

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

Virtual Meeting: <https://global.gotomeeting.com/join/994455861>

**Dial in: +1(646) 749-3122
Access Code: 994-455-861**

Thursday, August 6, 2020

1. Call to Order

Mr. Chris Parrino, President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, August 6, 2020.

2. Roll Call

Ms. Pamela Vigil, called roll.

Present via virtual meeting/telephonic meeting:

Chris Parrino, President
Alfred Park, Secretary
Denise Balderas
Tim Crone
Pauline Jaramillo
Sammy Quintana
David Martinez Jr.
Trish Ruiz
Ricky Williams

Absent:

Bethany Jarrell

Staff Members Present via virtual/telephonic meeting:

Richard Valerio, Executive Director
Patrick Sandoval, 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:

Marc Saavedra	NMCUP
Therese Graham	NMCUP
Martin Esquivel	Esquivel & Howington
Ellen Clark	PFM
Joseph Federico	PFM
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Peter Meilleur	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Tammy Pargas	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Steve Vanetsky	CCMSI
Kim Trimble	CCMSI
Joe Guillen	New Mexico School Boards Association
Michelle Duval	The Mindful Center
Robert Nott	Santa Fe New Mexican
Dr. Nura Patani	Segal
Melissa Krumholz	Segal
Sam Garcia	Davis Vision
Stephanie Anthony	United Concordia
Lisa Guevara	BCBSNM
Heather Leclerc	BCBSNM
Maureen Sergel	BCBSNM
Cynthia Grajeda	Presbyterian
Steve Valdez	Presbyterian
Connor Jorgensen	LFC
Joseph Simon	LESC
Kathy Payanes	Erisa
Lourdes Rael	Erisa
Mike Barrios	Erisa
Martha Quintana	Standard
Jon Molberg	Express Scripts
Harris Zeyae	Express Scripts
Kelly Riddle	WNMU

3. Introduction of Guests

Mr. Richard Valerio, Executive Director, NMPSIA introduced Ms. Michelle Duval, The Mindful Center.

Mr. Valerio introduced Mr. Robert Nott, Santa Fe New Mexican.

Mr. Valerio introduced Mr. Mark Saavedra and Ms. Therese Graham, Council of University Presidents.

Mr. Valerio introduced Mr. Jon Molberg, Senior Account Executive, Express Scripts.

Mr. Molberg provided some career background history to the NMPSIA Board.

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: P. Jaramillo

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Not Present to Vote

Vote carried unanimously.

6. Approval of June 4, 2020 Virtual Board Minutes (Action Item)

A motion was made to approve the June 4, 2020 Virtual Board Minutes as presented.

MOTION: T. Ruiz

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Not Present to Vote

Vote carried unanimously.

7. Approval of June 25, 2020 Virtual Board Minutes (Action Item)

A motion was made to approve the June 25, 2020 Virtual Board Minutes as presented.

MOTION: S. Quintana

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Not Present to Vote

Vote carried unanimously.

8. The Mindful Center Presentation- “What to Do When You’re Freaking Out”

Ms. Michelle Duval, The Mindful Center, provided an interactive presentation outlining techniques on “What to Do When You’re Freaking Out”.

Ms. Denise Balderas thanked Ms. Duval for the presentation and the breathing techniques to help relax.

9. Administrative Matters

9. A Open Meetings Act Resolution (Action Item)

Mr. Martin Esquivel, NMPSIA General Counsel stated this is the annual requirement of the New Mexico Open Meetings Act, which requires policy-making bodies to pass an Open Meetings Act Resolution. He stated the resolution sets forth the meeting times, notice

requirements, meeting description and closure of meetings. He stated the only difference is this year there will be three days' notice instead of the previous five days' notice for completion of the agenda. Mr. Esquivel stated this is fully consistent with the Attorney Generals Compliance Guide on the Open Meetings Act. He explained this would allow staff more flexibility in preparing the agenda.

