

**New Mexico Public Schools Insurance Authority
Board of Directors Meeting Minutes**

In Person:

**Angel Fire Resort
10 Miller Lane, Angel Fire, NM 87710**

Virtual:

<https://us02web.zoom.us/j/86129572153>

Phone: +1 719 359 4580

Meeting ID: 861 2957 2153

Thursday, July 25, 2024

1. Call to Order

Mr. Chris Parrino, Vice President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, July 25, 2024.

2. Roll Call

Ms. Marlene Vigil called roll.

Board Members Present:

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

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, Finance/HR Manager	Virtual
Marlene Vigil, Financial Specialist	In Person
Dominique Williams, Accountant Auditor	In Person

Kaylei Jones, Benefits/Wellness Manager	In Person
Kaylynn Roybal, Benefits/Wellness Coordinator	In Person
Leslie Martinez, Benefits Analyst	In-Person
Claudette Roybal, Risk Program Coordinator	In-Person

Audience Present

Lisa Sullivan	BCBSNM	Virtual
Lisa Guevarra	BCBSNM	In-Person
Jackie Pacheco	BCBSNM	Virtual
Steve Vanetsky	CCMSI	In-Person
Jerry Mayo	CCMSI	In-Person
Louise Carpenter	CCMSI	Virtual
Courtney Barela	CCMSI	Virtual
Kevin Sovereign	CCMSI	In-Person
Rich Cangiolosi	CCMSI	In-Person
David Lauck	CVS	Virtual
Sam Garcia	Davis Vision	In-Person
Cathy Fenner	Davis Vision	In-Person
Anthony Moya	Delta Dental	In-Person
Dolores Pina	Delta Dental	In-Person
Chih Shihg Hwa	Erisa Administrative Services	Virtual
Kathy Payanes	Erisa Administrative Services	In-Person
Amy Bonal	Erisa Administrative Services	Virtual
Marty Esquivel	Esquivel Law Firm	In-Person
Daniel Estupinan	LESC	In-Person
Joey Simon	LFC	In-Person
Jared Pratt	Meketa Investment Group	Virtual
Paul Cowie	Meketa Investment Group	Virtual
Marcel Povijua	NNMC	Virtual
Jessica Ortiz	NNMC	Virtual
Marc H. Saavedra	NMCUP	Virtual
Clarence V. Lithgow	NMHED	Virtual
Grant Banash	Poms & Associates	In-Person
Karen Maestas-Harris	Poms & Associates	In-Person
Kevin McDonald	Poms & Associates	In-Person
Tammie Pargas	Poms & Associates	In-Person
Angelique Sedillo	Poms & Associates	In-Person
David Poms	Poms & Associates	In-Person
Julie Garcia	Poms & Associates	Virtual
Larry Vigil	Poms & Associates	In-Person
Doug Looney	Poms & Associates	In-Person
Rika Martinez	Poms & Associates	In-Person
Steve Valdez	Presbyterian	In-Person

Ryan Laughrey	Presbyterian	Virtual
Benito Gonzales	RAC Committee Member	In-Person
Debbie Donaldson	Segal	In-Person
Nura Patani	Segal	In-Person
Dr. Sadhna Paralkar	Segal	Virtual
Mike McMillan	Southwest Bone and Joint Institute	Virtual
Annie Martinez	STOPit	Virtual
Parkhill Mays	STOPit	Virtual
Andrea Vargas	Standard	In-Person
Amy Jones	Surgery Plus	Virtual
Brock Martin	Surgery Plus	Virtual
Stephanie Anthony	UCCI	In-Person

3. Introduction of Guests

Mr. Patrick Sandoval, Executive Director with NMPSIA, introduced Mr. Paul Cowie and Mr. Jared Pratt, with Meketa; Ms. Amy Jones and Mr. Brock Martin, with Surgery Plus; Ms. Debbie Donaldson, Dr. Sadhna Paralkar, and Dr. Nura Patani, with Segal; Mr. Richard Cangiolosi, with CCMSI; Ms. Annie Martinez and Mr. Parkhill Mays, with STOPit; and Mr. Dave Poms, with Poms & Associates.

