

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

**Virtual Meeting: <https://global.gotomeeting.com/join/448338173>**

**Dial in: + 1 (786) 535-3211  
Access Code: 448-338-173**

**Thursday, April 8, 2021**

**1. Call to Order**

Mr. Al Park, NMPSIA Board President, called the NMPSIA Board Meeting to order at 9:02 a.m. on Thursday, April 8, 2021.

**2. Roll Call**

Ms. Pamela M. Vigil, called roll.

**Present via virtual meeting/telephonic meeting:**

Alfred Park, President  
Chris Parrino, Vice-President  
Pauline Jaramillo, Secretary  
Denise Balderas  
Tim Crone  
Bethany Jarrell (arrived after rollcall)  
Sammy Quintana  
K.T. Manis  
David Martinez Jr.  
Ricky Williams (arrived after rollcall)

**Absent:**

**Staff Members Present via virtual/telephonic meeting:**

Richard Valerio, Executive Director  
Patrick Sandoval, Deputy Director  
Martha Quintana, Chief Financial Officer  
Melissa Rael, Human Resource/Finance Manager  
Pamela Vigil, Risk Program Coordinator  
Katherine Chavez, Benefits/Wellness Operations Manager  
Jessica Brand, Benefits Program Coordinator  
Dion Romero, Accountant Auditor  
Claudette Roybal, Chief Procurement Officer  
Andrew Arellano, Management Analyst

**Audience present via virtual/telephonic meeting:**

|                    |                              |
|--------------------|------------------------------|
| Martin Esquivel    | Esquivel & Howington         |
| Chelsea Canada     | LESC                         |
| Connor Jorgensen   | LFC                          |
| Joe Guillen        | NM School Boards Association |
| David Poms         | Poms & Assoc.                |
| Julie Garcia       | Poms & Assoc.                |
| Larry Vigil        | Poms & Assoc.                |
| Tammy Pargas       | Poms & Assoc.                |
| Richard Cangiolosi | CCMSI                        |
| Louise Carpenter   | CCMSI                        |
| Kim Trimble        | CCMSI                        |
| Kevin Sovereign    | CCMSI                        |
| Jerry Mayo         | CCMSI                        |
| Steve Vanetsky     | CCMSI                        |
| Daniel Warner      | Cigna                        |
| Dr. Nura Patani    | Segal                        |
| Melissa Krumholz   | Segal                        |
| Sam Garcia         | Davis Vision                 |
| Cathy Fenner       | Davis Vision                 |
| Stephanie Anthony  | United Concordia             |
| Rich Bolstad       | Delta Dental                 |
| Steve Valdez       | Presbyterian                 |
| Lia Gainey         | Presbyterian                 |
| Kathy Payanes      | Erisa                        |
| CS Hwa             | Erisa                        |
| Michelle Alarid    | Erisa                        |
| Lourdes Rael       | Erisa                        |
| Mike Barrios       | Erisa                        |
| Lisa Guevara       | BCBS                         |
| Marlene Mier       | BCBS                         |
| Jennifer Oswald    | Standard                     |
| Greg Archuleta     | Standard                     |
| Amy Daily          | Express Scripts              |
| Jon Molberg        | Express Scripts              |
| Brett Merritt      | Novo Nordisk                 |
| Jason Weaks        | Novo Nordisk                 |

**3. Introduction of Guests**

There were no guests.

**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)**

Mr. Richard Valerio, Executive Director, NMPSIA stated he will be presenting items 9.D and 10.B.

A motion was made to approve the agenda as amended.

**MOTION:** P. Jaramillo

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes  
Tim Crone – Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell – Not present for vote.  
K.T. Manis – Yes  
David Martinez Jr. – Yes  
Alfred Park – Yes  
Chris Parrino – Yes  
Sammy Quintana – Yes  
Ricky Williams – Not present for vote.

**Vote carried.**

## **6. Approval of Virtual Board Minutes (Action Item)**

A motion was made to approve the March 4, 2021 Virtual Board Minutes as presented.

**MOTION:** C. Parrino

**SECONDED:** S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes  
Tim Crone – Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell – Yes  
K.T. Manis – Yes  
David Martinez Jr. – Yes  
Alfred Park – Yes  
Chris Parrino – Yes  
Sammy Quintana – Yes  
Ricky Williams – Not present for vote.

**Vote carried.**

## **7. Administrative Matters**

### **7. A Staff Update**

Mr. Valerio welcomed Ms. Jessica Brand to the NMPSIA Team. He stated Ms. Brand recently joined NMPSIA as the new Benefits and Wellness Coordinator.

