

**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/81090722365?pwd=ODNlcmZFa1lFS2xEZENGYUZPZC9Sdz09>

**Phone: +1 719 359 4580**

**Meeting ID: 810 9072 2365**

**Passcode: 350501**

**Thursday, February 8, 2024**

**1. Call to Order**

Mr. Chris Parrino, Called the NMPSIA Board Meeting to order at 9:15 a.m. on Thursday, February 8, 2024.

**2. Roll Call**

Ms. Charlette Probst called roll.

**Board Members Present:**

Chris Parrino, Vice President	In-Person
Trish Ruiz, Secretary	Virtual
Vicki Chavez	Virtual (late arrived 10:04)
Tim Crone	In-Person
Bethany Jarrell	Virtual
Pauline Jaramillo	Virtual
K.T. Manis	Virtual
David Martinez Jr.	Virtual
Sammy Quintana	In-Person

**Board Members Absent:**

Al Park, President  
Denise Balderas

**NMPSIA Staff Members Present:**

Patrick Sandoval, Executive Director	In-Person
Martha Quintana, Deputy Director	In-Person
Phillip Gonzales, Chief Financial Officer	In-Person
Charlette Probst, Financial/HR Manager	In-Person
Maria Lugo, Chief Procurement Officer	Virtual
Marlene Vigil, Financial Specialist	Virtual
Claudette Roybal, Risk Program Coordinator	Virtual
Cyndi Archuleta, Benefits/Wellness Manager	Virtual
Kaylei Jones, Benefits Program Coordinator	Virtual
Leslie Martinez, Benefits Analyst	Virtual

**Audience Present**

Marsha Martinez	BAC Committee Member	Virtual
Lisa Guevara	BCBSNM	In-Person
Marlene Baca	BCBSNM	Virtual
Maureen Sergel	BCBSNM	Virtual
Samantha Mensay	BCBSNM	Virtual
Jerry Mayo	CCMSI	In-Person
Rich Cangioli	CCMSI	In-Person
Louise Carpenter	CCMSI	Virtual
Courtney Barela	CCMSI	Virtual
Ryan Bond	Cigna	In-Person
David Lauck	CVS	Virtual
Cathy Fenner	Davis Vision	Virtual
Sam Garcia	Davis Vision	Virtual
Stephanie Garcia	Delta Dental	In-Person
Rich Bolstad	Delta Dental	In-Person
Kathy Payanes	Erisa Administrative Services	In-Person
C.S. Hwa	Erisa Administrative Services	Virtual
Martin Esquivel	Esquivel & Howington	In-Person
Mallory Sampson	PFM Asset Management	Virtual
Darren Walter	Poms & Associates	In-Person
Scott Warner	Poms & Associates	In-Person
Doug Looney	Poms & Associates	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
Karen Maestas-Harris	Poms & Associates	In-Person
Justin Shirey	Presbyterian	In-Person
Steve Valdez	Presbyterian	In-Person

Benito Gonzales	RAC Member	In-Person
Nura Patani	Segal	In-Person
Bryan Magstadt	Surgery Plus (EDH)	In-Person
Andrea Vargas	The Standard	In-Person
Stephanie Anthony	United Concordia	In-Person

**3. Introduction of Guests**

Mr. Patrick Sandoval, Executive Director of NMPSIA, introduced Mallory Sampson from PFM Asset Management, Mr. Rich Cangialosi with CCMSI, Mr. Darren Walter with Poms and Associates, Mr. David Lauck with CVS Caremark, Dr. Nura Patani with Segal, and Ms. Kathy Payanes with Erisa Administrative Services.

**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.J. FY2023 Audit Approval, due to a scheduling conflict. This item will be brought back for the March Board Meeting.

**Motion:** T. Ruiz

**Second:** T. Crone

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Absent
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 December 2023 Minutes (Action Item)**

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

**Motion:** T. Ruiz

**Second:** S. Quintana

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**7. Executive Session to Discuss Competitive Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6) NMSA 1978 (Action Item)**

**7. A. RFP#24-021CG Part A IBAC Medical, Dental, Vision Plans, and Related Services**

A motion was made to enter into Executive Session to discuss Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6) NMSA 1978. Executive Session began at 9:18 am.

