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# REGULAR MEETING OF THE BOARD OF DIRECTORS



March 4, 2025

9:30 AM

PERA BOARD ROOM

33 Plaza La Prensa, Santa Fe, NM 87507

Online: <https://meet.goto.com/NMRHCA/boardmeeting>

Telephone: 1-224-501-3412 / Access Code: 724-176-285

New Mexico Retire Health Care Authority

Regular Meeting

**BOARD OF DIRECTORS**

**ROLL CALL**

**March 4, 2025**

	<b>Member in Attendance</b>		
Ms. Saunders, President			
Mr. Salazar, Vice President			
Mr. Pyle, Secretary			
Ms. Montoya			
Ms. Alirez			
Mr. Washburn			
Ms. Sandoval			
Mr. Caruana			
Ms. Castillo-Smith			
Ms. Garcia			
Ms. Brassington			

# NMRHCA BOARD OF DIRECTORS

## MARCH 2025

<p>Ms. Therese Saunders, President NEA-NM, Classroom Teachers Assoc., &amp; NM Federation of Educational Employees 5811 Brahma Dr. NW Albuquerque, NM 87120 <a href="mailto:tsaunders3@mac.com">tsaunders3@mac.com</a> 505-934-3058</p>	<p>Ms. Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 <a href="mailto:donnasandoval@cabq.gov">donnasandoval@cabq.gov</a> 505-768-2975</p>
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<p>Mr. Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 <a href="mailto:lpyle@currycounty.org">lpyle@currycounty.org</a> 575-763-3656</p>	<p>Ms. Alex Castillo Smith Deputy Cabinet Secretary NM Health Care Authority PO Box 2348 Santa Fe, NM 87504 <a href="mailto:alex.castillosmith@hca.nm.gov">alex.castillosmith@hca.nm.gov</a> 505-629-8652</p>
<p>The Honorable Ms. Laura M. Montoya NM State Treasurer 2055 South Pacheco Street Suite 100 &amp; 200 Santa Fe, NM 87505 <a href="mailto:laura.montoya@sto.nm.gov">laura.montoya@sto.nm.gov</a> 505-955-1120</p>	<p>Ms. Renee Garcia Alternate for ERB Executive Director Educational Retirement Board PO Box 26129 Santa Fe, NM 87502-0129 <a href="mailto:renee.garcia@erb.nm.gov">renee.garcia@erb.nm.gov</a> 505-531-9885</p>
<p>Ms. Raquel Alirez Classified State Employee 401 Broadway NE Albuquerque, NM 87102 <a href="mailto:raquel.alirez@dws.nm.gov">raquel.alirez@dws.nm.gov</a> 505-365-3474</p>	<p>Ms. Kate Brassington Alternate for PERA Executive Director Public Employees Retirement Association 33 Plaza La Prensa Santa Fe, NM 87507 <a href="mailto:kate.brassington@pera.nm.gov">kate.brassington@pera.nm.gov</a> 505-309-1088</p>
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Regular Meeting of the  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
BOARD OF DIRECTORS

March 4, 2025

9:30 AM

PERA Board Room

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Santa Fe NM, 87507

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	<u>AGENDA</u>	<u>PAGE</u>	
1.	Call to Order	Ms. Saunders, President	
2.	Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3.	Pledge of Allegiance	Ms. Saunders, President	
4.	Approval of Agenda	Ms. Saunders, President	4
5.	Approval of Regular Meeting Minutes February 4, 2025	Ms. Saunders, President	5
6.	Public Forum and Introductions	Ms. Saunders, President	
7.	Committee Reports	Ms. Saunders, President	
8.	Staff Updates		
	a. Human Resources	Ms. Atencio, Deputy Director	
	b. Operations		
	c. Communications & Outreach	Mr. Biggs, Communications Director	13
	d. Financial Audit RFP	Mr. Kueffer, Executive Director	14
	e. Legislative Updates	Mr. Kueffer, Executive Director	15
	f. January 31, 2025, SIC Report		34
9.	Real Time Solutions Contract (Action Item)	Mr. Long, Chief Information Officer	35
10.	Travel Request (Action Item)	Mr. Kueffer, Executive Director	36
11.	Other Business	Ms. Saunders, President	
12.	Date & Location of Next Board Meeting April 1, 2025 – 9:30AM CNM Workforce Training Center 5600 Eagle Ave. NE, Albuquerque NM, 87113	Ms. Saunders, President	
13.	Adjourn		

**MINUTES OF THE**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS**

**REGULAR MEETING**

**February 4, 2025**

**1. CALL TO ORDER**

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. in the PERA Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

**2. ROLL CALL TO ASCERTAIN A QUORUM**

A quorum was present.

**Members Present:**

Ms. Therese Saunders, President

Dr. Tomas Salazar, Vice President

Mr. Lance Pyle, Secretary [virtual] [elected board secretary during meeting] Hon. Laura M. Montoya, NM State Treasurer

Ms. Rachel Alirez [virtual]

Ms. Kate Brassington, designee of Mr. Greg Trujillo

Ms. Renee Garcia, designee of Mr. David Archuleta

Dr. Lee Caruana

Ms. Donna Sandoval [virtual]

Dr. Gerry Washburn [virtual]

**Members Excused:**

Ms. Alex Castillo Smith

**Staff Present:**

Mr. Neil Kueffer, Executive Director

Ms. Linda Atencio, Deputy Director

Mr. Mark Hayden, General Counsel

Ms. Sheri Ayanniyi, Chief Financial Officer

Mr. Raymond Long, IT Director

Mr. Alexander George, Network Administrator

Ms. Judith Beatty, Recorder

**3. PLEDGE OF ALLEGIANCE**

Chair Saunders led the Pledge.

**4. APPROVAL OF AGENDA**

**Dr. Caruana moved for approval of the agenda, as published. Treasurer Montoya seconded the motion, which passed, with Ms. Garcia and Ms. Brassington in abstention.**

**5. APPROVAL OF REGULAR MEETING MINUTES: JANUARY 7, 2025**

**Dr. Caruana moved approval of the January 7, 2025, minutes. Treasurer Montoya seconded the motion, which passed, with Ms. Brassington and Ms. Garcia in abstention.**

**6. PUBLIC FORUM AND INTRODUCTIONS**

Attendees introduced themselves.

**7. NEW BOARD MEMBER**

Mr. Kueffer introduced Renee Garcia, designated alternate of NMERB Executive Director David Archuleta. Ms. Garcia is communications & outreach director with NMERB.