Mr. Valerio stated there is a vacant Financial Specialist Position that will be posted soon.

Mr. Park welcomed Ms. Brand to the NMPSIA Team.

### **7. B Legislative Update**

Mr. Valerio reported there were detailed discussions at both the Risk Advisory Committee Meeting (RAC) and the Benefits Advisory Committee Meeting (BAC), with respect to this item. Mr. Valerio asked if there are any questions regarding any bills.

Mr. Quintana inquired about HB4 with respect to Civil Rights. He asked what impact this could have on NMPSIA.

Mr. Martin Esquivel, NMPSIA General Counsel, provided an overview of HB4. He stated this bill essentially mirrors the Federal Civil Rights Act that exists right now. Mr. Esquivel explained in Federal Court, qualified immunity has been developed through case law over thirty to forty years. He stated qualified immunity has become a controversial subject based on law enforcement, but it does apply to all public entities and officials. Mr. Esquivel stated it does apply to educational officials for good reasons and in cases where they commit a discretionary act which is not known as being improper or illegal by law. He explained the difference with the State Civil Rights Act is that it completely abolishes any defense of qualified immunity.

Mr. Esquivel went on to explain the two major issues with respect to HB4. Mr. Esquivel explained the concern with the State Civil Rights Act is the language in the law includes the words "acts" or "omissions". Currently under the Tort Claims Act, the limitations are \$450,000 to \$750,000. Mr. Esquivel believes that attorneys will now file claims that are negligence claims and assert they are Civil Rights Claims to get to the \$2 Million dollar cap. He stated the second issue is there is no notice requirement with the Civil Rights Act. Mr. Esquivel stated the bigger cases will still proceed in Federal Court. He stated a concern he has is that the cost for settling the smaller Civil Rights cases is going to be increased because of this law. Mr. Esquivel stated the State Civil Rights Act does not limit per occurrence claims. He stated this will be significant, and there is no case law because it is so new.

Mr. Park asked if Mr. Dave Poms, Poms & Associates, would like to comment on this bill and the potential impact on insurance premiums for the districts.

Mr. Poms stated staff had not provided copies of the Civil Rights Act to the re-insurers, because of the changing provisions during the session. He stated now that it has been passed and signed by the Governor, it has been sent to the re-insurers. Mr. Poms stated the cap that was set is a huge victory for all the public entities in the state, especially educational institutions.

Mr. Park thanked Mr. Poms and his staff for the legislative support during the session.

Mr. K.T. Manis stated right now the Public Education Commission is going through Charter School negotiation for contracts and one of the provisions in the contract that is questionable is specifically related to NMPSIA. He shared the following language with the Board:

“The school and its insurers providing the required coverage shall waive all rights of the recovery against the State and the COMMISSION, their agents, officials, assignees, and employees”.

Mr. K.T. Manis stated this is specifically related to NMPSIA and he wants to go back to the Commission on a consensus if this language is appropriate. He stated there are some questions if this is going to be correct with this new legislation that has passed.

Mr. Valerio stated staff received the contract yesterday and staff and general counsel will be reviewing the language. Mr. Valerio stated being that there is not a meeting until May, he would send something out via email once a legal opinion is received.

Mr. Valerio briefly reported on HB128. He stated this bill finally has been passed after many years of effort. He stated this bill will mandate ethical reporting for teachers and all school staff, volunteers, coaches etc. Mr. Valerio stated it will change hiring practices and require training for all school employees. He stated NMPSIA has issued an RFP for these training requirements. Mr. Valerio thanked everyone involved in getting this bill passed.

Mr. Park stated this is an important step in protecting children.

### **7. C NMASBO Spring Budget Workshop Update**

Mr. Valerio reported on March 31, 2021 staff made presentations at the Spring Budget Workshop. He stated it was done via Zoom and there were approximately 235 attendees. There were presentations by NMPSIA Staff, Erisa, Poms & Associates, Embark Safety, CCMSI and Meyers Stevens & Toohey. He stated overall it went well.

### **7. D COVID-19 Update**

Mr. Valerio reported this was discussed in detail at the BAC. He stated last month it was reported there was a \$10 million dollar total spend, which has increased to a \$12 million dollar spend for both testing and treatment for COVID-19.

