

**NEW MEXICO PUBLIC SCHOOLS
INSURANCE AUTHORITY**



**Board Material
March 4, 2021**



New Mexico Public Schools Insurance Authority

Board of Directors Meeting

Board of Directors

Al Park, President, Governor Appointee
Chris Parrino, Vice President, NM Association of School Business Officials
Denise Balderas, Governor Appointee
Sammy J. Quintana, Governor Appointee
Bethany Jarrell, National Education Association NM
David Martinez, Jr., National Education Association NM
Tim Crone, American Federation of Teachers NM
Ricky Williams, NM Superintendents Association
Pauline Jaramillo, NM School Boards Association
K. T. Manis, Public Education Commission
Vacant, Educational Entities at Large

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Thursday, March 4, 2021

9:00 A.M.

Draft

Agenda

- | | |
|---|------------|
| 1. Call to Order | A. Park |
| 2. Roll Call | P. Vigil |
| 3. Introduction of Guests | R. Valerio |
| 4. Citizens to Address the Board (Five-Minute Limit) | A. Park |
| 5. Approval of Agenda (Action Item) | A. Park |
| 6. Approval of February 4, 2021 Minutes (Action Item) | A. Park |
| 7. Administrative Matters | |
| A. Staff Update | R. Valerio |

- | | |
|--|-------------------------------------|
| B. Legislative Update | R. Valerio |
| C. COVID-19 Update | R. Valerio |
| 8. Financial Matters | |
| A. Financial Reports for January 2021 (Action Item) | P. Sandoval |
| 9. Risk Matters | |
| A. Loss Reserve and Funding Analysis as of 12/31/2020 (Action Item) | A. Hillebrandt/
M. Meade |
| B. FY22 Risk Premium Rate Setting (Action Item) | P. Sandoval |
| C. TPA Reports | S. Vanetsky/
J. Mayo |
| 1. Property & Liability Monthly Claims Report | |
| 2. Property & Liability Large Losses | |
| 3. Workers' Compensation Monthly Claims Report | |
| 4. Workers' Compensation Large Losses | |
| D. Loss Prevention Update | J. Garcia/
L. Vigil |
| 10. Benefits Matters | |
| A. PED Surveillance Testing Requirement (Action Item) | R. Valerio |
| B. NMPSIA Mobile Application | R. Valerio/
K. Garcia |
| C. Approval of Amendment/Extension to Erisa Administrative Services, Inc. Professional Services Agreement (Action Item) | R. Valerio |
| D. Participating Entity Reporting Requirement (Action Item) | R. Valerio |
| E. United Concordia Back-to-School Kits | R. Valerio |
| F. Wellness Update | K. Chavez |
| 11. General Discussion | A. Park |
| 12. Next Meeting Date and Location | A. Park |
| April Meeting – April 8, 2021, Location GoToMeeting | |
| 13. Adjournment (Action Item) | A. Park |

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

Virtual Meeting: <https://global.gotomeeting.com/join/432705877>

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Access Code: 432-705-877**

Thursday, February 4, 2021

1. Call to Order

DRAFT

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

2. Roll Call

Ms. Pamela Vigil, called roll.

Present via virtual meeting/telephonic meeting:

Alfred Park, President
Chris Parrino, Vice-President
Pauline Jaramillo, Secretary
Denise Balderas
Tim Crone
Bethany Jarrell
Sammy Quintana
K.T. Manis
David Martinez Jr.
Ricky Williams (arrived after roll-call)

Absent:

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

Audience present via virtual/telephonic meeting:

Daniel Trujillo	Kubiak Melton & Associates
Martin Esquivel	Esquivel & Howington
Ellen Clark	PFM
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
Sam Garcia	Davis Vision
Stephanie Anthony	United Concordia
Rich Bolstad	Delta Dental
Steve Valdez	Presbyterian
Lia Gainey	Presbyterian
Kathy Payanes	Erisa
CS Hwa	Erisa
Michelle Alarid	Erisa
Lourdes Rael	Erisa
Mike Barios	Erisa
Lisa Guevara	BCBS
Jennifer Oswald	Standard
Stephanie Crouch	Standard
Jon Molberg	Express Scripts
Joe Guillen	NM School Boards Association
Marlene Mier	BCBS

3. Introduction of Guests

Mr. Park welcomed Mr. K.T. Manis to the Board. Mr. Manis introduced himself to the Board and audience. He provided a brief overview of his professional background and career.

