

**New Mexico  
Public Schools Insurance Authority**



**Board of Directors Meeting  
February 8, 2024**





# New Mexico Public Schools Insurance Authority

## Board of Directors Meeting

### Board of Directors

Al Park, President, Governor Appointee  
Chris Parrino, Vice President, NM Association of School Business Officials  
Trish Ruiz, Secretary, Educational Entities at Large  
Denise Balderas, Governor Appointee  
Vicki Chavez, NM Superintendents Association  
Tim Crone, American Federation of Teachers NM  
Pauline Jaramillo, NM School Boards Association  
Bethany Jarrell, National Education Association - New Mexico  
K.T. Manis, Public Education Commission  
David Martinez, Jr., National Education Association - New Mexico  
Sammy J. Quintana, Governor Appointee

### In-Person & Virtual

#### **In-Person:**

Poms & Associates  
201 3rd Street, Suite 1400  
Albuquerque, New Mexico 87102

#### **Virtual:**

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**Thursday, February 08, 2024**

**9:00 a.m.**

### Agenda

**Draft**

- |   |             |
|---|-------------|
| 1. Call to Order  | A. Park     |
| 2. Roll Call  | C. Probst   |
| 3. Introduction of Guests                                     | P. Sandoval |
| 4. Citizens to Address the Board ( <b>Five-Minute Limit</b> ) | A. Park     |

- |     |   |                            |
|-----|---|----------------------------|
| 5.  | Approval of Agenda <b>(Action Item)</b>   | A. Park                    |
| 6.  | Approval of December 2023 Minutes <b>(Action Item)</b>  | A. Park                    |
| 7.  | Executive Session to Discuss Competitive Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6) NMSA 1978 <b>(Action Item)</b>      | A. Park                    |
|     | A. RFP #24-021CG Part A IBAC Medical, Dental, Vision Plans and Related Services   | A. Park                    |
|     | B. Any action on the Discussion of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6)NMSA 1978 <b>(Action Item)</b> | A. Park                    |
| 8.  | Administrative Matters  |                            |
|     | A. Legislative Update   | P. Sandoval                |
|     | B. Request to Reissue Request for Proposal for Capital Asset Valuation Services <b>(Action Item)</b>  | P. Sandoval                |
|     | C. Approval of Contract for Bundled Payment Arrangement for Surgical Services <b>(Action Item)</b>  | P. Sandoval                |
|     | D. Annual Retreat Discussion  | K. Jones/M. Lugo           |
| 9.  | Financial Matters   |                            |
|     | A. Approval of Financial Reports - November 2023 <b>(Action Item)</b>   | P. Gonzales                |
|     | B. Approval of Financial Reports - December 2023 <b>(Action Item)</b>   | C. Probst                  |
|     | C. Investment Performance Review for the Quarter Ended December 31, 2023  | M. Sampson                 |
|     | D. Retroactive Approval to Withdraw from Employee Benefits Long Term Investments Portfolio <b>(Action Item)</b>   | P. Gonzales                |
|     | E. Approval of Long-Term Funds Investment Policy <b>(Action Item)</b>   | M. Sampson/<br>P. Gonzales |
|     | F. Request to Rebalance Investment Portfolio <b>(Action Item)</b>   | M. Sampson                 |
|     | G. Approval of Budget Adjustment Request for Program Support <b>(Action Item)</b>   | P. Gonzales                |
|     | H. Approval of Budget Adjustment Request for Risk Fund <b>(Action Item)</b>   | P. Gonzales                |
|     | I. Approval of Budget Adjustment Request for Employee Benefits Fund <b>(Action Item)</b>  | P. Gonzales                |
|     | J. FY 2023 Audit Approval <b>(Action Item)</b>  | J. Ortiz                   |
| 10. | Risk Matters  |                            |
|     | A. TPA Reports  |                            |
|     | 1. Property & Liability Monthly Claims Report   | S. Vanetsky                |
|     | 2. Property & Liability Large Losses  | S. Vanetsky                |



- |  |                          |
|--|--------------------------|
| 3. Workers' Compensation Monthly Claims Report   | J. Mayo                  |
| 4. Workers' Compensation Large Losses  | J. Mayo                  |
| B. Life of a Claim   | R. Cangiolosi            |
| C. Restorative Practice  | D. Walter                |
| D. Loss Prevention Update  | J. Garcia/ L. Vigil      |
| E. Impact of STOPit and Vector Solutions   | J. Garcia                |
| 11. Benefits Matters   |                          |
| A. Retroactive Approval of the PBM Market Check <b>(Action Item)</b>   | M. Quintana              |
| B. Approval of Amendment for CVS Cost Saver Program and Rebate Guarantees <b>(Action item)</b>   | D. Lauck/<br>M. Quintana |
| C. Fiscal Year 2025 Projections and Premium Rate Setting Review  | N. Patani                |
| D. Erisa Annual Statistical Report   | K. Payanes               |
| E. Benefits Analyst Quarterly Statistical Report   | L. Martinez              |
| F. Wellness Update   | C. Archuleta             |
| 12. General Discussion   | A. Park                  |
| 13. Next Meeting Date and Location: Thursday, March 7, 2024<br>Location: Poms & Associates 201 3rd Street, Suite 1400 Albuquerque, New Mexico 87102, and a virtual option <b>(Action Item)</b> | A. Park                  |
| 14. Adjournment <b>(Action Item)</b>   | A. Park                  |

**New Mexico Public Schools Insurance Authority  
Board of Directors Meeting Minutes**

**In Person:**

**Poms & Associates Insurance Brokers  
201 3<sup>rd</sup> Street NM, Ste. 1400  
Albuquerque, NM 87102**

**Virtual:**

<https://us02web.zoom.us/j/84408300040?pwd=WHh1Um5CczFlc0p5ZjVobUZjclhxZz09>

**Phone: +1 346 248 7799**

**Meeting ID: 844 0830 0040**

**Passcode: 895193**

**Thursday, December 7, 2023**

**Draft**

**1. Call to Order**

Mr. Al Park, President, called the NMPSIA Board Meeting to order at 9:06 a.m. on Thursday, December 7, 2023.

**2. Roll Call**

Ms. Martha Quintana called roll.

**Board Members Present:**

Al Park, President	In-Person
Chris Parrino, Vice President	In-Person
Trish Ruiz, Secretary	In-Person
Denise Balderas	Virtual
Vicki Chavez	Virtual
Tim Crone	In-Person
Bethany Jarrell	Virtual
Pauline Jaramillo	Virtual
K.T. Manis	In-Person
David Martinez Jr.	Virtual
Sammy Quintana	In-Person

**NMPSIA Staff Members Present:**

Patrick Sandoval, Executive Director	In-Person
Martha Quintana, Deputy Director	In-Person

Charlette Probst, Financial/HR Manager	In-Person
Maria Lugo, Chief Procurement Officer	In-Person
Marlene Vigil, Financial Specialist	Virtual
Claudette Roybal, Risk Program Coordinator	Virtual
Cyndi Archuleta, Benefits/Wellness Operations Manager	Virtual
Leslie Martinez, Benefits Analyst	Virtual

### **Audience Present**

Marsha Martinez	BAC Committee Member	Virtual
Lisa Guevara	BCBSNM	In-Person
Marlene Baca	BCBSNM	Virtual
Lisa Sullivan	BCBSNM	Virtual
Maureen Sergel	BCBSNM	In-Person
Samantha Mensay	BCBSNM	Virtual
Steve Vanetsky	CCMSI	In-Person
Jerry Mayo	CCMSI	In-Person
Rich Cangiolosi	CCMSI	In-Person
Louise Carpenter	CCMSI	Virtual
Cathy Fenner	Davis Vision	In-Person
Sam Garcia	Davis Vision	In-Person
Stephanie Garcia	Delta Dental	Virtual
Kathy Payanes	Erisa Administrative Services	In-Person
Amy Bonal	Erisa Administrative Services	Virtual
C.S. Hwa	Erisa Administrative Services	In-Person
Martin Esquivel	Esquivel & Howington	In-Person
Joseph Simon	Legislative Finance Committee	Virtual
Ellen Clark	PFM Asset Management	In-Person
Mallory Sampson	PFM Asset Management	In-Person
Julie Garcia	Poms & Associates	In-Person
Larry Vigil	Poms & Associates	In-Person
Rika Martinez	Poms & Associates	Virtual
Kevin McDonald	Poms & Associates	In-Person
Grant Banash	Poms & Associates	In-Person
Dave Poms	Poms & Associates	In-Person
Karen Mestas-Harris	Poms & Associates	Virtual
Tamie Pargas	Poms & Associates	Virtual
Steve Valdez	Presbyterian	In-Person
Benito Gonzales	RAC Committee Member	In-Person
Nura Patani	Segal	Virtual
Debbie Donaldson	Segal	In-Person
Sadhna Paralkar	Segal	Virtual
Andrea Vargas	The Standard	Virtual
Jennifer Oswald	The Standard	Virtual

**3. Introduction of Guests**

Mr. Patrick Sandoval, Executive Director of NMPSIA, introduced Ms. Debbie Donaldson and Ms. Sadhna Paralkar, Segal, Ms. Kathy Payanes and Mr. C.S. Hwa, ERISA Administrative Services, Mr. Rich Cangelosi with CCMSI, Ms. Ellen Clark and Ms. Mallory Sampson with PFM Asset Management, and Mr. Benito Gonzales, the newest RAC Member.

**4. Citizens to Address the Board (Five-Minute Limit)**

There were no citizens to address the Board.

**5. Approval of Agenda (Action Item)**

Mr. Sandoval requested the removal of item 9.A. Approval of Amendment to CVS Cost Saver Program and Rebate Guarantees.

**Motion:** C. Parrino

**Second:** T. Ruiz

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**6. Approval of November 2023 Minutes (Action Item)**

A motion was made to approve the November 2023 NMPSIA Board Meeting Minutes.

**Motion:** T. Ruiz

**Second:** C. Parrino

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

## **7. Administrative Matters**

### **7. A. Legislative Update**

Mr. Sandoval reported there was an LFC hearing on November 15, 2023. The presentation included the FY25 appropriation request and highlighted Risk and Benefit cost drivers. The hearing went well and the committee's questions focused on property valuation, brokerage services, compliance with House Bill 128 School Personnel Background and Training, historical benefit increases, current risk increases, and NMPSIA membership counts. The Health and Human Services Committee met on November 30; Ms. Kerry Armijo, Secretary Designate of the Healthcare Authority, presented on the Human Services Department transition to the Healthcare Authority Department. Some key points affecting NMPSIA were the executive order requesting that the Healthcare Authority, NMPSIA, and Retiree Healthcare Authority work together to develop a coordinated and comprehensive purchasing plan for healthcare benefits for public employees and retirees that can be implemented by July 1, 2025. Some proposed legislation that may come out requires the IBAC to make purchasing recommendations to the Secretary of the Healthcare Authority for final decision-making and requires the IBAC agencies to engage in joint contracting for health benefits effective July 1, 2025. Ms. Martha Quintana, Deputy Director of NMPSIA, added that proposed legislation may affect NMPSIA's compliance with the following changes and must be evaluated. NMPSIA's benefit plan structure may change, affecting copays, coinsurance deductibles, and out-of-pocket maximums. Both staff and the Board agreed that NMPSIA supports the initiative if the results benefit the members.

**7. B. Annual Retreat Discussion**

Mr. Sandoval reported that it is time to start discussing the location of the Annual Board Retreat. Last year, the location was Las Cruces and the year before it was held in Ruidoso. Mr. Sandoval asked for locations the Board would like staff to investigate and determine the best dates. Last year, the retreat dates were July 19 and 20. In 2022, the dates were July 20 and 21. Staff suggested July 17 and 18 or July 24 and 25 would work for 2024. Board members suggested locations of Tamaya, Taos, Red River, and Angel Fire.

**7. C. 2024 State and Local Government Benefits Association National Conference, April 21-24, 2024, Louisville, Kentucky (Action Item)**

Mr. Sandoval requested approval for out-of-state travel for staff and interested Board members to attend the 2024 State and Local Government Benefits Association National Conference (SALGBA) and if any Board members are interested, please email Ms. Maria Lugo or Mr. Sandoval.

A motion was made to approve out-of-state travel for the 2024 State and Local Government Benefits Association National Conference in Louisville, Kentucky on April 21-24, 2024.

**Motion:** T. Ruiz

**Second:** C. Parrino

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**7. D. Financial Disclosures**

Mr. Sandoval reminded all Board Members to complete their financial disclosure statements through the Secretary of State website. The deadline to have disclosures filed is January 31,

2024. Staff will be sending out a how-to guide. Any Board members who require assistance can contact Ms. Lugo or Ms. Charlette Probst. If there are issues with logging in, staff of the Secretary of State's office may need to be contacted for assistance.

## 8. Financial Matters

### 8. A. Financial Reports October 2023 (Action Item)

Ms. Charlette Probst, Financial/HR Manager NMPSIA, presented the Statement of Revenues and Expenditures for the period ending October 31, 2023 for the Employee Benefits Fund. Ms. Probst reported revenue of \$30,787,071.91 and expenses of \$36,638,431.80, which resulted in a loss of \$5,851,359.89 for October. Year-to-date revenue was \$116,559,686.03, and expenses were \$130,150,773.73, resulting in a loss of \$13,591,087.70.

Ms. Probst presented the Statement of Revenues and Expenditures for the period ending October 31, 2023 for the Risk Fund. Ms. Probst reported revenue of \$8,285,579.61 and expenses of \$13,997,436.96, which resulted in a loss of \$5,711,857.35 for October. Year-to-date revenue was \$33,684,039.12 and expenses were \$45,806,013.49, resulting in a loss of \$12,121,974.37.

Ms. Probst presented the Statement of Revenues and Expenditures for the period ending October 31, 2023 for the Program Support Fund. Ms. Probst reported revenue of \$136,957.12 and expenses of \$168,071.46, which resulted in a loss of \$3,114.34 for October. Year-to-date revenue was \$547,844.12 and expenses were \$569,809.19, resulting in a loss of \$21,965.07.

Ms. Probst presented the Balance Sheet for the Agency for the period ending October 31, 2023. Program Support had total assets of \$949,323.02, total liabilities of \$276,624.49, and total fund equity of \$672,698.53. Employee Benefits had total assets of \$37,209,619.07, total liabilities of \$33,219,037.38, and total fund equity of \$3,990,578.69. Risk had total assets of \$162,203,481.22, total liabilities of \$162,970,308.66, and a total fund equity of negative \$766,827.44. The total combined fund equity for the agency was \$3,896,449.78.

A motion was made to approve the Financial Reports for October 2023 as presented.

**Motion:** T. Ruiz

**Second:** T. Crone

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes





A motion was made to approve the request to issue the Request for Proposal for Investment Advisor Services as presented.

**Motion:** C. Parrino

**Second:** T. Ruiz

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

#### **8. D. Investment Performance Review for the Quarter Ended September 30, 2023**

Ms. Ellen Clark, PFM Asset Management, introduced Ms. Mallory Sampson, who is taking over the NMPSIA account as Ms. Clark is retiring. The Board expressed their thanks and congratulations to Ms. Clark and welcomed Ms. Sampson. Ms. Clark reported that October was not a good month for the markets and the quarter was also not good. The quarter to date shows a negative 3% in Domestic Equity, International Equity, or Fixed Income. Based on the Russell 3,000 Index, as of September 30, 2023, the markets were up 12.4%. Through December 6, 2023 the markets are up 20% due to this increase the negative amounts on the report will be reversed to positive. Through September 30, 2023, there was a 5.3% positive return, which increased to 10.2% as of December 6, 2023. Also showing positive numbers for Fixed Income markets interest rates are at 5.25%-5.5%. The negative 3.2% on the quarter and negative 1.2% on the year to date, as of December 6, 2023 is showing positive 3.2%. Significant improvement in the markets on a year-to-date basis. Ms. Clark reported the macroeconomic factors influencing the market currently. The GDP growth is much higher than expected in 2023 and the third quarter GDP number was revised from 4.9% to 5.2%.

#### **9. Benefits Matters**

**9. A. Approval of Amendment to CVS Cost Saver Program and Rebate Guarantees (Action Item)**

This item was removed from the agenda.

**9. B. Approval of Domestic Partner Resolution- Questa Independent School District (Action Item)**

Ms. Cyndi Archuleta, Benefits/Wellness Operations Manager for NMPSIA, presented the Domestic Partner Resolution for Questa Independent Schools. Questa's governing board has adopted a resolution to offer health benefit coverage to domestic partners and domestic partners' children. Questa Independent Schools will contribute to the premium for any tier change created by adding the partner and the partner's children. NMPSIA staff is recommending approval of this petition. If approved, NMPSIA and Erisa staff will work with the school to get enrolled for the January 1, 2024 start date.

A motion was made to approve the Domestic Partner Resolution- Questa Independent School District.

**Motion:** C. Parrino

**Second:** S. Quintana

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**9. C. Stop Loss Report on Claims Reimbursement**

Ms. Debbie Donaldson, Segal, presented the Stop Loss Report on Claims Reimbursement. Ms. Donaldson presented the historical claim experience as requested at the November Board meeting. The historical experience for January 2017 through September 30, 2023 was provided. The loss ratio has varied over each of those historical years from 5% and 21% to 91%.

NMPSIA is currently experiencing some high-cost claims and the insurance does help protect the plan.

**9. D. Request to Issue RFP for Third-Party Administrative Services for Enrollment, Eligibility, and Billing (Action Item)**

Ms. Quintana presented the request to go out to RFP for TPA services. Currently, Erisa Administrative Services provides this service to NMPSIA and the current agreement ends on June 30, 2024.

A motion was made to approve the request to issue an RFP for Third-Party Administrative Services for Enrollment, Eligibility, and Billing.

**Motion:** D. Martinez Jr.

**Second:** S. Quintana

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**9. E. Approval of Stop Loss Renewal (Action Item)**

Ms. Donaldson presented the Best and Final Offers (BAFO) from the Stop Loss RFP done by Segal on behalf of NMPSIA. Two carriers presented a BAFO: the incumbent, which is Matrix, and Sun Life. For Matrix, there was an increase in the premium rate. The increase Matrix proposes is \$9.95 for a total annual premium of \$2,564,000. That is a 12.3% increase from the current cost. Sun Life also proposed a BAFO and their best and final was \$13.56 for a total premium of \$3,494,000. That is a 53% increase from the current cost.

A motion was made to approve the Stop Loss Renewal.

**Motion:** C. Parrino

**Second:** D. Balderas

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

#### **9. F. Approval of United Concordia Dental Contract Amendment (Action Item)**

Ms. Quintana presented an amendment for the renewal of the United Concordia Dental Contract. This will be effective January 1, 2024, through June 30, 2024. United Concordia has proposed a renewal fee of \$1.65 per member per month. Last year we paid \$1.25 per member per month.

A motion was made to approve the United Concordia Dental Contract Amendment.

**Motion:** C. Parrino

**Second:** S. Quintana

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes

David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

### **9. G. SHAPE Report**

Ms. Debbie Donaldson presented the SHAPE Report. The plan had a trend of 8.9%, which represented a medical trend of 6% and a pharmacy trend of 9.5%. The 6% medical trend was lower than projected. Segal had projected a 6.5% trend for NMPSIA for medical which is below the Segal trend of 7.4%. The pharmacy trend of 9.5% was higher than anticipated. The projection was 9% and the Segal trend is at 9.8%. Concerning medical, a shift was seen across the country from inpatient to outpatient visits. When it's appropriate for the members, care is being done in outpatient facility services versus inpatient. This is what is driving NMPSIA's outpatient hospital costs. There was a 6.3% decrease. There is a continuous increase in Emergency Room visits, which went up 16.8%, and urgent care visits. Medical drugs went up 17.2%. Those are typically drugs in a medical setting. Typically, a lot of oncology and chemotherapy drugs. Office visits increased by 5.8%, partly driven by a 16% increase in behavioral health visits. The average cost per inpatient admission went down 9.1%. Diabetes is the major condition, and it represents 9.8% of membership. The prevalence and the spending for those members who have diabetes went up 7.9%. Some of that is associated with GLP-1 drugs. There has been an increase in preventative screenings for breast cancer, colorectal, and prostate cancer exams, and that is also contributing to the increase in the utilization of physician visits.

Ms. Donaldson reported that there has been a shift in the use of 90-day retail for pharmacies. The average cost per script has gone up for non-specialty, but the total number of scripts has gone down for non-specialty due to members getting 90-day fills. The average cost per prescription has gone up by 30.8%.

### **9. H. Presentation of Benefits Analyst Statistics**

Ms. Leslie Martinez, Benefits Analyst for NMPSIA, presented the Benefits Statistics for the first quarter of fiscal year 2024, July 1, 2023- September 30, 2023. NMPSIA received 251 inquiries, of which 188 were phone calls, 60 were website emails, and three were direct emails. 206 of these inquiries were resolved on the same day, 27 were resolved in two days, 13 were resolved in three days, and five were resolved in four days. 72 inquiries were resolved or directed to Erisa Administrative Services for eligibility verification, assistance with forms, assistance with the online portal, or questions regarding enrollment of dependents. 68 inquiries were resolved or directed to the employer for assistance in adding dependents or coverage, premium questions, changing address or questions on LTD or Life insurance, and 46 inquiries were resolved or directed to the carriers regarding ID cards, pharmacy denials, or verifying coverage, 33 inquiries were resolved in our office regarding training, exceptions, or questions regarding wellness and behavior health. Ms. Martinez also reported that 18

inquiries were resolved or directed to the New Mexico Retiree Health Care Authority (NMRHCA) regarding how to carry over insurance from NMPSIA to NMRHCA, premiums, and where to get paperwork. Nine inquiries regarding vehicle accidents and insurance coverage for buildings or leases were resolved or directed to Ms. Claudette Roybal. Three inquiries were resolved or directed to CCMSI regarding worker's compensation claims. One inquiry was resolved or directed to Medicare regarding turning 65 and lastly, one inquiry was resolved or directed to Albuquerque Public Schools regarding enrollment. Many of these inquiries were resolved with the members satisfied and grateful for the help and information they received promptly.

## **9. I. Open/Switch Enrollment Update**

Ms. Kathy Payanes, Erisa Administrative Services, presented the Open/Switch Enrollment update. Open and switch enrollment ran from October 1, 2023, through November 10, 2023, for an effective date of January 1, 2024. In close coordination with NMPSIA staff, open/switch tutorials were created and uploaded to the NMPSIA website. The following statistics are for everything received until 5:00 pm on Thursday, November 13, 2023.

Ms. Payanes reported that enrollment for medical was as follows:

- Blue Cross Blue Shield: The employee total was 384; for employees and dependents, the total was 782.
- Presbyterian: The employee total was 347; for employees and dependents, the total was 597.
- Cigna: The employee total was 17; for employees and dependents, the total was 33.

Ms. Payanes reported that enrollment for dental was as follows:

- United Concordia: The employee total was 176; for employees and dependents, the total was 377.
- Delta Dental: The employee total was 608; for employees and dependents, the total was 1,228.

Ms. Payanes reported that enrollment for Vision was as follows:

- Davis Vision: The employee total was 647; for employees and dependents, the total was 1,309.

Ms. Payanes reported that the switch enrollment for medical was as follows:

- Blue Cross: Employees gained 202, lost 160, for a net gain of 42.
- Cigna: Employees gained 16, lost 20, for a net loss of 4.
- Presbyterian: Employees gained 206, lost 160, for a net gain of 46.
- The total medical number of switch enrollments was 382.

Ms. Payanes reported that the switch enrollment Dental was as follows:

- Delta Dental: Employees gained 227, lost 85, for a net gain of 142.
- United Concordia: Employees gained 67, lost 209, for a net loss of 142.

- The total dental number of switch enrollments was 294.

Ms. Payanes stated that Erisa is accepting enrollment and change cards up until December 31, 2023.

## **9. J. Wellness Update**

Ms. Archuleta provided the Wellness update. There was a Wellness Ambassador meeting on November 15, 2023. Representation has increased in schools and charters to 63 representatives. This meeting was focused on educating ambassadors on the importance of creating a culture of wellness for NMPSIA members. The ambassadors were reminded of the tools available to them to help educate and promote wellness programs through their medical coverage, such as educational materials, webinars, cooking shows, and wellness coaching. The annual Walktober challenge ran from October 1 through October 31, 2023. 624 individuals registered, and 64 participated and completed full challenges. One ambassador recorded over a million steps during this walking challenge. NMPSIA feels this campaign was a success and plans to bring more in the future.

## **9. K. IBAC Update**

Ms. Archuleta noted that the IBAC met on November 8, 2023. Dr. Scott Conard, with Converging Health, presented to the committee and advised that the health program uses a whole-person risk score to produce data to guide plans on which members need to be engaged and connect plans to the appropriate resources or vendors. Mr. Conard emphasized that by adding this to our population, it would be adding about 90% of the plan spend related to chronic mental health conditions. Blue Cross Blue Shield held The Great American Smoke Out, which took place in November. Ms. Kaylei Jones, Benefits/Wellness Program Coordinator for NMPSIA, presented the Request for Information (RFI) for the Viability of Plan-Owned Medical Clinics. NMPSIA opened the RFI up to other IBAC partners to participate. Albuquerque Public Schools and NMRHCA have since provided NMPSIA with data related to their population and have expressed interest in participating in the RFI.

## **10. Risk Matters**

### **10. A. 2023 New Mexico Safe School Summit Update**

Mr. Sandoval briefly summarized the first annual New Mexico Safe School Summit. It was on November 13th, 14th & 15th and was held at the Santa Ana Star Casino and Hotel. Some of the speakers were Governor Michelle Grisham, Lieutenant Governor Howie Morales, U.S. Attorney Alex Uballez, Special Agent in Charge Raul Bujanda, FBI Deputy Director Paul Abbate. There were also trainings such as Rethinking Crisis Drills, Crisis Intervention, and Behavioral Threat Assessment presented by Poms and Associates. A Response Comparison Training Panel was also held by Deming staff which included Ms. Vicki Chavez. There were numerous other training courses. The hope is to make it an annual conference.

**10. B. Request to Issue Request for Proposal for Risk Fund Actuarial Analysis, Statement of Actuarial Opinion, Rate Certification for NMPSIA’s Self-Insured Workers’ Compensation Exposure and Audit Reporting (Action Item)**

Mr. Sandoval advised that staff requests approval to issue a Request for Proposal (RFP) for Risk Fund Actuarial Analysis, Statement of Actuarial Opinion, Rate Certification for NMPSIA’s Self-Insured Workers’ Compensation Exposure, and Audit Reporting. The current contract will end on June 30, 2024. Mr. Sammy Quintana and Ms. Trish Ruiz have volunteered to serve on the RFP committee. Mr. Benito Gonzalez has also acknowledged that he would serve on the committee. Any other Board members who would like to serve on the committee can reach out to Mr. Sandoval.

A motion was made to approve the request to Issue a Request for Proposal for Risk Fund Actuarial Analysis, Statement of Actuarial Opinion, Rate Certification for NMPSIA’s Self-Insured Workers’ Compensation Exposure and Audit Reporting.

**Motion:** T. Ruiz

**Second:** S. Quintana

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**10. C. TPA Reports**

**10. C. 1. Property and Liability Monthly Claims Report**

Mr. Steve Vanetsky, CCMSI, presented the liability and property numbers for October 2023. Liability had 404 open claims, which was 10 more than the month before, 49 new claims were



opened, which was 14 more than the month before, and 41 claims were closed, which was 8 more than the month before.

Mr. Vanetsky reported that on the property side, there were 136 open claims, which was 19 more than the month before, 30 new claims were received, which was 13 more than the month before, and 15 claims were closed, which is 10 more than the month before. Overall, there were 540 open claims combined between property and liability which represented 29 more claims than the month before.

#### **10. C. 2 Property and Liability Large Losses**

Mr. Vanetsky advised there were no new large losses to report.

#### **10. C. 3. Workers' Compensation Monthly Claims Report**

Mr. Jerry Mayo, CCMSI, reported on the Workers' Compensation monthly claims report for October 2023. There were 1,051 claims open, which is 74 more than the period before, and 41 claims reopened, which is 6 more than the period before. There were 284 new claims, 7 less than the period before, and 251 closed claims, 28 more than the period before. Reserves were at \$14,166,358.01 which is a little over \$44,000 more than the period before. Payments were \$49,256,175.64 which is just a little over \$559,000 more than the period before.

#### **10. C. 4. Workers' Compensation Large Losses**

Mr. Mayo advised that there was one large loss to report down south. A person slipped and fell by an ice machine and fractured their patella. The surgery is what brought up the cost. The total reserve increase was \$91,000.00.

#### **10. D. Workers' Compensation Statistics**

Mr. Rich Cangiolosi, CCMSI, presented the Workers' Compensation Statistics Annual Report, the comparison of NMPSIA to all the other governmental entities. In 2023, NMPSIA is still the lowest of all the other entities. NMPSIA has maintained under \$10,000 per claim since 2013. Mr. Cangiolosi advised that maintaining the average is attributed to getting people back to work and controlling medical costs. The concern for the next couple of years is the lack of physicians and specialists in the state. This may result in routine procedures being sent out of state. Mr. Cangiolosi provided an example of his sister, who had to be sent out of state for what should have been a 20-minute routine procedure.

Mr. Cangiolosi presented the indemnity claims which are higher dollar claims. NMPSIA has maintained a lower rate than all the other governmental entities. By comparison, over the past 5 years, the amount of claims has reduced despite the total cost of the claims increasing. Lastly, Mr. Cangiolosi reported that NMPSIA is rebounding from COVID-19.

In 2019-2020, NMPISA had a total of 1,175 claims, with a total incurred of \$7.2 million. The next year, 2020-2021, 694 claims with \$6 million dollars in reserves. In 2021-2022, 1,152 claims and \$8.5 million dollars in reserve. Mr. Cangioli advised that CCMSI will provide information to the Board on what goes into the claims process from the TPA side at the next Board meeting.

#### **10. E. Anonymous Reporting Update**

Ms. Julie Garcia, Poms and Associates, presented the Anonymous Reporting Update. The latest statistics for STOPit are as follows. There are 115,265 potential subscribers and 1,400 new activations. The average number of days to close a claim is three days. Ms. Garcia advised that there is currently no separation for sexual misconduct by perpetrator or location where abuse occurred. This is currently being worked out with the vendor to provide more accurate statistics. Currently, bullying is the most reported incident which is a concern because it is one of the biggest indicators of school violence.

#### **10. F. Loss Prevention Update**

Mr. Larry Vigil, Poms and Associates, presented the monthly Loss Prevention Abatement report for October 2023. In October, Poms and Associates followed up on 149 total recommendations; 2 of those were capital, 147 were non-capital, and there were no corrections made for the capital recommendations and 104 corrections made on the non-capital. The total abatement for October is 70.75%. At the next meeting, Mr. Vigil will present year-to-date numbers.

Ms. Julie Garcia added that Poms and Associates staff have been attending conferences, including the School Board Association, Association of School Business Officials, the School Safety Summit, and advising on upcoming policies, including changes in the Title IX Policies.

#### **11. General Discussion**

The members of the Board discussed how the current school year has been flying by. Mr. Crone advised the Board that Ms. Barbra Armijo of PED recently passed away.

#### **12. Next Meeting Date and Location Thursday, February 8, 2024, Poms and Associates 201 3<sup>rd</sup> Street, Suite 1400 Albuquerque, NM 87102, and Virtual option (Action Item)**

A motion was made to approve the next meeting date and location.

**Motion:** S. Quintana

**Second:** T. Ruiz

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

### **13. Adjournment (Action Item)**

A motion was made to adjourn at 10:54 a.m.

**Motion:** S. Quintana

**Second:** C. Parrino

A roll call vote was taken.

Ms. Martha Quintana called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Yes
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**Approved:**

X

Mr. Alfred Park  
Board President

**Public Schools Insurance Authority  
FY25 Appropriation Request**

(Dollars in Thousands)

Agency					
	FY24 Operating Budget	FY25 Agency Request	HB2	Request/HB2 Difference	Percent
<b>Uses</b>					
Personal Services and Employee Benefits	\$ 1,367.8	\$ 1,466.0	\$ 1,466.0	\$ -	0.0%
Contractual Services	\$ 471,118.1	\$ 536,278.0	\$ 536,278.0	\$ -	0.0%
Other	\$ 185.3	\$ 185.3	\$ 185.3	\$ -	0.0%
Other Financing Uses	\$ 1,643.5	\$ 1,747.3	\$ 1,747.3	\$ -	0.0%
<b>Uses Total</b>	<b>\$ 474,314.7</b>	<b>\$ 539,676.6</b>	<b>\$ 539,676.6</b>	<b>\$ -</b>	<b>0.0%</b>

Benefits					
	FY24 Operating Budget	FY25 Agency Request	HB2	Request/HB2 Difference	Percent
<b>Uses</b>					
Contractual Services	\$ 370,984.4	\$ 404,051.1	\$ 404,051.1	\$ -	0.0%
Other Financing Uses	\$ 822.2	\$ 873.6	\$ 873.6	\$ -	0.0%
<b>Uses Total</b>	<b>\$ 371,806.6</b>	<b>\$ 404,924.7</b>	<b>\$ 404,924.7</b>	<b>\$ -</b>	<b>0.0%</b>

Risk					
	FY24 Operating Budget	FY25 Agency Request	HB2	Request/HB2 Difference	Percent
<b>Uses</b>					
Contractual Services	\$ 100,043.3	\$ 132,130.9	\$ 132,130.9	\$ -	0.0%
Other Financing Uses	\$ 821.3	\$ 873.7	\$ 873.7	\$ -	0.0%
<b>Uses Total</b>	<b>\$ 100,864.6</b>	<b>\$ 133,004.6</b>	<b>\$ 133,004.6</b>	<b>\$ -</b>	<b>0.0%</b>

Program Support					
	FY24 Operating Budget	FY25 Agency Request	HB2	Request/HB2 Difference	Percent
<b>Uses</b>					
Personal Services and Employee Benefits	\$ 1,367.8	\$ 1,466.0	\$ 1,466.0	\$ -	0.0%
Contractual Services	\$ 90.4	\$ 96.0	\$ 96.0	\$ -	0.0%
Other	\$ 185.3	\$ 185.3	\$ 185.3	\$ -	0.0%
<b>Uses Total</b>	<b>\$ 1,643.5</b>	<b>\$ 1,747.3</b>	<b>\$ 1,747.3</b>	<b>\$ -</b>	<b>0.0%</b>

STATE OF NEW MEXICO

NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

PROFESSIONAL SERVICES CONTRACT #342-2023-03

THIS AGREEMENT is made and entered into by and between the State of New Mexico, **Public Schools Insurance Authority (NMPSIA)**, hereinafter referred to as the “Authority,” and [REDACTED] hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the Authority.

**IT IS AGREED BETWEEN THE PARTIES:**

**1. Definitions**

- A. “Covered Service” means any Medically Necessary Service offered by a Participating Provider relating to the Episodes of Care covered by the Authority (i.e., orthopedic surgery, spine surgery, or interventional pain management) for which Contractor has contracted bundled rates or other reimbursement pricing.
- B. “Employee” means any United States-domiciled employee who is employed with one of the Authority’s participating employers who is currently enrolled in a medical Plan.
- C. “Enrollee” means any Employee enrolled in medical benefits and any other United States-domiciled individual receiving medical benefits under a Plan at the time Covered Services are requested (including, for the sake of clarity, any individual utilizing such health plan through COBRA or as a dependent of an Employee).
- D. “Episode of Care” or “EOC” means an episode of medical care sought by an Enrollee related to the list of medical specialties set forth in the table below. An EOC commences at the time an Enrollee is admitted to a Participating Provider inpatient facility, outpatient facility, surgery center, in-office procedure room, or other healthcare facility setting and ends when such Enrollee is discharged from the applicable healthcare facility.

Orthopedic Surgery	Spine Surgery
Interventional Pain Management	

- E. “Medically Necessary Service”, “Medically Necessary” or “Medical Necessity” means a health care item or service that a Participating Provider determines to be both reasonable and necessary to diagnose or treat an illness, injury, condition, disease, or symptom of an Enrollee which is consistent with accepted standards of medicine.
- F. “Participating Provider” means each hospital, healthcare facility, laboratory, person, or entity duly licensed to provide Covered Services to an Enrollee (or any other provider of medical services, products, or supplies which are Covered Services) with whom the Contractor has a contractual relationship (either directly or as a subcontractor of a party with whom the Contractor has a direct relationship).
- G. “Plan” means any self-insured medical benefits plan sponsored by the Authority.
- H. “Primary TPA” means primary medical plan third-party administrator responsible for administering medical benefits for the Authority’s plan.

2. **Scope of Work**

The Contractor shall perform the following work:

- A. Licensing. Contractor will make an application for, obtain and continuously maintain in good standing all licenses and permits necessary to enable it to perform its obligations under this Agreement in the State of New Mexico.
- B. Initial Participating Provider Network. Contractor has contracted or will contract with qualified, licensed and credentialed physician and non-physician Participating Providers to provide medical services to Authority Enrollees. The Contractor will make available these Participating Providers to provide medical services to Enrollees in accordance with the Plan.
- C. Network Provider Management. Prior to contracting with a Participating Provider, the Contractor will use reasonable diligence to ensure that providers satisfy and meet criteria and qualifications established by the Contractor as illustrated in the Contractor’s response to the Authority’s RFP. During the term of this Agreement, Contractor will administer a re-credentialing program designed to periodically re-examine each Participating Provider’s satisfaction of criteria and qualifications established by the Contractor.

Contractor is hereby authorized, without the consent of the Authority, to add and/or delete Participating Providers from participation in its network during the term of this Agreement.

In addition to ongoing network provider communication, Contractor will distribute to all members communications initiated by the Authority relating to the Plan. In

addition, the Contractor, at the request of the Authority, will provide copies of the ongoing member communications to the Authority.

- D. Fee Schedule (Exhibit A). Contractor has developed and will continuously maintain fee schedules applicable to Participating Providers who provide Covered Services to the Authority Enrollees. The fee schedules will be reviewed periodically by Contractor and updated as necessary. Contractor may modify any fee schedule applicable to the Plan.
- E. Reports. Subject to and in accordance with the requirements of applicable law, Contractor will regularly (up to monthly at Authority's request) provide Authority with reports containing Contractor's standard metrics gauging the effectiveness of the services performed hereunder (e.g., metrics relating to Enrollee utilization of the services and Authority's financial savings). Authority may request that Contractor provide additional, custom, and/or modified reports to Authority or its designees, provided however, Authority acknowledges and agrees that any such request is for services not covered by this Agreement, and that an additional fee will be payable by Authority for such additional services.
- F. Participating Provider Directories. Contractor will make all Participating Provider directories available via the Internet through the Contractor's Enrollee-facing website and mobile applications. The Contractor will be responsible for making hard-copy Participating Provider directories available upon request of an Enrollee.
- G. Meetings. Upon reasonable request of the Authority, the Contractor shall attend the Authority's Board, Committee, and/or Legislative meetings that pertain to the services performed by Contractor hereunder. As requested by the Authority, Contractor shall make presentations to the Authority Board regarding the status of the benefits program. The Contractor also agrees to attend, as reasonably requested, the Authority regional training meetings relating to the services performed by Contractor hereunder and the Authority's annual benefits enrollment meetings.
- H. Customer Satisfaction Survey. The Contractor agrees to conduct an annual customer satisfaction survey at its own expense, as detailed in Exhibit C (Performance Measures). The content of the survey shall be reviewed and approved by the Authority.
- I. Authority Rules and Regulations. The Contractor agrees to abide by all Authority Rules and Regulations pertaining to this Agreement.
- J. Performance Measures, default by Contractor. The Contractor shall substantially perform the Performance Measures set forth in Exhibit C. In the event that the Contractor fails to obtain the results described in Exhibit C, the Authority may provide written notice to the Contractor of the default and specify a reasonable period of time in which the Contractor shall advise the Authority of specific steps that it will take to achieve these results in the future and the timetable for implementation.



- K. Budget Estimate. The Contractor shall provide written updated estimates of the projected range of change to benefits and associated fee costs upon request of the Authority 30 days in advance.
- L. Audits. During the term of the Agreement and within three hundred and sixty-five (365) days after the termination of the Agreement, the Authority or an authorized representative of the Authority (subject to Contractor's reasonable approval) may, upon at least forty-five (45) days prior written notice to the Contractor Administrator, conduct reasonable audits of records related to Claim payments to verify that the Contractor's administration of the Covered Services is performed according to the terms of this Agreement ("Audit"). Except as required by applicable law, such Audits shall be conducted no more frequently than annually, and the scope of such Audits shall be limited to the thirty-six (36) calendar months preceding the Authority's notice of such Audit.

During the term of the Agreement and within three hundred and sixty-five (365) days after the termination of the Agreement, the Contractor may, upon at least thirty (30) days prior written notice to the Authority, conduct reasonable audits of the Authority's Enrollee membership records with respect to eligibility.

- M. Interface with the Authority's Benefits Consultant. The Contractor will cooperate with the Authority's benefits consultant and, subject to the terms of Section 2(E), upon the Authority's reasonable written request of Contractor to provide such consultant reports relating to Contractor's services hereunder, Contractor will provide such reports in accordance with the mutually agreed upon specifications, cadence, and method of delivery.
- N. Reporting Services. Contractor will be responsible for preparation and filing of annual Internal Revenue Service (IRS) 1099 forms for the reporting of payments to Participating Providers who render Covered Services to Enrollees and who are reimbursed by Contractor under the Plan for those services.
- O. Fraud Detection and Prevention. Contractor will use commercially reasonable efforts to identify and investigate suspected fraudulent activity by Participating Providers and/or Enrollees relating to the services performed by Contractor hereunder and inform the Authority of findings and proof of fraud applying the Contractor's standard processes.
- P. Additional Services Not Specified. The Contractor may provide additional services not specified in the Agreement; such services and, if applicable, any additional charges for such additional services, will be mutually agreed upon between the parties in writing.

## Q. Covered Services

1. The Contractor will provide Enrollees with access to Participating Providers for the purpose of Enrollees seeking Covered Services from such Participating Providers. An EOC commences at the time an Enrollee is admitted to a Participating Provider inpatient facility, outpatient facility, surgery center, in-office procedure room, or other healthcare facility setting and ends when such Enrollee is discharged from the applicable healthcare facility.
2. The Authority shall not exclude any category or type of EOC from being offered by the Contractor and fulfilled by Participating Providers (a “Plan Exclusion”). Notwithstanding any Authority requirement to the contrary, it shall be in the Participating Provider’s sole discretion to determine the Medical Necessity of an elected Covered Service. If at any time during an EOC, a Participating Provider determines that any Medically Necessary Service must be performed on an urgent or emergency basis to preserve the life or health of an Enrollee, such services shall be Covered Services under this Agreement. If any such urgent or emergency Medically Necessary Services are provided to an Enrollee by a health care provider that is not a Participating Provider, charges for such services may be billed by such health care provider through the primary third-party administrator responsible for administering medical benefits for the Plan (“Primary TPA).
3. The Authority acknowledges and agrees that any of the following shall be billed by Participating Providers to an Enrollee and/or to the Primary TPA, subject to the Authority’s Plan coverage terms and exclusions: (i) certain medical consultations and certain diagnostic testing provided in advance of an EOC to determine whether or not the services sought by an Enrollee are Medically Necessary Services; (ii) convenience items (e.g., charges for telephone use, premium television access, guest meals, or other similar items or services furnished for the convenience/comfort of an Enrollee); and (iii) any medical procedure or medical care that is not a Medically Necessary Service. [REDACTED] will communicate the foregoing coverage exclusions to Enrollees, in writing, in advance of their respective EOC.
4. In the event an EOC extends more than ten (10) days, the Contractor will notify the Authority, and the Contractor and the Authority will use good faith efforts to mutually agree upon a reasonable solution for the transition of coverage for the Enrollee’s care.

## R. Administrative Services

1. Enrollees will receive access to Participating Providers and the Covered Services by the Contractor via telephone, email, or webchat and communicating with a member of the Contractor’s member services

department (each, a “Care Advocate”). Contractor’s Care Advocates will, as applicable:

- a. Accept inquiries from Enrollees by phone and electronically;
- b. if requested, assist Enrollees seeking Covered Services from Participating Providers with obtaining and transferring required documentation or forms, including waivers, consents, and other applicable documentation;
- c. provide Enrollees with information relating to a Participating Provider;
- d. for any Enrollee seeking Covered Services from a Participating Provider, provide the Enrollee with non-clinical guidance by answering or directing questions as they may arise;
- e. assist Enrollees with planning and scheduling Covered Services with Participating Providers (including reasonable assistance with the planning and scheduling of any necessary travel or other logistical issues;
- f. if requested, provide information to Enrollees relating to the anticipated and/or estimated costs of Covered Services from Participating Providers;
- g. upon reasonable request of the Authority, refer Enrollees to other benefits administrators or service providers of the Contractor who are deemed by the Care Advocate to potentially benefit from such third party’s services; and
- h. Engage with Enrollees who are deemed by other benefits administrators or service providers of the Authority to potentially benefit from the Contractor’s services.

#### S. Eligibility

1. On a weekly basis, the Authority or its designee shall provide the Contractor an eligibility file containing the information of each Enrollee in accordance with the Contractor’s standard specifications and requirements (“Eligibility Data File”). The Authority shall be responsible for payment for any services provided to ineligible individuals occurring as a result of the Authority’s or its designee’s: (i) untimely provision of an Eligibility Data File; (ii) failure to meet Contractor’s standard criteria or requirements for an Eligibility Data File; or (iii) inclusion of inaccurate information contained in any Eligibility Data File. Additionally, the

Authority shall be responsible for payment of any fees charged by Authority's vendors relating to the provision of Eligibility Data Files to Contractor.

#### T. Communications and Incentives

1. Prior to the commencement of each Plan year the Authority shall approve the form and content of and authorize the Contractor to distribute: (i) an ID card to all Enrollees (co-branded by the Authority and Contractor) and (ii) a quarterly print and electronic communication to all Enrollees regarding the services provided under this Agreement. The Contractor will coordinate the distribution of the communications materials described herein. Authority shall be responsible for obtaining the requisite consent or authorization from Enrollees necessary for Contractor to distribute the communications materials described herein.
2. The Authority shall provide incentives to Enrollees for utilizing Participating Providers for Covered Services as mutually agreed in writing by the parties on an annual basis.

#### U. Travel Benefits

1. From time to time, an Enrollee may be required to travel by car or airplane to a Participating Provider in relation to an EOC. The Contractor will coordinate and administer travel related to an Enrollee's EOC in accordance with the Authority's Plan requirements, which will include, as applicable, Contractor's coordination of logistics and payment related to airfare, hotel, mileage for driving, and/or other daily expense allowance(s) for the Enrollee and an adult travel companion ("Travel Benefits"). It shall be the sole responsibility of an Enrollee traveling for an EOC to obtain advice from the Participating Provider or the Enrollee's existing treating physician as to whether such Enrollee is fit for such travel.

#### V. Fees

1. The fees and fee payment terms shall be as set forth in Exhibit A to this Agreement.

#### W. Miscellaneous

1. The Authority acknowledges and agrees that the Contractor is neither authorized nor qualified to engage in any activities that constitute the practice of medicine under applicable state law, and that Participating Providers will provide or arrange for the provision of services that actually or potentially constitute the practice of medicine under applicable state laws. For the avoidance of doubt, Participating Providers shall not be

considered subcontractors of the Contractor for purposes of the Agreement or this Agreement, and Authority acknowledges and agrees that Contractor makes no warranty, express or implied, concerning the diagnosis, treatment, or care rendered by a Participating Provider to Enrollees.

2. The Contractor's role is strictly limited to offering the administrative services set forth in this Agreement. The Authority delegates to the Contractor only those powers and responsibilities with respect to the development, maintenance and administration of the Plan that are specifically enumerated in this Agreement. Any function not specifically delegated to the Contractor in this Agreement shall remain the sole responsibility of the Authority or its other designees. The Authority agrees that: (i) this Agreement is for administrative services only as specifically set forth herein, and (ii) this Agreement is not intended to be a contract of insurance under any laws or regulations. The Contractor does not insure, guarantee or underwrite the liability of the Authority, the Plan, or any other third party. The Authority has total responsibility for payment of Claims, Travel Charges, and Administrative Charges. Unless expressly set forth in this Agreement, the Contractor is not a fiduciary of the Plan. The Contractor shall have no responsibility for collecting premiums or contributions for insurance coverage or for establishing a premium fiduciary account.
3. The Contractor shall have no discretionary authority to interpret or manage the Authority's Plan. The Authority shall be responsible for determining the benefits, premium rates, underwriting criteria, acquisition of reinsurance, and other procedures applicable to the plan. The Authority shall have the final authority and responsibility regarding the interpretation, application, and competent administration of the plan. Upon reasonable request of the Contractor, the Authority will resolve all ambiguities and disputes relating to the terms of the plan, eligibility of an Enrollee, plan coverage, denial of claims, or any other plan interpretation questions reasonably posed by the Contractor. If adjudication of a claim requires interpretation of ambiguous plan language, and the Authority has not previously indicated to the Contractor the proper interpretation of the language, then the Authority will be responsible for resolving the ambiguity or any other dispute.
4. The Authority shall have all responsibility for and shall maintain compliance with all legal requirements applicable to the Plan and satisfaction of any and all reporting, notice, disclosure, and filing requirements imposed by applicable state and federal laws and regulations. The Authority shall be responsible for incorporating a description of the Services into the Authority's summary plan description or other documents in compliance with applicable law. If the Authority

or the plan institutes a policy or procedure that is relevant to the Contractor's provision of the Services pursuant to this Agreement, The Authority shall provide the Contractor written documentation setting forth such policy or procedure. Any such policy or procedure that is in conflict with the terms of the Agreement shall require the written consent of Contractor. The Authority acknowledges and agrees that the Contractor will not be deemed to be a legal or tax advisor as a result of the performance of any of the Services under this Agreement. The Authority shall be responsible for the determination and reporting of any applicable federal, state, and/or local tax responsibility, if any, incurred as a result of the Services provided by Contractor under this Agreement.

5. During the term of this Agreement and for a period of twelve (12) months after termination or expiration of this Agreement, Authority agrees that it will not: (i) enter into a contract directly with any Participating Provider for the provision of Covered Services; (ii) solicit or attempt to solicit any Participating Provider for the provision of Covered Services; or (iii) divert or attempt to divert any Participating Provider away from Contractor for purposes of contracting directly with Authority for the provision of Covered Services.

**3. Compensation.**

A. The Authority shall pay the Contractor in full payment for services satisfactorily performed as described below and in Exhibit A.

1. Claims, Travel Charges, and Administrative Charges.

a. The Contractor will receive and process claims, invoices, and other written or electronic notices or requests for reimbursement from:

i. Participating Providers related to Covered Services provided to Enrollees (collectively, "Claims").

ii. Travel-related vendors in connection with Travel Benefits provided to Enrollees ("Travel Charges").

iii. Other vendors or suppliers relating to the Contractor's provision of administrative services, including:

1. Expenses relating to medical records transfer on behalf of an Enrollee.

2. Expenses related to paper/electronic Claims submission.

3. Swift card fees related to the administration of the Travel Benefits or other Enrollee financial incentives (“Administrative Charges”).
    - b. Upon receipt, the Contractor will process and pay Claims, Travel Charges, and Administrative Charges according to the rates and terms agreed upon by the Contractor and the Participating Provider or other vendor.
    - c. On a weekly basis, the Contractor will prepare and submit invoices to the Authority, fully disclosing and itemizing the amounts to be paid for Claims, Travel Charges, and Administrative Charges. Such invoices shall be paid by the Authority via wire transfer or electronic funds transfer not more than ten (10) days after the Authority’s receipt of such invoices.
    - d. If the Authority fails to pay the Contractor any amount for Claims within sixty (60) days following receipt of an invoice itemizing such amount, the Contractor will notify the Authority and the Participating Provider of such failure, and the Contractor will use good faith efforts to facilitate resolution of any payment issues or disputes between the Authority and the Participating Provider for a period of thirty (30) days. If the issue(s) are not resolved and payment is not made by the end of such 30-day period, the Contractor will notify the Authority, and the Participating Provider, and the Participating Provider may terminate the provision of Covered Services to the Authority and its Enrollees. Authority acknowledges and agrees that the Participating Provider may then seek to recover payment of such amounts directly from the Authority. In such event, the Authority and the Enrollee(s) will lose the benefit of any discounts or rates associated with the Contractor’s contract with the Participating Provider, and the Authority or Enrollee will be responsible for up to the full amount of the Participating Provider’s billed charges.
- B. The Authority shall pay the Contractor the fees set forth in Exhibit A as compensation for the Contractor’s performance of the services hereunder; provided, such fees shall not exceed Five Hundred Thousand Dollars (\$500,000.00) annually, excluding gross receipts tax. This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the Authority when the services provided under this Agreement reach 80% of the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

C. Payment in Fiscal Year 2024, Fiscal Year 2025, Fiscal Year 2026, and Fiscal Year 2027 is subject to the availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Article 1, Scope of Work, and to approval by the Authority. All invoices **MUST BE** received by the Authority no later than sixty (60) days after the termination of the Fiscal Year. Invoices received after such date **WILL NOT BE PAID**.

D. The Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the Authority finds that the services are not acceptable, within thirty (30) days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the Authority that the services have been received and accepted, payment shall be tendered to the Contractor within thirty (30) days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the Authority shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

4. **Term.**

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE AUTHORITY with a start date of **March 1, 2024**. This agreement shall terminate on **February 28, 2027**, unless terminated pursuant to Article 5 (Termination), or Article 6 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

5. **Termination.**

A. **Grounds.** Subject to the applicable notice and cure requirements set forth in Paragraph 4(B) below, the Authority may terminate this Agreement for cause. The Contractor may only terminate this Agreement based upon the Authority's uncured, material breach of this Agreement.

B. **Notice; Authority Opportunity to Cure.**

1. Except as otherwise provided in Paragraph (4)(B)(3), the Authority shall give the Contractor written notice of termination at least ninety (90) days prior to the intended date of termination, which notice shall (i) identify all of the Contractor's material breaches of this Agreement upon which the termination is based and (ii) state what the Contractor must do to cure such material breaches. The Authority's notice of termination shall only be effective (i) if the Contractor does not cure all material breaches within the ninety (90) day notice period or (ii) in the case of material breaches that cannot be cured within ninety (90) days, the Contractor does not, within the ninety (90) day notice period, notify the Authority of its intent to cure and begin with due diligence to cure the material breach within a timeframe mutually agreed upon by the Parties.

2. The Contractor shall give Authority written notice of termination at least ninety (90) days prior to the intended date of termination, which notice shall (i) identify all



the Authority's material breaches of this Agreement upon which the termination is based and (ii) state what the Authority must do to cure such material breaches. The Contractor's notice of termination shall only be effective (i) if the Authority does not cure all material breaches within the ninety (90) day notice period or (ii) in the case of material breaches that cannot be cured within ninety (90) days, the Authority does not, within the ninety (90) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (ii) the Agreement is terminated pursuant to Article 6 (Appropriations) of this Agreement.

C. Liability. Termination or expiration of this Agreement for any reasons shall not affect the obligation of any party to any amount due that arose prior to the effective date of such termination or expiration or to perform any duty that arose prior to the effective date of such termination or expiration. Except as otherwise expressly allowed or provided under this Agreement, the Authority's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within one hundred eighty (180) days of the effective date of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AUTHORITY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.**

D. Termination Management. Immediately upon receipt by either the Authority or the Contractor of notice of termination of this Agreement, the Contractor shall: take such action as the Authority shall direct for the protection, preservation, retention or transfer of all property titled to the Authority and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Authority upon termination and shall be submitted to the Authority as soon as practicable.

**6. Appropriations.**

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the Authority shall give Contractor advanced written notice on the earliest date reasonably possible, and this Agreement shall terminate on the last day of the fiscal period for which funds are appropriated. The Authority's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Authority proposes an amendment to the Agreement to unilaterally reduce funding in an upcoming fiscal year, the Contractor shall have the option to terminate the Agreement prior to the

commencement of such fiscal year or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

**7. Status of Contractor.**

The Contractor and its agents and employees are independent contractors performing professional services for the Authority and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

**8. Assignment.**

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Authority.

**9. Subcontracting.**

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Authority; provided, for the avoidance of doubt, the Authority acknowledges and agrees that (i) Participating Providers shall not be deemed subcontractors of the Contractor and (ii) third parties providing products, technology, or services in support of the Contractor's general business operations shall not require the consent of the Authority (e.g., general corporate network, e-mail, and telephony services, general infrastructure services, general printing services, accounting or legal services, and the like). No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Authority.

**10. Release.**

Upon termination or expiration of this Agreement and final payment of the amounts due under this Agreement shall operate as a release of the Authority, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement, with the exception of any provisions of this Agreement that expressly survive termination.

**11. Confidentiality.**

“**Confidential Information**” means all materials and information of a confidential or proprietary nature disclosed by or on behalf of the Authority or Contractor (in such capacity, a “**Discloser**”) to the other Party (in such capacity, a “**Recipient**”) or its employees, subcontractors, agents, or other representatives (“**Representatives**”). Confidential Information includes, certain terms of this Agreement related to a Discloser's pricing, methodologies, fee schedules, volume of business, methods, systems, practices, plans, and/or other confidential or proprietary information. Each Party's respective

Confidential Information will remain its sole and exclusive property. Notwithstanding the foregoing, Confidential Information shall not include any information that was rightfully known to the Recipient without restriction on use or disclosure before receipt from Discloser, is or becomes generally known to the public without violation of this Agreement by any of the Recipient or its Representatives, or is independently developed by the Recipient or its Representatives without reference to or use of any of Discloser's Confidential Information, as demonstrated by Recipient's competent evidence. In the event of a request for documents under the New Mexico Inspection of Public Records Act, the Authority will confer with the Contractor about the scope of information requested. In the event of a disagreement over what is a public record versus confidential information, the parties agree to work together to arrive at a resolution prior to any litigation brought by a third party.

Recipient agrees: (i) to use the Confidential Information of the Discloser only for purposes of performing Recipient's obligations under this Agreement; (ii) to maintain the Confidential Information of the Discloser as strictly confidential in the same manner it safeguards its own Confidential Information, and exercise reasonable precautions to prevent any unauthorized access, use or disclosure of such Confidential Information; and (iii) not to disclose the Confidential Information to any third party other than its Representatives who have a need to know such Confidential Information for the purpose of performing Recipient's obligations or exercising Recipient's rights under this Agreement, but in any event only to those Representatives who are apprised of the confidential nature of the Confidential Information and who are bound by obligations with respect to such Confidential Information no less restrictive than those set forth in this Agreement. Recipient will be responsible for any breach of its obligations hereunder by its Representatives. These restrictions will not prevent either Party from complying with any law, regulation, court order, or other legal requirement that compels disclosure of any Confidential Information provided that Recipient: (x) promptly notifies Discloser upon learning of any such legal requirement; (y) cooperates with Discloser in the exercise of its right to protect the confidentiality of the Confidential Information before any tribunal or governmental agency; and (z) discloses only that Confidential Information which is (on the advice of its counsel) required to be disclosed. Upon termination of this Agreement for any reason, Recipient will, subject to its rights and obligations under this Agreement, promptly return to Discloser all originals and copies of any Confidential Information and destroy all information, records, and materials developed therefrom. Notwithstanding the foregoing, Recipient may retain a copy of all Confidential Information for archival purposes; provided that the requirements of this Section shall survive termination or expiration of this Agreement for so long as such Confidential Information is retained or possessed by Recipient.

The provisions of this Article 11 shall survive any termination or expiration of this Agreement.