Mr. Kueffer introduced Kate Brassington, designated alternate of PERA Executive Director Greg Trujillo. Ms. Brassington is a senior portfolio manager with PERA.

**8. ELECTION OF BOARD SECRETARY (ACTION ITEM)**

**a. Board Policies & Procedures**

Mr. Kueffer stated that the departure of past board secretary LeAnne Larrañaga-Ruffy requires that the board elect a new secretary at its next meeting.

Chair Saunders nominated Lance Pyle.

Mr. Pyle said he would be willing to serve as secretary, although he would be attending the NMRHCA meetings virtually.

Mr. Kueffer stated that there was no requirement that the board secretary attend the meetings in person.

**Treasurer Montoya seconded the motion, which passed, with Mr. Pyle in abstention.**

Treasurer Montoya asked board members to consider adding Kate Brassington to the Investment Committee/Finance Committee, as her expertise as PERA's senior portfolio manager would be invaluable to the committee.

Responding to Chair Saunders, Ms. Brassington said she would be willing to serve as chair of the Finance Committee.

Chair Saunders appointed Kate Brassington as chair of the Finance Committee.

## **9. COMMITTEE REPORTS**

- The Finance Committee met with Meketa and went over the FY 2024 audit report with Moss Adams. The committee also voted to approve a contract amendment with Segal. These items will be addressed at today's board meeting. [Ms. Alirez]

## **10. STAFF UPDATES**

### **a. Human Resource & Operations**

Ms. Atencio presented staff updates.

### **b. 2025 Exchange Rates and Plan Comparison**

Ms. Atencio stated that, last month, staff presented exchange rate plan comparisons for Albuquerque, Santa Fe, and Las Cruces. This month, staff has added three rural areas: Farmington, Roswell, and Las Vegas. No major increases were seen in most of the plans, although a couple of plans were much higher in these rural areas.

### **c. 2025 Interagency Benefits Advisory Committee (IBAC) Plan Comparison**

Ms. Atencio reviewed plan comparisons for all the IBAC agencies, including NMRHCA.

### **d. FY25 Second Quarter Budget Report**

Ms. Ayanniyi presented this report.

### **e. Legislative Updates**

Mr. Kueffer reported on the presentation made by NMRHCA before the House Appropriations & Finance Committee (Subcommittee D) on January 31.

Mr. Kueffer noted that the DFA recommendation was a decrease from what NMRHCA requested, although the LFC recommended exactly what NMRHCA requested except for one additional position. He said the Executive did make one change, which was to give NMRHCA the full amount requested in the Personal Services and Employee Benefit category, but with a decrease in some of the contractual services. Staff does not find this problematic, believing it will be able to cover expenses. He noted NMRHCA also has budget adjustment authority in the event it cannot meet its obligations.

Dr. Salazar said he hoped SJR2 would prevent any future raiding of the trust fund by the state, such as it did in 2016 when it postponed the growth of revenue coming into the trust fund from the tax suspense fund, which previously had been supplementing the trust fund with \$3 million annually.

Mr. Kueffer said Senate Bill 62, amending the Pharmacy Benefits Manager Regulation Act to restrict the types of fees that they can collect, is of great concern to the NMRHCA. The goal is to look at how the NMRHCA is being transparent with its contracts when working as PBMs such as Express Scripts. Some concerns regarding the flat fee are how it will impact the NMRHCA or change the current way it uses its contracts and negotiations. He added that this discussion is happening at the national level. He said there has been concern about “spread pricing,” which can lead to less transparency in transactions between pharmacies and the PBM industry, which charges a fee either as a percentage or as a dollar amount. A more transparent model will shift some administrative costs that normally happen between the pharmacy and PBM to the NMRHCA.

Mr. Kueffer commented that some of the language of the bill falls into gray area because it is not clear where else this bill will have an impact. One example is the SaveOn program, where the NMRHCA takes the copay down to zero for a member, and in return the NMRHCA gets the manufacturer dollars it is taking advantage of and applies that to lower premiums for everybody. Its initial analysis shows an impact of \$543,000 for FY25, \$21 million for FY26, and \$23 million in FY27. This is a big hit to the NMRHCA and is something the board will have to look at in terms of making plan design changes or raising premiums.

Mr. Kueffer said Senate Bill 120 permanently eliminates Behavioral Health Services cost sharing, now that the program has expired. The issue is whether NMRHCA will have to provide the same type of coverage to out-of-network providers that it does to in-network providers. He added that this somewhat erodes the NMRHCA’s ability to control costs. NMRHCA is working with its consultants to make sure it is interpreting the bill as best as possible and hopes to get an FIR out very soon.

Regarding House Bill 174, Mr. Kueffer said one of the new things coming through the pharmacy benefit industry is NADAC (National Average Drug Acquisition Cost), which passes on ingredient costs to the pharmacies. It sets certain price amounts that would be



reimbursed, and in addition to this, NMRHCA would pay a certain dispensing fee. Early models reflect that this would have an overall impact on NMRHCA of about \$2.5 million.

Segal consultant Debbie Donaldson noted that NADAC drug prices can be found on the CMS website. The prices are based on surveys each month that go out to pharmacies, although specialty drugs are typically not included in the NADAC pricing methodology. In the past, it was mostly independent pharmacies that were responding to the surveys, but in April 2024, CVS began responding to the survey, and on average, the cost decreased 18 percent from the previous surveys. She said this pricing program is common within the Medicaid business and is still being developed in the commercial business, so anyone going to NADAC for information would need a backup pricing methodology because not all drugs are reported there. She commented that there are positives and negatives towards each of the pricing methodologies. With NADAC, Segal estimates there would be a cost increase to the NMRHCA plan if it were implemented. The good news is that there is more transparency, and more of the independent pharmacies tend to like this because there is no oversight as to who responds, and which drugs and medications are in the survey.

Dr. Caruana asked if the downward trend in price is expected to continue now that some of the big pharmacies are responding to the surveys. Ms. Donaldson responded that she has heard that Walgreens is now participating, but she hasn't seen what the price impact is, if any.

Mr. Kueffer said Senate Bill 193 mandates the NMRHCA cover at least one of the GLP-1 (peptide-1 receptor agonist) drugs. The NMRHCA is providing coverage already, but going forward it would not have a choice. He said these drugs have essentially been budget-busters for many state entities, and University of Texas no longer provides coverage for them.