**Motion:** D. Martinez Jr.

**Second:** T. Ruiz

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Absent
Tim Crone	Yes
Pauline Jaramillo	Yes



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

**Vote carried unanimously.**

## **8. Administrative Matters**

### **8. A. Legislative Update**

Mr. Sandoval presented the Legislative Update stating that Staff had a House Appropriations & Finance Committee, hearing on January 11, 2024. The Committee adopted the Executive Budget recommendation with no deviations from the submitted appropriation request for expenditures.

House Bill 2 General Appropriation Act of 2024 has passed the House and is currently in the Senate. Other bills monitored by staff include House Bill 151 Post-Secondary Affirmative Consent Policies, which requires post-secondary institutes to adopt policies for investigations of alleged assault, domestic and dating violence, harassment, or stalking. This bill has passed the House and is currently in the Senate. Senate Bill 14 Health Care Authority transfers several functions from the Office of the Superintendent of Insurance (OSI), the General Services Department (GSD), and the Department of Health (DOH) into the Health Human Services or the new Healthcare Authority Department. Mr. Sandoval noted that the NMPSIA statute was not affected and the bill will require the Authority to enter joint procurements with other agencies. Senate Bill 15 Healthcare Consolidation Oversight Act would create a review process that allows OSI to determine whether proposed transactions that materially change the control of a healthcare entity could negatively impact the availability, necessity, affordability, and quality of healthcare for New Mexicans related to mergers and acquisitions. Senate Bill 55 Anti-Hazing Act would prohibit and penalize the hazing of any student at a public or private postsecondary, educational institution by a student organization, association, athletic team, or student living group. Educational institutions must include anti-hazing policies in their codes of conduct and establish educational programs for students on hazing, awareness, and prevention.

Ms. Kaylei Jones, Benefits Program Coordinator NMPSIA, added that for Benefits the staff is monitoring House Bills 6 and 11, and Senate Bill 3, all related to Paid Family Medical Leave and if passed may affect long-term disability benefits. NMPSIA has also received a request for

analysis for House Bill 185 and Senate Bill 135 which eliminate step therapy requirements for medications prescribed for the treatment of an autoimmune immune disorder, a behavioral health condition, cancer, or substance abuse disorder. NMPSIA does currently provide exemptions in these situations. Lastly, House Bill 33 Prescription Drug Price Transparency Act requires prescription drug manufacturers, health insurers, and prescription benefit managers to report drug price trends to the OSI, and the report would include a list of 25 of the most recently prescribed medications.

**8. B. Request to Reissue Request for Proposal for Capital Asset Valuation Services (Action Item)**

Mr. Sandoval advised that in April of 2023, staff issued an RFP for Capital Asset Valuation Services. Submittals were due May 5, 2023. A vendor was selected but the parties could not agree on contract terms and the procurement was canceled on February 7, 2024. Staff is requesting to go out to RFP for Capital Asset Valuation Services again.

A motion was made to Reissue Request for Proposal for Capital Asset Valuation Services.

**Motion:** S. Quintana

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**8. C. Approval of Contract for Bundled Payment Arrangement for Surgical Services (Action Item)**

Mr. Sandoval noted that staff received approval at the April 2023 Board meeting to enter into contract negotiations with the selected vendor of the bundled payment arrangement RFP for Surgical Services. Staff and General Counsel have negotiated a contract with the selected vendor and are seeking approval and then the vendor can be announced.

A motion was made to approve the Contract for Bundled Payment Arrangement for Surgical Services.

**Motion:** S. Quintana

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Absent
Denise Balderas	Absent
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.**

Mr. Sandoval announced Surgery Plus as the selected vendor and introduced Mr. Bryan Magstadt, Senior Vice President of Business Development for EDH-Surgery Plus. Mr. Magstadt thanked the Board and highlighted some of the goals and details of the program.

**8. D. Annual Retreat Discussion**

Ms. Jones advised that staff have researched nine venues across the State for the Board, as requested at the December meeting. The information was provided in the Board packet for review and staff has asked the Board to provide input on which venue to continue with. The dates for the meeting are tentatively July 20-25, 2024, at the request of the Board. The consensus was Angel Fire Resort with a second choice being Sage Brush Inn, Taos, NM.

