

**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**

November 7, 2019

1. CALL TO ORDER

Ms. Mary Parr-Sanchez called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, November 7, 2019.

2. ROLL CALL

Ms. Pamela Vigil, called roll.

Present:

Mary Parr-Sanchez, President
Chris Parrino, Vice President
Alfred Park, Secretary
Tim Crone
David Martinez Jr.
Trish Ruiz
Dave Willden

Absent:

Pauline Jaramillo
Ricky Williams

Staff Members Present:

Ernestine Chavez, Executive Director
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:

Harris Zeyae	Express Scripts	David Poms, Poms & Assoc.
Katy Payanes	Erisa	Julie Garcia, Poms & Assoc.
Martha Quintana	Erisa	Richard Cangiolosi CCMSI
Cathy Fenner	Davis Vision	Louise Carpenter CCMSI
Sam Garcia	Davis Vision	Jerry Mayo CCMSI
Marty Esquivel	NMPSIA General Counsel	Kim Trimble CCMSI
Lynn Weeks	BCBSNM	Kevin Sovereign CCMSI
Keith Witt	PHP	Greg Ramirez CCMSI

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. Valerio requested that item 10. B under Risk Matters be tabled.

A motion was made to approve the agenda as amended.

MOTION: C. Parrino

SECONDED: T. Crone

VOTE: Vote carried unanimously.

6. APPROVAL OF October 3, 2019 BOARD MINUTES (Action Item)

A motion was made to approve the October 3, 2019 NMPSIA Board Minutes as presented.

MOTION: T. Crone

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

Mr. Chris Parrino abstained from voting.

7. ADMINITRATIVE MATTERS

7. A Legislative Update

Mr. Richard Valerio, Deputy Director, NMPSIA reported that there was a Legislative Finance Committee (LFC) Hearing on October 31, 2019 in Santa Fe. He stated that NMPSIA’s LFC Analyst presented the Appropriation Request that NMPSIA submitted on September 1, 2019. Mr. Valerio stated that the LFC Analyst also presented a recommendation to the LFC. Mr. Valerio stated that NMPSIA was not privy to those numbers, but the recommendation included cuts to the Appropriation Request. He stated that the committee tabled this item and

directed the LFC Analyst to go back and revisit the numbers. Mr. Valerio stated that Representative Lundstrom expressed concerns with the cuts, being that NMPSIA is not a general fund agency and would more than likely request additional funding next year. Mr. Valerio stated that Mr. Willden was in attendance at the hearing, representing the REC's.

Mr. Willden stated that one of the concerns Representative Lundstrom had was why NMPSIA insures charter schools that are chartered by APS. He stated that he advised the committee there is legislation that pertains to this.

Mr. Valerio stated that another question that came up was if NMPSIA has denied claims for repeat offenders, especially districts that have multiple sexual molestation claims. Mr. Valerio stated that Representative Munoz felt that those types of claims are costing the pool. He stated that he explained to Mr. Munoz and the committee that NMPSIA is statutorily obligated to pay the claims and insure the districts.

Ms. Ernestine Chavez, Executive Director, NMPSIA reported that the LFC Analyst commented on the great job Mr. Valerio did at the hearing as well as the information provided by Mr. Patrick Sandoval, Chief Financial Officer, NMPSIA. Ms. Chavez stated that she wanted to recognize them for a great job with this since she could not be in attendance.

Ms. Julie Garcia, Poms & Associates, reported on House Memorial 57, Strategic Plan for Educator Ethical Misconduct. She stated that Representative Linda Trujillo sponsored this bill. Ms. Garcia stated that the task force met several times and included several members. She stated that this was a very productive group. Ms. Garcia reviewed several key amendments to the bill in detail. She reviewed all of the action items that the task force has recommended taking. Ms. Garcia stated that there is currently only one investigator in ethics.

Ms. Garcia reported on the School Safety Act, House Bill 129. She stated that this would go into effect July 2020. Ms. Garcia stated that this bill was driven by NMPSIA and would create criteria for armed personnel at schools. She stated that yesterday staff met with the Secretary of Public Safety and he has stated that there is not enough staff to provide training for personnel. Effective July 2020 only former police officers will be able to carry weapons in schools. They must also take part in various trainings beforehand.

Ms. Chavez asked if Poms & Associates would be assisting in creating a training program.

Ms. Garcia stated that this would all be coordinated with the necessary individuals.

Ms. Parr-Sanchez asked if Rio Rancho currently has armed personnel.

