

**NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS VIRTUAL MEETING MINUTES**

Virtual Meeting: <https://global.gotomeeting.com/join/495537989>

**Dial in: +1 (786) 435-3211
Access Code: 495-537-989**

Thursday, April 9, 2020

1. CALL TO ORDER

DRAFT

Ms. Mary Parr-Sanchez called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, April 9, 2020.

2. ROLL CALL

Ms. Pamela Vigil called roll.

Present via virtual meeting/telephonic meeting:

Mary Parr-Sanchez, President
Chris Parrino, Vice President
Alfred Park, Secretary
Denise Balderas
Tim Crone
Pauline Jaramillo
Sammy Quintana
David Martinez Jr.
Trish Ruiz
Dave Willden
Ricky Williams

Absent:

Staff Members Present via virtual/telephonic meeting:

Richard Valerio, Interim Executive Director
Patrick Sandoval, Chief Financial Officer
Melissa Rael, Human Resource/Finance Manager
Katherine Chavez, Benefits/Wellness Operations Manager
Pamela Vigil, Program Coordinator
Dion Romero, Accountant
Claudette Roybal, Chief Procurement Officer
Andrew Arellano, Financial Specialist

Audience present via virtual/telephonic meeting:

Jeanine Patterson	Blue Cross Blue Shield
Lisa Guevara	Blue Cross Blue Shield
Marlene Mier	Blue Cross Blue Shield
Richard Cangiolosi	CCMSI
Steve Vanetsky	CCMSI
Jerry Mayo	CCMSI
Louise Carpenter	CCMSI
Jolou Trujillo-Ottino	Delta Dental
Kathy Payanes	Erisa Administrative Services
Martin Esquivel	Esquivel & Howington
Amy Daily	Express Scripts
Harris A. Zeyae	Express Scripts
Connor Jorgensen	Legislative Finance Committee
Joe Guillen	NM School Boards Assoc.
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Elaine Haemmerle	Presbyterian
Steve Valdez	Presbyterian
Nura Patani	Segal
Ingrid Jorud	Solutions Group
Stephanie Anthony	United Concordia
Tamie Pargas	

3. INTRODUCTION OF GUESTS

Mr. Richard Valerio, Interim Executive Director, NMPSIA, introduced Ms. Claudette Roybal and Mr. Andrew Arellano.

Ms. Roybal will serve as NMPSIA’s Chief Procurement Officer and Mr. Arellano will serve as NMPSIA’s Financial Specialist.

4. CITIZENS TO ADDRESS THE BOARD (five- minute time limit)

There were no citizens to address the Board.

5. APPROVAL OF THE AGENDA (Action Item)

A motion was made to approve the agenda as presented.

MOTION: C. Parrino

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

6. APPROVAL OF MARCH 5, 2020 BOARD MINUTES (Action Item)

A motion was made to approve the March 5, 2020 NMPSIA Board Minutes as presented.

MOTION: C. Parrino

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Abstained

Vote carried.

7. Administrative Matters

7. A Appointment of Richard Valerio as Executive Director (Action Item)

Ms. Parr-Sanchez stated it was nice to look through the minutes and read all of the wonderful statements that the Board said about Mr. Valerio. She stated she was late to the Board meeting and missed that part of the meeting. Ms. Parr-Sanchez stated Mr. Valerio is a great choice for Executive Director and there is a wonderful staff at NMPSIA.

Mr. Willden stated he would like to include his endorsement of Mr. Valerio and stated that Mr. Valerio has done a very admirable job over the past months. He stated Mr. Valerio has done a good job managing and leading the agency.

Mr. Willden stated he would make the motion to approve Mr. Richard Valerio as the Executive Director of NMPSIA.

Ms. Trish Ruiz seconded the motion.

Mr. Martin Esquivel, NMPSIA General Counsel, stated that in addition to the motion of formal appointment, there should also be action with respect to salary.