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

MOTION: P. Jaramillo

SECONDED: R. Williams

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

9. B Election of Officers (Action Item)

Mr. Parrino stated he is serving as the Interim Board President as a result of Ms. Mary Parr-Sanchez's departure. He stated it is now time to proceed with the election of the officers.

Mr. Esquivel stated pursuant to NMPSIA Rules, August is the annual meeting and election of the President, Vice-President and Secretary of the NMPSIA Board of Directors, which will form the Executive Committee. He explained the process that will be used, is to open nominations for first the President, then the Vice-President and lastly the Secretary. Mr. Esquivel stated someone will need to move to open the nomination process first for President, then Vice-President and then Secretary. He stated at a certain point a motion will be needed to close nominations, followed by a vote.

A motion was made to open nominations for the NMPSIA Board of Directors President.

MOTION: T. Ruiz

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

Mr. Parrino nominated Mr. Alfred Park for the position of NMPSIA Board President.

Mr. Esquivel asked if there were any other nominations.

Mr. Sammy Quintana made a motion to close nominations and elect Mr. Al Park as President of the NMPSIA Board by acclamation.

MOTION: S. Quintana

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

Mr. Parrino congratulated Mr. Al Park on his appointment of the NMPSIA Board President.

Mr. Park thanked the Board for his appointment.

A motion was made to open nominations for the NMPSIA Board of Directors Vice-President.

MOTION: T. Ruiz

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

Mr. Martinez Jr. nominated Mr. Chris Parrino for the position of NMPSIA Board Vice-President.

Mr. Parrino asked if there were any other nominations.

Mr. Quintana made a motion to close nominations and elect Mr. Chris Parrino as Vice-President of the NMPSIA Board by acclamation.

MOTION: S. Quintana

SECONDED: T. Ruiz

A roll call vote was taken.

Ms. Vigil called roll:

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

Vote carried unanimously.

Mr. Parrino thanked the Board for his appointment.

A motion was made to open nominations for the NMPSIA Board of Directors Secretary.

MOTION: T. Crone

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

Mr. Tim Crone nominated Ms. Trish Ruiz for the position of NMPSIA Board Secretary.

Mr. Parrino asked if there were any other nominations.

Mr. Quintana made a motion to close nominations and elect Ms. Trish Ruiz as Secretary of the NMPSIA Board by acclamation.

MOTION: S. Quintana

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
Sammy Quintana - Yes
David Martinez Jr. - Yes
Ricky Williams - Yes

Vote carried unanimously.

Ms. Ruiz thanked the Board for her appointment.

9. C COVID-19 Update

Mr. Valerio reported the Federal Government has extended the public health emergency for an additional 90 days for the second time. He stated the order will end on October 23, 2020. Mr. Valerio explained this public emergency declaration is important to health plan sponsors because insurers must pay for COVID-19 tests and related services, which is what NMPSIA has been doing since March.

Mr. Valerio reported Presbyterian has reported from March 30, 2020 through July 30, 2020 there have been 1,245 COVID-19 related claims, 11 members have tested positive for COVID-19, for a total spent of \$407,095 in claims.

Mr. Valerio reported BCBS provided an update through June 30, 2020. He stated there have been 1077 COVID-19 related claims, 28 members have tested positive for COVID-19, for a total spent of \$283,583 in claims.

Mr. Valerio stated yesterday at the BAC, Mr. Martinez Jr., asked questions with respect to long-term disability and short-term disability in relation to COVID-19. Ms. Martha Quintana, The Standard, confirmed that benefits are being paid out if at any time an employee is not able to perform his or her work duties. Mr. Martinez Jr. also inquired about Workers' Compensation in relation to COVID-19. Mr. Valerio stated he followed up with CCMSI. He reported at this time the State has required that all claims with respect to this issue be investigated. Mr. Valerio stated there have not been many claims, but there are some and they have been denied. He stated it is extremely difficult to determine that the virus was caught in the workplace, but this may change with contact tracing or as more determinations are made in the courts.