4. Citizens to Address the Board (Five-Minute Limit)

Mr. Mike McMillan, Operations Director at Southwest Bones and Joint in Silver City, New Mexico, expressed concerns about the Surgery Plus program NMPSIA has contracted with. Mr. McMillan shared that he is concerned that the enrollment of Surgery Plus would be detrimental to orthopedic surgeons and hospitals in New Mexico. Joining the program would be a significant reduction in reimbursements to surgeons and hospitals. He reported that last year, the legislature infused \$50 million dollars into small hospitals throughout New Mexico to help sustain and keep doors open. Mr. McMillan also expressed that patients would also be traveling to Albuquerque and out of state for orthopedic procedures, thus burdening the patients. He asks that NMPSIA reconsider the agreement with Surgery Plus.

Mr. Parrino stated that NMPSIA has and will continue to address his concerns and work to implement the Surgery Plus program and find the best way to do it for the State of New Mexico.

5. Approval of Agenda (Action Item)

A motion was made to approve the agenda as presented.

Motion: T. Ruiz

Second: S. Quintana

A roll call vote was taken.
Ms. Marlene Vigil called roll.

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

Vote carried.

6. Approval of June 6, 2024 Minutes (Action Item)

A motion was made to approve the June 6, 2024, minutes as presented.

Motion: T. Ruiz

Second: T. Crone

Ms. Marlene Vigil called roll.

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

Vote carried.

7. Administrative Matters

7. A. Staff update

Mr. Sandoval updated the Board that Ms. Claudette Roybal was hired as the Chief Procurement Officer (CPO). Staff reclassified the position to fit the job duties performed. Ms. Kaylynn Roybal was hired as the NMPSIA Executive Assistant and promoted to Benefits Coordinator.

Ms. K. Roybal introduced herself to the NMPSIA Board of Directors.

7. B. Open Meetings Act Resolution (Action Item)

Mr. Marty Esquivel, NMPSIA General Counsel, informed the Board that NMPSIA is required to approve an Open Meeting Act Resolution every year. The resolution defines the process of board meetings, special meetings, and notices. A few small formatting changes have been made to the resolution, with no substantive changes.

A motion was made to approve the Open Meeting Act Resolution as presented.

Motion: T. Ruiz

Second: T. Crone

Ms. Marlene Vigil called roll.

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

Vote carried.

7. C. Approval of August Special Meeting Date and Time (Action Item)

Mr. Sandoval advised that the Board’s current rules state that the Board shall hold a meeting in August to elect officers. NMPSIA staff would like to see what dates and times are best for holding the August meeting.

Mr. David Martinez Jr. recommended that the meeting be held later in August after 4:00 p.m. as the beginning of the school year is busy. Board members discussed possible dates. Three dates were recommended, and a survey will be sent out to determine a date and time.

A motion was made for a survey, based on the three days selected, to determine a date and time.

Motion: T. Ruiz

Second: David Martinez, Jr.

Ms. Marlene Vigil called roll.

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

Vote carried.

7. D. Retroactive Approval of Contract for Medical Carrier Vendor A (Action Item)

Ms. Martha Quintana, Deputy Director with NMPSIA, reviewed the contract as a self-insured product. The fees are based on a per member per month calculation and are guaranteed for the first and second year, with a slight increase for years three and four. Performance guarantees have been modified to enhance measures in the previous contacts.

A motion was made for Retroactive Approval of Contract for Medical Carrier Vendor A

Motion: T. Crone

Second: T. Ruiz

Ms. Marlene Vigil called roll.

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

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

Vote carried.

Mr. Parrino asked for Vendor B to be revealed. Ms. Quintana revealed Vendor B is Delta Dental of New Mexico.

Mr. Parrino asked if all Medical and Dental Carrier Contracts are approved. Ms. Quintana stated all contracts have now been approved. For clarification, Cigna's Agreement ended on June 30, 2024 and is no longer an option for medical. Members who had Cigna were given a special switch enrollment to allow members to switch to Presbyterian or Blue Cross Blue Shield. Members who did not respond during the switch enrollment were defaulted to Presbyterian based on the high or low option they had with Cigna. Cigna was gracious enough to provide any deductible and out-of-pocket maximums that were met; this information will be loaded into the system so members do not have to start from with a zero balance in July 2024.

