

## 4/20/2018 – Medical Premium Changes Effective on October 1, 2018

The NMPSIA Medical, Rx, and Dental Group Plan is self-insured. NMPSIA funds all claims incurred by covered members from the premiums collected from members and their employing school districts/charter schools/educational entities. The NMPSIA Board is charged with overseeing the Benefits Fund and making decisions to ensure NMPSIA is able to fund all projected medical/Rx/dental claims.

Over the last three years, NMPSIA has experienced a higher number of high cost claimants. There has been several cases of premature newborns and many members with cancer, heart disease, renal failure, and other chronic and rare medical conditions. Further, the increase in specialty drug utilization and the inflation of prescription drug costs for treating many of these conditions has contributed to increased costs.

When the claims history shows claims expenses are outpacing revenue (premiums collected) and when projected claims expenses are on a rise, the NMPSIA Board of Directors has the difficult task of making decisions on how to ensure projected claims expenses will be covered by the NMPSIA self-insured benefits fund. This can be accomplished by passing on premium increases and/or making plan design changes to increase member cost share for certain services.

As you recall, NMPSIA increased deductibles, copays and calendar year out-of-pocket maximums last year in order to avoid a double-digit medical premium increase. Since these plan design changes were implemented recently, the NMPSIA Board worked hard to avoid implementing further plan reductions.

Several months ago, NMPSIA was preparing for a 10% medical premium increase, however, the claims trend improved slightly and the NMPSIA Board was able to pass on a lower medical premium increase. The medical premium changes for an effective date of October 1, 2018 are as follows:

- 4% medical premium increase
  - BCBSNM High Option Plan and the new plan option, the Blue Preferred EPO Plan  
(the EPO Plan is the plan selected to replace the current HMO Plan under True Health NM)

- Presbyterian High Option Plan
- 0.70% medical premium decrease
  - BCBSNM Low Option Plan
  - Presbyterian Low Option Plan

Further, there will be **no dental premium increase**. There will also be **no premium changes to vision, life and disability premiums**.

The following link provides you with the premium rates effective October 1, 2018. Since schools pre-collect premiums one month in advance of billing, school employees will see these premium changes from their September payroll checks.

### [October 1, 2018 Premiums](#)

NMPSIA is asking for your help to improve the overall health of our enrolled population. You can help by engaging in the well-being and care management/disease management programs included under your NMPSIA medical plan. We encourage you to review the web-based tools at [NMPSIA's website](#) under the "Insurance Carriers" tab. Improving the overall health of the NMPSIA member population will be crucial in maintaining the current benefits in place today and will contribute to the outcome of our future claims trend. If we can improve the health of our members, we will see our claim costs begin to stabilize. It is crucial that we move in this direction in order to avoid further benefit reductions and double digit medical premium increases. Higher claim costs that occur with catastrophic cases translate to benefit reductions and higher premiums for the entire group.

If you have any questions, please email Ernestine Chavez, Deputy Director, at [ernestine.chavez@state.nm.us](mailto:ernestine.chavez@state.nm.us), or call 1.800.548.3724.