

## **RISK MANAGEMENT ADVISORY BOARD**

**March 31, 2022  
Via Microsoft Teams**

### **1. CALL TO ORDER**

The meeting of the Risk Management Advisory Board called to order at 2:03 p.m. Russell Toal, Chair. The meeting was held via Microsoft Teams due to the current COVID-19 restrictions.

#### **ROLL CALL**

Roll call indicated the presence of a quorum as follows:

##### **Members Present:**

Russell Toal, Superintendent of Insurance  
Tami Coleman, CFO of Albuquerque Public Schools  
Simon Miller, Designee Department of Finance and Administration  
Raul Burciaga, Legislative Council Service  
Teresa Ann Costantinidis, CFO of UNM  
C. Quinn Lopez, Attorney  
Michael Byrd, Insurance Agent  
Malaquias (JR) Rael, Office of the Attorney General

##### **Members Excused:**

Anita Schwing, CFO of NM Health Insurance Exchange

##### **Others Present:**

John Garcia, Secretary of General Services Department  
Duffy Rodriguez, Deputy Secretary of General Services Department  
Randall Cherry, Acting Risk Management Division Director  
Lakisha Holley, Risk Management Division Deputy Director

### **2. ELECTION OF NEW CHAIR AND VICE CHAIR**

Chair Toal opened up the meeting to nominations for Chair and Vice Chair of the Risk Management Advisory Board.

**MOTION:** Mr. Burciaga moved to elect Ms. Costantinidis as Chair and Mr. Toal as Vice Chair, with a second from Mr. Lopez. The motion passed unanimously.

### **3. APPROVAL OF AGENDA**

The agenda was approved by unanimous vote with no changes.

#### **4. APPROVAL OF MINUTES FROM JUNE 24, 2021**

**MOTION:** Mr. Toal moved to approve the minutes from June 24, 2021 with a second from Mr. Burciaga. The motion passed unanimously.

#### **5. OPEN MEETINGS RESOLUTION**

Chair Costantinidis stated they have to adopt an Open Meetings Resolution to stay in compliance with the Open Meetings Act.

Mr. Cherry explained the new language is to clarify that if there is an Executive Order in place that it allows them to meet virtually. This was drafted awhile back when the pandemic first started.

**MOTION:** Ms. Coleman moved to approve the Open Meeting Resolution with a second from Vice Chair Toal. The motion passed unanimously.

#### **6. RMD FINANCIAL UPDATE (FUND BALANCES)**

Secretary Garcia introduced himself and thanked the members of the Risk Management Advisory Board. He has been Secretary of the General Services Department (“GSD”) for a few months now and sees the concerns with the fund balances. The Benefits fund is a priority for him and the administration. He realizes that healthcare costs are rising that he is aware of inflation.

Secretary Garcia states they will continue to work on the fund balances. He thanked Mr. Cherry for taking on dual roles at GSD. Secretary Garcia will not be able to stay for the entire meeting he will be meeting with AON tomorrow and will continue to meet with consultants to work on these issues.

Mr. Cherry introduced Lakisha Holley who is the Deputy Director of the Risk Management Division (“RMD”). A new administrator will begin April 1, 2022 at the Stay Well Health Center. They are very excited to welcome their new ideas.

They are launching Virta Health and Omada Health as well. Virta Health is a diabetes program to reverse diabetes.

Mr. Cherry explained they are planning to transition employees back to the office. They will be working on the premium development which should be complete by July 15, 2022. They went live with RMIS the new Risk Management Information System and it will take some time to get the kinks worked out.

Mr. Cherry passed the presentation over to Cyndi Maestas the Bureau Chief of the Employee Benefits Bureau.

- Employee Benefits Bureau

Ms. Maestas explained the data warehouse is going to be migrated into one system. AON the benefits consultant conducted a bi-yearly audit. Everything went well, they are going to audit Presbyterian next.

Vice Chair Toal asked when the data warehouse will be up and running. Ms. Maestas explained it will be complete at the end of the calendar year.

Vice Chair Toal explained the Department of Health is creating an all payer claims database. They will need input from all IBAC plans.

Ms. Maestas stated the PBM claims and program audit was conducted and completed in September. A virtual handbook was created for all State employees and is being prepared to help them when returning to work.

Ms. Costantinidis asked when the open enrollment is. Ms. Maestas explained it is once a year, they will be getting some communications out. They had some information for employees to guide them in selecting an insurance.

Ms. Maestas explained they are updating the EBB website to be more user friendly. They are working on more tools for a healthier lifestyle. The new administrator Pro Active MD is starting at the Stay Well Health Center on April 1, 2022. They have started the virtual visits and will have an onsite social worker to serve as a patient advocate.

Ms. Maestas stated they are launching a new diabetes reversal program with Virta and Omada Health in April. It will be advertised well to all members.

Mr. Burciaga discussed the issue of members who make changes to their plans get their cards months later. Ms. Maestas explained there is a way to send out a confirmation of coverage.

