

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

**Cooperative Educational Services
4216 Balloon Park Road, NE.
Albuquerque, NM 87109
(505) 344-5470**

Thursday, December 5, 2019

1. CALL TO ORDER

Ms. Mary Parr-Sanchez, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, December 5, 2019.

2. ROLL CALL

Ms. Pamela Vigil, called roll.

Present:

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

Absent:

Staff Members Present:

Richard Valerio, Deputy Director
Patrick Sandoval, Chief Financial Officer
Melissa Rael, Finance/Human Resource Manager
Katherine Chavez, Benefits/Wellness Operations Manager
Pamela Vigil, Program Coordinator

Audience:

Ralph Montano
Katy Payanes
Martha Quintana
Thomas Sipf
Lynn Weeks
Dr. Nura Patani
Melissa Krumholz
Amy Daily

Erisa
Erisa
Erisa
Erisa
BCBSNM
Segal
Segal
ESI

David Poms, Poms & Assoc.
Julie Garcia, Poms & Assoc.
Larry Vigil, Poms Assoc.
Richard Cangioli, CCMSI
Louise Carpenter, CCMSI
Jerry Mayo, CCMSI
Steve Valdez. PHP
Chris Cole, Livongo

3. INTRODUCTION OF GUESTS

Mr. Richard Valerio, Deputy Director, NMPSIA introduced Ms. Denise Balderas. He stated Ms. Balderas will serve as a governor appointed member of the NMPSIA Board.

Ms. Balderas introduced herself and spoke briefly on her extensive background as a long time educator/administrator and advocate for special education. She stated that she is excited to serve on the NMPSIA Board.

Mr. Valerio introduced Mr. Tom Sipf, Erisa, Mr. Chris Cole, Livongo and Ms. Melissa Krumholz, Segal.

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: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

6. APPROVAL OF November 7, 2019 BOARD MINUTES (Action Item)

A motion was made to approve the November 7, 2019 NMPSIA Board Minutes as presented.

MOTION: T. Ruiz

SECONDED: T. Crone

VOTE: Vote carried unanimously.

Ms. Parr-Sanchez presented Ms. Pauline Jaramillo a bouquet of flowers from the NMPSIA Board and gave condolences for the loss of her husband.

Ms. Jaramillo expressed her gratitude for all of the love and support she has received at this difficult time.

7. Moment of Silence in Memory of Executive Director Ernestine Chavez

Mr. Valerio announced Ms. Ernestine Chavez's services will be held on Saturday, December 7, 2019 at 9:30 a.m. at Legacy Church on Wyoming Blvd. He stated that a reception and celebration of life will follow.

Ms. Parr-Sanchez requested that everyone stand and take a moment of silence in memory of Ms. Ernestine Chavez.

8. Administrative Matters

8. A Temporary Appointment of Richard Valerio as Interim Executive Director (Action Item)

Mr. Al Park stated the devastating news everyone received about Ms. Chavez before the holiday was shocking and left many without words. He stated Ms. Chavez went above and beyond to help the NMPSIA membership and was there for the members 110%. Mr. Park thanked the NMPSIA staff and stated they have been amazing through this devastating time. Mr. Park indicated that given the sudden way this happened with no notice, the Executive Board Leadership has listed the appointment of Mr. Valerio, Deputy Director, as interim Executive Director, pending the Board conducting a more formal search.

Mr. Park recommended and moved that Mr. Valerio be appointed NMPSIA Interim Executive Director with a 10% increase in pay while he is acting in this capacity.

Ms. Ruiz seconded that motion and added that Ms. Chavez was tremendous when she joined the Board in 2016. She stated Ms. Chavez was more than willing to assist and send her information when she needed it. Ms. Ruiz thanked the staff and offered assistance during this devastating time.

MOTION: A. Park

SECONDED: T. Ruiz

Mr. Willden stated he wanted to go on the record offering his support to Mr. Valerio.

Ms. Jaramillo expressed her support for Mr. Valerio and stated he always is on top of any issues and/or questions she may have.

VOTE: Vote carried unanimously.