Mr. Manis will serve on the NMPSIA Board of Directors as appointed by the Public Education Commission.

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)

Mr. Valerio requested that item 10.C be tabled from the agenda.

A motion was made to approve the agenda as amended.

MOTION: C. Parrino

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
- Bethany Jarrell - Yes
- Sammy Quintana – Yes
- K.T. Manis - Yes
- David Martinez Jr. – Yes
- Ricky Williams – Not present for vote.

Vote carried.

6. Approval of December 3, 2020 Minutes (Action Item)

A motion was made to approve the December 3, 2020 Minutes.

MOTION: S. Quintana

SECONDED: C. Parrino

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
- Bethany Jarrell - Yes
- Sammy Quintana – Yes
- K.T. Manis - Yes
- David Martinez Jr. – Yes
- Ricky Williams – Not present for vote.

Vote carried.

7. Administrative Matters

7. A Board Member Update

Mr. Valerio advised the board there is still one vacant board seat for Other Educational Entities. Ms. Vigil has a contact list and will be reaching out to entities to gather resumes. Mr. Valerio suggested the Board create a subcommittee to review the resumes and make a recommendation to the Board at the March or April Meetings.

7. B Election of Secretary (Action Item)

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

MOTION: C. Parrino

SECONDED: S. Quintana

VOTE: All members present voted in the affirmative with the exception of Mr. Williams who was not present for the vote.

Vote carried.

A motion was made to nominate Ms. Pauline Jaramillo for the position of NMPSIA Board Secretary.

MOTION: C. Parrino

SECONDED: D. Balderas

VOTE: All members present voted in the affirmative with the exception of Mr. Ricky Williams who was not present for the vote.

Vote carried.

A motion was made to close nominations and appoint Ms. Pauline Jaramillo to the position of NMPSIA Board Secretary by acclimation.

MOTION: D. Martinez Jr.

SECONDED: C. Parrino.

VOTE: All members present voted in the affirmative with the exception of Mr. Ricky Williams who was not present for the vote.

Vote carried.

Mr. Park congratulated Ms. Jaramillo on her appointment.

Ms. Jaramillo thanked the Board.

7. C Staff Update

Mr. Valerio explained there are two vacant positions at NMPSIA. The first position is the Benefits Specialist position, previously held by Ms. Melissa Larrañaga, who retired in December. The second position is the Wellness Coordinator which has been vacant for some time. Mr. Valerio stated both positions had been posted on the New Mexico State Personnel website and closed last week. He stated staff plans to hold interviews for both positions within the next two weeks.

7. D Legislative Update

Mr. Valerio reported the House Appropriations and Finance Committee hearing was held last week and the committee adopted the LFC recommendation, which reduced NMPSIA's request by \$29 million dollars. However, they are going to recommend BAR Authority for claims.

He reported there have been ongoing discussions regarding HB4 (Civil Rights) and HB 128 (School Personnel Background and Training).

Mr. Valerio also reported on a bill that could potentially increase the employer contribution for the various salary brackets for employees. He stated the bill is being funded at \$3.6 million dollars and NMPSIA's current estimate is \$4.4 million. Mr. Valerio stated staff is working with the legislature and giving them information with respect to this bill.

Mr. Esquivel reported HB128 is one of the most important legislation, in terms of trying to enforce background checks and reporting misconduct. He stated staff has been spending a significant amount of time on this.

Ms. Julie Garcia, Poms & Associates, reported on SB248 which would create an anonymous reporting system within the next 36 months.

7. E COVID-19 Update

Mr. Valerio reported at the end of December there were 23,242 claims for both testing and treatment. Total claims costs were \$7.5 million for the end of December 2020, which has surpassed the prior projection in August 2020 of \$4.9 million. Mr. Valerio stated unfortunately there have been a couple of members insured under the BCBS Plan that have passed away.

