

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

Virtual Meeting: <https://global.gotomeeting.com/join/586662677>

**Dial in: + 1 (646) 749-3122
Access Code: 586-662-677**

Thursday, March 4, 2021

1. Call to Order

Mr. Al Park, NMPSIA Board President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, March 4, 2021.

2. Roll Call

Ms. Pamela M. Vigil, called roll.

Present via virtual meeting/telephonic meeting:

Alfred Park, President
Chris Parrino, Vice-President
Pauline Jaramillo, Secretary
Tim Crone
Bethany Jarrell
Sammy Quintana
David Martinez Jr.
Ricky Williams

Absent:

Denise Balderas
K.T. Manis

Staff Members Present via virtual/telephonic meeting:

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

Audience present via virtual/telephonic meeting:

Aaron Hildebrandt	Pinnacle Actuarial Resources, Inc.
Matt Meade	Pinnacle Actuarial Resources, Inc.
Martin Esquivel	Esquivel & Howington
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Tammy Pargas	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Kevin Sovereign	CCMSI
Jerry Mayo	CCMSI
Steve Vanetsky	CCMSI
Daniel Warner	Cigna
Dr. Nura Patani	Segal
Melissa Krumholz	Segal
Sam Garcia	Davis Vision
Debby Holt	United Concordia
Rich Bolstad	Delta Dental
JoLou Trujillo-Ottino	Delta Dental
Steve Valdez	Presbyterian
Lia Gaine	Presbyterian
Kathy Payanes	Erisa
CS Hwa	Erisa
Kevin Garcia	Erisa
Michelle Alarid	Erisa
Lourdes Rael	Erisa
Mike Barrios	Erisa
Lisa Guevara	BCBS
Jeanine Patterson	BCBS
Marlene Mier	BCBS
Jennifer Oswald	Standard
Jon Molberg	Express Scripts

3. Introduction of Guests

There were no guests.

4. Citizens to Address the Board (five- minute time limit)

There were no citizens to address the Board.

Mr. Sammy Quintana, NMPSIA Board Member, expressed his condolences for the sudden and tragic passing of Dr. Karen Trujillo, Superintendent, Las Cruces Public School District.

Mr. Richard Valerio, Executive Director, NMPSIA, indicated staff would send a sympathy card or convey a condolence message via the funeral home website on behalf of the NMPSIA Board and NMPSIA Staff.

5. Approval of the Agenda (Action Item)

Mr. Valerio requested item 10.D be tabled.

A motion was made to approve the agenda as amended.

MOTION: C. Parrino

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

6. Approval of February 4, 2021 Minutes (Action Item)

A motion was made to approve the February 4, 2021 Virtual Board Minutes as presented.

MOTION: C. Parrino

SECONDED: B. Jarrell

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

7. Administrative Matters

7.A. Staff Update

Mr. Valerio stated last month he informed the Board that staff was in the process of interviewing individuals for two vacant positions within the Benefits Department. He reported one of the positions has been filled internally. Mr. Andrew Arellano has been promoted to Management Analyst in the Benefits Department. Mr. Valerio stated Mr. Arellano has been with NMPSIA approximately one year and congratulated him on his promotion. Mr. Valerio reported staff has completed interviews for the Benefits Program Coordinator position and is hoping to select a finalist in the coming days.

7.B. Legislative Update

Mr. Valerio reported the Legislative Update was discussed in detail at the Risk Advisory Committee and Benefits Advisory Committee Meetings yesterday. He stated a condensed version would be provided to the Board unless there are any questions with respect to a specific bill.

Mr. Valerio reported on HB128, School Personnel Background and Training Bill. He reported this bill amends the School Personnel Act to address ethical misconduct and child abuse issues regarding school employees, volunteers, contractors', and contractor's employees. Mr. Valerio stated he sent an article to the RAC and Board that KRQE News wrote with respect to HB128. He thanked NMPSIA staff, Poms & Associates staff and Mr. Martin Esquivel, NMPSIA General Counsel, for all of the hard work done on this bill. Mr. Valerio stated this bill has passed the House Floor and is now in the Senate Education Committee.

