information necessary for effective procurement of insurance**
5. **Promulgate and adopt necessary rules: equal treatment for all employers**

BOARD DUTIES (contd.)
(NMSA 1978, § 10-7C-7)

6. Negotiate insurance policies, maintain all coverage required by law, self insure if practical
7. Procure group health and other coverages
8. Establish procedures for contributions and deductions
9. Determine methods and procedures for claims administration
10. Administer the fund
11. Make available for retirees, eligible dependents basic and optional group health insurance plans

CREATION OF RETIREE HEALTH CARE FUND
(NMSA 1978, § 10-7C-8)

Provide benefits, pay expenses, determine reserves

State Investment Officer invests long-term resources

State Treasurer invests funds that are not long-term reserves

REGULATIONS

REGULATORY AUTHORITY:

New Mexico Administrative Code (NMAC) 2.81.1 – 2.81.12

- **2.81.3 NMAC is Code of Ethics**
- **Regulations also treat:**
  - **Community Relations**
  - **Rules of Coverage**
  - **Rules for Employers**

BOARD FUNCTIONS

1. Setting policy
2. Board/staff relations
3. Governance
4. Monitoring results
   - Internal
   - External
5. Selecting, evaluating and retaining
   - Executive director
   - Consultants/investment managers/ other vendors

MEETINGS

Open Meetings Act:

Public policy of New Mexico to provide greatest possible information to all persons

- **Agenda**
- **Exceptions: limited personnel, adjudication, attorney-client privileged**
- **Board member development**

FIDUCIARY

DEFINITION:

One who holds in trust or in confidence assets for a beneficiary

- New Mexico state law regarding fiduciaries: prudent investment
  - Uniform Prudent Investment Act (NMSA 1978, §§ 45-7-601 through -612)
- ERISA: Does not apply to governments
  - ERISA based on developing federal common law of trusts
  - Courts look to ERISA principles and cases

DUTY BY DUTY: LOYALTY

1. Code of Ethics
2. Independent, impartial & responsible
3. No conflict of interest or use of insider knowledge
4. No gifts, loans, business dealings
5. Complaints must be investigated
6. In the interests of beneficiaries
7. Strict adherence to purposes of fund: pay benefits and ensure adequacy of funds

DUTY BY DUTY: PRUDENCE

1. Prudent investors provide framework
2. Procedures must be prudent
3. Honest sound judgment: not arbitrary
4. Select & monitor advisors

DUTY BY DUTY: CARE

1. Effective administration and communication of benefits
2. Oversee administration
3. Maintain confidentiality, where appropriate

FUNDING

1. Employer contributions
2. Member contributions
3. Investments
   - Asset allocation policy
   - Rebalancing
   - Performance review
   - Revision

SUMMARY

1. Subject to high standard
2. Loyalty, prudence and care
3. Good process and good documentation are
   - Best way to ensure good results
   - Best way to protect the Fund, the retirees and yourselves