## 8. FINANCIAL MATTERS

### 8. A Financial Reports for February 2021 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 2/1/2021 through 2/28/2021. The Benefits Fund had revenues in the amount of \$27,418,192.37; expenditures in the amount of \$23,546,173.56; resulting in a surplus of \$3,872,018.81.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 2/1/2021 through 2/28/2021. The Risk Fund had revenues in the amount of \$7,087,910.68; expenditures in the amount of \$5,511,295.11; resulting in a surplus of \$1,576,615.57.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 2/1/2021 through 2/28/2021. The Program Support Fund had revenues in the amount of \$116,750; expenditures in the amount of \$89,943.12; resulting in a surplus of \$26,806.88.

Mr. Sandoval reviewed the balance sheet for the period 2/1/2021 through 2/28/2021. Program Support had total assets of \$1,095,408.68, total liabilities of 254,767.38, and fund equity of \$840,641.30. Employee Benefits had total assets of \$67,058,924.63, total liabilities of \$28,651,655.32, and fund equity of \$38,407,269.31. Risk had assets of \$124,027,628.08, total liabilities of \$127,025,101.45, and a total fund equity deficit of \$2,997,473.37. Total assets for the agency were \$192,181,961.39 and total liabilities of \$155,931,524.15. Combined fund equity for the agency was \$36,250,437.24.

A motion was made to approve the Financial Reports for February 2021 as presented.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes

Tim Crone – Yes

Pauline Jaramillo – Yes

Bethany Jarrell – Yes

K.T. Manis – Yes

David Martinez Jr. – Yes

Alfred Park – Yes

Chris Parrino – Yes

Sammy Quintana – Yes

Ricky Williams – Not present for vote.

**Vote carried.**

## **8. B Request to Approve Cooperative Purchasing Agreement with Cooperative Educational Services (CES) (Action Item)**

Mr. Sandoval stated staff would like to request approval to complete an application for Cooperative Educational Services (CES), to become a member and be able to use some of their procurements. He stated the CES application indicates approval from an entity's administration and governing body. Mr. Sandoval indicated staff researched the procurement code and determined there is no limitations in the Procurement Code, State Purchasing Department (SPD) rules or Department of Finance and Administration (DFA) Model of Accounting Practices against entering into a cooperative agreement with CES.

Mr. Sandoval stated it is the recommendation of the Internal Fiscal Review Committee to approve a Cooperative Purchasing Agreement with CES as outlined.

A motion was made to approve the request to enter into a Cooperative Purchasing Agreement with Cooperative Educational Services (CES).

**MOTION:** C. Parrino

**SECONDED:** P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes

Tim Crone – Yes

Pauline Jaramillo – Yes

Bethany Jarrell – Yes

K.T. Manis – Yes

David Martinez Jr. – Yes

Alfred Park – Yes

Chris Parrino – Yes

Sammy Quintana – Yes

Ricky Williams – Not present for vote.

**Vote carried.**

## **9. Benefits Matters**

### **9. A PED Surveillance Testing Requirement (Action Item)**

Mr. Valerio reported the Board recently created a policy to deny coverage for COVID-19 surveillance testing claims mandated by the Public Education Department (PED), for employees enrolled in NMPSIA benefits to take advantage of Federal Funding. He stated there are now new mandates that have been issued through the Federal Government and staff is asking for an extension of covering any surveillance claims for an additional month, through the end of April. He stated this will ensure staff is compliant with the new mandates.

Mr. Valerio stated it is the recommendation of the BAC to approve the extension through the month of April 2021.

A motion was made to approve the recommendation as presented.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes

Tim Crone – Yes

Pauline Jaramillo – Yes

Bethany Jarrell – Yes

K.T. Manis – Yes

David Martinez Jr. – Yes

Alfred Park – Yes

Chris Parrino – Yes

Sammy Quintana – Yes

Ricky Williams – Not present for vote.

**Vote carried.**

### **9. B Express Scripts Weight Management Care Value Program (Action Item)**

Mr. Valerio reported there was an in-depth presentation at the BAC with respect to this item. He stated there have been requests from NMPSIA members in the last couple of years about the potential of covering anti-obesity medication. Mr. Valerio stated all the other Interagency Benefits Advisory Committee (IBAC) cover anti-obesity medications.

Mr. Valerio stated essentially there will be coverage for the drugs and the Safeguard Weight Management Care Value Program which would ensure there are safeguards in place such as prior authorizations, etc. The cost of the medications is projected to be \$135,000 to \$200,000 a year. Mr. Valerio stated the Safeguard Weight Management Care Value Program through Express Scripts, is no cost to NMPSIA.

