

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

Virtual Meeting: <https://global.gotomeeting.com/join/431542669>

Dial in: + 1 (646) 749-3122

Access Code: 431-542-669

**Thursday, February 3, 2022**

**1. Call to Order**

Mr. Al Park, NMPSIA Board President, called the NMPSIA Board Meeting to order at 9:03 a.m. on Thursday, February 3, 2022.

**2. Roll Call**

Ms. Pamela Vigil, called roll.

**Board Members Present:**

Al Park, President

Chris Parrino, Vice-President

Daniel Benavidez (arrived after rollcall)

Tim Crone

Pauline Jaramillo

Bethany Jarrell

K.T. Manis

David Martinez Jr.

Trish Ruiz

**Absent:**

Denise Balderas

Sammy Quintana

**NMPSIA Staff Members Present:**

Patrick Sandoval, Interim Executive Director

Martha Quintana, Chief Financial Officer

Melissa Rael, Financial/HR Manager

Katherine Chavez, Benefits/Wellness Operations Manager

Pamela Vigil, Risk Program Coordinator

Dion Romero, Accountant/Auditor

J. Andrew Arellano, Benefits Management Analyst

Natasha Ortiz, Financial Specialist

**Audience Present:**

Maureen Sergel	BCBSNM
Lisa Guevara	BCBSNM
Richard Cangioli	CCMSI
Louise Carpenter	CCMSI
Kevin Sovereign	CCMSI
Steve Vanetsky	CCMSI
Jerry Mayo	CCMSI
Tammy Pargas	CCMSI
Sam Garcia	Davis Vision
Cathy Fenner	Davis Vision
Rich Bolstad	Delta Dental
JoLou Trujillo-Ottino	Delta Dental
CS Hwa	Erisa Administrative Services
Kathy Payanes	Erisa Administrative Services
Mike Barrios	Erisa Administrative Services
Michelle Alarid	Erisa Administrative Services
Amy Bonal	Erisa Administrative Services
Martin Esquivel	Esquivel & Howington
Jon Molberg	Express Scripts
Ellen Clark	PFM Asset Management
David Poms	Poms & Associates
Julie Garcia	Poms & Associates
Larry Vigil	Poms & Associates
Rika Martinez	Poms & Associates
Grant Banash	Poms & Associates
Steve Valdez	Presbyterian
Nura Patani	Segal
Melissa Krumholz	Segal
Greg Archuleta	The Standard
Stephanie Anthony	United Concordia

**3. Introduction of Guests**

Mr. Patrick Sandoval, Interim Executive Director NMPSIA introduced Mr. Rich Bolstad with Delta Dental, Ms. JoLou Trujillo-Ottino with Delta Dental and Ms. Melissa Krumholz with Segal.

**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. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

**6. Approval of December 2, 2021, Board Minutes (Action Item)**

A motion was made to approve the December 2, 2021 NMPSIA Board Minutes as presented.

**MOTION:** T. Ruiz

**SECONDED:** B. Jarrell

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

**7. Approval of December 7, 2021, Board Minutes (Action Item)**

A motion was made to approve the December 7, 2021, NMPSIA Board Minutes as presented.

**MOTION:** T. Ruiz

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

## **8. Administrative Matters**

### **8. A. Legislative Update**

Mr. Sandoval reported the HAFC Hearing was held on January 11, 2022. NMPSIA submitted a request of \$476,419,700. The committee adopted the LFC request of \$443,488,700 which resulted in a difference of \$32,931,000 less than our request. He stated this is only for expenditure authority and has nothing to do with premium rate setting. Questions were focused on member premium increases due to the rural nature of NMPSIA membership, Joint bid with IBAC and pooling all our lives together. Committee members questioned inequity of employer insurance contribution percentages across the state.

Mr. Sandoval stated staff has completed analysis for HB59 and SB101, the LFC, LESC, NEA and legislators for legislation proposing changes to employer group insurance contribution percentages.

Mr. Sandoval reported HB107 and SB154 are the appropriation bills. He stated as of yesterday SB154 has moved forward and rolled into HB2. The Legislative recommendation was adopted and that is in the HB. The bill contains a special appropriation of \$15 million dollars for COVID-19 costs. The bill has benefit increases capped at 6%, so this will need to be monitored. Neither bill contained BAR language that would allow staff to increase for claims.