Mr. Quintana stated on an un-related matter, COVID-19 has had an effect on a lot of other issues. He asked Mr. Valerio when he was appointed to Executive Director of NMPSIA.

Mr. Valerio stated he was appointed in April of 2020.

Mr. Quintana asked Mr. Valerio when Mr. Sandoval was appointed to Deputy Director.

Mr. Valerio stated Mr. Sandoval was appointed in April 2020, but the paperwork is still pending at the Governor's office.

Mr. Quintana stated it has already been 4 months without a pay increase for Mr. Valerio and Mr. Sandoval and there is no retroactive pay. He stated this does not seem fair and he is not sure what the Board can do about this.

Mr. Valerio stated actions are still pending approval at DFA. He stated he is under the impression the office is closed, and staff is tele-working.

Mr. Quintana asked if there is anything the Board can do to get this approved.

Mr. Park stated he strongly agrees with Mr. Quintana. He stated COVID-19 has caused a lot of issues, and everyone is adapting. Mr. Park asked if the Board should direct NMPSIA General Counsel to draft a letter to DFA and The Governor's Office asking for a status update.

Mr. Parrino agreed a letter should be drafted to show support for staff.

Mr. Quintana asked if there could be a revision to include retroactive pay for the Executive Director and the Deputy Director.

Mr. Parrino stated this can be included in the letter.

Mr. Esquivel agreed to draft a letter to be signed by the Board members.

Mr. Park thanked Mr. Quintana for bringing this important issue up.

9. D Approval of OAG Discovery MOU for Opioid Litigation (Action Item)

Mr. Valerio reported a while back there was an Executive Session and the Attorney General's Office was present to discuss the Generic Prescription Price Fixing Litigation that they were going to pursue. He stated at this time they asked if NMPSIA would be willing to participate, and provide documentation and data pertaining to our membership. Mr. Valerio stated NMPSIA staff asked if there would be any money received if an award was made. He stated based on conversations, NMPSIA would probably not receive any money. Mr. Valerio stated since then, there is another related lawsuit with respect to Opioid Litigation and the Attorney Generals' Office has started asking for more information pertaining to this lawsuit. He stated they have presented him with an MOU for the Board to approve. Mr. Valerio presented the draft MOU for review. He stated Mr. Esquivel has reviewed the document.

A motion was made to approve the OAG Discovery MOU for Opioid Litigation.

MOTION: A. Park

SECONDED: R. Williams

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes

Alfred Park - Yes

Denise Balderas – Abstained

Tim Crone - Yes

Pauline Jaramillo - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried.

10. FINANCIAL MATTERS

10. A Financial Reports for May 2020 (Action Item)

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 5/1/2020 through 5/31/2020. The Benefits Fund had revenues in the amount of \$27,032,220.24; expenditures in the amount of \$20,811,352.04; resulting in a gain of \$6,220,868.20.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 5/1/2020 through 5/31/2020. The Risk Fund had revenues in the amount of \$17,218,936.88; expenditures in the amount of \$5,881,234.25; resulting in a gain of \$11,337,702.63.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 5/1/2020 through 5/31/2020. The Program Support Fund had revenues in the amount of \$110,182; expenditures in the amount of \$87,583.21; resulting in a gain of \$22,598.79.

Mr. Sandoval reviewed the balance sheet for the period 5/1/2020 through 5/31/2020. Program Support had total assets of \$1,005,335.67, total liabilities of \$96,415.06, and fund equity of \$908,920.61. Employee Benefits had total assets of \$55,702,856.13, ending liabilities of \$29,875,999.49, and fund equity of \$25,826,856.64. Risk had assets of \$96,448,848.81, liabilities of \$94,633,515.63, and a fund equity of 1,815,333.18. Total assets for the agency were \$153,157,040.61 and ending liabilities of \$124,605,930.18. Combined fund equity for the agency was \$28,551,110.43.

A motion was made to approve the May 2020 Financial Reports as presented.

MOTION: D. Martinez Jr.