Ms. Garcia stated that all of the armed personnel at Rio Rancho are former police officers. She stated that Poms & Associates sent notices that schools should evaluate the contracts for armed personnel before July 2020 when this Act goes into effect.

Ms. Chavez asked Ms. Garcia to update the Board on the additional staff that Poms & Associates will hire to assist with trainings.

Ms. Garcia reported there are interviews set up and when additional staff is hired, she will update the Board.

7. B Pharmaceutical Council Update

Mr. Valerio reported the Interagency Pharmaceutical Council convened on October 3, 2019 in Santa Fe. He reported that the various agencies that are part of that council made presentations for their agencies including cost saving efforts. Ms. Chavez gave a presentation for NMPSIA. Mr. Valerio stated the council would issue an RFP for a consultant to recommend the next steps. The next meeting is scheduled for November 14, 2019.

7. C IBAC Benefits: Medical, Dental, Vision, Employee Assistance (EAS) & Medicare Programs RFP#20-014MG Update

Mr. Valerio reported on the IBAC Benefits: Medical, Dental, Vision, Employee Assistance (EAS) & Medicare Programs RFP. He stated that bids are due on December 10, 2019 and he would continue to update the Board.

8. FINANCIAL MATTERS

8. A Financial Reports for September 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 9/1/2019 through 9/30/2019. The Benefits Fund had revenues in the amount of \$24,812,986.55; expenditures in the amount of \$26,798,696.33; resulting in a loss of \$1,985,709.78.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 9/1/2019 through 9/30/2019. The Risk Fund had revenues in the amount of \$7,138,891.91; expenditures in the amount of \$10,785,760.02; resulting in a loss of \$3,646,868.11.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 9/1/2019 through 9/30/2019. The Program Support Fund had revenues in the amount of \$110,182; expenditures in the amount of \$94,978.93; resulting in a net gain of \$15,203.07.

Mr. Sandoval reviewed the balance sheet for the period 9/1/2019 through 9/30/2019. Program Support had total assets of \$953,056.74, total liabilities of \$173,329.37, and fund equity of \$779,727.37. Employee Benefits had total assets of \$46,408,433.37, ending liabilities of \$28,594,555.66, and fund equity of \$17,813,877.71. Risk had assets of \$135,663,901.22, liabilities of \$140,895,835.10, and a loss of \$5,231,933.88. Total assets for the agency were \$183,025,391.33, and ending liabilities of \$169,663,720.13. Combined fund equity for the agency was \$13,361,671.20.

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

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

VOTE: Vote carried unanimously.

8. B Audit Update

Mr. Sandoval reported that the audit exit conference was held on October 28, 2019. He stated that Ms. Parr-Sanchez, Ms. Chavez, Mr. Valerio, Ms. Rael, Ms. Vigil, Mr. Daniel Trujillo, Kubiak & Melton and himself were in attendance. Mr. Sandoval stated that the audit was submitted to the Office of The State Auditor on October 30, 2019, one day before the deadline. Mr. Sandoval stated that no details could be discussed until the State Auditor releases the audit.

9. BENEFITS MATTERS

9. A FY2019 Annual Review- BCBSNM

Ms. Lynn Weeks, BCBSM, provided a brief presentation on the 2019 Semi-Annual Plan Review. She reported that the current reporting period represents claims incurred from July 1, 2018 through June 30, 2019 paid to August 31, 2019. She reported that select benchmark utilization and expense measures, such as PMPM's and rates per 1,000, have been adjusted to reflect the group's age and gender distribution. Ms. Weeks reviewed components of trend and the top diagnostics by paid PMPM. A complete copy of the report was available in the monthly Board packet.

9. B Wellness and Well-Being Update

Ms. Katherine Chavez, Benefits/Wellness Operations Manager lead the audience and Board in a wellness exercise to promote wellness and well-being. After the exercise, she reported on the current Wellness and Well-Being initiatives, Wellness Ambassador Program and Benefits Wellness fairs and events. She stated that the Naturally Slim Program continues to be a success. Ms. Chavez reported that the next Wellness Committee Meeting be held on November 13, 2019.

9. C Express Scripts Amendment to Add Voluntary Smart90 Program – Effective January 1, 2020 (Action Item)

Ms. Chavez reported the Board approved this service a few months back and staff is bringing the amendment for approval today.

Mr. Harris Zeyae, Express Scripts, provided a brief review of the Smart90 Program. He stated that this is a positive improvement for members that want to use a 90-day benefit for maintenance medications at the network retail pharmacies. He stated members that want to stay with their pharmacy of choice, will continue to receive 30 days of medication. He stated communications would be sent out to members reminding them of the incentive to move to 90 days. Mr. Zeyae reviewed the price points and discounts.