**12. Product of Service -- Copyright.**

As between the Parties, Contractor owns and shall exclusively retain all rights, title, and

interest in and to (i) software, hardware, mobile and web applications, platforms, equipment, computers, telecommunications, and information systems provided by Contractor or Contractor's employees or agents ("**Contractor Systems**") (ii) know-how, expertise, reports, models, audio or visual information, photos, images, digital media, training information, provider data, pricing and quality data, methodologies, processes and procedures, content, documentation, and materials provided by Contractor or its agents ("**Contractor Content**"), (iii) Contractor's and its agents' and subcontractors' patents, copyrights, trademarks, trade secrets, software, technology, know-how, inventions (whether or not patentable) and all other proprietary and intellectual property rights ("**Contractor IP**"), and (iv) any modifications, revisions, updates and other derivatives related to Contractor Systems, Contractor Content, and Contractor IP ((i) through (iv) collectively, "**Contractor Property**"). Contractor grants to the Authority a non-exclusive, royalty-free, non-transferrable, license to use Contractor Property solely in connection with the Authority's receipt of services under Agreement and solely for the term of this Agreement. The Authority agrees and acknowledges: (i) that it shall not acquire any right, title or interest to Contractor Property by virtue of this Agreement, other than the limited license expressly granted to the Authority; (ii) that it shall not allow access to such Contractor Property to any third party without Contractor's written consent; (iii) that upon the expiration or termination of this Agreement, the Authority shall return Contractor Property to Contractor in substantially the same condition as provided to the Authority, normal wear and tear excepted, and shall securely destroy any copy thereof; (iv) to abide by any and all license requirements and instructions of Contractor related to such Contractor Property; and (v) with respect to software owned or licensed by Contractor and provided to the Authority, the Authority shall not copy, reproduce, modify, adapt, translate or create any derivative works from such software (unless specifically authorized by Contractor), or disassemble, decompile, reverse engineer or make any other attempt by any means to discover or obtain the source code of such software (if such software is provided and only intended to be used in object code format).

With the exception of Contractor Property, all materials developed specifically for the Authority by the Contractor under this Agreement ("**Work Product**") shall become the property of the State of New Mexico and shall be delivered to the Authority no later than the termination date of this Agreement. With the exception of Company Property, Work Product developed or produced, in whole or in part, by the Contractor under this Agreement shall not be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

The provisions of this Article 12 shall survive any termination or expiration of this Agreement.

**13. Conflict of Interest; Governmental Conduct Act.**

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any Authority employee while such employee was or is employed by the Authority and participating directly or indirectly in the Authority's contracting process;

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Authority's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Authority.

C. The Contractor's representations and warranties in Paragraphs A and B of this Article 13 are material representations of fact upon which the Authority relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Authority if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 13 were erroneous on the effective date of this Agreement or have become erroneous by reason

of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 13 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Authority and notwithstanding anything in the Agreement to the contrary, the Authority may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 13(B).

**14. Amendment.**

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

**15. Merger.**

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

**16. Penalties for Violation of Law.**

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

**17. Equal Opportunity Compliance.**

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

**18. Applicable Law.**

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

**19. Workers Compensation.**

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Authority.

**20. Records and Financial Audit.**

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Authority, the General Services Department/State Purchasing Division and the State Auditor. The Authority shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Authority to recover excessive or illegal payments.

**21. Indemnification.**

The Contractor shall defend, indemnify and hold harmless the Authority and the State of New Mexico from all third party (including Enrollee) actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement; provided, for the avoidance of doubt, Participating Providers shall not be deemed an agent, servant, or subcontractor pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the General Counsel of the Authority via electronic mail (return receipt requested).

The provisions of this Article 21 shall survive any termination or expiration of this Agreement.

**22. New Mexico Employees Health Coverage.**

A. If Contractor has, or grows to, six (6) or more New Mexico employees who work, or who are expected to work, an average of at least 30 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance

coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage.

**23. Invalid Term or Condition.**

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

**24. Enforcement of Agreement.**

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

**25. Notices.**

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the Authority:

Patrick Sandoval  
Executive Director  
New Mexico Public Schools Insurance Authority  
410 Old Taos Highway  
Santa Fe, New Mexico 87501  
[Patrick.Sandoval@psia.nm.gov](mailto:Patrick.Sandoval@psia.nm.gov)

And

Maria Lugo  
Chief Procurement Officer  
New Mexico Public Schools Insurance Authority  
410 Old Taos Highway  
Santa Fe, New Mexico 87501  
[Maria.Lugo@psia.nm.gov](mailto:Maria.Lugo@psia.nm.gov)

And

Martin Esquivel  
New Mexico Public Schools Insurance Authority General Counsel  
Esquivel & Howington, LLC.  
111 Lomas Boulevard, NW Suite 203



Albuquerque, New Mexico 87102  
[MEsquivel@esqlawnm.com](mailto:MEsquivel@esqlawnm.com)

To the Contractor:



**26. Authority.**

If the Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of the Contractor represents and warrants that he or she has the power and authority to bind the Contractor, and that no further action, resolution, or approval from the Contractor is necessary to enter into a binding contract.

**27. Incorporation by Reference and Precedence.**

If this Agreement has been procured pursuant to a request for proposals, this Agreement is derived from (1) the request for proposal, (including any written clarifications to the request for proposals and any Authority response to questions); (2) the Contractor's best and final offer; and (3) the Contractor's response to the request for proposals.

**28. Succession.**

This Agreement shall extend to and be binding upon the successors and assigns of the parties.

**29. Contractor Personnel.**

Key Personnel. The Contractor's account representative that is designated to the Authority's customer account shall not be diverted from the Authority's account without the prior written approval of the Authority. Key personnel are the Contractor's account representative(s) that are designated to the Authority's account by the Contractor. The designation of key personnel to the Authority's account shall be agreed upon by both the Authority and the Contractor.

Personnel Changes. Replacement of any key personnel shall be made with personnel of equal ability, experience. If the number of Contractor's key personnel assigned to the Authority is reduced for any reason, Contractor shall, replace with the same or greater number of key personnel with equal ability, experience, and qualifications.

**30. Arbitration.**

Any controversy or claim arising between the parties shall be resolved by arbitration pursuant to NMSA 1978 § 44-7A-1 et seq, in Santa Fe, New Mexico.

**31. Non-Collusion.**

In signing this Agreement, the Contractor certifies the Contractor has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this offer submitted to the Authority.

**32. Limitation of Liability; Disclaimer of Damages.**

EXCEPT AS SET FORTH IN THE FOLLOWING PARAGRAPH OF THIS ARTICLE 32: (A) IN NO EVENT WILL CONTRACTOR BE LIABLE CONCERNING ANY SUBJECT MATTER OF THIS AGREEMENT, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION (WHETHER IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE), FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, RELIANCE, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, REVENUES, PROFITS, GOODWILL, DATA, USE, OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) IN NO EVENT SHALL CONTRACTOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT, OR UNDER ANY THEORY OF LIABILITY, EXCEED \$2,000,000.

The disclaimer of damages and limitation of liability set forth in the preceding Paragraph of this Article 32 in no way limits Contractor's liability or any rights and/or remedies the Authority may have with respect to: (i) Contractor's breach of its obligations set forth in Article 11 (Confidentiality) or Article 13 (Conflict of Interest; Governmental Conduct Act) of this Agreement; (ii) Contractor's breach of its obligations set forth in the Business Associate Agreement executed by the Parties; or (iii) Contractor's willful misconduct or fraud.

The provisions of this Article 32 shall survive any termination or expiration of this Agreement.

[SIGNATURE PAGE(S) FOLLOW]

**IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Authority below.**

New Mexico Public Schools Insurance Authority

By: \_\_\_\_\_  
Al Park, Board President

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Exhibit A  
Fee Schedule

**1. Certain Definitions:**

“**Case Rate**” means, with respect to an EOC, the sum of all allowed charges for Covered Services provided during or in relation to such EOC (inclusive of all technical, professional, facility, and other medical services) billed by Participating Providers. Covered Services included in a Case Rate include, without limitation: (a) the Medically Necessary Services rendered by a Participating Provider during an EOC; (b) equipment used by a hospital or facility; (c) in-hospital or in-facility medications or biologics and supplies; (d) implants; (e) laboratory testing and services; (f) in-hospital meals; (g) hospital confinement days; (h) in-hospital or in-facility nursing care; (i) in-hospital physical therapy; and (j) post-discharge follow-up consultations occurring within the applicable global period defined by the Centers for Medicare & Medicaid Services (“CMS”). The Case Rate shall not include: (1) medical consultations and diagnostic testing provided in advance of an EOC to determine whether or not the medical procedure to which the EOC relates is a Medically Necessary Service; (2) convenience items requested by Enrollees (e.g., charges for telephone use, premium television access, guest meals, or other similar items or services furnished for the convenience/comfort of an Enrollee); (3) Travel Charges; and (4) any medical procedure or medical care that is not a Medically Necessary Service.

“**Comparable Case Rate**” means, with respect to an EOC, the total amount reasonably determined by the Contractor to be the sum of all allowed charges for Covered Services provided during or in relation to such EOC (inclusive of all technical, professional, facility, and other medical services) if such Covered Services were provided by health care providers outside of the Contractor’s network of Participating Providers. In determining any Comparable Case Rate, the Contractor may take into account: (a) the Authority’s actual historical bundled case rates and/or claims data; and/or (b) the Contractor’s observed historical average bundled case rates and claims data. In any event, the Contractor’s determination of any Comparable Case Rate will take into consideration all applicable procedure codes, geography, and procedure setting (i.e., inpatient vs. outpatient).

“**Contractor Savings**” means the Authority’s savings during the SOW Term based on: (a) with respect to each EOC during the SOW Term, the difference between the actual Case Rate paid by the Authority to the Contractor and the Comparable Case Rate for such EOC; (b) the Authority’s savings attributable to avoided surgical complications of Enrollees (determined by the Contractor using the incremental frequency of complications occurring outside of the Contractor’s network of Participating Providers and the increase in procedure cost associated with such complications); and (c) the Authority’s savings attributable to avoided medical procedures (determined by the Contractor using the cost of procedures which were not performed by a Participating Provider, but were otherwise recommended by a physician outside of the Contractor’s network of Participating Providers).

**2. Network Use Fee:**

The Authority shall pay the Contractor the following fees during the term of the Agreement:

- (a) during the first year of the term of the Agreement, thirty percent (30%) of the Contractor Savings;

(b) during the second year of the term of the Agreement, thirty-two and one-half percent (32.5%) of the Contractor Savings;

(c) during the third year of the term of the Agreement, thirty-five percent (35%) of the Contractor Savings (collectively, the “**Network Use Fee**”).

**3. Communications Fee:**

The Contractor shall not charge an additional fee or expense in relation to the quarterly educational and promotional communications described in Article 2, Paragraph T of the Agreement (estimated value of \$66,000 over the term of the Agreement). If the Authority requests that the Contractor create or distribute educational and promotional communications materials in addition to those described in Article 2, Paragraph T of the Agreement, the Authority shall pay all reasonable costs and expenses actually incurred by the Contractor related to such request.

**4. Billing and Payment:**

On a monthly basis, the Contractor will prepare and submit invoices to the Authority fully disclosing and itemizing the amounts of the Network Use Fees and Communications Fees. Such invoices shall be paid by the Authority not more than thirty (30) days after the Authority’s receipt of such invoices via wire transfer or electronic funds transfer. With the exception of amounts subject to good faith dispute by the Authority, all past due amounts will be subject to the applicable state default interest rate.

**5. Implementation Credit:**

The Authority shall be entitled to offset the amount of any payment due for Network Use Fees by the amount of costs and expenses actually incurred by the Authority related solely and specifically to the integration of the Authority’s other vendors and their product or service offerings with the service offering provided by Contractor pursuant to this Agreement (the “Implementation Credit”); provided however, the Implementation Credit shall be limited to a cap of twenty-five thousand dollars (\$25,000) in the aggregate. If requested by Contractor, the Authority shall provide written documentation substantiating any cost or expense in relation to which the Implementation Credit is sought to be applied. For the avoidance of doubt, any unused balance of the Implementation Credit shall be waived by the Authority upon expiration of the Initial Term. If the Authority terminates this Agreement prior to the expiration of the Initial Term for any reason (other than the Contractor’s uncured breach), or if the Contractor terminates this Agreement as a result of the Authority’s uncured breach, The Authority will repay the Contractor a pro rata portion of the applied implementation credit amount based upon the number of months remaining in the Initial Term.

Exhibit B  
Business Associate Agreement

This Business Associate Agreement (“Agreement”) is entered into by and between the **New Mexico Public Schools Insurance Authority (NMPSIA)**, hereinafter referred to as the “Authority” or “Covered Entity”, and [REDACTED] hereinafter referred to as the “Contractor” or “Business Associate” and is effective as of **March 1, 2024**.

**WHEREAS**, Covered Entity is either a “covered entity” or “business associate” of a covered entity as each are defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the HITECH Act (as defined below) and the related regulations promulgated by HHS (as defined below) (collectively, “HIPAA”) and, as such, is required to comply with HIPAA’s provisions regarding the confidentiality and privacy of Protected Health Information (as defined below);

**WHEREAS**, the Parties have entered into or will enter into one or more agreements under which Business Associate provides or will provide certain specified services to Covered Entity (collectively, the “Agreement”);

**WHEREAS**, in providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information;

**WHEREAS**, by providing the services pursuant to the Agreement, Business Associate will become a “business associate” of the Covered Entity as such term is defined under HIPAA;

**WHEREAS**, both Parties are committed to complying with all federal and state laws governing the confidentiality and privacy of health information, including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Part 160 and Part 164, Subparts A and E (collectively, the “Privacy Rule”); and

**WHEREAS**, both Parties intend to protect the privacy and provide for the security of Protected Health Information disclosed to Business Associate pursuant to the terms of this Agreement, HIPAA and other applicable laws.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by the Covered Entity to the Business Associate under the Agreement in reliance on this Business Associate Agreement (BAA), the Parties agree as follows:

**1. Definitions.** For purposes of this BAA, the Parties give the following meaning to each of the terms in the definitions. Any capitalized term used in this BAA, but not otherwise defined, has the meaning given to that term in the Privacy Rule or pertinent law.

A. “Affiliate” means a subsidiary or affiliate of a Covered Entity or of a Business Associate.

B. “Breach” means the acquisition, access, use, or disclosure of PHI in a manner not

permitted under the Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 CFR §164.402.

C. “Breach Notification Rule” means the portion of HIPAA set forth in Subpart D of 45 CFR Part 164.

D. “Business Associate” means the Contractor.

E. “Business Associate Agreement” means a legally-binding relationship between HIPAA-covered entities and business associates to ensure complete protection of PHI.

F. “Covered Entity” means the Authority.

G. “Data Aggregation” means, with respect to PHI created or received by Business Associate in its capacity as the “business associate” under HIPAA of Covered Entity, the combining of such PHI by the Business Associate with the PHI received by Business Associate in its capacity as a business associate of one or more other “covered entity” under HIPAA, to permit data analyses that relate to the Health Care Operations (defined below) of the respective covered entities. The meaning of “data aggregation” in this BAA shall be consistent with the meaning given to that term in the Privacy Rule.

H. “De-Identify” means to alter the PHI such that the resulting information meets the requirements described in 45 CFR §§164.514(a) and (b).

I. “Effective Date” shall mean the earliest date by which the Contractor and the Authority must enter into a business associate agreement under 45 CFR Part 164.

J. “Electronic PHI” means any PHI maintained in or transmitted by electronic media as defined in 45 CFR §160.103.

K. “Health Care Operations” has the meaning given to that term in 45 CFR §164.501.

L. “HHS” means the U.S. Department of Health and Human Services.

M. “HIPAA Rules” shall mean the requirements of the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164, implementing HIPAA and the HITECH Act, in each case only as of the applicable compliance date for such requirements.

N. “HITECH Act” means the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.

O. “Limited Data Set” shall have the same meaning as the term “limited data set” as set forth in 45 CFR §164.514(e) (2).

P. “Privacy Rule” means that portion of HIPAA set forth in 45 CFR Part 160 and Part 164, Subparts A and E.

Q. “Protected Health Information” or “PHI” has the meaning given to the term “protected health information” in 45 CFR §§164.501 and 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

R. “Required by law” means a mandate contained in law that compels an entity to make a use or disclosure of protected health information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

S. “Secretary” shall mean the Secretary of the United States Department of Health and Human Services.

T. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

U. “Security Rule” means the Security Standards for the Protection of Electronic Health Information provided in 45 CFR Part 160 & Part 164, Subparts A and C.

V. “Unsecured Protected Health Information” or “Unsecured PHI” means any “protected health information” as defined in 45 CFR §§164.501 and 160.103 that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the HHS Secretary in the guidance issued pursuant to the HITECH Act and codified at 42 USC §17932(h).

## **2. General Provisions.**

A. Effect. As of the Effective Date, the terms and provisions of this Agreement are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of the (“Agreement”) including all exhibits or other attachments to, and all documents incorporated by reference in, any such applicable agreements (individually and collectively any such applicable agreements are referred to herein as the (“Agreement”). This Agreement sets out terms and provisions relating to the use and disclosure of Protected Health Information (“PHI”) without written authorization from the Individual. To the extent there is a conflict between the Agreement and this Agreement, this Agreement shall



control.

- B. Amendment to Comply with Law. The Contractor, on behalf of itself and its affiliates and subsidiaries that perform services for the Authority under the Agreement are (collectively referred to as “the Contractor”), the Authority (also referred to as “Plan Sponsor”), and the group health plan that is the subject of the Agreement (also referred to as the “Plan”) agree to amend this Agreement to the extent necessary to allow either the Authority or the Contractor to comply with applicable laws and regulations including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 CFR Parts 160 to 164) (“HIPAA Privacy and Security Rules”).
- C. Relationship of Parties. The parties intend that the Contractor is an independent Contractor and not an agent of the Authority or the Plan Sponsor.

**3. Use and Disclosure of PHI.**

A. Except as otherwise provided in this BAA, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this BAA or as required by law.

B. Except as otherwise limited by this BAA or federal or state law, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate’s business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that;

1. The disclosures are required by law; or
2. Business Associate obtains, in writing, prior to making any disclosure to a third party:
  - a. reasonable assurances from this third party that the PHI will be held confidential as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to this third party and
  - b. an agreement from this third party to notify Business Associate immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of the breach.
3. The disclosures are required to provide Data Aggregation services relating to the Health Care Operations of the Authority, or to de-identify PHI. Once information is de-identified, this Agreement shall not apply.

C. Business Associate will not use or disclose PHI in a manner other than as provided in this BAA, as permitted under the Privacy Rule, or as required by law. Business Associate will use or disclose PHI, to the extent practicable, as a limited data set or limited to the minimum necessary amount of PHI to carry out the intended purpose of the use or disclosure, in accordance with Section 13405(b) of the HITECH Act (codified at 42 USC

§17935(b)) and any of the act's implementing regulations adopted by HHS, for each use or disclosure of PHI.

D. Upon request, Business Associate will make available to Covered Entity any of the Covered Entity's PHI that the Business Associate or any of its agents or subcontractors have in their possession.

E. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).

F. Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual unless authorization is obtained from the Individual, in accordance with 45 CFR. §164.508, which specifies whether PHI can be exchanged for remuneration by the entity receiving PHI of that individual unless otherwise permitted under the HIPAA Privacy Rule.

**4. Safeguards Against Misuse of PHI.** Business Associate will use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this BAA and Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate agrees to take reasonable steps, including providing adequate training to its employees to ensure compliance with this BAA and to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this BAA.

**5. Protection of Electronic PHI.**

A. The Contractor will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that the Contractor creates, receives, maintains, or transmits on behalf of the Authority as required by the Security Standards;

B. Ensure that any agent or subcontractor to whom the Contractor provides Electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information; and,

C. Promptly report to the Authority any Security Incident with respect to Electronic PHI of which it becomes aware and which has compromised the protections set forth in the HIPAA Security Rule. In the event of a Security Incident, the Contractor shall report to the Authority in writing.

**6. Reporting Disclosures of PHI and Security Incidents.** Business Associate will report to Covered Entity in writing any use or disclosure of PHI not provided for by this BAA of which it becomes aware. Business Associate agrees to report to Covered Entity any Security Incident affecting PHI of Covered Entity of which it becomes aware. Business Associate agrees to;

A. report any actual, successful Security Incident within five (5) business days of the date on which the Contractor first becomes aware of such actual, successful Security Incident and;

B. to the extent commercially reasonable, the Authority may request the Contractor to report in writing attempted but unsuccessful Security Incidents involving PHI of which the Contractor becomes aware, provided however that such reports are not required for trivial and routine incidents such as port scans, attempts to log in with an invalid password or user name, denial of service attacks that do not result in a server being taken off-line, malware and pings or other similar types of events.

**7. Reporting Breaches of Unsecured PHI.**

A. Business Associate will notify Covered Entity in writing promptly upon the discovery of any Breach of Unsecured PHI in accordance with the requirements set forth in 45 CFR §164.410, but in no case later than 30 calendar days after discovery of a Breach. This notification will include, to the extent known:

1. the names of the individuals whose PHI was involved in the Breach;
2. the circumstances surrounding the Breach;
3. the date of the Breach and the date of its discovery;
4. the information Breached;
5. any steps the impacted individuals should take to protect themselves;
6. the steps the Contractor is taking to investigate the Breach, mitigate losses, and protect against future Breaches; and,
7. a contact person who can provide additional information about the Breach.

B. Business Associate will reimburse Covered Entity for any costs incurred by it in complying with the requirements of Subpart D of 45 CFR §164 that are imposed on Covered Entity as a result of a Breach committed by Business Associate.

**8. Mitigation of Disclosures of PHI.** Business Associate will take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this BAA.

**9. Agreements with Agents or Subcontractors.** Business Associate will ensure that any of its agents or subcontractors that have access to, or to which Business Associate provides PHI agree in writing to the restrictions and conditions concerning uses and disclosures of PHI contained in this BAA and agree to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of the Contractor or, through the Contractor's Business Associate, Covered Entity. The Contractor shall notify the Covered Entity, and the upstream Business Associate, of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 1.Q. of this BAA. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract by placement of such notice on the Business Associate's primary website. Business

Associate shall ensure that all subcontracts and agreements provide the same level of privacy and security as this BAA.

**10. Audit Report.** Upon request, Business Associate will provide Covered Entity, and upstream Business Associate, with a copy of its most recent independent HIPAA compliance report (AT-C 315), HITRUST certification or other mutually agreed upon independent standards-based third-party audit report. The covered entity agrees not to re-disclose Business Associate's audit report.

**11. Access to PHI by Individuals.**

A. Upon request, Business Associate agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner designated by Covered Entity to enable Covered Entity to respond to an Individual's request for access to PHI under 45 CFR §164.524.

B. In the event any Individual or personal representative requests access to the Individual's PHI directly from Business Associate, Business Associate within ten (10) business days, will forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an Individual or a personal representative and compliance with the requirements applicable to an Individual's right to obtain access to PHI shall be the sole responsibility of the Covered Entity.

**12. Amendment of PHI.** Upon request and instruction from the Authority, Business Associate will amend PHI or a record about an Individual in a Designated Record Set that is maintained by, or otherwise within the possession of, the Business Associate as directed by the Authority in accordance with procedures established by 45 CFR §164.526. Any request by Covered Entity to amend such information will be completed by Business Associate within 15 business days of the Covered Entity's request.

**13. Accounting of Disclosures.**

A. Business Associate will document any disclosures of PHI made by it to account for such disclosures as required by 45 CFR §164.528(a). Business Associate also will make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 CFR §164.528. At a minimum, Business Associate will furnish Covered Entity the following with respect to any covered disclosures by Business Associate:

1. the date of disclosure of PHI;
2. the name of the entity or person who received PHI, and, if known, the address of such entity or person;
3. a brief description of the PHI disclosed; and
4. a brief statement of the purpose of the disclosure which includes the basis for such disclosure.

B. Business Associate will furnish to Covered Entity information collected in

accordance with this Section 10, within ten business days after written request by Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by 45 CFR §164.528, or in the event that Covered Entity elects to provide an Individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon request of the Individual, if and to the extent that such accounting is required under the HITECH Act or under HHS regulations adopted in connection with the HITECH Act.

C. In the event an Individual delivers the initial request for an accounting directly to Business Associate, Business Associate will within ten business days forward such request to Covered Entity.

**14. Availability of Books and Records.** Business Associate will make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purposes of determining Covered Entity's and Business Associate's compliance with HIPAA, and this BAA.

**15. Responsibilities of Covered Entity.** With regard to the use and/or disclosure of Protected Health Information by the Business Associate, Covered Entity agrees to:

A. Notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

C. Notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

D. Except for data aggregation or management and administrative activities of the Business Associate, the Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

**16. Data Ownership.** Business Associate's data stewardship does not confer data ownership rights on Business Associate with respect to any data shared with it under the Agreement, including any and all forms thereof.

**17. Term and Termination.**

A. This BAA will become effective on the date first written above and will continue in effect until all obligations of the Parties have been met under the Agreement and under this BAA.

B. Covered Entity may terminate immediately this BAA, the Agreement, and any other related agreements if the Covered Entity makes a determination that the Business Associate has breached a material term of this BAA and the Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within 30 days after written notice from Covered Entity. The covered Entity may report the problem to the Secretary of HHS if termination is not feasible.

C. If Business Associate determines that Covered Entity has breached a material term of this BAA, then Business Associate will provide Covered Entity with written notice of the existence of the breach and shall provide Covered Entity with 30 days to cure the breach. Covered Entity's failure to cure the breach within the 30-day period will be grounds for immediate termination of the Agreement and this BAA by Business Associate. Business Associate may report the breach to HHS.

D. Upon termination of the Agreement or this BAA for any reason, all PHI maintained by Business Associate will be returned to Covered Entity or destroyed by Business Associate. Business Associate will not retain any copies of such information. This provision will apply to PHI in the possession of Business Associate's agents and subcontractors. If return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate will furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate will extend the protections of this BAA to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. The Parties understand that this Section 17.D. will survive any termination of this BAA.

**18. Effect of BAA.**

A. This BAA is a part of and subject to the terms of the Agreement, except that to the extent any terms of this BAA conflict with any term of the Agreement, the terms of this BAA will govern.

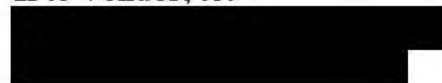
B. Except as expressly stated in this BAA or as provided by law, this BAA will not create any rights in favor of any third party.

**19. Regulatory References.** A reference in this BAA to a section in HIPAA means the section as in effect or as amended at the time.

**20. Notices.** All notices, requests, and demands or other communications to be given under this BAA to a Party will be made via either first class mail, registered or certified or express courier, or electronic mail to the Party's address given below:

**If to the Authority, to:**  
NMPSIA  
410 Old Taos Highway

**If to Vendor, to:**





Santa Fe, NM 87501  
Attention: Executive Director  
Patrick Sandoval  
Patrick.Sandoval@psia.nm.gov

████████████████████  
Attention: Chief Commercial Officer  
Legal Department  
████████████████████

21. **Amendments and Waiver.** This BAA may not be modified, nor will any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing or as a bar to, or waiver of any right or remedy as to subsequent events.

22. **HITECH Act Compliance.** The Parties acknowledge that the HITECH Act includes significant changes to the Privacy Rule and the Security Rule. The privacy subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under HIPAA and these changes may be further clarified in forthcoming regulations and guidance. Each Party agrees to comply with the applicable provisions of the HITECH Act and any HHS regulations issued with respect to the HITECH Act. The Parties also agree to negotiate in good faith to modify this BAA as reasonably necessary to comply with the HITECH Act and its regulations as they become effective but, in the event that the Parties are unable to reach an agreement on such a modification, either Party will have the right to terminate this BAA upon 30 days' prior written notice to the other Party.

In light of the mutual agreement and understanding described above, the Parties execute this BAA as of the date first written above.

By: \_\_\_\_\_  
NMPSIA  
Patrick Sandoval  
Executive Director

By: \_\_\_\_\_  
████████████████████  
Privacy Officer

Exhibit C  
Performance Measures

**1. SERVICE LEVEL AGREEMENTS**

PG #	Goal	Standard	Fees at Risk
PG-1	Enrollee Satisfaction	<p>Contractor's Enrollee satisfaction survey sent to each Enrollee upon completion of services will result in an average Enrollee satisfaction score of not less than 8/10.</p> <p>This PG-1 will be void if Contractor receives fewer than 25 completed Enrollee satisfaction surveys. Results of the Enrollee satisfaction surveys will be provided to Authority within three (3) months after the applicable measurement period.</p>	2.22% of Network Use Fee
PG-2	Account Management Satisfaction	Contractor's account management satisfaction survey sent annually to the Authority's designated business team engaged with Contractor will result in an average Authority satisfaction score of not less than 8/10.	2.22% of Network Use Fee
PG-3	Enrollee Mobile App Uptime	Contractor will maintain an uptime percentage of 98% for the Enrollee mobile/web applications, not taking into account planned downtime due to power loss, network outage, software updates, or network configuration updates.	2.22% of Network Use Fee
PG-4	Telephone Response Time	<p>Contractor shall answer 70% percent of calls within 30 seconds or less measured across Contractor's book of business.</p> <p>The average speed of call answer is derived from the time of selection to speak to a live representative via the IVR system to the time a live person is on the line, excluding early abandons and further excluding calls where a Enrollee opts to leave a voicemail in lieu of talking to a representative.</p> <p>Contractor shall use its internal systems and databases to measure the duration described in this performance requirement.</p>	2.22% of Network Use Fee
PG-5	Call Abandonment Rate	Early abandoned calls will not exceed 3% of total call volume across Contractor's book of business. An early abandon is defined as calls	2.22% of Network Use Fee



PG #	Goal	Standard	Fees at Risk
		<p>that terminate within fifteen (15) seconds.</p> <p>Contractor shall use its internal systems and databases to measure the duration described in this performance requirement.</p>	
PG-6	Successful Program Launch	Contractor will launch the services described in this Agreement meeting the target date and specifications as defined in the mutually agreed written implementation plan.	2.22% of Network Use Fee
PG-7	Implementation Execution	Contractor's implementation satisfaction survey sent to the Authority's designated business team engaged with Contractor following completion of implementation will result in an average Authority satisfaction score of not less than 8/10.	2.22% of Network Use Fee
PG-8	Balance Billing	No more than 1.5% of Enrollee's cases will result in Contractor or Authority being informed of a balance bill to the Enrollee. This excludes member bills relating to services expressly excluded from coverage under this Agreement.	2.22% of Network Use Fee

## 2. NETWORK DEVELOPMENT GUARANTEE

Following the Effective Date, Contractor and the Authority will mutually agree upon the top three (3) metropolitan statistical areas within the State of New Mexico (collectively, “**NMPSIA MSAs**”) to which the Network Guarantee will be applicable. Such mutual determination of the NMPSIA MSAs will be based on: (i) the geographic distribution of the Authority’s Enrollees, and (ii) Contractor’s findings from a comprehensive evaluation of the quality of orthopedic and spine surgeons in the proposed metropolitan statistical area. The date on which Contractor and the Authority reach a final written agreement to the NMPSIA MSAs shall be referred to herein as the (“**Guarantee Commencement Date**”).

On or before the six (6) month anniversary of the date of Guarantee Commencement Date (the “**Guarantee Deadline**”), Contractor will enter agreement(s) with participating healthcare providers specializing in spine surgery and orthopedic surgery, such provider(s) to be located within the geographic bounds of at least one (1) NMPSIA MSA (the “**Network Guarantee**”).

If Contractor does not satisfy its Network Guarantee obligations on or before the Guarantee Deadline, then the Network Use Fees shall be discounted by twenty-five percent (25%) during the period beginning on the day following the Guarantee Deadline and ending on the date on which the Network Guarantee is satisfied by Contractor. Notwithstanding anything to the contrary herein, the Authority’s sole and exclusive remedy for Contractor’s failure to satisfy the Network Guarantee shall be the aforementioned reduction in Network Use Fees.

If at any time following the Guarantee Commencement Date, Contractor provides reasonable documentation demonstrating to the Authority that the healthcare providers specializing in spine and orthopedic surgery located within the NMPSIA MSAs do not meet Contractor’s clinical quality standards and/or have demonstrated an unwillingness to enter agreements with Contractor on reimbursement terms within Contractor’s accepted parameters, Contractor shall be released of any and all Network Guarantee obligations, including the discount to the Network Use Fee described herein.

## 2024 NMPSIA Annual Meeting

Name	Received Info	Starting Rooms Price
Sagebrush Inn (TAOS)	Yes	\$129 (king) \$139 (studio)
Angel Fire Resort	Yes	\$149 (dbl queen) \$166 (sgl king)
Lifts West (RED RIVER)	Yes	\$172 (1bdr) \$104 (hotel)
El Monte Sagrado (TAOS)	No	\$399
Historic Taos Inn	Does not have a meeting space on the property.	\$230
La Fonda	only 25 rooms conference room can seat bout 20 people	\$219
Hacienda del Sol	Can only accommodate 13 rooms	
Inn on La Loma Plaza	Can only accommodate 10 rooms, no meeting space.	\$250
Tamaya	Cannot accommodate either of the requested dates	\$351

# Public Schools Insurance Authority



**Board Meeting**

**Fiscal Year 2024**

**November 2023 Financial Reports**

**February 8, 2024**

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Employee Benefits Fund**  
**From 11/1/2023 Through 11/30/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Premiums (Health Insurance Assessments)	28,812,222.91	31,392,596.01	8.96	138,745,202.60	149,136,115.70	7.49
Interest Income (Wells Fargo, LGIP)	39,840.97	41,695.41	4.65	184,918.35	214,847.15	16.18
Investment Income (SIC)	1,370,309.01	1,489,732.04	8.72	1,051,274.28	130,641.53	(87.57)
Miscellaneous Income (Rx Rebates, Penalties, Subros, Etc)	0.00	808,131.38	100.00	0.00	810,236.79	100.00
<b>Total Revenue</b>	<b>30,222,372.89</b>	<b>33,732,154.84</b>	<b>11.61</b>	<b>139,981,395.23</b>	<b>150,291,841.17</b>	<b>7.37</b>
<b>Expenditures</b>						
Medical Claims Expense	23,802,903.66	24,327,715.25	2.20	102,199,110.59	119,294,291.67	16.73
Prescription Claims Expense	4,031,720.91	3,138,886.00	(22.15)	17,047,063.44	22,527,805.78	32.15
Dental Claims Expense	1,091,378.68	1,077,218.88	(1.30)	5,604,848.68	5,722,090.03	2.09
Premiums (Life, Vision)	1,128,360.74	1,308,140.35	15.93	5,583,082.44	6,502,846.13	16.47
Claims Administration Fees (Medical, Dental, Rx)	1,155,811.09	1,295,159.96	12.06	5,780,291.30	6,026,846.29	4.27
Contractual Services (Erisa, Segal, Legal, Etc)	206,682.25	215,838.55	4.43	1,246,387.20	1,165,519.82	(6.49)
Transfer to Program Support	63,333.00	68,479.00	8.13	316,669.00	342,847.00	8.27
<b>Total Expenditures</b>	<b>31,480,190.33</b>	<b>31,431,437.99</b>	<b>(0.15)</b>	<b>137,777,452.65</b>	<b>161,582,246.72</b>	<b>17.28</b>
<b>Net Revenue &amp; Expenditures</b>	<b>(1,257,817.44)</b>	<b>2,300,716.85</b>	<b>(282.91)</b>	<b>2,203,942.58</b>	<b>(11,290,405.55)</b>	<b>(612.28)</b>

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Risk Fund**  
**From 11/1/2023 Through 11/30/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Premiums (Risk Insurance Assessments)	7,737,270.00	8,354,878.00	7.98	38,686,394.00	41,774,424.80	7.98
Interest Income (Wells Fargo, LGIP)	234,107.93	406,309.15	73.56	734,933.24	1,724,233.94	134.61
Investment Income (SIC)	1,062,697.20	1,322,785.90	24.47	822,588.62	268,264.90	(67.39)
Miscellaneous Income (Penalties, Subros, Etc)	0.00	0.00	0.00	1.04	1,088.53	....566.35
<b>Total Revenue</b>	<b>9,034,075.13</b>	<b>10,083,973.05</b>	<b>11.62</b>	<b>40,243,916.90</b>	<b>43,768,012.17</b>	<b>8.76</b>
<b>Expenditures</b>						
<b>Property - Liability Claims Expense</b>						
Property Claims	148,933.14	152,386.62	2.32	4,034,004.05	4,104,656.51	1.75
Liability Claims	1,053,715.73	2,289,445.60	117.27	11,205,219.80	7,855,933.91	(29.89)
P-L Provisions for Losses	573,250.56	12,772,194.10	2,128.03	2,690,691.26	18,856,394.80	600.80
P-L Excess Recoveries	47,162.67	(11,347,646.39)	....160.65)	(8,137,464.09)	(12,294,668.38)	51.09
P-L Excess Recoveries Distributed to Schools	0.00	0.00	0.00	3,857,287.70	0.00	(100.00)
<b>Total Property - Liability Claims Expense</b>	<b>1,823,062.10</b>	<b>3,866,379.93</b>	<b>112.08</b>	<b>13,649,738.72</b>	<b>18,522,316.84</b>	<b>35.70</b>
Workers' Compensation Claims Expense	1,160,437.12	914,206.74	(21.22)	4,860,635.49	5,690,356.45	17.07
Property Excess Coverage Premium	2,586,540.00	3,597,631.00	39.09	12,932,708.00	17,988,155.21	39.09
Liability Excess Coverage Premium	1,771,250.00	2,099,839.00	18.55	8,856,250.00	10,499,200.00	18.55
Workers' Compensation Excess Coverage Premium	39,900.00	43,977.00	10.22	199,509.00	220,730.00	10.64
Student Catastrophic Insurance Premium	18,240.00	18,269.00	0.16	91,208.62	91,349.18	0.15
Equipment Breakdown Insurance Premium	34,196.00	38,266.00	11.90	170,984.62	191,333.62	11.90
Property - Liability Claims Administration Fees	94,196.10	94,184.86	(0.01)	471,088.72	470,924.42	(0.03)
Workers' Compensation Claims Administration Fees	104,051.99	98,749.05	(5.10)	520,379.60	498,045.73	(4.29)
Contractual Services (Erisa, Poms, CCMSI, Legal, Etc)	253,287.74	323,525.72	27.73	2,306,724.07	2,456,753.86	6.50
Transfer to Program Support	63,340.00	68,478.00	8.11	316,720.00	341,954.00	7.97
<b>Total Expenditures</b>	<b>7,948,501.05</b>	<b>11,163,506.30</b>	<b>40.45</b>	<b>44,375,946.84</b>	<b>56,971,119.31</b>	<b>28.38</b>
<b>Net Revenue &amp; Expenditures</b>	<b>1,085,574.08</b>	<b>(1,079,533.25)</b>	<b>(199.44)</b>	<b>(4,132,029.94)</b>	<b>(13,203,107.14)</b>	<b>219.53</b>

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Program Support Fund**  
**From 11/1/2023 Through 11/30/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Transfers from Other Funds (Benefits, Risk)	126,673.00	136,957.00	8.12	633,389.00	684,801.00	8.12
Miscellaneous Income	0.00	0.00	0.00	26.50	0.12	(99.55)
<b>Total Revenue</b>	<b>126,673.00</b>	<b>136,957.00</b>	<b>8.12</b>	<b>633,415.50</b>	<b>684,801.12</b>	<b>8.11</b>
<b>Expenditures</b>						
Contractual Services (Professional, Audit, Legal, Etc)	3,219.57	2,968.17	(7.81)	47,353.30	42,945.29	(9.31)
Other Expenses (Travel, Maint., Supplies, Utilities, Etc.)	8,970.72	19,987.48	122.81	56,359.95	83,452.41	48.07
Per Svc/Ben (Salaries, Fringe Benefits)	82,955.42	100,100.08	20.67	383,778.02	566,467.22	47.60
<b>Total Expenditures</b>	<b>95,145.71</b>	<b>123,055.73</b>	<b>29.33</b>	<b>487,491.27</b>	<b>692,864.92</b>	<b>42.13</b>
<b>Net Revenue &amp; Expenditures</b>	<b>31,527.29</b>	<b>13,901.27</b>	<b>(55.91)</b>	<b>145,924.23</b>	<b>(8,063.80)</b>	<b>(105.53)</b>

**NM Public Schools Insurance Authority**

**Balance Sheet**

**As of 11/30/2023**

	<u>Program Support</u>	<u>Employee Benefits</u>	<u>Risk</u>	<u>Total</u>
<b>ASSETS</b>				
Cash (Wells Fargo/State Treasurer)	673,683.64	1,057,240.19	304,061.41	2,034,985.24
Short-term Investments (LGIP)	0.00	98,503.87	89,667,680.74	89,766,184.61
Long-term Investments (SIC)	0.00	22,080,440.25	19,619,298.35	41,699,738.60
Receivables (LGIP Int., W/C Excess Carrier)	(26.14)	39,987.32	15,057,660.11	15,097,621.29
Prepaid Premiums (Risk Excess Coverage)	0.00	0.00	40,585,874.00	40,585,874.00
Other Assets (Deposits, Furniture, Fxtures, Equip., Etc)	<u>245,361.25</u>	<u>16,371,686.52</u>	<u>319,145.15</u>	<u>16,936,192.92</u>
<b>Total ASSETS</b>	<b><u>919,018.75</u></b>	<b><u>39,647,858.15</u></b>	<b><u>165,553,719.76</u></b>	<b><u>206,120,596.66</u></b>
<b>LIABILITIES</b>				
Accounts Payable (Admin Fees)	382.50	1,402,136.74	477,034.89	1,879,554.13
Case Reserves (P/L, W/C)	0.00	0.00	59,482,207.03	59,482,207.03
IBNR (Incurred But Not Reported)	0.00	23,405,795.00	48,236,047.00	71,641,842.00
Claims Payable (Medical, Dental, P/L, W/C)	0.00	8,476,670.84	722,245.05	9,198,915.89
Deferred Revenue (Self-Pays, P/L, W/C Premiums)	0.00	71,994.13	58,484,146.00	58,556,140.13
Other (Payroll Taxes, Benefits, Compensated Absences Payable)	<u>232,036.45</u>	<u>0.60</u>	<u>0.00</u>	<u>232,037.05</u>
<b>Total LIABILITIES</b>	<b><u>232,418.95</u></b>	<b><u>33,356,597.31</u></b>	<b><u>167,401,679.97</u></b>	<b><u>200,990,696.23</u></b>
<b>FUND EQUITY</b>				
Beginning Fund Equity	694,663.60	17,581,666.39	11,355,146.93	29,631,476.92
Net Revenue & Expenditures (Year-to-Date)	<u>(8,063.80)</u>	<u>(11,290,405.55)</u>	<u>(13,203,107.14)</u>	<u>(24,501,576.49)</u>
<b>Total FUND EQUITY</b>	<b><u>686,599.80</u></b>	<b><u>6,291,260.84</u></b>	<b><u>(1,847,960.21)</u></b>	<b><u>5,129,900.43</u></b>



# Public Schools Insurance Authority



**Board Meeting**

**Fiscal Year 2024**

**December 2023 Financial Reports**

**February 8, 2024**

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Employee Benefits Fund**  
**From 12/1/2023 Through 12/31/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Premiums (Health Insurance Assessments)	28,745,294.07	31,433,853.40	9.35	167,490,496.67	180,569,969.10	7.81
Interest Income (Wells Fargo, LGIP)	65,242.68	30,522.63	(53.22)	250,161.03	245,369.78	(1.92)
Investment Income (SIC)	(714,149.53)	1,112,294.97	(255.75)	337,124.75	1,242,936.50	268.69
Miscellaneous Income (Rx Rebates, Penalties, Subros, Etc)	0.00	1,429,785.25	100.00	0.00	2,240,022.04	100.00
<b>Total Revenue</b>	<b>28,096,387.22</b>	<b>34,006,456.25</b>	<b>21.03</b>	<b>168,077,782.45</b>	<b>184,298,297.42</b>	<b>9.65</b>
<b>Expenditures</b>						
Medical Claims Expense	21,610,533.22	25,553,218.19	18.24	123,809,643.81	144,847,509.86	16.99
Prescription Claims Expense	3,830,580.19	3,222,713.72	(15.87)	20,877,643.63	25,750,519.50	23.34
Dental Claims Expense	997,007.34	1,013,183.22	1.62	6,601,856.02	6,735,273.25	2.02
Premiums (Life, Vision)	1,127,926.74	1,310,120.08	16.15	6,711,009.18	7,812,966.21	16.42
Claims Administration Fees (Medical, Dental, Rx)	1,122,670.78	1,217,357.05	8.43	6,902,962.08	7,244,203.34	4.94
Contractual Services (Erisa, Segal, Legal, Etc)	216,422.16	220,871.80	2.06	1,462,809.36	1,386,391.62	(5.22)
Transfer to Program Support	63,333.00	68,479.00	8.13	380,002.00	411,326.00	8.24
<b>Total Expenditures</b>	<b>28,968,473.43</b>	<b>32,605,943.06</b>	<b>12.56</b>	<b>166,745,926.08</b>	<b>194,188,189.78</b>	<b>16.46</b>
<b>Net Revenue &amp; Expenditures</b>	<b>(872,086.21)</b>	<b>1,400,513.19</b>	<b>(260.59)</b>	<b>1,331,856.37</b>	<b>(9,889,892.36)</b>	<b>(842.56)</b>

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Risk Fund**  
**From 12/1/2023 Through 12/31/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Premiums (Risk Insurance Assessments)	7,737,270.00	8,354,878.00	7.98	46,423,664.00	50,129,302.80	7.98
Interest Income (Wells Fargo, LGIP)	272,542.23	405,874.45	48.92	1,007,475.47	2,130,108.39	111.43
Investment Income (SIC)	(558,478.36)	996,213.91	(278.38)	264,110.26	1,264,478.81	378.77
Miscellaneous Income (Penalties, Subros, Etc)	0.00	0.00	0.00	1.04	1,088.53	....566.35
<b>Total Revenue</b>	<b>7,451,333.87</b>	<b>9,756,966.36</b>	<b>30.94</b>	<b>47,695,250.77</b>	<b>53,524,978.53</b>	<b>12.22</b>
<b>Expenditures</b>						
<b>Property - Liability Claims Expense</b>						
Property Claims	2,541,895.09	40,441.88	(98.41)	6,575,899.14	4,145,098.39	(36.97)
Liability Claims	440,209.71	808,154.95	83.58	11,645,429.51	8,664,088.86	(25.60)
P-L Provisions for Losses	264,125.90	(2,744,566.07)	(1,139.11)	2,954,817.16	16,111,828.73	445.27
P-L Excess Recoveries	(2,242,520.27)	422,165.48	(118.83)	(10,379,984.36)	(11,872,502.90)	14.38
P-L Excess Recoveries Distributed to Schools	0.00	0.00	0.00	3,857,287.70	0.00	(100.00)
<b>Total Property - Liability Claims Expense</b>	<b>1,003,710.43</b>	<b>(1,473,803.76)</b>	<b>(246.84)</b>	<b>14,653,449.15</b>	<b>17,048,513.08</b>	<b>16.34</b>
Workers' Compensation Claims Expense	682,161.09	1,782,614.27	161.32	5,542,796.58	7,472,970.72	34.82
Property Excess Coverage Premium	2,586,540.00	3,597,631.00	39.09	15,519,248.00	21,585,786.21	39.09
Liability Excess Coverage Premium	1,771,250.00	2,099,839.00	18.55	10,627,500.00	12,599,039.00	18.55
Workers' Compensation Excess Coverage Premium	39,900.00	43,977.00	10.22	239,409.00	264,707.00	10.57
Student Catastrophic Insurance Premium	18,240.00	18,269.00	0.16	109,448.62	109,618.18	0.15
Equipment Breakdown Insurance Premium	34,196.00	38,266.00	11.90	205,180.62	229,599.62	11.90
Property - Liability Claims Administration Fees	94,196.10	94,184.86	(0.01)	565,284.82	565,109.28	(0.03)
Workers' Compensation Claims Administration Fees	104,051.99	98,749.05	(5.10)	624,431.59	596,794.78	(4.43)
Contractual Services (Erisa, Poms, CCMSI, Legal, Etc)	244,677.06	277,683.90	13.49	2,551,401.13	2,734,437.76	7.17
Transfer to Program Support	63,340.00	68,478.00	8.11	380,060.00	410,432.00	7.99
<b>Total Expenditures</b>	<b>6,642,262.67</b>	<b>6,645,888.32</b>	<b>0.05</b>	<b>51,018,209.51</b>	<b>63,617,007.63</b>	<b>24.69</b>
<b>Net Revenue &amp; Expenditures</b>	<b>809,071.20</b>	<b>3,111,078.04</b>	<b>284.52</b>	<b>(3,322,958.74)</b>	<b>(10,092,029.10)</b>	<b>203.71</b>

**NM Public Schools Insurance Authority**  
**Statement of Revenues and Expenditures - Program Support Fund**  
**From 12/1/2023 Through 12/31/2023**

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
<b>Revenue</b>						
Transfers from Other Funds (Benefits, Risk)	126,673.00	136,957.00	8.12	760,062.00	821,758.00	8.12
Miscellaneous Income	0.00	0.04	100.00	26.50	0.16	(99.40)
<b>Total Revenue</b>	<b>126,673.00</b>	<b>136,957.04</b>	<b>8.12</b>	<b>760,088.50</b>	<b>821,758.16</b>	<b>8.11</b>
<b>Expenditures</b>						
Contractual Services (Professional, Audit, Legal, Etc)	18,807.75	6,628.88	(64.75)	66,161.05	49,574.17	(25.07)
Other Expenses (Travel, Maint., Supplies, Utilities, Etc.)	27,843.27	13,242.47	(52.44)	84,203.22	96,694.88	14.84
Per Svc/Ben (Salaries, Fringe Benefits)	101,614.36	109,906.44	8.16	485,392.38	676,373.66	39.35
<b>Total Expenditures</b>	<b>148,265.38</b>	<b>129,777.79</b>	<b>(12.47)</b>	<b>635,756.65</b>	<b>822,642.71</b>	<b>29.40</b>
<b>Net Revenue &amp; Expenditures</b>	<b>(21,592.38)</b>	<b>7,179.25</b>	<b>(133.25)</b>	<b>124,331.85</b>	<b>(884.55)</b>	<b>(100.71)</b>

**NM Public Schools Insurance Authority**

**Balance Sheet**

**As of 12/31/2023**

	<u>Program Support</u>	<u>Employee Benefits</u>	<u>Risk</u>	<u>Total</u>
<b>ASSETS</b>				
Cash (Wells Fargo/State Treasurer)	668,713.04	258,170.59	320,854.14	1,247,737.77
Short-term Investments (LGIP)	0.00	816,344.12	87,429,853.26	88,246,197.38
Long-term Investments (SIC)	0.00	23,192,735.22	20,615,512.26	43,808,247.48
Receivables (LGIP Int., W/C Excess Carrier)	(696.64)	1,461,325.62	14,586,774.46	16,047,403.44
Prepaid Premiums (Risk Excess Coverage)	0.00	0.00	34,787,892.00	34,787,892.00
Other Assets (Deposits, Furniture, Fxtures, Equip., Etc)	<u>245,361.25</u>	<u>19,421,784.52</u>	<u>319,145.15</u>	<u>19,986,290.92</u>
<b>Total ASSETS</b>	<b><u>913,377.65</u></b>	<b><u>45,150,360.07</u></b>	<b><u>158,060,031.27</u></b>	<b><u>204,123,768.99</u></b>
<b>LIABILITIES</b>				
Accounts Payable (Admin Fees)	4,869.74	1,397,853.85	470,617.80	1,873,341.39
Case Reserves (P/L, W/C)	0.00	0.00	57,623,740.76	57,623,740.76
IBNR (Incurred But Not Reported)	0.00	23,405,795.00	48,236,047.00	71,641,842.00
Claims Payable (Medical, Dental, P/L, W/C)	0.00	12,596,047.06	337,239.88	12,933,286.94
Deferred Revenue (Self-Pays, P/L, W/C Premiums)	0.00	58,889.53	50,129,268.00	50,188,157.53
Other (Payroll Taxes, Benefits, Compensated Absences Payable)	<u>214,728.86</u>	<u>0.60</u>	<u>0.00</u>	<u>214,729.46</u>
<b>Total LIABILITIES</b>	<b><u>219,598.60</u></b>	<b><u>37,458,586.04</u></b>	<b><u>156,796,913.44</u></b>	<b><u>194,475,098.08</u></b>
<b>FUND EQUITY</b>				
Beginning Fund Equity	694,663.60	17,581,666.39	11,355,146.93	29,631,476.92
Net Revenue & Expenditures (Year-to-Date)	<u>(884.55)</u>	<u>(9,889,892.36)</u>	<u>(10,092,029.10)</u>	<u>(19,982,806.01)</u>
<b>Total FUND EQUITY</b>	<b><u>693,779.05</u></b>	<b><u>7,691,774.03</u></b>	<b><u>1,263,117.83</u></b>	<b><u>9,648,670.91</u></b>



# New Mexico Public Schools Insurance Authority

## Investment Performance Review For the Quarter Ended December 31, 2023

Client Management Team

PFM Asset Management LLC

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Mallory Sampson, CFP, Director  
Chrystal Thomas, Analyst

1820 East Ray Road  
Chandler, AZ 85225  
855-885-9621

1735 Market Street  
43rd Floor  
Philadelphia, PA 19103  
215-567-6100

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# **Markets and Economy**

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>DOMESTIC EQUITY</b>							
S&P 500	11.69%	26.29%	26.29%	10.00%	15.69%	13.42%	12.03%
Russell 3000 Index	12.07%	25.96%	25.96%	8.54%	15.16%	12.81%	11.48%
Russell 1000 Value Index	9.50%	11.46%	11.46%	8.86%	10.91%	8.32%	8.40%
Russell 1000 Index	11.96%	26.53%	26.53%	8.97%	15.52%	13.21%	11.80%
Russell 1000 Growth Index	14.16%	42.68%	42.68%	8.86%	19.50%	17.68%	14.86%
Russell Midcap Index	12.82%	17.23%	17.23%	5.92%	12.68%	10.07%	9.42%
Russell 2000 Value Index	15.26%	14.65%	14.65%	7.94%	10.00%	6.10%	6.76%
Russell 2000 Index	14.03%	16.93%	16.93%	2.22%	9.97%	7.33%	7.16%
Russell 2000 Growth Index	12.75%	18.66%	18.66%	-3.50%	9.22%	8.08%	7.16%
<b>INTERNATIONAL EQUITY</b>							
MSCI EAFE (Net)	10.42%	18.24%	18.24%	4.02%	8.16%	6.91%	4.28%
MSCI AC World Index (Net)	11.03%	22.20%	22.20%	5.75%	11.72%	10.05%	7.93%
MSCI AC World ex USA (Net)	9.75%	15.62%	15.62%	1.55%	7.08%	6.33%	3.83%
MSCI AC World ex USA Small Cap (Net)	10.12%	15.66%	15.66%	1.49%	7.89%	6.70%	4.88%
MSCI EM (Net)	7.86%	9.83%	9.83%	-5.08%	3.68%	4.98%	2.66%
<b>ALTERNATIVES</b>							
FTSE NAREIT Equity REIT Index	16.22%	13.73%	13.73%	7.21%	7.39%	5.28%	7.65%
FTSE EPRA/NAREIT Developed Index	15.59%	10.85%	10.85%	2.16%	3.80%	3.57%	4.52%
FTSE Global Core Infrastructure 50/50 Index (Net)	10.85%	2.21%	2.21%	3.76%	6.04%	6.21%	5.93%
Bloomberg Commodity Index Total Return	-4.63%	-7.91%	-7.91%	10.76%	7.23%	3.59%	-1.11%
<b>FIXED INCOME</b>							
Blmbg. U.S. Aggregate	6.82%	5.53%	5.53%	-3.31%	1.10%	1.29%	1.81%
Blmbg. U.S. Government/Credit	6.63%	5.72%	5.72%	-3.53%	1.41%	1.52%	1.97%
Blmbg. Intermed. U.S. Government/Credit	4.56%	5.24%	5.24%	-1.63%	1.59%	1.57%	1.72%
Blmbg. U.S. Treasury: 1-3 Year	2.56%	4.29%	4.29%	-0.10%	1.28%	1.20%	1.04%
Blmbg. U.S. Corp: High Yield	7.16%	13.45%	13.45%	1.98%	5.37%	4.57%	4.60%
ICE BofAML Global High Yield Constrained (USD)	7.61%	13.41%	13.41%	-0.08%	4.13%	3.86%	3.66%
Blmbg. Global Aggregate Ex USD	9.21%	5.72%	5.72%	-7.21%	-1.56%	1.97%	-0.79%
JPM EMBI Global Diversified	9.16%	11.09%	11.09%	-3.56%	1.67%	1.97%	3.22%
<b>CASH EQUIVALENT</b>							
90 Day U.S. Treasury Bill	1.37%	5.02%	5.02%	2.15%	1.88%	1.73%	1.24%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.



**THE ECONOMY**

▶ In the third quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 4.9%, marking the strongest growth since the fourth quarter of 2021, as resilient consumer spending drove the economy. This is above global growth estimates of 3.0%, which have been buoyed by emerging markets (EM) and developing economies.

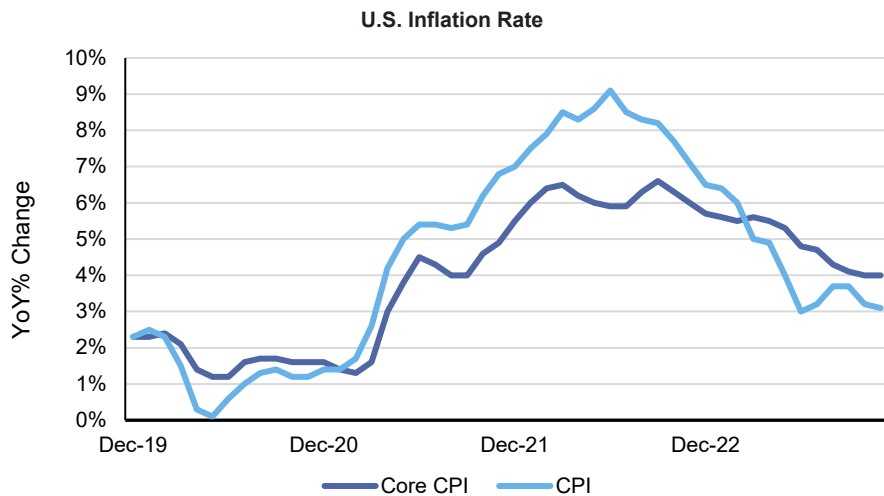
▶ The U.S. labor market remains strong, ending the quarter with 3.7% unemployment rate that is in line with September’s reading and a 62.5% participation rate, which is a slight decrease from last quarter. The number of job openings to unemployed ratio fell to 1.40, down from its high of 2.0 in 2022.

▶ Headline inflation (CPI) cooled over the quarter, with a year-over-year (YoY) rate of 3.1% in November, down from 3.7% at the end of the second quarter. These cooler readings came in large part from falling energy prices which dropped 5.4% in November, the less volatile core inflation reading (which excludes food and energy) still tells the same story of cooling over the quarter but shows a slightly higher level of inflation at 4.0% YoY.

