

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

Virtual Meeting: <https://global.gotomeeting.com/join/804703565>

**Dial in: +1(872) 240-3212
Access Code: 804-703-565**

Thursday, October 8, 2020

1. Call to Order

Mr. Al Park, President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, October 8, 2020.

2. Roll Call

Ms. Pamela Vigil, called roll.

Present via virtual meeting/telephonic meeting:

Alfred Park, President
Chris Parrino, Vice-President
Trish Ruiz, Secretary
Denise Balderas
Tim Crone (arrived after roll-call)
Pauline Jaramillo
Bethany Jarrell
Sammy Quintana
David Martinez Jr.
Ricky Williams

Absent:

Staff Members Present via virtual/telephonic meeting:

Richard Valerio, Executive Director
Patrick Sandoval, Deputy Director/Chief Financial Officer
Melissa Rael, Human Resource/Finance Manager
Katherine Chavez, Benefits/Wellness Operations Manager
Pamela Vigil, Program Coordinator
Dion Romero, Accountant/Auditor
Claudette Roybal, Chief Procurement Officer
Andrew Arellano, Financial Specialist

Audience present via virtual/telephonic meeting:

Martin Esquivel	Esquivel & Howington
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Tammie Pargas	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Peter Meilleur	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Kevin Sovereign	CCMSI
Jerry Mayo	CCMSI
Steve Vanetsky	CCMSI
Dr. Nura Patani	Segal
Melissa Krumholz	Segal
Sam Garcia	Davis Vision
Stephanie Anthony	United Concordia
JoLou Trujjio-Ottino	Delta Dental
Rich Bolstad	Delta Dental
Marlene Mier	BCBSNM
Maureen Sergel	BCBSNM
Marlene Mier	BCBSNM
Jeanine Patterson	BCBSNM
Steve Valdez	Presbyterian
Lia Gainey	Presbyterian
Connor Jorgensen	LFC
Joseph Simon	LESC
CS Hwa	Erisa
Kathy Payanes	Erisa
Lourdes Rael	Erisa
Mike Barrios	Erisa
Michelle M. Alarid	Erisa
Martha Quintana	Standard
Jennifer Oswald	Standard
Matt Karlsruher	USI Insurance Services
Phillip Briscoe	USI Insurance Services
James Barron	Associated Press, Santa Fe New Mexican

3. Introduction of Guests

Mr. Richard Valerio, Executive Director, NMPSIA introduced Mr. James Barron, Associated Press, Santa Fe New Mexican.

Mr. Valerio introduced Lia Gainey, Presbyterian.

Mr. Valerio introduced Mr. Matt Karlsruher, USI Insurance Services.

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

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – Yes
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

6. Approval of September 3, 2020 Virtual Board Minutes (Action Item)

A motion was made to approve the September 3, 2020 Virtual Board Minutes as presented.

MOTION: C. Parrino

SECONDED: T. Ruiz

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – Yes
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

7. Administrative Matters

7. A COVID-19 Update

Mr. Valerio provided a brief COVID-19 update. He reported that through August 31, 2020, there have been 4,024 COVID-19 related claims for both Presbyterian and Blue Cross Blue Shield, 413 claims have come back positive for COVID-19. Mr. Valerio reported total claims costs for testing and treatment through August is \$1.7 million. He stated there have been discussions with LFC and the Department of Health regarding any grants or possible funding under the CARES Act for reimbursements of costs to NMPSIA. They have indicated there is no such funding available for reimbursements. Mr. Valerio stated staff will look into other possible reimbursements.

Mr. Valerio stated that staff has reviewed the PED Re-entry Guidelines. He stated the latest information that has come out is calling for weekly surveillance testing of 5% of teachers and staff once they are all back in class.

Mr. Valerio stated yesterday at the BAC, Mr. Martinez Jr. had questions with respect to testing of student athletes, coaches, referees etc. Mr. Valerio stated he spoke with Ms. Sally Marquez, Executive Director, NMAA yesterday and she has stated that there are currently no requirements for testing at this time. He stated the media was reporting this morning that NMAA events are postponed through the weekend pending the Governor's message today at the press conference.

Mr. Valerio stated surveillance testing that will happen for schools will take place at all of the statewide testing sites, however in conversation with the Department of Health, the claims will be submitted to the insurance companies, so NMPSIA will be taking on that cost.