Dr. Salazar suggested that Mr. Kueffer seek the assistance of a lobbyist to try to arrange conversations with legislators.

Chair Saunders said she would like to see some Republican support on SJR2, as she has heard some concern about whether this is a bipartisan resolution.

Treasurer Montoya recommended that the lobbyist, Robert Romero, attend future meetings of the NMRHCA when legislation is being discussed.

#### **f. December 31, 2024, SIC Report**

Mr. Kueffer reported a balance of \$1.588 billion.

#### **11. FY24 FINANCIAL AUDIT REPORT: MOSS ADAMS**

Moss Adams representatives Kory Hoggan and Aaron Hamilton presented this report.

Mr. Hoggan reported that this was a clean audit with no findings.

## **12. MEKETA**

[Presenters: Paul Cowie, Ted Benedict, and Jared Pratt]

### **a. Investments Overview and Reporting**

Meketa representatives made a slide presentation.

Referring to page 140 (Foreign Equity Returns), Treasurer Montoya asked how Meketa is preparing for the future in anticipation of expected impacts to the U.S. economy under the new administration. She asked if Meketa has done a risk analysis based on the executive orders issued by the new administration.

Mr. Benedict responded that a lot of this will be addressed and analyzed as part of Meketa's asset allocation study to be presented at a future meeting. This will include Meketa's long-term forward-looking 20-year capital market expectations as well as alternative policies that may change some of these weights. The plan today is in an overweight position in emerging market equities, and they want to look at whether that is appropriate today and do a shock analysis and compare the current policy to some alternatives.

Treasurer Montoya said the asset allocation should include justification for why certain percentages are being recommended in the portfolio. In terms of those assets that are not international, she would like to know what countries the US is invested in and what the percentage is.

Treasurer Montoya stressed the importance of ensuring that whatever the NMRHCA is invested in is not detrimental to New Mexico or the people who are being invested for.

### **b. Investment Policies and JPA (Action Item)**

Mr. Cowie reviewed recommended changes to the NMRHCA Investment Policy, which was last updated in 2010.

Mr. Cowie stated that Section VII (Rebalancing) was amended to state that staff, in consultation with the General Investment Consultant, has the authority to implement rebalancing as necessary within the specified target ranges. Meketa also added an Appendix II to include Asset Allocation Targets and ranges.

Treasurer Montoya said "General Investment Consultant" should be defined in the policy.

Treasurer Montoya said Section VIII (Review and Modification of Investment Policy), stating that the General Investment Consultant will meet at least quarterly with the board to review the Fund portfolio activity, should add the SIC back into the language. She said she wanted to make sure the SIC continued to meet with the Board, although not necessarily on a quarterly basis.

Mr. Kueffer said the SIC currently meets with the board semiannually, so this could be added to the policy if the board concurs.

Regarding Section VII, Treasurer Montoya said rebalancing should be discussed with the NMRHCA board first. She also wanted to hear Meketa's justification for the Asset Allocation Targets in Appendix II.

**Chair Saunders said the Finance Committee reviewed and approved this action item and asked for a second to allow for discussion.**

Regarding rebalancing, Mr. Kueffer said staff has been making contributions to the trust fund based on the allocated tables, but this has resulted in overweighting in some categories. He suggested that staff, working with Meketa, could infuse some of the contribution money directly into those areas that are clearly underweight, keeping the percentages in balance.

Mr. Kueffer said staff anticipates that Meketa will next do the asset allocation study and make a presentation on it at the annual board meeting.

Treasurer Montoya recommended updating the investment policy and asset allocation recommendation first, bringing those to the board for approval, then doing the JPA.

**Treasurer Montoya moved to table. The motion passed, with Dr. Salazar and Mr. Washburn voting no, and Ms. Garcia in abstention.**

### **13. SEGAL CONTRACT AMENDMENT (ACTION ITEM)**

Mr. Kueffer stated that, because of the recent updates to the demographic assumptions used by the pension plans and the length of time since the prior enrollment projection was updated, staff is recommending updating the retiree enrollment projections used for the solvency model to incorporate the updated actuarial assumptions from PERA and NMERB to incorporate new entrant and retirement pattern changes seen since the pandemic.

Mr. Kueffer said NMRHCA staff is requesting authority to amend the Segal agreement for an increase of \$14,000. The new agreement for FY25 would total \$334,000, resulting in a balance of \$124,424 for other contractual services throughout the remainder of FY25.

**Chair Saunders stated that this item was approved by the Executive Committee. Dr. Caruana seconded the motion, which passed unanimously.**

**14. OTHER BUSINESS**

None.

**15. DATE AND LOCATION OF NEXT BOARD MEETING**

March 4, 2025 – 9:30 AM  
PERA Board Room  
33 Plaza La Prensa  
Santa Fe NM. 87507

**16. ADJOURN: 12:25 p.m.**

Accepted by:

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Therese Saunders, President

# NMRHCA Legislative Communication Opportunities

The table below outlines both routine and special events since January 1, 2025, where NMRHCA has communicated its legislative priorities. Some events were dedicated specifically to discussing 2025 legislative activities, while others covered broader topics, with a portion of the presentation highlighting NMRHCA’s legislative objectives for the 2025 session.

Date	Organization	Event Type	Location	Attendance
14-Jan	NMAER - ABQ	Monthly chapter meeting	ABQ	30
16-Jan	NMRHCA	Medicare Seminar	RHCA Conference Room ABQ	20
4-Feb	NMAER - Clovis	Monthly Chapter Meeting	Clovis	30
10-Feb	Retirement Day at the Capitol	Booth	Santa Fe	Unknown
11-Feb	City of ABQ	Retirement Seminar	ABQ	57
18-Feb	NMRHCA	Medicare Seminar	PERA Conference Room SF	15
19-Feb	Judicial Employees	Retirement Seminar	Virtual	35
19-Feb	NMASBO	Spring Workshop	ABQ	150
20-Feb	NMRHCA	Medicare Seminar	RHCA Conference Room ABQ	22
27-Feb	NMRHCA	Medicare Seminar	Virtual	13

## **Financial Audit**

The New Mexico Retiree Health Care Authority financial audit services for FY24 represents the last year of NMRHCA's agreement with Moss Adams for financial audit services. This will complete the second year of the current contract for a total of eight years. Currently, NMRHCA is authorized to enter into one-year agreements for three additional renewals for a total of four years for independent public accountant (IPA) services before going out for request for proposals (RFP). An independent public auditor may not provide services to an agency or LPB consecutively for longer than eight (8) years. Rotation is required after the eighth consecutive year. This is contingent upon the final audit rule.