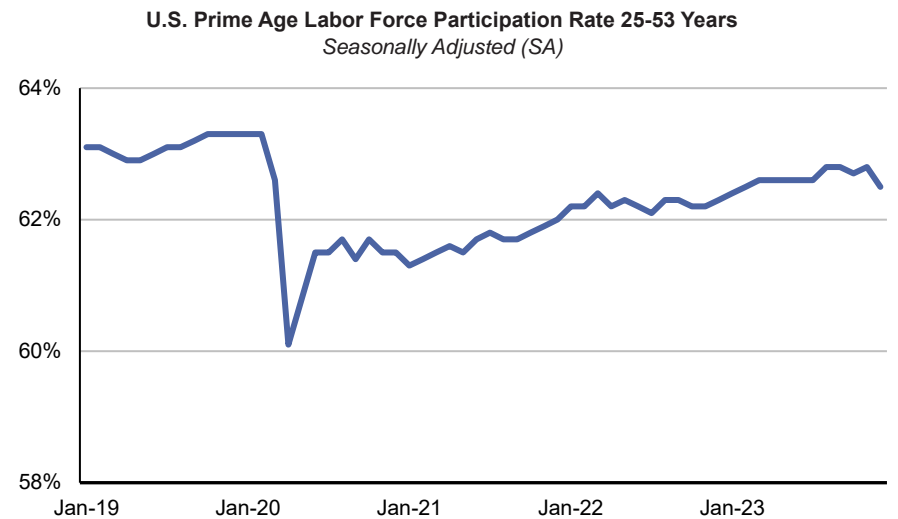
▶ Through the strong labor market and continued growth, consumer confidence saw relative improvement. The Michigan Consumer Sentiment survey ended the quarter at 69.7, up 8.4 year-to-date, though below the long-term average. Consumers savings and income standpoint remain strong, but debt levels and defaults are increasing.



Source: IMF. Dark blue bars indicate actual numbers; light blue bars indicate forecasted estimates.



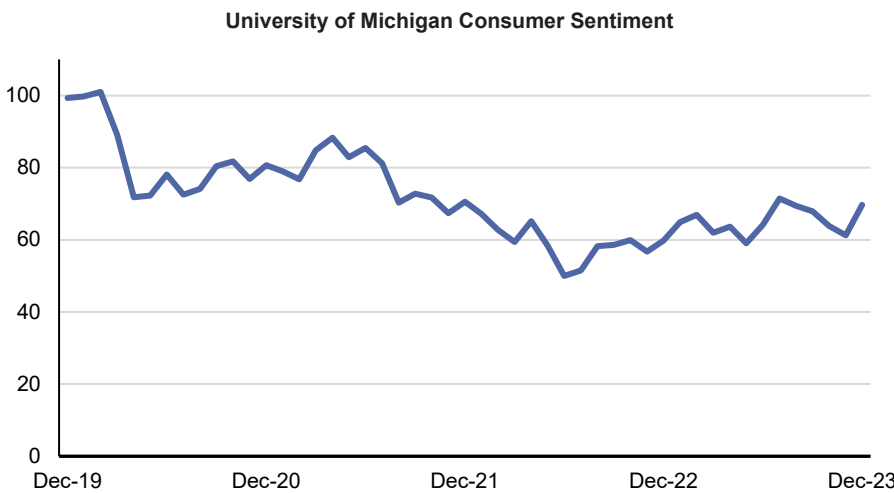
Source: Bureau of Labor Statistics.



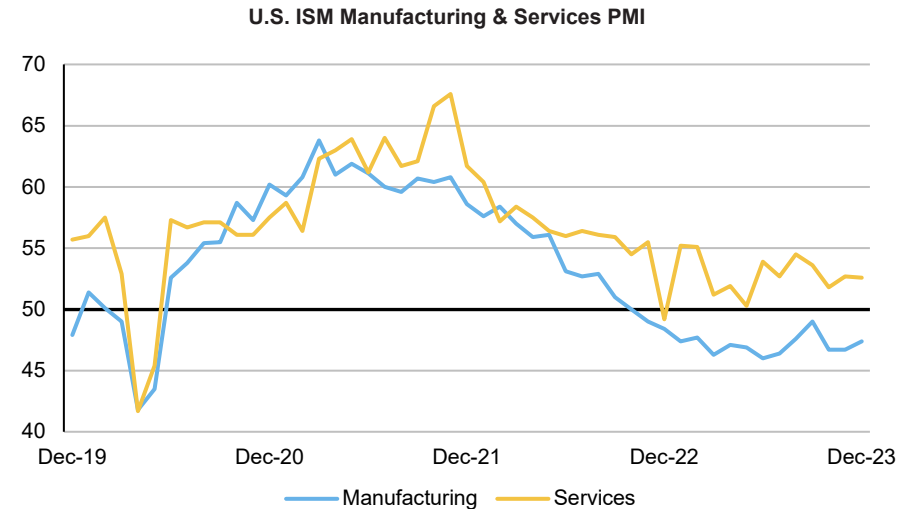
Source: Bureau of Labor Statistics.

**WHAT WE'RE WATCHING**

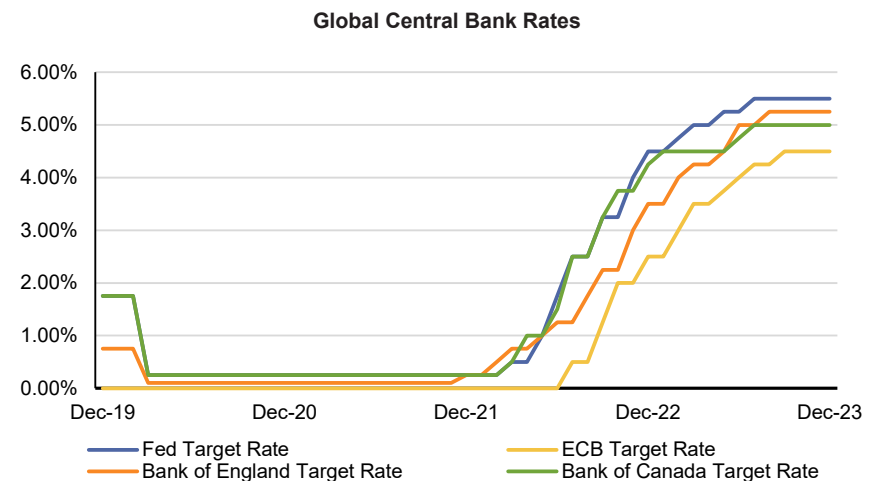
- ▶ After a total of four hikes this year, the final quarter closed out with the Federal Open Market Committee (FOMC) on pause with member expectations that the policy rate is at or near its peak. Looking forward, the median dot plot projection shows 75 basis points (bps) of cuts for 2024 as inflation and economic growth slow. Globally, most major central banks also held rates steady, with European Central Bank (ECB) and Bank of England (BOE) both pausing despite increasing pressure from poor economic growth.
- ▶ The U.S. saw manufacturing conditions worsen during the quarter as ISM U.S. Manufacturing fell to 47.4 in December, marking the fourteenth month of contractionary readings as producers saw diminishing demand for their goods, amid high borrowing costs and continued inflation. Services weakened slightly over the quarter but remain expansionary at 50.6.
- ▶ Globally, conditions varied. The HCOB Eurozone manufacturing PMI improved over the quarter but remained in sharply contractionary territory, at 44.4. The Eurozone services PMI continued to struggle, remaining flat at 48.8 for year end. Meanwhile, China's Caxin manufacturing PMI inched up over the quarter, with an expansionary reading of 50.8 after a dip into contractionary in October. China's services sectors saw a rebound over the quarter as the Caixin Service PMI rose to 52.9, marking the fastest expansion since July as new business grew solidly.



Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg.

**DOMESTIC EQUITY**

▶ The S&P 500 Index (S&P) posted an 11.69% return for the fourth quarter of 2023. As of December 31, 2023, the trailing 1-year return for the index was 26.29%.

▶ After being dominated by the Magnificent Seven for the first three quarters of the year, domestic equity markets saw a broadening of performance, as indicated by the S&P 500 Equal-Weighted index performing in line with the market capitalization-weighted index for the fourth quarter. Throughout the year, the equal-weighted index had significantly lagged the market capitalization-weighted index.

▶ Within S&P 500, the only GICS sector to post a negative return for the quarter was Energy (-6.99%). The next worst performers were Consumer Staples (5.54%) and Healthcare (6.41%). The sectors that led performance over the quarter were Real Estate (18.83%), Information Technology (17.17%) and Financials (13.98%).

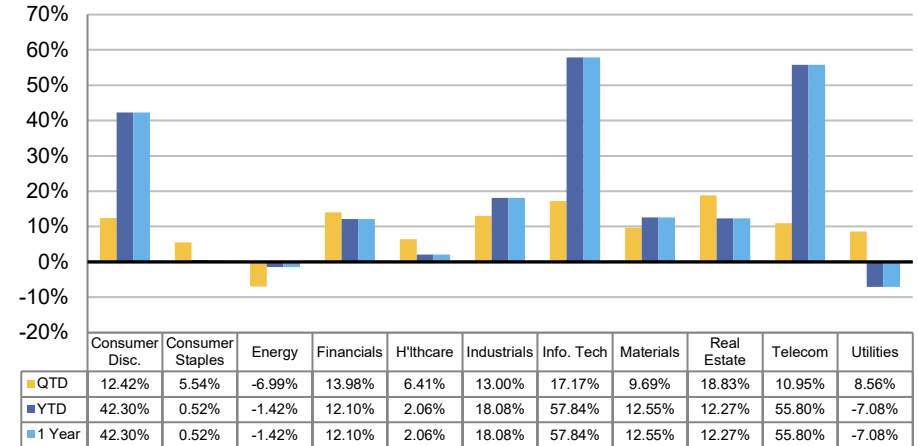
▶ Small-caps, as represented by the Russell 2000 Index, returned 14.03% during the quarter, outperforming mid- and large-caps. The Russell Midcap and Russell 1000 indices returned 12.82% and 11.96%, respectively.

▶ According to FactSet Earnings Insight (as of December 18, 2023), the expected YoY earnings growth rate for S&P 500 for calendar year 2023 is 0.6%, which is below the 10-year average of 8.4%.

▶ As of the end of the quarter, the S&P 500 P/E ratio was 23.85, above its 5-year average of 21.91. By comparison, the S&P 600, which represents small-cap stocks, had a P/E ratio of 16.0, below its 5-year average of 16.96.

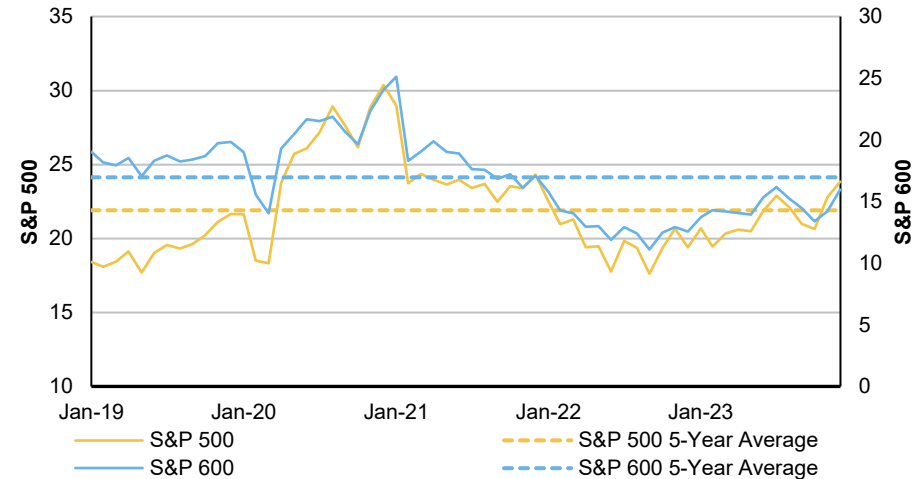
**S&P 500 Index Performance by Sector**

Periods Ended December 31, 2023



Source: Bloomberg.

**P/E Ratios of Major Stock Indices\***



Source: Bloomberg.

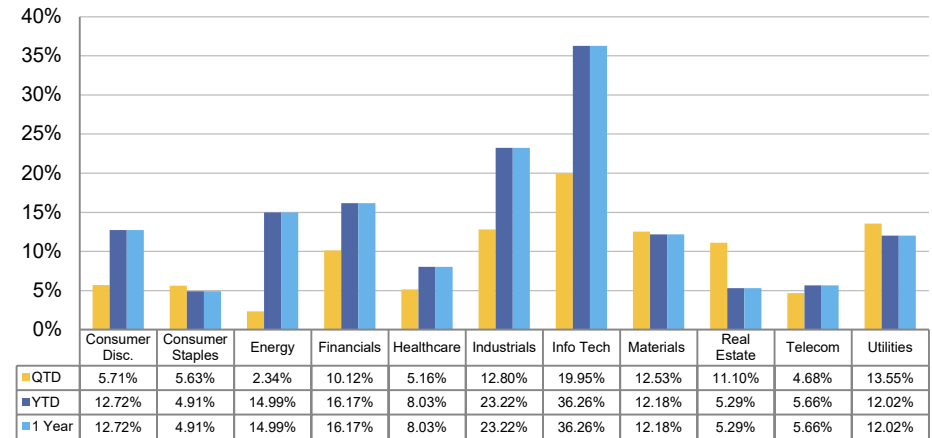
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**NON-U.S. EQUITY**

- ▶ Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning 9.75% for the quarter.
- ▶ Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, outperformed emerging markets (EM), represented by the MSCI Emerging Market Index, returning 10.42% versus 7.87% for the quarter.
- ▶ Stocks in the Eurozone fared better amid signs of falling inflation and increased manufacturing activity, leading to the outperformance of MSCI EMU (12.43%) versus the MSCI EAFE Index. The UK (6.48%) was the worst performer of the five largest-weighted countries in the index. The country continues to grapple with falling yet stubbornly high inflation.
- ▶ Within EM, MSCI Brazil outperformed the index. Brazilian equities soared 17.84% during the quarter as inflation slowed in line with expectations, inching toward the central bank’s target range. Conversely, MSCI China (-4.22%) lagged the index despite better retail sales and industrial production data.
- ▶ Value stocks underperformed growth stocks for the quarter as represented by the broad benchmark, a reversal of the trend observed during the first three quarters of the year. MSCI AC World ex-USA Value returned 8.43% while MSCI AC World ex-USA Growth returned 11.13%. Within EM, value continued to outperform growth returning 8.05% versus 7.72%.
- ▶ Small-caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, outperformed within the international equity markets, returning 10.12% for the quarter.
- ▶ Non-U.S. equities valuations have moved closer to their long-term average across international equity markets. As of December 31, 2023, MSCI EM’s P/E stood at 13.67 versus a 5-year average of 13.21. MSCI EAFE ended the year with a P/E ratio of 14.25, slightly lower than its 5-year average of 15.92.

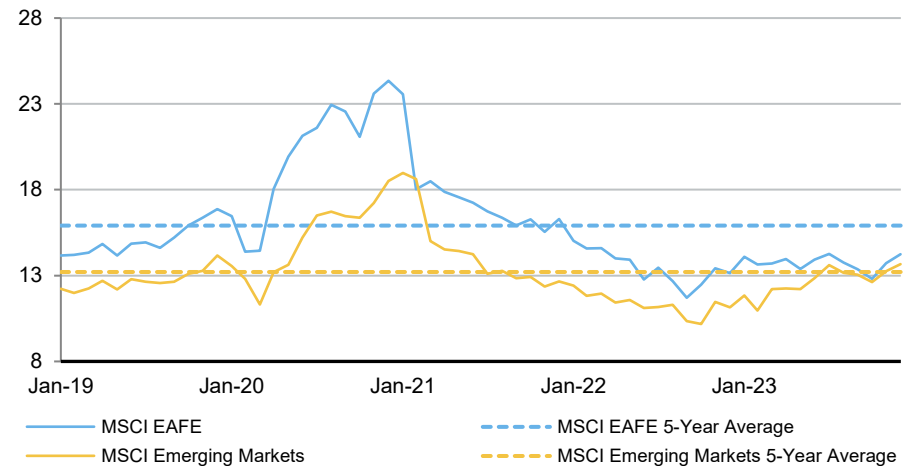
**MSCI ACWI ex-U.S. Sectors**

Periods Ended December 31, 2023



Source: Bloomberg.

**P/E Ratios of MSCI Equity Indices\***



Source: Bloomberg.

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

**FIXED INCOME**

▶ The U.S. bond market represented by the Bloomberg U.S. Aggregate Index (Aggregate) had sharp gains in the quarter, rising 6.82%. The calendar year return for the U.S. Aggregate Index is 5.53%.

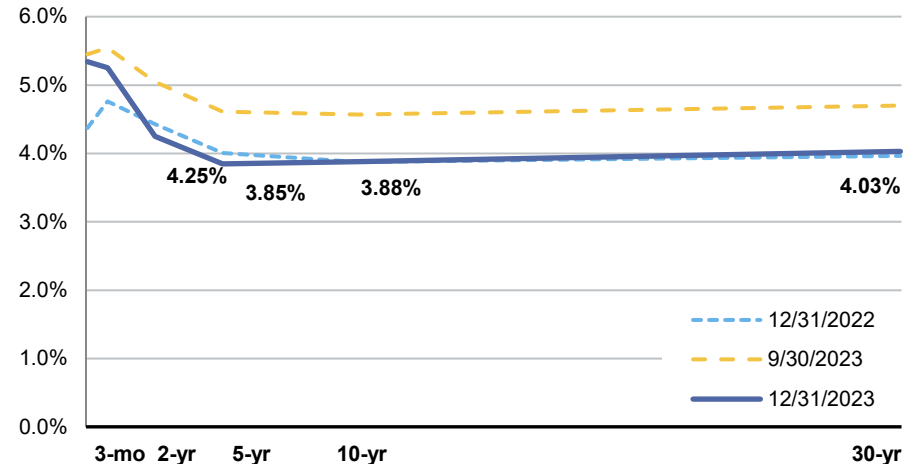
▶ The Bloomberg U.S. Treasury Index closed the quarter with a gain of 5.66%. During the period, the FOMC maintained interest rate levels and signaled several cuts for 2024. Long rates dropped anticipating a pivot on tightening. The curve remains inverted as the Fed Funds rate remains targeted at 5.5%. The 10-year declined about 69 bps in the quarter, ending at 3.88%, while the 2-year ended at 4.25%.

▶ Corporate credit had strong results for the quarter on the declining rates. The investment-grade (IG) Bloomberg U.S. Corporate (IG Corp) Index surged 8.50% higher while high yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, posted a significant gain of 7.16%. Spreads declined across all quality buckets, but BBB-rated bonds outperformed the high yield space.

▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, gained 7.48%, aided by rates falling. On the commercial side, the Bloomberg U.S. Agency CMBS Index rose 5.60%.

▶ Emerging market USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, gained 9.16% led by some of the largest weighted countries.

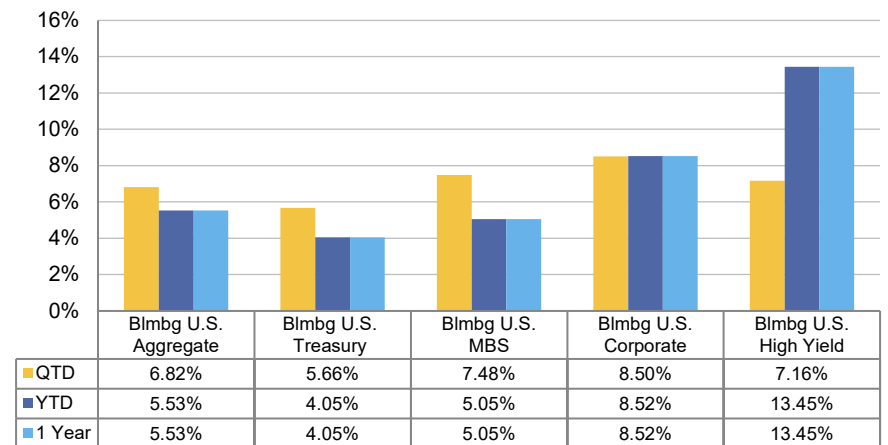
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended December 31, 2023



Source: Bloomberg.

**ALTERNATIVES**

▶ REITs, as measured by the FTSE NAREIT Equity REITs Index, gained 16.22% in the fourth quarter of 2023, compared to a -7.13% return in the prior quarter. All major sectors posted gains during the quarter as market participants now expect falling interest rates in the near-term. The best performers were the Office and Self-Storage sectors, which posted returns of 23.54% and 23.51%, respectively. The worst performers during the quarter were the Apartments and Healthcare sectors, which posted returns of 8.89% and 10.47%, respectively.

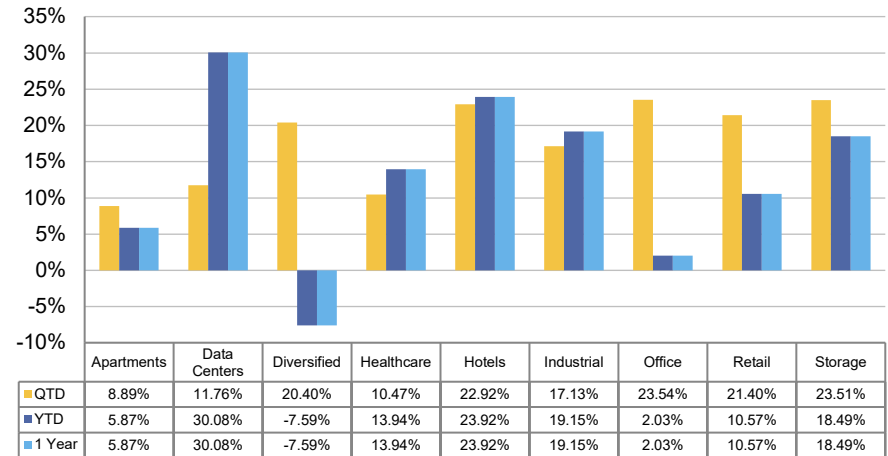
▶ Listed infrastructure, as measured by the FTSE Global Core Infrastructure 50/50 Index, gained 11.11% in the fourth quarter of 2023, compared to a -7.80% decrease in the prior quarter. Most major sectors had positive returns during the quarter as interest rates fell from their highs. The best performing industry groups were Telecom Towers and Specialized, which posted returns of 30.67% and 25.66%, respectively. The worst performing industry groups during the quarter were Cable & Satellite Communications and Alternative Carriers, which posted returns of -5.07% and 3.29%, respectively.

▶ Commodity futures, represented by the Bloomberg Commodity Total Return Index, fell 4.63% in the fourth quarter of 2023, compared to a 4.71% gain in the prior quarter. The U.S. Dollar Index (DXY) fell 4.56% during the same period. The price of gold increased 11.60% in Q4, due to expectations of falling yields and rising geopolitical tensions. Gold finished the quarter at \$2,062.98 per ounce, up from \$1,848.63 at the end of the previous quarter. The West Texas Intermediate (WTI) Crude Oil spot price fell 21.08% from \$90.79 to \$71.65 per barrel as the impacts of high supplies and falling demand outweighed potential price tailwinds arising from concerns in the Middle East.

▶ Private real estate, as measured by the NCREIF Property Index, fell -1.37% in the third quarter of 2023, resulting in a -8.40% return over the twelve-month period ended September 2023. This was the fourth consecutive quarter of negative returns for the index. Weak performance has been driven by property value declines across sectors; although, Office has seen the most significant decline. Hotel properties were again the top performers, with a total return of 1.86% in the third quarter, comprised of 2.12% in income return and -0.25% in appreciation return. Office properties were again the worst performers with total return of -3.67%, comprised of 1.30% in income return and -4.97% in appreciation return.

**FTSE NAREIT Sectors**

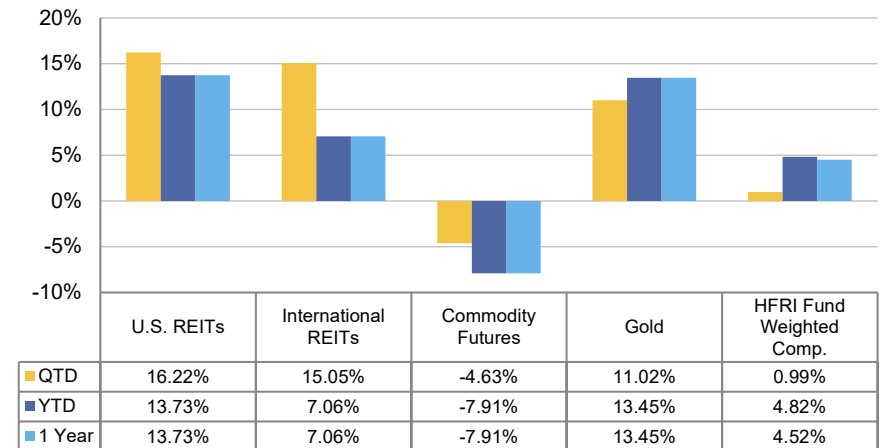
Periods Ended December 31, 2023



Source: Bloomberg.

**Returns for Liquid and Semi-Liquid Alternative Assets**

Periods Ended December 31, 2023



Sources: Bloomberg and Hedge Fund Research, Inc.



**ALTERNATIVES (continued)**

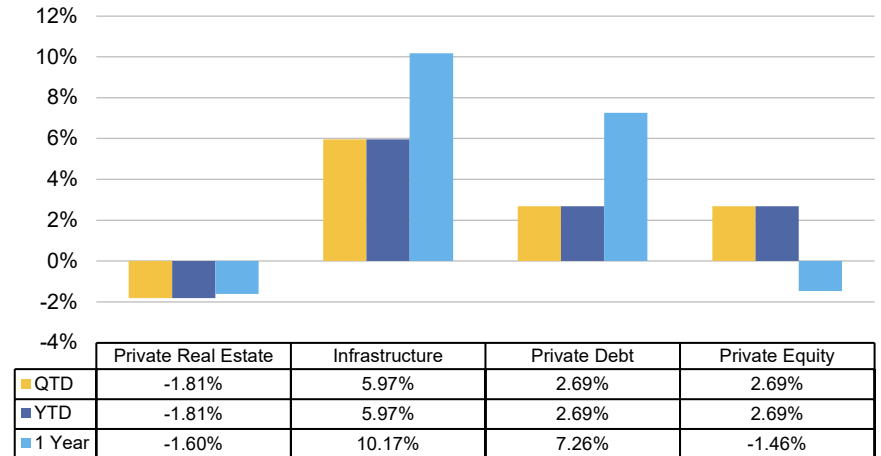
► In the third quarter of 2023, infrastructure funds raised \$10.25 billion. While this is up from the prior quarter, 2023 has seen a sharp decline in fundraising with fewer funds raising capital. Infrastructure dry powder has also fallen from previous years and stands at \$244.06 billion as of Q1 2023. The asset class has received attention from investors in recent years due to expectations that it could provide steady returns during periods of volatility, inflation, and recession. According to PitchBook, infrastructure funds posted a return of 5.97% in Q1 2023. The asset class has generated an annualized return of 10.53% for the 5 years ended Q1 2023.

► In the third quarter of 2023, private debt funds raised \$31.70 billion, down from the prior quarter. Private debt dry powder has fallen to \$449.00 billion as of Q1 2023; although, it remains above the long-term average. The asset class has performed well relative to public fixed income over the long-term and may see more opportunities emerge in the near-term as tightening lending standards continue to push banks out of the private lending space. According to Cliffwater Direct Lending Index, U.S. middle market loans, a proxy for private debt, posted a return of 3.17% in Q3 2023. The asset class has also generated an annualized return of 8.64% for the 5 years ended Q3 2023.

► In the third quarter of 2023, private capital fundraising was led by private equity funds, which closed on \$133.40 billion, up from the prior quarter. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.55 trillion as of Q1 2023. Recent private equity performance has weakened as a result of increasing cost of leverage, slowing deal flow, and macroeconomic uncertainty; however, longer term performance relative to public equities remains strong. According to Cambridge Associates, U.S. private equity posted a return of 2.76% in Q2 2023. The asset class has generated an annualized return of 17.77% for the 5 years ended Q2 2023.

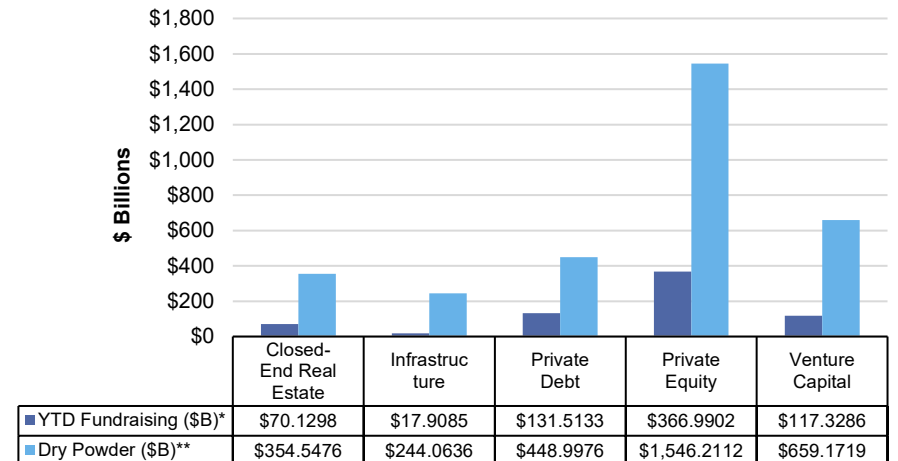
► Hedge fund returns were mostly positive quarter-to-date through November 2023 with the HFRI Fund Weighted Composite Index returning 0.99%. During the same period, the HFRI Macro (Total) Index returned -1.67%. The HFRI Equity Hedge (Total) Index and the HFRI Fund of Funds Index returned 1.82% and 1.15%, respectively.

**Returns for Private Capital Assets**



Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates, manual inputs.  
As of March 31, 2023 - most recent period for which all performance data is available.

**Private Capital Fundraising & Dry Powder**



Sources: Pitchbook.

\* Total capital raised in 2023 as of September 30, 2023 - most recent period for which ALL fundraising data is available.

\*\* Cumulative dry powder as of most recent - March 31, 2022.

# Benefits Fund - Performance Review



## Asset Allocation &amp; Performance

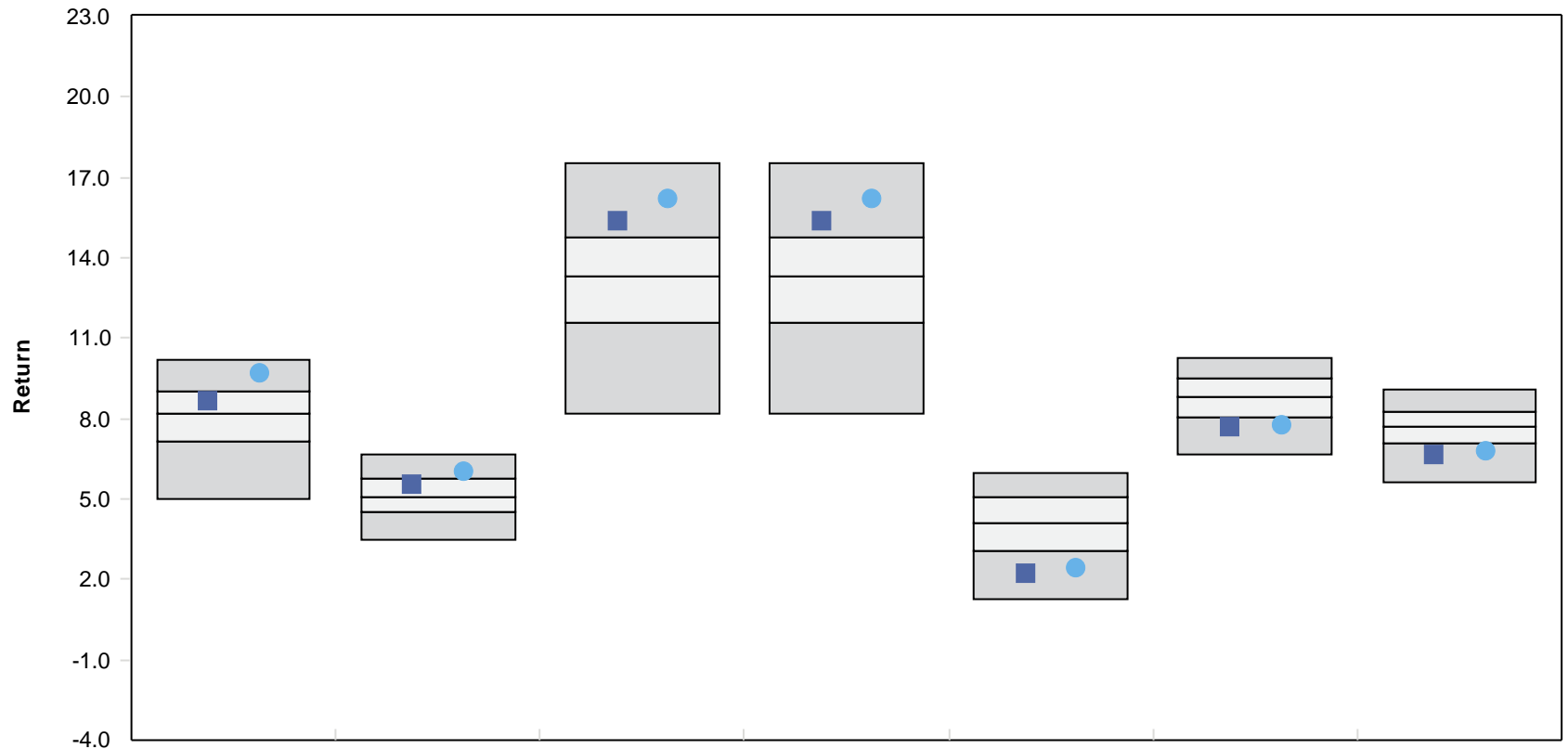
	Allocation		Performance(%)								
	Market Value (\$)	%	1 Quarter	Fiscal YTD	2023	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>23,192,735</b>	<b>100.00</b>	<b>8.70</b>	<b>5.56</b>	<b>15.36</b>	<b>15.36</b>	<b>2.25</b>	<b>7.69</b>	<b>6.64</b>	<b>5.86</b>	<b>07/01/2014</b>
<i>Blended Benchmark</i>			9.71	6.05	16.25	16.25	2.41	7.78	6.80	5.89	07/01/2014
<b>Domestic Equity</b>	<b>10,193,494</b>	<b>43.95</b>									
Large Cap Index	8,185,521	35.29	10.85	7.37	24.91	24.91	8.49	14.39	12.40	11.14	07/01/2014
<i>Russell 1000 Index</i>			11.96	8.44	26.53	26.53	8.97	15.52	13.21	11.64	07/01/2014
SMID Cap Alternative	2,007,973	8.66	13.56	7.97	14.89	14.89	N/A	N/A	N/A	4.93	02/01/2023
<i>Russell 2500 Index</i>			13.35	7.93	17.42	17.42	4.24	11.67	8.98	6.75	02/01/2023
<b>International Equity</b>	<b>5,295,850</b>	<b>22.83</b>									
Non US Developed- Active	3,808,471	16.42	7.91	4.05	14.75	14.75	N/A	N/A	N/A	6.47	02/01/2023
<i>MSCI AC World ex USA (Net)</i>			9.75	5.61	15.62	15.62	1.55	7.08	6.33	6.94	02/01/2023
Non US Emerging	1,487,380	6.41	8.49	4.99	10.63	10.63	-4.03	4.26	5.26	5.25	12/01/2016
<i>MSCI Emerging Markets Index</i>			7.93	4.92	10.26	10.26	-4.71	4.08	5.37	5.35	12/01/2016
<b>Fixed Income</b>	<b>7,703,391</b>	<b>33.21</b>									
Credit Plus Pool	7,703,391	33.21	5.86	4.07	7.94	7.94	-2.16	2.50	2.65	2.65	07/01/2014
<i>Blmbg. U.S. Aggregate</i>			6.82	3.37	5.53	5.53	-3.31	1.10	1.29	1.49	07/01/2014

Returns are net of fees.

Returns are expressed as percentages.

Plan Sponsor Peer Group Analysis

All Public Plans-Total Fund



	<b>1 Quarter</b>	<b>Fiscal YTD</b>	<b>2023</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>7 Years</b>
■ Total Fund	8.70 (35)	5.56 (31)	15.36 (19)	15.36 (19)	2.25 (85)	7.69 (82)	6.64 (87)
● Blended Benchmark	9.71 (12)	6.05 (16)	16.25 (12)	16.25 (12)	2.41 (84)	7.78 (82)	6.80 (84)
5th Percentile	10.22	6.67	17.52	17.52	5.97	10.25	9.06
1st Quartile	9.04	5.75	14.75	14.75	5.06	9.50	8.26
Median	8.19	5.10	13.32	13.32	4.09	8.79	7.71
3rd Quartile	7.17	4.50	11.56	11.56	3.05	8.02	7.09
95th Percentile	4.99	3.44	8.20	8.20	1.23	6.69	5.65
Population	204	197	188	188	178	171	160

Parenteses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Returns are net of fees and are expressed as percentages.

## Financial Reconciliation

QTR				
	Market Value As of 10/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	24,235,709	(3,007,670)	1,964,696	23,192,735
Large Cap Index	8,283,295	(950,188)	852,415	8,185,521
SMID Cap Alternative	2,115,766	(350,190)	242,397	2,007,973
Non US Developed- Active	4,162,410	(653,565)	299,626	3,808,471
Non US Emerging	1,370,985	(355)	116,749	1,487,380
Credit Plus Pool	8,303,254	(1,053,372)	453,509	7,703,391

July 1, 2023 To December 31, 2023				
	Market Value As of 07/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	24,957,469	(3,007,670)	1,242,937	23,192,735
Large Cap Index	8,551,896	(950,188)	583,814	8,185,521
SMID Cap Alternative	2,225,435	(350,190)	132,728	2,007,973
Non US Developed- Active	4,317,091	(653,565)	144,945	3,808,471
Non US Emerging	1,416,641	(355)	71,093	1,487,380
Credit Plus Pool	8,446,407	(1,053,372)	310,356	7,703,391

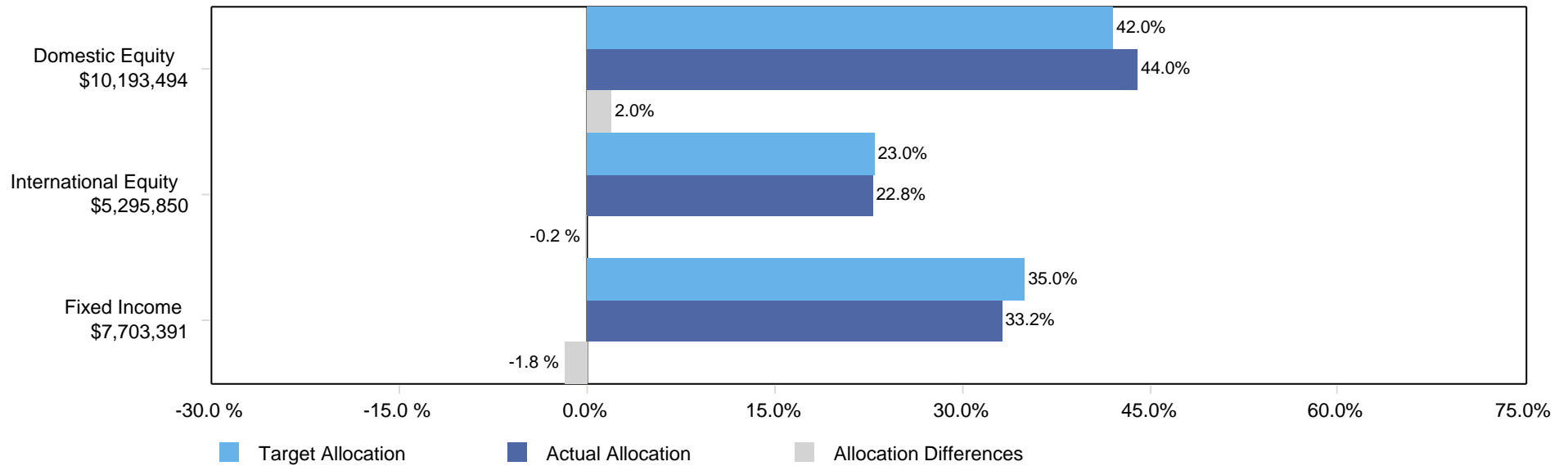
## Financial Reconciliation

YTD	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	22,836,828	(3,032,800)	3,388,707	23,192,735
Large Cap Index	7,765,918	(1,400,728)	1,820,331	8,185,521
SMID Cap Alternative	-	1,746,525	261,448	2,007,973
Non US Developed- Active	-	3,205,425	603,046	3,808,471
Non US Emerging	1,409,679	(71,220)	148,921	1,487,380
Credit Plus Pool	6,561,350	587,079	554,962	7,703,391

1 Year	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	22,836,828	(3,032,800)	3,388,707	23,192,735
Large Cap Index	7,765,918	(1,400,728)	1,820,331	8,185,521
SMID Cap Alternative	-	1,746,525	261,448	2,007,973
Non US Developed- Active	-	3,205,425	603,046	3,808,471
Non US Emerging	1,409,679	(71,220)	148,921	1,487,380
Credit Plus Pool	6,561,350	587,079	554,962	7,703,391

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	44.0	42.0	27.0	57.0	2.0
International Equity	22.8	23.0	8.0	38.0	-0.2
Fixed Income	33.2	35.0	15.0	55.0	-1.8



## Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
<b>Jul-2014</b>	
Russell 1000 Growth Index	20.0
Russell 1000 Value Index	20.0
Russell 2500 Index	10.0
MSCI EAFE (net)	10.0
Blmbg. Intermed. U.S. Government/Credit	35.0
90 Day U.S. Treasury Bill	5.0
<b>Jul-2015</b>	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	19.0
Blmbg. U.S. Aggregate	45.0
<b>Dec-2021</b>	
Russell 3000 Index	42.0
MSCI AC World ex USA (Net)	23.0
Blmbg. U.S. Aggregate	35.0

# Risk Fund - Performance Review

## Asset Allocation &amp; Performance

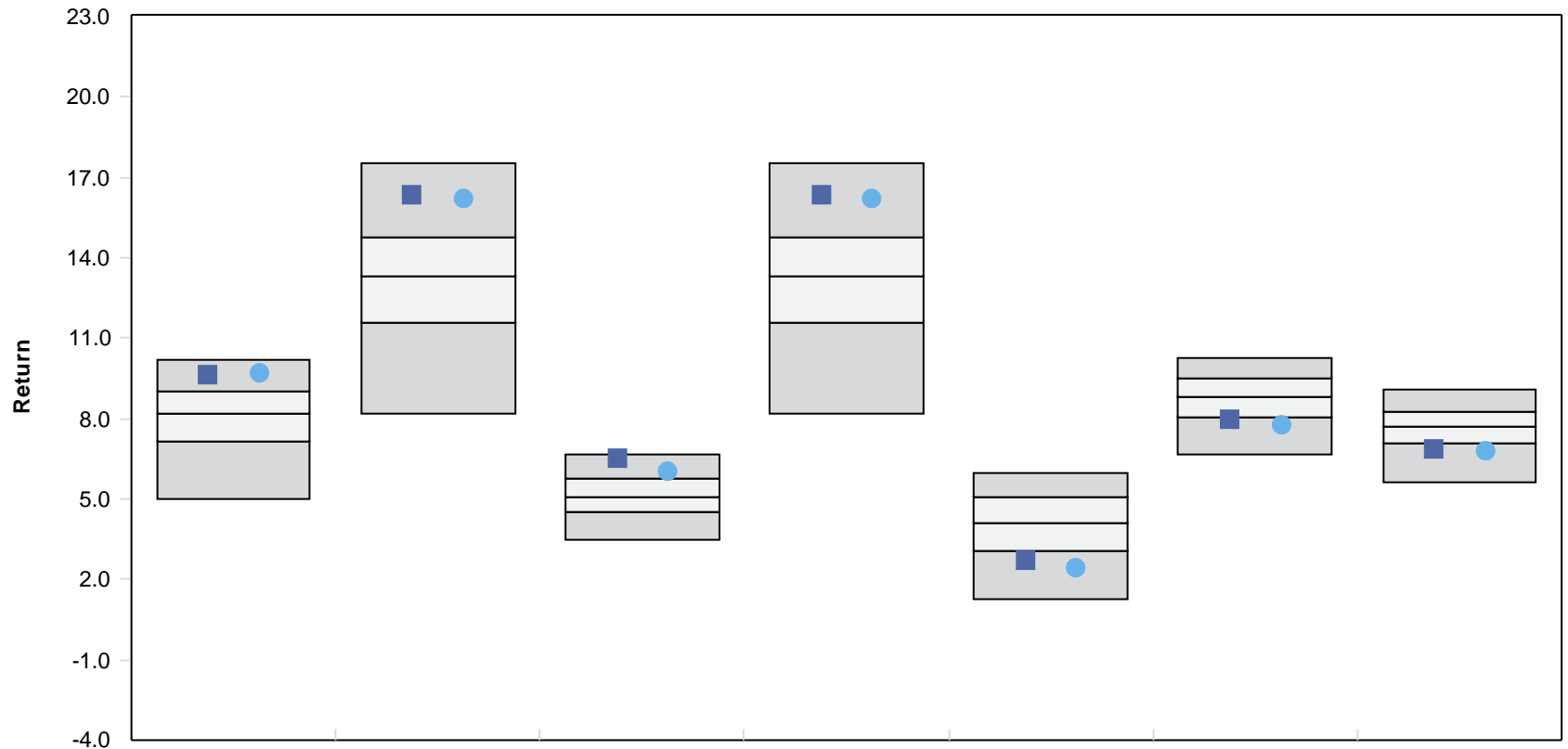
	Allocation		Performance(%)							
	Market Value (\$)	%	1 Quarter	Fiscal YTD	2023	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>20,615,512</b>	<b>100.00</b>	<b>9.67</b>	<b>6.50</b>	<b>16.37</b>	<b>16.37</b>	<b>2.71</b>	<b>7.98</b>	<b>6.03</b>	<b>07/01/2014</b>
Blended Benchmark			9.71	6.05	16.25	16.25	2.41	7.78	5.89	07/01/2014
<b>Domestic Equity</b>	<b>9,076,911</b>	<b>44.03</b>								
Large Cap Index	7,178,246	34.82	11.98	8.46	26.10	26.10	9.86	15.27	11.61	07/01/2014
Russell 1000 Index			11.96	8.44	26.53	26.53	8.97	15.52	11.64	07/01/2014
SMID Cap Alternative	1,898,666	9.21	15.11	9.43	16.46	16.46	N/A	N/A	6.37	02/01/2023
Russell 2500 Index			13.35	7.93	17.42	17.42	4.24	11.67	6.75	02/01/2023
<b>International Equity</b>	<b>4,681,639</b>	<b>22.71</b>								
Non US Developed- Active	3,370,750	16.35	9.03	5.12	15.96	15.96	N/A	N/A	7.60	02/01/2023
MSCI AC World ex USA (Net)			9.75	5.61	15.62	15.62	1.55	7.08	6.94	02/01/2023
Non US Emerging	1,310,889	6.36	9.03	5.52	11.15	11.15	-5.12	3.40	3.72	11/01/2016
MSCI Emerging Markets Index			7.93	4.92	10.26	10.26	-4.71	4.08	4.60	11/01/2016
<b>Fixed Income</b>	<b>6,856,962</b>	<b>33.26</b>								
Credit Plus Pool	6,856,962	33.26	6.40	4.60	8.55	8.55	-2.42	2.34	2.57	07/01/2014
Blmbg. U.S. Aggregate			6.82	3.37	5.53	5.53	-3.31	1.10	1.49	07/01/2014

Returns are net of fees.  
Returns are expressed as percentages.



Plan Sponsor Peer Group Analysis

All Public Plans-Total Fund



	1 Quarter	2023	Fiscal YTD	1 Year	3 Years	5 Years	7 Years
■ Total Fund	9.67 (12)	16.37 (11)	6.50 (7)	16.37 (11)	2.71 (79)	7.98 (77)	6.87 (82)
● Blended Benchmark	9.71 (12)	16.25 (12)	6.05 (16)	16.25 (12)	2.41 (84)	7.78 (82)	6.80 (84)
5th Percentile	10.22	17.52	6.67	17.52	5.97	10.25	9.06
1st Quartile	9.04	14.75	5.75	14.75	5.06	9.50	8.26
Median	8.19	13.32	5.10	13.32	4.09	8.79	7.71
3rd Quartile	7.17	11.56	4.50	11.56	3.05	8.02	7.09
95th Percentile	4.99	8.20	3.44	8.20	1.23	6.69	5.65
Population	204	188	197	188	178	171	160

Parenteses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Returns are net of fees and are expressed as percentages.

## Financial Reconciliation

QTR	Market Value As of 10/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	18,798,030	(6,925)	1,824,407	20,615,512
Large Cap Index	6,410,275	(165)	768,136	7,178,246
SMID Cap Alternative	1,649,507	(179)	249,338	1,898,666
Non US Developed- Active	3,229,225	(153,303)	294,828	3,370,750
Non US Emerging	1,064,711	149,725	96,454	1,310,889
Credit Plus Pool	6,444,312	(3,002)	415,652	6,856,962

YTD	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	17,715,175	(26,391)	2,926,729	20,615,512
Large Cap Index	6,071,418	(410,583)	1,517,411	7,178,246
SMID Cap Alternative	-	1,634,432	264,234	1,898,666
Non US Developed- Active	-	2,841,955	528,795	3,370,750
Non US Emerging	1,094,951	94,039	121,899	1,310,889
Credit Plus Pool	5,032,983	1,329,588	494,392	6,856,962

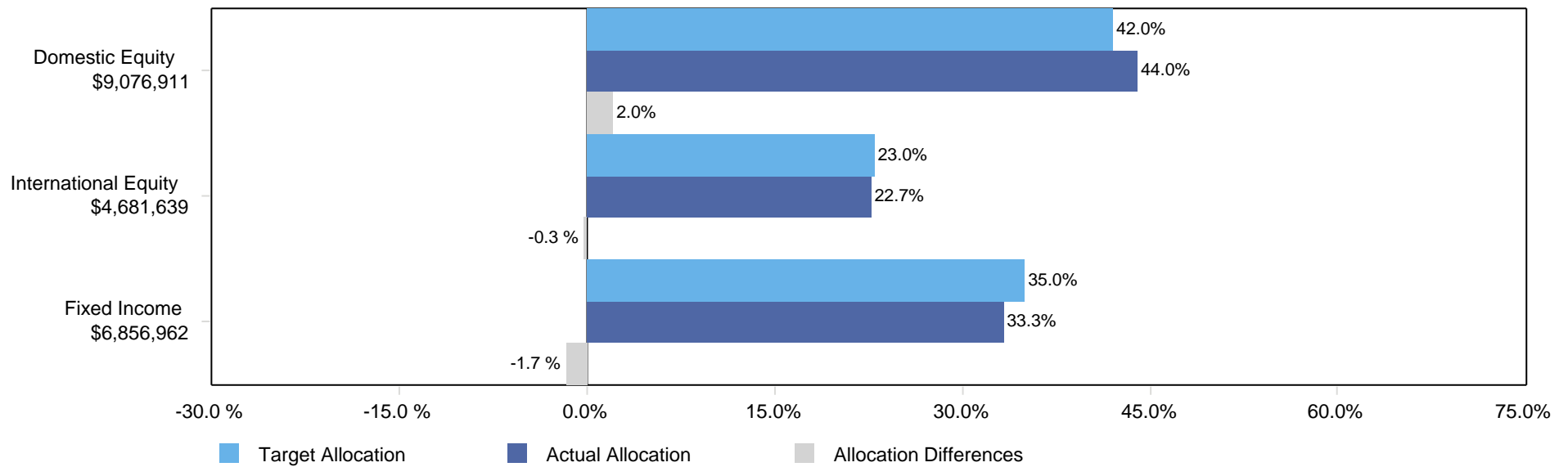
## Financial Reconciliation

July 1, 2023 To December 31, 2023				
	Market Value As of 07/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	19,357,958	(6,925)	1,264,479	20,615,512
Large Cap Index	6,618,140	(165)	560,271	7,178,246
SMID Cap Alternative	1,735,007	(179)	163,838	1,898,666
Non US Developed- Active	3,349,228	(153,303)	174,825	3,370,750
Non US Emerging	1,100,167	149,725	60,997	1,310,889
Credit Plus Pool	6,555,415	(3,002)	304,548	6,856,962

1 Year				
	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 12/31/2023
Total Fund	17,715,175	(26,391)	2,926,729	20,615,512
Large Cap Index	6,071,418	(410,583)	1,517,411	7,178,246
SMID Cap Alternative	-	1,634,432	264,234	1,898,666
Non US Developed- Active	-	2,841,955	528,795	3,370,750
Non US Emerging	1,094,951	94,039	121,899	1,310,889
Credit Plus Pool	5,032,983	1,329,588	494,392	6,856,962

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	44.0	42.0	27.0	57.0	2.0
International Equity	22.7	23.0	8.0	38.0	-0.3
Fixed Income	33.3	35.0	15.0	55.0	-1.7



## Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
<b>Jul-2014</b>	
Russell 1000 Growth Index	20.0
Russell 1000 Value Index	20.0
Russell 2500 Index	10.0
MSCI EAFE (net)	10.0
Blmbg. Intermed. U.S. Government/Credit	35.0
90 Day U.S. Treasury Bill	5.0
<b>Jul-2015</b>	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	19.0
Blmbg. U.S. Aggregate	45.0
<b>Dec-2021</b>	
Russell 3000 Index	42.0
MSCI AC World ex USA (Net)	23.0
Blmbg. U.S. Aggregate	35.0

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# NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

## Office of Executive Director

410 Old Taos Highway  
Santa Fe, New Mexico 87501  
1-800-548-3724 or 505-988-2736  
505-983-8670 (fax)

### BOARD OF DIRECTORS

- NM School Boards Association
- NM Superintendents Association
- Public Education Commission
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- NM National Education Association
- American Federation of Teachers N.M.
- Governor Appointees
- Educational Institutions at Large

**Patrick Sandoval**  
Executive Director

**Martha Quintana**  
Deputy Director

December 22, 2023

Nicole Gallegos  
New Mexico State Investment Council  
41 Plaza La Prensa  
Santa Fe, NM 87507  
[Nicole.Gallegos@sic.nm.gov](mailto:Nicole.Gallegos@sic.nm.gov)

RE: Withdrawal Request for:  
New Mexico Public Schools Insurance Authority – Benefits Fund

Dear Ms. Gallegos:

Effective 01/01/2024, the New Mexico Public Schools Insurance Authority, Benefits Fund requests a withdrawal of the following pools:

US Large Cap Index Pool	(\$682,500.00)
US SMID Cap Alternative Weighted Index Pool	(\$682,500.00)
Non-US Developed Active Pool	(\$455,000.00)
Non-US Emerging Index	(\$455,000.00)
Core Plus Bond Pool	(\$1,225,000.00)

Please wire the \$3,500,000 raised to the following bank account:

Bank Name: [REDACTED]  
Name on Account: New Mexico Public Schools Insurance Authority  
ABA: [REDACTED]  
Account Number: [REDACTED]

Thank you for your assistance in this matter. Should you need any additional information, please contact me at 505-988-2736.

Sincerely,

Patrick Sandoval  
Executive Director

CC:  
Thu Riggs [ThuX.Riggs@sic.nm.gov](mailto:ThuX.Riggs@sic.nm.gov)  
Anrea Cohen [Andrea.Cohen@sic.nm.gov](mailto:Andrea.Cohen@sic.nm.gov)  
Norma Parra [Norma.Parra@sic.nm.gov](mailto:Norma.Parra@sic.nm.gov)

# New Mexico Public Schools Insurance Authority

IPS Review and Asset Allocation Modeling

February 1, 2024 | [pfmam.com](http://pfmam.com)

*PFM Asset Management LLC*

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**



# Long Term Investment Policy Statement

*“The objectives of the Long-Term Fund should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk.”*

Asset Classes	Min	Target	Max	Index
U.S. Equities	27%	42%	57%	Russell 3000
International Equities	84%*	23%	38%	MSCI ACWI ex U.S.
Fixed Income	15%	35%	55%	Bloomberg Barclays U.S. Agg
Cash Equivalents	0%	0%	20%	90 Day T-Bills

\*Using a 15% range, the minimum allocation for International Equities should be 8%.

- ▶ Total Return Requirements– 6.5% net of fees, annualized over ten years.
- ▶ Rebalancing- when out of target or based on market conditions.
- ▶ Prohibited Securities –
  1. Purchases or sales of commodities and commodity futures contracts.
  2. Short sales.
  3. Purchases and sales of put or call options.
  4. Purchases on margin (borrowing against the securities in the account).