Ms. Chavez stated that this is not a mandatory program; it is just another option for members to save.

Mr. Esquivel reported that he and Ms. Chavez reviewed this amendment in detail.

Mr. Parrino reported that the BAC reviewed this item in detail and recommends approval.

A motion was made to approve the Express Scripts Amendment to Add Voluntary SMART90 Program- Effective January 1, 2020.

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

9. D Los Alamos Schools Credit Union Request to Add 30-Day Long Term Disability Coverage Plan- Effective December 1, 2019 (Action Item)

Ms. Chavez stated that a request was received from Los Alamos Schools Credit Union to add a 30-Day Long Term Disability Coverage Plan- Effective December 1, 2019. She stated the letter was available for review in the monthly Board packet.

A motion was made to approve the Los Alamos Schools Credit Union Request to add 30-Day Long Term Disability Coverage Plan- Effective December 1, 2019

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

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 for the month of September, there were 442 open claims, 82 new claims and 44 claims were closed. Mr. Willden reported that reserves were at \$44,826,554.88, payments were \$40,445,893.25 for a total of \$85,272,448.13.

10.A.2 Property & Liability Large Losses

There were no large losses to report

10.A.3 Workers' Compensation Monthly Claims Report

Mr. Willden reported that Mr. Jerry Mayo provided the Workers' Compensation Monthly Claims Report for Districts as of September at the RAC. He reported that during the month of September there were 1011 open claims, 24 claims were re-opened, 262 new claims, and 232 claims were closed. Mr. Willden reported that reserves were at \$15,349,722.39; payments were \$53,628,464.45; for a total of \$68,978,186.84. Mr. Willden reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of September. Mr. Willden reported that during the month of September, there were 39 open claims, no new claims, and 8 claims were closed. Mr. Willden reported that reserves were at \$632,163.61; payments were \$1,358,823.54; for a total of \$1,990,987.15.

10.A.4 Workers' Compensation Large Losses

Mr. Willden reported that there were no new large losses to report.

10.A.5 10-Year Workers Compensation and Property & Liability Costs

Mr. Willden reported that Mr. Richard Cangiolosi, CCMSI, provided this report at the RAC. He stated that he reviewed NMPSIA's total dollars spent on Workers' Compensation over the last ten years. Additionally, he reviewed the 10-year total dollars spent on Property & Liability. A handout was available in the Board packet for review.

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

This item was tabled.

10. C A Approval of General and Automobile Physical Damage & Crime Coverages Memorandum of Coverage- MOCP022- Effective July 1, 2019 to June 30, 2020 (Action Item)

Mr. Poms reviewed the General and Automobile Physical Damage & Crime Coverages MOC amendments in detail. He stated that the RAC spent a significant amount of time reviewing the amendments. He stated that by approving this now, it would revert back to July 1, 2019. He stated that there are no coverage issues that would occur by adopting it now and this document is now up to date with all of the correct districts.

Mr. Willden stated that it is the recommendation of the RAC to approve the General and Automobile Liability Memorandum of Coverage- MOCL022 as is with the ability to come back and make amendments.

MOTION: D. Willden

SECONDED: T. Crone

VOTE: Vote carried unanimously.

10. D Loss Prevention Update

Mr. Willden stated that this topic was covered under the Legislative Update.

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

A. F.D. v. Pecos Independent School District, et. al., United States District Court, 1:18-cv-01181

B. D.C (Roswell Independent Schools)

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: T. Ruiz

SECONDED: A. Park

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 10:43 a.m.

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

A roll call vote was taken to come out of Executive Session at 11:30 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
Tim Crone- Yes
David Martinez Jr. – Yes
Trish Ruiz- Yes
Dave Willden- Yes

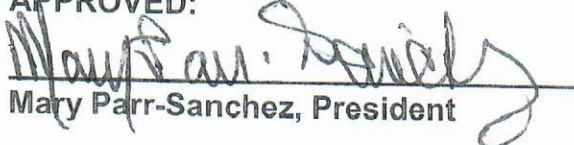
12. NEXT MEETING DATE AND LOCATION

December Meeting Date and Location Scheduled for 9:00 a.m., Thursday, December 5, 2019-Cooperative Educational Services, 4126 Balloon Park Rd. NE, Albuquerque, NM 87109

13. ADJOURNMENT

The NMPSIA Board Meeting was adjourned at 11:41 a.m.

APPROVED:


Mary Parr-Sanchez, President