Per the Final Audit Rule and Executive Order 2012-004 requires NMRHCA to seek approval from the Office of the State Auditor (OSA) and Department of Finance & Administration prior to issuing an RFP for annual audit services and subsequent contracts for said services. As such, in anticipation of the State Auditor releasing and approving directions and guidelines regarding the 2025 Audit Rule and procuring parameters, NMRHCA staff will be seeking approval to initiate the IPA procurement process with OSA to ensure enough time to complete the RFP.

Once approved staff will be looking to release a RFP in late March or early April to begin the process of procuring audit services for FY26. As of right now, it is anticipated that the audit evaluators will consist of Sheri, Linda, and Neil for the review, evaluation, and scoring of all potential offerors. Upon completion of the RFP process, staff will meet with the Audit Committee to go over the various evaluation factor responses and outcome of the RFP to receive a recommendation of offeror from committee. This recommendation will be made before the full Board of Directors at the next regularly scheduled Board of Directors meetings for final approval to start the contracting process with the most advantageous offeror. The Financial Audit Service contract will be effective for July 1, 2025 for the FY25 financial audit review.

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

<b>SPONSOR</b>	Sen. Gonzales/Reps. Borrego and Gonzales	<b>LAST UPDATED</b>	<hr/>
		<b>ORIGINAL DATE</b>	2/11/2025
<b>SHORT TITLE</b>	Public Employees Retiree Health Care Funds	<b>BILL NUMBER</b>	Senate Joint Resolution 2
		<b>ANALYST</b>	Simon

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Election Costs			\$35.0 to \$50.0	\$35.0 to \$50.0	Nonrecurring	General Fund
Retiree Health Liabilities to the State			Up to \$1,360,017.6		Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Retiree Health Care Authority (RHCA)  
State Investment Council (SIC)

## SUMMARY

### Synopsis of Senate Joint Resolution 2

Senate Joint Resolution 2 (SJR2) proposes an amendment to the New Mexico Constitution creating a vested property right for public employees who meet minimum service requirements of the state’s Retiree Health Care Authority (RHCA). The proposed amendment would provide the retiree healthcare fund could only be used to benefit members and retirees and provides RHCA’s board with the “sole and exclusive fiduciary duty and responsibility” for administration and investment of the fund and for adopting actuarial assumptions. The amendment makes clear future modifications to enhance the soundness of the healthcare plans are permitted.

The joint resolution provides the amendment be put before the voters at the next general election (November 2026) or a special election called for the purpose of considering the amendment. The amendment would only be effective if approved by voters.

## FISCAL IMPLICATIONS

Under Section 1-16-4 NMSA 1978 and the New Mexico Constitution, the Secretary of State (SOS) is required to print samples of the text of each constitutional amendment in both Spanish

and English in an amount equal to 10 percent of the registered voters in the state. SOS is required to publish the samples once a week for four weeks preceding the election in newspapers in every county in the state. Further, the number of constitutional amendments on the ballot may impact the ballot page size or cause the ballot to be more than one page, also increasing costs. The estimated cost per constitutional amendment is \$35 thousand to \$50 thousand, depending on the size and number of ballots and if additional ballot stations are needed.

SJR2 would supersede current statutory provision related to retiree healthcare benefits. When setting up the authority in the 1990s, the Legislature included provisions attempting to limit state liabilities for the retiree healthcare program. Section 10-7C-3 NMSA 1978 states:

The legislature does not intend for the Retiree Health Care Act to create a trust relationship among participating employees, retirees, employers and the authority administering the Retiree Health Care Act nor does the legislature intend to create contract rights which may not be modified or extinguished in the future; rather the legislature intends to create, through the Retiree Health Care Act, a means for maximizing health care services returned to the participants for their participation under the Retiree Health Care Act.

Further, the law currently states:

The legislature further finds and declares that nothing in the Retiree Health Care Act shall prohibit the legislature from increasing or decreasing participating employer and employee contributions, eligible retiree premiums or group health insurance coverages or plans, and that participation in the Retiree Health Care Act by retired and active public employees shall not be construed to establish rights between the retired and active public employees and the state for health care benefits which cannot be modified or extinguished in the future to meet changes in economic or social conditions.

SJR2 would overturn these provisions and create a vested property right with due process protections under the federal and state constitutions. As a result, SJR2 could commit taxpayers to continuing to fund these benefits. When the authority was created, retired public servants began receiving benefits without any material pre-funding of plan costs. While both active employees and their employers make contributions to the retiree healthcare fund, the fund has never held all of the assets it needs to pay future benefits. As of June 30, 2024, RHCA reported \$1.784 billion in unfunded liabilities, for which the state's share is currently 23.8 percent, or about \$405 million. The remainder, about \$1.360 billion, is allocated to local government and school districts that participate in the plans. RHCA has been successful at building the fund's value over time. Growing from \$579 million in FY17 to \$1.6 billion in FY24. The plan's funded ratio increased from 11 percent to 47 percent.

Notably, the proposed constitutional amendment does not include protections against underfunding the plans, which are present in the current constitutional provisions for the pension plans. That provision states:

The legislature shall not enact any law that increases the benefits paid by the system in any manner or changes the funding formula for a retirement plan unless adequate funding is provided.

While this provision provides the Legislature flexibility to change how the plan is funded, it could present problems depending on how the courts interpret the member's vested property right. Should the constitutional protections created by SJR2 lead to findings public employees



are entitled to receive a certain level of benefit in retirement, the lack of a provision to prevent underfunding may present challenges to the board to address the underfunding. However, the exclusion of this provision is likely critical due to a current distribution to the retiree healthcare fund from the tax suspense fund. For FY26 the fund will receive \$58 million, but that amount increases by 12 percent per year. By FY31, that amount will grow to \$102 million, making it one of the state’s largest tax expenditures, comparable to the medical and healthcare services GRT deduction or the film and television production tax credit.

Analysis from RHCA notes the plan’s current liability and suggest, if the fund is used for a purpose other than intended, it could lead to rising costs for the state. Should the fund be used for other purposes:

Both retirees and active employees would likely pursue lengthy legal action against the state to protect their benefits. Safeguarding these funds is also essential for maintaining the financial stability of the participating governmental entities. Misusing the fund could deplete resources, increase liabilities, and negatively impact the bond ratings of these entities, which include state, county, and city governments.

