NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY
BOARD MEETING MINUTES

Cooperative Educational Services
4216 Balloon Park Rd., NE
Albuquerque, NM 87109

(505) 344-5470

Thursday, November 7, 2013

1. CALL TO ORDER

Mr. Jose Cano, Vice-President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, November 7, 2013.

2. ROLL CALL

Present:

Jose Cano, Vice President
Mary Parr-Sanchez, Secretary
Tonya Carrell
Tim Crone
Bob Lowery
Esther Marquez
Daniel Patterson
Millie Pogna
Mark Space

Absent:

Lowell Irby, President
Kathy Ulibarri

Staff Members Present:

Sammy J. Quintana, Executive Director
Christy Edwards, Deputy Director
Don Gonzales, Comptroller
Norma Henderson, Finance Manager
Pamela Vigil, Executive Assistant
3. INTRODUCTION OF GUESTS

Ms. Christy Edwards, Deputy Director, NMPSIA, introduced Mr. Bernie Padilla, Northern New Mexico Community College.

4. CITIZENS TO ADDRESS THE BOARD

There were no citizens to address the NMPSIA Board.

5. APPROVAL OF THE AGENDA (Action Item)

Mr. Sammy Quintana, Executive Director, NMPSIA requested that item 8.F be removed from the agenda.

A motion was made to approve the agenda as amended.

MOTION: T. Crone  
SECONDED: M. Parr-Sanchez

VOTE: Vote carried unanimously.

6. APPROVAL OF THE MINUTES- October 3, 2013

A motion was made to approve the minutes as presented.

MOTION: T. Crone  
SECONDED: D. Patterson

VOTE: Vote carried unanimously.
8. FINANCIAL MATTERS

8. A. Investment Reports (Action Item)

Mr. Gonzales reviewed the Short-term Investment Report for the period ending September 30, 2013. The Employee Benefits Fund Wells Fargo Depository Account reported interest income in the amount of $36.03; the Wells Fargo Short-term Investment Account reported interest income in the amount of $1,772.58, the Local Government Investment Pool reported interest income in the amount of $3,947.35. The combined year to date total interest earned was $17,671.17.

For the period ending September 30, 2013 the Risk Fund Wells Fargo Depository Account reported interest income in the amount of $5.39; the Wells Fargo Short-term Investment Account reported interest income in the amount of $3,640.85; the Local Government Investment Pool reported interest income in the amount of $5,274.69; the combined year to date total interest earned was $18,014.46.

Mr. Gonzales reported that the Long-term Investment portfolio had interest income in the amount of $40,550.05 and Capital Appreciation the amount of $848,975.37 through the period ending September 30, 2013. Management fees amounted to $0. The Long-term Investment portfolio was valued at $26,775,162.05 as of September 30, 2013.

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

MOTION: E. Marquez
SECONDED: M. Parr-Sanchez
VOTE: Vote carried unanimously

8. B. Financial Reports (Action Item)

Mr. Don Gonzales, Comptroller, reviewed the financial reports for the period ending September 30, 2013. The Operations Fund had revenues in the amount of $107,200; expenditures in the amount of $99,314; resulting in a surplus of $7,886.00. Year to date revenues were $321,600; expenditures were $284,351; resulting in a surplus of $37,249. The Ending Fund Balance as of September 30, 2013 was $893,767.

The Employee Benefits Fund reported revenues for September 30, 2013 in the amount of $22,521,009; expenditures in the amount of $21,669,192.; resulting in a surplus of $851,817. The year to date revenues were $67,950,873; expenditures were $71,132,880; resulting in a loss of $3,342,807. The ending fund balance as of September 30, 2013 was $30,204,784.

The Risk Coverage Fund reported revenues during the month of September 2013 in the amount of $5,661,582; expenditures in the amount of $6,748,442; resulting in a loss of $1,086,859. The year to date revenues received were $16,216,535; expenditures were $20,685,080; resulting in a loss of $4,629,345. The Ending Fund Balance as of September 30, 2013 was $7,348,787.
A motion was made to approve the Financial Reports as presented.

**MOTION:** M. Parr-Sanchez  
**SECONDED:** T. Carrell  
**VOTE:** Vote carried unanimously.

9. **Risk Advisory Committee Report**

9. A. **Property/Liability Monthly Claims Report**

Mr. Greg Ramirez, CCMSI, reported on the Property/Liability Monthly claims report as of September 30, 2013. He indicated that during the month of September there were a total of 355 open claims, 58 new claims and 48 claims were closed. Mr. Ramirez reported that reserves were at $17,313,527.72, payments were $16,054,812.48 for a total of $33,368,340.20.

9. B. **Property/Liability Large Loss Report**

There were no large losses to report.

9. C. **Worker's Compensation Monthly Claims Report**

Mr. Jerry Mayo, CCMSI, reported on the Workers' Compensation Monthly Claims Report as of September 30, 2013. Mr. Mayo reported that during the month of September there were a total of 1277 open claims, 20 claims were re-opened, there were 340 new claims, and 272 claims were closed.

9. D. **Workers' Compensation Large Loss Report**

There were no large losses to report

9. F. **Approval of AON Actuarial Report (Action Item)**

This item was tabled until the December meetings.

9. G. **Approval for Petition for Adding N.M. Coalition for Charter Schools, NMCCS (Action Item)**

Mr. Coppler presented a request from New Mexico Coalition of Charter Schools and Association of Charter Schools Educational Services requesting to join the Risk program. Ms. Edwards indicated that these two entities also requested to join the Benefits program as well.