7. F PED Surveillance Testing Requirement (Action Item)

Mr. Valerio reported there were lengthy discussions at both committee meetings yesterday with respect to surveillance testing. He stated on March of 2020 the Governor and the Office of Superintendent of Insurance (OSI), declared a public health emergency. With that mandate, the OSI mandated commercial health plans cover cost and treatment for COVID-19, however under the mandate, surveillance testing was not required of commercial plans. Mr. Valerio stated the IBAC decided to cover the cost of testing for members. He went on to report PED re-entry guidelines have changed. The guidelines initially called for 5% of weekly

staff testing for staff physically in the building. This has changed to 25% weekly testing of employees in the red counties, 12.5% weekly testing for yellow and green counties. Mr. Valerio stated the projections are up to \$4.2 million dollars for the remainder of the school year and will increase again with the start of the new school year. He reported back in December the Board was not sure how funding would be taken care of and the Board approved surveillance testing through February of 2021. He stated more information has been received and testing will now be routed to Vault Health which is an at home-based test. PED is now allowing other companies to provide similar testing. Mr. Valerio stated that if an individual does not have insurance, the claim will then be billed through Health and Human Services and will be paid under federal funding.

Mr. Valerio stated the recommendation of the RAC, BAC and staff is to no longer pay for surveillance testing and take advantage of the federal funds.

Mr. Parrino stated he wanted to make sure members know the cost will be covered by DOH and they will not be liable.

A motion was made to approve the recommendation as presented.

MOTION: C. Parrino

SECONDED: P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Denise Balderas - Yes

Tim Crone - No

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Not present for vote.

Vote carried.

7. G Annual August Meeting (Action Item)

Mr. Valerio reported because of COVID-19, the August 2020 meeting which was scheduled at the Inn of The Mountain Gods was cancelled and would be rescheduled for this year.

After discussion, the Board agreed to table this item and bring back at a later date.

8. FINANCIAL MATTERS

8. A Financial Reports for November 2020 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 11/1/2020 through 11/30/2020. The Benefits Fund had revenues in the amount of \$28,828,993.62, expenditures in the amount of \$24,362,480.96, resulting in a gain of \$4,466,512.66.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 11/1/2020 through 11/30/2020. The Risk Fund had revenues in the amount of \$7,738,333.61, expenditures in the amount of \$5,619,869.92, resulting in a gain of \$2,118,463.69.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 11/1/2020 through 11/30/2020. The Program Support Fund had revenues in the amount of \$116,750.00, expenditures in the amount of \$100,062.25, resulting in a gain of \$16,687.75.

Mr. Sandoval reviewed the balance sheet for the period 11/1/2020 through 11/30/2020. Program Support had total assets of \$1,078,670.68, total liabilities of \$281,517.20, and fund equity of \$797,153.48. Employee Benefits had total assets of \$62,999,047.53, ending liabilities of \$27,576,824.27, and fund equity of \$35,422,223.26. Risk had assets of \$142,777,733.09, liabilities of \$146,403,743.28, and a loss of \$3,626,010.19. Total assets for the agency were \$206,855,451.30 and ending liabilities of \$174,262,084.75. Combined fund equity for the agency was \$32,593,366.55.

A motion was made to approve the Financial Reports for November 2020 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

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Not present for vote.

Vote carried.

8. B Financial Reports for December 2020 (Action Item)

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 12/1/2020 through 12/31/2020. The Benefits Fund had revenues in the amount of \$27,653,372.48, expenditures in the amount of \$27,512,671.76, resulting in a gain of \$140,700.72.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 12/1/2020 through 12/31/2020. The Risk Fund had revenues in the amount of \$7,287,131.71, expenditures in the amount of \$6,131,752.84, resulting in a gain of \$1,155,378.87.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 12/1/2020 through 12/31/2020. The Program Support Fund had revenues in the amount of \$116,750.00, expenditures in the amount of \$120,346.72, resulting in a loss of \$3,596.72.

Mr. Sandoval reviewed the balance sheet for the period 12/1/2020 through 12/31/2020. Program Support had total assets of \$1,043,630.68, total liabilities of \$250,073.92, and fund equity of \$793,556.76. Employee Benefits had total assets of \$60,293,753.34, ending liabilities of \$24,730,829.36, and fund equity of \$35,562,923.98. Risk had assets of \$136,467,009.23, liabilities of \$138,937,640.55, and a loss of \$2,470,631.32. Total assets for the agency were \$197,804,393.25 and ending liabilities of \$163,918,543.83. Combined fund equity for the agency was \$33,885,849.42.

A motion was made to approve the Financial Reports for December 2020 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

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Not present for vote.

Vote carried.

8. C Investment Performance Review for the Quarter Ended December 31, 2020 & Rebalancing of Long-Term Investments (Action Item)

Ms. Ellen Clark presented the Investment Performance Review for the Quarter ended December 31, 2021.