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

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

10. B Financial Reports for June 2020 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 6/1/2020 through 6/30/2020 The Benefits Fund had revenues in the amount of \$26,917,965.07; expenditures in the amount of \$24,343,846.55; resulting in a gain of \$2,574,118.52.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 6/1/2020 through 6/30/2020 The Risk Fund had revenues in the amount of \$5,199,759.51; expenditures in the amount of \$7,336,437.88; resulting in a loss of \$2,136,678.37.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 6/1/2020 through 6/30/2020. The Program Support Fund had revenues in the amount of \$110,182.00; expenditures in the amount of \$306,609.72; resulting in a loss of \$196,427.72.

Mr. Sandoval reviewed the balance sheet for the period 6/1/2020 through 6/30/2020. Program Support had total assets of \$1,009,771.92, total liabilities of \$297,279.03, and fund equity of \$712,492.89. Employee Benefits had total assets of \$62,392,316.38, ending liabilities of \$33,991,341.22, and fund equity of \$28,400,975.16. Risk had assets of \$94,324,274.55, liabilities of \$94,645,619, and a loss of \$321,345.19. Total assets for the agency were \$157,726,362.85 and ending liabilities of \$128,934,239.99. Combined fund equity for the agency was \$28,792,122.86.

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

MOTION: P. Jaramillo

SECONDED: A. Park

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

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

10. C Investment Performance Review for the Quarter Ended June 30, 2020 (Action Item)

Ms. Ellen Clark, PFM reported on the Investment Performance Review for the Quarter Ended June 30, 2020. She reported March 2020 was a difficult month, but the month of July has been very positive for the US Stock Markets. She reported there have been very strong positive returns in the Domestic Equity Markets and the International Equity Markets. The markets have been led by consumer discretionary and technology, primarily high-tech firms that have not been disrupted much by the COVID-19 pandemic and the slowing of the economy. Ms. Clark reported there continues to be strong performance and we are now in positive territory.

Ms. Clark reported that as of June 30, 2020 the Benefits Fund had a portfolio value of \$21 million dollars. She stated the quarter return was a slight bit ahead of the benchmark and about 13.2%. Ms. Clark reported the portfolio has an average annual return of about 5.5 %

Ms. Clark reported the Risk Fund has a lower value than the Benefits Portfolio at \$8.9 million dollars. She stated the quarter return was 12%. Ms. Clark reported the portfolio has an average annual return of 5.3%.

Ms. Clark reported PFM is not recommending any changes as far as rebalancing to the portfolios at this time. She stated NMPSIA is sitting on the targets for each one of the asset classes.

A motion was made to approve the Investment Performance Review for the Quarter Ended June 30, 2020.

MOTION: P. Jaramillo

SECONDED: A. Park

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

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

10. D Fiscal Year 2022 Appropriation Request (Action Item)

Mr. Sandoval presented the Fiscal Year 2022 Appropriation Request. He stated starting with the Program Support Fund; staff is requesting a flat request for the FY21 Operating Budget.

Mr. Sandoval stated for the Benefits Fund, staff is requesting an increase in contractual services of 10.30%. Other transfers will remain flat from Program Support with a total increase of 10.27%. Mr. Sandoval stated some of the numbers driving the increase for Benefits is a medical trend of 6.5%. A prescription drug trend of 9% and a dental trend of 4%.

Mr. Sandoval stated for the Risk Fund, staff is requesting an increase in contractual services of 11.72%. Other transfers will remain flat from Program Support with a total increase of 11.62%.

Mr. Sandoval stated that in total for the agency, staff is requesting an increase of 10.51% among all categories.

A motion was made to approve the Fiscal Year 2022 Appropriation Request

MOTION: T. Ruiz

SECONDED: P. Jaramillo.

A roll call vote was taken.

Ms. Vigil called roll:

- Chris Parrino - Yes
- Alfred Park – Yes
- Denise Balderas – Not present to vote
- Tim Crone - Yes
- Pauline Jaramillo - Yes
- Sammy Quintana - Yes
- David Martinez Jr. - Yes
- Trish Ruiz - Yes
- Ricky Williams - Yes

Vote carried unanimously.