8. Financial Matters

8. A. Approval of Financial Reports - May 2024 (Action Item)

Mr. Phillip Gonzales, Chief Financial Officer with NMPSIA, presented the Statement of Revenues and Expenditures for the period ending May 31, 2024, for the Employee Benefits Fund. Mr. Gonzales reported revenue of \$33,553,997.38 and expenses of \$32,936,213.58, for a gain of \$617,783.80 for May. Year-to-date revenue was \$349,627,133.62 and expenses were \$361,569,948.62 resulting in a loss of \$11,942,815.00.

Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending May 31, 2024, for the Risk Fund. Mr. Gonzales reported revenue of \$9,327,241.01 and expenses of \$45,361,128.03, for a loss of \$36,013,887.02 for May. Year-to-date revenue was \$98,324,402.83, and expenses were \$110,320,803.98, resulting in a loss of \$11,996,401.15.

Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending May 31, 2024, for the Program Support Fund. Mr. Gonzales reported revenue of \$136,957 and

expenses of \$131,609.91, for a gain of \$5,34.09 for May. Year-to-date revenue was \$1,506,705.02, and expenses were \$1,475,780.72, resulting in a gain of\$30,924.30.

Mr. Gonzales presented the Balance Sheet for the period ending May 31, 2024, for the Program Support Fund. Total assets were \$816,693.23, total liabilities were \$91,105.33, and a total fund equity of \$725,587.90. For the Employee Benefits Fund, total assets were\$37,985,059.66, total liabilities were \$32,346,208.27, and a total fund equity of\$5,638.851.39. For the Risk Fund, total assets were \$106,332,771.57, total liabilities were \$106,974,025.79 and a total fund equity of negative \$641,254.22. Overall, the agency has a total of \$145,134,524.46 in assets, \$139,411,339.39 in liabilities, and \$5,723,185.07 in fund equity.

Mr. Parrino inquired why the cash balance for employee benefits was low and if it had been an issue. Mr. Gonzales replied that NMPSIA has had to draw from long-term investments but is looking forward to the rate increases that will take place in October. Hopefully, these will alleviate cash flow issues.

Mr. Parrino asked if there had been an issue with the Risk Program as well. Mr. Gonzales replied that in July, cash flow was a bit of an issue because excess coverage premium payments were due. Until cash flow for the premium payments start to come in, NMPSIA anticipates it will not be an issue anymore.

A motion was made for Approval of Financial Reports for May 2024.

Motion: T. Ruiz

Second: S. Quintana

Ms. Marlene Vigil called roll.

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

Vote carried.

8. B. Introduction of Asset Management Consultant - Meketa

Mr. Paul Cowie and Mr. Jared Pratt introduced themselves to the Board and look forward to working with NMPSIA. Mr. Pratt is located in New Mexico and attended New Mexico public schools. Mr. Cowie is based out of the San Diego Office in California. Both are excited to be working as Asset Management Contractors for NMPSIA.

8. C. Audit Update

Mr. Gonzales updated the Board on the audit process. On July 12, 2024, NMPSIA held the entrance conference with the new auditors, Hinkle and Landers. In attendance from Hinkle Landers were Mr. Farley Venner and Ms. Caitlin Constantine, NMPSIA Staff were Mr. Sandoval, Ms. Quintana, Ms. Charlette Probst, and Mr. Gonzales, and attending on behalf of the Board was Mr. Parrino. This is the first year with Hinkle and Landers and NMPSIA staff is in the process of gathering and preparing deliverables for the audit. Fieldwork is scheduled for August and September.

9. Benefits Matters

9. A. Approval of Domestic Partner Resolutions for ENMU-Portales and ENMU-Roswell (Action Item)

Ms. Kaylei Jones, Benefits/Wellness Manager with NMPSIA, advised the Board that the Eastern New Mexico University (ENMU) Governing Board has adopted a resolution to offer health and benefits coverage to domestic partners and their children. ENMU will contribute to the premium for any tier change that is added by adding domestic partners and their children. If approved, NMPSIA staff and Erisa will work with ENMU to implement the coverage effective January 1, 2025.

A motion was made for Approval of Domestic Partner Resolutions for ENMU-Portales and ENMU-Roswell

Motion: David Martinez, Jr.

Second: T. Ruiz

Ms. Marlene Vigil called roll.

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

Sammy Quintana Yes

Vote carried.