Mr. Valerio stated it is the recommendation of the BAC to approve the Express Scripts Weight Management Care Value Program as outlined.

Mr. Quintana stated he supports this program.

Mr. Crone asked about the chemical composition of the weight loss medication.

Ms. Amy Daily, Express Scripts, referred to the presentation and discussed some of the drugs. She stated she is unable to provide a detailed explanation about the composition because she is not a pharmacist.



Mr. Valerio stated all the drugs in the formulary are FDA Approved.

Mr. K.T. Manis asked if obesity screening and counseling will be required prior to members receiving a prescription for these medications.

Ms. Daily stated that benefit would be covered under the medical side, where a doctor would be engaging with a patient before prescribing these medications.

A motion was made to approve the Express Scripts Weight Management Care Value Program.

**MOTION:** D. Martinez Jr.

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes

Tim Crone – Yes

Pauline Jaramillo – Yes

Bethany Jarrell – Yes

K.T. Manis – Yes

David Martinez Jr. – Yes

Alfred Park – Yes

Chris Parrino – Yes

Sammy Quintana – Yes

Ricky Williams – Not present for vote.

**Vote carried.**

### **9. C Consultant for Pharmaceutical Benefit Management Procurement Services Request for Proposals (Action Item)**

Mr. Valerio reported it is almost time to issue an RFP for Pharmaceutical Benefits Manager jointly with the IBAC. He stated prior to this, staff has to go out for RFP for a Consultant for Pharmaceutical Benefit Management Procurement Services to assist with the RFP, technical advice, scoring, etc.

Mr. Valerio stated it is the recommendation of staff and the BAC to issue an RFP for Pharmaceutical Benefit Management Procurement Services.

A motion was made to approve the issuance of an RFP for a consultant for Pharmaceutical Benefit Management Procurement Services.

**MOTION:** S. Quintana

**SECONDED:** P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:  
Denise Balderas – Yes  
Tim Crone – Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell – Yes  
K.T. Manis – Yes  
David Martinez Jr. – Yes  
Alfred Park – Yes  
Chris Parrino – Yes  
Sammy Quintana – Yes  
Ricky Williams – Not present for vote.

**Vote carried.**

## **9. D Wellness Update**

Mr. Valerio reported Ms. Katherine Chavez, Benefits Wellness Operations Manager, NMPSIA, is unable to join the meeting today, but she provided a detailed presentation at the BAC.

Mr. Valerio reported the Resilience Workshop started on March 4, 2021. He stated some districts that had staff test positive for COVID-19, and staff that passed away due to COVID-19, reached out to NMPSIA to see if there were any resources available. Mr. Valerio stated Ms. Chavez worked on a series of webinars that staff hopes will help with these matters.

Mr. Valerio stated Ms. Chavez also reported on statistics with respect to the Livongo Program.

## **10. Risk Matters**

### **10. A TPA Reports**

#### **10.A.1 Property & Liability Monthly Claims Report**

Mr. Steve Vanetsky, CCMSI, reported on the Property & Liability Monthly Claims Report. He stated for the month of February 2021 there were 306 open claims, 32 new claims and 35 claims were closed. Mr. Vanetsky reported reserves were at \$67,436,931.12, payments were \$22,433,538.79 for a total of \$89,870,469.91.

#### **10.A.2 Property & Liability Large Losses**

Mr. Vanetsky reported there was two property claims and one liability claim. He explained the first property claim occurred in Dexter. There was an electrical fire to the bus barn. There were six vehicles, tools and all other contents that were lost. Mr. Vanetsky stated there was no foul play suspected in this loss and the excess carrier has been notified.

Mr. Vanetsky reported the second property loss was a fire loss in Bloomfield. He stated the HVAC system on the roof that was recently serviced caught fire. Mr. Vanetsky stated this claim is still under investigation and there could be possible subrogation.

Mr. Vanetsky reported the third large loss is a sexual assault in Santa Fe. He explained this incident involves a minor child. These cases have been reported to the excess carrier.

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

Mr. Jerry Mayo, CCMSI, provided the Workers' Compensation Monthly Claims Report for Districts as of February 28, 2021. He reported during the month of February there were 717 open claims, 96 new claims, 6 claims were re-opened, and 104 claims were closed. Mr. Mayo reported reserves were at \$14,121,035.63; payments were \$49,889,956.94; for a total of \$64,010,992.57.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of February 28, 2021. Mr. Mayo reported during the month of February, there were 23 open claims, and 3 claims were closed. Mr. Mayo reported reserves were at \$852,714.04; payments were \$1,395,586.97, for a total of \$2,248,301.01.