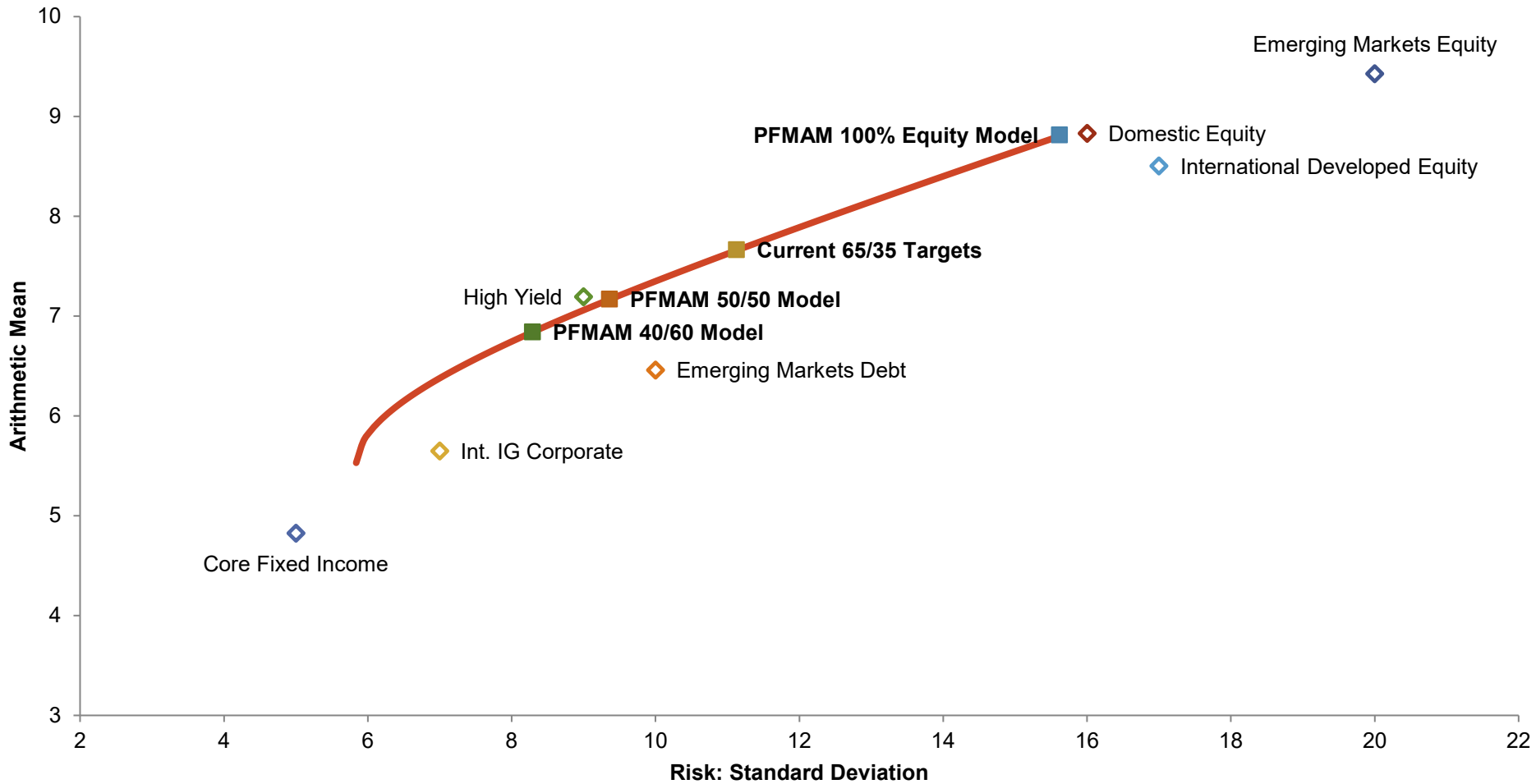
# Asset Allocation Modeling

# 2024 Capital Market Assumptions

	Intermediate: Next 5 Years		Long Term Projections	
	Expected Return	Expected Risk	Expected Return	Expected Risk
US Equity	7.0%	16%	7.5%	16%
U.S. Small-Cap	8.7%	19%	8.6%	19%
Int'l Developed Equity	8.2%	17%	7.1%	17%
EM Equity	8.6%	20%	7.4%	20%
Non-US Small-Cap	8.1%	20%	7.9%	20%
Short-Term Bonds	5.0%	3%	3.7%	3%
Core Bonds	6.2%	5%	4.7%	5%
Global Core	5.1%	5%	3.5%	5%
Int. IG Corp	6.4%	7%	5.4%	7%
Long IG Corp	7.2%	8%	6.2%	8%
EM Debt	7.5%	10%	6.0%	10%
High Yield	8.3%	9%	6.8%	9%
Bank Loans	7.5%	6%	5.3%	6%
Private Debt	8.1%	13%	7.1%	13%
REITs	8.4%	16%	7.0%	16%
Private Real Estate	6.0%	18%	7.2%	18%
Listed Infrastructure	6.5%	13%	6.8%	13%
Private Infrastructure	7.1%	20%	8.0%	20%
Commodities	5.0%	16%	4.0%	16%
Hedge Funds	7.9%	16%	7.6%	16%
Private Equity	9.0%	25%	9.7%	25%
Cash	3.8%	1%	2.7%	1%

*For the intermediate term (up to 5 years), our capital market assumptions derive from our assessment of current economic conditions, including corporate profits, balance sheets, etc., and current valuations for various asset classes. Our long-term assumptions are derived using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.*

# Efficient Frontier (Long-Term)



# Asset Allocation Summary

	PFMAM 100% Equity Model	Current 65/35 Targets	PFMAM 50/50 Model	PFMAM 40/60 Model
<b>Equity</b>	<b>100.0%</b>	<b>65.0%</b>	<b>50.0%</b>	<b>40.0%</b>
Domestic Equity	66.0%	42.0%	33.0%	26.0%
International Developed Equity	23.5%	16.0%	12.0%	10.0%
Emerging Markets Equity	10.5%	7.0%	5.0%	4.0%
<b>Fixed Income</b>	<b>0.0%</b>	<b>35.0%</b>	<b>50.0%</b>	<b>60.0%</b>
Core Fixed Income	0.0%	17.5%	25.0%	30.0%
Investment Grade Corporate	0.0%	8.8%	12.5%	15.0%
Emerging Markets Debt	0.0%	4.4%	6.3%	7.5%
High Yield	0.0%	4.4%	6.3%	7.5%
<b>Intermediate-Term Assump. (5 Years)</b>				
Expected Return	7.7%	7.4%	7.4%	7.2%
Standard Deviation	15.6%	11.1%	9.4%	8.3%
Return / Standard Deviation	0.49	0.67	0.79	0.87
Probability of 6.5% Return	56.6%	58.0%	58.1%	58.6%
Probability of 10.0% Return	37.0%	31.3%	27.3%	24.4%
<b>Long-Term Assump. (30 Years)</b>				
Expected Return	7.6%	7.0%	6.7%	6.5%
Standard Deviation	15.6%	11.1%	9.4%	8.3%
Return / Standard Deviation	0.49	0.63	0.72	0.79
Probability of 6.5% Return	64.1%	58.8%	55.0%	50.6%
Probability of 10.0% Return	20.8%	8.3%	3.4%	1.2%

# New Mexico SIC Client Investment Pools

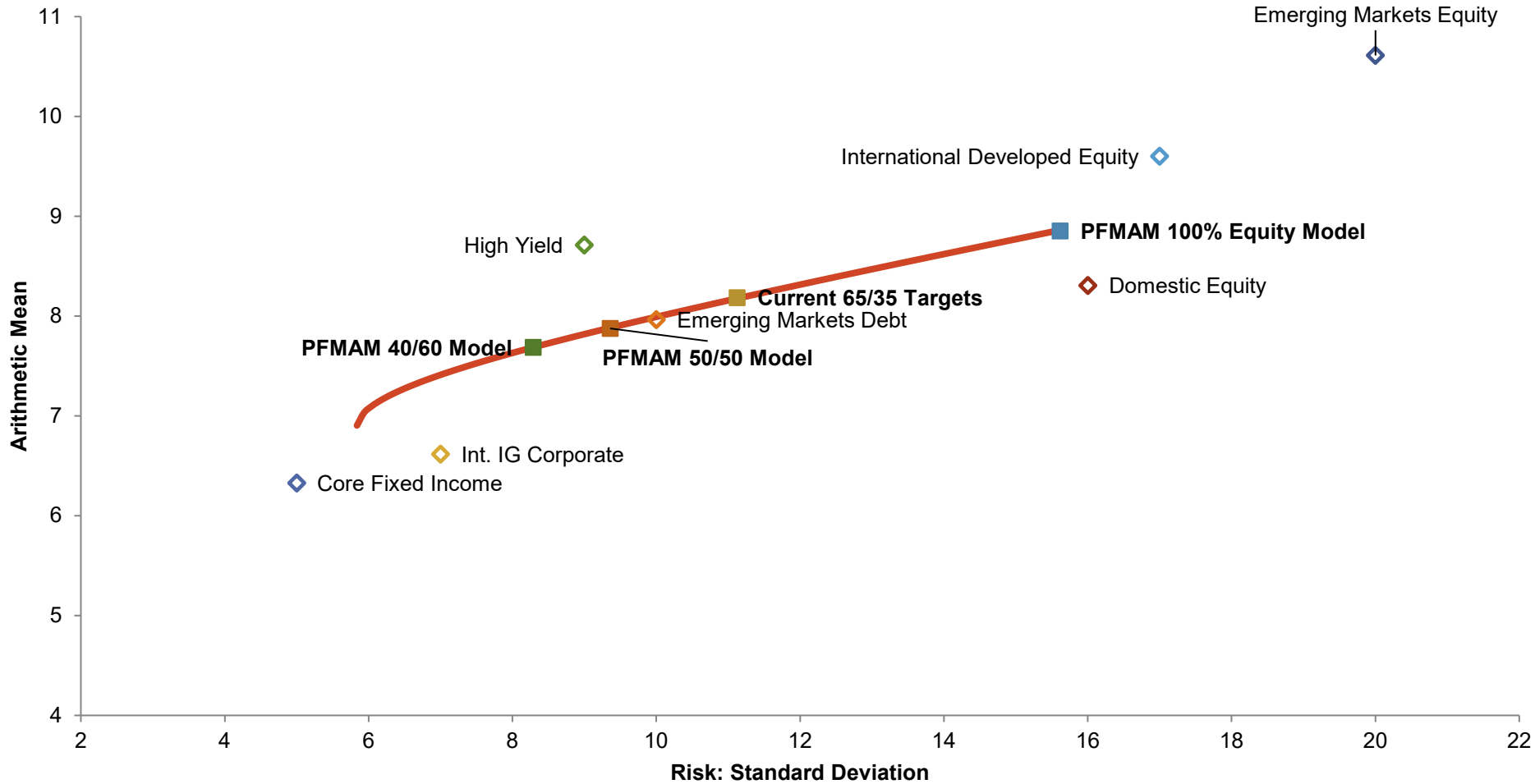
As of September 30, 2023

	Market Cap/Style	Management	Benchmark	Annual Investment Management Fee*
→	US Large Cap Active	Active	Russell 1000 Index	0.18%
→	US Large Cap Index	Passive	Russell 1000 Index	0.01%
→	US Small/Mid Cap Active	Active	US Small/Mid Cap Equity Custom Index	0.41%
→	US Small/Mid Cap Alt Wtd Index	Passive	S&P Sm Cap 600 Index (Cap Wtd)	0.04%
→	Non-US Developed Markets Active	Active	Non-US Dvl'd Mkts Custom Index	0.41%
	Non-US Developed Markets Index	Passive	Non-US Dvl'd Mkts Passive Custom Index	0.05%
	Non-US Emerging Markets Active	Active	MSCI Emg Mkts Index (Net)	0.54%
→	Non-US Emerging Markets Index	Passive	MSCI Emg Mkts Index (Net)	0.12%
	US Core Bonds	Blend	Bloomberg US Agg Bond Index	0.07%
→	Credit Plus	Active	Bloomberg US Unv Bond Index	0.15%
	Private Debt Market	Active	Private Market Fixed Income Custom Index	0.63%
	Real Estate	Active	NCREIF ODCE Index (Net)	1.07%
	Real Return	Active	Real Return Custom Index	1.05%
	Private Equity	Active	Cambridge US Private Equity Index	0.80%

Asset weighted expense ratio using September SIC report and November balances come to roughly 0.13%. Moving from Active Non-U.S. Developed Markets to Index drops weighted expense ratio to 0.11%.

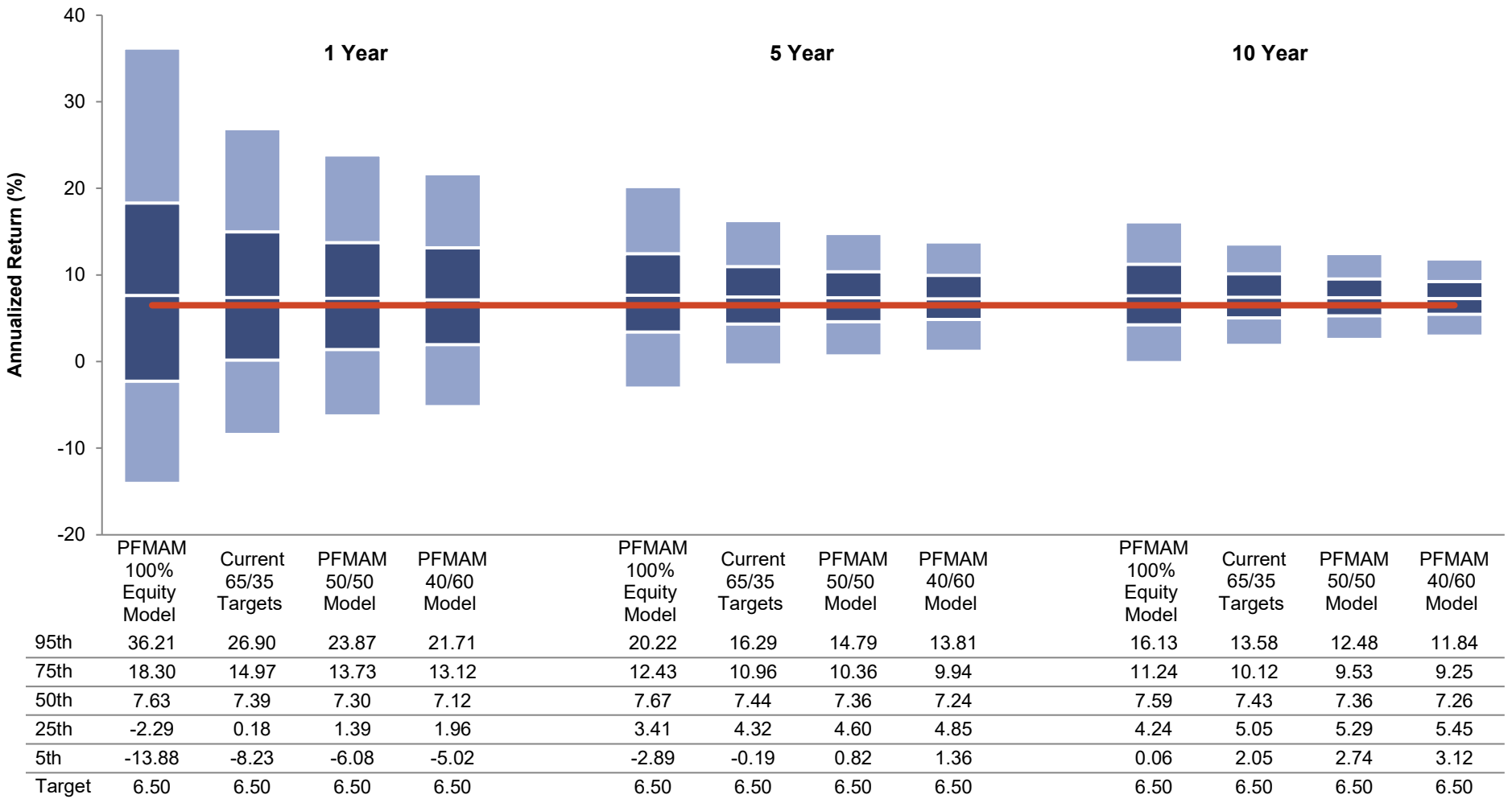
# Capital Market Assumptions

# Efficient Frontier (Intermediate-Term)

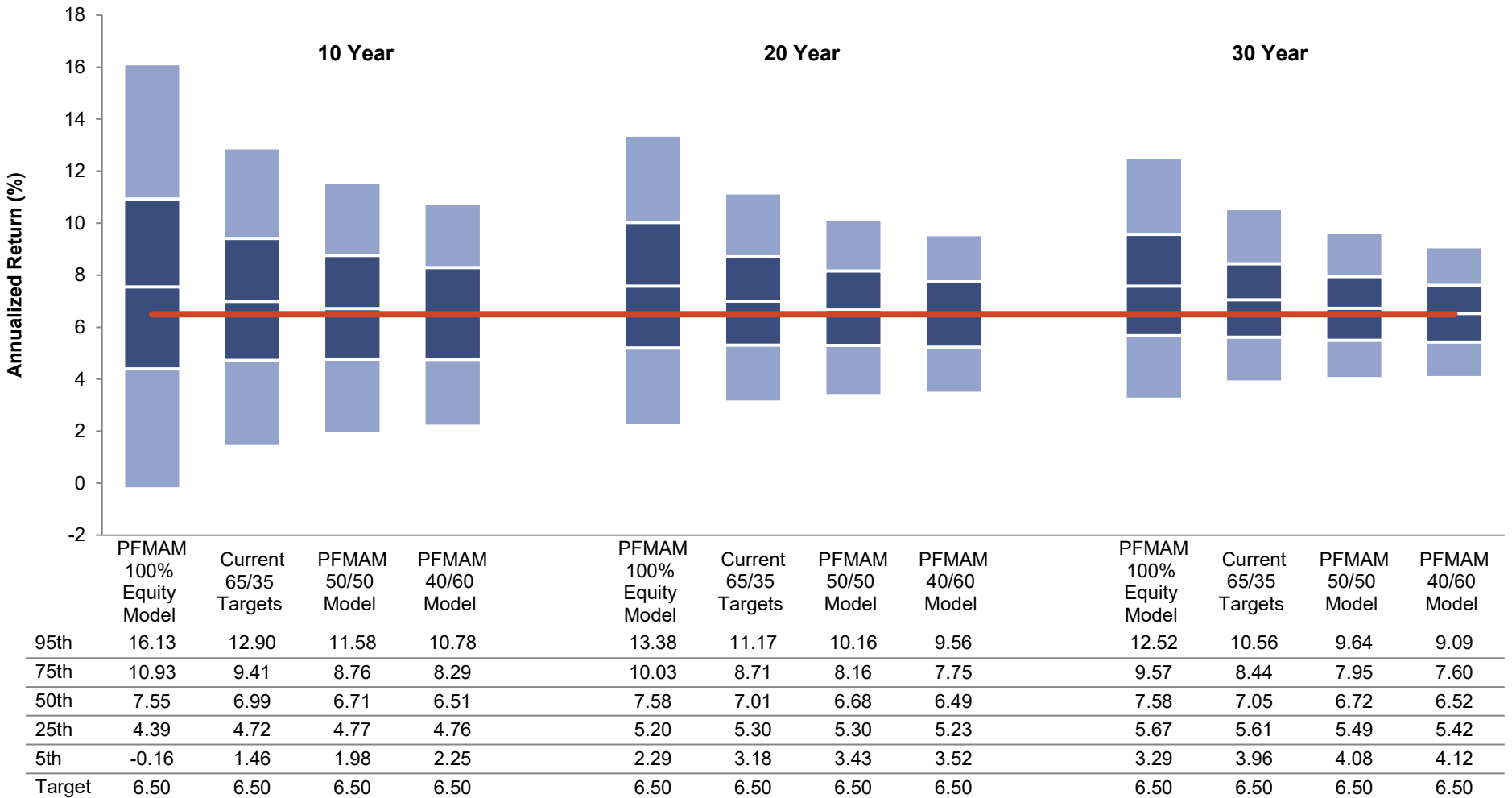




# Return Projections (Intermediate-Term)



# Return Projections (Long-Term)



# What are Capital Market Assumptions?

- ▶ Expected future return, associated risk, and correlation for various asset classes over a specified period
  - ▶ Return: Expected average annual growth rate of the asset class for the period
    - 5% annualized over the next 30 years
  - ▶ Risk (Standard Deviation): Expected range of annual returns based on a normal distribution
    - 5% expected return with a 10% standard deviation has a 68% certainty of a return between -5% and 15% in any one year

# What is the Role of Correlation?

- ▶ An estimate of how asset classes will behave relative to one another
- ▶ The measure is standardized and ranges between -1 (perfectly negatively correlated) to +1 (perfectly correlated)
- ▶ Considering how asset classes are correlated as part of the portfolio construction process is important to ensure diversification—a fundamental principle of modern portfolio theory

# 2024 Capital Market Assumptions, Cont.

	U.S. Equity	U.S. Small- Cap	Int'l Developed Equity	EM Equity	Non-US Small-Cap	Short Bonds	Core Bonds	Global Core	Intermediate IG Corp	Long IG Corp	EM Debt	High Yield	Bank Loans	Private Debt	REITs	PE RE	Listed Infrastructure	Private Infrastructure	Commodities	Hedge Funds	Private Equity	Cash	
U.S. Equity	1.0																						
U.S. Small- Cap	0.9	1.0																					
Int'l Developed Equity	0.8	0.8	1.0																				
EM Equity	0.7	0.7	0.8	1.0																			
Non-US Small-Cap	0.8	0.8	0.9	0.8	1.0																		
Short Bonds	0.2	0.2	0.1	0.1	0.1	1.0																	
Core Bonds	0.1	0.1	0.2	0.2	0.2	0.5	1.0																
Global Core	0.2	0.2	0.3	0.3	0.3	0.4	0.7	1.0															
Intermediate IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	1.0														
Long IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	0.9	1.0													
EM Debt	0.5	0.5	0.6	0.6	0.6	0.3	0.6	0.7	0.7	0.7	1.0												
High Yield	0.7	0.7	0.5	0.5	0.5	0.3	0.4	0.4	0.7	0.4	0.8	1.0											
Bank Loans	0.4	0.4	0.3	0.3	0.3	0.4	0.1	0.3	0.5	0.3	0.7	0.7	1.0										
Private Debt	0.6	0.6	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.8	0.7	1.0									
REITs	0.6	0.7	0.7	0.6	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.4	0.4	1.0								
PE RE	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.4	0.2	0.4	0.8	1.0							
Listed Infrastructure	0.7	0.7	0.7	0.6	0.6	0.2	0.3	0.6	0.6	0.5	0.6	0.6	0.5	0.4	0.7	0.6	1.0						
Private Infrastructure	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.3	0.4	0.5	0.7	1.0					
Commodities	0.4	0.5	0.6	0.6	0.6	0.4	0.2	0.2	0.2	0.2	0.4	0.5	0.2	0.2	0.3	0.1	0.5	0.1	1.0				
Hedge Funds	0.6	0.6	0.5	0.5	0.5	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.2	1.0			
Private Equity	0.7	0.7	0.6	0.6	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.2	0.5	0.4	0.4	0.4	0.4	0.1	0.5	1.0		
Cash	0.1	0.1	0.1	0.1	0.1	0.5	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0



# Disclosures

The returns presented in this simulation are not actual returns experienced by a real investor, but rather simulated returns that we believe could have been achieved under controlled circumstances using a number of assumptions. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered.

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# **New Mexico Public Schools Insurance Authority**

## **Long-Term Funds Investment Policy Statement**

**February 23, 2000**

**Revised June 4, 2015**

**Revised December 2, 2021**

**Revised February 8, 2024**

### **AGENCY OVERVIEW AND HISTORY**

New Mexico Public Schools Insurance Authority (NMPSIA) was created in 1986 to provide comprehensive insurance programs for public schools and other educational institutions. The Authority's enabling legislation is in section 22-29-1 through 22-29-12 NMSA 1978. An eleven- (11) member Board of Directors administers the Authority. NMPSIA is a public entity pool that provides coverage for eighty-eight (88) school districts, charter schools, and several other educational institutions. The NMPSIA pool provides its members group medical, dental, vision, life and disability insurance. The pool also provides property and liability, worker's compensation, equipment breakdown, bus errors & omissions, and student catastrophic insurance coverage for its members. NMPSIA assumes responsibility for determining premium levels, defining benefits, selecting service carriers, third party administrators, and consultants and establishing procedures for members to follow.

### **FUNCTIONS AND GOALS**

The goals and objectives of NMPSIA are to provide pool insurance from its carriers to its members at a reasonable premium cost and at substantial savings to taxpayers of the State of New Mexico. The insurance coverages to be provided are in medical group health and general liability risk. NMPSIA provides controls to ensure adequate quality of performance for payment of claims by its carriers and third-party administrators.

### **PURPOSE**

The purpose of this investment policy statement ("Policy Statement") is to document and communicate a clear understanding of the NMPSIA investment objectives, investment guidelines and performance expectations as adopted and approved by the Board of Directors and implemented by the Internal Fiscal Review Committee for the long-term reserves fund ("Long-Term Fund"). The purpose of this Policy Statement is to:

1. Establish an overall philosophy for managing the Long-Term Fund specific enough to identify performance expectations, but sufficiently flexible to allow for changing economic conditions and security markets.
2. Provide risk policies to guide the investments toward long term-rate of return objectives, which will serve as standards for evaluating investment performance.
3. Establish the investment restrictions to be placed upon the investment allocations.
4. Outline procedures for policy and performance review.
5. Comply with fiduciary, prudence, due diligence and legal requirements.

### **INVESTMENT AUTHORITY**

NMPSIA, through its Board of Directors and Internal Fiscal Review Committee, has the ultimate responsibility for creating and implementing the investment policies as stated herein. The Board of Directors delegates authority to the Internal Fiscal Review Committee for the implementation and administration of these policies. NMPSIA acknowledges that the ultimate responsibility for total and relative investment results rests with the Board of Directors and the Internal Fiscal Review Committee.



In implementing this policy statement, NMPSIA believes it may delegate certain functions to:

1. The State Investment Council (SIC), as investment advisor
2. A consultant, to assist with periodic review of:
  - a) the investment policy statement
  - b) the performance of the investment portfolio
  - c) the asset allocation guidelines including recommendations to rebalance the portfolio as referenced in the "Periodic Re-balancing" section.

## **INVESTMENT GUIDELINES**

Investments will be made for the sole interest and exclusive purpose of achieving the targeted returns, within the Investment Policy constraints described herein. The Long-Term Fund must be invested with the care, skill and diligence that a prudent person acting in this capacity would undertake.

The investments as a result of these policies will be implemented to achieve a return, after fees, equal to or greater than the return of the target asset mix, without additional risk as measured by the variability of returns.

## **OBJECTIVES OF THE LONG-TERM FUND**

The objectives of the Long-Term Fund should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the priority of the investments is long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the following objectives are expected over a full market cycle, defined as a minimum of 36 to 60 months.

1. The goals of NMPSIA are:
  - a) Moderate growth;
  - b) Stability within the risk parameters defined below.
2. The relative return targets of NMPSIA are:
  - a) Exceed the performance of the Consumer Price Index (CPI) +3%, on average, over a ten-year annualized period *or*
  - b) Exceed the performance of a representative target policy benchmark (listed below), net of fees, on average, over a ten-year annualized period:
    - 33% Russell 3000 Index
    - 17% MSCI All Country World index (ACWI) ex U.S. Index
    - 50% Bloomberg Barclays U.S. Aggregate Index
3. The total return target of NMPSIA is 6.50% per year, on average, net of fees, over a ten-year annualized period.

NMPSIA understands that the relative and total return targets are not guaranteed, and that prior performance is no guarantee of future results.

## **TARGET ASSET ALLOCATION TABLE**

The Internal Fiscal Review Committee believes that to achieve the greatest likelihood of meeting the investment objectives of the Long-Term Fund and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Long-Term Fund's target rate of return over the long-term, as described above.

<b>Asset Class</b>	<b>Minimum Allocation</b>	<b>Target Allocation</b>	<b>Maximum Allocation</b>	<b>Index</b>
U.S. Equities	18%	33%	48%	Russell 3000
Int'l Equities	2%	17%	32%	MSCI ACWI ex U.S.
Fixed Income	35%	50%	65%	Bloomberg Barclays U. S. Aggregate
Cash Equivalents	0%	0%	15%	90 Day T-Bills

## **PERIODIC RE-BALANCING**

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Internal Fiscal Review Committee will rebalance the assets within the specified ranges. The Internal Fiscal Review Committee may also rebalance based on market conditions.

## **GUIDELINES FOR PORTFOLIO HOLDINGS**

The direct investments of the Advisor, i.e., SIC, shall make every effort, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement. However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

## **EQUITY PORTFOLIO**

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

*Domestic Equities:* Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

*International Equities:* The overall non-U.S. equity allocation should include a diverse global mix that is composed of the equity of companies from multiple countries, regions and sectors.

## **FIXED INCOME PORTFOLIO**

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

## **CASH EQUIVALENTS**

Cash equivalents (all fixed income securities maturing in one year or less) may be invested in U.S. Treasury Bills, Certificates of Deposit, Money Market Funds, Diversified Guaranteed Insurance Contracts (GIC's) or other short-term money market instruments.

## **REPORTING REQUIREMENTS**

NMPSIA and the Internal Fiscal Review Committee shall review annually and report to the Board of Directors the appropriateness of this Policy Statement for achieving the Long-Term Fund's stated objectives. It is not expected that this Policy Statement will change frequently. Short-term changes in the financial markets should not require an adjustment in this Policy Statement.

The Internal Fiscal Review Committee shall compare the investment results on a quarterly basis to appropriate peer universe, as well as market indices in both equity and fixed income markets and the target policy benchmark as defined in the "Objectives of the Long-Term Fund" section. The Advisor, i.e., SIC, shall be required to provide quarterly reports and is responsible for keeping the Internal Fiscal Review Committee advised of any material change in investment strategy, managers, and other pertinent information potentially affecting performance of the Long-Term Fund.

The Internal Fiscal Review Committee shall report at least annually the investment performance of the Long-Term Fund to the Board of Directors.

## **PROHIBITED INVESTMENTS**

The following transactions are prohibited:

1. Purchases or sales of commodities and commodity futures contracts.
2. Short sales.
3. Purchases and sales of put or call options.
4. Purchases on margin (borrowing against the securities in the account).

## **Adoption of Investment Policy Statement**

A quorum of the Board of Directors has adopted this Investment Policy Statement and delegates the authority for implementing and utilizing this per the attached resolution.

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board of Directors. Once adopted, changes and exceptions will be delivered to each Manager or Advisor, as appropriate.

**Approved by the NMPSIA Board of Directors:**

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Date

Draft

CATEGORY TOTALS

DESCRIPTION	CATEGORY	A	B	C	D	E	F	G	H	I	J	K	L
		FY 23	FY24	FY24	FY24	FY24	FY24	FY24	FY24	FY24	FY24	FY24	FY24
		PRIOR YR ACTUAL EXPENSES	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	EXPENDED YEAR TO DATE <sup>1</sup>	ENCUMBRANCES <sup>1</sup>	PRE-ENCUMBERED	TOTAL EXPENDED/OBLIGATED	BALANCE	PROJECTED EXPENDITURES TO YEAR END <sup>2</sup>	PROPOSED BUDGET ADJUSTMENTS	PROJECTED BALANCE
Personal Services & Employee Benefits	200	0	1,367,800	0	1,367,800	725,465	273	0	725,737	642,063	714,658	0	(72,595)
Contractual Services	300	0	90,400	0	90,400	49,845	38,941	0	88,786	1,614	(80)	0	1,695
Other Operating Costs	400	0	185,300	0	185,300	97,799	49,109	0	146,908	38,392	39,919	0	(1,527)
Other Financing Uses	500	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>0</b>	<b>1,643,500</b>	<b>0</b>	<b>1,643,500</b>	<b>873,109</b>	<b>88,322</b>	<b>0</b>	<b>961,431</b>	<b>682,069</b>	<b>754,497</b>	<b>0</b>	<b>(72,428)</b>

82,175

<sup>1</sup> These amounts must tie to the SHARE report - Single-Year Budget Status Report By Pcode. Please attach SHARE report.

<sup>2</sup> Agencies must provide a detailed justification by object code of assumptions used for projecting planned expenditures through year end. This should include detailed salary projections (see tab Salary) that State Budget Division can use to verify the agency methodology used in the projection calculations.

NOTES:

**New Mexico Public Schools Insurance Authority**  
**Risk Fund**  
**Statement of Revenue & Expenditures/Projections**  
**July 1, 2023 - June 30, 2024**

	Current Month Actual December 2024	YTD Actual	Projected	FY24 Grand Total	Budget Authority	
					FY24 Approved Budget	FY24 Projected Budget Rev/Exp
<b>Revenue</b>						
Premiums (P/L, W/C)	8,354,878	50,129,303	50,130,378	100,259,681	100,260,756	100,259,681
Interest Income (Wells Fargo Bank, LGIP)	405,874	2,130,108	49,992	2,180,100	100,000	2,180,100
Long-term Investment Income (Gains/Losses)	996,214	1,264,479	-	1,264,479	-	1,264,479
General Fund	-	-	-	-	-	-
Misc Income (Subrogations/Recoveries)	-	1,089	-	1,089	-	1,089
Fund Balance	-	-	-	-	503,844	-
<b>Total Revenue</b>	<b>9,756,966</b>	<b>53,524,979</b>	<b>50,180,370</b>	<b>103,705,349</b>	<b>100,864,600</b>	<b>103,705,349</b>
<b>Expenditures</b>						
Claims (P/L, W/C, WC Mgmt Fees)	3,060,465	7,049,696	28,069,548	35,119,244	36,245,410	35,119,244
Claims Loss Reserve	(2,751,655)	17,470,189	-	17,470,189	-	17,470,189
Premiums (Excess Coverage-P/L, W/C)	5,797,982	34,788,750	34,787,898	69,576,648	55,820,290	69,576,648
Claims Processing Fees	192,934	1,161,904	1,076,394	2,238,298	2,417,304	2,238,298
Other Contractual/ Misc. (Audit, Appraisal, Atty.,etc.)	277,684	2,734,438	2,590,398	5,324,836	5,560,296	5,324,836
Transfer to State General Fund	-	-	-	-	-	-
<b>Total Expenses</b>	<b>6,577,410</b>	<b>63,204,976</b>	<b>66,524,238</b>	<b>129,729,214</b>	<b>100,043,300</b>	<b>129,729,214</b>
Admin Transfer to Program Support	68,478	410,432	410,652	821,084	821,300	821,084
Expenditures Plus Admin Transfer	6,645,888	63,615,408	66,934,890	130,550,298	100,864,600	130,550,298
<b>Net Gain/Loss</b>	<b>3,111,078</b>	<b>(10,090,430)</b>	<b>(16,754,520)</b>	<b>(26,844,950)</b>	<b>-</b>	<b>(29,685,698)</b>

**Employee Benefits Fund**  
**Statement of Revenue & Expenditures/Projections**  
**July 1, 2023 - June 30, 2024**

	December 2023 Actuals	YTD Actual	Projected	FY24 Grand Total	FY24 Projected Budget Rev/Exp Variance
<b>Revenue</b>					
Premiums (Medical/Dental etc.;	31,433,853	180,569,969	187,642,482	368,212,451	371,706,600
Interest Income (Wells Fargo Bank, LGIP)	30,523	245,370	49,998	295,368	100,000
Long-term Investment Income (Gains/Losses)	1,112,295	1,242,937	-	1,242,937	-
Misc Income (Perf Guarantees, Penalties, etc.)	1,429,785	2,240,022	-	2,240,022	-
Fund Balance	-	-	-	-	-
<b>Total Revenue</b>	<b>34,006,456</b>	<b>184,298,297</b>	<b>187,692,480</b>	<b>371,990,777</b>	<b>371,806,600</b>
<b>Expenditures</b>					
Claims (Medical/Dental)	26,566,401	151,582,783	150,017,046	301,599,829	300,026,580
Claims (Prescription Rx)	3,222,714	25,750,520	27,117,780	52,868,300	39,117,620
Premiums (Life, Vision,)	1,116,051	6,665,339	6,560,088	13,225,427	11,576,000
Premium (Stop Loss)	194,069	1,147,627	1,264,446	2,412,073	2,300,600
Claims Admin Fees (Medical/Dental/Rx)	1,217,357	7,244,203	7,845,798	15,090,001	15,098,500
Other Contractual (ACA, ERISA, Segal, Mgt Fees)	220,872	1,386,392	1,335,756	2,722,148	2,865,100
<b>Total Expenses</b>	<b>32,537,464</b>	<b>193,776,864</b>	<b>194,140,914</b>	<b>387,917,778</b>	<b>370,984,400</b>
Admin Transfer to Program Support	68,479	411,326	410,874	822,200	822,200
Expenditures Plus Admin Transfer	<b>32,605,943</b>	<b>194,188,190</b>	<b>194,551,788</b>	<b>388,739,978</b>	<b>371,806,600</b>
<b>Net Gain/Loss</b>	<b>1,400,513</b>	<b>(9,889,892)</b>	<b>(6,859,308)</b>	<b>(16,749,200)</b>	<b>(16,933,378)</b>



# New Mexico Public Schools Insurance Authority

Communication with those Charged with Governance

Board of Directors

June 30, 2023



[www.tkm.cpa](http://www.tkm.cpa)



(505) 822 5100



(505) 822 5106



6747 Academy Road NE, STE A, Albuquerque, NM 87109





## Your KMA Audit Team

- Daniel Trujillo, CPA, CFE, CGMA, CMA – Audit Partner
- Don Wittman, CPA – Technical Manager
- Joe Ortiz, CPA – Audit Manager
- Shu Li, CPA – Audit Senior

# Auditors' Responsibility

- Form and express an opinion on the financial statements
  - Reasonable Assurance
- Communicate significant matters related to the audit
- Communicate particular matters required by law & regulation
- Consideration of Materiality
- Maintaining Auditors' Independence
- Management assumes responsibility

# Management's Responsibility

- Design, implement, establish, and maintain effective internal controls over financial statements and compliance with grants, contracts, laws, and regulations.
- Preparation of U.S. GAAP Financial Statements
- Compliance with applicable laws and regulation and the provisions of contracts and grant agreements

## Corrected Misstatements

- No misstatements were noted as a result of our audit procedures.

## Uncorrected Misstatements

- Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

## Disagreements with Management

- No disagreements arose during the audit as it relates to a financial accounting, reporting, or auditing matters.

## Significant Issues Discussed w/ Management Prior to Retention

- None

## Difficulties Encountered in Performing Audit

- None

## Consultation with Other Accountants

- None

## Significant Accounting Estimates

- Reserve for Losses and Loss Adjustment Expense
- Fair Value Inputs used to measure the fair value of investments
- Estimated useful lives of capital assets

## Financial Statement Disclosures

- The financial statement disclosures are neutral, consistent, and clear
- Significant disclosures include:
  - Note 4 – Fair Value Measurements
    - SIC Investments
  - Note 8 – Reserve for Losses and Loss Adjustment Expenses
- NMPSIA also presents *Ten Year Claims Development Information* as RSI, in addition to the *MD&A*.

## Accounting Policies

- NMPISA adopted and implemented GASB Statement No. 96, Subscription Based Information Technology Arrangement, during fiscal year 2023.

## Opinions

- Financial Statements – Unmodified Opinion

## Findings

- 2023
  - None
- 2022
  - None



## Audit Completion

- Report Date: October 31, 2023
- Received OK to Print: December 8, 2023
- Received Release Letter: January 5, 2024

THANK YOU, NMPSIA!



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC  
SCHOOLS INSURANCE AUTHORITY**

**FINANCIAL REPORT AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2023  
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**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
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**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
OFFICIAL ROSTER (UNAUDITED)  
AS OF JUNE 30, 2023**

**BOARD OF DIRECTORS**

Alfred Park, President .....Governor Appointee  
Chris Parrino, Vice-President ..... NM Association of School Business Officials  
Trish Ruiz, Secretary.....NM School Boards Association  
Denise Balderas.....Governor Appointee  
Tim Crone ..... American Federation of Teachers, NM  
Vicki Chavez ..... NM Superintendents Association  
Pauline Jaramillo.....NM School Boards Association  
Bethany Jarrell..... National Education Association NM  
K.T. Manis..... Public Education Commission  
David Martinez, Jr. .... National Education Association NM  
Sammy J. Quintana .....Governor Appointee

**OFFICIALS OF THE NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY**

Patrick Sandoval .....Executive Director  
Martha Quintana .....Deputy Director  
Phillip Gonzales ..... Chief Financial Officer

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Joseph M. Maestas, P.E.  
New Mexico State Auditor  
and  
The Board of Directors  
New Mexico Public Schools Insurance Authority  
Santa Fe, New Mexico

### Opinions

We have audited the accompanying financial statements of the business-type activities of the New Mexico Public Schools Insurance Authority (NMPSIA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the NMPSIA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the NMPSIA as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NMPSIA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in the notes, the financial statements of the NMPSIA are intended to present the net position, and the changes in net position and cash flows of only that portion of the business-type activities of the State of New Mexico that is attributable to the transactions of the NMPSIA. They do not purport to, and do not, present fairly the net position of the State of New Mexico as of June 30, 2023, and the changes in its net position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified for this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NMPSIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NMPSIA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NMPSIA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Ten-Year Claims Development Information on pages 4 through 8 and 39 through 40, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NMSPiA's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the NMPSIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NMPSIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NMPSIA's internal control over financial reporting and compliance.

*Kubiak Melton & Associates, LLC*

Kubiak Melton & Associates, LLC  
Auditors – Business Consultants - CPAs

Albuquerque, New Mexico  
October 31, 2023

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

This section represents a discussion and analysis of the financial performance of the New Mexico Public Schools Insurance Authority (NMPSIA) for the year ended June 30, 2023, compared to the year ended June 30, 2022. Please read it in conjunction with the basic financial statements, which follow this section.

**Overview of the Basic Financial Statements**

NMPSIA's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities that act as a business-type operation such as an insurance pool.

*Statement of Net Position* -This statement presents information reflecting NMPSIA's assets, liabilities and net position. Net position represents the amount of total assets less total liabilities. The balance sheet is categorized as to current and non-current assets and liabilities. For purposes of the basic financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within twelve months of the statement date. NMPSIA's long-term investment portfolio strategy is to hold investments which exceed one year in maturity or equity holdings with long-term gains in mind. The value of NMPSIA's long-term investment portfolio at June 30, 2023, was \$44,315,427.

*Statement of Revenues, Expenses, and Changes in Net Position* - This statement reflects NMPSIA's operating revenues and expenses, as well as non-operating revenues during the operating year. The major source of operating revenues is premium income, with major sources of operating expenses being claims expense both for medical and risk claims, premiums paid for vision, life, disability, property/liability and workers' compensation excess coverage. The change in net position for an enterprise fund is similar to net profit or loss for an insurance company. See page 12 of the financial statements.

*Statement of Cash Flows* -The statement of cash flows is presented on the direct method of reporting which reflects cash flows from operating, capital and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year. See page 13 of the financial statements.

*Statement of Revenues and Expenditures Budget and Actual (Budget Basis)* reflects NMPSIA's budgetary basis of accounting and NMPSIA was in compliance with its budget. See pages 42-44 of the financial statements.

*Notes to the Financial Statements* - The notes provide additional information that is essential to a full understanding of the data in the financial statements. The notes to the financial statements can be found on pages 15 through 37 of this report. As disclosed in footnote 14 on page 34, the State of New Mexico implemented GASB 68, *Accounting and Financial Reporting for Pensions*, only in the statewide Annual Financial Report and did not impact NMPSIA's financial statements.

*Other Information* - In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information including the Schedule of Cash and Cash Equivalents and financial information on the three functional activities of NMPSIA.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

NMPSIA's total net position for the year ended June 30, 2023, decreased by \$128,573. The Employee Benefits Fund (35000) began fiscal year 2023 with a net position of \$15,025,309 and increased \$2,556,357 to a fiscal year 2023 net position of \$17,581,666. The Risk Fund (351) began fiscal year 2023 with a net position of \$14,040,244 and decreased by \$2,685,096 in fiscal year 2023 to \$11,355,148.

The long-term investment portfolio increased by \$4,353,465 during fiscal year 2023. NMPSIA's long-term investments portfolio was managed by the State of New Mexico Investment Council (SIC) and are invested in their Core Bond, Large Cap Index, Non-US Developed Markets, Non-US Emerging Markets and Mid/Small Cap funds. NMPSIA contracted with the same investment consultant firm as in 2022 to review its long-term investment policy and to make recommendations investment allocations for funds managed by the SIC.

NMPSIA's short term funds are invested in the New Mexico Local Government Investment Pool (LGIP). NMPSIA also has two Money Market accounts with the fiscal agent bank, one for the Employee Benefits Fund and one for the Risk Fund, in an attempt to provide more flexibility for daily cash requirements. These accounts were also expected to provide an alternative to the LGIP accounts with rates of return comparable to those provided by the LGIP. However, the LGIP yield rates were more favorable in 2023. The flexibility to meet daily cash requirements continues to be the most important advantage of these Money Market accounts. Short-term interest income was higher than originally anticipated due to the Agency's conservative projections.

Total liabilities increased by \$1,570,774 in the current year. The Risk Fund continued to use the discounted (present value) basis to account for the Risk Program's reserve for losses and loss adjustment expenses. This methodology reflects the interest income earning power, which in 2023 computed at the rate of 2.0%, of the fund's cash reserves. NMPSIA contracted with the same actuary firm as in 2022.

NMPSIA had one capital asset addition in 2023, which cost was \$6,824. There was \$6,186 of capital asset depreciation in 2023.

NMPSIA had notes payable of \$3,931 related to finance purchase of a copier in 2023.

NMPSIA's budget is on a modified accrual basis of accounting. Depreciation expense and claims loss reserve expense is a GAAP expense but not for budgetary purposes. An original budget of \$443,615,900 was appropriated. The final approved budget was \$461,615,900. There were two budget adjustment requests for the year ended June 30, 2023. For fund 34900, there was an increase to category 200 of \$8,000, and a decrease to category 300 of \$8,000. For fund 35100, there was an increase of \$18,000,000.

Opportunities to decrease provider reimbursement rates have been limited for self-insured pools due to the providers' losses associated with lower Medicaid and Medicare reimbursements. In addition, claims costs tend to be higher in rural communities and out-of-state. Approximately 85% of NMPSIA's members enrolled in medical coverage reside in rural communities. NMPSIA maintained its stop-loss insurance in 2023 for claims over \$1 million with a \$500,000 aggregating specific deductible.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The frequency of general liability and workers compensation claims is decreasing, while the severity is increasing. A lack of capital improvements and maintenance (i.e., roof leaks, etc.) continues. Catastrophic property losses are difficult to project since they generally result from hailstorms, floods, windstorms, etc. The exposure presented by these types of losses is directly tied to the weather. There continues to be an ongoing concern for sexual molestation claims, civil rights claims, and employment related claims (which include Whistleblower Protection Act allegations). The expenses associated with defending all of these types of claims continue to increase year over year, representing significant cost exposure to NMPSIA.

NMPSIA continues its bill review process through its third-party claims processing contractor, which has led to an overall decrease of the total claims billed amount and to an aggressive return to work policy. NMPSIA also utilizes nurse case management to facilitate care and bring advanced resolution to some of the more serious or longer-term claims. These factors, along with loss prevention services provided by the third-party contractor, have positively impacted the workers' compensation program despite an increase in the number of covered entities and an aging workforce.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The following tables summarize the financial position of NMPSIA's operations as of and for the years ended June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Cash and Investments	\$ 70,694,549	\$ 79,907,745	\$ (9,213,196)
Other Current Assets	<u>35,581,220</u>	<u>29,279,926</u>	<u>6,301,294</u>
Total Current Assets	<u>106,275,769</u>	<u>109,187,671</u>	<u>(2,911,902)</u>
Investments, Noncurrent	44,315,427	39,961,962	4,353,465
Capital Assets, Net	<u>250,484</u>	<u>249,846</u>	<u>638</u>
Total Noncurrent Assets	<u>44,565,911</u>	<u>40,211,808</u>	<u>4,354,103</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 150,841,680</u></u>	<u><u>\$ 149,399,479</u></u>	<u><u>\$ 1,442,201</u></u>
<b>LIABILITIES</b>			
Reserves for Losses and Loss Adjustment Expense	\$ 23,405,795	\$ 22,533,576	\$ 872,219
Other Current Liabilities	<u>10,304,539</u>	<u>14,821,258</u>	<u>(4,516,719)</u>
Total Current Liabilities	<u>33,710,334</u>	<u>37,354,834</u>	<u>(3,644,500)</u>
Noncurrent Liabilities Reserve for Losses	<u>87,494,801</u>	<u>82,279,527</u>	<u>5,215,274</u>
Total Noncurrent Liabilities	<u>87,494,801</u>	<u>82,279,527</u>	<u>5,215,274</u>
<b>TOTAL LIABILITIES</b>	<u>121,205,135</u>	<u>119,634,361</u>	<u>1,570,774</u>
<b>NET POSITION</b>			
Investment in Capital Assets	246,553	249,846	(3,293)
Restricted for Future Benefits	28,936,814	29,065,553	(128,739)
Unrestricted	<u>453,178</u>	<u>449,719</u>	<u>3,459</u>
<b>TOTAL NET POSITION</b>	<u>29,636,545</u>	<u>29,765,118</u>	<u>(128,573)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 150,841,680</u></u>	<u><u>\$ 149,399,479</u></u>	<u><u>\$ 1,442,201</u></u>

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>REVENUE</b>			
Premium Revenue and Other	\$ 434,957,820	\$ 413,906,130	\$ 21,051,690
<b>EXPENSES</b>			
Claims Loss and Loss Adjustments	349,822,125	347,778,364	2,043,761
Premium Expense	67,744,136	62,399,057	5,345,079
Insurance Services	23,611,192	27,390,736	(3,779,544)
General and Administrative and Other	1,794,686	1,741,477	53,209
<b>TOTAL EXPENSES</b>	<u>442,972,139</u>	<u>439,309,634</u>	<u>3,662,505</u>
<b>Operating Income (Loss)</b>	(8,014,319)	(25,403,504)	17,389,185
Nonoperating Revenues and Expenses	<u>7,885,746</u>	<u>8,392,668</u>	<u>(506,922)</u>
<b>TOTAL NONOPERATING REVENUES AND EXPENSES</b>	<u>7,885,746</u>	<u>8,392,668</u>	<u>(506,922)</u>
<b>NET CHANGE IN NET POSITION</b>	(128,573)	(17,010,836)	16,882,263
<b>NET POSITION, BEGINNING</b>	<u>29,765,118</u>	<u>46,775,954</u>	<u>(17,010,836)</u>
<b>NET POSITION, END</b>	<u>\$ 29,636,545</u>	<u>\$ 29,765,118</u>	<u>\$ (128,573)</u>

**Requests for Information**

NMPSIA's financial statements are designed to present users with the general overview of the NMPSIA's finances and to demonstrate NMPSIA's accountability. If you have questions about the report or need additional financial information, please contact New Mexico Public Schools Insurance Authority, 410 Old Taos Highway, Santa Fe, New Mexico 87501.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u><b>Business-Type Activities</b></u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,005,426
NM State Treasurer's State Fund Investment Pool	689,704
NM State Treasurer's Local Fund Investment Pool	68,999,419
Accounts Receivable, Net	7,601
Accrued Interest Receivable, Net	337,005
Receivables From Excess Insurers, Net	34,980,614
Prepaid Expenses and Deposits	<u>256,000</u>
<b>Total Current Assets</b>	<u><b>106,275,769</b></u>
<b>Noncurrent Assets</b>	
Investments, Noncurrent	44,315,427
Capital Assets, Net	<u>250,484</u>
<b>Total Noncurrent Assets</b>	<u><b>44,565,911</b></u>
<b>TOTAL ASSETS</b>	<u><u><b>\$ 150,841,680</b></u></u>

See Independent Auditors' Report and Notes to Financial Statements



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2023**

	<b>Business-Type Activities</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>Current Liabilities</b>	
Reserves for Losses and Loss Adjustment Expense	\$ 23,405,795
Unearned Premium Revenue and Carrier Advances	171,110
Due to Insurance Carriers for Claims Paid	8,151,202
Accounts Payable	1,878,632
Accrued Payroll	24,805
Notes Payable, Current	2,957
Accrued Compensated Absences	75,833
<b>Total Current Liabilities</b>	<b>33,710,334</b>
<b>Noncurrent Liabilities</b>	
Notes Payable, Noncurrent	974
Reserve for Losses and Loss Adjustment Expense	87,493,827
<b>Total Noncurrent Liabilities</b>	<b>87,494,801</b>
<b>TOTAL LIABILITIES</b>	<b>121,205,135</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	246,553
Restricted for Future Benefits	28,936,814
Unrestricted	453,178
<b>TOTAL NET POSITION</b>	<b>29,636,545</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 150,841,680</b>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>
<b>REVENUES</b>	
Participant Premiums	\$ 434,957,820
<b>TOTAL REVENUES</b>	434,957,820
<b>EXPENSES</b>	
Loss and Loss Adjustment Expenses	349,822,125
Premiums	67,744,136
Insurance Servicing and Fees	23,611,192
General and Administrative	1,788,378
Depreciation Expense	6,186
Interest Expense	122
<b>TOTAL EXPENSES</b>	442,972,139
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>(8,014,319)</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>	
Investment Income	7,869,884
Other Income	15,862
<b>TOTAL NON-OPERATING REVENUES AND EXPENSES</b>	<b>7,885,746</b>
<b>NET CHANGE IN NET POSITION</b>	<b>(128,573)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>29,765,118</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 29,636,545</b>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	
Participant Premiums Collected	\$ 428,934,885
Losses and Loss Adjustment Expenses Paid	(348,255,282)
Health Maintenance Premiums Paid	(67,744,136)
Amount Paid to Third Party Administrators / Vendors	(25,399,570)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(12,464,103)</b>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Other Income	15,862
<b>NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES</b>	<b>15,862</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest, Dividends, Realized Gains and Losses (Net)	3,238,060
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>3,238,060</b>
 <b>CASH FLOWS FROM (USED IN) CAPITAL FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(6,824)
Proceeds from Capital Debt	6,824
Payments on Debt	(2,893)
Interest and Admin Fees Paid	(122)
<b>NET CASH PROVIDED BY (USED IN) CAPITAL FINANCING ACTIVITIES</b>	<b>(3,015)</b>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
	(9,213,196)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>79,907,745</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 70,694,549</b>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ (8,014,319)
<b>Adjustments to reconcile operating income (loss) to Net cash used by operating activities:</b>	
Depreciation Expense	6,186
Interest Expense	122
<b>Changes in assets and liabilities:</b>	
Change in Receivables	(6,022,935)
Increase (Decrease) in Reserve for Losses	6,086,519
Change in Unearned Premium Revenue and Carrier Advances	76,881
Change in Due to Insurance Carriers	(3,499,966)
Change in Accounts Payable and Accrued Payroll	(1,117,782)
Change in Accrued Compensated Absences	21,191
<b>NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES</b>	<b>\$ (12,464,103)</b>

See Independent Auditors' Report and Notes to Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1: ORGANIZATION AND OPERATIONS**

The New Mexico Public Schools Insurance Authority (NMPSIA) was formed April 5, 1985 under the New Mexico Public School Insurance Authority Act of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability, and life insurance (benefits) coverage and property, casualty, and workers' compensation insurance (risk) coverage to participating public schools, school board members and retirees, and public school employees within the State of New Mexico and is not a reverting fund. Because NMPSIA is a self-insurance pool pursuant to Section 22-2 NMSA 1978, NMPSIA is not construed to be transacting insurance activity otherwise subject to the laws of the State of New Mexico that regulate insurance companies. Therefore, NMPSIA is not subject to minimum or maximum statutory reserve requirements.

Participation in NMPSIA is mandatory unless the school district is granted a waiver by NMPSIA. Once NMPSIA has awarded insurance contracts, no school district may withdraw from NMPSIA for the entire term of the contract. Upon withdrawal from NMPSIA, there is no refund of premiums. NMPSIA's own insurance coverage is also included as part of the pool.

The participants pay premiums for workers' compensation, and property and casualty coverage based on their own experience in the pool in past years. If the premium for a policy year does not cover the claims paid for that participant during the year, no additional premium will be assessed for that year. However, the next years' premiums will be increased to cover the excess claims. Premiums for health coverage are based on the experience of the total pool and are assessed on a premium per participating employee basis. Employees of all participants pay premiums based on a single premium schedule. At June 30, 2023, there were 13 active board members and 26 inactive board members participating and paying 100% of their premiums. Thus, there is no liability for post-retirement benefits recorded. If premiums assessed in one year do not cover the claims of that year, the premium schedule may be adjusted upward for the next year.

**Financial Reporting Entity and Component Units**

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by FASB 39 and 61, *The Financial Reporting Entity*, establishes the standards for defining and reporting on the financial reporting entity. GASB 14 defines the financial reporting entity as consisting of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is any state government or general-purpose local government, consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. NMPSIA, therefore, is part of the primary government of the State of New Mexico, and its financial data is included with the financial data of the State.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)**

**Financial Reporting Entity and Component Units (Continued)**

NMPSIA has developed criteria to determine whether the participating public schools should be included within its financial reporting entity. The criteria include, but are not limited to, whether NMPSIA exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. Based on these criteria, management of NMPSIA has determined that no other such entities should be included in its financial reporting entity and no component units are included in these financial statements.

NMPSIA did not receive bond proceeds from the State of New Mexico in 2023. Therefore, any unexpended or unencumbered funds remaining at the end of the fiscal year do not revert to the State of New Mexico. There is no maximum or minimum amount of net position required. Investment earnings are budgeted to fund general and administrative expenses. Excess investment earnings are used to offset premiums to participants and increase reserves.

Activities of NMPSIA are largely performed by third party administrators under contractual arrangements. These activities are as follows:

**Benefits** - encompasses activities to provide health, disability, and life insurance coverage to enrolled employees and retired employees of the participants. (SHARE #35000).

**Risk** - encompasses activities to provide property, casualty, and workers' compensation insurance coverage to the participants. (SHARE #35100).

**Administration** - encompasses expenses incurred to administer NMPSIA's activities. (SHARE #34900).

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting, and Financial Reporting Presentation**

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements of NMPSIA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units as prescribed by the Governmental Accounting Standards Board (GASB). NMPSIA adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB Statement 34). With the implementation of GASB Statement 34, the NMPSIA has prepared required supplementary information titled "Management's Discussion and Analysis" which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, and has categorized net position as invested in capital assets, restricted, and unrestricted.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Reporting Presentation (Continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operating of these funds are included on the statement of net position.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. All operations of NMPSIA are accounted for as an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties. NMPSIA follows GASB 62, which incorporates Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Research Bulletins which do not conflict or contradict GASB statements.

The accrual basis of accounting is used by proprietary fund types. NMPSIA follows GASB 10 and as amended GASB 30, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to participants for premiums. Principal operating expenses are the costs of providing insurance coverage, administrative costs and depreciation of capital assets. Transactions not included as operating activities for the statements of cash flows are classified as nonoperating revenues and expenses in the statements of revenues, expenses, and changes in net position.

When both restricted and unrestricted resources are available for use, it is NMPSIA's policy to use restricted resources first, then unrestricted resources as needed.

**Budgetary Process**

An operating budget is submitted annually for review to the Public Education Department, the Budget Division of the Department of Finance and Administration and the Legislative Finance Committee of the State of New Mexico. The budget is prepared on a modified accrual basis and monthly modified accrual basis reports of receipts and expenditures are required to be submitted to the state. This modified accrual basis used for budget purposes differs from the accrual basis of accounting in that purchases of fixed assets are recorded as expenditures and depreciation and compensated absences are not recorded. Also, any accounts payable that does not get paid by the statutory deadline must be paid out of next year's budget. There were no differences between GAAP and budgetary basis accounts payable amounts. Budget amendments must be reviewed by the Department of Finance and Administration. For the administrative function budget, line-item expenditures within budget appropriation unit may legally exceed amounts budgeted; however, the budget appropriation unit expenditures may not legally exceed the total approved budget amount.



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Process (Continued)**

Unfavorable variances by expense category are not a budget violation. There are no legal restrictions on the Benefits and Risk functions' expenditures.

**Budget Adjustments:** The approved Budget Adjustment Request for fiscal year 2023 was as follows:

**Fund 34900 – Administration:**

Budget adjustment to increase category 300:	\$ 8,000
Budget adjustment to decrease category 200:	\$ 8,000

**Fund 35100 – Risk:**

Budget adjustment to increase category 300:	\$ 18,000,000
Budget adjustment to increase revenue:	\$ 18,000,000

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position**

**Statements of Cash Flows and Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash and cash equivalents include checking accounts, money market accounts and amounts on deposit in the New Mexico State Treasurer's Local Government Investment Pool and State Fund Investment Pool with original maturities of three months or less. A summary of cash and cash equivalents that reconciles to the statement of cash flows is as follows at June 30:

<b><u>Cash and Cash Equivalents Type</u></b>	<b><u>2023</u></b>
Cash and Cash Equivalents	\$ 1,005,426
New Mexico State Treasurer's State Fund Investment Pool	689,704
New Mexico State Treasurer's Local Gov't Investment Pool	<u>68,999,419</u>
Total Cash and Cash Equivalents	<u>\$ 70,694,549</u>

Cash in bank accounts is insured up to \$250,000 per bank at June 30, 2023. As required by state law, 50 percent of the uninsured balance is required to be secured by pledges of qualifying securities held by the depository. The State Treasurer's Office has determined that all NMPSIA's bank accounts at Wells Fargo are covered by the State Treasurer's Collateralization Policy. As such, all bank accounts at Wells Fargo are covered by the provision in the State Fiscal Agency Contract entered into between Wells Fargo and the State Board of Finance. That contract specifies that the State Fiscal Agent must identify total State monies on deposit on a monthly basis in order that the State Board of Finance may require adjustment of collateralization levels of State money as necessary to comply with the State law requirements.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position (Continued)**

*Statements of Cash Flows and Cash and Cash Equivalents (continued)*

All bank accounts at Wells Fargo are therefore covered by these collateralization requirements. Funds with the State Treasurer are required to be collateralized at a minimum level of 50 percent. The State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, the categories of risk involved, and the market value of purchased investments.

*Investment in the New Mexico State Treasurer's Local Government Investment Pool, New Mexico State Treasurer's State General Fund Investment Pool and New Mexico State Investment Council Long-Term Investment Pool*

The Board of NMPSIA shall determine which money of NMPSIA constitutes long-term reserves for investment purposes. The State Treasurer shall invest the money in the fund that does not constitute the long-term reserves of the fund in accordance with the applicable provisions of Chapter 6, Article 10.

Investments in the New Mexico State Treasurer's Local Government Investment Pool (Pool) are carried at cost, which approximates market, plus accrued interest and are secured by obligations of the U.S. government or its agencies. Interest income is allocated to NMPSIA on the basis of its invested balance to the Pool's total invested balance. Amounts can be withdrawn by NMPSIA on demand.