9. B. Approval of CVS Amendment for Prudent RX (Action Item)

Ms. Quintana explained the CVS Amendment. The executed agreement from July 1, 2022, includes Point Solution Management services. NMPSIA added an exhibit to the agreement to outline how NMPSIA can add services without having to amend the contract and complete a Vendor Election Form (VEF). The amendment is to Prudent RX Specialty Pharmacy services in the compensation section of the agreement, and the methodology is being updated to continue to generate savings for our members.

A motion was made for Approval of CVS Amendment for Prudent RX.

Motion: P. Jaramillo **Second:** T. Ruiz

Ms. Marlene Vigil called roll.

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

Vote carried.

9. C. Approval of Waiver of Penalty Assessments (Action Item)

Ms. Quintana explained to the Board a request to waive a late penalty from Northern New Mexico College. It was the second late penalty in a rolling 12-month period. NMPSIA had waived a penalty in August 2023.

Mr. Parrino stated that it is customary to allow entities to appeal to get a waiver on a second penalty. Since it was noted that it was due to a new employee, he recommended that NMPSIA approve the request.

A motion was made for Approval of Waiver of Penalty Assessments

Motion: T. Crone

Second: T. Ruiz

Ms. Marlene Vigil called roll.

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

Vote carried.

9. D. Surgery Plus Update on Statistics and Providers in New Mexico

Ms. Amy Jones with Surgery Plus presented statistics on Surgery Plus providers in New Mexico. Ms. Jones presented key performance indicators for the month of June. Member count is identified as the total opportunity which is 47,214 members. First-time calls were 510 and the number of cases opened were 169 as first-time calls might not turn into open cases. When the benefit is new, members are calling to get information or because members received their ID cards and have questions on how the benefit works. There are no completed procedures. The average time when a member starts the process until they complete the procedure is an average of 60 days due to the medical record transfer process. Open case types in process include nine joint replacements, 12 orthopedic and four spine.

Ms. Jones introduced Mr. Brock Martin to present network updates. Mr. Martin explained that most of the contracting concentration has been in Albuquerque, including ortho pods for orthopedics and joints care. Surgery Plus is also in the Early stages of identifying high-quality spine surgeons in the Albuquerque area and hopes to contract with them by the end of the year. A team is also working on finding providers north of Santa Fe. There is a local hospital in Silver City and an Orthopedic office to provide local access in the southern side of the state, and they are in the active negotiation phase. El Paso was added because many of the groups that will be added will have clinic locations in Las Cruces, further expanding the network on the southern side of the state.

Mr. Parrino asked what reassurance Surgery Plus could provide to prove this program is not hurting the medical network here in New Mexico by having our members go out of state

because some of the in-state doctors cannot compete with the reimbursement rate of the providers of Surgery Plus.

Mr. Brock replied that they are working on bringing in more providers within the State of New Mexico.

9. E. OSI Wildfires Emergency Order Update

Ms. Quintana presented the OSI Wildfires Emergency Order Update. Last month, Governor Michelle Lujan Grisham issued an Emergency Order for the wildfires in Lincoln County and the Mescalero Apache Reservation. The Office of the Superintendent of Insurance (OSI) ordered an Emergency Order from June 18, 2024 through October 17, 2024, to provide assistance to affected residents. NMPSIA does not fall under the jurisdiction of the OSI however, did choose to follow this Emergency Order and implemented a plan with the Third-Party Administrator and carriers to follow the order for members requesting assistance. There have been six members requesting assistance, one has been turned away due to a request not being covered by the order for rent and hotel costs. Ms. Quintana added that Region IX was affected and was blocked from accessing their facility. They requested a delayed payment for health benefits and were approved for the delayed payment. Erisa reached out to all self-pay members in the affected areas to offer assistance with delayed payments.

Mr. Parrino commented that he supports NMPSIA, helping that community in this time of need. Ms. Ruiz added that she is glad our governor and legislature are working to support that community.