Ms. Julie Garcia, Poms & Associates, reported there have been many amendments made to HB128. She reported one of the most significant change is the definition of sexual misconduct was removed and because ethical misconduct was defined it was left in. She reviewed the definition of ethical misconduct as it relates to the bill in detail. Ms. Garcia stated loss control training will have to be changed to focus more on the behavior barrier policy.

7.C. COVID-19 Update

Mr. Valerio reported this item was discussed at the Benefits Advisory Committee in detail. He stated Mr. Patrick Sandoval, Deputy Director, NMPSIA reported through the end of January, there are a total of 29,011 claims with a cost of \$10.8 million dollars. He stated the initial estimated projection was \$4.9 million.

8. FINANCIAL MATTERS

8. A. Financial Reports for January 2021 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 1/1/2021 through 1/31/2021. The Benefits Fund had revenues

in the amount of \$27,158,167.96; expenditures in the amount of \$28,185,841.44; resulting in a loss of \$1,027,673.48.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 1/1/2021 through 1/31/2021. The Risk Fund had revenues in the amount of \$6,923,908.75; expenditures in the amount of \$9,007,366.37; resulting in a loss of \$2,083,457.62.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 1/1/2021 through 1/31/2021. The Program Support Fund had revenues in the amount of \$116,750; expenditures in the amount of \$96,472.34; resulting in a gain of \$20,277.66.

Mr. Sandoval reviewed the balance sheet for the period 1/1/2021 through 1/31/2021. Program Support had total assets of \$1,074,733.53, total liabilities of \$260,899.11, and fund equity of \$813,834.42. Employee Benefits had total assets of \$62,951,431.38, total liabilities of \$28,416,180.88, and fund equity of \$34,535,250.50. Risk had assets of \$130,696,071.06, total liabilities of \$135,250,160.00, and a total fund equity loss of \$4,554,088.94. Total assets for the agency were \$194,722,235.97 and total liabilities of \$163,927,239.99. Combined fund equity for the agency was \$30,794,995.98.

A motion was made to approve the Financial Reports for January 2021 as presented.

MOTION: D. Martinez Jr.

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried unanimously.

9. Risk Matters

9.A. Loss Reserve and Funding Analysis as of 12/31/2020 (Action Item)

Mr. Aaron Hildebrandt, Pinnacle Actuarial Resources, Inc. and Mr. Matt Meade, Pinnacle Actuarial Resources, Inc., reviewed the Loss Reserve and Funding Analysis as of 12/31/2020. Mr. Hildebrandt reviewed the following items in detail:

- 2014-15 Liability Aggregate Retention
- Actual vs. Expected Loss Development 6/30/2020 to 12/31/2020
- Claims with Large Negative Development- General Liability
- Ultimate Loss Trends
- Frequency/Severity/Loss Cost Trends
 - Workers Compensation
 - General Liability
- Summary of Results of 12/31/2020 analysis

Mr. Hildebrandt and Mr. Meade presented the following summary of results:

Loss and LAE Reserve Estimates - Nominal Value (Undiscounted) as of 12/31/2020				
		Property & Liability	Workers Compensation	Total
Claim Reserves		\$20,760,109	\$13,808,433	\$34,568,542
IBNR Reserves	Low	30,183,082	22,123,663	52,306,745
	Central	33,368,143	24,782,866	58,151,010
	High	36,553,205	27,442,069	63,995,274
Total Reserves	Low	50,943,191	35,932,096	86,875,287
	Central	54,128,252	38,591,299	92,719,551
	High	57,313,314	41,250,502	98,563,816

Loss and LAE Reserve Estimates - Present Value (Discounted) as of 12/31/2020				
		Property & Liability	Workers Compensation	Total
Claim Reserves		\$19,399,061	\$12,595,213	\$31,994,274
IBNR Reserves	Low	28,927,688	20,161,954	49,089,642
	Central	31,950,686	22,580,452	54,531,138
	High	34,973,684	24,998,950	59,972,634
Total Reserves	Low	48,326,748	32,757,168	81,083,916
	Central	51,349,746	35,175,666	86,525,412
	High	54,372,744	37,594,164	91,966,908

Funding Estimate - Nominal Value (Undiscounted) as of 12/31/2020			
Policy Period	Property & Liability	Workers Compensation	Total
2021-2022	\$25,486,429	\$12,172,569	\$37,658,999
2022-2023	27,641,824	12,379,645	40,021,470
2023-2024	29,985,802	12,590,692	42,576,494

Funding Estimate - Present Value (Discounted) as of 12/31/2020			
Policy Period	Property & Liability	Workers Compensation	Total
2021-2022	\$23,961,271	\$11,257,974	\$35,219,244
2022-2023	25,992,629	11,449,491	37,442,120
2023-2024	28,202,185	11,644,681	39,846,866

A motion was made to approve the Loss Reserve and Funding Analysis as of 12/31/2020.