Mr. Valerio thanked the Board for their support during this difficult time and reiterated that he will continue to provide quality service to the NMPSIA Membership.

8. B Legislative Update

Mr. Valerio reported that the Legislative Session will commence on January 21, 2020. He stated this is a 30-day session and staff will be working with vendors and consultants to

complete Fiscal Impact Reports (FIRS) within 24 hours of receipt. Mr. Valerio stated once the recommendations from DFA and LFC become publicly available he will send those out to the Board.

8. C New Mexico School Boards Association 2019 Annual Convention Update

Mr. Valerio reported that Ms. Pauline Jaramillo has invited Ms. Julie Garcia, Poms & Associates and himself to present at the New Mexico School Boards Association 2019 Annual Convention tomorrow at the Embassy Suites in Albuquerque, NM.

9. FINANCIAL MATTERS

9. A Financial Reports for October 2019 (Action Item)

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 10/1/2019 through 10/31/2019. The Benefits Fund had revenues in the amount of \$26,437,240.44; expenditures in the amount of \$26,588,028.91; resulting in a loss of \$150,788.47.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 10/1/2019 through 10/31/2019. The Risk Fund had revenues in the amount of \$7,190,425.39; expenditures in the amount of \$7,665,223.58; resulting in a loss of \$474,798.19.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 10/1/2019 through 10/31/2019. The Program Support Fund had revenues in the amount of \$110,182.00; expenditures in the amount of \$136,365.74; resulting in a loss of 26,453.74.

Mr. Sandoval reviewed the balance sheet for the period 10/1/2019 through 10/31/2019. Program Support had total assets of \$938,389.21, total liabilities of \$185,115.58, and fund equity of \$753,273.63. Employee Benefits had total assets of \$43,902,177.94, ending liabilities of \$26,239,088.70, and fund equity of \$17,663,089.24. Risk had assets of \$129,949,928.10, liabilities of \$135,656,660.17, and a loss of \$5,706,732.07. Total assets for the agency were \$174,790,495.20, and ending liabilities of \$162,080,864.45. Combined fund equity for the agency was \$12,709,630.80.

A motion was made to approve the financial reports as presented.

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

VOTE: Vote carried unanimously.

9. B Request to Issue Proposal for Investment Advisor Services (Action Item)

Mr. Sandoval requested approval to issue an RFP for Investment Advisor Services. He stated the current contract with PFM is set to expire on June 30, 2020.

A motion was made to approve the request to issue an RFP for Investment Advisor Services.

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

9. C Investment Performance Review for the Quarter Ended September 30, 2019

Mr. Sandoval presented the Performance Review for the quarter ended September 30, 2019. He stated the stock market as measured by the S&P 500 Index (S&P) was up over 27.0% on a year-to-date basis through November 29, 2019 shaking off any talk of recession. Bonds represented by the Bloomberg Barclays U.S. Aggregate Index are up 8.8% through November 29, 2019.

U.S GDP growth has been steady hovering around 2% annual growth with international economies growing at a slower pace. International stocks have not performed as well as U.S. stocks. The MSCI All Country World Index, posted a 16.5% return year-to-date as of November 29, 2019.

PFM continues to be more positive on stocks than bonds. PFM is currently recommending an overweight to stocks, favoring U.S. stocks a bit more than international stocks, and an underweight to bonds. In reviewing the asset allocation of long-term reserves for New Mexico Public Schools Insurance Authority Benefits Fund and Risk Fund, both funds have an overweight to stocks as of September 30, 2019.

10. Risk Matters

10. A TPA Reports

10. A. 1 Property & Liability Monthly Claims Report

Mr. Willden stated that CCMSI provided this report at the RAC. He stated that for the month of October, there were 460 open claims, 77 new claims and 60 claims were closed. Mr. Willden reported that reserves were at \$45,440,691.02, payments were \$41,397,511.18 for a total of \$86,838,202.20.

10. A. 2 Property & Liability Large Losses

Mr. Willden reported that there was a fire at a playground in Clovis. He stated this claim is reserved at \$150,000.

Mr. Willden reported on a pipe break at a Bloomfield swimming pools that is reserved at \$50,000.