## **SIGNIFICANT ISSUES**

Created in 1990, RHCA was designed to enable public sector retirees to access the health insurance market. Legislative findings included in the act noted “public employees face a severe problem in securing continuing medical insurance” and the purpose of the act was to provide benefits to retirees and their dependents using both the retiree healthcare fund and copayments from members. While the Legislature acknowledged the expectation of future benefits, it provided those expectations could be modified from year-to-year, provided the modifications were “reasonably calculated to result in the least possible detriment to the expectation.”

Currently, state law requires the state investment officer to invest the authority’s long-term reserves and requires the state treasurer to invest other reserves. This differs from how New Mexico’s pension funds manage investments, which involves hiring in-house investment staff. The resolution provides both that the trust fund be invested and administered as provided by law, to the extent consistent with the resolution. However, the resolution also provides the board the “sole and exclusive fiduciary duty and responsibility for the administration and investment of the trust fund.” While the board does not appear to contemplate shifting from an investment portfolio managed by SIC, it is unclear if the current statutory requirement that SIC manage investment would be consistent with this section if a future board were to wish to hire independent investment managers. Analysis from SIC notes RHCA is currently the largest client for the system’s government client pooled investment, and the board takes an active role in managing its investment portfolio.

While SJR2, if approved by the voters, would institute protections for retiree healthcare benefits similar to those provided for pension recipients, the current method for setting benefits levels varies. Retirement benefits are based on statutory formulas, set by the Legislature and signed by the governor. Current law allows the board to “promulgate and adopt rules and regulations governing eligibility, participation, enrollment, length of service and any other conditions or requirements for providing substantially equal treatment to participating employers.” (See 10-7C-7 NMSA 1978). This provides the board with the necessary tools to manage the plan’s liabilities, something the board has carefully managed. Additionally, the board is given the power to set premium rates for the plan. (See 10-7C-13 NMSA 1978). However, should the

benefits provided by the plan be elevated to a constitutionally protected right, the Legislature may wish to consider whether benefits could be changed without an act of the Legislature.

## **ALTERNATIVES**

While analysis from RHCA briefly notes the resolution, if approved by the voters would “affirm certain property rights,” much of the RHCA analysis focuses on the prohibition on diverting funds in the retiree healthcare fund for another purpose. If the intent of the resolution is to prohibit diversions, this could presumably be accomplished without creating a new property right.

JWS/hg/sgs

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## FISCAL IMPACT REPORT

**SPONSOR** Sens. Stefanics, Stewart and Hamblen/  
Rep. Szczepanski      **LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/19/2025  
**BILL**  
**SHORT TITLE** Add Classes to Prior Authorization Drugs      **NUMBER** Senate Bill 39  
**ANALYST** Esquibel

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMPSIA		\$950.0	\$1,000.0	\$1,950.0	Recurring	NMPSIA Fund
RHCA		\$2,193.0	\$2,302.0	\$4,495.0	Recurring	RHCA Fund
State Health Benefit Plan		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring	SHBP Fund
Total		\$3,143.0	\$3,302.0	\$6,445.0	Recurring	Multiple

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
 Department of Health (DOH)  
 Health Care Authority (HCA)  
 New Mexico Public School Insurance Authority (NMPSIA)  
 Regulation and Licensing Department (RLD)  
 Retiree Health Care Authority (RHCA)  
 Office of Superintendent of Insurance (OSI)  
 University of New Mexico Health Sciences Center (UNMHSC)

## SUMMARY

### Synopsis of Senate Bill 39

Senate Bill 39 (SB39) would amend the Prior Authorization Act to prohibit prior authorization and step therapy—the insurance plan practice of requiring patients to try less expensive medication first—for medications that are prescribed for on-label or off-label use for the treatment of rare disease or medical condition that affects fewer than 200 thousand people in the United States.

Off-label use is defined as a medication or medication dosage not approved by the federal Food and Drug Administration (FDA) for treatment of a specific condition or disease but has sufficient

evidence to consider the medication and dosage medically necessary for treatment. Medical necessity determination requirements have been updated such that they must be completed by a healthcare professional from the same or similar practice specialty that typically manages the disease or condition in question. Medical necessity determinations are required to be completed within seven days or 24 hours in cases where the condition or disease may seriously jeopardize a person's life or health, affect a person's ability to regain maximum function, or subject a person to severe and intolerable pain. Medical necessity determinations not completed within the specified time limits will be deemed automatically approved.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

The New Mexico Public School Insurance Authority (NMPSIA) reports under the provisions of the bill there could be a \$1.9 million and potentially up to \$12.9 million cost for medications and administrative fees and the loss of potential savings from medication utilization and rebates.

The Retiree Health Care Authority (RHCA) reports the agency would incur additional claims and administrative costs under the provisions of the bill and removing the need for prior authorization and step therapy would impair cost-containment efforts. RHCA estimates the cost at \$2.1 million in the first year and an additional 5 percent in subsequent years.

The Health Care Authority (HCA) states health benefits plan would likely incur an indeterminate cost associated with the provisions of the bill.

## **SIGNIFICANT ISSUES**

RHCA reports the federal Centers for Medicare and Medicaid Services (CMS) has guidelines for using on-label and off-label drugs in Medicare Advantage plans. CMS emphasizes that off-label drug use in step therapy programs must be supported by clinical research and widely accepted guidelines to ensure patient safety and efficacy. The National Committee for Quality Assurance (NCQA), which evaluates health plans through its Health Plan Accreditation program, supports policies that ensure step therapy protocols are transparent and evidence-based and include a straightforward process for exceptions when medically necessary. NCQA advocates patient protection and timely access to appropriate medications. Federal regulations ensure that step therapy programs are reviewed and approved by a Pharmacy and Therapeutics Committee, which includes practicing physicians and pharmacists. The committee bases its decisions on scientific evidence and standards of practice. The bill does not provide guidance to healthcare systems that might struggle to allocate resources appropriately, as it is unclear which diseases qualify as rare.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB39 similar to Senate Bill 207, which also attempts to prohibit practices that restrict access to certain medications.

## TECHNICAL ISSUES

The Office of Superintendent of Insurance (OSI) notes the term “off-label” may need to be clarified that the drug must be approved by the FDA, but the indication or dosage to treat a specific condition or disease may not be approved. As currently written, the bill may be construed to require coverage of non-FDA approved medications which may be contrary to federal law. OSI suggests on page 4, lines 1-7: “off-label” means an FDA approved medication ~~or a dosage of a medication that does not have an FDA approved indication~~ ....”