State law (Section 8-6-3 NMSA 1978) requires NMPSIA's administrative cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of NMPSIA consist of an interest in the State General Fund Investment Pool managed by the New Mexico State Treasurer's Office.

At June 30, 2023 NMPSIA had the following invested in the State General Fund Investment Pool:

State General Fund Investment Pool: \$689,704.

For cash management and investment purposes, funds of various state agencies are deposited in the State General Fund Investment Pool (the SGFIP), which is managed by the Office of the New Mexico State Treasurer. Claims on the SGFIP are reported as assets by the various agencies investing in the SGFIP.

The SGFIP represents cash and short-term investments. The State Treasurer invests excess cash balances on behalf of certain earmarked funds of state agencies identified by State statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the state agencies where interest is allowed to be earned. All other interest earnings are transferred to the State General Fund.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position (Continued)**

**Investment in the New Mexico State Treasurer's Local Government Investment Pool, New Mexico State Treasurer's State General Fund Investment Pool and New Mexico State Investment Council Long-Term Investment Pool (continued)**

The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50% of the average investment balance.

**Interest Rate Risk** - The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

**Credit Risk** - The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, see the separate audit report of the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2023.

NMPSIA had funds that represented the long-term reserves invested in stocks and bonds formerly managed by independent third parties following NMPSIA's investment policy. During fiscal year 2004, stewardship of all funds were transferred to the New Mexico State Investment Council by a joint powers agreement that will expire only when either party terminates the agreement.

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, with increases or decreases in fair market value recognized in the statements of revenues, expenses, and changes in fund net position at the end of each month. Fair value is based on quoted market value at year-end. Investment transactions are recorded on the trade date. Dividends are recognized as income when declared.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position (Continued)**

Capital Assets

Capital assets consist of premises and equipment which are stated at cost, less accumulated depreciation. Capital assets are defined by the state as assets which have a cost of \$5,000 acquired during the 2007 fiscal year and thereafter. Purchased assets are valued at historical cost. Donated assets are recorded at their fair market value at the date of donation. There is no debt related to capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Generally, estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Building Improvements	10 - 30
Building	30
Computer Equipment	3 - 7
Furniture and Fixtures	7

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Participant Premiums

Participant premiums for benefits coverage are recognized as revenue on a pro rata basis over the applicable contract period. Premiums for risk coverage are recognized as revenue in the applicable contract period (coincides with the fiscal year).

Excess Insurance Premiums

Excess insurance premiums for risk coverage are recognized as expense in the applicable contract period (coincides with the fiscal year). Premium adjustments for retrospectively adjusted excess insurance policies are estimated and recorded as revenue or expense over the period of policy coverage. Outstanding receivables at year end due from participants and excess insurers are fully collectable. Accordingly, no allowance for uncollectable receivables has been recorded.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position (Continued)**

*Reserve for Losses and Loss Adjustment Expenses*

Insurance losses and related loss adjustment expenses are charged to operations as incurred. The reserves for losses and loss adjustment expenses are determined based upon case-basis evaluations and actuarial projections and include a provision for claims incurred but not reported. The actuarial projections of ultimate losses on reported claims and the estimate of claims incurred but not reported are based on a composite of NMPSIA's experience and benefits, property, casualty, and workers' compensation insurance industry data, which supplements NMPSIA's historical experience and includes the effects of inflation and other factors. Losses are reported net of estimated amounts recoverable from excess insurance, salvage and subrogations, and the deductible portion of claims. Adjustments to the probable ultimate liability for losses and loss adjustment expenses are made continually, based on subsequent developments and experience, and are included in operations as made.

During 2003, NMPSIA changed its methodology for accounting for its risk fund reserve for losses and loss adjustment expenses from an undiscounted basis to a discounted basis. The change was made to adjust the reserves to present value and to better reflect income.

In the opinion of NMPSIA's management and NMPSIA's independent actuary, the reserves for losses and loss adjustment expenses are reasonably stated to cover the present value of the ultimate net cost of loss adjustment expenses.

As discussed above, NMPSIA's management has discounted the losses and loss adjustment expenses for property, casualty, and workers' compensation to present values. Estimated outstanding losses were determined by NMPSIA's actuary to be \$92,472,335 at June 30, 2023. The indicated discounted losses and loss adjustment expenses are \$87,493,827 at June 30, 2023. Discounting is based on estimated payment dates and an appropriate assumed rate of return. The estimated unpaid losses as of June 30, 2023 were discounted using an interest rate of 2.0%.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position (Continued)**

Income Taxes

NMPSIA provides an essential governmental function to its members as described in Section 115 of the Internal Revenue Code and is exempt from federal income taxes pursuant to the Code.

Net Position:

The government-wide fund financial statements utilize a net position presentation. Net positions are categorized as investment in capital assets, restricted and unrestricted. Net position is defined by GAAP as the residual of all assets, liabilities, deferred outflows of resources and deferred inflows of resources. There were no deferred inflows or deferred outflows for the year.

***Investment in Capital Assets*** – consists of capital assets net of accumulated depreciation and reduced by any outstanding debt. NMPSIA did not have any related debt during the year ended June 30, 2023.

***Restricted Net Position*** – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** – are all other net position that do not meet the definition of restricted or net investment in capital assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

At June 30, 2023, NMPSIA has total current and non-current reserves for losses and loss adjustment expenses in the amount of \$110,899,622. The allocation of current and non-current is an estimate. Due to the uncertainty of future claims, this amount could significantly change in fiscal year 2023.

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**NOTE 3: CASH AND INVESTMENTS**

NMPSIA follows GASB statement No. 40, *Deposit and Investment Risk Disclosures*, for the year ended June 30, 2023.

NMPSIA investments held by the State Investment Council at June 30, 2023 was as follows:

<u>Type</u>	<u>June 30, 2022</u>		
	<u>Benefits</u>	<u>Risk</u>	<u>Total</u>
Large Cap Index	\$ 8,551,896	\$ 6,618,140	\$ 15,170,036
Core Bonds	8,446,407	6,555,415	15,001,822
Mid / Small Cap	2,225,434	1,735,008	3,960,442
Non US Emerging Markets	1,416,641	1,100,167	2,516,808
Non US Developed Markets	4,317,091	3,349,228	7,666,319
<b>Total</b>	<u>\$ 24,957,469</u>	<u>\$ 19,357,958</u>	<u>\$ 44,315,427</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. NMPSIA has exposure to interest rate risk by its investment in the Core Bond holdings with the State Investment Council.

The carrying amounts of NMPSIA's deposits at financial institutions as of June 30, 2023 was \$70,694,549. Bank balances before reconciling items were \$70,694,549 at June 30, 2023. The custodial credit risk for deposits is the risk that in the event of a bank failure, NMPSIA's deposits may not be recovered. The bank balance for 2023 was insured or covered by the State Treasurer's Collateralization Policy.

The New Mexico State Treasurer Local Government Investment Pool (Pool) is not SEC registered. Section 6-10-10 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government that have AAA credit quality ratings. The Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The New Mexico LGIP AAAM Rated \$68,999,419 [22] day weighted average maturity (WAM) (R); [86] day WAM (F).

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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. The Pool does not have any foreign currency risk as all holdings are denominated in US dollars. Participation in the Pool is voluntary.

Total investment income and gains from investments are as follows:

<b><u>Type</u></b>	<b><u>2023</u></b>
Investment Income	\$ 3,460,628
Unrealized Gain	<u>4,409,256</u>
<b>Total Investment Loss</b>	<b><u><u>\$ 7,869,884</u></u></b>

NMPSIA does not engage in any securities lending arrangements, reverse repurchase agreements or in the use of derivatives.

All investments are managed by the New Mexico State Investment Council which is audited annually. That report can be obtained by writing to the New Mexico State Investment Council, 41 Plaza la Prensa, Santa Fe, New Mexico 87507.

**State General Fund Investment Pool Reconciliation**

As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the state, except where otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Office (STO) acts as the state's bank when agency cash receipts are deposited with STO and pooled in a statewide investment fund, also referred to as the State General Fund Investment Pool (SGFIP). In times when amounts are greater than immediate needs they are placed into short-term investments. When agencies make payments to vendors and employees they are made from this pool and their claims on the pool are reduced.



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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**State General Fund Investment Pool Reconciliation (Continued)**

The comprehensive cash reconciliation model which compares aggregated agency claims on the SGFIP to the associated resources held by the State Treasurer's Office has been completed for fiscal year 2023. This process has been previously reviewed and is analyzed annually, by the IPAs performing audits of the General Fund, the Department of Finance and Administration (Department), and the State of New Mexico's Annual Financial Report. These reviews have deemed the process sound and the Department is fully compliant with reconciliation requirements. The Department asserts that:

- As of June 30, 2023, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
- All claims, as recorded in SHARE, shall be honored at face value.

**NOTE 4: FAIR VALUE MEASUREMENTS**

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Department has the ability to access.

**Level 2** - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

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**NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)**

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NMPSIA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NMPSIA has the following recurring fair value measurements:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Balances as of June 30, 2023</b>
<b>Assets</b>				
Large Cap Index	\$ 15,170,036	\$ -	\$ -	\$ 15,170,036
Core Bonds	-	15,001,822	-	15,001,822
Mid / Small Cap	3,960,442	-	-	3,960,442
Non US Emerging Markets	2,516,808	-	-	2,516,808
Non US Developed Markets	7,666,319	-	-	7,666,319
<b>Total Investments at fair market value</b>	<b>\$ 29,313,605</b>	<b>\$ 15,001,822</b>	<b>\$ -</b>	<b>\$ 44,315,427</b>

**NOTE 5: RECEIVABLES**

Receivables as of June 30, 2023, are as follows:

<b>Receivables</b>	<b>Balance June 30, 2023</b>
Accounts Receivable, Net	\$ 7,601
Accrued Interest Receivable, Net	337,005
Receivables From Excess Insurers, Net	34,980,614
<b>Receivables, Net</b>	<b>\$ 35,325,220</b>

NMPSIA considers all receivables to be fully collectable, and therefore, there is no provision for uncollectable accounts.

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**NOTE 6: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023, was as follows:

	<b>Beginning Balance, July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance, June 30, 2023</b>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 235,000	\$ -	\$ -	\$ 235,000
Art	1,765	-	-	1,765
<b>Total Capital Assets Not Being Depreciated</b>	<u>236,765</u>	<u>-</u>	<u>-</u>	<u>236,765</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	556,920	-	-	556,920
Furniture, Fixtures and Equipment	-	6,824	-	6,824
Data Processing Equipment	17,674	-	-	17,674
<b>Total Capital Assets Being Depreciated</b>	<u>574,594</u>	<u>6,824</u>	<u>-</u>	<u>581,418</u>
<b>Total Capital Assets</b>	<u>811,359</u>	<u>6,824</u>	<u>-</u>	<u>818,183</u>
<b>Less: Accumulated Depreciation:</b>				
Buildings and Improvements	(551,023)	(2,421)	-	(553,444)
Furniture, Fixtures and Equipment	-	(1,701)	-	(1,701)
Data Processing Equipment	(10,490)	(2,064)	-	(12,554)
<b>Total Accumulated Depreciation</b>	<u>(561,513)</u>	<u>(6,186)</u>	<u>-</u>	<u>(567,699)</u>
<b>Capital Assets, Net</b>	<u>\$ 249,846</u>	<u>\$ 638</u>	<u>\$ -</u>	<u>\$ 250,484</u>

Depreciation expense of \$6,186 is unallocated in the Program Fund for the year ended June 30, 2023.

**NOTE 7: LONG-TERM DEBT**

During the year ended June 30, 2023, the following changes occurred in the liabilities reported in the statement of net position:

	<b>Beginning Balance, July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance, June 30, 2023</b>	<b>Due Within One Year</b>
Notes Payable	<u>\$ -</u>	<u>\$ 6,824</u>	<u>\$ 2,893</u>	<u>\$ 3,931</u>	<u>\$ 2,957</u>

Interest expense paid on long-term debt totaled \$122 for the year ended June 30, 2023 as reported on the statement of revenues, expenses, and changes in net position.

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**NOTE 7: LONG-TERM DEBT (CONTINUED)**

NMPSIA entered into a note payable to finance a copier. The note terms are as follows:

<b>Description</b>	<b>Date of Issue</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount of Issue</b>	<b>Balance, June 30, 2023</b>
Copier	Jul-22	Jul-24	2.21%	\$ 6,824	\$ 3,931

The annual requirements to amortize the note as of June 30, 2023, including interest payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 2,957	\$ 57	\$ 3,014
2025	974	2	976
<b>Total</b>	<b>\$ 3,931</b>	<b>\$ 59</b>	<b>\$ 3,990</b>

**NOTE 8: EXCESS INSURANCE**

Property and Casualty losses are Self-Insured up to various limits and then NMPSIA purchases excess insurance with various reinsurers to minimize exposure to risk. NMPSIA's Self-Insurance Retentions (SIRs) are as follows effective June 30, 2023: Workers' Compensation is \$2.5 million; General Liability excluding Sexual Abuse, Automobile Liability, and School Board Legal Liability/Errors & Omissions liability is \$1 million; Sexual Abuse is \$4 million; Property is \$1 million, excluding Wind and Hail perils; Wind and Hail perils is \$10 million; Automobile Physical Damage is \$1 million and Cyber Liability is \$25 million.

Property coverages and limits are written on a per-occurrence basis subject to various sub-limits. Liability coverages and limits are written on an occurrence basis subject to various annual aggregate limits.

For the policy year July 1, 2022, to June 30, 2023, the Property policy limit is \$750 million for each occurrence, subject to various sub-limits. The Liability policy limit is \$35 million for each occurrence subject to annual aggregates. In addition, there is an annual total policy aggregate in the amount of \$41 million. The total aggregate limit limits the annual amounts that NMPSIA would be responsible for in funding all self-insured losses for that policy period.

**NOTE 9: RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES**

The reserves for losses and loss adjustment expenses represent, in management's opinion, the best estimate of the ultimate cost of settling all reported and unreported claims. The actuarial projections of ultimate losses on reported claims and the estimate of claims incurred but not reported are based on a composite of NMPSIA's experience and benefits, property, casualty and workers' compensation insurance industry data.

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**NOTE 9: RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES (CONTINUED)**

However, due to the historical experience of NMPSIA, there exists a range of variability around the best estimate of the ultimate cost of settling all unpaid NMPSIA claims. Accordingly, the amount reflected in the accompanying financial statements as reserves for losses and loss adjustment expense at June 30, 2023 and the related provisions for the year ended June 30, 2023, may not ultimately be the actual cost of settling all unpaid claims.

Components of the reserves for losses and loss adjustment expenses are as follows:

	<b>Benefits</b>	<b>Workers'</b>	<b>Property and</b>	
	<b>2023</b>	<b>Compensation</b>	<b>Casualty</b>	<b>Total</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
Estimated Reserves for Claims	\$ 31,181,000	\$ -	\$ -	\$ 31,181,000
Less: Estimated Amounts Recoverable pursuant to excess insurance on specific and aggregate loss occurrences	-	-	-	-
Reserve for Losses and Loss adjustment expenses at year end (discounted)	<u>31,181,000</u>	<u>-</u>	<u>-</u>	<u>31,181,000</u>
Changes in reserves for losses and loss adjustment expenses are as follows:				
Reserve for Losses and Loss adjustment expenses at beginning of year (discounted)	<u>32,115,000</u>	<u>27,672,351</u>	<u>53,875,244</u>	<u>113,662,595</u>
Incurred Losses and Loss Adjustment Expenses				
Provision for Insured Events of the Current Year	353,077,891	11,806,212	33,907,167	398,791,270
Increase (Decrease) in Provision for Events of Prior Year	<u>(5,452,000)</u>	<u>(3,353,386)</u>	<u>(5,179,121)</u>	<u>(13,984,507)</u>
Total Incurred Losses and Loss Adjustment Expenses	<u>347,625,891</u>	<u>8,452,826</u>	<u>28,728,046</u>	<u>384,806,763</u>
Payments (net of amounts receivable pursuant to excess insurance contracts)				
Losses and Loss Adjustment Expenses Attributable to Events of the Current Year	321,047,382	3,596,387	4,478,278	329,122,047
Losses and Loss Adjustment Expenses Attributable to Events of the Prior Year	<u>27,512,509</u>	<u>6,273,574</u>	<u>16,737,188</u>	<u>50,523,271</u>
Total Payments and Adjustment Expenses	<u>348,559,891</u>	<u>9,869,961</u>	<u>21,215,466</u>	<u>379,645,318</u>
Reserve for Losses and Loss Adjustment Expenses at End of Year (Undiscounted)	31,181,000	26,106,004	61,387,823	118,674,827
Add: Premium Factor	-	-	-	-
Less: Claim Amounts paid in subsequent fiscal year	<u>(7,775,205)</u>	<u>-</u>	<u>-</u>	<u>(7,775,205)</u>
Reserves for Losses and Loss Adjustment Expenses at End of Year	<u>\$ 23,405,795</u>	<u>\$ 26,106,004</u>	<u>\$ 61,387,823</u>	<u>\$ 110,899,622</u>

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 10: ACCRUED COMPENSATED ABSENCES**

NMPSIA accounts for accumulated annual and sick leave on the accrual basis. Employees are entitled to accumulate annual leave at a graduated rate based on years of service. In accordance with State law, NMPSIA has recorded a liability included in accrued compensated absences for each employee for annual leave up to 240 hours at 100% of the employee's hourly wage. State law requires that sick leave be accrued for each employee for hours in excess of 600, but not over 720 (a maximum of 120 hours).

Upon termination of employment, sick pay for hours accumulated for 600 hours is forfeited and vacation pay is limited to payment of 240 hours at 100% of the employee's hourly wage. Sick leave is payable semiannually to qualified employees for hours accumulated over 600 hours but not over 720 at 50% of the employee's hourly wage. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at 50% of the employee's hourly wage.

A detail of accrued compensated absences is as follows:

	<b>Beginning Balance, July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance, June 30, 2023</b>	<b>Due Within One Year</b>
Compensated Absences	<u>\$ 54,642</u>	<u>\$ 53,228</u>	<u>\$ 32,037</u>	<u>\$ 75,833</u>	<u>\$ 75,833</u>

Based on expected usage during the 2023 fiscal year all of the accrued compensated absences balance has been classified as a current liability.

**NOTE 11: JOINT POWERS AGREEMENT**

An agreement exists among NMPSIA, New Mexico Retiree Health are Authority, Albuquerque Public Schools, and the State's Risk Management Division of the General services Department (collectively, the Interagency Benefits Advisory Committee). The purpose is to authorize the parties to exercise their common powers to provide and administer health care insurance program, and to implement the purposes of the Health Care Purchasing Act. Each agency acts as its own fiscal agent for cost purposes. The agreement was effective March 15, 1999 and continues in force until terminated by any party upon 90 days written notice to the other parties.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 12: INSURANCE SERVICING AND ADMINISTRATION AGREEMENTS**

NMPSIA has entered into agreements with third parties for claims administration, administration of excess insurance contracts, accounting, administrative services, and related matters.

Fees for such services for the year ended June 30, 2023, was as follows:

<b>Description</b>	<b>2023</b>
Administrative / Wellness Fees of Health Care Providers	\$ 14,841,725
Third Party Administration Claims & Fees	2,379,206
<b>Total</b>	<b>\$ 17,220,931</b>

**NOTE 13: OPERATING TRANSFERS**

The following operating transfers occurred between the NMPSIA functional activities and with the Department of Finance and Administration during the year ended June 30, 2023:

<b>SHARE FUND</b>		<b>June 30, 2023</b>	
		<b>From</b>	<b>To</b>
Administration Fund (Fund 34900)	<i>A</i>	\$ 1,520,100	\$ -
Benefits Fund (Fund 35000)	<i>A</i>	-	760,000
Risk Fund ( Fund 35100)	<i>A</i>	-	760,100
Administration Fund (Fund 34900)	<i>B</i>	-	126,290
Benefits Fund (Fund 35000)	<i>B</i>	63,145	-
Risk Fund ( Fund 35100)	<i>B</i>	63,145	-
<b>Total</b>		<b>\$ 1,646,390</b>	<b>\$ 1,646,390</b>

- A) These annual transfers were to pay for administration fund operating costs as approved by the NMPSIA board and by the budgetary process.
- B) Unexpended balance in Administration Fund remaining at the end of the fiscal year reverted back to the Risk and Benefits funds.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 14: PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description** - Substantially all of NMPSIA's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.nmpera.org](http://www.nmpera.org).

**Funding Policy** - Plan members are required to contribute 10.42% of their gross salary for the year ended June 30, 2023. NMPSIA is required to contribute 18.74% of the gross covered salary for the year ended June 30, 2023. The contribution requirements of plan members and NMPSIA are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. NMPSIA's contributions to PERA, for the years ending June 30, 2023, 2022, and 2021 were \$140,400, \$131,929, and \$130,053, respectively, which equal the amount of the required contributions for each fiscal year.

**Financial Reporting and Disclosure for multiple employer cost sharing pension plans by employers:**

Compliant with the requirements of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico (the State) has implemented the standard for the fiscal year ending June 30, 2016.

NMPSIA, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Overall, total pension liability exceeds Plan net position resulting in a net pension liability. The State has determined the State's share of the net pension liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Annual Financial Report of the State of New Mexico.

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the Annual Financial Report and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 15: POST-EMPLOYMENT BENEFITS –STATE RETIREE HEALTH CARE**

**Plan Description** - The NMPSIA contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employers' effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served as least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 6300 Jefferson St. NE Suite 150 Albuquerque, NM 87109

**Funding Policy** - The Retiree Health Care Act (Section 1 0-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

The Retiree Health Care Act (Section 1 0-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 15: POST-EMPLOYMENT BENEFITS –STATE RETIREE HEALTH CARE (CONTINUED)**

For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2023, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2023, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

NMPSIA's total contributions to the RHCA for the year ended June 30, 2023, 2022, and 2021 were \$14,991, \$14,478, and \$14,674, respectively, which equal the required contributions for each fiscal year.

**Financial Reporting and Disclosure for post-employment benefits:**

Compliant with the requirements of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2018.

NMPSIA, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Annual Financial Report of the State of New Mexico. Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Annual Financial Report for the year ended June 30, 2023, and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

**NOTE 16: CONTINGENT LIABILITIES**

NMPSIA is subject to various legal proceedings, claims and liabilities, which arise in the ordinary course of NMPSIA's operations. In the opinion of NMPSIA's management and legal counsel, the ultimate resolution of these matters will not have a material adverse impact on the financial position or results of operations of NMPSIA.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 17: NEW ACCOUNTING STANDARDS**

NMPSIA conforms to the pronouncements of the GASB, which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

The following pronouncements have been issued but are not yet effective and will be evaluated in year of implementation:

- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

The following pronouncements that are issued and effective are not deemed to be applicable or do not have an impact to NMPSIA's financial statements:

- GASB Statement No. 91, *Conduit Debt*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* (Paragraph 11b)
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 99, *Omnibus 2022*, (paragraphs 18 – 22)

**NOTE 19: SUBSEQUENT EVENTS**

NMPSIA has evaluated subsequent events through October 31, 2023, which is the date the financial statements were available to be issued. Based upon this evaluation, NMPSIA has determined that there are no subsequent events that require adjustment to or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

The following table illustrates how NMPSIA's earned revenues (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by re-insurers) and other expenses assumed by NMPSIA as of the end of each of the last ten years. The rows of the table are defined as follows:

- 1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues.
- 2) This line shows each fiscal year's other operating costs, including overhead and claims expense not allocable to individual claims.
- 3) This line shows NMPSIA's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that occurred triggered coverage under the contract (called policy year) .
- 4) This section of ten rows shows the cumulative amounts paid as of the end of successive years for each policy year.
- 5) This section of ten rows shows how each policy years incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- 6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether the latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the incurred claims currently recognized in less mature policy years.

The columns of the table show data for successive policy years.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net earned required contribution and investment revenues	\$ 306,988,501	\$ 315,681,448	\$ 323,531,055	\$ 335,640,756	\$ 328,834,095	\$ 330,487,993	\$ 341,982,495	\$ 355,392,626	\$ 348,276,174	\$ 378,640,427
Unallocated Expenses	5,522,823	8,027,462	7,004,493	6,970,350	6,837,718	7,348,438	8,678,473	9,052,789	10,458,099	9,575,665
Estimated incurred claims and expense, end of policy year	287,823,547	303,520,019	328,244,167	318,308,067	302,599,897	303,469,568	327,668,402	326,298,537	361,271,006	392,613,037
Net Paid (cumulative) as of:										
End of policy year	245,048,836	259,387,540	270,733,727	274,268,674	256,097,967	259,798,127	269,327,553	286,350,454	303,977,586	328,023,534
One year later	252,704,464	280,256,992	303,788,570	311,697,655	288,225,691	297,554,916	294,957,515	335,910,995	342,772,777	
Two years later	273,224,957	285,835,477	307,715,709	319,286,708	294,476,199	303,024,084	299,643,312	339,029,409		
Three years later	275,116,960	290,234,580	312,077,648	324,870,433	300,382,231	305,788,977	299,097,665			
Four years later	276,829,092	292,657,007	313,891,516	325,709,404	304,248,009	315,292,115				
Five years later	279,442,245	294,401,421	314,960,415	331,506,381	306,226,148					
Six years later	279,679,476	295,482,711	315,886,605	337,871,651						
Seven years later	279,900,920	295,938,023	316,204,267							
Eight years later	280,033,322	296,299,488								
Nine years later	280,139,425									
Re-estimated net incurred claims and expenses										
End of policy year	287,923,547	303,520,019	305,437,027	309,189,860	296,021,417	298,101,048	303,033,017	323,667,390	344,354,234	397,545,876
One year later	281,881,679	286,083,510	310,726,971	320,900,610	301,397,386	311,684,679	302,685,594	344,335,101	372,508,603	
Two years later	277,017,901	291,883,444	315,454,391	326,064,055	305,622,041	316,837,711	302,865,305	345,349,396		
Three years later	277,886,005	295,223,259	314,773,257	328,519,208	307,169,905	320,717,854	301,463,560			
Four years later	279,791,586	297,004,219	316,370,861	331,638,993	308,535,278	322,066,280				
Five years later	280,711,097	296,485,076	316,970,926	335,699,247	311,667,353					
Six years later	280,430,685	296,183,563	316,577,253	339,110,198						
Seven years later	280,373,599	296,490,269	317,026,301							
Eight years later	280,389,450	296,649,236								
Nine years later	280,388,741									
	-	-	-	-	-	-	-	-	-	-
Increases (decrease) in estimated net incurred claims and expenses from end of original policy year.	<u>\$ 7,434,806</u>	<u>\$ 6,870,783</u>	<u>\$ (11,217,866)</u>	<u>\$ 20,802,131</u>	<u>\$ 9,067,456</u>	<u>\$ 18,596,712</u>	<u>\$ (26,204,842)</u>	<u>\$ 19,050,859</u>	<u>\$ 11,237,597</u>	<u>\$ 4,932,839</u>

\* Data is current for fiscal years 2014 - 2023.

\*\* FY2023 Net earned required contribution and investment revenues was updated.

## SUPPLEMENTARY INFORMATION

<b>Fund</b>	<b>Agency #</b>	<b>SHARE Fund #</b>
Administration	34200	34900
Benefits	34200	35000
Risk	34200	35100

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) –  
ADMINISTRATION FUND (34900)  
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfers In	\$ 1,520,100	\$ 1,520,100	\$ 1,520,100	\$ -
Other Income	-	-	465	465
<b>Total Revenues and Other Financing Sources</b>	<u>1,520,100</u>	<u>1,520,100</u>	<u>1,520,565</u>	<u>465</u>
Prior Year Fund Balance Rebudgeted	-	-	-	-
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND PRIOR YEAR FUND BALANCE REBUDGETED</b>	<u>1,520,100</u>	<u>1,520,100</u>	<u>1,520,565</u>	<u>465</u>
<b>EXPENSES AND OTHER FINANCING USES</b>				
General and Administrative	<u>1,520,100</u>	<u>1,520,100</u>	<u>1,387,923</u>	<u>132,177</u>
<b>TOTAL EXPENSES AND OTHER FINANCING USES</b>	<u>\$ 1,520,100</u>	<u>\$ 1,520,100</u>	<u>1,387,923</u>	<u>\$ 132,177</u>
<b>NON-BUDGETED ITEMS:</b>				
Transfers Out			(126,290)	
Depreciation Expense			<u>(6,186)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) OVER EXPENSES AND OTHER FINANCING SOURCES AND USES</b>			<u>\$ 166</u>	



**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) –  
BENEFITS (FUND 35000)  
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Participant Premiums	\$ 354,746,700	\$ 354,746,700	\$ 342,110,536	\$ (12,636,164)
Investment Income (Loss)	100,000	100,000	3,227,684	3,127,684
Late Payment Penalties	-	-	15,397	15,397
Federal Grants	-	-	-	-
Settlement Reimbursements	-	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<u>354,846,700</u>	<u>354,846,700</u>	<u>345,353,617</u>	<u>(9,493,083)</u>
<b>Prior Year Fund Balance Rebudgeted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND PRIOR YEAR FUND BALANCE REBUDGETED</b>	<u>354,846,700</u>	<u>354,846,700</u>	<u>345,353,617</u>	<u>(9,493,083)</u>
<b>EXPENSES AND OTHER FINANCING USES</b>				
Loss and Loss Adjustment Expenses	354,086,700	354,086,700	310,186,843	43,899,857
Premiums	-	-	14,342,596	(14,342,596)
Insurance Servicing and Administration	-	-	17,368,563	(17,368,563)
General and Administrative	-	-	202,403	(202,403)
Transfers Out	760,000	760,000	760,000	-
<b>TOTAL EXPENSES AND OTHER FINANCING USES</b>	<u>\$ 354,846,700</u>	<u>\$ 354,846,700</u>	<u>342,860,405</u>	<u>\$ 11,986,295</u>
<b>NON-BUDGETED ITEMS:</b>				
Transfers In			<u>63,145</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) OVER EXPENSES AND OTHER FINANCING SOURCES AND USES</b>				
			<u>\$ 2,556,357</u>	

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) –  
RISK (FUND 35100)  
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Participant Premiums	\$ 87,249,100	\$ 105,249,100	\$ 92,847,284	\$ (12,401,816)
Investment Income (Loss)	-	-	4,642,200	4,642,200
Settlement Reimbursements	-	-	-	-
Other Income	-	-	-	-
Federal Grants	-	-	-	-
General Fund Appropriation	-	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<u>87,249,100</u>	<u>105,249,100</u>	<u>97,489,484</u>	<u>(7,759,616)</u>
<b>Prior Year Fund Balance Rebudgeted</b>	-	-	-	-
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES AND PRIOR YEAR FUND BALANCE REBUDGETED</b>	<u>87,249,100</u>	<u>105,249,100</u>	<u>97,489,484</u>	<u>(7,759,616)</u>
<b>EXPENSES AND OTHER FINANCING USES</b>				
Loss and Loss Adjustment Expenses	-	-	39,635,282	(39,635,282)
Premiums	86,489,000	104,489,000	53,401,540	51,087,460
Insurance Servicing and Administration	-	-	6,242,629	(6,242,629)
General and Administrative	-	-	198,174	(198,174)
Transfers Out	760,100	760,100	760,100	-
<b>TOTAL EXPENSES AND OTHER FINANCING USES</b>	<u>\$ 87,249,100</u>	<u>\$ 105,249,100</u>	<u>100,237,725</u>	<u>\$ 5,011,375</u>
<b>NON-BUDGETED ITEMS:</b>				
Transfers In			<u>63,145</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) OVER EXPENSES AND OTHER FINANCING SOURCES AND USES</b>			<u>\$ (2,685,096)</u>	

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
CASH AND CASH EQUIVALENTS - RECONCILIATION  
FROM BANK TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

	<b>35000</b>	<b>35100</b>	<b>34900</b>	
	<b>Benefits</b>	<b>Risk</b>	<b>Administration</b>	<b>Total</b>
<b>Interest bearing checking and money market:</b>				
Wells Fargo:				
Employee Benefits Depository	\$ 421,757	\$ -	\$ -	\$ 421,757
Employee Benefits Short-Term Investments	252,989	-	-	252,989
Local Government Investment Pool	6,866,874	62,132,545	-	68,999,419
Employee Benefits Disbursement Account	-	-	-	-
Risk Depository Account	-	75,587	-	75,587
Risk Short-Term Investment Account	-	255,093	-	255,093
<b>Total-Interest bearing checking and money market:</b>	<u>7,541,620</u>	<u>62,463,225</u>	<u>-</u>	<u>70,004,845</u>
<b>New Mexico State Treasurer Accounts</b>				
General Fund Investment Pool	-	-	689,704	689,704
<b>Total Amounts held with State Treasurer</b>	<u>-</u>	<u>-</u>	<u>689,704</u>	<u>689,704</u>
<b>Total Cash Balances</b>	7,541,620	62,463,225	689,704	70,694,549
Less: Outstanding Checks / Reconciling Items	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 7,541,620</u>	<u>\$ 62,463,225</u>	<u>\$ 689,704</u>	<u>\$ 70,694,549</u>

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
COMBINING STATEMENTS OF NET POSITION INFORMATION  
BY FUNCTIONAL ACTIVITY  
JUNE 30, 2023**

	<b>35000</b>	<b>35100</b>	<b>34900</b>	
	<b>Benefits</b>	<b>Risk</b>	<b>Administration</b>	<b>Total</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 674,746	\$ 330,680	\$ -	\$ 1,005,426
NM State Treasurer's State Fund Investment Pool	-	-	689,704	689,704
NM State Treasurer's Local Fund Investment Pool	6,866,874	62,132,545	-	68,999,419
Accounts Receivable, Net	6,443	962	196	7,601
Accrued Interest Receivable, Net	71,704	265,301	-	337,005
Receivables From Excess Insurers, Net	17,692,574	17,288,040	-	34,980,614
Due from Other Funds	63,145	63,145	-	126,290
Prepaid Expenses and Deposits	-	256,000	-	256,000
<b>Total Current Assets</b>	<u>25,375,486</u>	<u>80,336,673</u>	<u>689,900</u>	<u>106,402,059</u>
<b>Noncurrent Assets</b>				
Investments, Noncurrent	24,957,469	19,357,958	-	44,315,427
Capital Assets, Net	-	-	250,484	250,484
<b>Total Noncurrent Assets</b>	<u>24,957,469</u>	<u>19,357,958</u>	<u>250,484</u>	<u>44,565,911</u>
<b>TOTAL ASSETS</b>	<u>\$ 50,332,955</u>	<u>\$ 99,694,631</u>	<u>\$ 940,384</u>	<u>\$ 150,967,970</u>

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
COMBINING STATEMENTS OF NET POSITION INFORMATION  
BY FUNCTIONAL ACTIVITY (CONTINUED)  
JUNE 30, 2023**

	<b>35000</b>	<b>35100</b>	<b>34900</b>	
	<b>Benefits</b>	<b>Risk</b>	<b>Administration</b>	<b>Total</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current Liabilities</b>				
Reserves for Losses and Loss Adjustment Expense	\$ 23,405,795	\$ -	\$ -	\$ 23,405,795
Unearned Premium Revenue and Carrier Advances	171,110	-	-	171,110
Due to Insurance Carriers for Claims Paid	7,738,303	412,899	-	8,151,202
Accounts Payable	1,436,081	432,757	9,794	1,878,632
Accrued Payroll	-	-	24,805	24,805
Due to Other Funds	-	-	126,290	126,290
Notes Payable, Current	-	-	2,957	2,957
Accrued Compensated Absences	-	-	75,833	75,833
<b>Total Current Liabilities</b>	<u>32,751,289</u>	<u>845,656</u>	<u>239,679</u>	<u>33,836,624</u>
<b>Noncurrent Liabilities</b>				
Notes Payable, Noncurrent	-	-	974	974
Reserve for Losses and Loss Adjustment Expense	-	87,493,827	-	87,493,827
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>87,493,827</u>	<u>974</u>	<u>87,494,801</u>
<b>TOTAL LIABILITIES</b>	<u>32,751,289</u>	<u>88,339,483</u>	<u>240,653</u>	<u>121,331,425</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	246,553	246,553
Restricted for Future Benefits	17,581,666	11,355,148	-	28,936,814
Unrestricted	-	-	453,178	453,178
<b>TOTAL NET POSITION</b>	<u>17,581,666</u>	<u>11,355,148</u>	<u>699,731</u>	<u>29,636,545</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 50,332,955</u>	<u>\$ 99,694,631</u>	<u>\$ 940,384</u>	<u>\$ 150,967,970</u>

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET  
POSITION INFORMATION  
BY FUNCTIONAL ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>35000</b> <b>Benefits</b>	<b>35100</b> <b>Risk</b>	<b>34900</b> <b>Administration</b>	<b>Total</b>
<b>REVENUES</b>				
Participant Premiums	\$ 342,110,536	\$ 92,847,284	\$ -	\$ 434,957,820
<b>TOTAL REVENUES</b>	<u>342,110,536</u>	<u>92,847,284</u>	<u>-</u>	<u>434,957,820</u>
<b>EXPENSES</b>				
Loss and Loss Adjustment Expenses	310,186,843	39,635,282	-	349,822,125
Premiums	14,342,596	53,401,540	-	67,744,136
Insurance Servicing and Fees	17,368,563	6,242,629	-	23,611,192
General and Administrative	202,403	198,174	1,387,801	1,788,378
Depreciation Expense	-	-	6,186	6,186
Interest Expense	-	-	122	122
<b>TOTAL EXPENSES</b>	<u>342,100,405</u>	<u>99,477,625</u>	<u>1,394,109</u>	<u>442,972,139</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>10,131</u>	<u>(6,630,341)</u>	<u>(1,394,109)</u>	<u>(8,014,319)</u>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Investment Income	3,227,684	4,642,200	-	7,869,884
Other Income	15,397	-	465	15,862
Transfers In	63,145	63,145	1,520,100	1,646,390
Transfers Out	(760,000)	(760,100)	(126,290)	(1,646,390)
<b>TOTAL NON-OPERATING REVENUES AND EXPENSES</b>	<u>2,546,226</u>	<u>3,945,245</u>	<u>1,394,275</u>	<u>7,885,746</u>
<b>CHANGE IN NET POSITION</b>	2,556,357	(2,685,096)	166	(128,573)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>15,025,309</u>	<u>14,040,244</u>	<u>699,565</u>	<u>29,765,118</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 17,581,666</u>	<u>\$ 11,355,148</u>	<u>\$ 699,731</u>	<u>\$ 29,636,545</u>

## **COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Joseph M. Maestas, P.E.  
New Mexico State Auditor  
and  
The Board of Directors  
New Mexico Public Schools Insurance Authority  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the New Mexico Public School Insurance Authority's (NMPSIA) basic financial statements, and have issued our report thereon dated October 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the NMPSIA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NMPSIA's internal control. Accordingly, we do not express an opinion on the effectiveness of the NMPSIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of NMPSIA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the NMPSIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the NMPSIA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NMPSIA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kubiak Melton & Associates, LLC*

Kubiak Melton & Associates, LLC  
Auditors – Business Consultants - CPAs

Albuquerque, New Mexico  
October 31, 2023

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: ..... Unmodified

Internal control over financial reporting:

Material weaknesses identified? .....No

Significant deficiencies identified? .....No

Noncompliance material to financial statements noted?.....No

**SECTION II. CURRENT YEAR AUDIT FINDINGS**

There are no audit findings in the current year.

**SECTION III. STATUS OF PRIOR YEAR AUDIT FINDINGS**

There were no audit findings in the prior year.

**STATE OF NEW MEXICO  
NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2023**

An exit conference was held on October 31, 2023, to discuss the results of the audit.

Representing the New Mexico Public Schools Insurance Authority:

Chris Parrino, Board Vice President  
Patrick Sandoval, Executive Director  
Martha Quintana, Deputy Director  
Phillip Gonzales, Chief Financial Officer  
Charlette Probst, Finance and HR Manager

Representing the Independent Auditors:

Daniel O. Trujillo, CPA, CFE, CGFM, CGMA, Member – Director of Audit  
Jose “Joe” Ortiz, Audit Manager  
Shi Lu, Audit Senior

**Preparation of Financial Statements**

The audited financial statements of New Mexico Public School Insurance Authority were prepared by the independent certified public accountants performing the audit. Management is responsible for ensuring the books and records adequately support the preparation of the financial statements in accordance with generally accepted accounting principles and that the information is current and in balance. Management has reviewed and approved the financial statements as presented.



**NMPSIA BOARD REPORT SUMMARY - LIABILITY AND PROPERTY**  
11-30-2023

ALL YEARS TOTAL OPEN CLAIMS FOR LIABILITY AS OF NOVEMBER 30, 2023							ALL YEARS TOTAL OPEN CLAIMS FOR PROPERTY AS OF NOVEMBER 30, 2023						GRAND TOTALS	
SCHOOL DISTRICT	NUMBER OF OPEN CLAIMS	NUMBER OF NEW CLAIMS	NUMBER OF CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	NUMBER OF OPEN CLAIMS	NUMBER OF NEW CLAIMS	NUMBER OF CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	TOTAL OPEN CLAIMS	GRAND TOTAL
SUBTOTAL - DISTRICTS	392	31	21	\$23,969,306.60	\$13,235,080.34	\$37,204,386.94	170	49	11	\$68,921,423.57	\$14,899,720.15	\$83,821,143.72	562	\$121,025,530.66
SUBTOTAL - CHARTER SCHOOLS	29	7	3	\$566,189.33	\$93,603.48	\$659,792.81	3	0	2	\$10,624.30	\$79,518.47	\$90,142.77	32	\$749,935.58
GRAND TOTAL	421	38	24	\$24,535,495.93	\$13,328,683.82	\$37,864,179.75	173	49	13	\$68,932,047.87	\$14,979,238.62	\$83,911,286.49	594	\$121,775,466.24

CHANGE FROM PRIOR MONTH SCHOOL DISTRICT	CURRENT CHANGES LIABILITY CLAIMS FROM PRIOR MONTH						CURRENT CHANGES PROPERTY CLAIMS FROM PRIOR MONTH						CURRENT CHANGES	
	OPEN CLAIMS	NEW CLAIMS	CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	OPEN CLAIMS	NEW CLAIMS	CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	OPEN CLAIMS	GRAND TOTAL
SUBTOTAL - DISTRICTS	12	(17)	(20)	(\$110,310.55)	\$2,243,237.65	\$2,132,927.10	39	20	(2)	(\$110,204.68)	(\$6,331,564.62)	(\$6,441,769.30)	51	(\$4,308,842.20)
SUBTOTAL - CHARTER SCHOOLS	5	6	3	(\$21,857.42)	\$56,350.88	\$34,493.46	(2)	(1)	0	(\$1,362.22)	(\$11,137.78)	(\$12,500.00)	3	\$21,993.46
GRAND TOTAL	17	(11)	(17)	(\$132,167.97)	\$2,299,588.53	\$2,167,420.56	37	19	(2)	(\$111,566.90)	(\$6,342,702.40)	(\$6,454,269.30)	54	(\$4,286,848.74)

HISTORY Monthly Totals	MONTH TOTAL						MONTH TOTAL CHANGES FROM PRIOR MONTH TOTAL					
	Open Claims	New Claims	Closed Claims	RESERVE	PAYMENTS	TOTAL	Open Claims	New Claims	Closed Claims	RESERVE	PAYMENTS	TOTAL
November - 2023	594	87	37	\$93,467,543.80	\$28,307,922.44	\$121,775,466.24	54	8	(19)	(\$243,734.87)	(\$4,043,113.87)	(\$4,286,848.74)
October - 2023	540	79	56	\$93,711,278.67	\$32,351,036.31	\$126,062,314.98	29	27	18	\$1,996,129.56	(\$2,946,017.50)	(\$949,887.94)
September - 2023	511	52	38	\$91,715,149.11	\$35,297,053.81	\$127,012,202.92	19	(3)	(26)	(\$1,266,805.79)	\$2,767,421.22	\$1,500,615.43
August - 2023	492	55	64	\$92,981,954.90	\$32,529,632.59	\$125,511,587.49	(5)	(31)	(3)	\$4,695,525.49	(\$7,037,658.70)	(\$2,342,133.21)
July - 2023	497	86	67	\$88,286,429.41	\$39,567,291.29	\$127,853,720.70	24	38	20	\$3,192,782.91	\$1,079,304.89	\$4,272,087.80
June - 2023	473	48	47	\$85,093,646.50	\$38,487,986.40	\$123,581,632.90	9	(13)	(36)	\$28,611,890.88	(\$3,279,230.43)	\$25,332,660.45
May - 2023	464	61	83	\$56,481,755.62	\$41,767,216.83	\$98,248,972.45	(15)	7	24	(\$2,940,892.57)	\$2,132,509.33	(\$808,383.24)
April - 2023	479	54	59	\$59,422,648.19	\$39,634,707.50	\$99,057,355.69	1	(15)	(4)	(\$2,764,490.56)	\$4,999,879.61	\$2,235,389.05
March - 2023	478	69	63	\$62,187,138.75	\$34,634,827.89	\$96,821,966.64	11	18	24	\$1,287.92	\$1,139,897.50	\$1,141,185.42
February - 2023	467	51	39	\$62,185,850.83	\$33,494,930.39	\$95,680,781.22	19	(10)	(8)	\$571,024.43	\$1,187,977.05	\$1,759,001.48
January - 2023	448	61	47	\$61,614,826.40	\$32,306,953.34	\$93,921,779.74	18	29	0	\$361,499.20	(\$175,637.96)	\$185,861.24
December - 2022	430	32	47	\$61,253,327.20	\$32,482,591.30	\$93,735,918.50	(13)	(30)	(12)	(\$1,886,367.25)	(\$3,797,977.87)	(\$5,684,345.12)
November - 2022	443	62	59	\$63,139,694.45	\$36,280,569.17	\$99,420,263.62	13	(20)	(17)	\$2,289,852.48	(\$425,745.37)	\$1,864,107.11
October - 2022	430	82	76	\$60,849,841.97	\$36,706,314.54	\$97,556,156.51	8	39	31	\$437,166.04	(\$4,136,937.99)	(\$3,699,771.95)
September - 2022	422	43	45	\$60,412,675.93	\$40,843,252.53	\$101,255,928.46	5	(29)	(15)	\$1,683,415.42	\$1,226,358.10	\$2,909,773.52
August - 2022	417	72	60	\$58,729,260.51	\$39,616,894.43	\$98,346,154.94	15	54	31	\$970,635.92	\$2,352,124.71	\$3,322,760.63
July - 2022	402	18	29	\$57,758,624.59	\$37,264,769.72	\$95,023,394.31	(6)	(39)	(11)	\$20,243,939.17	\$4,938,782.62	\$25,182,721.79
June - 2022	408	57	40	\$37,514,685.42	\$32,325,987.10	\$69,840,672.52	27	2	(33)	(\$813,665.77)	\$1,639,986.34	\$826,320.57
May - 2022	381	55	73	\$38,328,351.19	\$30,686,000.76	\$69,014,351.95	(16)	11	40	(\$5,203,062.14)	\$3,030,181.71	(\$2,172,880.43)
April - 2022	397	44	33	\$43,531,413.33	\$27,655,819.05	\$71,187,232.38	21	(25)	(7)	\$342,327.71	\$1,366,532.28	\$1,708,859.99
March - 2022	376	69	40	\$43,189,085.62	\$26,289,286.77	\$69,478,372.39	34	22	6	\$1,481,802.34	\$1,290,433.83	\$2,772,236.17
February - 2022	342	47	34	\$41,707,283.28	\$24,998,852.94	\$66,706,136.22	15	8	0	\$2,051,510.59	(\$272,536.59)	\$1,778,974.00
January - 2022	327	39	34	\$39,655,772.69	\$25,271,389.53	\$64,927,162.22	7	4	(17)	(\$2,780,159.39)	(\$279,539.15)	(\$3,059,698.54)
December - 2021	320	35	51	\$42,435,932.08	\$25,550,928.68	\$67,986,860.76	(14)	(12)	13	\$733,971.22	(\$846,129.80)	(\$112,158.58)
November - 2021	334	47	38	\$41,701,960.86	\$26,397,058.48	\$68,099,019.34	16	13	(12)	\$428,298.90	(\$140,259.94)	\$288,038.96
October - 2021	318	34	50	\$41,273,661.96	\$26,537,318.42	\$67,810,980.38	(11)	(17)	(1)	\$387,615.58	\$1,047,331.60	\$1,434,947.18
September - 2021	329	51	51	\$40,886,046.38	\$25,489,986.82	\$66,376,033.20	1	(2)	7	(\$1,015,326.68)	(\$14,926,877.83)	(\$15,942,204.51)
August - 2021	328	53	44	\$41,901,373.06	\$40,416,864.65	\$82,318,237.71	13	26	23	(\$6,602,301.51)	\$8,714,729.19	\$2,112,427.59
July - 2021	315	27	21	\$48,503,674.57	\$31,702,135.55	\$80,205,810.12	10	(6)	(14)	(\$9,463,560.36)	\$917,883.95	(\$8,545,676.41)



**NMPSIA BOARD REPORT SUMMARY - LIABILITY AND PROPERTY**  
12-31-2023

ALL YEARS TOTAL OPEN CLAIMS FOR LIABILITY AS OF DECEMBER 31, 2023							ALL YEARS TOTAL OPEN CLAIMS FOR PROPERTY AS OF DECEMBER 31, 2023						GRAND TOTALS	
SCHOOL DISTRICT	NUMBER OF OPEN CLAIMS	NUMBER OF NEW CLAIMS	NUMBER OF CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	NUMBER OF OPEN CLAIMS	NUMBER OF NEW CLAIMS	NUMBER OF CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	OPEN CLAIMS	GRAND TOTAL
SUBTOTAL - DISTRICTS	404	48	40	\$25,114,244.02	\$13,578,109.67	\$38,692,353.69	164	4	10	\$65,489,520.00	\$14,845,166.10	\$80,334,686.10	568	\$119,027,039.79
SUBTOTAL - CHARTER SCHOOLS	29	2	2	\$750,160.08	\$56,676.72	\$806,836.80	4	1	0	\$11,124.30	\$79,518.47	\$90,642.77	33	\$897,479.57
GRAND TOTAL	433	50	42	\$25,864,404.10	\$13,634,786.39	\$39,499,190.49	168	5	10	\$65,500,644.30	\$14,924,684.57	\$80,425,328.87	601	\$119,924,519.36

CHANGE FROM PRIOR MONTH	CURRENT CHANGES LIABILITY CLAIMS FROM PRIOR MONTH						CURRENT CHANGES PROPERTY CLAIMS FROM PRIOR MONTH						CURRENT CHANGES	
SCHOOL DISTRICT	OPEN CLAIMS	NEW CLAIMS	CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	OPEN CLAIMS	NEW CLAIMS	CLOSED CLAIMS	RESERVE	PAYMENT	TOTAL	OPEN CLAIMS	GRAND TOTAL
SUBTOTAL - DISTRICTS	12	17	19	\$1,144,937.42	\$343,029.33	\$1,487,966.75	(6)	(45)	(1)	(\$3,431,903.57)	(\$54,554.05)	(\$3,486,457.62)	6	(\$1,998,490.87)
SUBTOTAL - CHARTER SCHOOLS	0	(5)	(1)	\$183,970.75	(\$36,926.76)	\$147,043.99	1	1	(2)	\$500.00	\$0.00	\$500.00	1	\$147,543.99
GRAND TOTAL	12	12	18	\$1,328,908.17	\$306,102.57	\$1,635,010.74	(5)	(44)	(3)	(\$3,431,403.57)	(\$54,554.05)	(\$3,485,957.62)	7	(\$1,850,946.88)

HISTORY	MONTH TOTAL						MONTH TOTAL CHANGES FROM PRIOR MONTH TOTAL					
Monthly Totals	Open Claims	New Claims	Closed Claims	RESERVE	PAYMENTS	TOTAL	Open Claims	New Claims	Closed Claims	RESERVE	PAYMENTS	TOTAL
December - 2023	601	55	52	\$91,365,048.40	\$28,559,470.96	\$119,924,519.36	7	(32)	15	(\$2,102,495.40)	\$251,548.52	(\$1,850,946.88)
November - 2023	594	87	37	\$93,467,543.80	\$28,307,922.44	\$121,775,466.24	54	8	(19)	(\$243,734.87)	(\$4,043,113.87)	(\$4,286,848.74)
October - 2023	540	79	56	\$93,711,278.67	\$32,351,036.31	\$126,062,314.98	29	27	18	\$1,996,129.56	(\$2,946,017.50)	(\$949,887.94)
September - 2023	511	52	38	\$91,715,149.11	\$35,297,053.81	\$127,012,202.92	19	(3)	(26)	(\$1,266,805.79)	\$2,767,421.22	\$1,500,615.43
August - 2023	492	55	64	\$92,981,954.90	\$32,529,632.59	\$125,511,587.49	(5)	(31)	(3)	\$4,695,525.49	(\$7,037,658.70)	(\$2,342,133.21)
July - 2023	497	86	67	\$88,286,429.41	\$39,567,291.29	\$127,853,720.70	24	38	20	\$3,192,782.91	\$1,079,304.89	\$4,272,087.80
June - 2023	473	48	47	\$85,093,646.50	\$38,487,986.40	\$123,581,632.90	9	(13)	(36)	\$28,611,890.88	(\$3,279,230.43)	\$25,332,660.45
May - 2023	464	61	83	\$56,481,755.62	\$41,767,216.83	\$98,248,972.45	(15)	7	24	(\$2,940,892.57)	\$2,132,509.33	(\$808,383.24)
April - 2023	479	54	59	\$59,422,648.19	\$39,634,707.50	\$99,057,355.69	1	(15)	(4)	(\$2,764,490.56)	\$4,999,879.61	\$2,235,389.05
March - 2023	478	69	63	\$62,187,138.75	\$34,634,827.89	\$96,821,966.64	11	18	24	\$1,287.92	\$1,139,897.50	\$1,141,185.42
February - 2023	467	51	39	\$62,185,850.83	\$33,494,930.39	\$95,680,781.22	19	(10)	(8)	\$571,024.43	\$1,187,977.05	\$1,759,001.48
January - 2023	448	61	47	\$61,614,826.40	\$32,306,953.34	\$93,921,779.74	18	29	0	\$361,499.20	(\$175,637.96)	\$185,861.24
December - 2022	430	32	47	\$61,253,327.20	\$32,482,591.30	\$93,735,918.50	(13)	(30)	(12)	(\$1,886,367.25)	(\$3,797,977.87)	(\$5,684,345.12)
November - 2022	443	62	59	\$63,139,694.45	\$36,280,569.17	\$99,420,263.62	13	(20)	(17)	\$2,289,852.48	(\$425,745.37)	\$1,864,107.11
October - 2022	430	82	76	\$60,849,841.97	\$36,706,314.54	\$97,556,156.51	8	39	31	\$437,166.04	(\$4,136,937.99)	(\$3,699,771.95)
September - 2022	422	43	45	\$60,412,675.93	\$40,843,252.53	\$101,255,928.46	5	(29)	(15)	\$1,683,415.42	\$1,226,358.10	\$2,909,773.52
August - 2022	417	72	60	\$58,729,260.51	\$39,616,894.43	\$98,346,154.94	15	54	31	\$970,635.92	\$2,352,124.71	\$3,322,760.63
July - 2022	402	18	29	\$57,758,624.59	\$37,264,769.72	\$95,023,394.31	(6)	(39)	(11)	\$20,243,939.17	\$4,938,782.62	\$25,182,721.79
June - 2022	408	57	40	\$37,514,685.42	\$32,325,987.10	\$69,840,672.52	27	2	(33)	(\$813,665.77)	\$1,639,986.34	\$826,320.57
May - 2022	381	55	73	\$38,328,351.19	\$30,686,000.76	\$69,014,351.95	(16)	11	40	(\$5,203,062.14)	\$3,030,181.71	(\$2,172,880.43)
April - 2022	397	44	33	\$43,531,413.33	\$27,655,819.05	\$71,187,232.38	21	(25)	(7)	\$342,327.71	\$1,366,532.28	\$1,708,859.99
March - 2022	376	69	40	\$43,189,085.62	\$26,289,286.77	\$69,478,372.39	34	22	6	\$1,481,802.34	\$1,290,433.83	\$2,772,236.17
February - 2022	342	47	34	\$41,707,283.28	\$24,998,852.94	\$66,706,136.22	15	8	0	\$2,051,510.59	(\$272,536.59)	\$1,778,974.00
January - 2022	327	39	34	\$39,655,772.69	\$25,271,389.53	\$64,927,162.22	7	4	(17)	(\$2,780,159.39)	(\$279,539.15)	(\$3,059,698.54)
December - 2021	320	35	51	\$42,435,932.08	\$25,550,928.68	\$67,986,860.76	(14)	(2)	13	\$733,971.22	(\$846,129.80)	(\$112,158.58)
November - 2021	334	47	38	\$41,701,960.86	\$26,397,058.48	\$68,099,019.34	16	13	(12)	\$428,298.90	(\$140,259.94)	\$288,038.96
October - 2021	318	34	50	\$41,273,661.96	\$26,537,318.42	\$67,810,980.38	(11)	(17)	(1)	\$387,615.58	\$1,047,331.60	\$1,434,947.18
September - 2021	329	51	51	\$40,886,046.38	\$25,489,986.82	\$66,376,033.20	1	(2)	7	(\$1,015,326.68)	(\$14,926,877.83)	(\$15,942,204.51)
August - 2021	328	53	44	\$41,901,373.06	\$40,416,864.65	\$82,318,237.71	13	26	23	(\$6,602,301.51)	\$8,714,729.10	\$2,112,427.59
July - 2021	315	27	21	\$48,503,674.57	\$31,702,135.55	\$80,205,810.12	10	(6)	(14)	(\$9,463,560.36)	\$917,883.95	(\$8,545,676.41)



NMPSIA BOARD REPORT

ALL YEARS TOTAL														
OPEN CLAIMS FOR WORKERS' COMPENSATION AS OF November 30, 2023														
SCHOOL DISTRICT	OPEN		RE-OPENED		NEW		CLOSED		RESERVE		PAYMENT		TOTAL	
	Chg	Ct	Chg	Ct	Chg	Ct	Chg	Ct	Change	Current	Change	Current	Change	Current
HISTORY														
NOVEMBER-2023	+48	1,099	(14)	27	(49)	235	(10)	241	+\$107,813	\$14,274,171.37	(\$138,909)	\$49,117,266.79	(\$31,095)	\$ 63,391,438.16
OCTOBER-2023	+74	1,051	+6	41	(7)	284	+28	251	+\$44,721	\$14,166,358.01	+\$559,806	\$49,256,175.64	+\$604,527	\$ 63,422,533.65