11. Risk Matters

11. A. TPA Reports

11. A. 1 Year-End Claims Comparison

Mr. Richard Cangiolosi, CCMSI reported on Property & Liability claims for 2019. He stated that for 2019 there was 715 Property & Liability claims with a total incurred of \$22 million

dollars. He stated this can be attributed to property claims and sexual molestation claims. Mr. Cangiolosi reported for 2020, there were 522 claims, with a total incurred of \$5.6 million dollars. Mr. Cangiolosi stated there were quite a few claims this year.

Mr. Cangiolosi reported on the Worker's Compensation claims for 2019. He stated during that time there were 1,411 claims with a total incurred of \$7.5 million. He reported that for 2020 there are approximately 250 claims less than the previous years with a total incurred of \$5.9 million dollars. He stated once again, there is a significant drop off of claims.

11. A. 2 Year-End Review of Bill Review and Nurse Case Management

Mr. Cangiolosi reported there were 12,139 bills for a total charge of \$10.7 million dollars. There was total reduction of \$6.4 million dollars, which leads to a 58.63% reduction. Mr. Cangiolosi stated there was a reduction in total fees of \$260,000. He stated this was significantly less than the prior year. Mr. Cangiolosi reported there was a total of \$188,000 in fees, which was significantly less for the year.

11. A. 3 Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI reported on the Property & Liability Monthly Claims Report. He stated for the month of May 2020 there were 358 open claims, 28 new claims and 48 claims were closed. Mr. Venetsky reported reserves were at \$51,104,888.03, payments were \$28,700,281.87 for a total of \$79,805,169.

Mr. Vanetsky reported on the Property & Liability Monthly Claims Report. He stated for the month of June 2020 there were 342 open claims, 28 new claims and 53 claims were closed. Mr. Venetsky reported reserves were at \$57,374,083.97, payments were \$26,087,683.47 for a total of \$83,461.44.

11. A. 4 Property & Liability Large Losses

Mr. Vanetsky reported sexual molestation claims continue to present ongoing challenges. He stated they are extremely large exposures and costly to defend.

Mr. Vanetsky reported there was significant wind damage to a roof at a middle school in Alamogordo. He stated there were three new and developing property claims involving hail and flooding.

11. A. 5 Year-End Review of Highest Property Perils

Mr. Vanetsky reported on an open claim with Clovis Municipal Schools, which was an arson to playground equipment.

Mr. Vanetsky reported on a claim in Truth or Consequences at Hot Springs High School. He stated multiple buildings sustained flood damage from rain and melted snow.

Mr. Vanetsky reported on a fire in a teacher housing area in Zuni.

11. A. 6 Workers' Compensation Monthly Claims Report

Ms. Kim Trimble, CCMSI provided the Workers' Compensation Monthly Claims Report for Districts as of May 31, 2020. She reported during the month of May, there were 888 open claims, 11 claims were re-opened, 43 new claims, and 101 claims were closed. Ms. Trimble reported reserves were at \$15,028,842.93; payments were \$50,885,221.68; for a total of \$65,914,064.61. Ms. Trimble reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of May 31, 2020. Ms. Trimble reported during the month of May, there were 32 open claims, 1 claim was re-opened, and 1 claim was closed. Ms. Trimble reported reserves were at \$629,120.81; payments were \$1,243,194, for a total of \$1,872,314.81.

Ms. Trimble provided the Workers' Compensation Monthly Claims Report for Districts as of June 30, 2020. She reported during the month of June there were 836 open claims, 9 claims were re-opened, 40 new claims, and 101 claims were closed. Ms. Trimble reported reserves were at \$14,963,323.51; payments were \$51,056,933.96; for a total of \$66,020,257.47. Ms. Trimble reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of June 30, 2020. Ms. Trimble reported during the month of June, there were 32 open claims, 1 claim was re-opened, 2 new claims and 3 claims were closed. Ms. Trimble reported reserves were at \$599,433.75; payments were \$1,266,191.06, for a total of \$1,865,624.81.