## OTHER SUBSTANTIVE ISSUES

The University of New Mexico Health Sciences Center (UNMHSC) notes prior authorization requirements often delay patient care, which can negatively affect clinical outcomes. Limiting step programs for vulnerable patients, such as those with cancer or autoimmune diseases, can ensure timely care that may prevent long-term complications and increase morbidity, remove unnecessary barriers to accessing care, and prevent adverse effects such as reduced quality of life, disruption of work, and increased risk of worsening conditions due to treatment delays. Reduced prior authorization requirements can also improve the efficiency of pharmacy operations.

The Department of Health (DOH) notes for children with rare diseases, receiving an accurate diagnosis and promptly starting treatment can be critical. Approximately 50 percent of individuals with rare diseases are children. Only 5 percent to 7 percent of rare diseases have an FDA-approved treatment. Due to the lack of FDA-approved treatments, most medication for rare disease is prescribed off-label. In general, insurers and pharmacy benefit managers will not reimburse off-label use of drugs or medical devices. To access therapies prescribed by their physician, patients may be required to mostly pay out of pocket or provide additional paperwork which delays medication access.

RAE/sgs/hg/sgs

1 SENATE BILL 476

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Jay C. Block

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7  
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9  
10 AN ACT

11 RELATING TO RETIREE HEALTH CARE; EXEMPTING FIRST RESPONDERS  
12 FROM THE REQUIREMENT TO PAY PREMIUMS OR FEES TO PARTICIPATE IN  
13 THE RETIREE HEALTH CARE ACT; MAKING AN APPROPRIATION.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 10-7C-13 NMSA 1978 (being Laws 1990,  
17 Chapter 6, Section 13, as amended) is amended to read:

18 "10-7C-13. PAYMENT OF PREMIUMS ON HEALTH CARE  
19 PLANS.--

20 A. Except as otherwise provided in this section,  
21 each eligible retiree shall pay a monthly premium for the basic  
22 plan in an amount set by the board not to exceed fifty dollars  
23 (\$50.00) plus the amount, if any, of the compounded annual  
24 increases authorized by the board, which increases [~~shall not~~  
25 ~~exceed nine percent until fiscal year 2008 after which the~~

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1 ~~increases~~] shall not exceed the authority's group health care  
2 trend. In addition to the monthly premium for the basic plan,  
3 each current retiree and nonsalaried eligible participating  
4 entity governing authority member who becomes an eligible  
5 retiree shall also pay monthly an additional participation fee  
6 set by the board. That fee shall be five dollars (\$5.00) plus  
7 the amount, if any, of the compounded annual increases  
8 authorized by the board, which increases [~~shall not exceed nine~~  
9 ~~percent until fiscal year 2008 after which the increases~~] shall  
10 not exceed the authority's group health care trend. The  
11 additional monthly participation fee paid by the current  
12 retirees and nonsalaried eligible participating entity  
13 governing authority members who become eligible retirees shall  
14 be a consideration and a condition for being permitted to  
15 participate in the Retiree Health Care Act. A legislative  
16 member or a former participating employer governing authority  
17 member shall pay a monthly premium for any selected plan equal  
18 to one-twelfth of the annual cost of the claims and  
19 administrative costs of that plan allocated to the member by  
20 the board. In addition, a legislative member or a former  
21 participating employer governing authority member shall pay the  
22 additional monthly participation fee set by the board pursuant  
23 to this subsection as a consideration and condition for  
24 participation in the Retiree Health Care Act. Eligible  
25 dependents shall pay monthly premiums in amounts that with

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1 other money appropriated to the fund shall cover the cost of  
2 the basic plan for the eligible dependents.

3 B. Eligible retirees and eligible dependents shall  
4 pay monthly premiums to cover the cost of the optional plans  
5 that they elect to receive, and the board shall adopt rules for  
6 the collection of additional premiums from eligible retirees  
7 and eligible dependents participating in the optional plans.  
8 An eligible retiree or eligible dependent may authorize the  
9 authority in writing to deduct the amount of these premiums  
10 from the monthly annuity payments, if applicable.

11 C. The participating employers, active employees  
12 and retirees, except as provided in Subsection E of this  
13 section, are responsible for the financial viability of the  
14 program. The overall financial viability is not an additional  
15 financial obligation of the state.

16 D. For eligible retirees who become eligible for  
17 participation on or after July 1, 2001, the board may determine  
18 monthly premiums based on the retirees' years of credited  
19 service with participating employers.

20 E. An eligible retiree with at least twenty years  
21 of service as a first responder shall be exempt from paying any  
22 premium or fee to participate in the Retiree Health Care Act.

23 F. As used in this section, "first responder" means  
24 a person certified or licensed by law as:

25 (1) a law enforcement officer;

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1                                   (2) a firefighter or volunteer firefighter; or

2                                   (3) an emergency medical technician."

3                   **SECTION 2. APPROPRIATION.**--Seven million five hundred  
4 thousand dollars (\$7,500,000) is appropriated from the general  
5 fund to the retiree health care authority for expenditure in  
6 fiscal year 2026 to cover costs associated with exempting first  
7 responders from paying any premium or fee to participate in the  
8 Retiree Health Care Act. Any unexpended or unencumbered  
9 balance remaining at the end of fiscal year 2026 shall revert  
10 to the general fund.

11                                   - 4 -

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1 SENATE BILL 443

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Martin Hickey

5  
6  
7  
8  
9  
10 AN ACT

11 RELATING TO INSURANCE; AMENDING THE HEALTH CARE PURCHASING ACT  
12 AND SECTIONS OF THE NEW MEXICO INSURANCE CODE TO PROHIBIT COST  
13 SHARING FOR CHOLESTEROL-LOWERING DRUGS.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. A new section of the Health Care Purchasing  
17 Act is enacted to read:

18 "[NEW MATERIAL] COVERAGE FOR CHOLESTEROL-LOWERING DRUGS.--

19 A. Group health coverage, including any form of  
20 self-insurance, offered, issued or renewed under the Health Care  
21 Purchasing Act that provides coverage for cholesterol-lowering  
22 drugs shall not impose cost sharing on those drugs.

23 B. For the purposes of this section, "cost sharing"  
24 means a copayment, coinsurance, a deductible or any other form  
25 of financial obligation of an enrollee other than a premium or a

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1 share of a premium, or any combination of any of these  
2 financial obligations, as defined by the terms of a group  
3 health plan."