Ms. Clark reviewed the markets and the economy. She reviewed the Market Index Performance as of December 31, 2021. She reported that the pandemic took a turn for the worse over the quarter and new infection rates rose significantly in Europe and the U.S. Negative effects are not likely to be seen until the first quarter of 2021.

Ms. Clark reported the S&P posted a return of 12.2% for the quarter benefiting from the COVID-19 vaccine announcement, election results and stimulus bill announcement. Within the S&P all eleven sectors produced positive returns.

Ms. Clark reported Small-caps, as represented by the Russel 2000 Index, returned 31.4% during the quarter outperforming both mid- and large- caps. The Russel Midcap and Russel 1000 Indexes returned 19.9% and 13.7% respectively.

Ms. Clark went on to review the Non – U.S. Equity, Fixed Income and Alternatives.

Ms. Clark reviewed the Benefits Fund Asset Allocation Performance and the Risk Fund Asset Allocation and Performance as of December 31, 2020.

Ms. Clark stated that on the Benefits Fund, PFM is recommending selling \$500,000, out of the Large Cap Fund and buy \$500,000 into Core Plus Bond Fund. She stated on the Risk Fund, PFM is recommending selling \$250,000.00 out of the Large Cap Fund and buying \$250,000.00 into the Core Plus Bond Fund.

A motion was made to approve the Investment Performance Review for the Quarter ended December 31, 2020, and approve the recommendation as presented.

MOTION: S. Quintana

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

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Not present for vote.

Vote carried.

8. D FY2020 Audit

Mr. Daniel Trujillo, Kubiak Melton & Associates reported on the FY2020 Audit. He reported the New Mexico State Auditor requires an audit firm to present to a quorum of the Board of Directors once the audit is released. Mr. Trujillo reported there were no difficulties in performing the audit. He stated the team at NMPSIA operates at a high capacity and maintains communication throughout the year if there are any questions. He reported there were no items that required correction as far as numbers go. Mr. Trujillo reported there were no disagreements with management, no significant issues with management, prior to retention. Mr. Trujillo reported financial statement disclosures were consistent and clear, no new accounting policies were adopted throughout the year.

Mr. Trujillo went on to report Kubiak Melton & Associates has given an unmodified and clean opinion and there were no findings. He stated the audit is due on November 1st, per the state audit rule. The audit was finalized on September 25, 2020, which was significantly ahead of the deadline. He stated this goes back to the team at NMPSIA being prepared and diligent in providing all the necessary documents. Mr. Trujillo stated the audit was submitted on September 29, 2020. The Audit was released on November 19, 2020 but was not received until December 10, 2020. The delay can be attributed to a new online system implemented by the State Auditors Department.

Mr. Park thanked the NMPSIA staff on their hard work on this audit.

Mr. Quintana echoed what Mr. Park stated.

A motion was made to approve the FY2020 audit as presented.

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

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried.

9. Benefits Matters

9. A Temporary Waiver of Premium Payment Penalties and Interest (Action Item)

Mr. Sandoval reported this item was brought to the Board in April of 2020 and again in November of 2020 with the Board granting a ten-day grace period for benefit premium payments. This would allow for a twenty-day grace period before receiving a penalty during the COVID-19 pandemic. He stated for the period of November 2020 through January 2021, there were two schools that took advantage of this waiver. Mr. Sandoval stated after research, it was determined that one of the schools requested a waiver in April of 2018 and one in October of 2017.

Mr. Sandoval stated it is the recommendation of the BAC to approve the temporary waiver of premium payment penalties and interest.

Mr. Parrino stated when this item was approved, it was on a quarterly basis.

MOTION: C. Parrino

SECONDED: S. Quintana

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
Bethany Jarrell - Yes
Sammy Quintana – Yes
K.T. Manis - Yes
David Martinez Jr. – Yes
Ricky Williams – Yes

Vote carried.

9. B FY22 Projections, Plan Design and Premium Rate Setting (Action Item)

Dr. Nura Patani, Segal reported there was a lot of information covered at the BAC meeting. She stated she will provide a streamlined version today.

Dr. Patani reviewed COVID-19 assumptions effective over the remainder of FY21. Costs for direct testing and treatment are included, consistent with prior projections. She reported vaccine costs are estimated to total \$2.8M based on all NMPSIA members receiving the vaccine.

Dr. Patani reported that the target fund balance is 1 month of claims. She reported for the remainder of the fiscal year staff is projecting a fund balance of approximately \$25.1M which is right in line with the target of about 1 month of claims.