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

Mr. Mayo reported there were two claims with reserves over \$50,000. He stated the first claim was from 2011 involving an employee from Luna Community College. Mr. Mayo stated this claim is being paid at 94% disability and reserves were increased by a little over \$144,000. He reported the second claim, a rotator cuff tear surgery and additional indemnify benefits was from 2019 and reserves were increased a little over \$76,000.

## **10. B Loss Prevention Update**

Ms. Julie Garcia, Poms & Associates, reported that yesterday at the RAC she discussed glitches with respect to HB128. She stated staff will be working through those issues.

Ms. Garcia reported a representative from PED will sit on the Evaluation Committee for Safe Schools RFP that was recently issued.

Ms. Garcia reported there are a couple of schools dealing with OSHA violations. She explained OSHA cited Texico Municipal Schools in October for violating the General Duty Clause for failing to wear masks. She stated they were also cited for record keeping. Ms. Garcia stated schools are exempted from that specific record keeping law. She stated in March the district received a serious violation citation with a \$3,956.00 fine and the attorney is disputing the violations.

Ms. Garcia reported OSHA also cited a Charter School in a hybrid learning model with two teachers in the same classroom for the general duty's clause. She stated they are appealing through their attorney.

## **11. General Discussion**

Mr. Park asked if the Board has completed their annual disclosure forms that were sent out by Ms. Vigil.

Ms. Vigil explained the process to complete it online. She stated she will contact members that have not completed their forms.

There were discussions with respect to children returning to in-person learning and re-opening efforts.

Mr. Parrino asked what the expectations were with respect to Board Meetings going forward.

Mr. Park stated this will be discussed under next meeting date and locations.

Mr. Quintana commented on an article he read with respect to the county color coding for the state, and the effectiveness of vaccines.

Mr. Williams stated there will be an upcoming pilot with respect to testing for students with parent approval.

## **12. Next Meeting Date and Location**

Mr. Park referred to Mr. Parrino's question with respect to meetings.

Mr. Valerio stated there may be some changes with respect to the Mileage and Per-Diem Act. He stated this will change the \$95.00 rate to \$45.00 for meetings less than four hours. Mr. Valerio stated the Governor has not signed this yet.

Mr. Quintana stated the Legislature is exempt from that statute.

There was discussion with respect to in-person meetings and possibly holding the Annual Meeting in-person.

Mr. Park asked Mr. Valerio to research alternative dates in July for this meeting for Board Members that are getting ready for the school year.

Mr. Martinez Jr. stated it is important to ensure that there is option for a remote meeting for individuals that are busy preparing for the school year.

Mr. Park stated this is an excellent point and remote meetings should be an option for anyone who is still uncomfortable attending a meeting in person regardless of vaccination status.

Mr. Martinez Jr. had a question with respect to the regulations from the State concerning these meetings. NMPSIA is a state agency and would still have to follow the guidelines set forth by the State of New Mexico.

Mr. Park stated the Board and Staff will follow all requirements mandated by the Governor.

Mr. Parrino stated he would like the meeting to be held the last week of July. He stated he will not be available in August due to the start of the school year.

Mr. Park asked the NMPSIA staff to research the feasibility of holding an annual meeting in July. He asked Mr. Valerio to report back at the May Board Meeting.

Mr. Park stated any meeting in the future will still have to have remote capability access and Board Members will have to bring their laptops.

Mr. Valerio stated the color rating of counties changes every two weeks and hopefully by July, the entire state will be in the turquoise rating.

Mr. Parrino stated he wants to ensure there are accommodations to hear one another clearly.

Mr. Esquivel stated the legal obstacle is the by-laws state the annual meeting should be held in August. He stated he will research and provide guidance at the next meeting.

The next regular meeting will be held virtually on Thursday, May 6, 2021.

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

A motion was made to adjourn The NMPSIA Board Meeting at 10:17 a.m.

**MOTION:** S. Quintana

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Denise Balderas – Yes

Tim Crone – Yes

Pauline Jaramillo – Yes

Bethany Jarrell – Yes

K.T. Manis – Yes

David Martinez Jr. – Yes

Alfred Park – Yes

Chris Parrino – Yes

Sammy Quintana – Yes

Ricky Williams – Yes

**Vote carried unanimously.**

**APPROVED:**

A handwritten signature in blue ink, consisting of several loops and strokes, positioned above a horizontal line.

Mr. Alfred Park, President