4 SECTION 2. A new section of Chapter 59A, Article 22 NMSA  
5 1978 is enacted to read:

6 "[NEW MATERIAL] COVERAGE FOR CHOLESTEROL-LOWERING DRUGS.--

7 A. An individual or group health insurance policy,  
8 health care plan or certificate of health insurance that is  
9 delivered, issued for delivery or renewed in this state that  
10 provides coverage for cholesterol-lowering drugs shall not  
11 impose cost sharing on those drugs.

12 B. For the purposes of this section, "cost  
13 sharing" means a copayment, coinsurance, a deductible or any  
14 other form of financial obligation of the insured other than a  
15 premium or a share of a premium, or any combination of any of  
16 these financial obligations, as defined by the terms of an  
17 individual or group health insurance policy, health care plan  
18 or certificate of health insurance."

19 SECTION 3. A new section of Chapter 59A, Article 23 NMSA  
20 is enacted to read:

21 "[NEW MATERIAL] COVERAGE FOR CHOLESTEROL-LOWERING DRUGS.--

22 A. A group or blanket health insurance policy,  
23 health care plan or certificate of health insurance that is  
24 delivered, issued for delivery or renewed in this state that  
25 provides coverage for cholesterol-lowering drugs shall not

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1 impose cost sharing on those drugs.

2 B. For the purposes of this section, "cost sharing"  
3 means a copayment, coinsurance, a deductible or any other form  
4 of financial obligation of a covered person other than a  
5 premium or a share of a premium, or any combination of any of  
6 these financial obligations, as defined by the terms of a group  
7 or blanket health insurance policy, health care plan or  
8 certificate of health insurance."

9 SECTION 4. A new section of the Health Maintenance  
10 Organization Law is enacted to read:

11 "[NEW MATERIAL] COVERAGE FOR CHOLESTEROL-LOWERING DRUGS.--

12 A. An individual or group health maintenance  
13 organization contract that is delivered, issued for delivery or  
14 renewed in this state that provides coverage for cholesterol-  
15 lowering drugs shall not impose cost sharing on those drugs.

16 B. For the purposes of this section, "cost sharing"  
17 means a copayment, coinsurance, a deductible or any other form  
18 of financial obligation of an enrollee other than a premium or  
19 a share of a premium, or any combination of any of these  
20 financial obligations, as defined by the terms of an individual  
21 or group health maintenance organization contract."

22 SECTION 5. A new section of the Nonprofit Health Care  
23 Plan Law is enacted to read:

24 "[NEW MATERIAL] COVERAGE FOR CHOLESTEROL-LOWERING DRUGS.--

25 A. An individual or group health care plan that is

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1 delivered, issued for delivery or renewed in this state that  
2 provides coverage for cholesterol-lowering drugs shall not  
3 impose cost sharing on those drugs.

4 B. For the purposes of this section, "cost sharing"  
5 means a copayment, coinsurance, a deductible or any other form  
6 of financial obligation of a subscriber other than a premium or  
7 a share of a premium, or any combination of any of these  
8 financial obligations, as defined by the terms of an individual  
9 or group health care plan."

10 SECTION 6. EFFECTIVE DATE.--The effective date of the  
11 provisions of this act is January 1, 2026.

1 HOUSE BILL 570

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Jenifer Jones and Elizabeth "Liz" Thomson  
5 and Joshua N. Hernandez  
6  
7  
8  
9

10 AN ACT

11 RELATING TO INSURANCE; AMENDING AND ENACTING SECTIONS OF THE  
12 PRIOR AUTHORIZATION ACT TO PROHIBIT THE IMPOSITION OF PRIOR  
13 AUTHORIZATION REQUIREMENTS FOR CERTAIN COVERED SERVICES AND  
14 PRESCRIPTION MEDICATION.  
15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. Section 59A-22B-1 NMSA 1978 (being Laws 2019,  
18 Chapter 187, Section 3) is amended to read:

19 "59A-22B-1. SHORT TITLE.--~~[Sections 3 through 7 of this~~  
20 ~~act]~~ Chapter 59A, Article 22B NMSA 1978 may be cited as the  
21 "Prior Authorization Act"."

22 SECTION 2. A new section of the Prior Authorization Act  
23 is enacted to read:

24 "[NEW MATERIAL] PRIOR AUTHORIZATION FOR CHEMOTHERAPY  
25 SERVICES PROHIBITED.--

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1           A. A health insurer shall not require prior  
2 authorization for covered chemotherapy services.

3           B. A health insurer may require a health care  
4 provider to provide notification to the health insurer after  
5 the initiation of chemotherapy services.

6           C. A health insurer may require a health care  
7 provider to develop and submit a treatment plan for a covered  
8 person receiving chemotherapy services in a manner that is  
9 compliant with federal law."

10           SECTION 3. A new section of the Prior Authorization Act  
11 is enacted to read:

12           "[NEW MATERIAL] PRIOR AUTHORIZATION FOR DIALYSIS SERVICES  
13 PROHIBITED.--

14           A. A health insurer shall not require prior  
15 authorization for covered dialysis services.

16           B. A health insurer may require a health care  
17 provider to provide notification to the health insurer after  
18 the initiation of dialysis services.

19           C. A health insurer may require a health care  
20 provider to develop and submit a treatment plan for a covered  
21 person receiving dialysis services in a manner that is  
22 compliant with federal law."

23           SECTION 4. A new section of the Prior Authorization Act  
24 is enacted to read:

25           "[NEW MATERIAL] PRIOR AUTHORIZATION FOR ELDER CARE

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1 SERVICES PROHIBITED.--

2 A. A health insurer shall not require prior  
3 authorization for covered elder care services.

4 B. A health insurer may require a health care  
5 provider to provide notification to the health insurer after  
6 the initiation of elder care services.

7 C. A health insurer may require a health care  
8 provider to develop and submit a treatment plan for a covered  
9 person receiving elder care services in a manner that is  
10 compliant with federal law."

11 SECTION 5. A new section of the Prior Authorization Act  
12 is enacted to read:

13 "[NEW MATERIAL] PRIOR AUTHORIZATION FOR HOME HEALTH CARE  
14 SERVICES PROHIBITED.--

15 A. A health insurer shall not require prior  
16 authorization for covered home health care services.

17 B. A health insurer may require a health care  
18 provider to provide notification to the health insurer after  
19 the initiation of home health care services.