Dr. Patani reported on two scenarios. These two scenarios look at the current plan design with no changes to the design. She reported the first one is the baseline, which would be 8.6% effective 10/1/2021 for the High Option/EPO and 3.6% for Low Option. She reviewed the second scenario which capped High Option/EPO at 6% and 3.6% for Low Option. Dr. Patani reported that Segal did prepare three additional scenarios looking at plan changes and all of them implement the increases that were described.

After discussion, Mr. Valerio stated the recommendation of the BAC is to recommend Scenario A, which is the 6% increase to the High/EPO Option and 3.6% to the Low Option and to approve Scenario B – Cost Neutral Plan Design Changes. Mr. Valerio stated the LFC is supporting a 7% increase and Scenario A proposes a blended increase of 5.7% which is well below that. He stated that proposed salary increases for teachers of 1.5% were also discussed and there is an affordable option in the Presbyterian Low Option Plan.

A motion was made to approve the recommendation 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

Denise Balderas - Yes

Tim Crone - No

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried.

9. C Approval of Stop-Loss Renewal (Action Item)

Dr. Patani reported that staff has been working with carriers to obtain data for Stop-Loss Coverage. She reviewed the proposal for excess loss reinsurance coverage. Dr. Patani stated there is a 13.4% increase over the premiums that are being paid currently and those numbers are reflected in the budget projections that have been provided.

Mr. Valerio reported back in September the Board gave Segal and NMPSIA Staff approval to ratify approval of the Stop Loss Contract back to January.

A motion was made to approve the Stop-Loss Renewal 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

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Yes

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried.

9. D Davis Vision Update

Mr. Sam Garcia, Davis Vision, reported in September it was announced that Met Life had entered into an agreement to purchase Versant Health who owns Davis Vision. He explained the purchase was finalized this past month. Mr. Garcia explained Davis Vision will continue to operate under the Davis Vision name and the services, provider network, website, administrative claims, and customer service functions will continue as they are. He stated the New Mexico Davis Vision regional office will continue to operate as is. Mr. Garcia stated he will continue to provide updates.

9. E Wellness Update

Ms. Katherine Chavez, NMPSIA Benefits/Wellness Operations Manager, reported this year the Naturally Slim Class has chosen a different 10-week model, which has proven successful. She reported the Livongo Diabetes Management Program is thriving since inception in May, with a 17% enrollment. Ms. Chavez reported the In Mind Program with Express Scripts was installed and letters have gone out to members regarding medications.

Ms. Chavez reported a school district had reached out to NMPSIA in need of behavioral health support regarding issues with respect to COVID-19. She stated within one week, Poms & Associates and the Solutions Group EIP Program were able to provide a critical

incident support program for the district. As a result of this, moving forward staff has expanded this type of opportunity for members beginning March 1, 2021.

10. Risk Matters

10. A Approval of Request to Initiate RFP for Safe Schools Training Videos (Action Item)

Mr. Sandoval reported back in September a request was brought to the Board to issue a Sole Source for Safe Schools Training Videos. After the Sole Source was released, staff received an inquiry from a company that offered similar services. He reported it was determined there was more than one vendor that may be able to offer this type of service so it would be appropriate to issue an RFP.

A motion was made to approve the request to initiate a RFP for Safe Schools Training Videos.

MOTION: S. Quintana

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

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Not present for vote.

Vote carried.

10. B Market Update

Mr. Dave Poms, Poms & Associates provided a detailed Market Update. He discussed the severity of molestation claims that are occurring nationwide. He reported on Worker's Compensation which has seen several COVID-19 related claims that are hitting the primary and excess insurance companies. He stated not every state is paying these types of claims, but there are several states that are being forced by executive orders to pay COVID-19 related claims. Mr. Poms stated one of the surprising lines of coverage is cyber. He reported there have been an unbelievable increase to hacking of private entities throughout the country. Mr. Poms stated it will be a significant challenge with all the re-insurance negotiations staff will be facing in the upcoming months.

10. C Property Coverage Self-Insured Retention (Action Item)

This item was tabled.

10. D TPA Reports

10.D.1 Statewide Comparison of Workers' Compensation Claims

Mr. Richard Cangiolosi, CCMSI, reported on the average cost per claim comparing NMPSIA against other governmental entities that are self-insured in the state of New Mexico. He reported NMPSIA by far has the lowest average cost per claim and has been very consistent over the past years. Mr. Cangiolosi reviewed the average cost per indemnity claims, which has also been very consistent over the years.

