

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

**Poms & Associates
Albuquerque Plaza - Hyatt Building
201 3rd Street, N.W., Suite 1400
Albuquerque, NM 87102**

September 10, 2019

1. CALL TO ORDER

Ms. Mary Parr-Sanchez, called the NMPSIA Board Meeting to order at 9:00 a.m. on Tuesday, September 10, 2019.

2. ROLL CALL

Ms. Pamela Vigil, called roll.

Present:

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

Absent:

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
Elaine Allen, Benefits Program Coordinator

Audience:

Martha Quintana	Erisa	Larry Vigil	Poms & Assoc.
Kathy Payanes	Erisa	Richard Cangioli	CCMSI
Steve Valdez	PHS	Louise Carpenter	CCMSI
Dr. Nura Patani	Segal	Kevin Sovereign	CCMSI
Sam Garcia	Davis Vision	Greg Ramirez	CCMSI
Cathy Fenner	Davis Vision	Jerry Mayo	CCMSI
Stephanie Crouch	Standard		
Stephanie Anthony	UCCI	Kim Trimble	CCMSI
Steve Valdez	PHS		
Martin Esquivel	Esquivel & Howington		
Maureen Sergel	BCBSNM		

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)

A motion was made to approve the agenda as presented.

MOTION: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

6. APPROVAL OF AUGUST 8, 2019 MINUTES (Action Item)

A motion was made to approve the August 8, 2019 Board Minutes as presented.

MOTION: P. Jaramillo

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

7. Administrative Matters

7. A Introduction of New NMPSIA Staff

Ms. Ernestine Chavez, Executive Director, NMPSIA introduced Ms. Elaine Allen. Ms. Chavez stated that Ms. Allen is a new employee at NMPSIA, and she will be working on the Benefits Team.

Ms. Allen provided a brief background of her experience to the Board.

7. B House Memorial 57 Task Force Update

Ms. Chavez reported that there have been meetings at the Public Education Department to discuss potential rule and statute changes to combat the issue of ethical misconduct in our New Mexico schools. She reported that at the first meeting, the following concerns were identified:

- Reporting of misconduct in schools
- Communication between school districts in the state
- Training on how to identify unethical behavior
- Creation of an online database that shares information on teacher licensure status and unethical behavior of school staff

Ms. Chavez stated that the second meeting focused on refining these concerns and coming up with the following possible solutions:

- New legislation based off Pennsylvania's SESAME (Stop Educator Sexual Abuse Misconduct and Exploitation) law which would include addressing hiring practices, investigation process and reporting process.
- Change the language that creates fear and does not allow for the sharing of information between districts when a prospective or former employee has been terminated for ethical misconduct.
- Major topic that was focused on is the creation of a centralized investigation unit housed at PED with dedicated investigators.

Ms. Chavez stated that the investigators would be required to have expertise needed to conduct proper and thorough investigation into alleged misconduct while still maintaining communication with the district. She stated that there will be another follow up meeting to continue addressing concerns and assist with finalizing a report.

Ms. Parr-Sanchez stated that during meeting discussions it became evident that school district human resources departments do not have training on how to conduct an investigation, and that was shocking to her. She stated that it was important to have some type of uniform training.

Mr. Martin Esquivel, NMPSIA General Counsel stated that it was a tremendous opportunity for those in public education to look at the issues. He stated that there are standards and policies, but if districts are not proactive then there will be some serious issues. He stated that this is an opportunity to reaffirm what the standards of conduct are, and also to have a mechanism in place.

7. C NMAC 6.12.10 Medical Cannabis in Schools Update

Ms. Chavez reported that the Rule that was adopted by the Public Education Department was available in the Board book. She reported that the reason NMPSIA was invited and

involved in discussions was because of the potential insurance issues. Ms. Chavez stated that Ms. Julie Garcia, Poms & Associates, Ms. Rika Martinez, Poms & Associates, Mr. Valerio and herself are part of a work group were able to look at the Rule and provide feedback.

Ms. Parr-Sanchez asked for clarification on whether the school personnel would dispense it.

Ms. Chavez stated that districts are required to adopt local policies to address this at the local level.

7. D Legislative Update

Ms. Chavez reported that NMPSIA met with the Public Education Department to let them know that NMPSIA was recommending \$17.4 million for public school support to cover the estimated employer premium increases for FY21 for Employee Benefits. She stated that this information was also presented to the Legislative Finance Committee.

Ms. Chavez also reported on the contribution schedule and stated that a survey would be going out to districts to find out if they are using an alternate contribution schedule in order to determine if some schools are contributing a greater percentage toward health insurance premiums.