20 C. A health insurer may require a health care  
21 provider to develop and submit a treatment plan for a covered  
22 person receiving home health care services in a manner that is  
23 compliant with federal law."

24 SECTION 6. Section 59A-22B-8 NMSA 1978 (being Laws 2023,  
25 Chapter 114, Section 13, as amended) is amended to read:

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1 "59A-22B-8. PRIOR AUTHORIZATION FOR PRESCRIPTION DRUGS OR  
2 STEP THERAPY FOR CERTAIN CONDITIONS PROHIBITED.--

3 A. Coverage for medication approved by the federal  
4 food and drug administration that is prescribed for the  
5 treatment of an autoimmune disorder, cancer, diabetes, high  
6 blood pressure or a substance use disorder, pursuant to a  
7 medical necessity determination, shall not be subject to prior  
8 authorization, except in cases in which a biosimilar,  
9 interchangeable biologic or generic version is available.

10 B. A health insurer shall not impose step therapy  
11 requirements before authorizing coverage for medication  
12 approved by the federal food and drug administration that is  
13 prescribed for the treatment of an autoimmune disorder, cancer,  
14 diabetes, high blood pressure or a substance use disorder,  
15 pursuant to a medical necessity determination, except in cases  
16 in which a biosimilar, interchangeable biologic or generic  
17 version is available."

# New Mexico Retiree Health Care Authority (CP)

## Change in Market Value

For the Month of Jan 2025

(Report as of February 14, 2025)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	328,757,952.84	-	-	-	863,583.14	18,235.40	1,187,936.33	1,206,171.73	330,827,707.71
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	199,947,392.22	-	-	-	133,744.39	426,643.81	7,034,190.00	7,460,833.81	207,541,970.42
Non-US Emerging Markets Active Pool	121,679,386.42	-	-	-	150,584.47	377,327.21	1,630,909.41	2,008,236.62	123,838,207.51
Private Debt Market Pool	231,858,205.42	-	-	-	438,971.88	223,873.63	(393,853.55)	(169,979.92)	232,127,197.38
Private Equity Pool	215,046,603.23	-	-	-	171,102.38	196,357.86	(277,182.19)	(80,824.33)	215,136,881.28
Real Estate Pool	134,716,502.16	-	-	-	539,006.99	8,845.73	(491,733.77)	(482,888.04)	134,772,621.11
Real Return Pool	80,388,450.05	-	-	-	131,503.35	287,549.93	84,652.60	372,202.53	80,892,155.93
US Large Cap Index Pool	241,969,917.48	-	-	-	197,544.65	5,646.88	7,483,747.53	7,489,394.41	249,656,856.54
US SMID Cap Alternative Weighted Index Pool	34,084,276.88	-	-	-	25,883.83	38,873.31	928,753.41	967,626.72	35,077,787.43
Sub - Total New Mexico Retiree Health Care	1,588,448,686.70	-	-	-	2,651,925.08	1,583,353.76	17,187,419.77	18,770,773.53	1,609,871,385.31
<b>Total New Mexico Retiree Health Care</b>	<b>1,588,448,686.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,651,925.08</b>	<b>1,583,353.76</b>	<b>17,187,419.77</b>	<b>18,770,773.53</b>	<b>1,609,871,385.31</b>

## WebPortal Application Services – Action Item\*

### Background:

The NMRHCA WebPortal General Enrollment Application project is a web-based portal platform designed to streamline the Retirees enrollment process of the Procuring Agency. The portal will allow for electronic completion and submission of the General Enrollment Application with built-in data validation, reducing errors, minimizing phone inquiries, and eliminating the manual scanning of documents.

Beyond electronic form submission, the portal allows Retirees to:

- Upload scanned documents
- Review benefits
- Request updates to personal information

This Portal was designed and developed by current website host and vendor – RealTime Solutions.

### Issue:

The WebPortal functionality continues to evolve due to changes in processes, rates, and plans, as well as newly identified requirements, bug fixes, and design refinements. To achieve a stable, secure, and fully functional Version 1.0, additional work and continued funding are required.

### Overview:

To complete these enhancements, the Agency seeks additional funding to support further development by **RealTime Solutions**, as detailed below.

### Scope of Work (summary)

- a. Update the drop down menu to include newly added employers.
- b. Apply new RHCA letterhead to available printed documents.
- c. Correct the link to The Standard website for Insurance information and/or provide the form for download.
- d. Update medical plan options
- e. Adjust calculation rules for new rates and plan options.
- f. Add new disclaimers at beginning and end of enrollment.
- g. Apply application locking to prevent changes after submission.
- h. Eliminate Medicare questions, if Retiree indicates No to having Medicare.
- i. Allow multiple birth certificates to be uploaded.
- j. Change default filename for Estimate Premium payment to be more individualized.
- k. Update current summary PDF form in Portal with the changes to Dental Plan, Medical Plan, and new Rates, eliminate some checkboxes – create filled-field instead, and correct for new and deleted fields.

The cost estimate for these services is \$ 39,229.31.

**Action Item Request:** NMRHCA Staff respectfully requests permission to create new work contract with RealTime Solutions in the amount provided for the specified SOW with existing IT Professional Services budget.

## **Out-of-state Travel Request - Action Item\***

**Background.** Express Scripts has extended an invitation to NMRHCA to attend the annual Government Advisory Panel (GAP) and Express Scripts Outcomes Symposium. The GAP and Outcomes Symposium provides an opportunity to learn about the latest trends, network with benefit administrators from public and private organizations across the nation, and learn about the solutions being used to help address current and future challenges.

As of February 24, 2025, a finalized agenda has not been published. Some of the topics covered last year were the future of behavioral healthcare innovations, GLP1s' growing use and supply chains, specialty drugs for oncology and gene therapies, and biosimilars coming to market, creating competition and savings. This event brings various groups utilizing these services and partners in the industry with various backgrounds to learn about the changes occurring in healthcare and ways to possibly improve patient experience and health outcomes.

For this conference, the invite is being extended to a board member and staff member to engage with experts, learn about the latest innovations and action-driven intelligence, and network with many benefit leaders nationwide. In addition, the GAP session allows our group to look at specific data related to us, see how our data compares, and discuss success or issues that other groups like our organization have experience.

**Requested Action.** NMRHCA staff respectfully request permission to attend the Express Scripts Government Advisory Panel (GAP) Meeting and Outcomes Symposium in Miami, FL on May 7-9.