**9. Financial Matters**

**9. A. Approval of Financial Reports - November 2023 (Action Item)**

Mr. Phillip Gonzales, Chief Financial Officer NMPSIA, presented the Statement of Revenues and Expenditures for the period ending November 30, 2023, for the Employee Benefits Fund. Mr. Gonzales reported revenue of \$33,732,154.84 and expenses of \$31,431,437.99, for a gain of \$2,300,716.85 for November. Year-to-date revenue was \$150,291,841.17 and expenses were \$161,582,246.72 resulting in a loss of \$11,290,405.55.



Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending November 30, 2023, for the Risk Fund. Mr. Gonzales reported revenue of \$10,083,973.05 and expenses of \$11,163,506.30, for a loss of \$1,079,533.25 for November. Year-to-date revenue was \$43,768,012.17 and expenses were \$56,971,119.31 resulting in a loss of \$13,203,107.14.

Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending November 30, 2023, for the Program Support Fund. Mr. Gonzales reported revenue of \$136,957.00 and expenses of \$123,055.73, for a gain of \$13,901.27 for November. Year-to-date revenue was \$684,801.12 and expenses were \$692,864.92 resulting in a loss of \$8,063.80.

Mr. Gonzales presented the Balance Sheet for the Agency for the period ending November 30, 2023. Program Support had total assets of \$919,018.75, total liabilities of \$232,418.95, and total fund equity of \$686,599.80. Employee Benefits had total assets of \$39,647,858.15, total liabilities of \$33,356,597.31, and total fund equity of \$6,291,260.84. Risk had total assets of \$165,553,719.76, total liabilities of \$167,401,679.97, and total fund equity of negative \$1,847,960,21. The total combined fund equity for the agency was \$5,129,900.43. Mr. Gonzales presented the Financial Notes for November due to the cancellation of the Internal Fiscal Review Committee Meeting.

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

**Motion:** T. Crone

**Second:** S. Quintana

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Absent
Denise Balderas	Absent
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. B. Approval of Financial Reports - December 2023 (Action Item)**

Ms. Charlette Probst, Financial/HR Manager NMPSIA, presented the Statement of Revenues and Expenditures for the period ending December 31, 2023, for the Employee Benefits Fund. Ms. Probst reported revenue of \$34,006,456.25 and expenses of \$32,605,943.06, for a gain of \$1,400,513.19 for December. Year-to-date revenue was \$184,298,297.42 and expenses were \$194,188,189.78 resulting in a loss of \$9,889,892.36.

Ms. Probst presented the Statement of Revenues and Expenditures for the period ending December 31, 2023, for the Risk Fund. Ms. Probst reported revenue of \$9,756,966.36 and expenses of \$6,645,888.32, for a gain of \$3,111,078.04 for December. Year-to-date revenue was \$53,524,978.53 and expenses were \$63,617,007.63 resulting in a loss of \$10,092,029.10.

Ms. Probst presented the Statement of Revenues and Expenditures for the period ending December 31, 2023, for the Program Support Fund. Ms. Probst reported revenue of \$136,957.04 and expenses of \$129,777.79, which resulted in a loss of \$7,179.25 for December. Year-to-date revenue was \$821,758.16 and expenses were \$822,642.71 resulting in a loss of \$884.55.

Ms. Probst presented the Balance Sheet for the Agency for the period ending December 31, 2023. Program Support had total assets of \$913,377.65, total liabilities of \$219,598.60, and total fund equity of \$693,779.05. Employee Benefits had total assets of \$45,150,360.07, total liabilities of \$37,458,586.04, and total fund equity of \$7,691,774.03. Risk had total assets of \$158,060,031.27, total liabilities of \$156,796,913.44, and total fund equity of \$1,263,117.83. The total combined fund equity for the agency was \$9,648,670.91. Ms. Probst presented the Financial Notes for December due to the cancellation of the Internal Fiscal Review Committee Meeting.