10. A. 7 Workers' Compensation Large Losses

Ms. Trimble reported there was one large loss in May, which was a claim from 2018. She explained the reserve increased to account for an impairment rating and for medical.

Ms. Trimble reported there were 3 claims in June with reserve increases over \$50,000.

11. B Approval of Update to 2020/2021 Property & Liability Claims Procedures (Action Item)

Mr. Valerio presented the 2020/2021 Property & Liability Claims Procedures in detail for review and approval. He stated the Risk Advisory Committee is recommending approval.

A motion was made to approve the 2020/2021 Property & Liability Claims Procedures as presented.

MOTION: T. Ruiz

SECONDED: D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes

Alfred Park – Yes

Denise Balderas – Not present to vote

Tim Crone - Yes

Pauline Jaramillo - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

11. C Risk Premium Installment Plans (Action Item)

Mr. Valerio reported there were discussions yesterday at the RAC with respect to Risk Premium Installment Plans for Risk Premiums that are due now in August. He reported there were a handful of charter schools that have asked if they can have an installment plan. Mr. Valerio stated that typically staff has allowed them to pay over a period of three months so the premium would be due October 1, 2020 with a ten-day grace period. Mr. Valerio reminded the Board an additional ten-day extension was approved last month, so the final third installment would be due by October 20, 2020. He explained smaller schools are the ones that take advantage of this. He stated it is the recommendation of the RAC to approve the Risk Premium Installment Plans.

A motion was made to approve the Risk Installment Plans.

MOTION: D. Martinez Jr.

SECONDED: A. Park

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes
Alfred Park – Yes
Denise Balderas – Not present to vote
Tim Crone - Yes
Pauline Jaramillo - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

11. D Workers' Compensation and Property/Liability Claims Audit – 2020 (Action Item)

Mr. Tim Farley, Farley Inc., presented the Workers' Compensation and Property/Liability Claims Audit for 2020. He explained the report summarizes the results of an independent audit of workers' compensation and property & liability claims for the New Mexico Public Schools Insurance Authority. Mr. Farley reported he audited 75 workers' compensation

claims and 75 property & liability claims. He stated the audit of property/liability claims indicates some notable deficiencies in the areas of case reserve accuracy and captioned reporting to the NMPSIA Executive Director. Mr. Farley reported that with respect to workers' compensation, notable deficiencies exist in the key area of medical case reserve documentation. All conclusions are based on the observations of specific claims administration performance generated from the audit. Mr. Farley stated discussions were held with management with respect to these findings. He explained overall, CCMSI continues to do a great job.

Mr. Park thanked Mr. Farley for this report. He stated there was a lengthy discussion with respect to this item. He stated in partnership with CCMSI we can continue to improve on these issues. He stated the full report is available in the Board book.

A motion was made to approve the Workers' Compensation and Property/Liability Claims Audit – 2020 as presented.

MOTION: R. Williams

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes

Alfred Park – Yes

Denise Balderas – Not present to vote

Tim Crone - Yes

Pauline Jaramillo - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

11. E Member Compliance During COVID-19 (Action Item)

Mr. Esquivel reported there was a lengthy discussion with respect to member compliance during COVID-19. He explained he is not offering any coverage opinions in this presentation; this would have to be handled on a case-by-case basis. Mr. Esquivel stated the concern at this point is what to do with a district or charter school if they disregard the Governor's order or PED directives with respect to return to school. Mr. Esquivel stated there are guidelines and recommendations for schools to follow when in person learning resumes. Mr. Esquivel stated there was a letter sent to the Superintendents by Secretary Stewart dated August 4, 2020 that mandated that all school personnel can engage in remote learning from home if they have the capability to do so and no one should be required to come in to the school.