Mr. Martinez Jr. thanked Mr. Valerio for looking into the question that he brought up at the BAC. He asked if tracing was also going to include schools that are not currently in hybrid mode, but have staff on campus, such as cooks, custodial etc.

Mr. Valerio stated he interpreted the guidelines to include teachers and other staff. He stated he will reach out to some districts and verify if coaches are considered staff. He stated Ms. Julie Garcia, Poms & Associates will reach out to some contacts as well. Ms. Garcia stated schools are considering these workers in their 5%.

7. B Legislative Update

Mr. Valerio reported there was a LFC Hearing on September 30, 2020 at the Capitol. He stated he was physically present, while other members of the IBAC participated remotely. He stated the hearing was on funding health and risk insurance premium for public employees. Mr. Valerio stated he provided a presentation and some of the questions and concerns that arose were regarding COVID-19 liability insurance and concerns by the Superintendents. Mr. Valerio reported he informed the committee NMPSIA has a task force

that was put together to research this issue. He stated there will be a recommendation later on the agenda. Mr. Valerio stated it seemed that NMPSIA was the only agency of the IBAC that was including language in the MOC.

Mr. Valerio reported another question that came up was premium refunds for auto liability. He stated those premium refunds are happening on personal policies and not on commercial policies.

Mr. Valerio reported that a question arose with respect to fund balances for employee benefits. He stated they were not concerned about NMPSIA, but GSD is expecting to get into a \$50 million dollar deficit in FY22. Mr. Valerio stated APS passed on a 6% increase to their employee benefits premiums in line with the appropriation bill that came out of the special session. Part of their 6% increase, was also a 5% decrease in benefits/plan design change. He explained that this 5% will be passed on 100% to their employees. Mr. Valerio stated he is anticipating that the LFC may want NMPSIA to look at plan design changes so that the projected 9% increase will not be passed on. He stated he did present the 9% increase that NMPSIA budgeted for, and that is what will be going forward in the upcoming session.

Mr. Valerio stated one of the last questions that came up was from Chairman John Arthur Smith with respect to legislators or their firms performing contract legal defense.

Mr. Valerio stated the next LFC hearing will be on October 29, 2020 at 8:30 a.m. He stated this will be a shorter presentation and it will be available to watch via web cast. Mr. Valerio stated Mr. Conner Jorgensen, LFC will give a summary of his recommendation and NMPSIA will have time for a 10-minute brief presentation to go over the budget.

Mr. Valerio reported there will be a follow-up meeting with LFC, NMPSIA staff and some NMPSIA Board members to discuss the employee benefits premium rate increases.

Mr. Valerio reported there will be a LESC Hearing on November 4, 2020 at 1:00 p.m. via web cast.

Mr. Martinez Jr. asked if the November 4, 2020 meeting will pose conflicts for the NMPSIA Committee Meetings.

Mr. Valerio stated he will look into re-scheduling the meetings. Mr. Valerio stated there will be ample notice to ensure that staff is complying with the Open Meetings Act.

8. FINANCIAL MATTERS

8. A Financial Reports for August 2020 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 8/1/2020 through 8/31/2020. The Benefits Fund had revenues in the amount of \$26,659,843.79; expenditures in the amount of \$26,009,455.91; resulting in a gain of \$650,387.88.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 8/1/2020 through 8/31/2020. The Risk Fund had revenues in the amount of \$7,249,544.71; expenditures in the amount of \$19,040,725.15; resulting in a loss of \$11,791,180.44.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 8/1/2020 through 8/31/2020. The Program Support Fund had revenues in the amount of \$116,750.00; expenditures in the amount of \$91,427.63; resulting in a gain of \$25,322.37.

Mr. Sandoval reviewed the balance sheet for the period 8/1/2020 through 8/31/2020. Program Support had total assets of \$1,029,899.19, total liabilities of \$255,244.94, and fund equity of \$774,654.25. Employee Benefits had total assets of \$62,295,312.11, ending liabilities of \$28,477,287.35, and fund equity of \$33,818,024.76. Risk had assets of \$160,286,440.93, liabilities of \$166,718,638.77, and a loss of \$6,432,197.84. Total assets for the agency were \$223,611,652.23 and ending liabilities of \$195,451,171.06. Combined fund equity for the agency was \$28,160,481.17.