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

**Motion:** S. Quintana

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Absent
Denise Balderas	Absent
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. Investment Performance Review for the Quarter Ended December 31, 2023**

Ms. Mallory Sampson, PFM Asset Management, reported positive returns across all asset classes for the quarter except for commodity space. Ms. Sampson noted that 2022 was the exact reverse of this. The domestic equity space both quarter-to-date and year-to-date and the Russell 3000 Index, have been affected by large growth-oriented stocks dominating the US Stock market. In the International Equity space emerging markets, except for the United States, the emerging markets lag within their peer group. This is due to China's having a tough time post-Covid. China makes up about 30% of the emerging markets benchmark. Commodities were the only asset class that was negative for the year due to a decline in overall demand. There are long-term concerns about investment in Commodities and the fixed-income market. The calendar year 2023 ended on a positive note. The Benefits fund beat the target return rate with a return of 15.36% for the year. The Risk Fund for the year slightly underperformed but no large shifts are expected. The Federal Reserve has increased interest rates to fix income space and is expected to have a higher-than-normal performance over the next several years.

### **9. D. Retroactive Approval to Withdraw from Employee Benefits Long-Term Investments Portfolio (Action Item)**

Mr. Gonzales presented that the NMPSIA staff is requesting retroactive approval to withdraw \$3.5 million from the Benefits long-term investment fund held by the State Investment Council due to cash flow issues. This was needed to pay claims on time. Staff consulted and used PFM's recommendations on the allocation of the withdrawal that was effective on January 1, 2024.

A motion was made to retroactively approve the Request to Withdraw from the Employee Benefits Long Term Investments Portfolio.

**Motion:** S. Quintana

**Second:** T. Crone

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Absent
K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

**9. E. Approval of Long-Term Funds Investment Policy (Action Item)**

Mr. Gonzales advised that this is the periodic review of the NMPSIA Long-term Funds Investment Policy Statement. Staff held meetings with the IFR Committee members and PFM Asset Management and proposed investment policy changes for consideration. The investment advisor, Ms. Sampson, reviewed a summary of the overall investment policy statement and went over the changes and the expectations moving forward. Ms. Sampson explained that these numbers are the baseline. The PFMAM 50/50 Model was recommended. The current investment pool was also reviewed, and PFM is comfortable with the investment pools NMPSIA is currently invested in.

A motion was made to approve the Long-Term Funds Investment Policy as presented.

**Motion:** P. Jaramillo

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**9. F. Request to Rebalance Investment Portfolio (Action Item)**

Ms. Sampson advised that the current recommendation, with the investment policy changes, is to move from the 65-35 asset allocation down to a 50-50 asset allocation and requested utilizing the balances set to come out in the next week for this rebalance.

A motion was made to approve the Request to Rebalance Investment Portfolio as presented.

**Motion:** S. Quintana

**Second:** T. Crone

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**9. G. Approval of Budget Adjustment Request for Program Support (Action Item)**

Mr. Gonzales advised that NMPSIA staff is requesting the consideration of a budget adjustment request (BAR) for an increase in the Program Support Fund. Staff has been closely monitoring expenditures and predicts a need for a budget increase to avoid ending the fiscal year with a budget deficit. Processing a BAR based on the December projections; the amount would be about \$73,000. Staff would like to continue to monitor expenditures and process a bar closer to the end of the fiscal year.

A motion was made to approve the Budget Adjustment Request for the Program Support Fund.

**Motion:** T. Crone

**Second:** S. Quintana

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

#### **9. H. Approval of Budget Adjustment Request for Risk Fund (Action Item)**

Mr. Gonzales advised that NMPSIA staff is requesting the consideration of a budget adjustment request for an increase in the Risk Fund. Staff has been closely monitoring expenditures and predicts a need for a budget increase to avoid ending the fiscal year with a budget deficit. Processing a BAR based on the December financials; the amount would be about \$30 million. Staff would like to continue to monitor expenditures and process a bar closer to the end of the fiscal year.

A motion was made to approve the Budget Adjustment Request for the Risk Fund.

**Motion:** P. Jaramillo

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**9. I. Approval of Budget Adjustment Request for Employee Benefits Fund (Action Item)**

Mr. Gonzales advised that NMPSIA staff is requesting the consideration of a budget adjustment request for an increase in the Employee Benefits Fund. Staff has been closely monitoring expenditures and predicts a need for a budget increase to avoid ending the fiscal year with a budget deficit. Processing a BAR based on the December financials; the amount would be about \$17 million. Staff would like to continue to monitor expenditures and process a bar closer to the end of the fiscal year.

A motion was made to approve the Budget Adjustment Request for the Employee Benefits Fund.

**Motion:** P. Jaramillo

**Second:** S. Quintana

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**9. J. FY 2023 Audit Approval (Action Item)**

This item was removed from the agenda.