Mr. Esquivel stated given the potential for schools to go against PED orders, the question becomes what should NMPSIA do proactively. He stated the RAC has recommended the following option:

1. Letter from Executive Director, reminding them to follow the rules that are in place, and any violation will seriously jeopardize the school district with regard to liability and coverage.

After discussion, the Board agreed to appoint a task force that does not include a quorum of the Board. The following individuals agreed to serve on the task force:

Richard Valerio
Julie Garcia
Sammy Quintana
Trish Ruiz
Pauline Jaramillo

A motion was made to direct General Counsel to draft a letter from Executive Director, reminding them to follow the rules that are in place, and any violation will seriously jeopardize the school district with regard to liability and coverage, and approve a subcommittee to explore issues with respect to member compliance during COVID-19.

MOTION: A. Park

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes
Alfred Park – Yes
Denise Balderas – Not present to vote
Tim Crone - Yes
Pauline Jaramillo - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

Mr. Poms stated on the workers' compensation front, there have been a couple of claims that have been denied. He stated in some states including California, the governor issued an executive order that required workers' compensation carriers to provide benefits for employees that are working remote and anyone that contracts COVID-19 are considered a workers' compensation claim. He stated it is his understanding this has not been the stance for the state of NM. Mr. Poms stated as you can imagine any virus that any employee has

received in the past; they would not typically file a claim. This seems to be very different and he is wondering if Mr. Esquivel or the Board has any guidance on possibly providing workers' compensation benefits for COVID-19 related incidents. Mr. Poms stated he thinks it is very important to look at this issue.

Mr. Esquivel stated he will take a look at this issue and have discussions with Mr. Poms and CCMSI.

Mr. Park stated he thinks the RAC should discuss this issue in the future and asked if this could be added to the September Agenda.

11. F Sandy Hook Promise Update (Action Item)

Ms. Julie Garcia, Poms & Associates, reported the RAC voted to postpone this item pending research. Ms. Ruiz volunteered to reach out to Lt Governor to discuss the issues with respect to Sandy Hook Promise Program and determine the best fit for NM Schools.

The RAC appointed the following individuals to the research this issue.

Trish Ruiz
Julie Garcia
Sammy Quintana
Pauline Jaramillo

A motion was made to approve the recommendation as outlined.

MOTION: A. Park

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes
Alfred Park – Yes
Denise Balderas – Not present to vote
Tim Crone - Yes
Pauline Jaramillo - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams - Yes

Vote carried unanimously.

11. G Loss Prevention Update

Ms. Garcia reminded everyone what the Poms & Associates Loss Prevention Specialists do. She reported staff is out at schools looking at property to identify any hazards that may exist. Ms. Garcia reported staff also performing audits and OSHA reviews of schools. Ms. Garcia stated the Board has the tool to be able to issue imminent hazard letters that could result in consequences if a school is not complying.

Ms. Garcia asked for direction on contact tracing and whether or not staff should participate in this. She stated this is currently being done by the Department of Health.

Mr. Parrino stated he feels more information is needed before the Board can offer guidance.

Mr. Williams stated most districts do not have the manpower to take on contract tracing.

Ms. Garcia stated this is definitely something that has to be done but will depend on the number of claims that are received.

Mr. Crone stated he thinks this is a state government issue and we should be a partner.

12. Benefits Matters

12. A Healthcare Dashboard Report

Mr. Valerio reported yesterday that Segal gave an informative report that really takes a deep dive into claims. He stated the key takeaways were that medical and pharmacy trends were not favorable in 2019 driven by cost and utilization. He reported ER utilization was up as well and cost for oncology treatments, chemotherapy, etc. Mr. Valerio reported large cost claimants are driving up the spend for NMPSIA. He stated 5% of NMPSIA's membership is accounting for 66.5% of the total medical plan cost. Mr. Valerio reported there are three concerns for cost drivers: diabetes, asthma and hypertension. He stated now with Livongo in our partnership there are programs in place for those three specific conditions. Mr. Valerio stated he has copies of this report for members of the RAC and anyone who may want one.