10.D.2 Property & Liability Monthly Claims Report

Mr. Steve Vanetsky, CCMSI, reported on the Property & Liability Monthly Claims Report. He stated for the month of December 2020 there were 303 open claims, 23 new claims and 37 claims were closed. Mr. Vanetsky reported reserves were at \$62,403,349.84, payments were \$20,992,788.99 for a total of \$83,396,138.83.

10.D.3 Property & Liability Large Losses

Mr. Vanetsky reported there was a large loss out of Gallup which occurred in December. He reported there was an overhead copper water line that failed which resulted in seventeen rooms that were flooded. He reported there was another claim in Gallup involving a four-car accident which resulted in a fatality.

Mr. Vanetsky reported there was a claim out of Farmington which was a student-on-student sexual assault.

Mr. Vanetsky reported on a West Las Vegas School security guard who was arrested and is facing 15 felony counts, including several of those counts involving sexual penetration. He explained the Attorney General is now involved in this case.

Mr. Vanetsky reported on a claim in Grants Cibola County. This involves a student alleging sexual misconduct by a part-time soccer coach and full-time New Mexico State Police Officer.

Mr. Vanetsky reported on a slip and fall claim out of Santa Fe Community College which resulted in lengthy hospital stay and approximately \$190,000 of incurred medical bills.

10.D.4 Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo, CCMSI, provided the Workers' Compensation Monthly Claims Report for Districts as of December 31, 2020. He reported during the month of December there were 733 open claims, 49 new claims, 9 claims were re-opened, and 113 claims were closed. Mr.

Mayo reported reserves were at \$14,490,125.13; payments were \$49,704,207.32; for a total of \$64,194,332.70.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of December 31, 2020. Mr. Mayo reported during the month of December, there were 26 open claims, 3 new claims, and 5 claims were closed. Mr. Mayo reported reserves were at \$915,083.31; payments were \$1,340,704.56, for a total of \$2,255,787.87.

10.D.5. Workers' Compensation Large Losses

Mr. Mayo reported there were three claims over \$50,000 during the month of December. The first claim was in Alamogordo in the amount of \$157,500. The second claim was in Silver Consolidated Schools in the amount of \$109,000. The third claim was in Carlsbad Municipal Schools, in the amount of \$89,000.

10. E Loss Prevention Update

Ms. Garcia reported that one of the trends across the country is an increase number of Americans With Disabilities Act claims. This is coming from both employees and from the public unable to access public buildings and public services. She stated Poms & Associates will be increasing the review of accessibility in schools and charters schools.

Ms. Garcia reported on HB128 with respect to sexual molestation loss prevention bill. She stated her and Rika Martinez have been working on this for a number of years. This bill changes the definition for mandatory reporters to school employees. It also puts in mandatory training requirements for all school employees. Ms. Garcia stated this bill will change the School Personnel Act significantly. Ms. Garcia stated the biggest glitch of this bill is that PED only has two investigators and will take them two years to get to a complaint of sexual molestation by a teacher or school employee. She stated this will have to be addressed in the next legislative session. Ms. Garcia stated another piece of HB128 is a mandatory anonymous reporting system. This would require a 24-month period for PED to set in process an anonymous reporting system and 36 months for the schools to actually implement this process.

Mr. Larry Vigil, Poms & Associates, reported yesterday at the RAC meeting the new Poms Pro Loss Prevention Tool was presented. He stated this would be presented to the Board at a later time.

11. General Discussion

There was general discussion about school re-opening and school re-opening plans.

12. NEXT MEETING DATE AND LOCATION

Mr. Valerio reported the next meeting will be held virtually on March 4, 2021.

13. ADJOURNMENT (Action Item)

A motion was made to adjourn The NMPSIA Board Meeting at 11:17 a.m.

MOTION: C. Parrino

SECONDED: S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes

Alfred Park – Yes

Denise Balderas - Yes

Tim Crone - Yes

Pauline Jaramillo – Not present for vote.

Bethany Jarrell - Yes

Sammy Quintana – Yes

K.T. Manis - Yes

David Martinez Jr. – Yes

Ricky Williams – Yes

Vote carried.