Mr. Sandoval stated the last day to introduce legislation was February 2, 2022. He stated Ms. Rika Martinez, Poms & Associates has been tracking the bills and communicating with NMPSIA. Ms. Pamela Vigil has been tracking the bills for NMPSIA and is the custodian of the FIR's that have been coming through.

## **8. B. COVID-19 Update**

Mr. Sandoval reported the COVID-19 Public Health Emergency was renewed from January through April 16, 2022. He stated the COVID-19 costs for October through December were over \$9 million since March of 2020. There have been 119,507 claims for a total spend of \$29.6 million. The Biden Harris Administration required insurance companies and group health plans to cover the cost of COVID-19 at home tests. Communication was sent out to members on January 21, 2022, explaining NMPSIA was complying with the Administrations order and tests would be reimbursed or purchased through Express Scripts. There was a link of the tests that are reimbursable and tests are added every week to the list. Staff did advise members there would be details to come on claim reimbursement and an updated communication was sent out on January 31, 2022, which detailed on how to purchase at home testing kits, seek reimbursements and order online.

Mr. Sandoval reported financial staff has worked hard to gather and enter FEMA reimbursements in the amount of \$20.9 million dollars for the period of March 2020 through September 2021. He stated staff is currently working on gathering information to submit for October 2021 through present. The deadline to submit is through April 1, 2022 and any amount received will be used to offset claims expenditures.

## **8. C. IBAC Update**

Mr. Sandoval reported the IBAC met on December 8, 2021, and January 12, 2022. He reviewed items that were discussed at the IBAC. Carriers provided updates on SB317 and the No Surprises Act Transparency and Coverage Compliance.

## **8. D. SB 317 Update**

Mr. Sandoval reported SB317 (No Behavioral Health Cost Sharing) prohibits member cost sharing for behavioral health services covered by any health care plan, and it is attributable to professional services, outpatient facility services, in patient facility services, ancillary services and prescription drug services. NMPSIA sent out correspondence to members by mail on December 28, 2021. Members were also sent an email on January 11, 2022. A letter on behalf of NMPSIA was also sent to Superintendent of Insurance informing of compliance.

## **8. E. NMSBA Conference**

Mr. Sandoval reported Mr. Esquivel, Ms. Garcia and himself will be presenting tomorrow at the NMSBA Conference on HB128 and on Risk Mitigation.

## **8. F. July 2022 Meeting Location**

Mr. Sandoval reported it is usually now in February to decide where NMPSIA will hold the annual meeting.

Ms. Ruiz stated August is not feasible for educators. She stated July would be an ideal time to hold it. Ms. Ruiz also recommend staff look into Ruidoso, NM for the annual meeting.

Mr. Martinez Jr. stated a special meeting would still need to be held in August. He also requested that a virtual option would be available.

Mr. Esquivel stated a special meeting would still be held in August for official election of officers. He discussed a possible rule change and stated he and Mr. Sandoval would research this.

After discussion, the Board agreed to hold the annual meeting the last week of July in Ruidoso, NM.

## **9. Financial Matters**

### **9. A. Financial Reports – November 2021 (Action Item)**

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending November 30, 2021 for the Employee Benefits Fund. She reported revenue of \$26,969,277.57 and expenses of \$25,673,841.19, which resulted in a gain of \$1,295,436.38 for the month of November.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending November 30, 2021 for the Risk Fund. She reported revenue of \$7,042,078.83 and expenses of \$7,439,220.38, which resulted in a loss of \$397,141.55 for the month of November.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending November 30, 2021 for the Program Support Fund. She reported revenue of \$118,324.00 and expenses of \$132,185.74 which resulted in a loss of \$13,861.74 for the month of November.

Ms. Quintana presented the Balance Sheet for the Agency for period ending November 30, 2021. She reported the Program Support Fund had total assets of \$945,865.76, total liabilities of \$249,398.56 and total fund equity of \$696,467.20. The Employee Benefits Fund had total assets of \$49,785,063.71, total liabilities of \$30,430,482.91 and total fund equity of \$19,354,580.80. The Risk Fund had total assets of \$149,450,598.74, total liabilities of \$138,412,099.00 and a total fund equity of \$11,038,499.74. Total combined fund equity for the agency of \$31,089,547.74.