SCHOOL DISTRICT	OPEN		RE-OPENED		NEW		CLOSED		RESERVE		PAYMENT		TOTAL	
	Chg	Ct	Chg	Ct	Chg	Ct	Chg	Ct	Change	Current	Change	Current	Change	Current
HISTORY														
NOVEMBER-2023	+48	1,099	(14)	27	(49)	235	(10)	241	+\$107,813	\$14,274,171.37	(\$138,909)	\$49,117,266.79	(\$31,095)	\$ 63,391,438.16
OCTOBER-2023	+74	1,051	+6	41	(7)	284	+28	251	+\$44,721	\$14,166,358.01	+\$559,806	\$49,256,175.64	+\$604,527	\$ 63,422,533.65
SEPTEMBER-2023	+103	977	+16	35	(17)	291	(65)	223	+\$126,044	\$14,121,637.30	+\$294,077	\$48,696,369.34	+\$420,121	\$ 62,818,006.64
AUGUST-2023	+39	874	+1	19	+245	308	+127	288	+\$132,605	\$13,995,593.65	+\$431,710	\$48,402,292.11	+\$564,315	\$ 62,397,885.76
JULY-2023	(80)	835	(21)	18	(26)	63	(15)	161	(\$262,929)	\$13,862,988.41	(\$143,520)	\$47,970,582.09	(\$406,449)	\$ 61,833,570.50
JUNE-2023	(48)	915	+18	39	(171)	89	(100)	176	(\$379,803)	\$14,125,916.93	(\$219,030)	\$48,114,102.48	(\$598,832)	\$ 62,240,019.41
MAY-2023	+5	963	(3)	21	+12	260	+32	276	+\$68,789	\$14,505,719.52	+\$573,316	\$48,333,132.36	+\$642,104	\$ 62,838,851.88
APRIL-2023	+28	958	(2)	24	+42	248	(20)	244	+\$208,786	\$14,436,930.86	(\$167,817)	\$47,759,816.67	+\$40,969	\$ 62,196,747.53
MARCH-2023	(32)	930	+0	26	(98)	206	(44)	264	+\$324,401	\$14,228,144.59	+\$65,950	\$47,927,633.81	+\$390,351	\$ 62,155,778.40
FEBRUARY-2023	+22	962	+4	26	+92	304	+53	308	+\$152,151	\$13,903,743.67	(\$6,557)	\$47,861,683.74	+\$145,594	\$ 61,765,427.41
JANUARY-2023	(21)	940	(9)	22	+58	212	+54	255	(\$160,549)	\$13,751,592.21	(\$150,749)	\$47,868,241.18	(\$311,299)	\$ 61,619,833.39
DECEMBER-2022	(16)	961	+0	31	(39)	154	(34)	201	(\$67,403)	\$13,912,141.54	+\$336,936	\$48,018,990.62	+\$269,533	\$ 61,931,132.16
NOVEMBER-2022	(11)	977	+6	31	(73)	193	(14)	235	+\$183,112	\$13,979,544.16	+\$140,739	\$47,682,054.64	+\$323,851	\$ 61,661,598.80
OCTOBER-2022	+42	988	(4)	25	(14)	266	(12)	249	+\$23,698	\$13,796,432.07	+\$495,740	\$47,541,316.10	+\$519,438	\$ 61,337,748.17
SEPTEMBER-2022	+48	946	+8	29	+31	280	+5	261	+\$113,539	\$13,772,734.44	(\$36,008)	\$47,045,575.78	+\$77,531	\$ 60,818,310.22
AUGUST-2022	+14	898	+7	21	+191	249	+123	256	+\$245,756	\$13,659,195.34	(\$176,954)	\$47,081,584.06	+\$68,802	\$ 60,740,779.40
JULY-2022	(61)	884	(18)	14	(35)	58	(7)	133	(\$548,564)	\$13,413,439.70	(\$1,038,108)	\$47,258,537.68	(\$1,586,672)	\$ 60,671,977.38
JUNE-2022	(15)	945	+10	32	(114)	93	(59)	140	(\$344,886)	\$13,962,003.26	+\$54,290	\$48,296,645.97	(\$290,596)	\$ 62,258,649.23
MAY-2022	+30	960	(1)	22	+29	207	+18	199	(\$24,133)	\$14,306,889.60	+\$353,763	\$48,242,355.49	+\$329,630	\$ 62,549,245.09
APRIL-2022	+20	930	+1	23	(47)	178	(24)	181	(\$354,710)	\$14,331,022.70	+\$398,883	\$47,888,592.21	+\$44,173	\$ 62,219,614.91
MARCH-2022	+42	910	+7	22	+59	225	+26	205	+\$27,833	\$14,685,732.34	(\$404,683)	\$47,489,709.58	(\$376,850)	\$ 62,175,441.92
FEBRUARY-2022	+2	868	+0	15	+13	166	+10	179	+\$168,625	\$14,657,898.88	(\$178,556)	\$47,894,392.95	(\$9,932)	\$ 62,552,291.83
JANUARY-2022	(1)	866	+2	15	+52	153	(1)	169	+\$204,865	\$14,489,274.20	(\$236,518)	\$48,072,949.17	(\$31,653)	\$ 62,562,223.37



NMPSIA BOARD REPORT

ALL YEARS TOTAL														
OPEN CLAIMS FOR WORKERS' COMPENSATION AS OF December 31, 2023														
SCHOOL DISTRICT	OPEN		RE-OPENED		NEW		CLOSED		RESERVE		PAYMENT		TOTAL	
HISTORY	Chg	Ct	Chg	Ct	Chg	Ct	Chg	Ct	Change	Current	Change	Current	Change	Current
DECEMBER-2023	(30)	1,069	(44)	10	(28)	207	+7	248	+\$599,426	\$14,873,597.81	+\$589,987	\$49,707,253.61	+\$1,189,413	\$64,580,851.42
NOVEMBER-2023	+74	1,099	+13	54	(49)	235	(10)	241	+\$107,813	\$14,274,171.37	(\$138,909)	\$49,117,266.79	(\$31,095)	\$63,391,438.16
HISTORY														
	Chg	Ct	Chg	Ct	Chg	Ct	Chg	Ct	Change	Current	Change	Current	Change	Current
DECEMBER-2023	(30)	1,069	(44)	10	(28)	207	+7	248	+\$599,426	\$14,873,597.81	+\$589,987	\$49,707,253.61	+\$1,189,413	\$64,580,851.42
NOVEMBER-2023	+74	1,099	+13	54	(49)	235	(10)	241	+\$107,813	\$14,274,171.37	(\$138,909)	\$49,117,266.79	(\$31,095)	\$63,391,438.16
OCTOBER-2023	+74	1,051	+6	41	(7)	284	+28	251	+\$44,721	\$14,166,358.01	+\$559,806	\$49,256,175.64	+\$604,527	\$63,422,533.65
SEPTEMBER-2023	+103	977	+16	35	(17)	291	(65)	223	+\$126,044	\$14,121,637.30	+\$294,077	\$48,696,369.34	+\$420,121	\$62,818,006.64
AUGUST-2023	+39	874	+1	19	+245	308	+127	288	+\$132,605	\$13,995,593.65	+\$431,710	\$48,402,292.11	+\$564,315	\$62,397,885.76
JULY-2023	(80)	835	(21)	18	(26)	63	(15)	161	(\$262,929)	\$13,862,988.41	(\$143,520)	\$47,970,582.09	(\$406,449)	\$61,833,570.50
JUNE-2023	(48)	915	+18	39	(171)	89	(100)	176	(\$379,803)	\$14,125,916.93	(\$219,030)	\$48,114,102.48	(\$598,832)	\$62,240,019.41
MAY-2023	+5	963	(3)	21	+12	260	+32	276	+\$68,789	\$14,505,719.52	+\$573,316	\$48,333,132.36	+\$642,104	\$62,838,851.88
APRIL-2023	+28	958	(2)	24	+42	248	(20)	244	+\$208,786	\$14,436,930.86	(\$167,817)	\$47,759,816.67	+\$40,969	\$62,196,747.53
MARCH-2023	(32)	930	+0	26	(98)	206	(44)	264	+\$324,401	\$14,228,144.59	+\$65,950	\$47,927,633.81	+\$390,351	\$62,155,778.40
FEBRUARY-2023	+22	962	+4	26	+92	304	+53	308	+\$152,151	\$13,903,743.67	(\$6,557)	\$47,861,683.74	+\$145,594	\$61,765,427.41
JANUARY-2023	(21)	940	(9)	22	+58	212	+54	255	(\$160,549)	\$13,751,592.21	(\$150,749)	\$47,868,241.18	(\$311,299)	\$61,619,833.39
DECEMBER-2022	(16)	961	+0	31	(39)	154	(34)	201	(\$67,403)	\$13,912,141.54	+\$336,936	\$48,018,990.62	+\$269,533	\$61,931,132.16
NOVEMBER-2022	(11)	977	+6	31	(73)	193	(14)	235	+\$183,112	\$13,979,544.16	+\$140,739	\$47,682,054.64	+\$323,851	\$61,661,598.80
OCTOBER-2022	+42	988	(4)	25	(14)	266	(12)	249	+\$23,698	\$13,796,432.07	+\$495,740	\$47,541,316.10	+\$519,438	\$61,337,748.17
SEPTEMBER-2022	+48	946	+8	29	+31	280	+5	261	+\$113,539	\$13,772,734.44	(\$36,008)	\$47,045,575.78	+\$77,531	\$60,818,310.22
AUGUST-2022	+14	898	+7	21	+191	249	+123	256	+\$245,756	\$13,659,195.34	(\$176,954)	\$47,081,584.06	+\$68,802	\$60,740,779.40
JULY-2022	(61)	884	(18)	14	(35)	58	(7)	133	(\$548,564)	\$13,413,439.70	(\$1,038,108)	\$47,258,537.68	(\$1,586,672)	\$60,671,977.38
JUNE-2022	(15)	945	+10	32	(114)	93	(59)	140	(\$344,886)	\$13,962,003.26	+\$54,290	\$48,296,645.97	(\$290,596)	\$62,258,649.23
MAY-2022	+30	960	(1)	22	+29	207	+18	199	(\$24,133)	\$14,306,889.60	+\$353,763	\$48,242,355.49	+\$329,630	\$62,549,245.09
APRIL-2022	+20	930	+1	23	(47)	178	(24)	181	(\$354,710)	\$14,331,022.70	+\$398,883	\$47,888,592.21	+\$44,173	\$62,219,614.91
MARCH-2022	+42	910	+7	22	+59	225	+26	205	+\$27,833	\$14,685,732.34	(\$404,683)	\$47,489,709.58	(\$376,850)	\$62,175,441.92
FEBRUARY-2022	+2	868	+0	15	+13	166	+10	179	+\$168,625	\$14,657,898.88	(\$178,556)	\$47,894,392.95	(\$9,932)	\$62,552,291.83
JANUARY-2022	(1)	866	+2	15	+52	153	(1)	169	+\$204,865	\$14,489,274.20	(\$236,518)	\$48,072,949.17	(\$31,653)	\$62,562,223.37

## CCMSI WC CLAIM PROCESS

CLAIM RECEIVED IN OFFICE: Electronically via ICE (Internet Claims Edge), email to [nmpsiawc@ccmsi.com](mailto:nmpsiawc@ccmsi.com) or by fax

If the claim is received through ICE, a supervisor reviews and assigns them through the course of the day. If the claim is received by email or fax, a clerk enters the information and notifies a supervisor for review.

TYPES OF WC CLAIMS: The supervisor reviews the new reports and assigns them based on the available information:

1. Incident Only = no medical treatment
2. Medical Only = medical treatment but no lost time greater than the statutory 7-day waiting period.
3. Indemnity/Lost Time = medical treatment, lost time greater than the statutory 7-day waiting period and/or it is a questionable or atypical claim.

**INCIDENT ONLY CLAIMS:** Assigned to an adjuster and supervisor, activated and closed so there is no activity on them. A percentage of Incident Only claims reactivate later because the worker did seek treatment and the medical provider sent the bill to our office rather than the employer or worker notifying our office.

**MEDICAL ONLY CLAIMS:** Assigned to an adjuster and supervisor, activated, and submitted to Index Bureau instructions given to the adjuster. The Medical Only adjuster then:

*Makes the initial 2 points of contact within 48 hours of receiving the claim. This includes making contact with the worker via the Initial Selection Letter and the client via email. Our Corporate Claims Best Practices states the Medical Only adjuster complete investigation of the claim within 48 hours by entering the following notes:*

1. ACKNOWLEDGE THE SUPERVISOR'S REVIEW
2. ADD COVERAGE NOTE
3. ACKNOWLEDGE THE ISO INDEX REPORT
4. SEND CLIENT EMAIL
5. ENTER THE INVESTIGATION NOTE
6. ENTER THE MEDICAL NOTE
7. ENTER MEDICAL CASE MANAGER NOTE
8. ENTER ODG AND SCHIP NOTES
9. ACTIVATE DRUG CARD
10. ADD SUBROGATION NOTE AND CHECK SUBROGATION BOXES
11. ADD LEGAL NOTE:
12. ADD RESERVES FOR THE CLAIM
13. ADD ACTION PLAN
14. SEND INITIAL SELECTION OF HCP LETTER TO WORKER



#### 15. MANAGE CLAIM TO CONCLUSION OR POTENTIAL TRANSFER TO INDEMNITY ADJUSTER

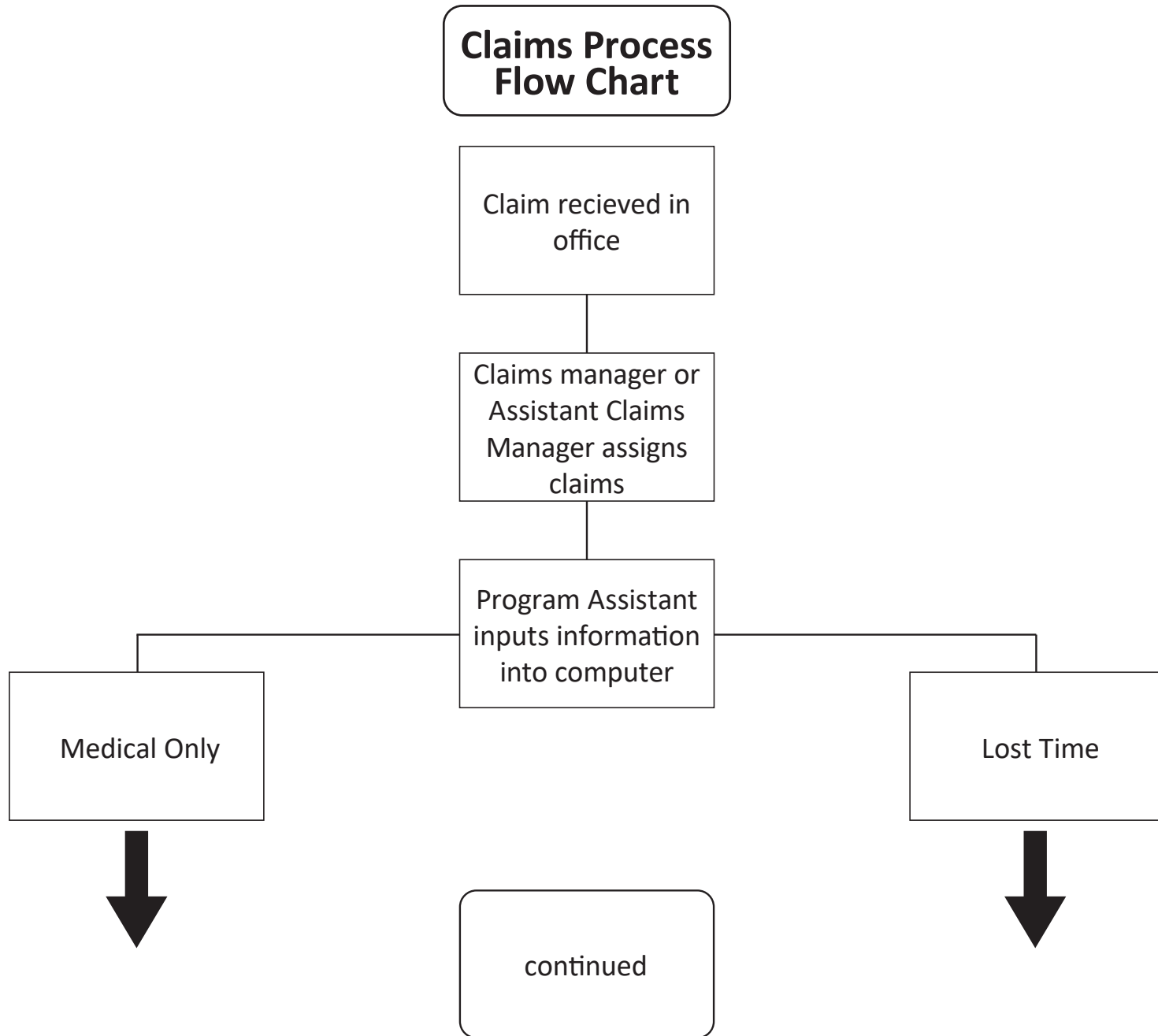
- Review/document medical bills/reports, communications, etc.
- Monitor for conclusion of medical treatment.
- Monitor for maximum medical improvement (MMI) & impairment rating (IR)
- Administratively close file if medical treatment concluded and no IR
- Transfer to Indemnity Adjuster if worker has an IR after reaching MMI

**INDEMNITY/LOST TIME CLAIMS:** Assigned to an adjuster and supervisor, activated, and submitted to Index Bureau instructions given to the adjuster. The adjuster then:

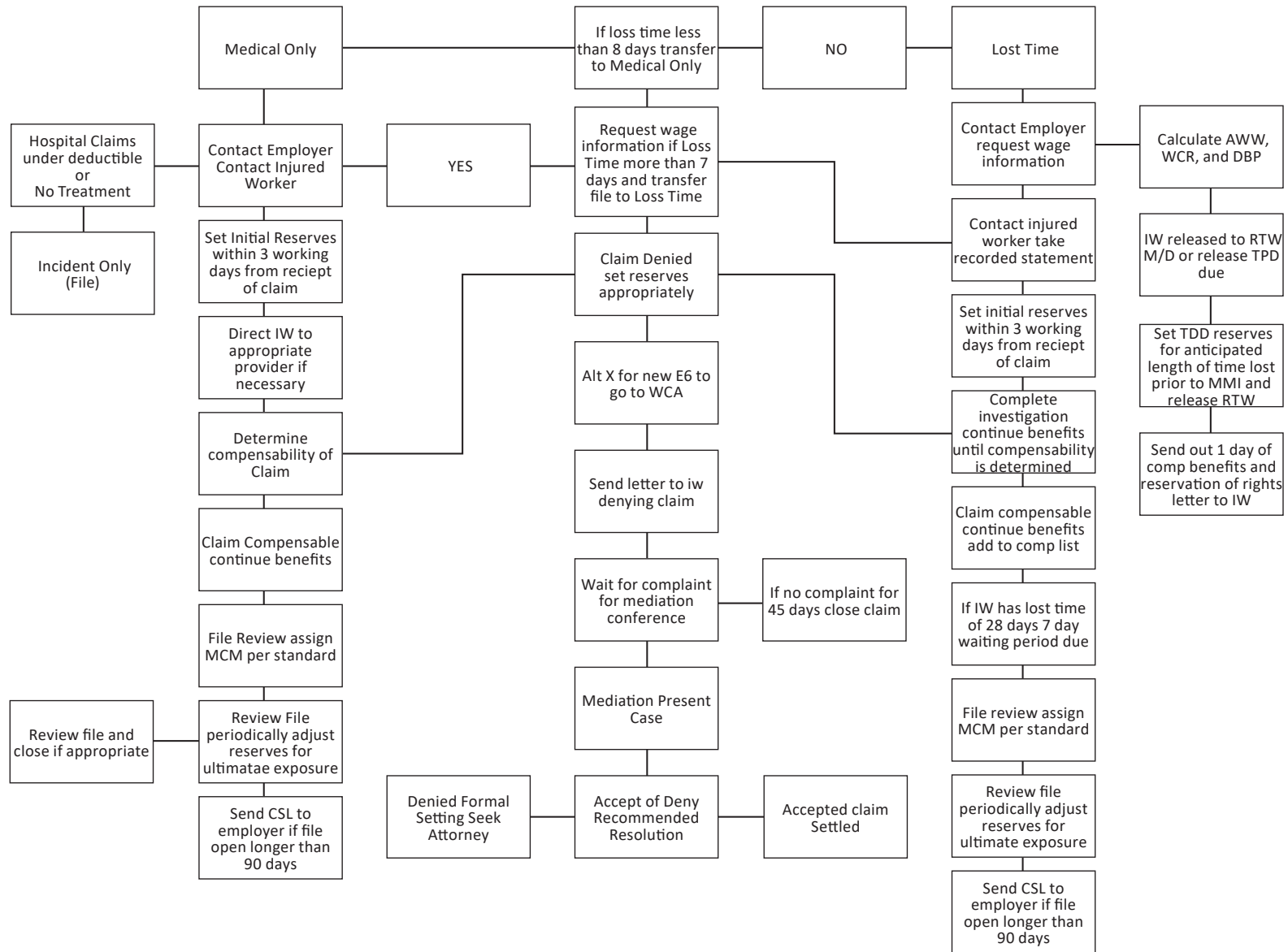
*Makes the initial 3 points of contact within 48 hours of receiving the claim. This includes contact with the worker, the client, and the medical provider. If the adjuster is unable to make contact initially, they must try again every 3 days until contact is made. They are to have their investigation complete within 10 days of receiving the claim by completing the following notes:*

1. ACKNOWLEDGE THE SUPERVISOR'S REVIEW
2. ADD COVERAGE NOTE
3. ACKNOWLEDGE THE ISO INDEX REPORT:
4. SEND CLIENT EMAIL
5. CLAIMANT CONTACT: RECORDED STATEMENT
6. MEDICAL CONTACT
7. SEND INITIAL SELECTION LETTER TO WORKER (if it was not previously sent by the MO adjuster)
8. COMPLETE THE CLAIM RISK ASSESSMENT NOTES: Claimant, Employer & Compensability Sections
  - a. Background
  - b. Gov't Programs
  - c. Children
  - d. Military
  - e. Health Insurance
  - f. Employment
  - g. Summary
  - h. Accident/Injury
  - i. Accident Profile
  - j. Summary
  - k. Injury History
  - l. Medical Information
  - m. Health/Lifestyle
  - n. Employer
  - o. History
  - p. Accident Profile

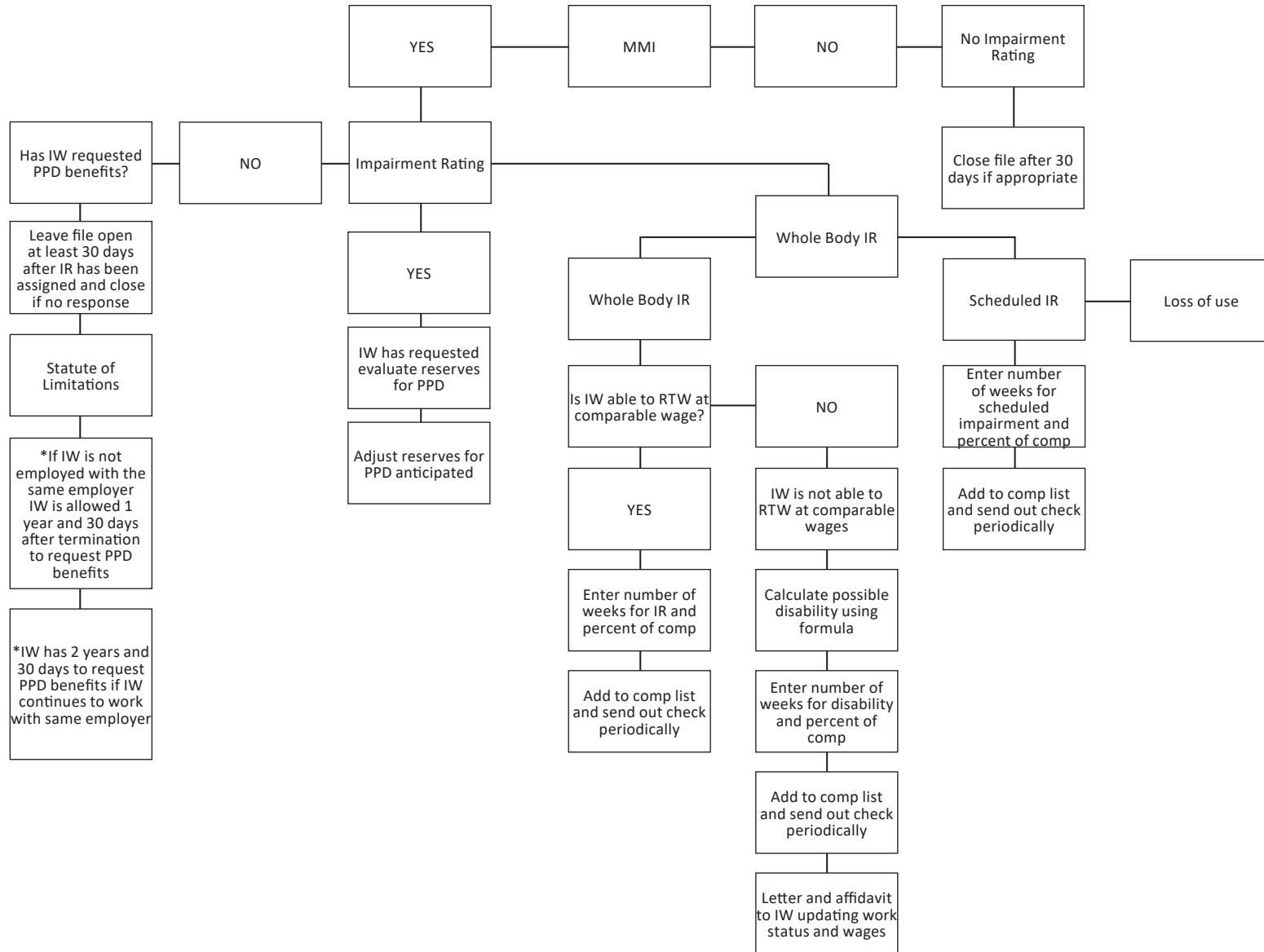
- q. Summary
- r. Compensability
- 9. COMPLETE THE CLAIM RISK ASSESSMENT NOTES: Employer Section
- 10. ENTER THE INVESTIGATION NOTE
- 11. ENTER THE MEDICAL NOTE
- 12. ENTER MEDICAL CASE MANAGER NOTE
- 13. ENTER ODG AND SCHIP NOTES
- 14. ACTIVATE DRUG CARD
- 15. ADD SUBROGATION NOTE AND CHECK SUBROGATION BOXES
- 16. ADD LEGAL NOTE:
- 17. ADD RESERVES FOR THE CLAIM
- 18. ADD ACTION PLAN
- 16. MANAGE CLAIM TO CONCLUSION
  - Review/document medical bills/reports, communications, etc.
  - Monitor work status
  - Monitor for conclusion of medical treatment
  - Monitor any subrogation request from health insurance or Medicare
  - Monitor for maximum medical improvement (MMI) & impairment rating (IR)
  - Administratively close file if medical treatment concluded and no IR
  - Monitor legal activity and attend mediation and formal hearings when required.



## Claims Process continued page 2



### Claims Process continued page 3



## Restorative Practices

Schools across the nation have begun to scrutinize their [“zero tolerance” discipline policies](#), recognizing that these severe policies can disrupt the learning environment and ultimately end with many students [feeling undervalued, unwelcome in their schools, and misunderstood](#).

School administrators have been struggling with what has come to be known as the [school-to-prison pipeline](#), where students of color are far more likely than their white peers to be alienated from school through punishment, put into contact with law enforcement at school, and pushed towards a jail cell for the same behavior as their white peers.

Many districts have begun to embrace what is known as [restorative practices](#) in place of traditional discipline, and, in turn, those districts are seeing not only a reduction in school suspensions and expulsions, but also an increase in student social-emotional growth and positive behaviors.

### So, What are Restorative Practices?

Restorative practices build community and promote healthy relationships among educators and students in order to teach the social-emotional and conflict-resolution skills necessary to reduce conflict.

Restorative practices promote inclusiveness, relationship-building, and problem-solving through restorative methods such as circles for teaching, conflict resolution, and conferences that bring victims, offenders, and their supporters together to address wrongdoing. Instead of punishment, students are encouraged to reflect on and take responsibility for their actions and come up with plans to repair harm.

### Why Should Restorative Practices be Implemented?

Traditional “zero-tolerance” policies are exclusionary and criminalizing discipline practices and are a powerful aspect of [the racial inequalities that pervade public schooling](#), from disparate dropout and graduation rates, to rates of referral to special education and gifted education, and differences in school funding and resourcing.

Racial disparities are of particular concern when the disciplinary category is subjective and affected by cultural perception. For example, suspensions for “insubordination,” “defiance,” “disrespect,” “refusal to obey school rules,” and “disruption” have been shown to exhibit [very high racial disparities](#) and have led some districts to ban them as a solution.

### A Shift in the Approach to Traditional Discipline

Using [approaches](#) such as dialogues, peace circles, conferencing, and peer-led mediation, restorative practices get to the root cause of student behavior, which often relates to adult behavior. A restorative culture seeks to address the missing piece of teaching

social-emotional and conflict-resolution skills by turning behaviors into learning opportunities. Accepting responsibility for behaviors and making right what has been wronged is the goal of the learning opportunity.

Using this model in the school community still allows each educator to have his/her own expectations and forms of accountability. As much as possible, students are responsible to their teachers for classroom expectations and behavior. When a student does not respond to the classroom accountability system, a student may be referred to a support staff member for a more intensive intervention aimed at helping the student make better behavioral choices.

The ultimate goal in addressing all behaviors is to ensure a supportive and stable educational environment while encouraging growth towards self-discipline, accepting responsibility, and appreciating the rights of others. When fully implemented with a race-conscious lens, restorative practices improve school climate, increase academic achievement, and [reduce racial disparities in school discipline](#).

If you would be interested in more information about Restorative Practices or to set up training, please contact Darron Walter at [dwalter@pomsassoc.com](mailto:dwalter@pomsassoc.com)



# NMPSIA Restorative Practices Overview

## February 8, 2024

Darron Walter  
Safety and Security Consultant  
M.A. Emergency Management/ Homeland Security  
*29 -Year LEO/ Retired*



**New Mexico  
Public Schools  
Insurance  
Authority**







## Restorative Practices Defined

A *philosophy*, not a curriculum or program, that focuses on building positive relationships and providing opportunities for community members to take responsibility for their behavior and their lives.

At the heart of restorative practices is the belief that we are all in this together, that we are a community.



## The 5 Rs



- **R**elationship
- **R**espect
- **R**esponsibility
- **R**epair
- **R**eintegration



## What you don't see

The safest way to keep a school safe is if every student has a trusted adult. Are **YOU** that trusted adult?

**WE HAVE TO KNOW  
WHAT IS IN  
THE *INVISIBLE*  
BACKPACK.**

**THIS ENTERS  
YOUR BUILDING  
EVERY DAY!**



*The invisible backpack*

10 adverse childhood experiences (ACEs) linked to every major chronic illness and social issue in our country.

1. Physical Abuse
2. Emotional abuse
3. Sexual abuse
4. Physical neglect
5. Emotional neglect
6. Witness to violence
7. Incarcerated relative
8. Substance abuse exposure
9. Mental health in home
10. Divorce



*Dr Adolph Brown*





We always focus  
on RESPONSE!

Relationships can build  
pathways to success while  
reducing violence.

“A person whose basic needs  
are being met is far less  
likely to engage in violent  
behavior.”

*“Group Violence Intervention: An Implementation Guide.”  
National Network for Safe Communities.*



If we don't know  
our kids, how can  
we possibly see  
the warning signs?



## PREVENTION

*"Most people who commit an act of violence make threats far in advance of any action."*

## RESPONSE

*"Some people leap to dubious ideas, like bulletproof backpacks and arming teachers, when in fact our energy and resources are better spent dealing with less sensational everyday problems like bullying, or mental health issues like depression."*

*-Dewey Cornell*





## Raton High School – Year 2 of SEL Implementation Plan

### DEMOGRAPHICS 2023-2024 SY

**Number of High School Students = 347**

Hispanic/Latino	69%
White	29%
Black or African American	0.1%
Native American/ Alaskan American	1%
ELLs (Receiving ELD Support)	3%
Students on IEP's	15%
FRL Rate	100%

### RAISING 9<sup>th</sup> GRADE ON-TRACK RATES

S2 on Track Rate 21-22	64%
S1 on Track Rate 22-23	72%
S3 on Track Rate 22-23	96%





## Discipline Data and RP Progress

STARS Data CODE	Infractions	
	2021-2022	2022-2023
4 - Assault Aggravated	2	1
5 - Assault/Battery Simple	17	4
12 - Sexual Harassment	1	0
13 - Disorderly Conduct	64	24
14 - Bullying or Harassment	10	5
43 - Missing Property/Theft	2	0
44 - Arson	2	0
45 - Vandalism	2	0
46 - Vandalism - other	1	0
51 - Weapons Possession - Knife/Cutting	4	1
52 - Weapons Possession - other	1	0
54 - Drug Violation	6	18
55P - Alcohol - Possession	2	1
55U - Alcohol - Usage	2	0
56 - Tobacco Use	19	7
<b>Totals</b>	<b>135</b>	<b>61</b>



## Restorative Data and RP Progress STARS Data - Responses to Infractions

### 2021-2022 – 135 reported infractions

- 1 - Arrest/referral to Justice System
- 1 – Modified expulsion – SpEd
- 1 – Expulsion – Gen Ed
- **90 instructional days for ISS**
- **254 instructional days for OSS**
- 36 – other/unknown

### 2022-2023 – 61 reported infractions

- 1 – Modified expulsion – SpEd
- **56 instructional days for ISS**
- **96 instructional days for OSS**
- 8 – other/unknown
- 37 – Restorative Practices







## Student Success Center – Facilitator Notes

Student Success Center Notes Data	2022-2023
Anger Management	6
Boys' Council	4
Bullying	2
Check-in	97
Defiance / Disrespect	35
Drug Usage	1
Fighting	13
Girls' Circle	2
ISS	15
Student Conflict	73
Restorative Circle – Pre-Conference	16
Restorative Circle	17
Self-referral	26
Sexual harassment	1
Support	26
Vaping	4
<b>Totals</b>	<b>338</b>



# Raton Public School Roadmap



NMPSIA Monthly Loss Prevention Abatement Report

November 2023	Total Rec	Total Capital	Total Non-Capital	Corrected Capital	Corrected Non-Capital	Total Corrected
November 2023	131	0	131	0	91	91
Total % Corrected	69.47%	= Total Corrected/Total Recommendations				
% Corrected Capital	0.00%	= Corrected Capital/Total Capital				
% Corrected Non-Capital	69.47%	= Corrected Non-Capital/Total Non-Capital				

December 2023	Total Rec	Total Capital	Total Non-Capital	Corrected Capital	Corrected Non-Capital	Total Corrected
December 2023	97	1	96	1	79	80
Total % Corrected	82.47%	= Total Corrected/Total Recommendations				
% Corrected Capital	100.00%	= Corrected Capital/Total Capital				
% Corrected Non-Capital	82.29%	= Corrected Non-Capital/Total Non-Capital				

NMPSIA Monthly Loss Prevention Abatement Report

SY 24 YTD	Total Rec	Total Capital	Total Non-Capital	Corrected Capital	Corrected Non-Capital	Total Corrected
SY 24 YTD	776	13	763	8	608	616
Total % Corrected	79%	= Total Corrected/Total Recommendations				
% Corrected Capital	62%	= Corrected Capital/Total Capital				
% Corrected Non-Capital	80%	= Corrected Non-Capital/Total Non-Capital				





# POMS

RISK CONTROL  
& INSURANCE

SMARTER INSURANCE  
FOR SMARTER BUSINESS.



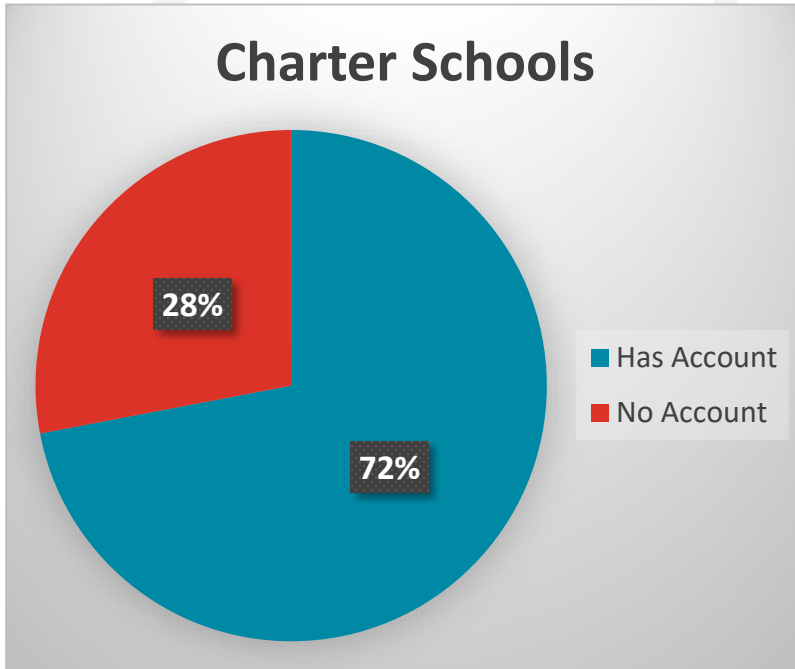
New Mexico  
Public Schools  
Insurance  
Authority



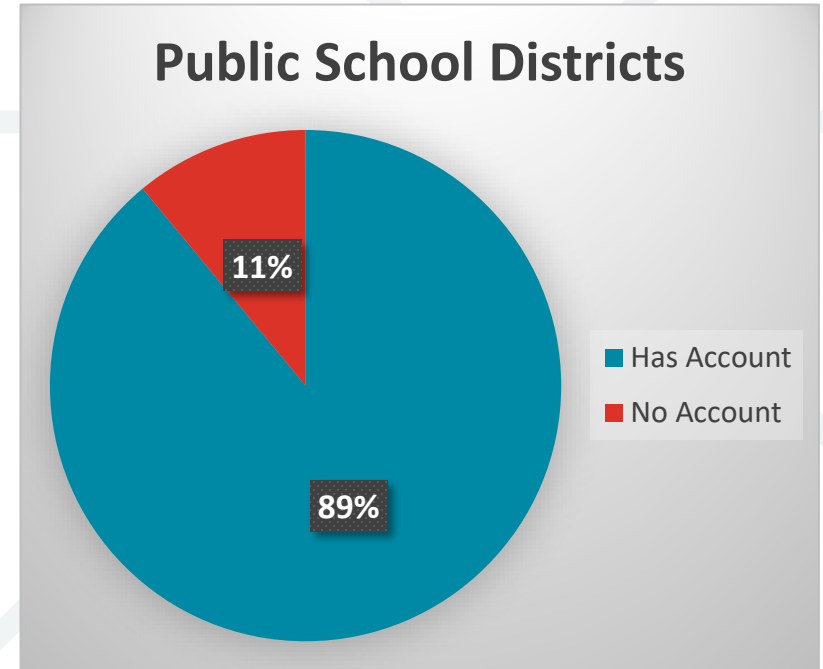
**Vector**Solutions™

## Adoption Summary (as of January 01, 2024)

# % of Schools With Vector Accounts



❖ 76 out of 105 Charter Schools



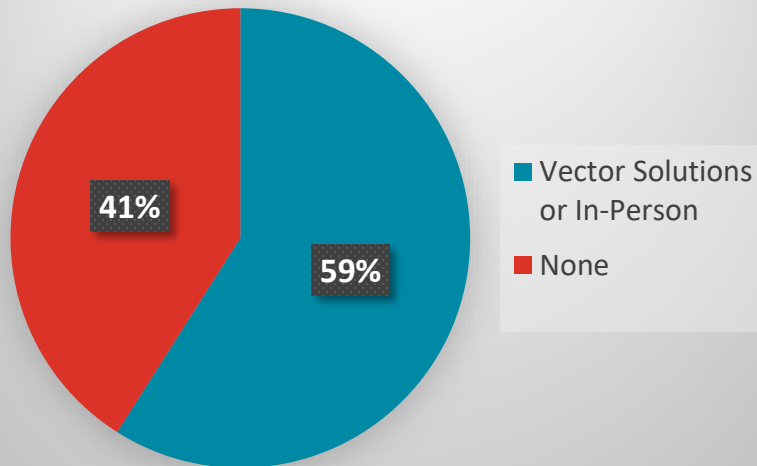
❖ 78 out of 88 Public School Districts

# Need for Improvement - Enrollment

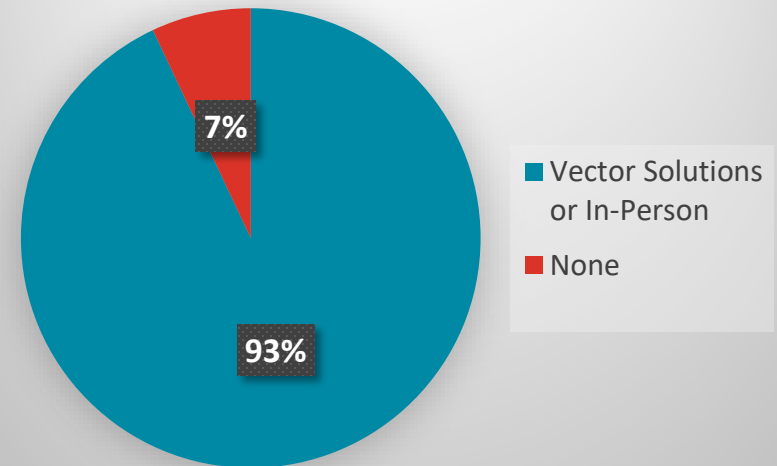
- Charter Schools
  - We have been working on getting more Charter Schools enrolled.
    - Poms has presented on HB128 rules at two well-attended Charter School Conferences in 2023.
    - We will identify the Charters who are not enrolled and begin an email and phone call campaign.
- Districts have done much better at enrolling (only 10 have not enrolled).
  - We will identify the Districts who are not enrolled to determine the reasons. Some may be using another program, which we can evaluate for compliance.

# Schools With Any Child Sexual Abuse Prevention (CSAP) Training

## Charter Schools



## Public School Districts





# Need for Improvement - Training

- Slide #4 includes both Vector Solutions Training and In-Person Training conducted by Poms and Associates.
- This also shows the difficulty with Charter School participation.
  - We will need to evaluate the reasons they are not participating in either Vector or Poms In-Person Training.
  - If they are using another training, the content of those trainings will need to be evaluated, and potentially revised to assure compliance with HB 128 requirements. Poms, for NMPSIA, would also ask for documentation for our files.
- Districts are doing well overall.
  - The 7% with no training will also need a close evaluation of the cause(s).

# Vector Solutions Child Sexual Abuse Prevention (CSAP) Training

## Summary (as of 1/1/2024)

- ❖ 47,100 Active Users
- ❖ 316,272 CSAP Modules Completed

# Need for Improvement - Training

- Slide 6 - These numbers are also difficult to fully interpret. The 316,272 modules completed is the better number to show the scope of participation; however, this number is not as high as we would like it to be. We know that some schools are choosing to show the training modules to a group of participants, rather than have individuals view them separately. That would still only show up in Vector as one module completed, thereby skewing the overall participation numbers. More evaluation is necessary.

# Impacts of CSAP Training (Vector Solutions and In-Person)

	# of Claims (Open & Closed)	Costs Incurred
2016-2017 School Year	6	\$6.9 Million
2017-2018 School Year	2	\$1.5 Million
2018-2019 School Year	6	\$11.9 Million
2019-2020 School Year	2	\$1.4 Million
2020-2021 School Year	1	\$1.6 Million
<b>HB 128 Takes Effect</b>		
2021-2022 School Year	2	\$355,000
2022-2023 School Year	1	\$25,000
2023-2024 School Year	0	\$0

# Significant Impacts

- Slide #8
  - Includes a count of claims filed against a specific perpetrator. We used this approach since HB 128 is directed at identifying inappropriate conduct by an adult.
  - Since the passage of HB 128, the number of claims and, most especially, the incurred values of the claims have significantly decreased.

# Need for Improvement

- We are aware of a lack of training and reference checks for both contractors, volunteers, and coaches.
  - This is a significant concern. NMPSIA has, over the last several years, seen a rise in the number of claims by volunteer coaches and paid contractors such as ROTC instructors.
  - We are aware of failures in school systems to properly vet and train these individuals. Again, we will begin with a strong media campaign to raise awareness.
  - Poms & Associates is auditing districts and charters and bringing this issue to their attention where necessary.

# On the Horizon

- NMPSIA has contracted with STOPit! Solutions, an anonymous reporting system, to help students identify and report misconduct. We will be monitoring all reports of misconduct for response by the Districts or Charter Schools.
- NMPSIA is reviewing the best process for providing both investigation services for school administration and background investigation services for District and Charter HR functions.
- The expectation is these issues will be resolved before the beginning of the 24 -25 school year.



**Patrick Sandoval**  
Executive Director

**Martha Quintana**  
Deputy Director

# NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

## Office of Executive Director

410 Old Taos Highway  
Santa Fe, New Mexico 87501  
1-800-548-3724 or 505-988-2736  
505-983-8670 (fax)

### BOARD OF DIRECTORS

- NM School Boards Association
- NM Superintendents Association
- Public Education Commission
- NM School Administrators
- NM National Education Association
- American Federation of Teachers N.M.
- Governor Appointees
- Educational Institutions at Large

January 17, 2024

Nura Patani, PhD, ASA, MAAA  
Vice President & Consulting Actuary  
The Segal Company  
1501 West Fountainhead Parkway, Suite 370  
Tempe, AZ 85282

RE: Amendment 5 - Effective January 17, 2024  
Professional Services Agreement for Benefits  
and Actuarial Consulting  
Date of Agreement: January 1, 2023  
Agreement No. 342-2023-02

Dear Dr. Patani:

This letter shall constitute an Amendment to the above-captioned Agreement between the New Mexico Public Schools Insurance Authority, hereinafter referred to as the "Agency," and The Segal Company, referred to as the "Contractor," and is effective as of the dates shown herein.

The Agency and Contractor entered into a Professional Services Agreement for Benefits and Actuarial Consulting ("Agreement") effective January 1, 2023. The Agency and Contractor wish to amend their Agreement with the amendments set out herein.

1. Pursuant to Section 1 (Scope of Work), the Contractor will provide:

31. CVS Caremark (CVS) Pharmacy Benefit Manager (PBM) Market Check.

- A. The contractor will summarize and benchmark NMPSIA's pharmacy claims data within Segal's SHAPE database to compare it against PBM pricing terms.
- B. Contractor will evaluate the Agency's current contract terms in comparison to the terms offered in the marketplace (as deemed appropriate based on the contractual market check language) using the Contractor's Book of Business de-identified client-specific terms found in the Contractor's national database.
- C. The Contractor will prepare and send the Agency and CVS a report that will outline various items that CVS will need to improve, in aggregate, to meet market standards within a set timeframe. If the comparison analysis determines that NMPSIA's current market price would yield an annual one



percent (1%) or more savings of net plan costs under the benchmarks, then the Contractor will work expeditiously with CVS, the Agency, and the Agency's legal counsel to negotiate in good faith a modification of the current pricing terms.

D. Contractor will conduct technical contract review and negotiations with CVS to assist the Agency and the Agency's legal counsel in confirming that the agreed-upon market check terms are included in the subsequent amendment once the Authority agrees with CVS's financial and contractual improvements. The revised pricing terms will be included in a subsequent amendment, which will become effective on the first day of the contract year following the issuance of the report.

2. Pursuant to Section 2 (Compensation):

A.3 The additional compensation payable to the Contractor under the amendment for item 31 to the scope of work shall not exceed \$18,000.00, including gross receipts tax.


3. This Amendment has been signed on the 16<sup>th</sup> day of January 2024 and shall be in effect from January 17, 2024, to December 31, 2024.

**New Mexico Public Schools  
Insurance Authority**

**The Segal Company**

By:

By:

DocuSigned by:  
  
7A5C4B245031497...  
Alfred A. Park  
Board President

DocuSigned by:  
  
71E207A348E34A0...  
Dr. Nura Patani  
Vice President & Consulting Actuary



**NEW MEXICO PUBLIC SCHOOLS  
INSURANCE AUTHORITY**  
Office of Executive Director

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**Patrick Sandoval**  
Executive Director

**Martha Quintana**  
Deputy Director

410 Old Taos Highway  
Santa Fe, New Mexico 87501  
1-800-548-3724 or 505-988-2736  
505-983-8670 (fax)

February 8, 2024

Cheryl Byron  
Vice President, Employer  
CVS Caremark

Re: Amendment 1 – Effective January 1, 2024 to June 30, 2026  
Professional Services Agreement for Pharmacy Benefits Manager  
CVS Caremark  
Date of Agreement: July 1, 2022  
Agreement No. 342-2021-03

Dear Ms. Brown:

This Amendment No. 1 (“Amendment”), effective January 1, 2024, amends the Pharmacy Benefit Services Agreement between CaremarkPCS Health, L.L.C., a Delaware limited liability company, (“CVS Caremark”) and New Mexico Public Schools Insurance Authority (“Client”), dated July 1, 2022 (the “Agreement”).

The parties agree to amend the Agreement as set forth herein to add 2.26 for **Caremark Cost Saver™** program, to include Exhibit H; to add 2.27 Point of Sale Estimated Rebate Program; to update 12.4 Compliance with Law; in Exhibit A of the Agreement (Financial Terms), replace Rebates table and update subsection (a)(ii), subsection (a)(vi), and subsection (b)(v); add Schedule 1 (Regulatory Requirements) and add Schedule 1-FLA (State of Florida Regulatory Requirements).

1. Section 2 (CVS Caremark Services) of the Agreement is hereby amended by inserting the following as a new subsection 2.26 thereof:

**2.26 Caremark Cost Saver™.** CVS Caremark shall provide, as part of the Services, its Caremark Cost Saver™ program to Client’s eligible Plan(s) in accordance with the terms and conditions described in Exhibit H.

2. Section (CVS Caremark Services) of the Agreement is hereby amended by inserting the following as a new subsection 2.27 thereof:

**2.27 Point of Sale Estimated Rebate Program.** For the Client Plans or groups

designated by Client in writing, CVS Caremark shall provide its Point of Sale Estimated Rebate Program (“POS Rebate Program”) as set forth below. For Plans or groups designated by Client, a portion (as specified by Client) of the estimated Rebate CVS Caremark anticipates collecting for a Claim (the “POS Estimated Rebate”) shall be applied by CVS Caremark in adjudicating the Claim for purposes of calculating the applicable Plan Member Cost Share amount. The POS Estimated Rebate shall be applied to the ingredient cost of the adjudicated Claim after applying the appropriate network discount and dispensing fee, and before calculating the applicable Cost Share amount. Client acknowledges that the application of a POS Estimated Rebate may reduce the otherwise applicable Plan Member Cost Share, resulting in a larger portion of the adjudicated Claim cost being invoiced to Client. CVS Caremark shall use good faith efforts to project the anticipated actual Rebate collection and shall review the POS Estimated Rebate at least quarterly and make adjustments, if necessary and where permitted by applicable law, based upon relevant factors such as the likelihood of actual Rebate collection from pharmaceutical manufacturers. CVS Caremark may adjust the POS Estimated Rebate in a manner designed to account for the impact of the following events: (i) a generic version of a Brand Drug product is unexpectedly introduced in the market; (ii) a Brand Drug product is recalled or withdrawn from the market; (iii) actual collection experience varies significantly from that expected; or (iv) prior POS Estimated Rebate application varies significantly from actual Rebates earned. Caremark shall have no responsibility or liability to either Client or Plan Members for variance between POS Estimated Rebates and actual Rebate amounts collected.

In addition to CVS Caremark’s standard Client Rebate reporting package, CVS Caremark shall provide Client a quarterly POS Estimated Rebate Summary Report comparing the aggregate totals of Client’s share of Rebates invoiced by CVS Caremark, the POS Estimated Rebates applied to Claims pursuant to the POS Rebate Program, and the Member Cost Share reduction derived from application of the POS Estimated Rebates. The POS Estimated Rebate Summary Report shall be in the aggregate and not at the drug-specific level.

CVS Caremark shall apply POS Estimated Rebates on Claims for all rebated Covered Products or as directed by Client, only those rebated Covered Products identified on specific lists prepared by CVS Caremark and elected by Client in writing. Client shall specify in writing the portion of the estimated Rebates that CVS Caremark anticipates collecting for Claims that shall be applied as the POS Estimated Rebates.

If Client desires only specified groups or benefit Plans to participate in the POS Rebate Program, Client shall provide to CVS Caremark a POS Rebate Indicator on the group file feeds provided to CVS Caremark, or,

alternatively, by Client benefit Plan, as elected by Client during enrollment, which will trigger the application of POS Estimated Rebates for the designated group(s) or Plan(s). Client is responsible for the accuracy of the group file POS Rebate Indicator, as applicable, and associated effective dates. Client's election to provide a group file POS Rebate Indicator, as opposed to designating a Client benefit Plan for participation in the POS Rebate Program, or vice versa, may only be changed upon at least ninety (90) days' prior written notice to CVS Caremark.

Client acknowledges that the CVS Caremark Claims Experience Transmission (CET) files shall report the full Covered Product ingredient cost, without adjustment for any POS Estimated Rebate applied. Client further acknowledges that, for a client utilizing a custom CET format, this CET file reporting may require customized programming, which shall be billed to Client at CVS Caremark's standard rate.

3. Section 12.4 (Compliance With Law) of the Agreement is hereby amended by deleting such section in its entirety and inserting the following in its place:

**12.4 Compliance with Law.**

- (a) Each party shall comply with the provisions of all applicable laws relating to the performance of its obligations under the Agreement. Each party is responsible for obtaining its own legal advice concerning its compliance with applicable laws.
- (b) Without limiting the applicability of Section 12.4 or Section 12.9, to the extent mandated by applicable law, the terms and conditions set forth in Schedule 1 (Regulatory Requirements) shall be incorporated herein, as applicable.

4. The rebate guarantees below reflect changes made to the minimum rebate guarantees for rapid-acting insulins that were impacted by the American Rescue Plan Act (ARPA) of 2021. The Rebate table in Section 1 (Mail, Retail, Rebates and Specialty) of Exhibit A (Financial Terms) of the Agreement is hereby amended by deleting such table in its entirety and inserting the following in its place:

<b>REBATES</b>	
<b>MAIL</b>	01/01/2024 – 06/30/2024: [REDACTED] per Brand Drug Claim 07/01/2024 – 06/30/2025: [REDACTED] per Brand Drug Claim 07/01/2025 – 06/30/2026: [REDACTED] per Brand Drug Claim
<b>RETAIL 30</b>	01/01/2024 – 06/30/2024: [REDACTED] per Brand Drug Claim 07/01/2024 – 06/30/2025: [REDACTED] per Brand Drug Claim 07/01/2025 – 06/30/2026: [REDACTED] per Brand Drug Claim
<b>RETAIL 90 (Broad Network) (if selected)</b>	01/01/2024 – 06/30/2024: [REDACTED] per Brand Drug Claim 07/01/2024 – 06/30/2025: [REDACTED] per Brand Drug Claim 07/01/2025 – 06/30/2026: [REDACTED] per Brand Drug Claim

<b>RETAIL 90 (Custom Network) (if selected)</b>	01/01/2024 – 06/30/2024: [REDACTED] per Brand Drug Claim 07/01/2024 – 06/30/2025: [REDACTED] per Brand Drug Claim 07/01/2025 – 06/30/2026: [REDACTED] per Brand Drug Claim
<b>SPECIALTY</b>	01/01/2024 – 06/30/2024: [REDACTED] per Brand Drug Claim 07/01/2024 – 06/30/2025: [REDACTED] per Brand Drug Claim 07/01/2025 – 06/30/2026: [REDACTED] per Brand Drug Claim

5. Subsection (a)(ii) of Section 1 of Exhibit A (Financial Terms) of the Agreement is hereby amended by deleting such subsection in its entirety and inserting the following in its place:

- (ii) Pricing and rebate guarantees apply to all paid Claims with the exception of the following standards exclusions: 340B Claims, Compound drug Claims, Paper or Member submitted Claims, Coordination of Benefits (COB) or secondary payor Claims, Vaccine (including COVID) and vaccine administration Claims, and other COVID testing-related Claims.

In addition, CVS/Caremark will exclude from all retail pricing and dispensing fee guarantees (but not from Rebate guarantees), Claims where State law mandates that the claim is adjudicated according to a specific pricing methodology (e.g., NADAC) and/or with a specified dispensing fee.

6. Subsection (a)(vi) of Section 1 of Exhibit A (Financial Terms) of the Agreement is hereby amended by deleting such subsection in its entirety and inserting the following in its place:

- (vi) Participating Pharmacy rates do not necessarily reflect the Participating Pharmacy contracted rates, and CVS Caremark shall retain, and not disclose to any third party, including Client, the difference. Additionally, in states requiring a transparent network, Caremark will apply a [REDACTED] Administration Fee per Claim.

7. Subsection (b)(v) of Section 1 (Mail, Retail, Rebates and Specialty) of Exhibit A (Financial Terms) of the Agreement is hereby amended by inserting the following additional language at the conclusion thereof:

When remitting and reconciling minimum Rebate guarantees, CVS Caremark shall add “Rebate Credit” value to the total Rebates remitted to Client for each respective Rebate component. “Rebate Credits” shall consist of (i) the differential between the Wholesale Acquisition Cost (WAC) of a lower net cost Brand Covered Product, including but not limited to a Biosimilar (“Low Cost Brand”), Claim processed and the WAC of the reference Brand Drug, subject to the below cap; and/or (ii) the value of price reductions for rebateable products that have experienced a WAC decrease, measured as the differential between the Baseline WAC of the product and the WAC of the

product when the Claim is processed, subject to the below cap. The “Baseline WAC” will be the WAC of the product prior to a reduction in WAC or, as applicable, for Low Cost Brands, the Baseline WAC will be the WAC of the reference Brand Drug at the time of Claim processing.

In no way will the Rebate Credit exceed the Baseline Rebate less the earned Rebates on either the Low Cost Brand or the rebateable product that has experienced a WAC decrease. “Baseline Rebate” is calculated as follows: in the year the price reduction occurred, Baseline Rebate will be the Rebate available for coverage of the product prior to the WAC reduction or, as applicable, for Low Cost Brands the Baseline Rebate will be the Rebate available for coverage of the reference Brand Drug on the date of claim processing. For a product experiencing a WAC reduction in subsequent years, the Baseline Rebate will increase over the prior year Baseline Rebate at the WAC inflation rate of the GPI subclass (GPI-6) of the applicable product. Application of Rebate Credit(s) shall not alter the share of collected Rebates or minimum Rebate guarantees to which CVS Caremark is obligated elsewhere in the Agreement. CVS Caremark will notify Client of any applicable Covered Product that qualifies for Rebate Credits. CVS Caremark shall provide reporting upon Client request demonstrating the net-cost impact in the therapeutic category.

For clarity, the Rebate Credit methodology will apply, inter alia, to rebateable drugs impacted by the American Rescue Plan Act (“ARPA”), except with respect to those drugs where a rebate reduction has already been accounted for in a reduction to minimum Rebate guarantees, including, but not limited, to fast acting insulin products.

8. The Agreement is hereby amended by inserting the attached Exhibit H (Caremark Cost Saver Program) as a new exhibit to the Agreement.

9. The Agreement is hereby amended by inserting the attached Schedule 1 (Regulatory Requirements) as a new schedule to the Agreement.

10. The terms and conditions of the Agreement remain in effect except as otherwise stated herein. With respect to the subject matter hereof, this Amendment supersedes all similar terms in any prior Agreement between the parties, superseding all similar terms in any prior understandings, agreements, contracts or arrangements between the parties, whether oral or written.

11. All capitalized terms used in this Amendment and not otherwise defined shall have the meanings set forth in the Agreement. In the event that any provision of this Amendment conflicts with any of the provisions set forth in the Agreement, the provisions of this Amendment shall govern and control.

12. If any provision of this Amendment is held to be void or unenforceable, the

remaining provisions are considered to be severable and their enforceability is not affected or impaired in any way by reason of such law or holding.

13. It is agreed that the above captioned Agreement and any duly authorized and executed amendments thereto are hereby extended for the term through June 30, 2026.

14. This Amendment has been signed via DocuSign.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the date first written above.