Mr. Willden reported on a Tort Claim at the Alamogordo Schools. He indicated this was a result of the death of a custodian that fell from a roof and by statute this claim should be handled under workers' compensation.

10. A. 3 Workers' Compensation Monthly Claims Report

Mr. Willden reported that Mr. Jerry Mayo provide the Workers' Compensation Monthly Claims Report for the Districts as of October at the RAC. He reported that during the month of October there were 1,076 open claims, 35 claims were re-opened, 262 new claims, and 232

claims were closed. Mr. Willden reported that reserves were at \$15,558,506.87; payments were \$53,879,583.36; for a total of \$69,438,090.23. Mr. Willden reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of October. Mr. Willden reported that during the month of October, there were 45 open claims, 6 new claims, 1 claim was re-opened and 1 claim was closed. Mr. Willden reported that reserves were at \$663,470.24; payments were \$1,416,942.55; for a total of \$2,080,412.79

10. A. 4 Workers' Compensation Large Losses

Mr. Willden reported that there were four losses over \$50,000.

10. B Amendment to General and Automobile Liability Memorandum of Coverage- MOCL022- Effective July 1, 2019 to June 30, 2020 (Action Item)

Mr. David Poms, Poms & Associates, presented an amendment to General and Automobile Liability Memorandum of Coverage. He reviewed all of the changes in detail and explained that the schedule of covered members was updated to add the correct names of educational entities and charter schools.

Mr. Willden stated the RAC recommends approval.

A motion was made to approve the Amendment to General and Automobile Liability Memorandum of Coverage- MOCL022- Effective July 1, 2019 to June 30, 2020.

MOTION: D. Willden

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

10. C 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. Valerio requested approval to issue an RFP for Risk Fund Actuarial Analysis, Statement of Actuarial Opinion, Rate Certification for NMPSIA's Self-Insured Workers' Compensation Exposure and Audit Reporting. He stated that the current contract with Pinnacle Actuarial Resources Inc., will expire on June 30, 2020.

A motion was made to approve the request to issue an RFP for Risk Fund Actuarial Analysis, Statement of Actuarial Opinion, Rate Certification for NMPSIA's Self-Insured Workers' Compensation Exposure and Audit Reporting.

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

10. D Loss Prevention Update

Mr. Larry Vigil, Poms & Associates, reported Poms & Associates issued a critical hazard letter to the Zuni Public School District with regard to the Zuni High School cafeteria. He

explained there is a wall that was observed during a visit that appear to be structurally unsound.

Mr. Willden requested Mr. Vigil explain the process of a critical hazard and the expectations of the district for the benefit of the new Board Members.

Mr. Vigil reported that in the process of the loss control inspections, staff will walk throughout the facilities and use cameras to take pictures of hazards that are identified. Mr. Vigil stated recommendations are made based on what is identified, and codes are always cited on the report. If there is a hazard that is above average risk, a critical hazard letter is issued. He reported that an imminent hazard letter is high risk and requires immediate attention.

Ms. Garcia stated the standard for critical hazard and imminent hazard are the same as OSHA.

Mr. Vigil reported that in addition to the fractures and structural issues that were found in the wall, there was a monitoring device. Mr. Vigil stated no one at the district knew why the monitoring device was there. He reported that the district is awaiting a structural engineers report and the Public School Facility Authorities (PSFA) report. The district is in the process of formulating a plan for how they will correct this hazard. Students will be moved to another site in the meantime.

Mr. Vigil shared a feel good story from the Las Cruces Public Schools. He stated shortly before Thanksgiving, the district along with the Food Services Department were able to put together 17,000 bags of food that went home to middle school and elementary school students.

Ms. Balderas asked Mr. Vigil if once a violation has been found, when does staff return to find out if the hazard has been corrected?

He stated that within 30 to 45 days of the report being distributed to the member, staff will contact the district to follow up and identify which issues have been fixed. Mr. Vigil stated that non-capital improvements are expected to be corrected immediately, while capital improvements do require some time.

Mr. Parrino asked what type of triggers prompt staff to conduct a site visit.