APPROVED:

Mr. Alfred Park, President

Public Schools Insurance Authority



Board Meeting

Fiscal Year 2021

January 2021 Financial Reports

March 04, 2021

NM Public Schools Insurance Authority
Statement of Revenues and Expenditures - Employee Benefits Fund
From 1/1/2021 Through 1/31/2021

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
Revenue						
Premiums (Health Insurance Assessments)	26,436,822.44	27,180,497.51	2.81	178,393,160.91	185,684,054.89	4.09
Interest Income (Wells Fargo, LGIP)	35,605.36	6,415.79	(81.98)	329,672.07	54,149.64	(83.57)
Investment Income (SIC)	(20,204.84)	(28,745.34)	42.27	1,417,377.09	3,676,589.27	159.39
Miscellaneous Income (Rx Rebates, Penalties, Subros, Etc)	45,109.72	0.00	(100.00)	280,105.60	0.00	(100.00)
Total Revenue	26,497,332.68	27,158,167.96	2.49	180,420,315.67	189,414,793.80	4.99
Expenditures						
Medical Claims Expense	18,986,199.74	19,115,883.56	0.68	142,939,554.24	134,284,416.19	(6.06)
Prescription Claims Expense	2,862,153.40	5,142,821.70	79.68	25,216,037.84	25,392,308.41	0.70
Dental Claims Expense	1,427,859.16	1,180,685.20	(17.31)	7,969,861.80	7,785,375.78	(2.31)
Premiums (Life, Vision)	1,055,253.24	1,073,270.27	1.71	6,442,984.22	7,200,295.62	11.75
Claims Administration Fees (Medical, Dental, Rx)	1,217,028.46	1,419,402.20	16.63	8,452,121.74	9,912,915.87	17.28
Contractual Services (Erisa, Segal, Legal, Etc)	157,714.70	195,403.51	23.90	1,186,502.58	1,498,805.13	26.32
Other Expenses	0.00	0.00	0.00	62,003.89	440.46	(99.29)
Transfer to Program Support	55,091.00	58,375.00	5.96	385,645.00	408,625.00	5.96
Total Expenditures	25,761,299.70	28,185,841.44	9.41	192,654,711.31	186,483,182.46	(3.20)
Net Revenue & Expenditures	736,032.98	(1,027,673.48)	(239.62)	(12,234,395.64)	2,931,611.34	(123.96)

NM Public Schools Insurance Authority
Statement of Revenues and Expenditures - Risk Fund
From 1/1/2021 Through 1/31/2021

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
Revenue						
Premiums (Risk Insurance Assessments)	6,902,429.00	6,922,434.00	0.29	48,317,036.19	48,457,060.00	0.29
Interest Income (Wells Fargo, LGIP)	109,308.66	13,709.85	(87.46)	883,536.04	111,914.94	(87.33)
Investment Income (SIC)	(8,933.29)	(12,235.10)	36.96	604,607.42	1,567,990.88	159.34
Miscellaneous Income (Penalties, Subros, Etc)	0.00	0.00	0.00	2.00	0.00	(100.00)
Total Revenue	7,002,804.37	6,923,908.75	(1.13)	49,805,181.65	50,136,965.82	0.67
Expenditures						
Property - Liability Claims Expense						
Property Claims	915,378.25	610,806.70	(33.27)	6,129,272.97	5,077,401.73	(17.16)
Liability Claims	735,921.73	601,938.33	(18.21)	20,693,176.84	5,571,428.91	(73.08)
P-L Provisions for Losses	1,100,250.00	2,901,193.00	163.68	5,739,607.37	16,658,816.08	190.24
P-L Excess Recoveries	(654,649.65)	366,417.02	(155.97)	(8,488,565.09)	(256,376.53)	(96.98)
Total Property - Liability Claims Expense	2,096,900.33	4,480,355.05	113.67	24,073,492.09	27,051,270.19	12.37
Workers' Compensation Claims Expense	2,465,740.17	415,735.20	(83.14)	6,028,945.14	4,925,093.68	(18.31)
Property Excess Coverage Premium	2,074,416.00	2,114,445.00	1.93	14,517,652.13	14,801,122.00	1.95
Liability Excess Coverage Premium	1,324,838.00	1,437,243.00	8.48	9,273,868.00	10,060,701.00	8.48
Workers' Compensation Excess Coverage Premium	48,903.00	49,432.00	1.08	342,329.00	346,034.00	1.08
Student Catastrophic Insurance Premium	20,789.00	19,949.00	(4.04)	124,743.26	119,695.77	(4.05)
Equipment Breakdown Insurance Premium	26,413.00	27,585.00	4.44	199,532.82	193,109.60	(3.22)
Property - Liability Claims Administration Fees	84,686.10	88,095.73	4.03	594,231.22	616,670.05	3.78
Workers' Compensation Claims Administration Fees	93,585.79	97,306.90	3.98	656,529.05	681,148.31	3.75
Contractual Services (Erisa, Poms, CCMSI, Legal, Etc)	219,681.40	218,753.79	(0.42)	2,572,528.11	2,609,866.17	1.45
Other Expenses (Training, Etc.)	0.00	90.70	100.00	0.00	90.70	100.00
Transfer to Program Support	55,091.00	58,375.00	5.96	385,645.00	408,625.00	5.96
Total Expenditures	8,511,043.79	9,007,366.37	5.83	58,769,495.82	61,813,426.47	5.18
Net Revenue & Expenditures	(1,508,239.42)	(2,083,457.62)	38.14	(8,964,314.17)	(11,676,460.65)	30.25