**New Mexico Public Schools  
Insurance Authority**

**CAREMARKPCS HEALTH, L.L.C.**

By:

By:

\_\_\_\_\_  
Alfred Park  
Board President

\_\_\_\_\_  
Cheryl Byron  
Vice President

## **Exhibit H Caremark Cost Saver™ Program**

As part of the Services provided pursuant to the Agreement, CVS Caremark shall provide its Caremark Cost Saver™ Program (the “Program”), which utilizes a third-party contracted Participating Pharmacy network to enable Plan Members to take advantage of lower discount card prices, when available, while retaining the benefit of the drug utilization and clinical programs provided under the Plan. There is no cost for Client’s Plan(s) to participate in the Program. Below are the terms and conditions applicable to participation by Client’s Plan(s) in the Program.

1. When the Member presents a prescription for an eligible Covered Product at a Participating Pharmacy that participates in the Program, CVS Caremark may compare the price available under the CVS Caremark contracted network with the price available through a non-CVS Caremark contracted network. If the price for the Covered Product is lower through a non-CVS Caremark contracted network, the Claim will be processed through that network (a “Program Claim”). If the price for the Covered Product is lower through the CVS Caremark contracted network, the Claim will process through the CVS Caremark contracted network. The selection of the lowest cost option shall occur automatically and no enrollment or additional action is required by the Plan Member(s) beyond presenting their pharmacy benefit identification card. CVS Caremark shall perform all standard utilization review services with respect to Program Claims that it performs for other Claims pursuant to this Agreement.
2. Client acknowledges the following regarding the Program:
  - a. Program Claims process through a third-party contracted retail pharmacy network. This network is not owned by CVS Caremark and is contracted as a discount card network. Accordingly, Program Claims constitute discount card program claims and may not be subject to all pharmacy reimbursement price procedures and terms that apply to a CVS Caremark contracted pharmacy network.
  - b. The price for each Program Claim includes a fee that the Participating Pharmacy remits to the third-party that contracts for access to the pharmacy network. For avoidance of doubt, the total cost of the Program Claim, including such fee, must be lower than the total cost that would otherwise apply under the CVS Caremark contracted network in order for the Claim to process as a Program Claim. The Member and/or Client will never pay a higher cost for a Program Claim than they would if the Program was not in place.
  - c. If Client participates in CVS Caremark’s Maintenance Choice® Program, notwithstanding anything to the contrary elsewhere in the Agreement, Maintenance Choice Prescriptions that process as Program Claims will process at a price that is lower than the price at the CVS Caremark mail service pharmacy.



d. Even if Client is exempt from sales or use taxes, Program Claims may include a sales tax allocation where required by applicable law that cannot be removed or reported under the Program.

e. Participating Pharmacies are not obligated to submit Program Claims to a secondary payor, when applicable, and even if submitted to a secondary payor, such secondary payor may refuse to make a coordination of benefit payment toward Program Claims.

3. Program Claims constitute Claims, as defined in the Agreement, and are included in the reconciliation of all financial guarantees under the Agreement in the same manner and to the same extent as other Claims. Program Claims will be included in all Claim reporting CVS Caremark makes to Client or its designated vendor pursuant to the Agreement. For purposes of Claim reporting and reconciliation of financial guarantees, the Program shall allocate a portion of the total Program Claim cost as a dispensing fee, consistent with the maximum dispensing fee guarantees set forth in Exhibit A of the Agreement. Client acknowledges that the dispensing fee reported on the Program Claim may differ from the dispensing fee the Participating Pharmacy is entitled to under the third-party contracted pharmacy network, provided that Client and/or Member shall in no event be liable for any differential in the dispensing fee.

4. Client acknowledges and agrees that CVS Caremark is not guaranteeing savings for Members or Client through the Program.

5. The Plan is responsible for complying with all laws and regulations applicable to the Plan, for making any appropriate notifications to Members concerning the Program and for making any appropriate changes to Plan documents to reflect Client's participation in the Program, if necessary.

Upon prior written notice to Client, CVS Caremark may modify the Program. Either party may terminate Client's participation in the Program upon sixty (60) days' prior written notice to the other party.

**Schedule 1**  
**Regulatory Requirements**

This Schedule 1 (Regulatory Requirements) consists of one or more sub-schedules setting forth specific contractual provisions required to be included in the Agreement by a specific State, U.S. Territory or governmental agency that may have authority over (a) one or more of the Services provided by CVS Caremark, (b) the Client's Plan, and/or (c) certain Members. Provisions of the sub-schedules are taken directly from the relevant statute or regulation in effect at the time the Agreement or Amendment to which this Schedule 1 is attached is executed. In the event of a change with respect to any Regulatory Requirements after a sub-schedule is effective, the applicable terms shall be considered amended as necessary to comply with any such change (as of the required compliance date). The contractual provisions set forth in the sub-schedules shall apply to the Services provided by CVS Caremark to the extent mandated by their terms and with respect to the specific elements of the Services provided or populations of Members (the "Subject Services and Members"), as mandated in the relevant provision. To the extent these provisions differ from the terms contained elsewhere in the Agreement, the following rules of interpretation shall apply:

1. If compliance with the terms and conditions stated elsewhere in the Agreement with respect to the Subject Services and Members would comply with the applicable requirements of any sub-schedule of this Schedule 1, the terms and conditions stated elsewhere in the Agreement shall prevail, and
2. If compliance with the terms and conditions stated elsewhere in the Agreement with respect to the Subject Services and Members would not comply with the applicable requirements of any sub-schedule of this Schedule 1, the terms and conditions of the applicable sub-schedule(s) of this Schedule 1 shall apply to the extent required by applicable law.
3. Schedule 1 does not otherwise alter Section 12.9 of the original Agreement.

The following sub-schedules are attached hereto:

- Schedule 1-FL (State of Florida Regulatory Requirements)

## Schedule 1-FLA

### (State of Florida Regulatory Requirements)

Florida Statutes §626.8825 Pharmacy benefit manager transparency and accountability.

(1) DEFINITIONS. As used in this section, the term:

- (a) “Adjudication transaction fee” means a fee charged by the pharmacy benefit manager to the pharmacy for electronic claim submissions.
- (b) “Affiliated pharmacy” means a pharmacy that, either directly or indirectly through one or more intermediaries:
  - 1. Has an investment or ownership interest in a pharmacy benefit manager holding a certificate of authority issued under this part;
  - 2. Shares common ownership with a pharmacy benefit manager holding a certificate of authority issued under this part; or
  - 3. Has an investor or a holder of an ownership interest which is a pharmacy benefit manager holding a certificate of authority issued under this part.
- (c) “Brand name or generic effective rate” means the contractual rate set forth by a pharmacy benefit manager for the reimbursement of covered brand name or generic drugs, calculated using the total payments in the aggregate, by drug type, during the performance period. The effective rates are typically calculated as a discount from industry benchmarks, such as average wholesale price or wholesale acquisition cost.
- (d) “Covered person” means a person covered by, participating in, or receiving the benefit of a pharmacy benefits plan or program.
- (e) “Direct and indirect remuneration fees” means price concessions that are paid to the pharmacy benefit manager by the pharmacy retrospectively and that cannot be calculated at the point of sale. The term may also include discounts, chargebacks or rebates, cash discounts, free goods contingent on a purchase agreement, upfront payments, coupons, goods in kind, free or reduced-price services, grants, or other price concessions or similar benefits from manufacturers, pharmacies, or similar entities.
- (f) “Dispensing fee” means a fee intended to cover reasonable costs associated with providing the drug to a covered person. This cost includes the pharmacist’s services and the overhead associated with maintaining the facility and equipment necessary to operate the pharmacy.
- (g) “Effective rate guarantee” means the minimum ingredient cost reimbursement a pharmacy benefit manager guarantees it will pay for pharmacist services during the applicable measurement period.
- (h) “Erroneous claims” means pharmacy claims submitted in error, including, but not limited to, unintended, incorrect, fraudulent, or test claims.

- (i) “Group purchasing organization” means an entity affiliated with a pharmacy benefit manager or a pharmacy benefits plan or program which uses purchasing volume aggregates as leverage to negotiate discounts and rebates for covered prescription drugs with pharmaceutical manufacturers, distributors, and wholesale vendors.
- (j) “Incentive payment” means a retrospective monetary payment made as a reward or recognition by the pharmacy benefits plan or program or pharmacy benefit manager to a pharmacy for meeting or exceeding predefined pharmacy performance metrics as related to quality measures, such as Healthcare Effectiveness Data and Information Set measures.
- (k) “Maximum allowable cost appeal pricing adjustment” means a retrospective positive payment adjustment made to a pharmacy by the pharmacy benefits plan or program or by the pharmacy benefit manager pursuant to an approved maximum allowable cost appeal request submitted by the same pharmacy to dispute the amount reimbursed for a drug based on the pharmacy benefit manager’s listed maximum allowable cost price.
- (l) “Monetary recoupments” means rescinded or recouped payments from a pharmacy or provider by the pharmacy benefits plan or program or by the pharmacy benefit manager.
- (m) “Network” means a group of pharmacies that agree to provide pharmacist services to covered persons on behalf of a pharmacy benefits plan or program or a group of pharmacy benefits plans or programs in exchange for payment for such services. The term includes a pharmacy that generally dispenses outpatient prescription drugs to covered persons.
- (n) “Network reconciliation offsets” means a process during annual payment reconciliation between a pharmacy benefit manager and a pharmacy which allows the pharmacy benefit manager to offset an amount for overperformance or underperformance of contractual guarantees across guaranteed line items, channels, networks, or payors, as applicable.
- (o) “Participation contract” means any agreement between a pharmacy benefit manager and pharmacy for the provision and reimbursement of pharmacist services and any exhibits, attachments, amendments, or addendums to such agreement.
- (p) “Pass-through pricing model” means a payment model used by a pharmacy benefit manager in which the payments made by the pharmacy benefits plan or program to the pharmacy benefit manager for the covered outpatient drugs are:
  - 1. Equivalent to the payments the pharmacy benefit manager makes to a dispensing pharmacy or provider for such drugs, including any contracted professional dispensing fee between the pharmacy benefit manager and its network of pharmacies. Such dispensing fee would be paid if the pharmacy benefits plan or program was making the payments directly.

2. Passed through in their entirety by the pharmacy benefits plan or program or by the pharmacy benefit manager to the pharmacy or provider that dispenses the drugs, and the payments are made in a manner that is not offset by any reconciliation.
- (q) “Pharmacist” has the same meaning as in s. 465.003.
  - (r) “Pharmacist services” means products, goods, and services or any combination of products, goods, and services provided as part of the practice of the profession of pharmacy as defined in s. 465.003 or otherwise covered by a pharmacy benefits plan or program.
  - (s) “Pharmacy” has the same meaning as in s. 465.003.
  - (t) “Pharmacy benefit manager” has the same meaning as in s. 626.88.
  - (u) “Pharmacy benefits plan or program” means a plan or program that pays for, reimburses, covers the cost of, or provides access to discounts on pharmacist services provided by one or more pharmacies to covered persons who reside in, are employed by, or receive pharmacist services from this state.
    1. The term includes, but is not limited to, health maintenance organizations, health insurers, self-insured employer health plans, discount card programs, and government-funded health plans, including the Statewide Medicaid Managed Care program established pursuant to part IV of chapter 409 and the state group insurance program pursuant to part I of chapter 110.
    2. The term excludes such a plan or program under chapter 440.
  - (v) “Rebate” means all payments that accrue to a pharmacy benefit manager or its pharmacy benefits plan or program client or an affiliated group purchasing organization, directly or indirectly, from a pharmaceutical manufacturer, including, but not limited to, discounts, administration fees, credits, incentives, or penalties associated directly or indirectly in any way with claims administered on behalf of a pharmacy benefits plan or program client.
  - (w) “Spread pricing” is the practice in which a pharmacy benefit manager charges a pharmacy benefits plan or program a different amount for pharmacist services than the amount the pharmacy benefit manager reimburses a pharmacy for such pharmacist services.
  - (x) “Usual and customary price” means the amount charged to cash customers for a pharmacist service exclusive of sales tax or other amounts claimed.

(2) CONTRACTS BETWEEN A PHARMACY BENEFIT MANAGER AND A PHARMACY BENEFITS PLAN OR PROGRAM.—In addition to any other requirements in the Florida Insurance Code, all contractual arrangements executed, amended, adjusted, or renewed on or after July 1, 2023, which are applicable to pharmacy benefits covered on or after January 1, 2024, between a

pharmacy benefit manager and a pharmacy benefits plan or program must include, in substantial form, terms that ensure compliance with all of the following requirements and that, except to the extent not allowed by law, shall supersede any contractual terms to the contrary:

- (a) Use a pass-through pricing model, remaining consistent with the prohibition in paragraph (3)(c).
- (b) Exclude terms that allow for the direct or indirect engagement in the practice of spread pricing unless the pharmacy benefit manager passes along the entire amount of such difference to the pharmacy benefits plan or program as allowable under paragraph (a).
- (c) Ensure that funds received in relation to providing services for a pharmacy benefits plan or program or a pharmacy are used or distributed only pursuant to the pharmacy benefit manager's contract with the pharmacy benefits plan or program or with the pharmacy or as otherwise required by applicable law.
- (d) Require the pharmacy benefit manager to pass 100 percent of all prescription drug manufacturer rebates, including nonresident prescription drug manufacturer rebates, received to the pharmacy benefits plan or program, if the contractual arrangement delegates the negotiation of rebates to the pharmacy benefit manager, for the sole purpose of offsetting defined cost sharing and reducing premiums of covered persons. Any excess rebate revenue after the pharmacy benefit manager and the pharmacy benefits plan or program have taken all actions required under this paragraph must be used for the sole purpose of offsetting copayments and deductibles of covered persons. This paragraph does not apply to contracts involving Medicaid managed care plans.
- (e) Include network adequacy requirements that meet or exceed Medicare Part D program standards for convenient access to the network pharmacies set forth in 42 C.F.R. s. 423.120(a)(1) and that:
  1. Do not limit a network to solely include affiliated pharmacies;
  2. Require a pharmacy benefit manager to offer a provider contract to licensed pharmacies physically located on the physical site of providers that are:
    1. Within the pharmacy benefits plan's or program's geographic service area and that have been specifically designated as essential providers by the Agency for Health Care Administration pursuant to s. 409.975(1)(a);
    2. Designated as cancer centers of excellence under s. 381.925, regardless of the pharmacy benefits plan's or program's geographic service area;
    3. Organ transplant hospitals, regardless of the pharmacy benefits plan's or program's geographic service area;
    4. Hospitals licensed as specialty children's hospitals as defined in

s. 395.002; or

5. Regional perinatal intensive care centers as defined in s. 383.16(2), regardless of the pharmacy benefits plan's or program's geographic service area.

Such provider contracts must be solely for the administration or dispensing of covered prescription drugs, including biological products, which are administered through infusions, intravenously injected, or inhaled during a surgical procedure or are covered parenteral drugs, as part of onsite outpatient care;

3. Do not require a covered person to receive a prescription drug by United States mail, common carrier, local courier, third-party company or delivery service, or pharmacy direct delivery unless the prescription drug cannot be acquired at any retail pharmacy in the pharmacy benefit manager's network for the covered person's pharmacy benefits plan or program. This subparagraph does not prohibit a pharmacy benefit manager from operating mail order or delivery programs on an opt-in basis at the sole discretion of a covered person, provided that the covered person is not penalized through the imposition of any additional retail cost-sharing obligations or a lower allowed- quantity limit for choosing not to select the mail order or delivery programs;
  4. For the in-person administration of covered prescription drugs, prohibit requiring a covered person to receive pharmacist services from an affiliated pharmacy or an affiliated health care provider; and
  5. Prohibit offering or implementing pharmacy networks that require or provide a promotional item or an incentive, defined as anything other than a reduced cost-sharing amount or enhanced quantity limit allowed under the benefit design for a covered drug, to a covered person to use an affiliated pharmacy or an affiliated health care provider for the in-person administration of covered prescription drugs; or advertising, marketing, or promoting an affiliated pharmacy to covered persons. Subject to the foregoing, a pharmacy benefit manager may include an affiliated pharmacy in communications to covered persons regarding network pharmacies and prices, provided that the pharmacy benefit manager includes information, such as links to all nonaffiliated network pharmacies, in such communications and that the information provided is accurate and of equal prominence. This subparagraph may not be construed to prohibit a pharmacy benefit manager from entering into an agreement with an affiliated pharmacy to provide pharmacist services to covered persons.
- (f) Prohibit the ability of a pharmacy benefit manager to condition participation in one pharmacy network on participation in any other pharmacy network or penalize a pharmacy for exercising its prerogative not to participate in a

specific pharmacy network.

- (g) Prohibit a pharmacy benefit manager from instituting a network that requires a pharmacy to meet accreditation standards inconsistent with or more stringent than applicable federal and state requirements for licensure and operation as a pharmacy in this state. However, a pharmacy benefit manager may specify additional specialty networks that require enhanced standards related to the safety and competency necessary to meet the United States Food and Drug Administration's limited distribution requirements for dispensing any drug that, on a drug-by-drug basis, requires extraordinary special handling, provider coordination, or clinical care or monitoring when such extraordinary requirements cannot be met by a retail pharmacy. For purposes of this paragraph, drugs requiring extraordinary special handling are limited to drugs that are subject to a risk evaluation and mitigation strategy approved by the United States Food and Drug Administration and that:
1. Require special certification of a health care provider to prescribe, receive, dispense, or administer; or
  2. Require special handling due to the molecular complexity or cytotoxic properties of the biologic or biosimilar product or drug.

For participation in a specialty network, a pharmacy benefit manager may not require a pharmacy to meet requirements for participation beyond those necessary to demonstrate the pharmacy's ability to dispense the drug in accordance with the United States Food and Drug Administration's approved manufacturer labeling.

- (h) 1. At a minimum, require the pharmacy benefit manager or pharmacy benefits plan or program to, upon revising its formulary of covered prescription drugs during a plan year, provide a 60-day continuity-of-care period in which the covered prescription drug that is being revised from the formulary continues to be provided at the same cost for the patient for a period of 60 days. The 60-day continuity-of-care period commences upon notification to the patient. This requirement does not apply if the covered prescription drug:
- a. Has been approved and made available over the counter by the United States Food and Drug Administration and has entered the commercial market as such;
  - b. Has been removed or withdrawn from the commercial market by the manufacturer; or
  - c. Is subject to an involuntary recall by state or federal authorities and is no longer available on the commercial market.
2. Beginning January 1, 2024, and annually thereafter, the pharmacy benefits plan or program shall submit to the office, under the penalty of perjury, a statement attesting to its compliance with the requirements of this subsection.





New Mexico Public Schools Insurance Authority

# Preliminary FY2025 Projection for October 1, 2024 Rate Setting

February 7-8, 2024

Nura Patani, PhD, ASA, MAAA  
Senior Vice President, Consulting Actuary  
West Region Health Practice Leader

Debbie Donaldson, FSA, MAAA  
Senior Vice President, Consulting Actuary

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**Historical Look & Assumptions**

**FY2024 Projection**

**FY2025 – FY2029 Projection**

- **Projection Scenario**
- **Employee Deduction Impact**

# Historical Look - Trends

- For the 77 months from July 1, 2017 through November 30, 2023, paid **Medical/Rx claims PMPM have increased by 7.0%** on average per year
- During the same period:
  - Average **Medical/Rx revenue PMPM increased 5.0%** per year
  - Average **membership has decreased 1.3%** per year

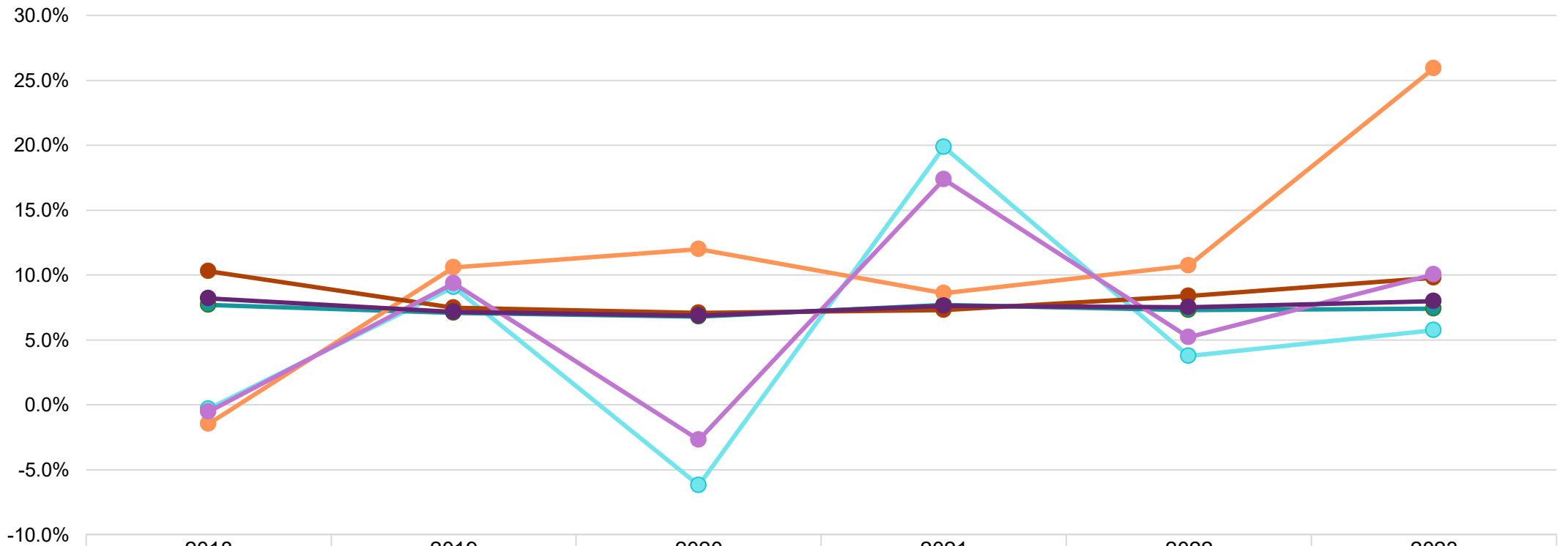
	Med/Rx Claims PMPM <sup>(1)</sup>	Med/Rx Paid Trend	Med/Rx Expenses PMPM	Total Claims & Expenses PMPM	Total Med/Rx Revenue PMPM <sup>(2)</sup>	% Change in Revenue PMPM	Med/Rx Revenue less Expenditures
FY2018	\$431.18	N/A	\$27.21	\$458.38	\$464.77	4.2%	\$6.39
FY2019	\$435.41	1.0%	\$26.74	\$462.14	\$480.27	3.3%	\$18.12
FY2020	\$473.53	8.8%	\$31.49	\$505.01	\$503.27	4.8%	(\$1.75)
FY2021	\$495.43	4.6%	\$38.13	\$533.56	\$530.70	5.5%	(\$2.86)
FY2022	\$557.33	12.5%	\$43.23	\$600.56	\$558.97	5.3%	(\$41.59)
FY2023	\$572.91	2.8%	\$36.72	\$609.63	\$589.99	5.5%	(\$19.64)
FY2024 YTD <sup>(3)</sup>	\$634.12	10.7%	\$36.33	\$670.45	\$614.30	4.1%	(\$56.15)
<b>Annualized Average</b>		<b>7.0%</b>				<b>5.0%</b>	

(1) Includes Rx Rebates

(2) Excludes investment income/(loss) and miscellaneous income.

(3) Reflects five months of claim experience, three months Rx Rebates, not annualized.

# Historical Trends: NMPSIA vs. National Projections



	2018	2019	2020	2021	2022	2023
Medical (NMPSIA)	-0.3%	9.1%	-6.2%	19.9%	3.8%	5.7%
Medical (Nat'l Projected)	7.7%	7.1%	6.8%	7.7%	7.3%	7.4%
Rx (NMPSIA)	-1.5%	10.6%	12.0%	8.6%	10.7%	25.9%
Rx (Nat'l Projected)	10.3%	7.5%	7.1%	7.3%	8.4%	9.8%
Med/Rx (NMPSIA)	-0.5%	9.4%	-2.7%	17.4%	5.2%	10.1%
Med/Rx (Nat'l Projected)	8.2%	7.2%	6.9%	7.6%	7.5%	8.0%

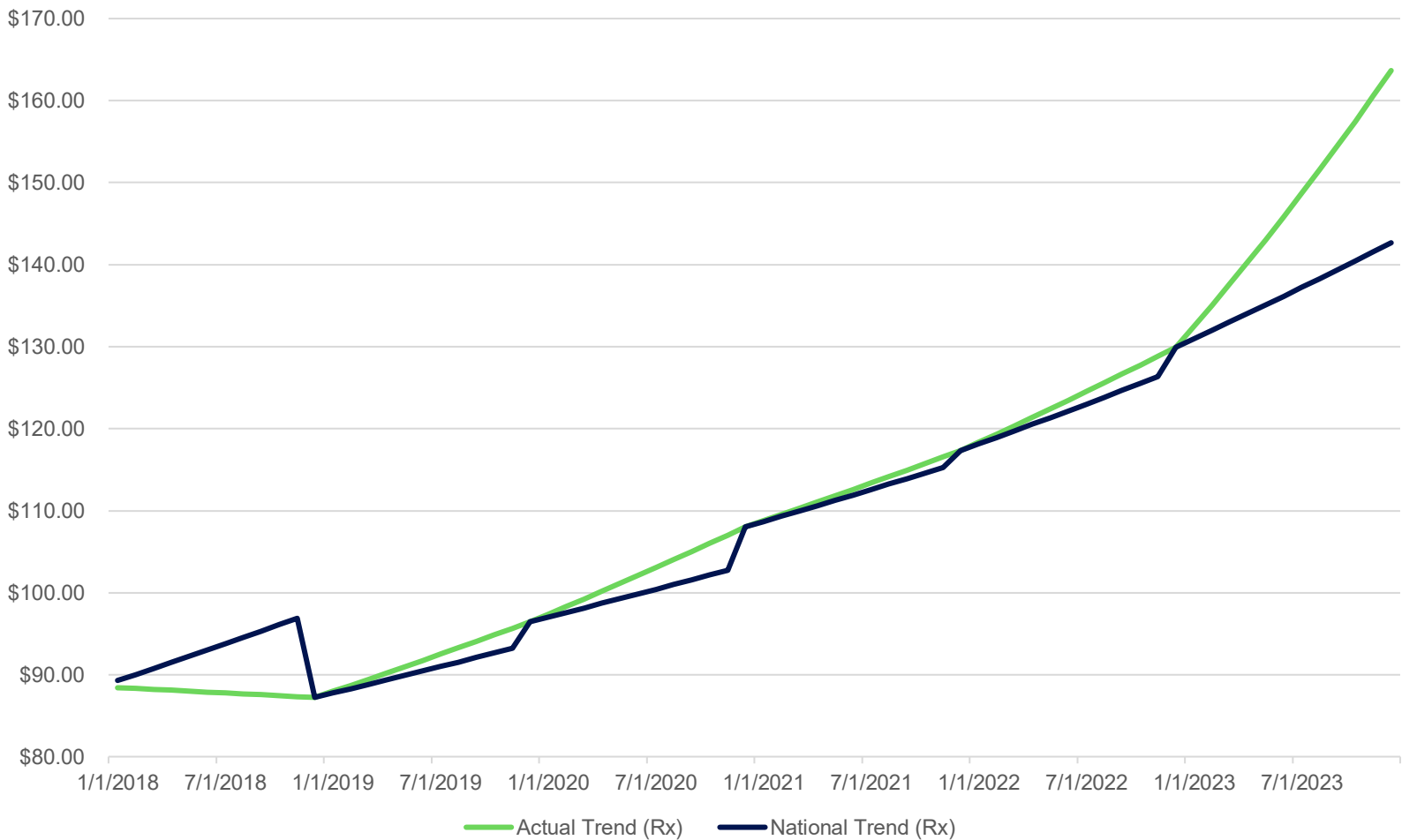
● Medical (NMPSIA)   
 ● Medical (Nat'l Projected)   
 ● Rx (NMPSIA)   
 ● Rx (Nat'l Projected)   
 ● Med/Rx (NMPSIA)   
 ● Med/Rx (Nat'l Projected)

National Projected Trend Source: 2024 Segal Health Plan Cost Trend Survey

All trends are illustrated for actives and retirees under age 65, except for MA HMOs. Prescription drug trend is combined for retail and mail order delivery channels.

# Rx Trend: NMPSIA vs. National Projections

- Since 2019, NMPSIA's actual Rx trend has outpaced national projections.
- Data reflects gross plan spend on prescription drugs and has not been reduced to reflect the impact of prescription drug rebates.
- The difference between NMPSIA's actual Rx trend of 25.9% and the 10.0% Rx trend assumption used in recent projections accounts for **approx. \$10 million in excess spend** beyond projected levels during 2023.



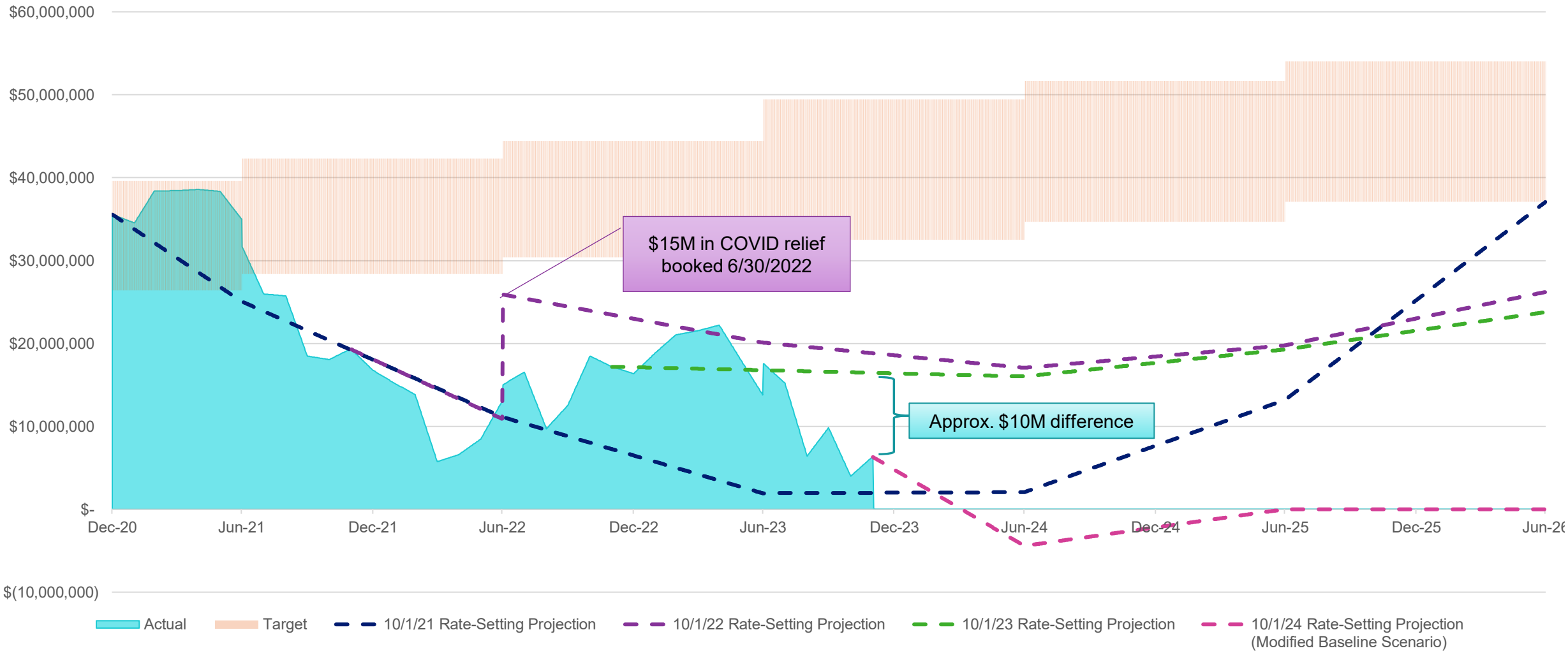
National Projected Trend Source: 2024 Segal Health Plan Cost Trend Survey

All trends are illustrated for actives and retirees under age 65, except for MA HMOs. Prescription drug trend is combined for retail and mail order delivery channels.

# Historical Look – Rate Increases and Fund Balance

Plan Year	Fund Balance at Start of Plan Year	Blended Increase to “Breakeven”	Actual October 1 Rate Increase	Increase/(Decrease) in Fund Balance	
2016 – 2017	\$20.9 million	Not Evaluated/Reported	High Low	8.30% 7.15%	(\$7.1 million)
2017 – 2018	\$13.8 million	Not Evaluated/Reported	High & HMO Low	3.98% 1.82%	\$3.6 million
2018 – 2019	\$17.4 million	Not Evaluated/Reported	High & EPO Low	4.00% -0.70%	\$9.3 million
2019 – 2020	\$26.7 million	2.9%	High & EPO Low	5.90% 3.10%	\$4.9 million
2020 – 2021	\$31.6 million	11.3%	High & EPO Low	6.00% 2.10%	\$0.1 million
2021 – 2022	\$31.7 million	11.9%	High & EPO Low	6.00% 3.60%	(\$16.7 million)
2022 – 2023	\$15.0 million	8.10%	High & EPO Low	6.00% 3.20%	\$2.6 million (unaudited)
2023 – 2024	\$17.6 million (unaudited)	7.55%	Medical/Rx	7.24%	(\$22.8 million)

# Historical Look – Fund Balance Targets & Projections





# Assumptions for Projections

- Claims Experience: December 2022 – November 2023
- FY2024 through FY2029 Trend:
  - 7.0% Medical
  - 10.0% Rx
  - 4.0% Dental

Approximately 7.7% blended  
Medical/Rx trend
- Revenues based on enrollment as of January 4, 2024
- Explicit claims margin is not included in our projections, but is highly recommended for consideration given low reserve levels and continued uncertainty associated with the current environment
- Projections assume no changes to current plan design and do not assume any material migration between plans from the experience period to the projection periods
- Projections include impact of changes required by 2023 legislation effective 1/1/2024 and beyond (approx. \$3.0M impact in FY24, \$6.3M annually thereafter)
- Projections do not reflect any changes that may result from the IBAC “Big Bid” RFP for Medical, Dental and Vision benefits; these will be included in subsequent projections once RFP outcomes are known and approved by NMPSIA’s Board
- All scenarios include 5% Dental rate increase and 3% Vision rate increase effective 10/1/2024



# Assumptions for Projections (cont'd)

- Fund Balance of approximately \$6.3 million as of November 30, 2023 (excludes prepaid claims)
- Fund Balance calculation: assumes June 30 prepaid claims will be approximately \$5.5 million, based on discussion with NMPSIA staff
  - Nearly \$3.0 million prepaid claim adjustment due to \$8.5 million in prepaid claims as of November 30, 2023

## Target fund balance floor (1 month of claims)

Fiscal Year	2024	2025	2026	2027	2028	2029
	\$34.0	\$37.1	\$39.9	\$43.0	\$46.2	\$49.8

Illustrations reflect **target fund balance ceiling of 1.5 months of claims**, based on discussion during April 2018 meetings

# Updated Information Anticipated

## *What's NOT included in the projections?*

Our March projection update should include the following, along with updated claims experience:

1

### Additional insights into Rx cost drivers

Accessing both SHAPE data and information from CVS, we expect new insights on NMPSIA's specialty drug spend and any opportunities to better manage these costs.

2

### Impact of IBAC Big Bid RFP

The IBAC evaluation committee is finalizing recommendations for Medical, Dental, and Vision. Following approval by the Board, we will incorporate into projections.

3

### Potential Improvements to PBM Pricing

Segal is in the process of conducting a PBM market check for NMPSIA. Any pricing improvements should be known by 3/1/2024 and would be effective 7/1/2024.

# FY2024 Experience and Projection

**\$22.8M**

Projected total loss over FY2024

Projected fund balance of -\$5.21 M is ~1.2 months of claims below the target floor



## Key Drivers

- Recent Rx claims experience outpacing expectations
- Continued migration from High Option plans to Low Option plans
- Impact of 2023 legislation that became effective January 1, 2024



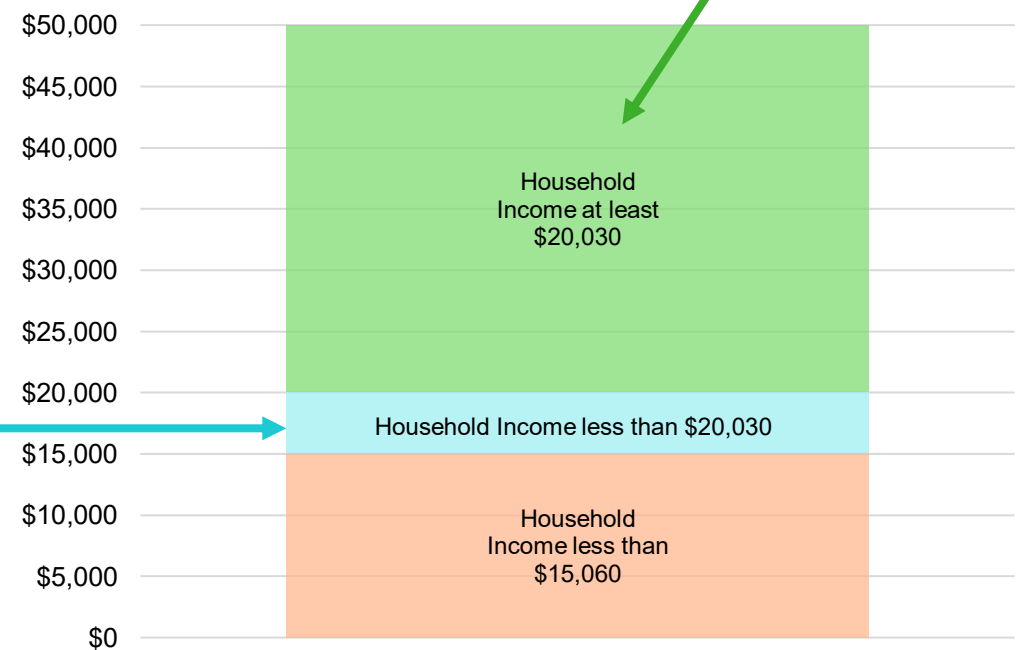
# Affordability Considerations for 10/1/24 Rates

- Only considering affordability as it relates to individuals not eligible for Medicaid
- In New Mexico, these are individuals at or above 133% of the federal poverty line (\$20,030 for 2024)
- For plan years beginning in 2024, compare cost of self-only employer-sponsored coverage to 8.39% of household income to determine if employee would qualify for subsidy due to unaffordable coverage

$$\begin{aligned} & \$20,030 \\ & \times 8.39\% \\ & \div 12 \text{ months} \\ & = \$140.04 \text{ per month} \end{aligned}$$

Employees with household income in this range who reside outside of NM may qualify for subsidized coverage on the exchange.

- Maximum increase to Low Option is 33.7%



Eligible for Medicaid in all states  
Eligible for Medicaid in NM  
Not eligible for Medicaid in any states

# Summary of Projection Scenarios

## *Illustrative Scenarios*

Description	Scenario A: Increases from 10/1/23 rate-setting projection (final approved scenario from March 2023)	Scenario B: Baseline “Breakeven” increase 10/1/24; level increases thereafter per 5-year plan	Scenario B.1: Modified Baseline “Breakeven” increase 10/1/24; level increases thereafter to avoid negative fund balance
<b>Rate Action*</b>			
Eff. 10/1/2024	7.24%	16.37%	16.37%
Eff. 10/1/2025	7.24%	7.90%	6.68%
Eff. 10/1/2026	7.24%	7.90%	5.96%
Eff. 10/1/2027	7.24%	7.90%	7.86%
Eff. 10/1/2028	7.24%	7.90%	7.28%
<b>Fund Balance</b>			
End of FY2025	-\$30.0 M (1.8 months of claims <b>below Target</b> )	-\$5.2 M (1.1 months of claims <b>below Target</b> )	-\$5.2 M (1.1 months of claims <b>below Target</b> )
End of FY2026	-\$57.9 M (2.5 months of claims <b>below Target</b> )	\$3.8 M (0.1 months of claims)	\$0.0 M (0.0 months of claims)
End of FY2027	-\$88.5 M (4.1 months of claims <b>below Target</b> )	\$15.8 M (0.4 months of claims)	\$0.0 M (0.0 months of claims)
End of FY2028	-\$122.1 M (4.6 months of claims <b>below Target</b> )	\$31.0 M (0.7 months of claims)	\$0.0 M (0.0 months of claims)
End of FY2029	-\$159.0 M (5.2 months of claims <b>below Target</b> )	\$49.8 M (1.0 months of claims)	\$0.0 M (0.0 months of claims)

\*Medical/Rx rate increase is shown on a blended basis  
All scenarios include a 5% Dental rate increase and 3% Vision rate increase effective 10/1/2024

# Summary of Projection Scenarios

Description	Scenario C: 6.50% increase 10/1/24; level increases thereafter per 5-year plan	Scenario C.1: 6.50% increase 10/1/24; level increases to avoid negative fund balance	Scenario D: 7.24% increase 10/1/24; level increases thereafter per 5-year plan	Scenario D.1: 7.24% increase 10/1/24; level increases thereafter to avoid negative fund balance	Scenario E: 10/1/24 increase to avoid negative fund balance; level increases thereafter per 5-year plan
<b>Rate Action*</b>					
Eff. 10/1/2024	6.50%	6.50%	7.24%	7.24%	18.29%
Eff. 10/1/2025	28.94%	28.94%	27.13%	27.13%	7.03%
Eff. 10/1/2026	2.79%	0.92%	3.21%	1.34%	7.03%
Eff. 10/1/2027	2.79%	0.92%	3.21%	1.34%	7.03%
Eff. 10/1/2028	2.79%	0.92%	3.21%	1.34%	7.03%
<b>Fund Balance</b>					
End of FY2025	-\$32.0 M (1.9 months of claims <i>below Target</i> )	-\$32.0 M (1.9 months of claims <i>below Target</i> )	-\$30.0 M (1.8 months of claims <i>below Target</i> )	-\$30.0 M (1.8 months of claims <i>below Target</i> )	\$0.0 M (0.0 months of claims)
End of FY2026	\$0.0 M (0.0 months of claims)	\$0.0 M (0.0 months of claims)	\$0.0 M (0.0 months of claims)	\$0.0 M (0.0 months of claims)	\$13.6 M (0.3 months of claims)
End of FY2027	\$38.0 M (0.9 months of claims)	\$31.0 M (0.7 months of claims)	\$35.9 M (0.8 months of claims)	29.0 M (0.7 months of claims)	\$26.6 M (0.6 months of claims)
End of FY2028	\$55.3 M (1.2 months of claims)	\$31.9 M (0.7 months of claims)	\$53.2 M (1.2 months of claims)	\$29.8 M (0.6 months of claims)	\$38.7 M (0.8 months of claims)
End of FY2029	\$49.8 M (1.0 months of claims)	\$0.0M (0.0 months of claims)	\$49.8 M (1.0 months of claims)	\$0.0 M (0.0 months of claims)	\$49.8 M (1.0 months of claims)

\*Medical/Rx rate increase is shown on a blended basis  
All scenarios include a 5% Dental rate increase and 3% Vision rate increase effective 10/1/2024

# Summary of Projection

## Scenario A

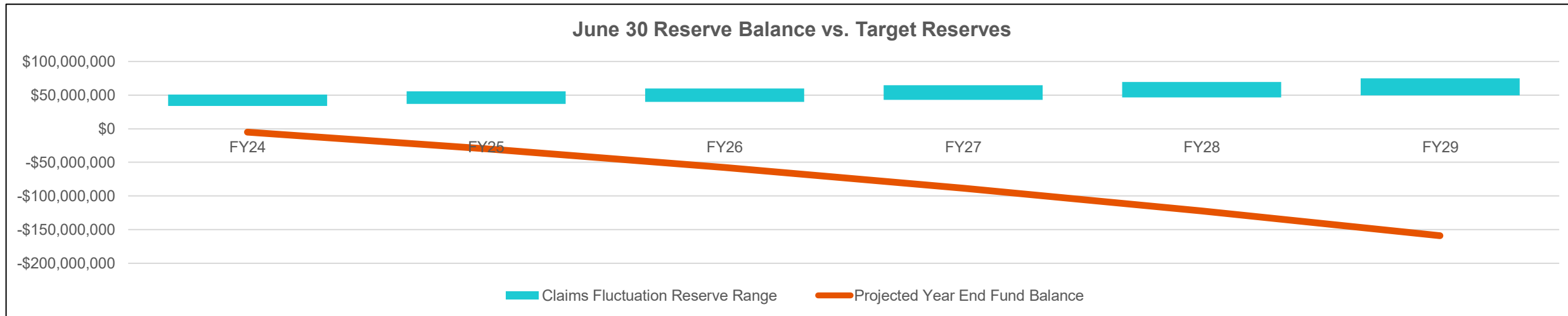
With FY24 experience outpacing prior projections, updated projections indicate higher increases would be needed to keep pace with expenses and rebuild fund balance.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	-9.13%	7.24%	-\$30,006,849	\$37,135,830	\$55,703,745
<b>FY26</b>	16.82%	-9.58%	7.24%	-\$57,909,411	\$39,916,619	\$59,874,928
<b>FY27</b>	17.04%	-9.80%	7.24%	-\$88,514,932	\$42,952,927	\$64,429,390
<b>FY28</b>	17.27%	-10.03%	7.24%	-\$122,104,849	\$46,228,065	\$69,342,097
<b>FY29</b>	17.52%	-10.28%	7.24%	-\$159,030,932	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario B

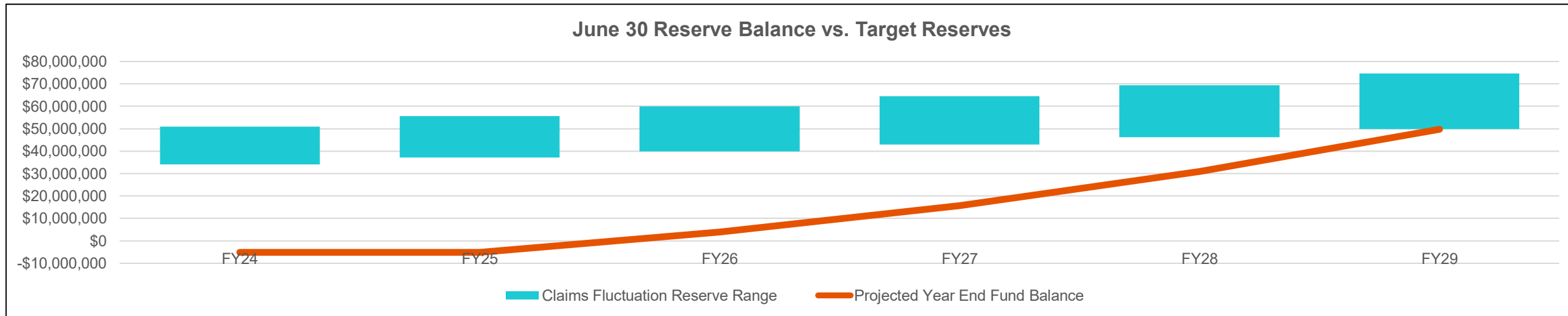
This significant increase eff. 10/1/24 would align contribution rates with projected costs. Future increases would need to keep pace with trend to support established fund balance objectives over the 5-year period.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	0.00%	16.37%	-\$5,206,036	\$37,135,830	\$55,703,745
<b>FY26</b>	5.04%	2.86%	7.90%	\$3,829,455	\$39,916,619	\$59,874,928
<b>FY27</b>	4.40%	3.50%	7.90%	\$15,766,431	\$42,952,927	\$64,429,390
<b>FY28</b>	3.77%	4.13%	7.90%	\$30,960,600	\$46,228,065	\$69,342,097
<b>FY29</b>	3.16%	4.74%	7.90%	\$49,761,734	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25



# Summary of Projection

## Scenario B.1

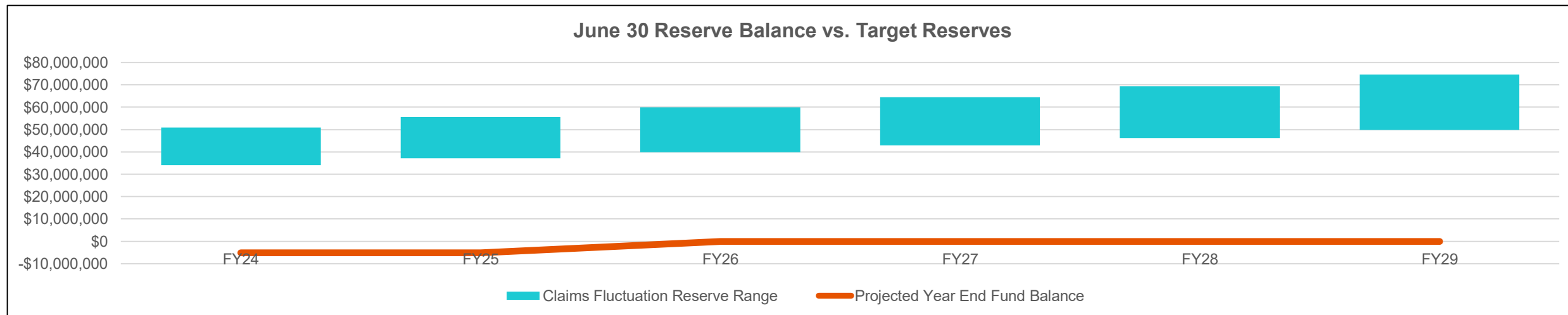
This significant increase eff. 10/1/24 would align contribution rates with projected costs. Increases during the remainder of the 5-year period would be somewhat smaller if no surplus assets are targeted (IBNR only).

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	0.00%	16.37%	-\$5,206,036	\$37,135,830	\$55,703,745
<b>FY26</b>	5.04%	1.65%	6.68%	\$0	\$39,916,619	\$59,874,928
<b>FY27</b>	5.96%	0.00%	5.96%	\$0	\$42,952,927	\$64,429,390
<b>FY28</b>	7.86%	0.00%	7.86%	\$0	\$46,228,065	\$69,342,097
<b>FY29</b>	7.28%	0.00%	7.28%	\$0	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario C

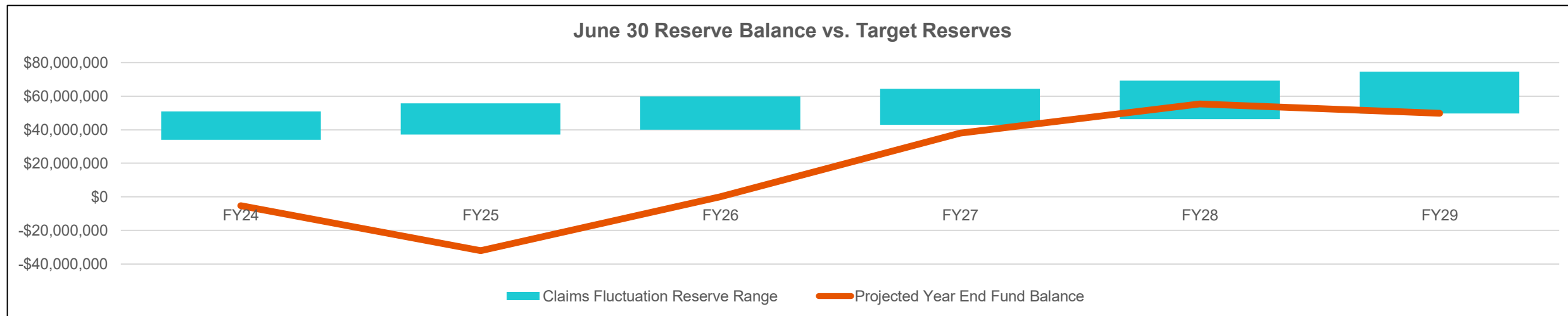
A 6.5% increase eff. 10/1/24 would further deplete fund balance, potentially below IBNR levels. Significant increases would be required to rebuild IBNR reserves in FY26 and achieve established fund balance objectives.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	-9.87%	6.50%	-\$32,016,048	\$37,135,830	\$55,703,745
<b>FY26</b>	17.87%	11.07%	28.94%	\$0	\$39,916,619	\$59,874,928
<b>FY27</b>	-7.40%	10.18%	2.79%	\$37,961,645	\$42,952,927	\$64,429,390
<b>FY28</b>	-1.74%	4.52%	2.79%	\$55,301,949	\$46,228,065	\$69,342,097
<b>FY29</b>	4.19%	-1.41%	2.79%	\$49,762,412	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario C.1

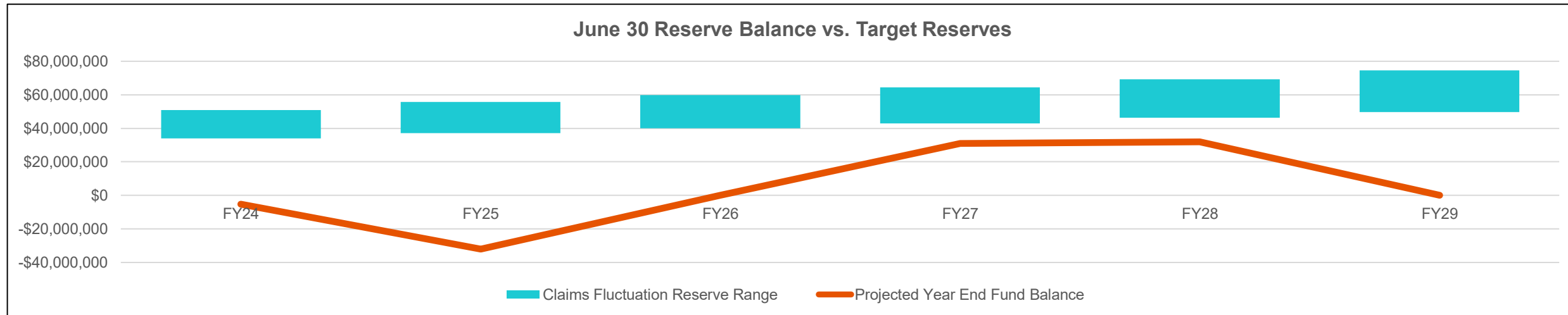
Similar to Scenario C, a significant increase would be required to rebuild IBNR reserves in FY26, creating a “rebound” effect if no surplus assets are targeted (IBNR only) during the 5-year projection period.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	-9.87%	6.50%	-\$32,016,048	\$37,135,830	\$55,703,745
<b>FY26</b>	17.87%	11.07%	28.94%	\$0	\$39,916,619	\$59,874,928
<b>FY27</b>	-7.40%	8.32%	0.92%	\$31,013,404	\$42,952,927	\$64,429,390
<b>FY28</b>	0.69%	0.23%	0.92%	\$31,883,389	\$46,228,065	\$69,342,097
<b>FY29</b>	9.32%	-8.40%	0.92%	\$0	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario D

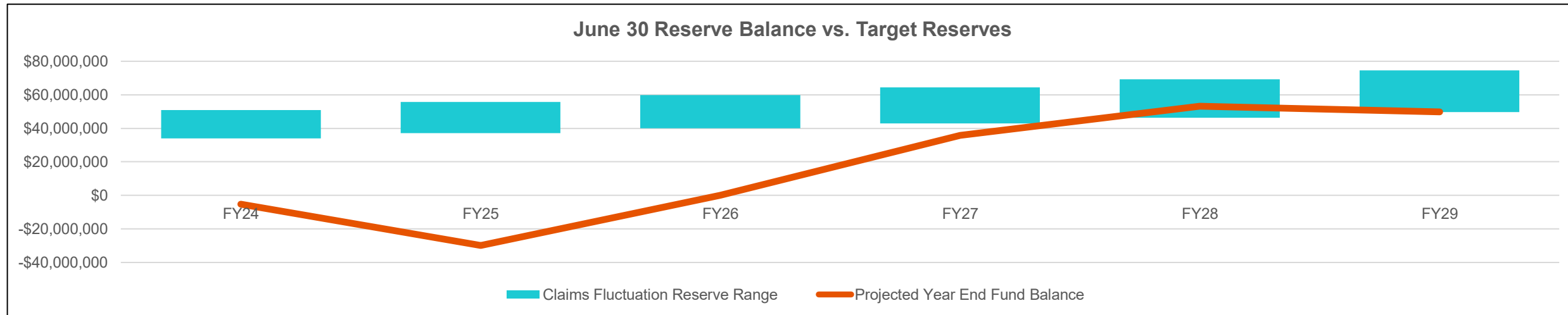
A 7.24% increase eff. 10/1/24 would further deplete fund balance, potentially below IBNR levels. Significant increases would be required to rebuild IBNR reserves in FY26 and achieve established fund balance objectives.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	-9.13%	7.24%	-\$30,006,849	\$37,135,830	\$55,703,745
<b>FY26</b>	16.82%	10.31%	27.13%	\$0	\$39,916,619	\$59,874,928
<b>FY27</b>	-6.48%	9.69%	3.21%	\$35,868,834	\$42,952,927	\$64,429,390
<b>FY28</b>	-1.32%	4.53%	3.21%	\$53,179,498	\$46,228,065	\$69,342,097
<b>FY29</b>	4.06%	-0.86%	3.21%	\$49,799,005	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario D.1

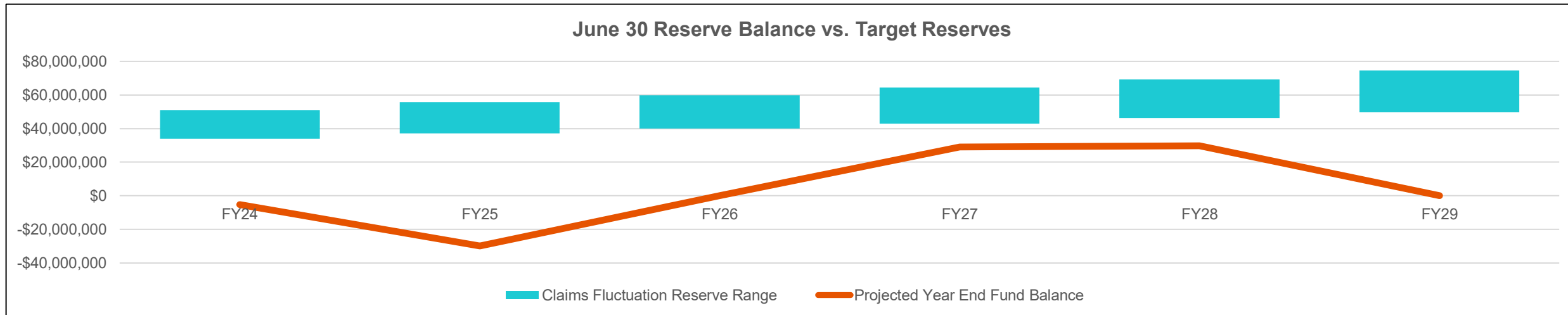
Similar to Scenario D, a significant increase would be required to rebuild IBNR reserves in FY26, creating a “rebound” effect if no surplus assets are targeted (IBNR only) during the 5-year projection period.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	-9.13%	7.24%	-\$30,006,849	\$37,135,830	\$55,703,745
<b>FY26</b>	16.82%	10.31%	27.13%	\$0	\$39,916,619	\$59,874,928
<b>FY27</b>	-6.48%	7.82%	1.34%	\$28,950,901	\$42,952,927	\$64,429,390
<b>FY28</b>	1.11%	0.23%	1.34%	\$29,805,377	\$46,228,065	\$69,342,097
<b>FY29</b>	9.18%	-7.84%	1.34%	\$0	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Summary of Projection

## Scenario E

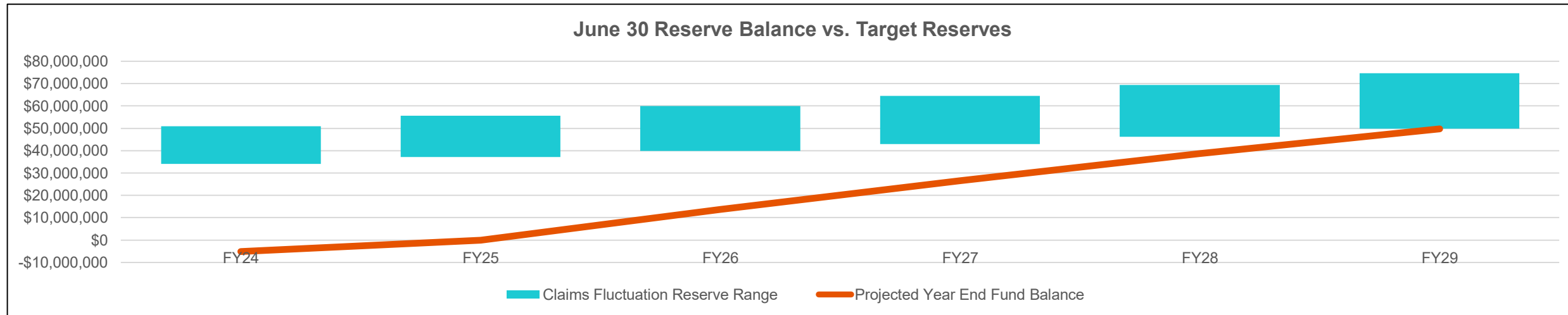
This significant increase eff. 10/1/24 would align contribution rates with projected costs and rebuild reserves to cover IBNR liability. Future increases would need to keep pace with trend to support established fund balance objectives over the 5-year period.