Mr. Vigil reported staff tries to get to each of the school districts every other year, depending on the size of the district.

Ms. Garcia reported that if a reporting call is received then staff will go out to inspect.

Ms. Garcia reported on the U.S. Secret Service 2019 Protecting Americas School Report. She reviewed statistics with respect to attackers and the factors involved. She stated this report is very police directed and not enough input from educators.

11. Benefits Matters

11. A Selection of Vendor and Approval of Third-Party Administrator Services for Eligibility, Billing and Premium Agreement Effective February 1, 2020 (Action Item)

Mr. Valerio reported the Board authorized staff to go out to RFP for this service. He stated the contract with ERISA is set to expire on January 31, 2020. Mr. Valerio stated that staff went out to bid and one response was received. Based on recommendation from NMPSIA General Counsel, staff is able to name the offeror, which is Erisa Administrative Services Inc. Mr. Valerio reported there is a draft contract in the monthly book for review and the BAC reviewed it in detail. He stated this is one of the few contracts that is not set on the fiscal year like all of the other contracts, it is set on calendar year. Mr. Valerio stated Erisa has agreed to go ahead and get this back on the fiscal year basis. In order to get back to the fiscal year basis it will be 17 month contract initially. The term is February 1, 2020 through June 30, 2021. He reviewed compensation in detail and stated it is the recommendation of the BAC and the RFP Committee to recommend approval of this contract.

A motion was made to approve the contract for Third-Party Administrator Services for Eligibility, Billing and Premium Agreement Effective February 1, 2020.

MOTION: P. Jaramillo

SECONDED: D. Martinez Jr.

VOTE: Vote carried unanimously.

Ms. Kathy Payanes, Erisa Administrative Services thanked the Board for allowing Erisa to serve as the TPA for the past 26 years. She stated Ms. Ernestine Chavez was clear on her expectations and ERISA has taken appropriate steps to fulfill her wishes. Ms. Payanes stated she learned a lot from Ms. Chavez and she was a mentor to her. Ms. Payanes stated the number one goal is to take care of members.

11. B Review of Stop-loss Request for Proposal and Selection of Vendor (Action Item)

Mr. Valerio stated that this handout is available for review in the books. He reported yesterday at the BAC there was a detailed presentation given by Segal. Mr. Valerio stated that the Board had previously authorized Segal to go out to RFP for Stop Loss Coverage. There were three bids received. Mr. Valerio stated behind page six it outlines the responses. It is the recommendation of the BAC to approve Vendor A.

Dr. Patani provided a brief explanation of what Stop Loss Coverage is. She stated that Segal, on behalf of NMPSIA solicited proposals from stop-loss insurers to cover medical and prescription drug claims over \$1,000,000.

After discussion, a motion was made to approve the selection of Vendor A to provide Stop Loss Coverage.

MOTION: P. Jaramillo

SECONDED: R. William

VOTE: Vote carried unanimously.

11. C SHAPE Dashboard Report

Ms. Michelle Krumholz, Segal, briefly discussed the SHAPE Dashboard report. She reported medical and pharmacy trends are favorable and driven by lower utilization. Ms. Krumholz explained that per member per month increases are price driven and indicating increases since calendar year. She went on to report that readmission rates increased again, primarily for the Presbyterian population. Emergency room trends are increasing and the potentially non-emergent use is higher over the prior period and increased. Ms. Krumholz stated that Segal is recommending enhanced care management initiatives for select chronic conditions and preventative care/cancer screening, promote dietary modifications and potential to reduce medication requirements. Also, focus outreach efforts on alternatives to the emergency room wherever available and appropriate.

11. D Livongo Program Demonstration and Discussion

Mr. Chris Cole, Livongo, provided a demonstration of the Livongo Program. He reported that Livongos team of data scientists, behavioral specialists, and clinicians interpret health data and information to create actionable, personalized and timely health signals, insights, and support when people need it the most. He reviewed the key elements of connected technology, health signals and expert coaches. Mr. Cole demonstrated a blood sugar reading. He explained the readings are automatically synced to the Livongo app. After the reading the response is personalized, recommendations are provided and if necessary a care team representative will contact the member to discuss the report and take action if needed.