NM Public Schools Insurance Authority
Statement of Revenues and Expenditures - Program Support Fund
From 1/1/2021 Through 1/31/2021

	Prior Year Current Period Actual	Current Period Actual	Current Period % Change	Prior Year Actual	Current Year Actual	Current Year % Change
Revenue						
Transfers from Other Funds (Benefits, Risk)	110,182.00	116,750.00	5.96	771,290.00	817,250.00	5.96
Total Revenue	110,182.00	116,750.00	5.96	771,290.00	817,250.00	5.96
Expenditures						
Contractual Services (Professional, Audit, Legal, Etc)	4,016.94	2,963.96	(26.21)	60,117.77	55,732.70	(7.29)
Other Expenses (Travel, Maint., Supplies, Utilities, Etc.)	10,091.48	6,827.46	(32.34)	69,118.63	66,159.80	(4.28)
Per Svc/Ben (Salaries, Fringe Benefits)	65,845.46	86,680.92	31.64	562,509.22	594,015.97	5.60
Total Expenditures	79,953.88	96,472.34	20.66	691,745.62	715,908.47	3.49
Net Revenue & Expenditures	30,228.12	20,277.66	(32.92)	79,544.38	101,341.53	27.40

NM Public Schools Insurance Authority

Balance Sheet

As of 1/31/2021

	<u>Program Support</u>	<u>Employee Benefits</u>	<u>Risk</u>	<u>Total</u>
ASSETS				
Cash (Wells Fargo/State Treasurer)	811,958.84	1,600,096.13	1,027,107.39	3,439,162.36
Short-term Investments (LGIP)	0.00	36,646,594.22	95,984,360.12	132,630,954.34
Long-term Investments (SIC)	0.00	24,613,068.07	10,497,794.33	35,110,862.40
Receivables (LGIP Int., W/C Excess Carrier)	0.00	6,811.48	4,602,677.74	4,609,489.22
Prepaid Premiums (Risk Excess Coverage)	0.00	0.00	18,243,270.00	18,243,270.00
Other Assets (Deposits, Furniture, Fxtures, Equip., Etc)	262,774.69	84,861.48	340,861.48	688,497.65
Total ASSETS	1,074,733.53	62,951,431.38	130,696,071.06	194,722,235.97
LIABILITIES				
Accounts Payable (Admin Fees)	271.09	1,614,805.71	404,156.42	2,019,233.22
Case Reserves (P/L, W/C)	0.00	0.00	50,356,706.07	50,356,706.07
IBNR (Incurred But Not Reported)	0.00	19,575,106.00	49,356,311.00	68,931,417.00
Claims Payable (Medical, Dental, P/L, W/C)	0.00	7,152,124.52	520,816.51	7,672,941.03
Deferred Revenue (Self-Pays, P/L, W/C Premiums)	0.00	74,144.65	34,612,170.00	34,686,314.65
Other (Payroll Taxes, Benefits, Compensated Absences Payable)	260,628.02	0.00	0.00	260,628.02
Total LIABILITIES	260,899.11	28,416,180.88	135,250,160.00	163,927,239.99
FUND EQUITY				
Beginning Fund Equity	712,492.89	31,603,639.16	7,122,371.71	39,438,503.76
Net Revenue & Expenditures (Year-to-Date)	101,341.53	2,931,611.34	(11,676,460.65)	(8,643,507.78)
Total FUND EQUITY	813,834.42	34,535,250.50	(4,554,088.94)	30,794,995.98