**MOTION:** D. Martinez Jr.

**SECONDED:** T. Ruiz

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes

Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

**9. B. Financial Reports – December 2021 (Action Item)**

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending December 31, 2021 for the Employee Benefits Fund. She reported revenue of \$28,081,448.99 and expenses of \$30,666,483.84, which resulted in a loss of \$2,585,034.85 for the month of December.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending December 31, 2021 for the Risk Fund. She reported revenue of \$7,544,498.46 and expenses of \$4,889,582.00, which resulted in a gain of \$2,654,916.46 for the month of December.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending December 31, 2021 for the Program Support Fund. She reported revenue of \$118,324.00 and expenses of \$117,208.78 which resulted in a gain of \$1,115.22 for the month of December.

Ms. Quintana presented the Balance Sheet for the Agency for period ending December 31, 2021. She reported the Program Support Fund had total assets of \$920,658.64, total liabilities of \$223,076.22 and total fund equity of \$697,582.42. The Employee Benefits Fund had total assets of \$46,083,914.92, total liabilities of \$29,314,368.97 and total fund equity of \$16,769,545.95. The Risk Fund had total assets of \$141,981,642.81, total liabilities of \$128,288,226.61 and a total fund equity of \$13,693,416.20. Total combined fund equity for the agency of \$31,160,544.57.

**MOTION:** D. Martinez Jr.

**SECONDED:** P. Jaramillo

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

### **9. C. Investment Performance Review for the Quarter Ended December 31, 2021**

Ms. Ellen Clark, Director PFM Asset Management, provided the Investment Performance Review for the Quarter Ended December 31, 2021. She reported on the Markets and Economy and stated inflation was high this quarter, including the Federal Reserve as the cost of living kept climbing. The U.S. Market continues its steady march towards maximum employment and Omicron remains at the forefront as the U.S. surpassed 1 million new COVID-19 cases.

Ms. Clark reported on the Domestic Equity, Non-U.S. Equity and Fixed Income. She reviewed the Benefit Fund Performance, Asset Allocation & Performance, Plan Sponsor Peer Group Analysis, Financial Reconciliation, Asset Allocation Compliance - Total Fund and Historical Hybrid Composition – Blended Benchmark.

Ms. Clark reviewed the Risk Fund Performance, Asset Allocation & Performance, Plan Sponsor Peer Group Analysis, Financial Reconciliation, Asset Allocation Compliance - Total Fund and Historical Hybrid Composition – Blended Benchmark.

### **9. D. Rebalancing and Increase of Long-Term Investments (Action Item)**

Ms. Clark stated at the December 2, 2021, NMPSIA Board Meeting, the Board voted to:

1. Adopt a new target asset allocation for both the Risk Fund and the Benefits Fund of 65% equity, 35% fixed income.
2. Update the Long-Term Funds Investment Policy Statement to reflect the new target asset allocation, asset class ranges and a total return target of 6.50%.
3. Add \$9 million in excess cash to the SIC Risk Fund.

Ms. Clark reported since December the markets have been volatile. The gains experienced in the fourth quarter 2021 have largely evaporated due to a market correction in January 2022. However, despite the recent market volatility, PFM continues to recommend allocating the additional \$9 million to the Risk Fund and rebalancing the two funds to be overweight both domestic and international equity at the expense of an underweight in fixed income. The specific balancing is outlined below:

#### **Benefits Fund**

Buy \$525,00 Large Cap Fund  
Buy \$775,00 Small/Mid Cap Fund  
Buy \$575,000 Non – US Developed Fund  
Buy \$600,000 Non – US Emerging Fund  
Sell \$2,475,000 Core Plus Bond Fund



**Risk Fund**

Buy \$3,350,000 Large Cap Fund  
Buy \$1,400,000 Small/Mid Cap Fund  
Buy \$2,000,000 Non – US Developed Fund  
Buy \$850,000 Non – US Emerging Fund  
Buy \$1,400,000 Core Plus Bond Fund

A motion was made to approve the Rebalancing and Increase of Long-Term Investments.