8. Financial Matters

8. A Financial Reports for July 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 7/1/2019 through 7/31/2019. The Benefits Fund had revenues in the amount of \$24,975,186.06; expenditures in the amount of \$29,517,003.37; resulting in a loss of \$4,541,817.31.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 7/1/2019 through 7/31/2019. The Risk Fund had revenues in the amount of \$7,039,782.68; expenditures in the amount of \$7,669,149.51; resulting in a loss of \$629,366.83.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 7/1/2019 through 7/31/2019. The Program Support Fund had revenues in the amount of \$110,198.00; expenditures in the amount of \$85,065.62; resulting in a net gain of \$25,132.38.

Mr. Sandoval reviewed the balance sheet for the period 7/1/2019 through 7/31/2019. Program Support had total assets of \$945,020.25, total liabilities of \$194,462.55, and fund equity of \$750,557.70. Employee Benefits had total assets of \$48,471,242.59, ending liabilities of \$25,639,166.35, and fund equity of \$22,832,076.24. Risk had assets of \$155,969,747.16, liabilities of \$150,941,888.97, and fund equity of \$5,027,858.19. Total assets for the agency were \$205,386,010. and ending liabilities of \$176,775,517.87. Combined fund equity for the agency was \$28,610,492.13.

MOTION: C. Parrino
VOTE: Vote carried unanimously.

SECONDED: T. Ruiz

8. B Fiscal Year 2021 Appropriation Request (Action Item)

Mr. Sandoval presented the Amended FY21 Appropriation Request. He stated that Program Support was reduced by \$26,500 in Personnel Services, Benefits was reduced by \$13,200 in Other Transfers, Risk was reduced by \$13,300 in Other Transfers. Mr. Sandoval stated that the total budget was reduced by \$53,000.

A motion was made to approve the Fiscal Year 2021 Appropriation Request as presented.

MOTION: C. Parrino
VOTE: Vote carried unanimously.

SECONDED: P. Jaramillo

9. Benefits Matters

9. A Account Management Updates- Erisa Administrative Services, Inc., The Standard, and Blue Cross Blue Shield of New Mexico

Ms. Chavez reported that there are a few changes with respect to account management with some of the contractors on the Benefits side. Ms. Chavez stated that Ms. Martha Quintana has made the decision to leave Erisa and go back to The Standard. She stated that until the position is filled at Erisa, Ms. Quintana has an arrangement with The Standard and Erisa to work on contractual services for a certain time period, as needed.

Ms. Chavez stated that there are still two primary account managers from BCBSNM, but the two-support staff were replaced. Both new staff are internal promotions at BCBSNM.

9. B Member Experience Enhancements- Presbyterian Health Plan

Ms. Chavez reported that a presentation was made by Presbyterian Health Plan at the BAC. She stated that the presentation was labeled Member Experience Enhancements. She stated that Mr. Keith Witt and Mr. Steve Valdez were able to continue to update the BAC on the expansion of access under the Presbyterian Health Plan. She stated that Presbyterian continues to upgrade the online tools. She stated that members can create an account online and view their explanation of benefits. Ms. Chavez stated that Presbyterian has implemented safeguards in an attempt to avoid a breach in future.

9. C FY19 Davis Vision Annual Report

Ms. Chavez reported that member satisfaction continues to be high. She stated that Davis Vision reported on the formulary contact lenses, the hearing aid benefit and other discounts that are available to members.

9. D FY19 United Concordia Annual Report and Satisfaction Survey

Ms. Chavez reported that United Concordia continues to have high member satisfaction. She stated that the in-network dentists offer savings to members that go over their out of

pocket maximum. She stated that the publications that are sent out by United Concordia are driving members to go in and get their exams and other preventive services.

9. E FY19 Express Scripts Annual Report

Ms. Chavez reported that Mr. Zayee, Express Scripts presented the report to the BAC. She stated that rebates reduced plan cost per member per month from \$89.45 to \$60.25. Ms. Chavez reported that Mr. Zayee reported on trends and how the plan compares. She stated that specialty drug trend is increasing at 4.4%, primarily driven by specialty drug utilization. MS. Chavez reported that rebates reduced costs by \$16.4 million. Ms. Chavez reported that Mr. Zayee reported on the Advanced Opioid Management Activity and the reduction in the number of opioids dispensed.

9. F Pharmaceutical Council Update

Ms. Chavez provided an update on the Pharmaceutical Council. She stated that the Council has held one meeting. Ms. Chavez stated that the legislation language that was passed this year allows entities to continue to procure pharmaceutical management services. The council will also be looking at other states and how the Council may consolidate purchasing. She stated that she will keep the Board updated on the work of the Council.

