

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

**In-Person: Poms & Associates
201 3rd Street, Suite 1400
Albuquerque, NM 87102**

**Virtual: <https://meet.goto.com/525744757>
Dial in +1 (646) 749-3122
Access Code: 525-744-757**

Thursday, September 08, 2022

1. Call to Order

Mr. Al Park, NMPSIA Board President, called the NMPSIA Board Meeting to order at 9:09 a.m. on Thursday, September 8, 2022.

2. Roll Call

Ms. Kaylei Jones called roll.

Board Members Present:

Al Park, President	In-Person
Chris Parrino, Vice President	In-Person
Trish Ruiz, Secretary	Virtual
Tim Crone	In-Person
Bethany Jarrell	In-Person
K.T. Manis	Virtual
David Martinez, Jr.	Virtual
Sammy Quintana	In-Person

Board Members Absent:

Denise Balderas
Travis Dempsey
Pauline Jaramillo

NMPSIA Staff Members Present:

Patrick Sandoval, Executive Director	In-Person
Martha Quintana, Deputy Director	In-Person
Claudette Roybal, Risk Program Coordinator	Virtual
Dion Romero, Accountant/ Auditor	Virtual
Kaylei Jones, Benefits Program Coordinator	In-Person
Natasha Ortiz, Financial Specialist	Virtual

Audience Present:

Lisa Guevara	BCBSNM	In-Person
Kevin Sovereign	CCMSI	In-Person
Steve Vanetsky	CCMSI	In-Person
Jerry Mayo	CCMSI	In-Person
Rich Cangiolosi	CCMSI	Virtual
Louise Carpenter	CCMSI	In-Person
Daniel Warner	Cigna	Virtual
Sam Garcia	Davis Vision	In-Person
Cathy Fenner	Davis Vision	In-Person
Rich Bolstad	Delta Dental	Virtual
Kathy Payanes	Erisa Administrative Services	In-Person
Amy Bonal	Erisa Administrative Services	Virtual
Emma Reed	Erisa Administrative Services	Virtual
CS Hwa	Erisa Administrative Services	Virtual
Mike Barrios	Erisa Administrative Services	Virtual
Michelle Alarid	Erisa Administrative Services	Virtual
Martin Esquivel	Esquivel & Howington	In-Person
Tim Farley	Farley Consulting Services	In-Person
Joseph Simon	Legislative Finance Committee	Virtual
Larry Morrissey	Marathon Health	In-Person
Ellen Clark	PFM	Virtual
Matt Smith	PFM	Virtual
Arron Hillebrandt	Pinnacle	In-Person
Matt Meade	Pinnacle	In-Person
David Poms	Poms & Associates	Virtual
Julie Garcia	Poms & Associates	In-Person
Grant Banash	Poms & Associates	Virtual
Kevin McDonald	Poms & Associates	In-Person
Tamie Pargas	Poms & Associates	In-Person
Karen Mestas-Harris	Poms & Associates	In-Person
Larry Vigil	Poms & Associates	In-Person
Steve Valdez	Presbyterian Health Plan	In-Person
Emily Varner	Presbyterian TSG	Virtual
Nura Patani	Segal	Virtual
Melissa Krumholz	Segal	Virtual
Greg Archuleta	The Standard	Virtual
Stephanie Anthony	United Concordia	In-Person

3. Introduction of Guests

Mr. Patrick Sandoval, Executive Director NMPSIA introduced Ms. Ellen Clark and Mr. Matt Smith from PFM, Mr. Aaron Hillebrandt and Mr. Matthew Meade from Pinnacle, Mr. Tim Farley from Farley Consulting Services, Dr. Nura Patani, Ms. Amy Dunn, and Ms. Amy Merrick from Segal, Mr. Jason Weeks and Mr. Larry Morrissey from Marathon Health.

4. Citizens to Address the Board (Five-Minute Limit)

There are no citizens to address the Board.

5. Approval of Agenda (Action Item)

Mr. Sandoval proposed to change the agenda to the effect of moving item 9. A. after item 7. D.

MOTION: T. Ruiz

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

6. Approval of Minutes (Action Item)

A. July 21, 2022

B. August 4, 2022

C. August 16, 2022

A motion was made to approve the July 21st, August 4th and August 16th Minutes as presented.