9. F. 2024 Regional Training Update

Ms. Jones presented the Regional Training Update. NMPSIA benefits staff held Regional Training from June 10, 2024, through June 13, 2024. Three trainings were held in person in Las Cruces, Portales and two events in Santa Fe. Two virtual options were held on June 24, 2024 which attributed to 260 registrations with 218 school staff attended, which is an average of 84%. NMPSIA staff redesigned how the in-person training was run, which was condensed from six to four hours to fit the attendee's busy schedules. Breakout sessions were offered by reducing the number of individuals training on a particular topic to allow more time for discussion and comfortability for them to ask questions. Due to the new layout, feedback was wanted and a survey was sent to the attendees. A survey is typically sent out after the training. This year there was more feedback than in the past three years combined. There were 156 responses that accounted for 72% of attendees taking the survey. Some questions were posed in an attempt to collect feedback related to the structure, including organization, duration, and the comfortability of asking questions. Responses indicated 98% were satisfied with the overall training, 93% were satisfied with the duration and 91% were satisfied with the new layout of the breakout rooms.

9. G. IBAC Update

Ms. Jones presented the IBAC Update. The IBAC met on Wednesday June 12, 2024. Mr. David Lauck and Ms. Arien Dryer with CVS Caremark and Mr. Jake Burton with Express Scripts presented a round table discussion on Bio Similar 101 and how these drugs are transforming the specialty drug landscape. The State of New Mexico reported the move to the Health Care Authority effective 7/1/2024. The Retiree Healthcare Authority reported they are working on contracts, their annual meeting, and wellness fairs. NMPSIA reported wrapping up the end of the fiscal year, preparing for the annual audit, appropriation requests, contracts and annual meeting. Albuquerque Public Schools advised this is their last IBC meeting as the Chair and they will be turning over the position to the Healthcare Authority.

9.H. Wellness Update

Ms. Jones presented the Wellness Update and reviewed the NMPSIA newsletter. The newsletter, which was started in June and will be released quarterly, includes agency updates, employee benefits, wellness, and risk resources. It is sent to employer groups so they can forward it to their staff, but it is also sent out directly to NMPSIA members for whom we have email addresses. The newsletter is also on the website so that members can access it anytime.

9. I. Clinic RFI

Ms. Jones and Ms. K. Roybal presented the Clinic RFI. Last year, at the annual meeting, staff updated the board and committee about this request for information. The RFI was released on February 1, 2024, and the response submission was received on March 27, 2024. The purpose of the RFI was to collect information on planned-owned clinics. The intent of the clinics would be to provide medical, dental, and vision services, including primary and preventive services, mental and behavioral health services, chronic care, and disease management. Mrs. Roybal presented a brief synopsis of the analysis. The synopsis included responses from Medical Services Inc., Marathon Health, Presbyterian Health, ProActive MD, and Vera Whole Health.

9. J. SHAPE Report Presentation through 12/31/2023

Mr. Parrino reported to the board that Dr. Patani revealed that she has accepted a position in the Washington, DC, Segal office.

Ms. Debbie Donaldson, Dr. Sadhna Paralkar, and Dr. Nura Patani with Segal presented on the Healthcare Dashboard for the period of January 2023 through December 2023 compared to January 2022 through December 2022. Medical trends have shown higher-than-expected increases driven by utilization and costs of outpatient surgery, inpatient neoplasms, and maternity cases. Pharmacy trends have also increased significantly, largely due to higher specialty utilization and more use of brand-name drugs for chronic conditions like diabetes. GLP-1 anti-diabetic medication and obesity management utilization have risen, with nearly a quarter of the membership residing in disadvantaged areas with higher healthcare utilization and prevalence of chronic conditions. Some suggestions mentioned were to track how certain

medications are prescribed to make sure they are being used correctly and to check that rebate guarantees and manufacturer coupons are being used. It is encouraged to use generic medicines. It should be considered to set up programs for cancer care to make sure people are accurately diagnosed and getting the best treatment. Also, consider offering programs or support to help people get screened for cancer. Look into adding primary care, urgent care, and/or promoting telehealth services in areas where people have less access to healthcare.