11. E Recommendation of Approval of Livongo Program Effective April 1, 2020 (Action Item)

Mr. Valerio stated that the BAC spent a considerable amount of time discussing the Linvongo program. He stated that Presbyterian and BCBSNM members will have access to this through Express Scripts.

A motion was made to approve the Linvongo Program effective April 1, 2020.

MOTION: P. Jaramillo

SECONDED: R. William

VOTE: Vote carried unanimously.

11. F Request to Initiate Sole Source Procurement for SaveonSP (Action Item)

Mr. Valerio requested approval to initiate a sole source procurement for SaveonSP. He stated this is specialty drug co-pay assistance program for our members. The contract will expire on June 30, 2020.

Mr. Willden reported that in his experience as a long time Chief Procurement Officer, he has learned there is no such thing as a sole source procurement. He recommends staff reach out to State Purchasing to guide them through the sole source mechanism.

Mr. Valerio stated the sole source process is initiated through State Purchasing Department.

A motion was made to approve the request to initiate the Sole Source Procurement Process for SaveonSP.

MOTION: P. Jaramillo

SECONDED: D. Martinez Jr.

VOTE: Vote carried unanimously.

11. G RFP 20-014MG IBAC Benefits: Medical, Dental, Vision, Employee Assistance Program (EAP) & Medicare Programs Update

Mr. Valerio reported this is a joint procurement with the other participating IBAC entities. He reported proposals are due December 10, 2019. He stated the RFP committee consists of Ms. Parr-Sanchez, Ms. Trish Ruiz, Ms. Jaramillo, Mr. Sandoval and himself. He reported the procurement advisor is Mr. James Dickie, AON and the technical advisor is Dr. Nura Patani. Mr. Valerio reported he will be providing updates on this procurement.

11. H Interagency Benefits Advisory Council Update

Mr. Valerio reported that the last meeting was held on November 14, 2019. He reported there is no December meeting due to the Medical Dental bid. The next meeting will be held sometime in January or February.

11. I Interagency Pharmaceuticals Purchasing Council Update

Mr. Valerio reported that the Council continues to work on selecting a consultant to assist with developing a plan to meet the strategic goals of the Council that were established through Legislation. Mr. Valerio reported there will be a meeting on January 16, 2020 and he will be attending this meeting.

11. J Wellness and Well-Being Update

Ms. Katherine Chavez, Benefits and Wellness Operations Manager, provided the Wellness and Wellbeing update. She reported on the Mindful Approach to Sleep 4 week Program that has concluded. She stated that were 150 participants that enrolled in the online course which was above the national average. Ms. Chavez stated that 18% of those participants were diagnosed with a sleeping disorder. She stated there is a proponent of people who have improved their sleep with this program. A handout outlining the program was available in the monthly Board packet.

12. EXECUTIVE SESSION TO DISCUSS THREATENED OR PENDING LITIGATION PURSUANT TO §10-15-1 H (7) NMSA 1978

A. Southwest Learning Center

Ms. Parr-Sanchez called for a motion to go into Executive Session to discuss threatened or pending litigation pursuant to §10-15-1 H (7) NMSA 1978.

MOTION: A. Park

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

A roll call vote was taken to go into Executive Session pursuant to 10-15-1H (7) NMSA 1978 and 10-15-1H (6).

Ms. Vigil called roll to enter Executive Session at 10:44 a.m.

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

A roll call vote was taken to come out of Executive Session at 11:20 a.m. Ms. Parr-Sanchez stated that no action was taken in Executive Session.

Ms. Vigil called roll:

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

13. NEXT MEETING DATE AND LOCATION

February Meeting Date and Location Scheduled for 9:00 a.m., Thursday, February 6, 2020- Cooperative Educational Services, 4126 Balloon Park Rd. NE, Albuquerque, NM 87109

13. ADJOURNMENT

The NMPSIA Board Meeting was adjourned at 11:22 a.m.

APPROVED:



Chris Parrino, Vice President