Mr. Al Park stated Mr. Valerio has done an incredible job for the last year and has earned the position of Executive Director under the set of tragic circumstances. He stated that Ms. Ernestine Chavez was an incredible person and to lose her in this way is the hardest of ways to take over a job with a very dedicated staff. He went on to state that Mr. Valerio deserves the Board's acknowledgement. Mr. Park went on to state that the Department of Finance and Administration (DFA) did not accept the Board's salary recommendation to max out the salary for Ms. Chavez at \$146,150. He stated DFA accepted a recommendation of approximately \$130,000. Mr. Park stated \$130,000 would be within the parameter of what DFA's approval would be and would recognize Mr. Valerio's service and serve as an appropriate salary level and raise.

Mr. Parrino stated he would like to echo what Mr. Park has stated and would recommend that Mr. Valerio's salary be the same as Ms. Chavez's salary was.

Mr. Sandoval stated Ms. Chavez's salary was \$132,600.

Mr. Quintana asked if Mr. Valerio would also be entitled to the 4% salary increase that has been approved for state employees on July 1, 2020.

Mr. Willden amended his motion to state that Mr. Valerio receive a salary of \$132,600, and the 4% increase for all state employees in July 1, 2020.

Mr. Park expressed his concerns if DFA does not approve this and stated this could potentially cause a delay in Mr. Valerio's increase and ultimately cost him money. He asked if the appropriate motion would include a recommendation for a salary up to \$132,600, contingent upon DFA approval.

Mr. Sandoval stated that one thing to consider is education. Mr. Valerio has a Master's Degree.

Mr. Willden respectfully disagreed with Mr. Park. He stated the NMPSIA Board should set the salary not DFA.

Ms. Parr-Sanchez asked Mr. Willden to restate the motion.

Mr. Willden re-stated the following motion:

Appoint Mr. Valerio as NMPSIA's Executive Director with a salary equivalent to what the previous Director Ms. Chavez was receiving, including the 4% increase given to all state employees on July 1, 2020.

Mr. Park expressed his concerns with this motion and stated the motion should include the phrase "up to the salary that was being paid to the previous director".

Mr. Willden amended his motion to include the phrase "up to the salary that was being paid to the previous director".

Ms. Jaramillo stated the 4% increase for state employees will be discussed at the Spring Budget Workshop.

Mr. Quintana stated he disagrees with Mr. Park. He stated the NMPSIA Board has the authority to hire and set the salary for the Executive Director. Mr. Quintana expressed concerns about leaving the motion open ended.

Mr. Willden amended his motion to state the following:

Approve the appointment of Mr. Richard Valerio as NMPSIA Executive Director, with a salary equal to what the previous director was receiving, and to include a 4% increase on July 1, 2020. If DFA rejects this recommendation, then the Board will accept DFA's recommendation immediately.

Mr. Park stated DFA rejected the Boards salary increase recommendation for Ms. Chavez, and it ended up costing her a lot of money because they would not approve it retroactive.

After discussion, Mr. Esquivel stated everyone has valid points and the enabling statute states the NMPSIA Board does have the authority to set the Executive Directors salary.

Mr. Esquivel stated that the last motion would be appropriate.

Ms. Parr-Sanchez asked Mr. Willden to restate the amended motion.

Mr. Willden made a motion to approve the appointment of Mr. Richard Valerio as NMPSIA Executive Director, with a salary equal to what the previous director was receiving of \$132,600, and to include a 4% increase on July 1, 2020. If DFA rejects this recommendation, then the Board will accept DFA's recommendation immediately.

Mr. Park asked if this is the way that DFA works.

Mr. Sandoval stated that staff will submit a personnel action form, and if DFA rejects the amount, then new paperwork must be submitted with a different amount.

Mr. Park disagreed with Mr. Willden's amended motion.

Mr. Willden withdrew his motion and requested that Mr. Park make a motion that will work.

A motion was made to approve the appointment of Mr. Richard Valerio as NMPSIA Executive Director, with a salary up to \$132,600, and to include a 4% increase on July 1, 2020.

MOTION: A. Park

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

Mr. Valerio thanked the Board for the trust and confidence that they have instilled in him. He stated he will continue to work hard for NMPSIA and the members.