**10. Risk Matters**

**10. A. TPA Reports**

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

Mr. Rich Cangiolosi with CCMSI reported on the Property & Liability Monthly Claims Report for November and December 2023. November, Liability had 421 open claims, 38 new claims, and 24 claims were closed. Reserves were at \$24,535,495.93, and payments were at \$13,328,683.82 for a total of \$37,864,179.75. Property had 173 open claims, 49 new claims, and 13 claims were closed. Reserves were \$68,932,047.87, and payments were \$14,979,238.62 for a total of \$83,911,286.49. December Liability had 433 open claims, 50 new claims, and 42 claims were closed. Reserves were at \$25,864,404.10, and payments were at \$13,634,786.39 for a total of \$39,499,190.49. Property had 168 open claims, five (5) new claims, and 10 claims were closed. Reserves were \$65,500,644.30, and payments were \$14,924,684.57 for a total of \$80,425,328.87.

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

Mr. Cangiolosi reported four (4) property losses that were reported to the excess carrier. New Mexico Highlands University, an interior building flooded at a standalone fieldhouse, and supply lines to the boiler froze and ruptured. Estimates for damage are about \$75,000. At Mosquero Municipal Schools, a ridge cap on the roof detached. This caused water damage to the roof and gym floor, the damage is minimal and has been reported to the excess carrier. A pergola collapsed from the weight of heavy snow and landed on nearby gas lines in Penasco Independent School District. Emergency repairs to the gas line were needed. This loss is being reported at approximately \$50,000. Tularosa Municipal Schools experienced a classroom fire caused by a laser device being left on and ignited. The fire damage was to one classroom, but the sprinkler suppression system affected four other classrooms.

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

Mr. Jerry Mayo with CCMSI provided the Workers' Compensation Monthly Claims Report for November and December 2023. For November, there were 1,099 open claims, 235 new claims, 27 reopened claims, and 241 claims were closed. Reserves were at \$14,274,171.37; payments were \$49,117,266.79 for a total of \$63,391,438.16. December there were 1,069 open claims, 207 new claims, 10 reopened claims, and 248 claims were closed. Reserves were at \$14,873,597.81; payments were \$49,707,253.61 for a total of \$64,580,851.42.

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

Mr. Mayo reported the Workers' Compensation Large Losses for November. A person trying to stop a fight injured their left shoulder and required surgery. Increased temporary total disability medical reserves to \$53,000. In December, a person stepped in a hole causing an injury to their left ankle, increasing reserves for medical to \$55,000. An old claim was reopened because the person had undergone multiple surgeries for an injury that occurred while playing volleyball with students. The invoice for the last surgery had not been received, which caused the claim to be reopened. The invoice has since been paid, and the claim is now closed. Mr. Mayo also mentioned there was an older claim that is still open for a worker who was hit by a car and the temporary total disability has been eliminated. Permanent partial



disability increased to a total of \$218,000. There was an added auto vehicle claim and the indemnity and medical are currently at \$220,000 with the addition of an expected shoulder surgery. The claim has been increased to \$237,000.

#### **10. B. Life of a Claim**

Mr. Cangioli presented the Workers' Compensation Claims process. Workers' Compensation claims include Incident Only claims. For these claims, there is no medical treatment. Medical Only claims include medical treatment but no lost time exceeding the statutory seven-day waiting period. Indemnity/Lost time claim includes medical treatment, lost time greater than the statutory seven-day waiting period, and/or a questionable or typical claim. Different scenarios of claims were reviewed and there is no one way of handling claims; there are multiple variations to claims. Mr. Cangelosi shared flow charts on the claims process and how the claim is managed from inception to completion.

#### **10. C. Restorative Practices**

Mr. Darron Walter with Poms & Associates presented a report on restorative practices. Restorative practices promote healthy relationships among educators and students to teach social-emotional and conflict-resolution skills necessary to reduce conflict. Schools that implement restorative practices in place of traditional discipline are seeing a reduction in school suspensions and expulsions and an increase in student social-emotional growth and positive behaviors.

The goal in addressing all behaviors is to ensure a supportive and stable educational environment while encouraging growth toward 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.