A motion was made to approve the letter requests as presented.
MOTION: T. Carrell
SECONDED: T. Crone
VOTE: Vote carried unanimously.

9. H Loss Prevention Report

Ms. Julie Garcia, Poms & Associates, provided some informational handouts with respect to qualifications and experience requirements for security guard applicants and teachers with firearms.

9. BENEFITS ADVISORY COMMITTEE REPORT

9. A Review and Approval of FAQs on Healthcare Reform (Action Item)

Ms. Edwards and Mr. Gary Petersen, Segal, discussed the questions and answers. She indicated that the BAC spent a significant amount of time reviewing this item.

Ms. Edwards explained to the Committee that the employer mandate penalties have been postponed to July 1, 2015 for NMPSIA because that is the first plan year after January 1, 2015. She stated that because of this postponement, large employers do not have to offer coverage to employees working an average of 30 hours per week until July 1, 2015. Mr. Petersen confirmed that this is correct, per Segal's legal counsel.

Question 6 addresses the likelihood of employers in the NMPSIA pool being assessed any 4980(H) penalties. Because the NMPSIA plans are both affordable and valuable and the unlikely qualification for a federal subsidy under the Exchange, it is not expected that any groups will be penalized.

In question 12, the idea of adopting a January 1 medical open enrollment was discussed. This will be discussed as a topic under a separate agenda item under Cost Containment Strategies.

Questions 13, 14, 15, 16, and 17 deal with substitutes, the measurement period, and the stability period. Additional regulations are expected to be released by the end of 2013 providing additional guidance in this area; therefore, it was suggested that these answers be shown as draft with a reference to an update once the regulations are issued.

Question 22 deals with work study students and question 23 deals with temporary employees.

Ms. Edwards explained that corrections will need to made before distribution.
A motion was made to approve the FAQs with the changes discussed and to distribute to the school representatives with a caveat on Questions 13 through 77, pending clarification from the expected regulations.

**MOTION:** D. Patterson  
**SECONDED:** M. Parr-Sanchez  
**VOTE:** Vote carried unanimously.

9. B Review and Approval of Healthcare Reform Executive Summary (Action Item)

Mr. Petersen stated that this summary addresses the large employer mandate and excluding the other provisions of healthcare reform.

A motion was made to approve and accept the Executive Summary as amended and approve distribution to school benefits representatives.

**MOTION:** T. Crone  
**SECONDED:** M. Parr-Sanchez  
**VOTE:** Vote carried unanimously.

9. C Discussion of Temp Employees and Retroactive Termination w/Premium Refund (Action Item)

Ms. Edwards stated that Mr. Coppler has ruled that temporary employees working 20 hours per week should be offered health benefits. She indicated that there were several comments made at the BAC by school representatives in attendance.

There was a lengthy discussion with respect to Educational Retirement Board (ERB) rules and whether or not they could be combined into a NMPSIA definition of temporary employees for eligibility purposes.

A motion was made to resurvey all employers on the number of temporary employees, and how many currently are covered and for staff to develop a NMPSIA Benefits definition for temporary employees so that they may be excluded with the employer option to submit a resolution to cover temporary employees.

**MOTION:** T. Carrell  
**SECONDED:** T. Crone  
**VOTE:** Vote carried unanimously.
9. D Review and Approval of 7/1/14 Cost Containment Strategies (Action Item)

Mr. Petersen, The Segal Company, reviewed the six options at the BAC for considerations. The options are as follows:

1. Implement Annual Open Enrollment
2. Health Care Blue Book/Enhance Transparency Tools
3. Add a qualified High Deductible Health Plan (HDHP)
4. Consider a Specialty Dialysis Solution
5. Consider establishing a Rate Differential for Tobacco Users
6. Outcomes Based Wellness Program.

Ms. Edwards stated that after discussion it is the recommendation of the BAC to accept Options 1, 2 and 4 as soon as practicable and to further investigate Option 6.

A motion was made to accept Options 1, 2, and 4 as soon as practicable, and to further investigate Option 6.

MOTION: D. Patterson
SECONDED: T. Crone
VOTE: Vote carried unanimously.

9. E Approval of NMCCS’s And ACES’s Letter of Understanding (Action Item)

Ms. Edwards stated that in addition to joining the Risk Program the New Mexico Coalition of Charter Schools and Association of Charter Schools Educational Services are requesting to join the Benefits Program as well effective December 1, 2013.

A motion was made to approve the letter requests as presented.

MOTION: R. Lowery
SECONDED: M. Parr-Sanchez
VOTE: Vote carried unanimously.


Ms. Edwards stated that the Rational Med Program has continued with the physician communication component. She indicated that there was no decision made to add the patient communication piece at this time.


Ms. Edwards indicated that Ms. Shantal Milner, Express Scripts reported on the rebates that are credited on claims invoices.
10. NEXT MEETING DATE AND LOCATION

The next meeting will be held on Thursday, December 5, 2013, at the Cooperative Educational Services, 4216 Balloon Park Road, NE, Albuquerque, NM 87109.

11. EXECUTIVE SESSION AS PER OPEN MEETING ACT – 10-15-1 (H) (7)

There was no executive Session.

12. ACTION, IF ANY, COMING OUT OF EXECUTIVE SESSION

There was no executive Session.

13. ADJOURNMENT

The meeting adjourned at 11:15 a.m.
APPROVED:

Lowell Irby, President