	Percentage Increase effective 10/1/20**			Projected Year End Fund Balance	Target Fund Balance Floor <sup>(2)</sup>	Target Fund Balance Ceiling <sup>(3)</sup>
	Breakeven	Contribution to Contingency Reserve	Total Rate Increase <sup>(1)</sup>			
<b>FY24</b>	n/a	n/a	n/a	-\$5,206,036	\$33,976,360	\$50,964,540
<b>FY25</b>	16.37%	1.92%	18.29%	\$0	\$37,135,830	\$55,703,745
<b>FY26</b>	2.79%	4.24%	7.03%	\$13,611,101	\$39,916,619	\$59,874,928
<b>FY27</b>	3.26%	3.77%	7.03%	\$26,587,240	\$42,952,927	\$64,429,390
<b>FY28</b>	3.73%	3.30%	7.03%	\$38,730,772	\$46,228,065	\$69,342,097
<b>FY29</b>	4.23%	2.80%	7.03%	\$49,775,148	\$49,762,688	\$74,644,032

(1) Medical/Rx rate increase is shown on a blended basis with the FY25-FY29

(2) Floor is one month of projected incurred claims.

(3) Ceiling is one and a half months of projected incurred claims, based on Segal recommendation in April 2018.



5.0% Dental increase in FY25  
3.0% Vision increase in FY25

# Employee Deduction Increases eff. 10/1/24

## Scenarios A & D

- 7.24% increase in monthly payroll deduction for High, Low, and EPO Options
- Effective October 1, 2024 (deductions taken in September)

		Salary less than \$50,000	Salary \$50,000 to \$59,999	Salary \$60,000 and over
BCBSNM High Option	Single	\$13.36	\$20.04	\$26.72
	Family	\$33.94	\$50.90	\$67.87
BCBSNM Low Option	Single	\$9.27	\$13.89	\$18.52
	Family	\$23.53	\$35.30	\$47.06
BCBSNM EPO Option	Single	\$12.02	\$18.04	\$24.05
	Family	\$30.54	\$45.81	\$61.09
Cigna High Option	Single	\$12.76	\$19.13	\$25.51
	Family	\$33.01	\$49.51	\$66.02
Cigna Low Option	Single	\$8.89	\$13.33	\$17.77
	Family	\$22.99	\$34.49	\$45.99
Presbyterian High Option	Single	\$10.80	\$16.21	\$21.60
	Family	\$30.25	\$45.38	\$60.50
Presbyterian Low Option	Single	\$7.49	\$11.24	\$14.98
	Family	\$20.98	\$31.46	\$41.95

Subject to change after rounding of employee and district contribution rates.

# Employee Deduction Increases eff. 10/1/24

## Scenario B

- 16.37% increase in monthly payroll deduction for High, Low, and EPO Options
- Effective October 1, 2024 (deductions taken in September)

		Salary less than \$50,000	Salary \$50,000 to \$59,999	Salary \$60,000 and over
BCBSNM High Option	Single	\$30.22	\$45.33	\$60.43
	Family	\$76.76	\$115.13	\$153.50
BCBSNM Low Option	Single	\$20.95	\$31.42	\$41.90
	Family	\$53.22	\$79.83	\$106.44
BCBSNM EPO Option	Single	\$27.19	\$40.79	\$54.39
	Family	\$69.08	\$103.61	\$138.15
Cigna High Option	Single	\$28.86	\$43.27	\$57.70
	Family	\$74.65	\$111.98	\$149.31
Cigna Low Option	Single	\$20.10	\$30.15	\$40.20
	Family	\$52.00	\$78.01	\$104.00
Presbyterian High Option	Single	\$24.43	\$36.65	\$48.87
	Family	\$68.42	\$102.63	\$136.84
Presbyterian Low Option	Single	\$16.94	\$25.42	\$33.89
	Family	\$47.44	\$71.16	\$94.88

Subject to change after rounding of employee and district contribution rates.



# Employee Deduction Increases eff. 10/1/24

## Scenario C

- 6.50% increase in monthly payroll deduction for High, Low, and EPO Options
- Effective October 1, 2024 (deductions taken in September)

		Salary less than \$50,000	Salary \$50,000 to \$59,999	Salary \$60,000 and over
BCBSNM High Option	Single	\$12.00	\$17.99	\$23.99
	Family	\$30.47	\$45.70	\$60.93
BCBSNM Low Option	Single	\$8.32	\$12.47	\$16.63
	Family	\$21.12	\$31.69	\$42.25
BCBSNM EPO Option	Single	\$10.80	\$16.19	\$21.59
	Family	\$27.42	\$41.13	\$54.84
Cigna High Option	Single	\$11.46	\$17.18	\$22.90
	Family	\$29.64	\$44.45	\$59.27
Cigna Low Option	Single	\$7.98	\$11.97	\$15.96
	Family	\$20.64	\$30.97	\$41.29
Presbyterian High Option	Single	\$9.70	\$14.55	\$19.40
	Family	\$27.16	\$40.74	\$54.32
Presbyterian Low Option	Single	\$6.73	\$10.09	\$13.45
	Family	\$18.83	\$28.24	\$37.67

Subject to change after rounding of employee and district contribution rates.

# Employee Deduction Increases eff. 10/1/24

## Scenario E

- 18.29% increase in monthly payroll deduction for High, Low, and EPO Options
- Effective October 1, 2024 (deductions taken in September)

		Salary less than \$50,000	Salary \$50,000 to \$59,999	Salary \$60,000 and over
BCBSNM High Option	Single	\$33.76	\$50.63	\$67.51
	Family	\$85.75	\$128.61	\$171.48
BCBSNM Low Option	Single	\$23.41	\$35.10	\$46.80
	Family	\$59.45	\$89.18	\$118.90
BCBSNM EPO Option	Single	\$30.38	\$45.57	\$60.76
	Family	\$77.17	\$115.75	\$154.33
Cigna High Option	Single	\$32.23	\$48.34	\$64.46
	Family	\$83.40	\$125.09	\$166.79
Cigna Low Option	Single	\$22.45	\$33.68	\$44.90
	Family	\$58.09	\$87.14	\$116.18
Presbyterian High Option	Single	\$27.29	\$40.95	\$54.59
	Family	\$76.43	\$114.65	\$152.86
Presbyterian Low Option	Single	\$18.93	\$28.39	\$37.86
	Family	\$53.00	\$79.49	\$105.99

Subject to change after rounding of employee and district contribution rates.

Thank You

NMPSIA Annual Statistics

Employee Benefits

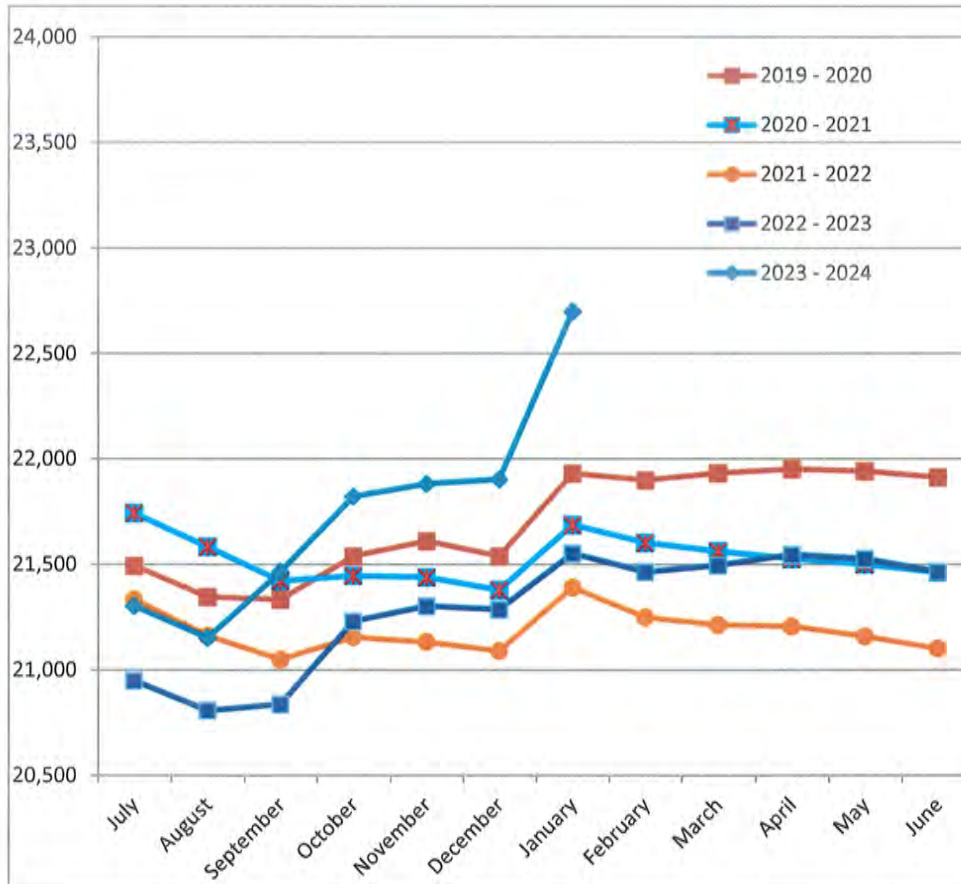
as of January 2024

*Erisa Administrative Services, Inc.*

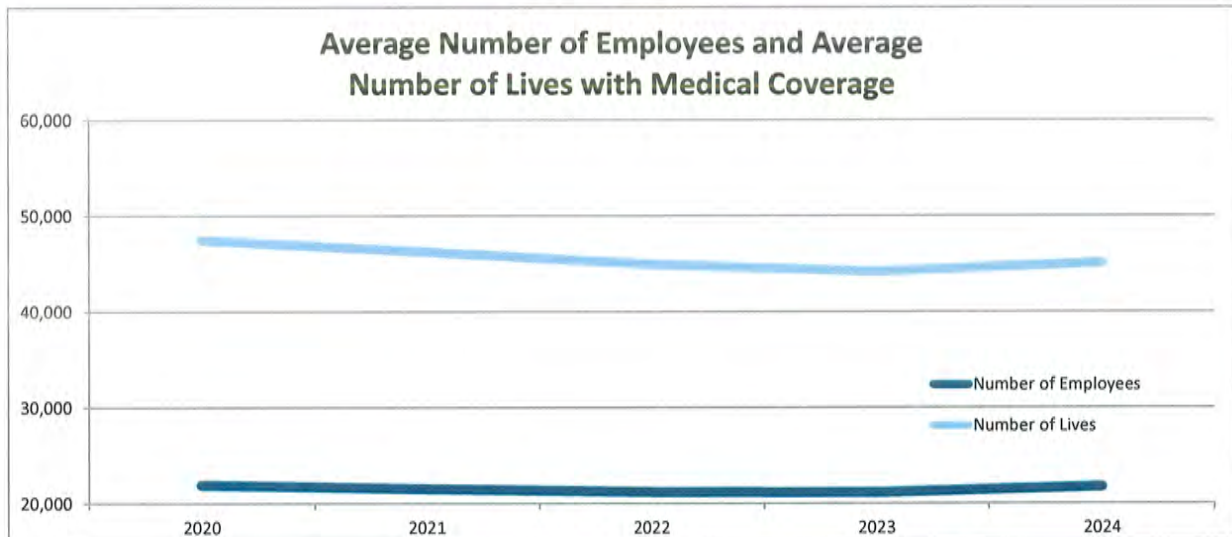
## NMPSIA

### Number of Employees with Medical Eligibility (by fiscal year)

	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
July	21,495	21,744	21,335	20,950	21,304
August	21,348	21,584	21,164	20,809	21,153
September	21,336	21,423	21,051	20,839	21,467
October	21,541	21,447	21,157	21,231	21,823
November	21,612	21,441	21,134	21,304	21,882
December	21,541	21,379	21,092	21,287	21,904
January	21,933	21,688	21,393	21,553	22,699
February	21,901	21,603	21,251	21,466	
March	21,935	21,563	21,216	21,497	
April	21,953	21,527	21,207	21,547	
May	21,944	21,501	21,161	21,527	
June	21,913	21,462	21,103	21,464	
<b>Average:</b>	21,704	21,530	21,189	21,290	21,747
<b>% Change:</b>		-0.80%	-1.59%	0.48%	0.23%



Medical Benefit	2020	2021	2022	2023	2024	% Change Last Year	% Change 2020 - 2023
Average Eligibles	21,933	21,529	21,189	21,139	21,747	2.88%	-0.85%
Average No. of Lives	47,482	46,250	44,928	44,169	45,076	2.05%	-5.07%
Average Monthly Premium	\$24,189,191	\$24,344,563	\$24,901,110	\$25,834,934	\$27,784,585	7.55%	14.86%
% change eligibles		-1.84%	-1.58%	-0.24%	2.88%		
% change no. of lives		-2.59%	-2.86%	-1.69%	2.05%		
% change premium		0.64%	2.29%	3.75%	7.55%		





Benefit Information	Medical Benefit	2020	2021	2022	2023	2024	% Change Last Year	% Change 2020 - 2024
Medical	Eligibles	21,933	21,529	21,189	21,139	21,747	2.88%	-0.85%
	No. of Lives	47,482	46,250	44,928	44,169	45,076	2.05%	-5.07%
	Monthly Premium	\$24,189,191	\$24,344,563	\$24,901,110	\$25,834,934	\$27,784,585	7.55%	14.86%
	% change eligibles		-1.84%	-1.58%	-0.24%	2.88%		
	% change no. lives		-2.59%	-2.86%	-1.69%	2.05%		
	% change premium		0.64%	2.29%	3.75%	7.55%		
Dental	Eligibles	23,975	23,579	23,305	23,421	24,069	2.77%	0.39%
	No. of Lives	54,804	53,418	52,035	51,559	52,583	1.99%	-4.05%
	Monthly Premium	\$1,266,737	\$1,237,029	\$1,044,863	\$1,196,866	\$1,221,672	2.07%	-3.56%
	% change eligibles		-1.65%	-2.79%	-2.31%	2.08%		
Vision	Eligibles	20,609	20,294	20,021	20,474	21,056	2.84%	2.17%
	No. of Lives	47,312	46,054	44,767	45,092	45,898	1.79%	-2.99%
	Monthly Premium	\$207,344	\$202,963	\$198,402	\$201,041	\$205,508	2.22%	-0.89%
	% change eligibles		-1.53%	-1.35%	0.89%	5.17%		
Basic Life	Eligibles	36,904	36,479	36,618	38,384	39,750	3.56%	7.71%
	Face Value (\$ 000)	\$1,563,875	\$1,547,386	\$1,556,601	\$1,674,393	\$1,735,947	3.68%	11.00%
	Premium	\$147,111	\$155,431	\$163,861	\$176,241	\$192,689	9.33%	30.98%
	% change eligibles		-1.15%	0.38%	5.22%	8.55%		
Additional Life	Eligibles	10,207	10,102	10,119	10,766	11,107	3.17%	8.82%
	Face Value (\$ 000)	\$1,278,844	\$1,262,018	\$1,266,838	\$1,362,555	\$1,546,212	13.48%	20.91%
	Premium	\$290,346	\$286,142	\$297,575	\$321,423	\$378,817	17.86%	30.47%
	% change eligibles		-1.03%	0.17%	6.57%	9.76%		
Spouse Life	Eligibles	3,902	3,811	3,682	3,710	3,707	-0.08%	-5.00%
	Face Value (\$ 000)	\$182,839	\$178,745	\$175,264	\$185,657	\$206,888	11.44%	13.15%
	Premium	\$49,597	\$48,612	\$48,431	\$50,805	\$59,011	16.15%	18.98%
	% change eligibles		-2.33%	-3.38%	-2.65%	0.68%		
Long Term Disability	Eligibles	12,059	12,000	11,972	12,301	12,727	3.46%	5.54%
	LTD Gross	\$576,324,399	\$566,653,540	\$575,757,259	\$622,617,454	\$721,011,681	15.80%	25.11%
	Premium	\$247,501	\$248,763	\$254,018	\$273,824	\$316,630	15.63%	27.93%
	% change eligibles		-0.49%	-0.23%	2.51%	6.31%		

	As of January 2023	As of January 2024	Low Value	High Value
Average Age	47.30	46.94	Solare Collegiate Albuquerque Collegiate Charter School Rio Grande Academy of Fine Arts	Board Members NM Coalition of Educational Leaders NM Tech Retirees
Average Family Size	2.04	2.05	Dzil Dit'ool School of Empowerment William W and Josephine Dorn Charter NM Coalition of Educational Leaders	Moreno Valley Charter School NM Activities Association Public Charter Schools of NM
Average Salary	\$59,493	\$62,931	Quay Schools Federal Credit Union Raices Del Saber Xinachtli Community School Reserve Independent Schools	Public Charter Schools of NM NM Coalition of Educational Leaders New Mexico Activities Association
F:M Gender Ratio	2.36	2.43	NM Coalition of Educational Leaders Board Members Middle College High School	Horizon Academy West Charter School Anansi Charter School Animas Public Schools
Average Per Capita Medical Premium	\$1,262.94			
Medical Participant/Total Population	53.40%			

Demographic Information	2020	2021	2022	2023	2024	% Change Last Year	% Change 2019 - 2023
Average Age	47.51	47.54	47.37	47.30	46.94	-0.76%	-1.20%
Average Family Size	2.10	2.08	2.06	2.04	2.05	0.49%	-2.38%
Average Salary	\$48,841	\$49,981	\$51,767	\$59,493	\$62,931	5.78%	28.85%
F:M Gender Ratio	2.46	2.44	2.38	2.36	2.43	2.97%	-1.22%
BCBS/CIGA/PRES Allocation	58 / 42	58 / .25 / 41	58 / 0.6 / 41	58 / 1 / 41	58/1/40		
Average Per Capita Medical Premium	\$1,069.85	\$1,114.22	\$1,160.04	\$1,205.89	\$1,262.94	4.73%	18.05%
Medical Participant/Total Population	57.50%	57.10%	56.80%	54.20%	53.40%	-1.48%	-7.13%



**Memo**

**To :** Patrick Sandoval, NMPSIA Executive Director  
NM Public Schools Insurance Authority

**From :** Kathy Payanes

**Subject :** Annual Average Summary 01/01/2019 to 01/01/2023

**Date :** January 01, 2024

The following report summarizes the level of enrollment and total premium amounts covering the period of 2019 through 2023. The histogram on page 5 shows the growth of the NMPSIA program in a graphical presentation.

**NM Public Schools Insurance Authority**  
**Summary of Employee Benefit Coverage**  
**2019 to 2023**

Year	Avg Monthly Medical EEs	Avg Monthly Medical Lives	Avg Monthly Medical \$	Avg Monthly Dental EEs	Avg Monthly Dental Lives	Avg Monthly Dental \$	Avg Monthly Vision EEs	Avg Monthly Vision Lives	Avg Monthly Vision \$	Avg Monthly BLF EEs	Avg Monthly BLF Prem	Avg Monthly BLF Face (\$ 000)
2023	21,573	44,770	\$27,245,507	23,910	52,354	\$1,216,574	20,938	45,892	\$204,831	39,619	\$186,354	\$1,728,880
2022	19,386	40,645	\$23,377,394	21,497	47,454	\$1,100,787	18,675	41,403	\$183,834	35,017	\$159,141	\$1,511,864
2021	21,363	45,480	\$24,781,920	23,476	52,700	\$1,221,638	20,198	45,452	\$200,811	36,503	\$163,192	\$1,550,233
2020	21,725	46,829	\$24,206,402	23,772	54,063	\$1,251,005	20,448	46,707	\$204,996	36,888	\$151,460	\$1,564,054
2019	21,621	47,163	\$23,131,291	23,553	54,096	\$1,207,160	20,222	46,750	\$204,121	36,480	\$143,824	\$1,528,894

Year	Avg Monthly ADL EEs	Avg Monthly ADL Prem	Avg Monthly ADL Face (\$ 000)	Avg Monthly SPLF EEs	Avg Monthly SPLF Prem	Avg Monthly SPLF Face (\$ 000)	Avg Monthly LTD EEs	Avg Monthly LTD Prem	Avg Monthly LTD Gross
2023	11,044	\$371,635	\$1,530,806	3,709	\$57,923	\$205,152	12,657	\$312,871	\$727,912,158
2022	9,804	\$290,185	\$1,221,912	3,402	\$46,140	\$166,900	11,248	\$246,247	\$569,229,949
2021	10,044	\$300,640	\$1,265,039	3,713	\$49,451	\$176,242	11,948	\$253,031	\$579,821,706
2020	10,161	\$284,323	\$1,267,516	3,858	\$48,546	\$180,394	12,046	\$247,769	\$573,349,472
2019	10,168	\$259,854	\$1,178,322	3,937	\$45,008	\$170,959	11,314	\$214,008	\$499,978,006

Year	Avg Monthly Count	Total Premium		All Benefits		Ratio of Medical/Total			
		Avg Amount/Month	Annual Amount	Avg per Capita Amount/Month	% Change				
2023	40,382	\$29,595,694	\$355,148,326	\$732.89	3.1 %	53.4 %			
2022	35,745	\$25,403,728	\$304,844,738	\$710.68	-0.9 %	54.2 %			
2021	37,607	\$26,970,683	\$323,648,200	\$717.16	3.3 %	56.8 %			
2020	38,020	\$26,394,501	\$316,734,009	\$694.22	3.6 %	57.1 %			
2019	37,610	\$25,205,265	\$302,463,183	\$670.17	0.9 %	57.5 %			

**NM Public Schools Insurance Authority**  
**Average Premium Rates and Year to Year % Change**  
**2019 to 2023**

**Medical % Change**

Year	#	\$/Month	Average	% Increase
2023	21,573	\$27,245,507	\$ 1,262.94	4.73%
2022	19,386	\$23,377,394	\$ 1,205.89	3.95%
2021	21,363	\$24,781,920	\$ 1,160.04	4.11%
2020	21,725	\$24,206,402	\$ 1,114.22	4.15%
2019	21,621	\$23,131,291	\$ 1,069.85	2.06%

**Dental % Change**

Year	#	\$/Month	Average	% Increase
2023	23,910	\$1,216,574	\$ 50.88	-0.72%
2022	21,479	\$1,100,787	\$ 51.25	-1.52%
2021	23,476	\$1,221,638	\$ 52.04	-1.13%
2020	23,772	\$1,251,005	\$ 52.63	2.68%
2019	23,553	\$1,207,160	\$ 51.25	-0.42%

**Vision % Change**

Year	#	\$/Month	Average	% Increase
2023	20,938	\$204,831	\$ 9.78	-0.58%
2022	18,675	\$183,834	\$ 9.84	-0.97%
2021	20,198	\$200,811	\$ 9.94	-0.88%
2020	20,448	\$204,996	\$ 10.03	-0.64%
2019	20,222	\$204,121	\$ 10.09	-1.04%

**Basic Life % Change**

Year	Premium	Face Value (\$000)	Average	% Increase
2023	186,354	\$1,728,880	\$ 4.70	3.60%
2022	159,141	\$1,511,864	\$ 4.54	1.67%
2021	163,192	\$1,550,233	\$ 4.47	8.77%
2020	151,460	\$1,564,054	\$ 4.11	4.21%
2019	143,824	\$1,528,894	\$ 3.94	1.61%

**Additional Life % Change**

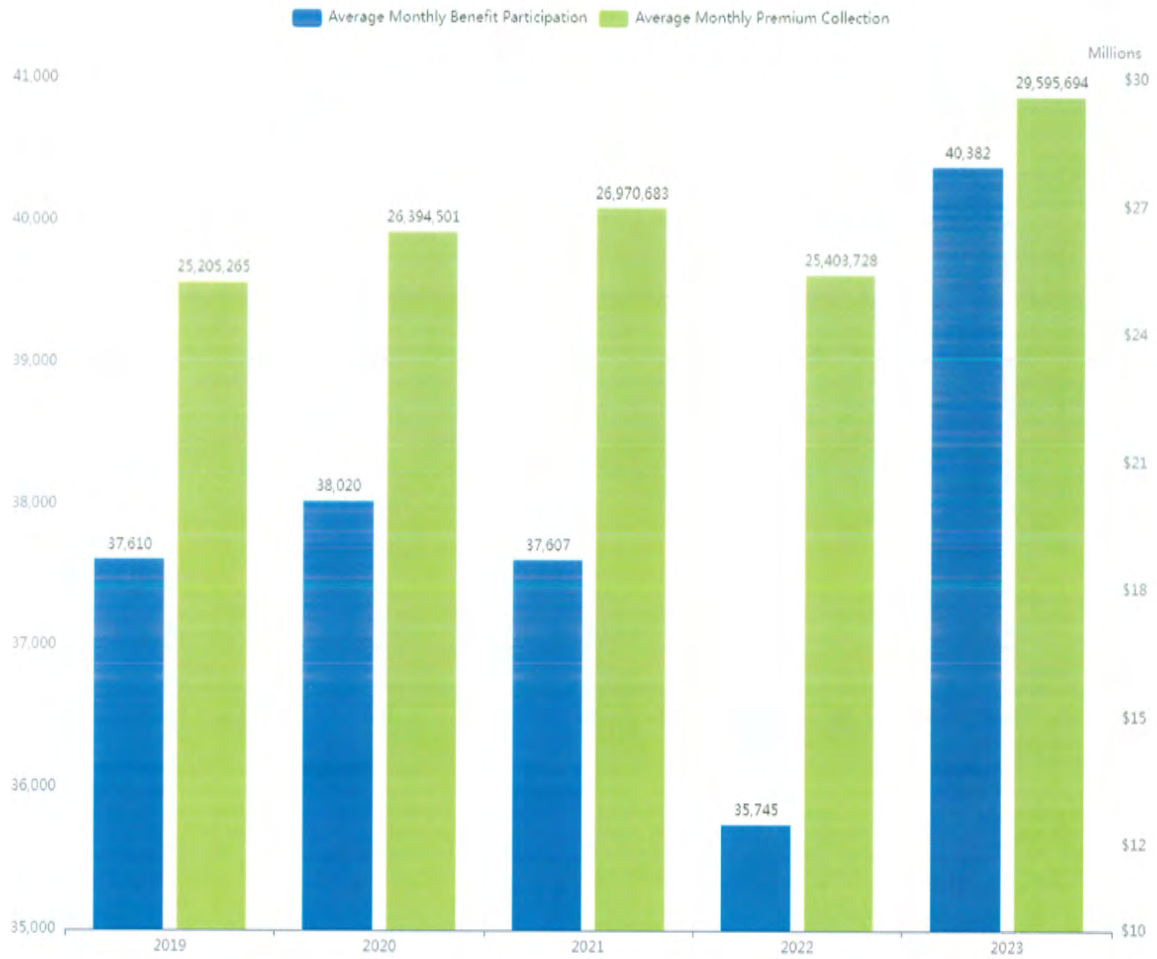
Year	Premium	Face Value (\$000)	Average	% Increase
2023	371,635	\$1,530,806	\$ 33.65	13.68%
2022	290,185	\$1,221,912	\$ 29.60	-1.11%
2021	300,640	\$1,265,039	\$ 29.93	6.98%
2020	284,323	\$1,267,516	\$ 27.98	9.47%
2019	259,854	\$1,178,322	\$ 25.56	3.30%

### Spouse Life % Change

Year	Premium	Face Value (\$000)	Average	% Increase
2023	57,923	\$205,152	\$ 15.62	15.17%
2022	46,140	\$166,900	\$ 13.56	1.82%
2021	49,451	\$176,242	\$ 13.32	5.87%
2020	48,546	\$180,394	\$ 12.58	10.09%
2019	45,008	\$170,959	\$ 11.43	3.83%

### LTD % Change

Year	Premium	Face Value (\$000)	Average	% Increase
2023	312,871	\$727,912,158	\$ 24.72	12.92%
2022	246,247	\$569,229,949	\$ 21.89	3.36%
2021	253,031	\$579,821,706	\$ 21.18	2.95%
2020	247,769	\$573,349,472	\$ 20.57	8.71%
2019	214,008	\$499,978,006	\$ 18.92	3.53%





# New Mexico Public Schools Insurance Authority

Administrative Office: Erisa Administrative Services, Inc.

P. O. Box 9054; Santa Fe, NM 87504

Phone: (505) 988-4974 or (800) 233-3164 Fax: (505) 988-8943

e-mail: sf@easitpa.com



As of 01/01/2024

## Year End Summary

### Medical

Carrier	EE	ES	E1	EC	EF	All	Premium
BCBS	5,682	2,286	659	355	3,148	12,130	\$17,608,078
CIGA	154	50	22	11	64	301	\$379,640
PRES	5,234	1,585	584	330	2,535	10,268	\$12,156,663
<b>All</b>	<b>11,070</b>	<b>3,921</b>	<b>1,265</b>	<b>696</b>	<b>5,747</b>	<b>22,699</b>	<b>\$30,144,382</b>

### Dental

Carrier	EE	ES	E1	EC	EF	All	Premium
DLTAB	711	126	74	43	171	1,125	\$24,790
DLTAC	4,216	1,427	471	360	2,034	8,508	\$428,708
UCDB	706	148	92	39	202	1,187	\$26,963
UCDC	5,535	2,936	844	619	4,550	14,484	\$806,307
<b>All</b>	<b>11,168</b>	<b>4,637</b>	<b>1,481</b>	<b>1,061</b>	<b>6,957</b>	<b>25,304</b>	<b>\$1,286,769</b>

### Vision

Carrier	EE	ES	E1	EC	EF	All	Premium
DV	9,831	4,068	1,268	964	5,997	22,128	\$215,907

### Basic Life

	EE	ES	E1	EC	EF	All	Premium	Face Amount
BLF	391	9,475	30,388			40,254	\$202,776	\$1,760,185,000

### Additional Life

	EE	ES	E1	EC	EF	All	Premium	Face Amount
ADL	2,937	1,648	6,680			11,265	\$435,643	\$1,663,849,000

### Spouse Life

	EE	ES	E1	EC	EF	All	Premium	Face Amount
SPLF						3,726	\$67,710	\$221,780,000

### Dependent Life

	EE	ES	E1	EC	EF	All	Premium
DPLF						3,871	\$1,005

### LTD

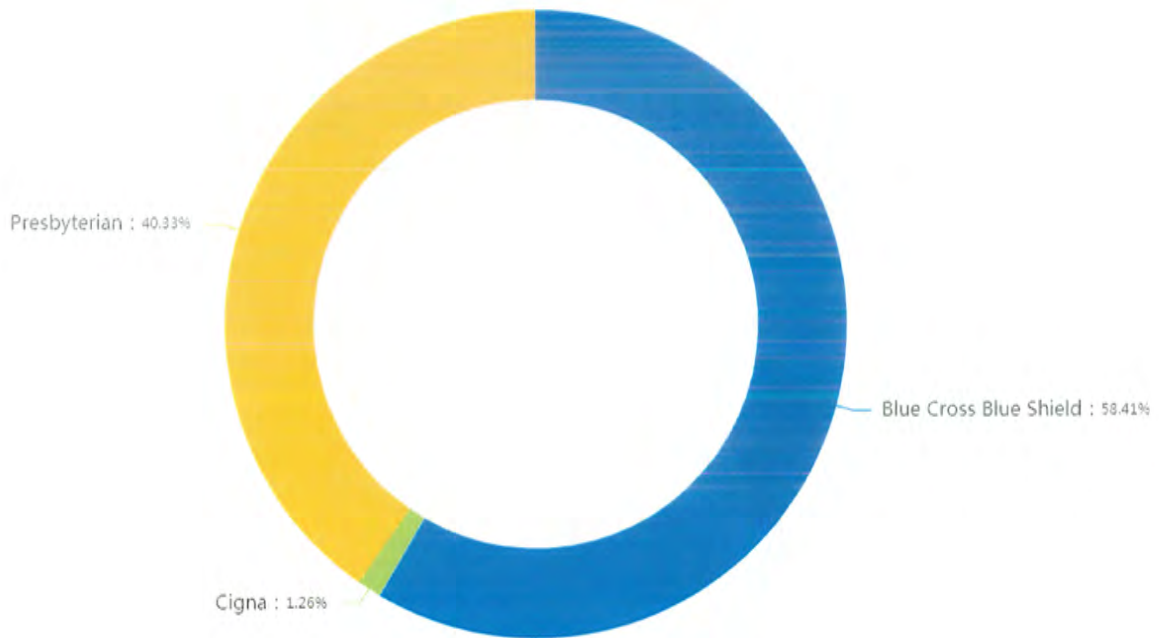
	EE	ES	E1	EC	EF	All	Premium	Gross Amount
LTD	9,986	1,733	1,220			12,939	\$340,157	\$800,632,797

### Grand Total

<b>Total Participant</b>						<b>40,981</b>	<b>\$32,694,349</b>	
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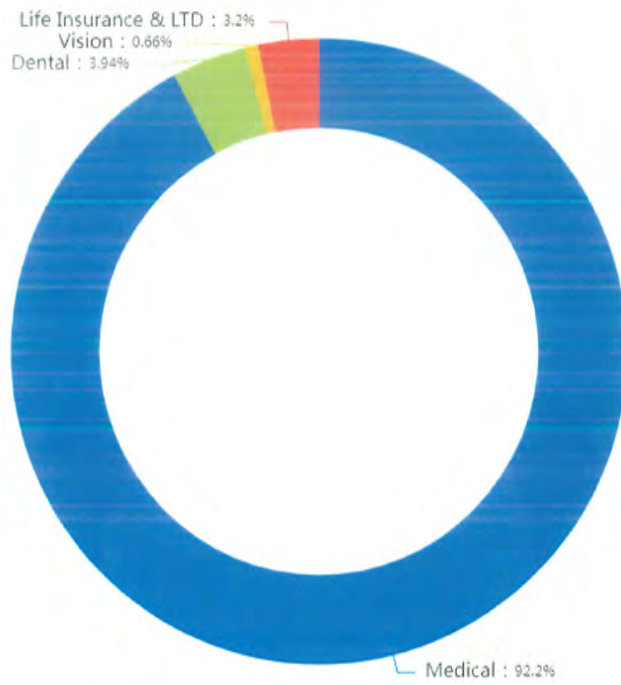
- Blue Cross Blue Shield
- Cigna
- Presbyterian

### Allocation of Medical Premium (January 1, 2024)



- Medical
- Dental
- Vision
- Life Insurance & LTD

### Allocation of Premium by Benefit Type (January 1, 2024)







# New Mexico Public Schools Insurance Authority

Administered by Erisa Administrative Services, Inc.

P. O. Box 9054; Santa Fe, NM 87504

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e-mail: [sf@easitpa.com](mailto:sf@easitpa.com)



Average Age, Gross, Family Size, F/M Ratio by Employer

As of 01/01/2024 In Employer Name Sequence

01/03/2024

Employer ID and Name	Age	Family Size	AVG Gross	Ratio F/M
309 ACADEMY FOR TECHNOLOGY AND THE CLAS	46.30	2.07	\$74,598	0.76
393 ACE LEADERSHIP HIGH SCHOOL	45.46	1.68	\$68,231	1.55
444 ACES TECHNICAL CHARTER SCHOOL	38.60	1.20	\$65,258	0.88
97 AFT NEW MEXICO	45.82	1.64	\$57,152	2.67
46 ALAMOGORDO PUBLIC SCHOOLS	47.04	1.92	\$59,128	1.75
351 ALBUQUERQUE BILINGUAL ACADEMY	46.41	1.64	\$74,757	4.25
345 ALBUQUERQUE CHARTER ACADEMY	48.86	2.43	\$88,970	2.11
439 ALBUQUERQUE COLLEGIATE CHARTER SCHC	31.42	1.92	\$80,172	5.00
354 ALBUQUERQUE INSTITUTE FOR MATH & SCIE	46.65	2.35	\$86,348	1.43
396 ALBUQUERQUE SCHOOL OF EXCELLENCE	42.50	2.00	\$66,116	2.33
389 ALBUQUERQUE SIGN LANGUAGE ACADEMY	37.31	1.66	\$60,935	4.33
349 ALDO LEOPOLD CHARTER SCHOOL	44.63	2.06	\$63,244	1.67
364 ALICE KING COMMUNITY SCHOOL	47.14	2.00	\$58,501	7.20
337 ALMA D ARTE CHARTER HIGH SCHOOL	49.45	1.36	\$59,246	1.20
440 ALTURA PREPARATORY SCHOOL	44.45	1.82	\$71,647	4.50
304 AMY BIEHL CHARTER HIGH SCHOOL	47.04	1.87	\$67,722	1.09
314 ANANSI CHARTER SCHOOL	51.17	2.33	\$65,419	17.00
30 ANIMAS PUBLIC SCHOOLS	49.25	2.38	\$66,887	15.00
22 ARTESIA PUBLIC SCHOOLS	45.42	2.32	\$60,759	2.91
64 AZTEC MUNICIPAL SCHOOLS	48.58	2.26	\$59,265	3.25
87 BELEN CONSOLIDATED SCHOOLS	48.98	1.99	\$61,510	2.98
61 BERNALILLO PUBLIC SCHOOLS	46.96	1.75	\$62,438	2.77
66 BLOOMFIELD MUNICIPAL SCHOOLS	47.56	2.20	\$57,125	3.70
406 Board Members	72.43	1.64		0.17
40 CAPITAN MUNICIPAL SCHOOLS	52.09	2.39	\$63,965	2.38
20 CARLSBAD MUNICIPAL SCHOOLS	45.34	2.14	\$67,750	3.49
37 CARRIZOZO MUNICIPAL SCHOOLS	49.24	2.29	\$54,772	4.67
67 CENTRAL CONSOLIDATED SCHOOL DISTRICT	49.02	2.10	\$70,315	2.02
343 CESAR CHAVEZ COMMUNITY SCHOOL	42.61	1.56	\$68,642	2.00
53 CHAMA VALLEY INDEPENDENT SCHOOLS	48.00	2.05	\$68,062	1.77
357 CHRISTINE DUNCAN'S HERITAGE ACADEMY	46.75	1.58	\$77,255	3.00
382 CIEN AGUAS INTERNATIONAL SCHOOL	43.48	1.72	\$68,403	6.00
8 CIMARRON MUNICIPAL SCHOOLS	47.22	1.82	\$61,817	3.40
84 CLAYTON MUNICIPAL SCHOOLS	48.19	1.93	\$64,321	2.31
48 CLOUDCROFT MUNICIPAL SCHOOLS	50.98	2.70	\$53,319	3.30
113 CLOVIS MUNICIPAL SCHOOLS	45.22	2.01	\$59,536	3.31
110 COBRA Participants	50.57	1.70		3.00
24 COBRE CONSOLIDATED SCHOOLS	49.25	2.11	\$60,851	3.15
373 COOPERATIVE EDUCATIONAL SERVICES	48.84	1.70	\$79,746	4.32
417 CORAL COMMUNITY CHARTER SCHOOL	43.31	2.25	\$57,855	4.33
38 CORONA PUBLIC SCHOOLS	46.90	3.15	\$58,337	5.67
381 CORRALES INTERNATIONAL SCHOOL	50.94	2.11	\$71,961	5.00
378 COTTONWOOD CLASSICAL PREPARATORY SC	45.64	1.97	\$68,993	1.10
317 COTTONWOOD VALLEY CHARTER SCHOOL	42.00	2.60	\$61,884	8.00
62 CUBA INDEPENDENT SCHOOLS	43.83	1.99	\$66,237	1.76
358 DEMING CESAR CHAVEZ CHARTER HIGH SCH	50.00	2.09	\$65,157	2.33
42 DEMING PUBLIC SCHOOLS	46.44	1.93	\$60,453	1.98





# New Mexico Public Schools Insurance Authority

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Average Age, Gross, Family Size, F/M Ratio by Employer

As of 01/01/2024 In Employer Name Sequence

01/03/2024

Employer ID and Name	Age	Family Size	AVG Gross	Ratio F/M
85 DES MOINES MUNICIPAL SCHOOLS	46.76	3.14	\$63,549	9.50
6 DEXTER CONSOLIDATED SCHOOLS	47.03	2.46	\$58,747	2.84
326 DIGITAL ARTS AND TECHNOLOGY ACADEMY	43.50	1.86	\$65,913	2.67
114 DORA CONSOLIDATED SCHOOLS	49.36	2.89	\$52,537	4.60
430 DREAM DINE' CHARTER SCHOOL	52.00	3.00	\$65,878	3.00
54 DULCE INDEPENDENT SCHOOLS	48.78	1.72	\$68,930	2.00
431 DZIL DITL'OOÍ SCHOOL OF EMPOWERMENT, A	50.00	1.00	\$55,944	1.00
306 EAST MOUNTAIN HIGH SCHOOL	44.16	2.08	\$67,410	2.57
329 EL CAMINO REAL ACADEMY	43.38	1.59	\$61,555	2.22
58 ELIDA MUNICIPAL SCHOOLS	43.68	3.00	\$62,637	5.00
140 ENMU - PORTALES	45.12	1.82	\$60,372	1.12
141 ENMU - ROSWELL	44.53	1.85	\$55,692	1.29
55 ESPANOLA PUBLIC SCHOOLS	48.45	1.77	\$60,226	2.69
80 ESTANCIA MUNICIPAL SCHOOLS	45.82	2.24	\$67,876	4.50
418 ESTANCIA VALLEY CLASSICAL ACADEMY	46.10	2.60	\$60,213	3.67
32 EUNICE MUNICIPAL SCHOOLS	44.33	2.23	\$58,617	3.87
429 EXPLORE ACADEMY	44.25	2.26	\$62,843	2.65
447 EXPLORE ACADEMY - LAS CRUCES	39.05	2.14	\$56,853	3.40
450 EXPLORE ACADEMY RIO RANCHO	38.00	2.00	\$54,300	4.50
125 FARMINGTON MUNICIPAL SCHOOLS	47.56	2.37	\$61,643	3.67
59 FLOYD MUNICIPAL SCHOOLS	50.00	2.00	\$62,360	3.40
16 FORT SUMNER MUNICIPAL SCHOOLS	48.74	2.26	\$55,790	2.00
19 GADSDEN INDEPENDENT SCHOOLS	48.01	1.83	\$62,466	2.40
43 GALLUP-MCKINLEY COUNTY SCHOOLS	47.34	1.94	\$65,646	2.18
342 GILBERT L. SENA CHARTER HIGH SCHOOL	46.36	1.29	\$66,931	1.60
377 GORDON BERNELL CHARTER SCHOOL	47.64	2.21	\$71,138	1.33
15 GRADY MUNICIPAL SCHOOLS	49.40	2.93	\$58,438	12.00
88 GRANTS/CIBOLA COUNTY SCHOOLS	47.50	2.00	\$57,584	2.42
5 HAGERMAN MUNICIPAL SCHOOLS	45.65	2.42	\$57,133	2.25
18 HATCH VALLEY PUBLIC SCHOOLS	47.44	2.00	\$60,614	2.60
424 HEALTH LEADERSHIP HIGH SCHOOL	42.82	1.55	\$81,400	2.67
33 HOBBS MUNICIPAL SCHOOLS	46.42	2.09	\$62,679	4.22
39 HONDO VALLEY PUBLIC SCHOOLS	50.89	2.11	\$60,734	3.50
335 HORIZON ACADEMY WEST	48.27	2.12	\$61,169	24.00
50 HOUSE MUNICIPAL SCHOOLS	52.25	2.25	\$56,303	4.50
441 HÓZHÓ ACADEMY	45.42	2.31	\$59,559	2.06
410 J. PAUL TAYLOR ACADEMY	44.20	2.87	\$62,206	6.50
34 JAL PUBLIC SCHOOLS	45.02	2.24	\$55,355	5.60
328 JEFFERSON MONTESSORI ACADEMY	42.38	1.62	\$63,823	2.25
56 JEMEZ MOUNTAIN PUBLIC SCHOOLS	51.77	1.77	\$64,373	2.25
63 JEMEZ VALLEY PUBLIC SCHOOLS	48.64	1.75	\$66,886	1.15
332 LA ACADEMIA DE ESPERANZA	44.96	2.00	\$60,356	1.44
338 LA ACADEMIA DOLORES HUERTA	41.83	1.67	\$67,636	1.00
7 LAKE ARTHUR MUNICIPAL SCHOOLS	44.10	2.19	\$62,461	9.50
17 LAS CRUCES PUBLIC SCHOOLS	45.54	2.05	\$63,347	2.49
372 LAS MONTANAS CHARTER HIGH SCHOOL	43.00	2.00	\$65,920	0.50
69 LAS VEGAS CITY SCHOOLS	48.27	2.18	\$60,725	2.09





# New Mexico Public Schools Insurance Authority

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e-mail: sf@easitpa.com



Average Age, Gross, Family Size, F/M Ratio by Employer

As of 01/01/2024 In Employer Name Sequence

01/03/2024

Employer ID and Name	Age	Family Size	AVG Gross	Ratio F/M
323 LEA REGIONAL EDUCATIONAL # 7	54.67	1.33	\$101,435	3.00
51 LOGAN MUNICIPAL SCHOOLS	49.32	2.90	\$55,525	4.00
29 LORDSBURG MUNICIPAL SCHOOLS	50.98	1.80	\$56,630	3.00
41 LOS ALAMOS PUBLIC SCHOOLS	44.99	2.03	\$56,061	1.95
376 LOS ALAMOS SCHOOLS CREDIT UNION	44.67	2.67	\$71,000	2.00
86 LOS LUNAS SCHOOLS	46.34	2.05	\$62,720	2.83
325 LOS PUENTES CHARTER SCHOOL	45.73	2.20	\$67,477	0.88
21 LOVING MUNICIPAL SCHOOLS	45.58	2.55	\$67,600	3.23
31 LOVINGTON MUNICIPAL SCHOOL DISTRICT	47.11	2.19	\$68,493	4.32
94 LUNA COMMUNITY COLLEGE	50.55	1.55	\$52,780	1.25
75 MAGDALENA MUNICIPAL SCHOOLS	48.40	2.14	\$60,949	2.42
312 MARK ARMIJO ACADEMY	43.65	2.30	\$68,675	4.00
11 MAXWELL MUNICIPAL SCHOOLS	51.36	1.93	\$58,503	2.50
421 MCCURDY CHARTER SCHOOL	48.57	1.90	\$61,446	2.63
14 MELROSE MUNICIPAL SCHOOLS	47.00	3.33	\$55,527	2.71
78 MESA VISTA CONSOLIDATED SCHOOLS	51.43	1.83	\$60,334	1.09
104 MESALANDS COMMUNITY COLLEGE	49.57	1.63	\$65,583	0.94
386 MIDDLE COLLEGE HIGH SCHOOL	47.29	2.86	\$98,309	0.40
420 MISSION ACHIEVEMENT AND SUCCESS CHAR	39.18	1.38	\$76,909	1.91
303 MONTE DEL SOL CHARTER SCHOOL	52.27	1.97	\$61,938	1.50
344 MONTESSORI OF THE RIO GRANDE CHARTER	46.15	2.90	\$71,302	3.75
44 MORA INDEPENDENT SCHOOL DISTRICT	46.17	1.96	\$56,188	3.27
324 MORENO VALLEY HIGH SCHOOL	43.60	4.60	\$71,614	5.00
81 MORIARTY-EDGEWOOD SCHOOL DISTRICT	48.05	2.03	\$58,911	3.65
362 MOSAIC ACADEMY	46.00	3.36	\$63,372	14.00
28 MOSQUERO MUNICIPAL SCHOOLS	50.38	2.23	\$66,991	5.50
353 MOUNTAIN MAHOGANY COMMUNITY SCHOOL	45.18	1.47	\$54,069	7.50
82 MOUNTAINAIR PUBLIC SCHOOLS	44.29	1.96	\$56,683	1.88
363 NATIVE AMERICAN COMMUNITY ACADEMY	43.00	1.76	\$64,095	3.00
92 NEA	54.50	2.50	\$79,106	2.50
380 NEW MEXICO ACADEMY FOR THE MEDIA ARTS	50.36	1.36	\$68,994	1.33
435 NEW MEXICO ASSOCIATION OF SCHOOL BUSI	45.00	2.00	\$82,963	2.00
423 NEW MEXICO CONNECTIONS ACADEMY	46.83	2.77	\$72,311	6.57
399 NEW MEXICO INTERNATIONAL SCHOOL	44.25	1.95	\$74,708	5.67
103 NEW MEXICO JUNIOR COLLEGE	47.88	1.85	\$72,154	1.41
395 NEW MEXICO SCHOOL FOR THE ARTS	44.67	1.50	\$64,412	1.57
108 NEW MEXICO TECH	46.30	1.87	\$76,416	0.62
407 NEW MEXICO TECH RETIREES	71.29	1.42		0.85
91 NM ACTIVITIES ASSOCIATION	48.00	3.69	\$101,615	0.86
374 NM COALITION OF EDUCATIONAL LEADERS	72.00	1.00	\$119,515	0.00
375 NM SCHOOL BOARD ASSOCIATION	62.00	1.50	\$73,073	2.00
105 NM SCHOOL FOR THE DEAF	46.20	1.83	\$60,089	1.96
90 NMPSIA	41.30	2.30	\$92,139	4.00
336 NORTH VALLEY ACADEMY	48.48	2.00	\$63,151	3.20
98 NORTHERN NEW MEXICO COLLEGE	48.61	1.67	\$67,560	1.43
436 PECOS CYBER ACADEMY	46.95	2.51	\$72,474	8.25
70 PECOS INDEPENDENT SCHOOL DISTRICT	49.48	1.63	\$58,434	2.25





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Average Age, Gross, Family Size, F/M Ratio by Employer

As of 01/01/2024 In Employer Name Sequence

01/03/2024

Employer ID and Name	Age	Family Size	AVG Gross	Ratio F/M
322 PECOS VALLEY REC #8	43.43	1.71	\$81,605	6.00
77 PENASCO INDEPENDENT SCHOOL DISTRICT	48.04	1.64	\$69,291	4.00
72 POJOAQUE VALLEY SCHOOL DISTRICT	47.63	1.64	\$57,973	2.05
116 PORTALES MUNICIPAL SCHOOLS	48.24	2.58	\$63,206	3.29
318 PUBLIC ACADEMY FOR PERFORMING ARTS	42.57	1.93	\$70,389	1.25
426 PUBLIC CHARTER SCHOOLS OF NEW MEXICO	41.50	3.50	\$132,000	1.00
379 QUAY SCHOOLS FEDERAL CREDIT UNION	54.00	1.67	\$44,644	3.00
3 QUEMADO INDEPENDENT SCHOOLS	46.11	2.75	\$57,281	5.75
79 QUESTA INDEPENDENT SCHOOL DISTRICT	47.24	2.53	\$58,003	2.40
443 RAICES DEL SABER XINACHTLI COMMUNITY S	45.87	1.73	\$50,079	14.00
9 RATON PUBLIC SCHOOLS	47.28	2.17	\$56,303	3.47
143 REC #2	46.40	1.80	\$60,744	5.00
320 RED RIVER VALLEY CHARTER SCHOOL	45.50	2.50	\$71,404	6.00
142 REGIONAL EDUCATIONAL CENTER #6	44.75	3.13	\$72,247	3.00
2 RESERVE INDEPENDENT SCHOOLS	43.47	2.37	\$50,176	2.80
368 RIO GALLINAS SCHOOL FOR ECOLOGY AND T	45.88	1.38	\$64,717	3.00
449 RIO GRANDE ACADEMY OF FINE ARTS	31.58	1.50	\$54,402	3.00
120 RIO RANCHO PUBLIC SCHOOLS	45.19	2.16	\$64,871	2.54
319 ROBERT F. KENNEDY CHARTER SCHOOL	49.04	1.77	\$61,836	1.17
315 ROOTS AND WINGS COMMUNITY SCHOOL	43.80	1.40	\$73,408	4.00
4 ROSWELL INDEPENDENT SCHOOL DISTRICT	46.52	2.17	\$67,524	2.93
27 ROY MUNICIPAL SCHOOLS	45.00	2.50	\$55,461	2.60
36 RUIDOSO MUNICIPAL SCHOOLS	47.62	2.16	\$63,232	2.71
301 SAN DIEGO RIVERSIDE CHARTER SCHOOL	63.00	1.40	\$61,587	1.50
52 SAN JON MUNICIPAL SCHOOLS	44.33	2.28	\$54,914	8.00
433 SANDOVAL ACADEMY OF BILINGUAL EDUCATI	46.71	1.88	\$64,135	3.25
106 SANTA FE COMMUNITY COLLEGE	50.24	1.73	\$69,670	1.32
71 SANTA FE PUBLIC SCHOOLS	49.17	2.00	\$61,866	2.57
25 SANTA ROSA CONSOLIDATED SCHOOLS	46.79	1.94	\$53,324	2.72
388 SCHOOL OF DREAMS ACADEMY	44.15	1.94	\$61,087	1.20
316 SIDNEY GUTIERREZ MIDDLE SCHOOL	42.58	3.08	\$72,943	5.00
437 SIEMBRA LEADERSHIP HIGH SCHOOL	37.18	1.59	\$73,871	2.67
23 SILVER CONSOLIDATED SCHOOLS	48.64	2.30	\$59,635	2.79
74 SOCORRO CONSOLIDATED SCHOOLS	48.07	2.04	\$58,455	2.64
442 SOLARE COLLEGIATE CHARTER SCHOOL	31.04	1.58	\$68,135	2.71
302 SOUTH VALLEY ACADEMY	42.94	1.67	\$71,179	1.67
390 SOUTH VALLEY PREPARATORY SCHOOL	42.73	1.55	\$64,592	2.67
416 SOUTHWEST AERONAUTICS, MATHEMATICS &	46.88	2.13	\$70,961	3.00
347 SOUTHWEST PREPARATORY LEARNING CENT	39.88	1.75	\$71,797	7.00
311 SOUTHWEST SECONDARY LEARNING CENTE	51.40	2.10	\$70,459	2.33
10 SPRINGER MUNICIPAL SCHOOLS	51.00	1.80	\$60,481	2.33
384 TAOS ACADEMY	47.69	2.12	\$67,814	2.71
305 TAOS CHARTER SCHOOL	44.18	2.32	\$56,916	3.20
397 TAOS INTEGRATED SCHOOL OF THE ARTS	45.60	1.53	\$53,924	2.75
428 TAOS INTERNATIONAL SCHOOL	49.93	2.27	\$62,267	2.75
76 TAOS MUNICIPAL SCHOOLS	51.22	1.93	\$61,011	2.89
35 TATUM MUNICIPAL SCHOOLS	48.21	2.62	\$54,759	4.60



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Average Age, Gross, Family Size, F/M Ratio by Employer

As of 01/01/2024 In Employer Name Sequence

01/03/2024

Employer ID and Name	Age	Family Size	AVG Gross	Ratio F/M
432 TECHNOLOGY LEADERSHIP HIGH SCHOOL	46.47	2.18	\$72,418	4.67
13 TEXICO MUNICIPAL SCHOOLS	47.18	2.93	\$61,342	2.75
371 THE ALBUQUERQUE TALENT DEVELOPMENT	53.78	2.11	\$73,826	0.50
394 THE ASK ACADEMY	47.44	2.37	\$65,842	1.93
398 THE GREAT ACADEMY	43.00	1.50	\$81,345	1.00
383 THE INTERNATIONAL SCHOOL	41.67	1.57	\$56,445	5.00
392 THE MASTERS PROGRAM	51.89	1.89	\$73,656	2.60
352 THE MONTESSORI ELEMENTARY & MIDDLE SC	42.35	2.40	\$61,057	5.67
415 THE NEW AMERICA SCHOOL - LAS CRUCES	41.17	1.83	\$60,444	3.00
385 THE NEW AMERICA SCHOOL NEW MEXICO	42.08	1.42	\$73,599	1.40
448 THRIVE COMMUNITY SCHOOL	45.95	1.95	\$60,837	9.00
391 TIERRA ADENTRO OF NEW MEXICO	42.53	1.24	\$68,401	4.67
355 TIERRA ENCANTADA CHARTER HIGH SCHOOL	50.38	2.13	\$74,233	1.00
73 TRUTH OR CONSEQUENCES MUNICIPAL SCHC	46.37	2.04	\$58,560	2.97
49 TUCUMCARI PUBLIC SCHOOLS	49.94	2.24	\$57,300	2.59
47 TULAROSA MUNICIPAL SCHOOL DISTRICT	48.74	2.19	\$64,745	2.58
313 TURQUOISE TRAIL CHARTER SCHOOLS	45.00	1.88	\$61,865	5.83
310 TWENTY FIRST CENTURY PUBLIC ACADEMY	42.19	1.69	\$66,198	1.91
26 VAUGHN MUNICIPAL SCHOOLS	43.35	1.94	\$61,637	2.40
367 VISTA GRANDE CHARTER HIGH SCHOOL	42.70	1.50	\$63,014	1.50
445 VOZ COLLEGIATE	39.33	1.17	\$60,488	0.50
45 WAGON MOUND PUBLIC SCHOOLS	49.05	2.53	\$57,849	2.60
334 WALATOWA HIGH CHARTER SCHOOL	59.14	1.71	\$69,653	0.67
68 WEST LAS VEGAS SCHOOL DISTRICT	47.51	2.01	\$63,510	1.33
96 WESTERN NM UNIVERSITY	46.77	1.98	\$64,047	1.35
413 WILLIAM W. AND JOSEPHINE DORN COMMUNI	42.75	1.00	\$63,611	4.00
89 ZUNI PUBLIC SCHOOLS	46.96	2.16	\$78,581	2.00
Overall	46.94	2.05	\$62,931	2.43





**New Mexico  
Public Schools  
Insurance  
Authority**

## February 2024 Benefits Statistics

October 2023-December 2023

2<sup>nd</sup> Quarter

### 204 Total Inquiries

147 Phone Calls  
40 Website Feedback  
16 Emails  
1 In person

### Days Resolved

1 Day= 169    8 Days= 2  
2 Days= 16    10 Days=1  
3 Days= 8     16 Days=1  
4 Days= 3     17 Days=1  
5 Days= 3

### Carriers 27

### General 177

Blue Cross Blue Shield	5	Erisa Administrative Services	67
Presbyterian	3	Employer	65
Cigna	0	NMPSIA	21
CVS	4	NMRHCA	11
United Concordia	1	Risk	3
Delta Dental	1	CCMSI	4
Davis Vision	0	Albuquerque Public Schools	1
The Standard	8	Medicare	5
ID cards	5		