MOTION: C. Parrino

SECONDED: T. Ruiz

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent

Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Abstain
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

7. Administrative Matters

7. A. Staff Update

Mr. Sandoval reported the benefits Coordinator was posted on 7/29/2022 and the advertisement closed on 8/13/2022. Interviews were completed on 8/24/2022 and Ms. Kaylei Jones was promoted from the Benefits Analyst position. The Benefits Analyst position was posted on 8/29/2022 and closes on 9/12/2022. The Risk Coordinator was posted on 8/4/2022 and the advertisement closed on 8/19/2022. Interviews were completed on 8/24/2022 and Ms. Claudette Roybal was promoted from the Chief Procurement Officer Position. The Chief Procurement Officer was posted on 8/25/2022 and closes on 9/8/2022. The Benefits Manager Position was posted on 8/1/2022 and closed on 8/16/2022. We are currently waiting to complete the interviews. Ms. Melissa Rael turned in her resignation effective 9/16/2022. She will be transferring to DFA. We wish her well with her future endeavors.

7. B. COVID-19 Update

Mr. Sandoval reported that staff was waiting to receive all the data for COVID-19 expenses from the carriers so we will bring updated information to the next meeting. The COVID-19 National Public Health Emergency Order ends on October 13, 2022, which consists of payments for services, vaccines and COVID test. At this point it is unknown if the Order will be extended.

7. C. IBAC Update

Ms. Martha Quintana, Deputy Director NMPSIA, reported that the IBAC met on August 10th with a presentation from Vera Whole Health who offers advance primary care models for in person, virtual and possible mobile solutions.

Embold Health also presented offering physician-led health care data analytics with high medical standards to improve healthcare quality, helping doctors understand how they can deliver high quality care consistently. Offering digital tools analyzing providers and medical facilities who provide the best care for the patients and empowering patients with information to stay away from unnecessary or inappropriate care.

7. **D. Loss Prevention Committee Update**

Mr. Sammy Quintana reported that Ms. Julie Garcia, Poms & Associates, presented her recommendations on sexual abuse and molestation prevention. Ms. Garcia reported on closed and settled cases. There were three SPED cases in the last 10 years. 20 involving coaches of those, 3 individuals were repeat offenders. She also reported 58 closed claims in the last 10 years and 21 open claims. The top sexual molestation needs for schools are: approval of the anonymous reporting system for children. Discussion of an investigator network has been underway. Ms. Garcia shared the importance in providing training for children not only teachers and administrators. Lastly, she expressed the need for training for school legal counsel. She reported a compiled list of six physical needs for school shooters per Mr. Dave Poms; 1. Improve mass communication, 2. Perimeter and interior fencing, 3. Secondary and perimeter building doors, 4. Visitor/ reception management, 5. Interior and exterior windows, and 6. Interior room locks. Mr. Quintana proposed to add this as an action item for a future BAC and Board meeting to discuss enforcement and funding.

8. **Financial Matters**

8. **A. Financial Reports - June 2022 (Action Item)**

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending June 30, 2022 for the Employee Benefits Fund. She reported revenue of \$40,737,173.76 and expenses of \$36,152,317.69, which resulted in a gain of \$4,584,856.07 for the month of June.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending June 30, 2022 for the Risk Fund. She reported revenue of \$6,022,324.40 and expenses of \$8,527,886.69, which resulted in a loss of \$2,505,562.29 for the month of June.

Ms. Quintana presented the Statement of Revenues and Expenditures for period ending June 30, 2022 for the Program Support Fund. She reported revenue of \$118,324.00 and expenses of \$128,430.85 which resulted in a loss of \$10,106.85 for the month of June.

Ms. Quintana presented the Balance Sheet for the Agency for period ending June 30, 2022. Program Support had total assets of \$933,159.42, total liabilities of \$102,889.44 and total fund equity of \$830,269.98. Employee Benefits had total assets of \$49,600,822.79, total liabilities of \$36,547,988.18 and total fund equity of \$13,052,834.61. Risk had total assets of \$97,341,591.48, total liabilities of \$84,921,430.43 and a total fund equity of \$12,420,161.05. Total combined fund equity for the agency was \$26,303,265.64.

A motion was made to approve the Financial Reports for June 2022 as presented.

MOTION: B. Jarrell

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

8. B. Board Approved Rebalance & Cash Position in June 2022 - Rescinded (Action Item)

Mr. Matt Smith, PFM, reported on recommendation to rescind rebalancing. While we recommended a cash position during the second quarter, the time it takes the Authority to actually take on and exit a cash position is not ideal. In fact, equities have rallied considerably during this time, resulting in a nice recovery from June lows. At the same time, we don't currently have sufficient confidence in short-term Fixed Income returns to recommend increasing that allocation right now. PFM is comfortable with the current allocation of the two

A motion was made to approve rescinding the Rebalance & Cash Position Approval from June 2022 as presented.