7. B Authority to Appoint Deputy Director and Comptroller (Action Item)

Mr. Esquivel stated that the issue before the Board is the appointment of the Deputy Director and the Comptroller. He stated the enabling statute does give the Executive Director authority to hire the Deputy Director and the Comptroller. Mr. Esquivel asked if the Board would like to defer this decision to the Executive Director.

Ms. Parr Sanchez asked if the Board decides the salary.

Mr. Esquivel stated under the enabling statute, the Executive Director can set the salary and bring the recommendation to the Board.

Mr. Willden stated the Board entrusts the Executive Director to hire the staff he needs.

Mr. Valerio stated when he was hired as Comptroller he was appointed by the Board.

Mr. Valerio also stated that when Ms. Chavez was appointed as the Executive Director, she appointed the Deputy Director and the Comptroller.

Mr. Martinez Jr. stated Mr. Valerio should have the authority to appoint staff.

A motion was made to defer to the Executive Director to appoint the Deputy Director and the Comptroller and set the salary.

Ms. Parr-Sanchez asked if this needed to come back to the Board for approval.

Ms. Parr- Sanchez asked for the motion to be restated.

A motion was made to defer to the Executive Director to appoint the Deputy Director and the Comptroller and set the salary.

MOTION: C. Parrino

SECONDED: T. Ruiz

Mr. Quintana asked if this needed to go through the Governor's office for approval.

Mr. Valerio stated that he would submit the paperwork and then bring back an update to the Board.

He stated he would be working with Ms. Parr-Sanchez and the executive committee with respect to salaries

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

Mr. Valerio stated that he will be recommending the appointment of Mr. Patrick Sandoval as Deputy Director.

Mr. Sandoval thanked Mr. Valerio for his trust and confidence in him. He also thanked the Board for their continued support.

7. C COVID-19 Update

Mr. Valerio reported that yesterday at the BAC he discussed the order that came from the Superintendent of Insurance that ordered all health care insurers to waive cost sharing, which includes co-payments and co-insurance for treatment of COVID-19. That order applied to all commercial insurance plans and did not apply to self-insured groups such as NMPSIA. However, after discussions with the IBAC (APS, Risk Management, Retiree Health Care Authority) the group collectively decided to waive co-sharing for all members, especially since the Governor has stated that all testing and treatment of COVID-19 would be free for all New Mexicans. Mr. Valerio stated on March 13, 2020 he issued a memo stating there would be no cost for testing for members. He stated on March 17, 2020 he issued another memo stating this would apply for treatment of COVID-19 as well. Mr. Valerio reported at this time there is one Presbyterian member who has tested positive in Sandoval County. There are two potential BCBSNM members that have tested positive. He stated that as far as testing, the Medicare reimbursement rates for tests are ranging anywhere from \$35.00 to \$52.00. As far as total costs, the IBAC members will gather information. He stated Segal will be working with staff to determine what costs we may be facing in the future.

Ms. Parr-Sanchez stated that she has concerns with the number of ICU beds in the southern part of the state. She asked staff to find out if members were to have to go to Texas for care, would we pay for those services.

Mr. Valerio stated regardless of where members obtain care for COVID-19, they will have a zero cost. This will apply to NMPSIA's High, Low and EPO option medical plan members through both Presbyterian Health Plan and Blue Cross Blue Shield of New Mexico. There are some contracted facilities out-of-state in which NMPSIA will benefit from in-network discounts when paying claims.

7. D Staff Update

Mr. Valerio welcomed Ms. Claudette Roybal and Mr. Andrew Arellano to the NMPSIA staff. He stated that there is one remaining vacant Benefits Program Coordinator position. This has been put on hold until staff returns to the office, but staff may look into hiring through virtual interviews.

7. E Approval of Telework during Emergencies Policy (Action Item)

Mr. Valerio reported NMPSIA staff has been working from home. He stated he and Mr. Sandoval have been taking turns going into the office.

Mr. Valerio presented a Telework During Emergencies Policy for review and approval. He stated there is also an agreement form for employees to sign.