12. B Request from NM Council of University Presidents

Mr. Valerio stated Mr. Mark Saavedra, Executive Director for the NM Council of University Presidents addressed the BAC yesterday and presented a request that NMPSIA not pass on any increase to benefits for FY21. Part of their concerns are that their employee compensation increases were taken away by the Legislature and they also received a 6.6% budget cut to higher ed. Mr. Valerio stated they came to NMPSIA with the request on behalf of Eastern NM, NM Tech, Northern NM College and Western.

12. C Reconsideration of FY21 Benefit Premium Rate Increases (Action Item)

Mr. Valerio stated this item is being presented for reconsideration because of House Bill 1, putting the cap on districts, charter schools not paying more than 6% in insurance increase,

and the request from the NM Council of University Presidents. He reported Segal prepared some scenarios for review. Mr. Valerio stated that the baseline approved in March was 8.7% to High Option Plans and 2.1% to the Low Option Plans. Mr. Valerio explained the 2.1% comes out of the Affordable Care Act (ACA) and states that we must have an affordable plan. Mr. Valerio stated once the two are blended it accounts for a 7.9% increase. Mr. Valerio stated the BAC looked at a couple of options to satisfy House Bill 1.

After discussion, the Board decided to adopt Scenario A, which would be a 6% increase to the High Option and 2.1% to the Low Option.

Mr. David Martinez Jr. asked staff to start looking at possible benefit reductions in order to stay solvent and fiscally responsible.

Mr. Parrino stated it is important to share this information to show the impacts on individuals plans. He went on to state it was the recommendation of the BAC to adopt Scenario B.

A motion was made to approve Scenario A, a 6% increase to the High Option and 2.1% increase to the Low Option.

MOTION: D. Martinez Jr.

SECONDED: A. Park

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes

Alfred Park – Yes

Denise Balderas – Not present to vote

Tim Crone - Yes

Pauline Jaramillo - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

12. D Regional Training Update

Mr. Valerio reported staff recently completed Annual Regional Trainings for the year. He stated everything was held virtually over 5 sessions that were 2 hours long. Mr. Valerio stated there were 23 different presenters and there was some risk information included as well. There was an average daily participation of 116 members. There has been a lot of positive feedback received. Mr. Valerio thanked Ms. Katherine Chavez and the staff of Erisa.

12. E 2020-2021 Part-Time Employee Resolutions (Action Item)

Mr. Valerio reported there is one last part-time resolution from New America School in Las Cruces.

A motion was made to approve the Part-time Resolution as presented.

MOTION: D. Martinez Jr.

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino - Yes

Alfred Park – Yes

Denise Balderas – Not present to vote

Tim Crone - Yes

Pauline Jaramillo - Yes

Sammy Quintana - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Ricky Williams - Yes

Vote carried unanimously.

12. F Wellness Update

Ms. Chavez provided an update on the Livongo program. She reported that since implementation of the diabetes program, there has been a 13.7% participation rate. She reported there has been an 11.9% participation rate in the hypertension program. Ms. Chavez stated 620 members are in the diabetes program and 985 are in the hypertension program. She stated 50% of these members are in both programs.

Ms. Chavez reported the Weight Management Step in Program is scheduled to launch on August 24, 2020.

Ms. Chavez reported we are in the middle of the Wellness Ambassador Program, and staff will continue to create awareness campaigns.

13. NEXT MEETING DATE AND LOCATION

Mr. Valerio reported the next meeting will be held virtually on September 3, 2020.

14. ADJOURNMENT (Action Item)

A motion was made to adjourn The NMPSIA Board Meeting at 11:19 am.

MOTION: A. Park

SECONDED: T. Crone

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino, President - Yes
Alfred Park, Secretary – Yes
Denise Balderas – Not present to vote
Tim Crone – Yes
Pauline Jaramillo - Yes
Sammy Quintana - Yes
David Martinez Jr. - Yes
Trish Ruiz - Yes
Ricky Williams – Yes

Vote carried unanimously.

APPROVED:



Mr. Alfred Park, President