#### **10. D. Loss Prevention Update**

Mr. Larry Vigil with Poms and Associates presented the Loss Prevention Abatement Report for November and December 2023. For November, there was a 69.47% abatement for non-capital recommendations. There were 131 total recommendations, zero (0) total capital recommendations, and total non-capital were 131. There were 91 corrected non-capital. The corrected recommendations percentage for November was 69.47%. For December there was an 82.29% abatement for non-capital recommendations. There were 97 total recommendations, one (1) capital recommendation, and 96 total non-capital. Corrected non-capital were 79. The corrected recommendations percentage for December was 82.47%.

#### **10. E. Impact of STOPit and Vector Solutions**

Ms. Garcia with Poms and Associates provided the updated impacts of STOPit and Vector Solutions and shared some statistics on the schools taking part in these programs and training. Out of 105 charter schools, 76 are enrolled, and out of 88 public school districts, 78 are enrolled in Vector Solutions training. The push is to get more enrollment among charter schools. STOPit is an anonymous reporting system to help students identify and report misconduct. Poms will be monitoring all reports of misconduct for response by the Districts and Charter Schools. NMPSIA is reviewing the best process for providing both investigation services for school administration and background investigation services for Districts and Charter Human Resource functions.

## 11. Benefits Matters

### 11. A. Retroactive Approval of the PBM Market Check (Action Item)

Ms. Martha Quintana, Deputy Director of NMPSIA, presented the PBM Market Check. Staff is requesting retroactive approval of Amendment 5, which amends the scope of work of the Segal Agreement to allow Segal to conduct the PBM Market Check. The amendment would be effective January 17, 2024. Segal will evaluate NMPSIA's pharmacy claims data and current contract terms and compare them against CVS' pricing terms and terms offered in the marketplace. If it is determined that NMPSIA's current market price would yield savings, Segal will work with CVS, NMPSIA, and NMPSIA's General Counsel to negotiate a modification to the current pricing terms. There was also an amendment to Section 2 of the agreement to include additional compensation payable, not to exceed \$18,000, including gross receipt tax.

A motion was made to Retroactively Approve the PBM Market Check as presented.

**Motion:** S. Quintana

**Second:** D. Martinez Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**11. B. Approval of Amendment for CVS Cost Saver Program and Rebate Guarantees  
(Action Item)**

Ms. Quintana presented the amendment to the CVS Cost Saver Program and Rebate Guarantees. If approved, the amendment would be effective January 1, 2024 and Section 2 would be amended to include the Caremark Cost Saver. This benefit would allow members to take advantage of lower prices when available under GoodRx while keeping the benefits of the drug utilization and clinical programs provided under the plan. There is no additional cost to NMPSIA to take part in the program. The amendment also adds the Point of Sale Estimated Rebate Program. Under the program, a portion of the estimated rebate CVS anticipates collecting for a claim will be applied to the member cost share amount. The application of rebates at the point of sale may result in a larger portion of the adjudicated claim cost being invoiced to NMPSIA. An amendment to Section 12.4, Compliance with Law, adds Regulatory Requirements for other states and language has been added for requirements for Florida found in Schedule 1 added to this amendment. The Rebate Guarantees table reflects changes made to the minimum rebate guarantees for rapid-acting insulins that were impacted by the American Rescue Plan Act (ARPA) of 2021. Ms. Quintana also highlighted a few changes under Financial Terms. Pricing and rebate guarantees apply to all paid Claims except for listed standard exclusions. CVS added language expressing that participating pharmacy rates do not necessarily reflect the contracted rates and CVS shall retain and not disclose to any third party, including NMPSIA, the difference. When remitting and reconciling minimum rebate guarantees, CVS shall add a "Rebate Credit" value to the total rebates remitted to NMPSIA for each respective rebate component. NMPSIA staff are recommending approval of this amendment.

A motion was made to approve the Amendment to CVS Cost Saver Program and Rebate Guarantees as presented.

**Motion:** T. Crone

**Second:** S. Quintana

A roll call vote was taken.

Ms. Charlette Probst called roll.

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

K.T. Manis	Yes
David Martinez Jr.	Yes
Sammy Quintana	Yes

**Vote carried unanimously.**

### **11. C. Fiscal Year 2025 Projections and Premium Rate Setting Review**

Dr. Nura Patani with Segal presented the Fiscal Year 2025 Projections and Premium Rate Setting Review. Dr. Patani noted that this is a preliminary projection and noted that due to the increased use of specialty medications, the amount is almost double what was expected. Dr. Patani reviewed the historical data for NMPSIA's prescription drug claims going back to 2018. GLP1 drugs now being used for more than just type 2 Diabetes are also causing growth in this area.