Mr. Quintana asked Mr. Esquivel if there are any additional legal requirements for the policy.

Mr. Esquivel stated the policy is consistent with other policies within the state and it is appropriate.

A motion was made to approve the Telework during Emergencies Policy as presented.

MOTION: C. Parrino

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

7. F Spring Budget Workshop Update

Mr. Valerio reported that the Spring Budget Workshop was cancelled due to COVID-19. He stated that the premium rates effective October 1, 2020 will be posted on the NMPSIA website and emailed out and the risk premiums would be emailed and mailed out to the districts.

Mr. Parrino stated that the workshop will be available to access online.

Mr. Quintana expressed concerns about the \$10 million dollar appropriation and the possibility of it being taken back.

Mr. Valerio stated that there is a projected \$1.5 to \$2 Billion shortfall for the State and there is an anticipated Special Legislative Session coming up. He stated he has had conversations with the LFC analyst, and everything is up in the air and we will have to wait and see what happens.

8. FINANCIAL MATTERS

8. A Financial Reports for February 2020 (Action Item)

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 2/1/2020 through 2/29/2020. The Benefits Fund had revenues in the amount of \$25,484,494.59; expenditures in the amount of \$22,190,279.91; resulting in a surplus of \$3,294,214.68.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 2/1/2020 through 2/29/2020. The Risk Fund had revenues in the amount of \$6,615,499.08; expenditures in the amount of \$6,885,992.72; resulting in a loss of \$270,493.64.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 2/1/2020 through 2/29/2020. The Program Support Fund had revenues in the amount of \$110,182; expenditures in the amount of \$75,936.32; resulting in a surplus of \$34,245.68.

Mr. Sandoval reviewed the balance sheet for the period 2/1/2020 through 2/29/2020. Program Support had total assets of \$1,018,010.55, total liabilities of \$178,795.17, and fund equity of \$839,215.38. Employee Benefits had total assets of \$48,112,484.99, ending liabilities of \$30,354,765.40, and fund equity of \$17,757,719.59. Risk had assets of \$106,279,244.61, liabilities of \$107,468,091, and a loss of \$1,188,846.72. Total assets for the agency were \$155,409,740.15 and ending liabilities of \$138,001,651.90. Combined fund equity for the agency was \$17,408,088.25.

A motion was made to approve the Financial Reports for February 2020.

MOTION: D. Martinez Jr.

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

9. Risk Matters

9. A. 1 Claims Processing Update

Mr. Richard Cangiolosi, CCMSI, reported all adjusters, managers and supervisors are working from home. He reported there are two to three administrative assistants going into the office daily to receive mail as well as one supervisor. He reported that claims are being handled, new claims are being received. He stated it is business as usual with no interruptions.

9. A. 2 Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI reported on the Property & Liability Monthly Claims Report. He stated that for the month of February 2020 there were 420 open claims, 53 new claims and 70 claims were closed. Mr. Vanetsky reported that reserves were at \$38,929,946.70, payments were \$30,660,458.53 for a total of \$69,590,405.23.

9. A. 3 Property & Liability Large Losses

Mr. Vanetsky reported that there are ongoing sexual molestation claims.

9. A. 4 Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo provided the Workers' Compensation Monthly Claims Report for Districts as of February 29, 2020. He reported that during the month of February there were 1,115 open claims, 29 claims were re-opened, 258 new claims, and 210 claims were closed. Mr. Mayo reported that reserves were at \$15,802,218.71; payments were \$52,389,556.80; for a total of \$68,191,775.51. Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of February 29, 2020. Mr. Mayo reported that during the month of February, there were 41 open claims, 11 new claims, and 14 claims were closed. Mr. Mayo reported that reserves were at \$694,681.78; payments were \$1,389,305.39; for a total of \$2,083,987.17.

9. A. 5 Workers' Compensation Large Losses

Mr. Willden reported that CCMSI reported on a comparison of claims in February 2019 and February 2020. He reported there has been a significant decrease in claims.