9. G IBAC Update

Ms. Chavez reported that the IBAC is working with AON (project manager for the medical, dental, and vision RFP). She stated that she was not sure how many individuals State Purchasing would allow on the evaluation committee, but if any Board members would be interested in serving on the committee to please let her know.

Ms. Parr-Sanchez and Ms. Trish Ruiz volunteered to serve on the Medical RFP Evaluation Committee, as well as Ms. Pauline Jaramillo.

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 July there were 408 open claims, 46 new claims and 68 claims were closed. Mr. Willden reported that reserves were at \$44,236,384.14, payments were \$29,283,637.01 for a total of \$73,520,021.

10.A.2 Property & Liability Large Losses

Mr. Willden reported that there was a fire at a teacherage in Zuni that resulted from dust behind the refrigerator.

10. A. 3 Workers' Compensation Monthly Claims Report

Mr. Willden reported that Mr. Jerry Mayo provide the Workers' Compensation Monthly Claims Report for Districts as of July at the RAC. He reported that during the month of July there

were 951 open claims, 27 claims were re-opened, 93 new claims, and 160 claims were closed. Mr. Willden reported that reserves were at \$15,504,632.60; payments were \$54,321,349.24; for a total of \$69,825,981.84. Mr. Willden reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of July. Mr. Willden reported that during the month of July there were 32 open claims, 2 new claims, and 10 claims were closed. Mr. Mayo reported that reserves were at \$598,857.04; payments were \$1,320,538.86; for a total of \$1,919,395.90.

10. A. 4 Workers' Compensation Large Losses

There was one large workers' compensation loss over \$50,000.00 during the month of July.

10. B Approval of Property & Liability Claim Procedures- Effective July 1, 2019 to June 30, 2020 (Action Item)

Mr. Willden stated that the Claims Procedures for Property & Liability Claims Procedures were updated as a result of a recommendation from Mr. Farley's claims audit. CCMSI will now report large losses to the Executive Director and index all claims. This language was incorporated into the Claims Procedures.

A motion was made to approve the Property & Liability Claim Procedures as presented.

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

VOTE: Vote carried unanimously.

10. C Approval of Workers' Compensation Claim Procedures- Effective July 1, 2019 to June 30, 2020 (Action Item)

Mr. Willden reported that the Claims Procedures for Workers' Compensation were updated for the same reason as the Property & Liability Claims Procedures. All large losses will now be reported to the Executive Director and all claims will be indexed.

A motion was made to approve the Workers' Compensation Claims Procedures as presented.

MOTION: P. Jaramillo

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

10. D Loss Prevention Update

Mr. Willden reported on the teacherage fire in Zuni. He stated that this prompted Poms & Associates to focus their attention on similar housing quarters in other districts.

11. Executive Session to Discuss Threatened or Pending Litigation Pursuant to §10-15-1H (7) NMSA 1978

11. A Jane Doe 1, et al. v. Espanola Public Schools, et al.

11. B M.D., on behalf of J.D. et al. v. Pecos Independent School District, et al.

11. C Threatened Litigation Against Espanola Schools

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 9:42 a.m.

Mary Parr-Sanchez, President – Yes
Chris Parrino, Vice President- Yes
Alfred Park, Secretary – 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 10:32 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
Pauline Jaramillo - Yes
David Martinez Jr. – Yes
Trish Ruiz- Yes
Dave Willden- Yes
Ricky Williams – Yes

12. NEXT MEETING DATE AND LOCATION

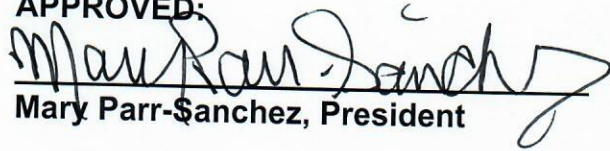
Next Meeting Date and Location Scheduled for 9:00 a.m., Thursday, October 3, 2019 at Poms & Associates, 201 3rd Street, Suite 1400, Albuquerque, NM 87102.

Ms. Ruiz reported that there is a tour that started yesterday. She stated that this program is meant to assist and prevent the abuse of prescription drugs. She stated that the tour is making its way through the state and it is set up to replicate a teenager's room. Ms. Ruiz stated that this is a really good program.

13. ADJOURNMENT

The NMPSIA Board Meeting was adjourned at 12:46 p.m.

APPROVED:


Mary Parr-Sanchez, President