9. K. Updated Rate Setting Projections

Ms. Donaldson reported that there is a projected \$15.1 million loss for the fiscal year 2024. Up to May, there has been a \$12 million loss and it's projected that there will be an additional \$3.1 million loss in June, resulting in a fund balance of \$4.3 million. They are waiting for June's claims to rectify the situation. The main reasons for the loss are high-cost claimants, pharmacy costs, and legislative changes that were not anticipated. Historical data from 2018 to 2024 shows trends in revenue compared to pharmacy costs. The challenge is that future years need to make up for the increase in negative medical and pharmacy costs, so all costs need to increase to keep up and catch up. There's a projected 6.4% increase in claim costs, but the premium is only growing at 5.2%, which is the main reason for the decrease in the fund balance and reserves. Dr. Patani mentioned that there has been pressure on NMPSIA since 2018. At the March board meeting in 2018, they approved a two-year buildup of reserves. NMPSIA staff was later asked to revisit rate increases. As a result, a 5-year plan was initiated to cope with the pressure. Before this, rate changes were considered on a yearly basis. There was pressure from the Legislative Finance Committee to increase reserves, but this created strain on schools to cover their share. This led to the decision to set a 5-year reserves goal. Legislation stated that no more than 6% could be collected in one year, but the data shows that 11% is needed. Calculations indicate that 15% needs to be passed on to make the goal feasible. The threshold is around \$30 million. Mr. Parrino pointed out that an influx of cash from the legislature is necessary to avoid passing on huge costs to the members. He had a meeting with Mr. Park and others, who seem on board with the goals.

10. Risk Matters

10. A. Approval of Risk Premium Installment Plan (Action Item)

Mr. Gonzales informed the Board that staff is requesting approval to allow NMPSIA members to pay their Risk premiums in installments. The premiums are due by August 1st, and there is a 10-day grace period before late payments are incurred. There are currently two requests by NMPSIA members to pay in installments; however, there may be additional requests in the coming weeks.

A motion was made for Approval of Risk Premium Installment Plan.

Motion: S. Quintana

Second: V. Chavez

Ms. Marlene Vigil called roll.

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

Vote carried.

10. B. Approval of Contract Amendment for property & Liability Workers’ Compensation Clams Auditing Services (Action Item)

Mr. Sandoval informed the Board that staff is requesting to amend the contract for Farley Consulting Services LLC. This amendment adds a new section to the scope of work for the Audit of Property & Liability Performance Measures and amends the compensation for FY 2025 and FY 2026 from \$27,600 to \$35,100.

A motion was made to approve the Contract Amendment for Property & Liability Workers’ Compensation Claims Auditing Services as presented.

Motion: David Martinez, Jr.

Second: T. Crone

Ms. Marlene Vigil called roll.

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

Vote carried.

10. C. Approval of New Mexico Institute of Mining & Technology (Action Item)

Mr. Sandoval informed the Board that the New Mexico Institute of Mining & Technology has not officially petitioned the NMPSIA Board of Directors to join the Risk program. However, it is expected they will join NMPSIA on September 1, 2024. Due to the timing of New Mexico Institute of Mining & Technology Board meetings and NMPSIA Board meetings, staff is requesting the inclusion of New Mexico Institute of Mining & Technology in the Risk program at this Board meeting.

A motion was made to approve the New Mexico Institute of Mining & Technology to Join Risk as presented.

Motion: T. Ruiz

Second: P. Jaramillo

Ms. Marlene Vigil called roll.

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

Vote carried.

10. D. Retroactive approval of Tail Coverages (Action Item)

Mr. David Poms with Poms & Associates discussed the renegotiation that occurred with State Risk Management Division (RMD) regarding the tail coverage for the four members joining the NMPSIA Risk program from RMD; Central Region Educational Cooperative, Region IX Education Cooperative, Northern New Mexico College and New Mexico Institute of Mining and Technology. The newly agreed upon terms of the tail coverage by date of occurrence will be as follows: a) For **date of occurrence 7/1/2024 and after**, NMPSIA is responsible for coverage. b) **If date of occurrence is prior to July 1, 2024**, RMD will be responsible for coverage **through June 30, 2026**. c) Coverage responsibility will shift to NMPSIA commencing **July 1, 2026 through June 30, 2029**. d) All claims and coverage responsibility **before July 1, 2024**, will shift back to RMD commencing on **July 1, 2029**. NMPSIA President Al Park has signed the agreement and Mr. Marty Esquivel was present for the negotiations and concurs that this is a wise move for NMPSIA and its Members.

A motion was made to approve the Retroactive Approval of Tail Coverages as presented.

Motion: T. Crone

Second: S. Quintana

Ms. Marlene Vigil called roll.

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

Vote carried.