**MOTION:** C. Parrino

**SECONDED:** T. Ruiz

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President - Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

**10. Risk Matters**

**10. A TPA Reports**

**10.A.1. Property & Liability Monthly Claims Report**

Mr. Steve Vanetsky, CCMSI, reported on the Property & Liability Monthly Claims Report for the month of November 2021. There were 334 open claims, 47 new claims and 38 claims were closed. Reserves totaled \$41,701,960.86 and payments were \$26,397,058.48 for a total of \$68,099,019.34.

Mr. Vanetsky reported on the Property & Liability Monthly Claims Report for the month of December 2021. There were 320 open claims, 35 new claims and 51 claims were closed. Reserves were at \$42,435,932.08 and payments were \$25,550,928.68 for a total of \$67,986,860.76.

**10.A.2. Property & Liability Large Losses**





Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote: Vote carried unanimously.**

#### **10. D. OSHA Briefing and Vaccine Rules for Employers**

Ms. Julie Garcia, Poms & Associates, reported on the OSHA Briefing and Vaccine Rules for Employers. She reviewed a timeline of events in detail that has led to a stay on mandates.

#### **10. E. Vector Solutions Training and Compliance Update**

Ms. Garcia reported in the month of December five schools enrolled in training. She stated there are 1,000 new participants in the program, but this is still below target. New communications have been sent out and staff continues to push schools to enroll in the program.

Ms. Ruiz stated personally going through this training, she found them clear and easy to follow.

#### **10. F. Loss Prevention Update**

Ms. Garcia presented a weather alert that was mailed out last week to all schools advising them of weather hazards and impacts. She stated temperatures are going to impact schools across the state.

Ms. Garcia reported a gymnastics camp in Pennsylvania has urged a Federal Judge to toss a family's claim that the camp negligently hired a coach who sexually assaulted their teenage daughter at the camp. The camp is saying they cannot be held liable because the coach acted out of his scope of employment. Ms. Garcia stated scope of employment is in some of the language in NMPSIA's MOC.

Mr. Larry Vigil, Poms & Associates, provided a report on recommendations that have been issued to schools through the loss prevention consultants that have been reviewed to determine if they have been acted upon. He explained the difference between the Capital category and the Non-Capital recommendations. Staff is focused on the Non-Capital recommendations because they are easier to fix. The Capital recommendations are more expensive and tend to take more time to correct. In November there were 337 Non-Capital recommendations, 312 of them were acted on or completed, which results in a 93% rate of correction. During the month of December there were 137 Non-Capital recommendations, 106 of them were acted on or corrected which results in a 77% rate of correction. For both November and December there were 418 corrected out of 474 recommendations which results in a correction rate of 88%.

#### **11. Benefits Matters**

### **11. A. Temporary Waiver of Premium Penalties Update (Action Item)**

Ms. Quintana reported the Board had initially approved an extension of the payment due date and waiver of penalty back in April of 2020. She stated the payment due date was moved from the 10<sup>th</sup> of the month to the 20<sup>th</sup> of the month for a ten-day grace period and no penalties assessed. Currently there are five entities that paid after the 20<sup>th</sup>, but they did have extenuating circumstances, so no penalties were assessed.

Ms. Quintana stated yesterday the BAC agreed there has not been an abuse of this extension.

Mr. Parrino stated the BAC is recommending the extension of the waiver of premium penalties through August 31, 2022.

A motion was made to approve the recommendation of the BAC to extend the waiver of premium penalties through August 31, 2022.

**MOTION:** D. Martinez Jr.

**SECONDED:** D. Benavidez

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Al Park, President – Yes  
Chris Parrino, Vice-President - Yes  
Pauline Jaramillo, Secretary - Yes  
Daniel Benavidez – Yes  
Tim Crone - Yes  
Bethany Jarrell – Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz – Yes

**Vote: Vote carried unanimously.**

### **11. B. Delta Dental Annual Report**

Mr. Bolstad reviewed the Delta Dental Annual Report. He discussed:

- Low Plan Demographics and Financials
- Low Plan Distributions
- Low Plan Cleanings and Exams
- High Plan Demographics and Financials
- High Plan Distributions









**12. Next Meeting Date and Location**

Thursday, March 3, 2022, via go to meeting (virtual).

**13. Adjournment (Action Item)**

A motion was made to adjourn the meeting at 11:28 a.m.

**MOTION:** P. Jaramillo

**SECONDED:** T. Ruiz

**APPROVED:**

DocuSigned by:

*Alfred A. Park*

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Mr. Alfred Park, President