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

MOTION: T. Ruiz

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

- Chris Parrino – Yes
- Alfred Park - Yes
- Denise Balderas - Yes
- Tim Crone - Yes
- Pauline Jaramillo – Yes
- Bethany Jarrell - Yes
- Sammy Quintana - Yes
- David Martinez Jr. - Yes
- Trish Ruiz - Yes
- Ricky Williams - Yes

Vote carried unanimously.

8. B FY2020 Audit Update

Mr. Sandoval reported that the Audit PBC List and Financial Information was delivered to the auditors on August 26, 2020. He reported an entrance conference was held on September 8, 2020 and that was attended by Mr. Al Park, NMPSIA Board President. Mr. Sandoval stated the auditors completed their field work on September 8, 2020 through September 11, 2020. He stated an exit conference was held on September 25, 2020 and that was attended by Mr. Al Park, NMPSIA Board President. Mr. Sandoval stated the audit has been submitted

to the New Mexico Stated Auditors Office. He stated the CAFR package will be submitted to DFA on October 9, 2020. Mr. Sandoval stated staff cannot discuss any details of the audit until it is released by the New Mexico State Auditor and verified by the CAFR Unit.

Mr. Valerio commended all the staff at NMPSIA for their hard work all year long and their work on the audit.

Mr. Park echoed Mr. Valerio's statement, and thanked the entire NMPSIA staff.

9. Risk Matters

9. A Civil Rights Commission Update

Mr. Valerio reported there is a new Civil Rights Commission that was created during the 2020 Legislative Session under House Bill 5. He reported the Commission is looking into potentially allowing for civil rights lawsuits for any violations that are brought against the State Constitution. He stated there was a meeting on October 2, 2020 and the Commission requested civil rights claims information from NMPSIA. Mr. Valerio stated they wanted to know what the fiscal impact of this would be if they allowed for these types of lawsuits to be brought forward. He stated Mr. Martin Esquivel, NMPSIA General Counsel, provided an analysis and presentation. Mr. Esquivel stated without knowing any specifics or reviewing an actual bill, it would be very hard to get actuaries to determine what the fiscal impact would be. After discussion, the Commission requested additional information. They have a deadline set to make a recommendation to the Legislature by November 15, 2020. Mr. Valerio stated there will be a follow-up meeting mid-October. The Commission has had some questions about re-insurers and Mr. Dave Poms, Poms & Associates has provided them with a lot of helpful information. Mr. Valerio stated he will continue to update the Board on this matter.

9. B Approval of General and Automobile Liability Memorandum of Coverage- MOCL023 (Action Item)

Mr. Valerio reported with everything surrounding COVID-19 and some of the concerns that school districts have had, a task force consisting of staff, some Board members, Mr. Esquivel and Mr. Poms looked at COVID-19 liability language. Mr. Valerio reviewed the language and stated staff had very productive discussions with the executive teams from The Superintendents Association, School Boards Association, Charter Schools and School Business Officials. He stated they all agreed that the language addressed all of the concerns of all of the different organizations. Mr. Valerio stated it is the recommendation of the task force and the Risk Advisory Committee to approve the General and Automobile Liability Memorandum of Coverage- MOCL023 as presented.

A motion was made to approve the General and Automobile Liability Memorandum of Coverage- MOCL023.

MOTION: S. Quintana

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – Yes
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

9. C Approval of Property, Automobile Physical Damage, Crime & Cyber Coverages Memorandum of Coverage – MOCP023 (Action Item)

Mr. Valerio presented the Property, Automobile Physical Damage, Crime & Cyber Coverages Memorandum of Coverage – MOCP023. He reported there are no changes from the previous MOC. He stated it is the recommendation of the Risk Advisory Committee to approve this item

A motion was made to approve the Property, Automobile Physical Damage, Crime & Cyber Coverages Memorandum of Coverage – MOCP023 as presented.

MOTION: D. Martinez Jr.

SECONDED: D. Balderas

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – Yes
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

9. D TPA Reports

9. D. 1 Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI reported on the Property & Liability Monthly Claims Report. He stated for the month of August 2020 there were 327 open claims, 46 new claims and 50 claims were closed. Mr. Venetsky reported reserves were at \$60,047,444.11, payments were \$25,791,703.75 for a total of \$85,839,147.86.