MOTION: S. Quintana

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried unanimously.

9.B. FY22 Risk Premium Rate Setting (Action Item)

Mr. Sandoval presented the FY22 Risk Premium Rate Setting. He reviewed the process on how the numbers are derived. He stated the numbers are derived from projected expenditures for the next five-years and are based on Pinnacle Actuarial Services, Inc. report. Mr. Sandoval stated there were not any increases passed on this Fiscal Year. He reviewed the Risk Projection Schedule and scenarios in detail.

Mr. Park stated the RAC spent a considerable amount of time discussing the different scenarios and are recommending the following Scenario C Risk Premium:

<u>Rate Action</u>	<u>Premium Income</u>
FY22 7/1/2021 4.57%	\$ 86,891,443
FY23 7/1/2022 4.57%	\$ 90,862,382
FY24 7/1/2023 7.49%	\$ 97,667,974
FY25 7/1/2024 3.60%	\$ 101,184,021
FY26 7/1/2025 4.92%	\$ 106,162,275

A motion was made to approve Scenario C as presented.

MOTION: P. Jaramillo

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

9.C TPA Reports

9.C.1. Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI reported on the Property & Liability Monthly Claims Report. He stated for the month of January 2021 there were 306 open claims, 26 new claims and 30 claims were closed. Mr. Venetsky reported reserves were at \$65,773,818.95, payments were \$21,572,841.16 for a total of \$87,346,660.11.

9.C.2. Property & Liability Large Losses

Mr. Vanetsky reported on a significant occurrence during the month of February in Carrizozo. He stated a number of overhead fire suppression lines froze and ruptured. Mr. Vanetsky reported this affected 11 different locations and 13 facilities. Multiple classrooms were flooded and some gymnasium floors. He stated an update will be provided next month on the potential exposure.

A video was shown to the committee showing the flooding and damage to classrooms.

9.C.3. Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo, CCMSI provided the Workers' Compensation Monthly Claims Report for Districts as of January 31, 2021. He reported during the month of January there were 719 open claims, 57 new claims, 14 claims were re-opened, and 85 claims were closed. Mr. Mayo reported reserves were at \$14,468,584.16; payments were \$49,988,601.75; for a total of \$64,457,185.91.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of January 31, 2021. Mr. Mayo reported during the month of January, there were 25 open claims, and 2 claims were closed, and 1 claim was re-opened. Mr. Mayo reported reserves were at \$902,717.50; payments were \$1,362,504.31, for a total of \$2,265,221.81.

9.C.4. Workers' Compensation Large Losses

Mr. Mayo reported there were four claims over the amount of \$50,000 in the month of January. He reviewed the large claims and the total reserves associated.

9.D. Loss Prevention Update

Ms. Julie Garcia reported that this item was covered in the Legislative Update.

Mr. Park thanked the staff of Poms & Associates for all their hard work with HB128 legislation.

10. Benefits Matters

10.A. PED Surveillance Testing Requirement (Action Item)

Mr. Valerio reported this item was brought to the Board last month to request approval to deny COVID-19 surveillance testing claims. After it was approved, staff discovered there is not a component within the system to determine the difference between a COVID-19 surveillance test for work versus a necessary diagnostic COVID-19 test. Mr. Valerio stated the only way of denying the claims is to implement a policy that would allow tests for members that have exposure to COVID-19 or are symptomatic. Mr. Valerio stated members that are undergoing home testing, and surveillance testing would be excluded.

He went on to report it was the recommendation of the BAC to implement a policy that would allow tests for members that have exposure to COVID-19 or are symptomatic. In addition to implementing the policy, staff is requesting another month to pay for surveillance testing through 3/31/2021 until all the testing issues are resolved.