Dr. Patani detailed historical fund balance targets and projections. There has been one legislative bill that Segal has been asked to provide analysis for. The bill poses only minor implications. Legislative impacts were not included last year but are included in this year's projections. For the current projections, Segal assumes a 7.7% blended medical and prescription trend. The claims margin is not included but Dr. Patani expressed Segal's recommendation for consideration given low reserves levels. The projections do not include other insights into prescription cost drivers. Dr. Patani presented the projection scenarios. It is anticipated that Segal will be able to have the quantified impact of big-bid outcomes reflected in the projection that will be brought back in March. Overall, for the fiscal year 2024, Segal is projecting a loss of \$22.8 million.

A subcommittee will be appointed to work with NMPSIA staff and with Segal including Mr. Chris Parrino, Mr. David Martinez Jr., and Ms. Pauline Jaramillo.

### **11. D. Erisa Annual Statistical Report**

Ms. Kathy Payanes with Erisa presented the Erisa Annual Statistical Report. First was a statement of employees with medical eligibility. The next statement included the number of lives, eligibles, and the total monthly premium collected over the last five (5) years. Ms. Payanes also presented a report that included demographic information such as average age, family size, salary, and carrier allocation. Included in the report was a graph showing the growth of the NMPSIA program. Medical allocates the largest amount of premium collected and BlueCross BlueShield maintains the largest allocation of medical premium, 58.41%. The final item included in the report provided a summary of the average age, family size, and average gross salary by participating employer group.

### **11. E. Benefits Analyst Quarterly Statistical Report**

Ms. Leslie Martinez, Benefits Analyst NMPSIA, presented the Benefits Analyst Quarterly Statistical Report. NMPSIA received 204 inquiries, 147 were phone calls, 40 were NMPSIA website emails, 16 were direct emails and one was in-person. Most inquiries were resolved within the same day. Sixty-seven (67) inquiries were resolved or directed to Erisa Administrative Services, 65 inquiries were resolved or directed to the employer, 27 inquiries were resolved or directed to the carriers, and 21 inquiries were resolved in our office regarding exceptions or questions regarding wellness and behavior health. Eleven (11) inquiries were resolved or directed to NMRHCA, three (3) inquiries were resolved or directed to NMPSIA's Risk Coordinator, four (4) inquiries were resolved or directed to CCMSI, and five (5) inquiries were resolved or directed to Medicare regarding turning 65. One (1) inquiry was resolved or directed to Albuquerque Public Schools about enrollment. Many of these inquiries were resolved with the members being satisfied and grateful for the help and information they received promptly.

### **11. F. Wellness Update**

Ms. Cyndi Archuleta, Benefits/Wellness Manager NMPSIA, provided the Wellness Update. Since its start in February of 2023, over 600 members have participated in the 3-phased Wondr Health program. During the series, 27,395 behavior tools were used, 9,380 tailored lessons were taken, and 646 mobile app users were recorded. A total of 3,499 pounds were lost, 81% of individuals felt more in control of their weight, 68% reported being more physically active, 60% experienced a boost in confidence, 75% reported an increase in energy level, and 43% reported improved sleep. The next session is scheduled to begin in mid-February. As of the last report in mid-January, 233 members have signed up to take part.

### **11. General Discussion**

Mr. Sandoval advised the Board that Ms. Cyndi Archuleta will be leaving NMPSIA and moving over to the Department of Public Safety.

### **12. Next Meeting Date and Location Thursday, March 7, 2024**

**Location: 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:** D. Martinez Jr.

**Second:** T. Crone

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President

Absent

Chris Parrino, Vice-President

Yes

Trish Ruiz, Secretary	Absent
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Absent
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 12:47 p.m.

**Motion:** T. Crone

**Second:** S. Quintana


A roll call vote was taken.

Ms. Charlette Probst called roll.

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

**Vote carried unanimously.**

**Approved:**

DocuSigned by:  
 3/7/2024  
7A5C4B245034497...  
 Mr. Alfred Park  
 Board President