10. E. Student Accident and Sickness Insurance Update

Mr. Sandoval informed the Board that he and Mr. Esquivel have submitted a letter to Superintendent Alice Cane, Office of the Superintendent of Insurance (OSI), regarding questions on the 2022 adopted ruling and how it coincides with New Mexico Statute 59-A-23-2, Blanket Health Insurance, which is referenced in the rule. Staff and the General Council anticipate a response from OSI to clarify the rule change. NMPSIA may then proceed with an opinion to the Attorney General. Mr. Marty Esquivel advised that he has reached out to a State Senator and a State Representative, as a request for the Attorney General’s opinion must come from an elected official. Mr. Sandoval stated that NMPSIA will be sending out a letter informing Superintendents that NMPSIA will still be covering the Student Catastrophic Coverage and any other coverage may be purchased by the districts.

10. F. Approval of Property and Liability Claims Handling Procedures (Action Item)

Mr. Sandoval informed the Board that the Property and Liability claims handling procedures have been amended to change the reporting standards for the excess insurers. CCMSI previously reported all losses meeting a threshold of \$25,000. However, the excess insurers are now requesting that only losses that exceed 50% of the self-insured retention be reported. A contract amendment will be brought to the Committee at the next meeting. Mr. Cangioli added that CCMSI is willing to do whatever is in the best interest of NMPSIA and also satisfy the carriers.

A motion was made to approve the Property and Liability Claims Handling Procedures as presented.

Motion: P. Jaramillo

Second: T. Ruiz

Ms. Marlene Vigil called roll.

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

Vote carried.

10. G. Stewardship Report-Loss Analysis Workers’ Compensation

Mr. Richard Cangiolosi with CCMSI, reported on the Stewardship Report-Loss Analysis Workers’ Compensation. The total Workers’ Compensation claims incurred for FY 2024 were 1,469, which has steadily increased each year since FY 2021, and these numbers are expected to continue to increase. The average incurred annual cost is \$9,000,000, which is also expected to increase. The average cost per claim is expected to stay consistent at about \$5,000. The closing ratios are consistent at 100%.

10. H. Year-End Claims Comparison

Mr. Cangiolosi presented the Managed Care Savings and Fees report. In the past year, 16,150 bills were processed for workers’ compensation, and the total charges were \$15,677,622.77. Total reduction costs were \$9,868,322.12, or 62.95% in savings.

10. I. Year-End Bill Review and Nurse Case Management

Mr. Cangiolosi presented the Year-End Bill review and Nurse Case Management for FY 2024. The total charged to the claims files was \$202,815.51; the cap is \$300,000; thus, total savings were \$97,184.49.

10. J. TPA Reports

10. J. 1. Property and Liability Monthly Claims Report

Mr. Steve Vanetsky with CCMSI, reported on the May 2024 Property and Liability Monthly Claims Report. Liability had 468 open claims, 58 new claims, and 43 claims were closed. Property had 98 open claims, 5 new claims, and 13 claims were closed. Reserves for Property and Liability in the month of May 2024 were, \$100,649,884.79 and payments were \$40,310,592.45 for a total of \$140,960,477.24

Mr. Vanetsky also reported the June 2024 Property & Liability Monthly Claims Report. Liability had 456 open claims, 26 new claims, and 46 claims were closed. Property had 99 open claims, 13 new claims, and 12 claims were closed. Reserves for Property and Liability in the month of June 2024 were, \$104,563,032.51 and payments were \$47,442,747.50 for a total of \$152,005,780.01.

10. J. 2. Property and Liability Large Losses

Mr. Vanetsky reported large losses for Property due to a large hailstorm in the Eastern part of New Mexico, affecting the districts of Portales, Melrose, Floyd, Tatum, Grady, and Eastern NM University. None of these losses fall above the Self-Insured Retention (SIR), and the excess carrier has declassified the event. A severe monsoonal rain caused flooding damage in Grants, Gallup, Las Vegas, Las Vegas City Schools, West Las Vegas schools, and NM Highlands University. These losses are not anticipated to reach 50% of the SIR, estimated damage for the entire occurrence will be two and a half to three million dollars. Eastern NM University Ruidoso campus also reports property damage after the Southfork wildfire and following monsoon, but initial estimates show little to no interior damage. Reported Liability large losses, one claim that was reopened due to a lawsuit, and three additional claims that were reported to the excess carrier with SAM implications.