Mr. David Poms, Poms & Associates, briefly discussed what is going on with the insurance industry and the effects of COVID-19. He stated on the medical side, the numbers will be significant. He reported on the property side there may be some costs associated with cleanup. Mr. Poms stated there will be some exposure when school resumes.

Ms. Julie Garcia, Poms & Associates, reported Poms & Associates has been sending information to schools asking them to distribute.

Ms. Jaramillo asked Ms. Garcia to make sure this information is distributed to all staff including Superintendents, Board Members, etc.

9. B Guidelines for Educational Use of Social Media and Other Electronic/Virtual Platforms (Action Item)

Ms. Garcia presented the Guidelines for Educational Use of Social Media and Other Electronic/Virtual Platforms. She expressed concerns about schools losing their momentum of understanding they must be very careful when using social media and inappropriate usage. She requested approval to send this out to all schools.

A motion was made to approve the Guidelines for Educational Use of Social Media and Other Electronic/Virtual Platforms for distribution.

MOTION: D. Willden

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

9. C Loss Prevention Update

Ms. Garcia reported the Department of Health is converting some school gyms in Gallup into hospitals.

Ms. Garcia reported that maintenance workers are still at school districts in an effort to curb vandalism.

10. Benefits Matters

10. A Approval of Basic Life Accidental Death and Dismemberment, and Additional Life and Accidental Death and Dismemberment Premium Rates (Action Item)

Mr. Valerio reviewed the rates and increases for Basic Life Accidental Death and Dismemberment, and Additional Life and Accidental Death and Dismemberment Premium Rates. He stated that NMSPIA entered into a new contract on 7/1/2019, but at that time

premium rates had already been passed on by the Board, so the costs were absorbed. The total difference is \$42,470.64. He reminded the Board that these are voluntary products and paid by the member at 100%.

Mr. Valerio stated it is the recommendation of the Benefits Advisory Committee to approve the Basic Life Accidental Death and Dismemberment, and Additional Life and Accidental Death and Dismemberment Premium Rates.

A motion was made to approve the Basic Life Accidental Death and Dismemberment, and Additional Life and Accidental Death and Dismemberment Premium Rates.

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

10. B Approval of Amendment to Pharmaceutical Benefits Management Services Agreement to Add Livongo Programs (Action Item)

Mr. Valerio presented the Amendment to Pharmaceutical Benefits Management Services Agreement to Add Livongo Diabetes Hypertension Programs. The Board approved these programs December 2019 to become effective April 1, 2020. The cost for the program is \$67.00 per member per month for Diabetes and \$17.00 per member per month for Hypertension, if members use both programs. The cost for Hypertension only is \$27.00 per member per month. He stated this is only for members that are utilizing the programs.

Mr. Valerio stated it is the recommendation of the Benefits Advisory Committee to approve this amendment.

A motion was made to approve the Amendment to Pharmaceutical Benefits Management Services Agreement to Add Livongo Programs.

MOTION: C. Parrino

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Mary Parr-Sanchez- Yes
Chris Parrino, Vice President - Yes
Alfred Park, Secretary – Yes
Denise Balderas- Yes
Tim Crone- Yes
Pauline Jaramillo- Yes
David Martinez Jr. – Yes
Sammy Quintana- Yes
Trish Ruiz – Yes
Ricky Williams - Yes
Dave Willden – Yes

Vote carried unanimously.

10. C Wellness Update

Ms. Katherine Chavez reported on the Find Your Peace Now Program, available on April 13, 2020, to help members during this uncertain time. She reported there will also be financial wellness opportunities and webinars available next week and some other financial wellness communications that have been sent to members. She also reported on a 30-day program offering wellness affirmations and wellness tips for members during this time.

13. NEXT MEETING DATE AND LOCATION

May Meeting Date and Location Scheduled for 9:00 a.m., Thursday, May 6, 2020- Cooperative Educational Services, 4126 Balloon Park Rd NE, Albuquerque, NM 87109. This is pending a release from the Shelter-in-Place Order due to COVID-19.

13. ADJOURNMENT

The NMPSIA Board Meeting was adjourned at 11:04 a.m.



hez, President