



NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

Office of Executive Director

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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

Patrick Sandoval
Executive Director

Martha Quintana
Deputy Director

March 27, 2024

Dear Members,

This letter is to notify New Mexico Public School Insurance Authority (NMPSIA) Members of the FY25 premium increase for our Benefits and Risk Programs. The Benefits Program premium increases will consist of 15.53% for Medical, 5% for Dental, and 3% for Vision. The Risk Program premium increase will be 31.86% depending on the Members' frequency and exposure trends. The decision to pass on double-digit increases was not easy for staff or the NMPSIA Board of Directors. NMPSIA does utilize a five-year plan to help smooth out the increases; however, the following unforeseen circumstances attributed to rate increases.

The Risk Program experienced significant property losses, primarily from May 2022 to May 2023, due to hail and wind claims in the projected amount of \$61.5 million. Claims cost for FY23 increased by \$4.6 million over budget, and actuarial projected claims cost for FY24 and FY25 increased by \$13.4 and \$15.9 million, respectively. Sexual abuse, molestation, and inappropriate touching cases continue to be a factor. NMPSIA has procured Vector Solutions and the STOPit anonymous reporting system for all members to utilize in an attempt to prevent these types of claims and keep students safe.

The Benefits Program has experienced high-dollar medical and prescription drug claims. These include a 14.6% increase in the first six months of FY24, a \$7 million increase in costs for GLP-1 drugs (Ozempic, Trulicity, Wegovy, Mounjaro, etc.) for diabetes and weight loss from January 2023 to November 2023, a loss of \$2.2 million in revenue due to employees migrating from the High Option Plans to the Low Option Plans. NMPSIA continues to promote our Plan's free preventive care and wellness programs for members to help all engage in healthy behaviors.

NMPSIA is committed to diligently pursuing cost-containment efforts for our Benefits and Risk Programs. We aim to minimize the impact of premium increases on all our members and will continue to strive towards this goal.

A handwritten signature in black ink that reads 'Patrick Sandoval'.

Patrick Sandoval
Executive Director, NMPSIA