10. J. 3. Worker's Compensation Monthly Claims Report

Mr. Jerry Mayo, with CCMSI, reported on the May 2024 Workers' Compensation. At the end of May there were 1,081 open claims, 31 reopened claims, 241 new claims, and 238 claims were closed. Reserves were \$15,045,423.61, payments were \$50,932,332.48. The cumulative total for May was \$65,977,756.09.

For June there were 1,037 open claims, 25 reopened claims, 82 new claims, and 151 claims were closed. Reserves were \$14,832,854.50, payments were \$50,170,576.65. The cumulative total for the month of June was \$65,003,431.15.

10. J. 4. Workers' Compensation Large Losses

Mr. Mayo reported two large losses for May, the first in Las Cruces, where a person tripped and fell over an extension cord, causing a fractured left hip and injured left shoulder and knee. The individual needed surgery to repair the left hip, total expenses for medical and indemnity were \$208,760. The second claim reported was an individual in Deming who tripped on the bus steps and fell, causing a twisted ankle and back pain. The total medical expenses incurred were \$54,000.

For June, there were two large losses reported; the first was in Taos, where an individual tripped over a pothole and injured their right ankle and knee. The total expense was \$70,000, and a full and final settlement was issued. The second was with Gallup McKinley County Schools, a trip and fall incident where the right femur was injured and required surgery. The total medical expense was over \$68,000.

10. K. STOPit Update

Mr. Parkhill Mays and Annie Martinez presented the past school year and some of the activities within the app. There were 8,038 downloads of the STOPit application. There were a total of 2,162 incidents; of those incidents, 234 were life-threatening, and 607 were crisis line interventions. For the upcoming school year, STOPit plans to have several webinars and coffee chats to host questions and answers about STOPit. Also, a Backpack Series, which provides access to mental health resources for students, educators, staff, and families. Mr. Esquivel asked what the process was for some of the incidents that were reported. Mr. Parkhill explained the process from start to finish for various situations. Mr. Quintana asked if a non-life threatening incident becomes a life-threatening incident and if there is a way to track it. Mr. Parkhill replied yes, the incident can be re-coded.

10. L. STOPit Incident Vetting Services Option

Ms. Martinez presented an option for vetting services. The service would be offered to some of the smaller districts that may have limited resources and staff. It would offer a 24/7 vetting service, streamline the onboarding and launch of STOPit, provide continuous monitoring and resource assistance, and notify districts only when there is an exemption. With this service, the hope is to enroll some of the smaller districts that are hesitant to join.

10. M. Loss Prevention Update

Mr. Larry Vigil, with Poms and Associates, presented the Loss Prevention Abatement Report for June 2024 and a year-end summary. Poms followed up on 320 recommendations, 318 of which were non-capital, 265 were corrected, for an 83% abatement percentage on non-capital recommendations. Year-end summary for the school year, Poms followed up on 3,723 recommendations, 3,667 were non-capital, 2,943 were corrected, for an 80.26% abatement percentage. A critical hazard letter for Mesa Vista school district is currently being followed up on, regarding the fire suppression system and alarm panels that were nonoperational. The new Superintendent is in the process of getting these items corrected. There has been a

collaborative effort by Poms and Associates, Public Facility Managers Association, Public Schools Facilities Authority, Cooperative Educational Services, State Fire Marshall’s Office and the Construction Industries Division to get the life safety issues within the schools identified and corrected.

Ms. Julie Garcia, with Poms and Associates, presented a project that the team has been working on to collect data on sexual molestation, misconduct, and assault cases over the past twenty years. A database was created to utilize historical case information to better handle current cases. This database will be used to compare with the data from STOPit Solutions and Vector Solutions in an effort to better understand the time it takes to report and gain the ability to mitigate these cases through education and training.

11. General Discussion

12. Next Meeting Date and Location: Thursday, September 5, 2024

Location: Poms & Associates, 201 3rd Street, Suite 1400, and a virtual option (Action Item)

A motion was made to approve the next meeting date and location as presented.

Motion: David Martinez, Jr.

Second: P. Jaramillo

Ms. Marlene Vigil called roll.

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

Vote carried.

13. Adjournment

A motion was made to approve to adjourn at 12:53 p.m.

Motion: David Martinez, Jr.

Second: S. Quintana

Ms. Marlene Vigil called roll.

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

Vote carried.

Approved:

Signed by:

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Mr. Alfred Park, Board President