9. D. 2 Property & Liability Large Losses

Mr. Vanetsky reported there are three significant claims to report on.

Mr. Vantetsky stated there was a hail occurrence in July 2020 at West Las Vegas, Las Vegas City Schools and Luna Community College. He stated it has gone into the excess layer, and the excess carrier and a consulting engineer are scheduling inspections to verify the initial damage assessment.

Mr. Vanetsky reported there is a potential claim that has not been filed yet. He explained that this is a sexual molestation incident involving a middle school student at West Last Vegas Middle School. He stated the investigation is still ongoing.

Mr. Vanetsky reported on a motor vehicle accident in Gallup that was initiated by our insured driver. He stated that this is still being investigated, but this one has the potential to develop into a significant claim.

9. D. 3 Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo, CCMSI provided the Workers' Compensation Monthly Claims Report for Districts as of August 31, 2020. He reported during the month of August there were 800 open claims, 76 new claims, 6 claims were re-opened, and 90 claims were closed. Mr. Mayo reported reserves were at \$14,777,223.97; payments were \$50,968,339.27; for a total of \$65,745,563.24.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of August 31, 2020. Mr. Mayo reported during the month of August, there were 29 open claims, 1 new claim, 1 claim was re-opened and 3 claims were closed. Mr. Mayo reported reserves were at \$583,356.09; payments were \$1,279,300.32, for a total of \$1,862,656.41.

9. D. 4 Workers' Compensation Large Losses

Mr. Mayo reported on one large loss claim. He stated this claim is from September 2000. He stated the reserves were increased to accommodate the medical expenses which totaled a little over \$52,000.

9. E Loss Prevention Update

Ms. Julie Garcia, Poms & Associates reported that during a school safety audit, some boxes of N-95 masks were discovered at a school. One of the boxes was not NIOSH certified. She stated the concern is for the school employees that will be exposed to bodily fluids. Ms. Garcia stated after further evaluation of the masks, it was determined that all of the masks in question were not NIOSH certified. She stated it was discovered that these masks came from the Department of Health.

Ms. Garcia reported the New Mexico State Fire Marshal has agreed to go out and perform audits on behalf of PED. She stated a marshal showed up at a school and identified some people not wearing masks. Subsequently, several law enforcement officials showed up at the school. Ms. Garcia stated that she has let all of the schools know that if this happens again, to call Poms & Associates.

Ms. Garcia reported on statistics with respect to student athletes and suicide. She stated that there have been several suicides in the past several months. Ms. Garcia stated that Poms & Associates has two mental health first aid trainers available to work with school staff. She stated Poms will be extending the invitation to parents as well at the request of the RAC.

Ms. Rika Martinez, Poms & Associates reported on the Sandy Hook Program and Stop-it. She reported she has had several meetings with PED and the Attorney General's Office.

Mr. Parrino asked Ms. Garcia if someone has reached out to the Farmington District regarding the athlete suicides.

Ms. Garcia stated that staff will be reaching out to these schools with high suicide rates.

10. Benefits Matters

10. A COVID-19 Plan Impact Update

Dr. Nura Patani, Segal, stated this is an update to the analysis that was presented at the June meeting, looking at the plan impact to NMPSIA's costs associated with COVID-19. She stated this includes both direct costs and indirect costs. Dr. Patani stated staff is reviewing data as it emerges and looking at national and international patterns. She reviewed data from Johns Hopkins and other organizations through August 10, 2020. Dr. Patani reported there is increased prevalence and less severity.

Dr. Patani reported staff is estimating almost \$5 million in direct costs associated in COVID-19 testing and treatment through calendar year 2021. She stated this does not include any costs that NMPSIA may incur related to the 5% surveillance testing under the PED Guidelines for a hybrid re-opening.

Dr. Patani reported staff is anticipating a higher percentage of members overall being tested and more are going to fall into a self-quarantine bucket, which has lower cost vs. those members going into the ICU.

Dr. Patani reviewed the combined impact of direct and indirect costs. She stated staff anticipates continued shifting of timing due to delayed and cancelled treatments. Dr. Patani reviewed the impact of the shifting and the direct cost impact.