MOTION: C. Parrino

SECONDED: B. Jarrell

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

8. C. Investment Performance Review for the Quarter Ended June 30, 2022 (Action Item)

Mr. Matt Smith, PFM, reported on the Investment Performance Review for Quarter ending June 30, 2022. There are large declines in domestic and international equities, 16.7% down for the quarter in domestic equities and 13.7% down in international equities. Fixed income also down about 4.7% for the quarter and 10.4% for the year.

Mr. Smith reported on the Benefits Fund Performance Review. He reported a balance of \$22,506,004 as of 6/30/2022 which was a 13.16% decline for the quarter performing under the benchmark of 11.89%.

Mr. Smith reported on the Risk Fund Performance Review. He reported a balance of \$17,455,958 as of 6/30/2022 and results were almost identical to the Benefits Fund at 13.19% decline for the quarter performing under the benchmark at 11.89%.

A motion was made to approve the Investment Performance Review for the Quarter Ended June 30, 2022 presented.

MOTION: C. Parrino

SECONDED: B. Jarrell

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

9. Risk Matters

9. A. Risk Fund Actuarial Analysis as of June 30, 2022 (Action Item)

Mr. Aaron Hillebrandt and Mr. Matthew Meade, Pinnacle, presented on Case Reserve Increase on Property Claims after 6/30/2022, Actual vs. Expected Loss Development, ultimate loss trends, frequency/severity/loss cost trends to include workers compensation and general liability and a summary of results as of 6/30/2022 analysis.

A motion was made to approve the Risk Fund Actuarial Analysis as presented.

MOTION: S. Quintana

SECONDED: B. Jarrell

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

9. B. Workers' Compensation, Property, Liability Claims Audit 2022 (Action Item)

Mr. Tim Farley, Farley Consulting Services, presented the Workers' Compensation & Property/Liability Claims Audit for FY2022. The audit consisted of 100 workers' compensation claims: 65 open indemnity claims and 35 closed indemnity claims. The evaluation of 100 property/liability claims: 70 open claims and 30 closed claims. During the audit, Mr. Farley had interviews and discussions with Mr. Jerry Mayo, Ms. Courtney Barela, Ms. Kimberly Trimble, Mr. Steve Vanetsky, and Mr. Kevin Sovereign. The audit results showed case reserves were accurate and no deficiencies were identified. Diary/Case Closure CCMSI is adhering to industry standards in all but one claim that the employee was deemed to have reached maximum medical improvement status. Five claims exhibited deficiencies in Claim Data Organization and Documentation Clarity, and four lacked clear explanations/calculations of the current outstanding medical reserve. The audit concludes that the established reserves are reasonable. CCMSI's performance in this key area has improved significantly since last year's audit.

A motion was made to approve the Workers' Compensation & Property/Liability Claims Audit 2022 as presented.

MOTION: S. Quintana

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

9. **C. TPA Reports**

1. Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI, reported on the Property & Liability Monthly Claims Report for the month of June 2022. There were 408 open claims, 57 new claims and 40 claims were closed. Reserves were at \$37,514,685.42 and payments were \$32,325,987.10 for a total of \$69,840,672.52.

2. Property & Liability Large Losses

Mr. Vanetsky reported high costs and large losses for the fiscal year. Mr. Vanetsky reported on hail loss in Las Cruces and Jemez, a lightning strike at Rio Rancho, a sexual assault lawsuit at Taos High School, and an employment claim in Santa Fe that went to trial. CCMSI has implemented internal policies and procedures to expedite and report to excess carriers.

3. Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo, CCMSI, provided the Workers' Compensation Monthly Claims Report for Districts as of June 30, 2022. During the month of June there were 945 open claims, 93 new claims, 32 claims were re-opened, and 140 claims were closed. Reserves were at \$13,962,003.26 and payments were \$48,296,645.97 for a total of \$62,258,649.23.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of June 30, 2022. During the month of June there were 47 open claims, 2 new claims, 1 re-opened claim and 7 claims were closed. Reserves were at \$789,493.43 and payments were \$1,956,530.34 for a total of \$2,746,023.77.

4. Workers' Compensation Large Losses

Mr. Mayo reported there was one claim over \$50,000. A student grabbed a teacher's left elbow which required surgery. The increase for that was a little over \$54,000.