A motion was made to approve the request as presented.

MOTION: C. Parrino

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried unanimously.

10.B. NMPSIA Mobile Application

Mr. Valerio reported that staff is excited to announce the launch of the NMPSIA Mobile Application. He stated this Application will give members the opportunity access coverage information, premium information, etc. Mr. Valerio stated this has been in the works for quite some time. Erisa has been working hard to get this application developed and will manage this mobile application in addition to the NMPSIA website. Mr. Valerio reported staff is currently working to get this out to some schools as a pilot program in the upcoming months.

Mr. Kevin Garcia, Erisa Administrative Services, provided a detailed overview of the NMPSIA Mobile Application and the features/tools that will be available through this Application. He reported once this is rolled out it will be available in the Apple App. Store and the Google Play Store.

Mr. Parrino stated he is excited for the NMPSIA Mobile Application and the ability to test it out before it goes live.

Mr. Valerio asked if there are any members on the RAC or BAC that would like a demo phone to test the application to contact him.

10.C. Approval of Amendment/Extension to Erisa Administrative Services, Inc. Professional Services Agreement (Action Item)

Mr. Valerio presented the Amendment/Extension to the Erisa Administrative Services, Inc. professional services agreement. He stated this will extend the contract for the next Fiscal Year beginning on July 1, 2021 and it is amending the scope of work to include the maintenance of the mobile application in addition to the website. Mr. Valerio stated there is no change in the compensation. He stated it is the recommendation of the BAC to approve this item.

A motion was made to approve the Amendment/Extension to Erisa Administrative Services, Inc. Professional Services Agreement.

MOTION: D. Martinez Jr.

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Tim Crone - Yes

Pauline Jaramillo – Not present to vote.

Bethany Jarrell - Yes

Sammy Quintana – Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried.

10.D. Participating Entity Reporting Requirement (Action Item)

This item was tabled.

10.E. United Concordia Back-to-School Kits

Mr. Valerio reported on United Concordia's endeavor to provide Back-to-School Kits for school districts that are re-opening. He stated the kits included face shields, sanitizer, posters, etc. He also reported there is a special price agreement for districts that would like to re-order supplies. Mr. Valerio thanked United Concordia for getting the supplies to the districts. He stated schools have expressed their gratitude for these kits.

10.F. Wellness Update

Ms. Katherine Chavez, Benefits/Wellness Operations Manager, NMPSIA, reported on the current wellness efforts. She reported March is Ergonomics month and staff will be working on a back-to-basics plan for members on how to create a healthy workstation.

Ms. Chavez reported the Resiliency Series begins today at 3:30 p.m. and the first topic is "Healing Our Losses".

Ms. Chavez also reported the Solutions Group recently sent out an informative wellness program booklet outlining all of the wellness opportunities. She stated this is a wonderful tool to assist members in choosing an appropriate program.

Finally, Ms. Chavez reported BCBS Naturally Slim Program will be re-branded and will have a new look. She stated communications will be sent out on March 29, 2021 to current and prior Naturally Slim Members. Ms. Chavez stated the name will be called Wonder Health and the start date will be May 13, 2021.

11. General Discussion

Mr. Park asked members if they have any items to discuss.

Mr. Parrino stated he would love to hear from any schools that have re-opened.

Ms. Jarrell reported this is the second week for her district in hybrid for all elementary students. She stated it is going well so far and explained the screening process for all students entering the building.

Mr. Williams reported his district is back to in person learning. He stated there are mitigation steps in place.

Ms. Garcia reported there is an interesting study performed at the Georgia School District with respect to COVID-9 transmission. She stated she would email the article to Board and Staff.

12. Next Meeting Date and Location

Mr. Park stated hopefully the Board can return to in-person meetings in the fall. He stated this must be done in a safe and responsible manner.

Mr. Valerio reported the next meeting will be held virtually on Thursday, April 8, 2021.

13. Adjournment (Action Item)

A motion was made to adjourn The NMPSIA Board Meeting at 10:08 a.m.

MOTION: C. Parrino

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried.

APPROVED:

A handwritten signature in black ink, appearing to read 'A. Park', written over a horizontal line.

Mr. Alfred Park, President