Overall, the impact will be \$14.4 million in expenses that did not occur in the second half of FY2020 that otherwise would have, and an increase in FY2021 of about \$7.9 million. Net impact would be \$6.5 million reduction over the two-year period looked at.

10. B Employee Benefits Fund Actuarial Analysis as of June 30, 2019 (Action Item)

Dr. Patani presented the Employee Benefits Fund Actuarial Analysis as of June 30, 2019. She reported that adjustments were made this year because of the impact of COVID-19. Dr. Patani reported the total IBNR is very similar to what was seen last year, only about \$200,000 higher. She stated there is a bigger impact with the known run-out booked. Dr. Patani reported there is a \$3 million dollar difference vs. last years number and that carries over. She reported the total IBNR with an additional 5% margin, we are looking at \$19.5 million to be recorded, which would be a \$3.2 million dollar reduction from the IBNR as of last year.

A motion was made to approve the Employee Benefits Fund Actuarial Analysis as of June 30, 2019.

MOTION: D. Martinez Jr.

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park - Yes

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

10. C Pharmacy Benefit Manager Market Check Results

Dr. Patani explained this is a benchmarking exercise with the contract provisions that NMPSIA has with Express Scripts. The contract provision states that if a benchmark is identified where NMPSIA had the same financial terms, there would be a net improvement to net cost of approximately 3% or better. There is a lot of detail with the specific information for those benchmarks and essentially there may be some opportunity to look at improving

discount guarantees through the next RFP cycle. Dr. Patani stated that NMPSIA can be assured the contract terms with ESI are market competitive.

10. D Waiver of New Patient Visit to a Primary Care Physician Co-pay (Action Item)

Mr. Valerio reported there was lengthy discussion at the BAC with respect to this item. He stated NMPSIA is getting ready to launch a Primary Care Physician Campaign to encourage members that do not have a primary care physician or have not seen their primary care physician to get back and establish those relationships. Mr. Valerio stated that under NMPSIA's benefits there are free annual preventative visits, however if one is new to a primary care physician or have not visited their primary care physician, there is a code in the system that will charge the member \$30. He stated that it is the recommendation of the BAC to waive the \$30 copay for those visits. Mr. Valerio stated the cost impact is \$190,000 to \$200,000.

A motion was made to approve the waiver of new patient visit to a primary care physician co-pay.

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes
Alfred Park - Yes
Denise Balderas - Yes
Tim Crone - Yes
Pauline Jaramillo – Yes
Bethany Jarrell - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Yes

Vote carried unanimously.

10. E 2021 Open Switch Enrollment Update

Mr. Valerio reported on the 2021 Open Switch Enrollment. He stated on the NMPSIA website home page, employees will be able to enroll and switch plan options through the website under this option. Mr. Valerio reported there are videos on the website from the individual carriers for members to review. He stated there will be virtual Q&A sessions for members to log into for additional information.

10. F Interagency Benefits Advisory Council Update

Mr. Valerio reported there was a virtual meeting with the IBAC on September 29, 2020. He stated during the meeting there were discussions with respect to objectives and goals for the upcoming year. Mr. Valerio stated the IBAC will be looking at chronic condition management, acute case management, value-based provider reimbursements, integration of medical and pharmacy data and reducing waste. Mr. Valerio stated at this time another meeting has not been scheduled, but he anticipates it will be sometime next month.

10. G Wellness Update

Ms. Katherine Chavez, Wellness/Operations Manager, reported October is self-care month and the standard of practice is to send communications and email campaigns every month to wellness ambassadors, specialists and those who request to be on the mailing list. Ms. Chavez reported focusing on behavioral health matters. She stated staff will continually recruit and engage schools to be involved in the wellness ambassador program. Ms. Chavez reported that right now there are 36 ambassadors in 11 schools.

Ms. Chavez reported that planning for 2021 has begun for the Naturally Slim Program has begun and reported that there continues to be engaged numbers with respect to the Livongo Program.

11. NEXT MEETING DATE AND LOCATION

Mr. Valerio reported the next meeting will be held virtually on November 5, 2020.

12. ADJOURNMENT (Action Item)

A motion was made to adjourn The NMPSIA Board Meeting at 10:19 a.m.

MOTION: S. Quintana

SECONDED: T. Crone

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park - Yes

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

APPROVED:

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that are difficult to decipher as specific letters.

Mr. Alfred Park, President