9. D. Loss Prevention Update

Mr. Larry Vigil, Poms & Associates, reported on the Loss Prevention Abatement Report for July 2022. In July there was a 68.01% abatement for non-capital recommendations. There were 314 total recommendations, total non-capital were 297. Corrected non-capital were 202, corrected capital 0 for a total of 202. Corrected recommendations percentage for July was 64.33%. Funding for maintenance and repairs \$100,000 minimum per district through Senate Bill 212. Mr. Vigil is hoping to get a copy of the letter to clarify its inclusion to charter schools as well. Mr. Quintana asked how to inform the schools on this funding opportunity. Mr. Vigil expressed intentions of sending a blast email once the letter is in possession.

10. Benefits Matters

10. A. No Surprises Act Compliance Plan Update - Segal

Ms. Nura Patani, Segal, presented the requirements of the No Surprises Act Compliance Plan. Ms. Patani found that NMPSIA is also subject to the New Mexico Surprise Billing Protection Act. Segal surveyed NMPSIA's current and former vendors to gather information pertaining to compliance with this law. All have provided responses with the exception of Blue Cross Blue Shield. Carriers were asked to report on how claims subject to the law are being paid. Cigna and PHP confirm the claims have been paid according to the state law. Air Ambulance claims are not mandated by state law, but they are supported by the federal No Surprises Act.

The law also mandates prescription drug reporting to be submitted annually to the federal government. Ms. Patani shared that the agency will need to work with the prior PBM, Express Scripts, to collect components of this data which is due by December 2022. Ms. Patani informed the committee of additional requirements that will be effective in 2023. Vendors must make an attestation that "gag clauses" are not present in contracts and NMPSIA must post a balance billing notice on the website. Overall, Ms. Patani reports compliance with these components.

10. B. Express Scripts, Inc. Pharmacy Benefits Audit 7/1/2018-6/30/2020 - Segal

Ms. Patani, reported on the audit summary of the Pharmacy Benefit Services Agreement between ESI and NMPSIA effective July 1, 2018 through June 30, 2020. Segal worked with ESI and did a 100% analysis of all claims for financials and benefit adjudication to ensure it aligned with intent and the contract terms. Total spend financial results error rates are within the industry standard of 3%. ESI did not pass the audit in the categories of AWP Discount Guarantees, Dispensing Fees Guarantees, Minimum Rebate Guarantees and Copay and Coinsurance Application. Segal determined that additional money is due to NMPSIA.

ESI was given an opportunity to respond to this report. ESI maintains their position and did not agree with the findings. Segal determined a total of \$4,590,936 is due to NMPSIA and will be consulting with NMPSIA on next steps. Mr. Parks recommended that we invite ESI to present and explanation for the October meeting.

10. C. Marathon Health

Mr. Larry Morrissey presented for Marathon Health. Marathon Health provides advanced primary care and population health management. Mr. Morrissey shared some of the services that are provided through Marathon Health to help reduce fragmentation between preventative care services, primary care services and wellness services. He explained that they measure success by tracking member engagement, member experience, health improvement and finally, cost savings. Mr. Park asked who the agency would need to partner with to establish this model. Mr. Morrissey recommended that NMPSIA go to market with partners though the IBAC via RFI. Mr. Park said her liked that idea.

11. General Discussion

Mr. Park ask Board members if they wish to switch committees to advise the Chair and staff.

**12. Next Meeting Date and Location: Thursday, October 6, 2022
Location: Poms & Associates, 201 3rd Street, Suite 1400 and a virtual option**

The next meeting date will be on Thursday, October 6, 2022 at 9:00 a.m. located at Poms & Associates to be offered in-person and virtually.

A motion was made to approve the next meeting date and location as presented.

MOTION: S. Quintana

SECONDED: C. Parrino

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

13. Adjournment (Action Item)

A motion was made to Adjourn the meeting at 11:06 a.m.

MOTION: C. Parrino

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Kaylei Jones called roll.

Al Park, President	Yes
Chris Parrino, Vice President	Yes
Trish Ruiz, Secretary	Yes
Denise Baldares	Absent
Tim Crone	Yes
Travis Dempsey	Absent
Pauline Jaramillo	Absent
Bethany Jarrell	Yes
K.T. Manis	Yes
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

APPROVED:

DocuSigned by:
Alfred Park
7A5C4B245034497...

Mr. Alfred Park, President