Ms. Maestas explained every year they send each carrier each member's file. Last year the carriers were required to provide more information on the card such as the co-pays.

Ms. Costantinidis stated some carriers allow a temporary card to print for members. Ms. Maestas stated that they all have that ability.

- Alternative Dispute Resolution- (ADR)

Ms. Holley will cover this bureau for Mary Jo Lujan. Ms. Holley explained this bureau expanded their online services. There were several training events with over 600 attendees.

Ms. Holley stated there were many outreach events with staff groups and ADR Coordinators. The newsletters have been frequent. There were over 250 attendees with 53 agencies that attended the 12<sup>th</sup> annual ADR conference.

Ms. Holley stated they are on track to exceed FY21's mediations. Transitioning back to the office that may change it again. There will be in person services if the public health order allows.

Mr. Toal asked if there would be more information on the Health Plan.

Mr. Cherry explained they will not get to that information today. Secretary Garcia will be meeting with AON tomorrow.

Mr. Toal stated by the next meeting they will have already made decisions. The Risk Management Advisory Board should be advised before the terms are made.

Secretary Garcia explained they are happy to meet before they make any deals.

Mr. Miller stated the date for premium increases is in July. The state budget has to build them in the system for the appropriation request.

- Property & Casualty (PAC)

Mr. Rod Crawley, Bureau Chief of the PAC Bureau. They are working on the RMIS system for claims reporting and still getting out the bugs.

His team has been working well through the hybrid teleworking. They are fully staffed with six adjusters, two financial specialists and one business operations staff now.

There has been five plumbing failures at UNM and NMSU. They are working on two major losses with NMDC. They have been working on over 821 cases in active litigation. They have seen a 25% increase year to year.

Ms. Costantinidis asked for the numbers closures since the last period. Mr. Crawley explained the closure rates has been 10-15 per day but 20-30 new cases coming in. He asks that every claim is audit ready.

Mr. Crawley has seen an issue with training staff and then other entities take their staff.

- Workers Compensation Bureau

Ms. Cindy Carrillo, Bureau Chief of the Workers Compensation Bureau explained the last time they presented they had changed bill review companies. In the transition they manually processed bill review. They have been working in RMIS as well. They are finding issues with the vendor data file in SHARE and not RMIS. They are working to get all the data they need.

Ms. Carrillo explained they have several reports they need to provide to the State Workers Compensation Administration.

Ms. Carrillo discussed the new bill review vendor and how they have seen additional savings. They are currently covering up to 58,000 employees including LPB's.

- Loss Control and Prevention (LCP)

Ms. Julia Lanham, Bureau Chief of the Loss Control and Prevention Bureau stated staff has been very productive. They have just reclassified her positions and should be able to post some openings.

Ms. Lanham explained they have started a certification program with NM Edge. The LCP Bureau has continued with their Cybersecurity Town Hall meetings, what is interesting is that the majority of attendees were not State agencies.

Ms. Lanham they deployed their exposure survey and got 100% response back. They have added Southeast NM College to the pool. They are working on their premiums. The global property losses in 2021 were estimated at \$105 billion which will affect the premiums.

Ms. Lanham explained the Fine Arts premium went up 20%. The Rail Runner Liability will be increasing by 10%. Drone liability is an interesting and evolving risk.

Ms. Costantinidis asked about the Fine Arts premium. Ms. Lanham explained that it was a huge loss at NMSU and affected the entire category. It was a facility.

Ms. Lanham explained the STRIMA conference will be hosted by New Mexico in September. DCA and NM Tourism has helped with passes to the Museums.

- Legal

Mr. Jacob Maule, the Legal Bureau Chief discussed the hybrid CLE they hosted in December. They partnered with Defense Lawyers Association on the Ethics Commission, COVID Workplace Issues, Qualified Immunity, and Ethics.

Mr. Maule discussed the fiscal year audit is coming up. They go through an internal audit on their cases. As of July 1 there are 274 litigation files open. This has been a steep increase. They are closing cases by settlements or trial. They have seen an increase in civil rights cases which in the system includes employment practices.

Mr. Maule stated the medical malpractice cases has doubled. The auto claim cases will probably get back to pre-COVID numbers.

Mr. Maule explained the legal bureau is fully staffed, they have done amazing work throughout the pandemic.

- Finance Bureau

Ms. Markita Sanchez the Finance Bureau Chief explained the financial breakdown. The unemployment claims were mostly covered by ARPA. They won't collect premiums from the pool participants in FY23. The concern is that when they pay out claims the balances hold up.

Ms. Sanchez discussed the public property fund is collecting less than what they are paying out. The public liability and workers compensation look fine. She will be watching those closely.

Ms. Costantinidis asked what can they do in the case of the public property fund where there is more being paid out. Ms. Sanchez explained they do have transfer authority from other funds. When ARPA runs out they will have to pay claims 100%.

Ms. Sanchez discussed the unemployment charges update. They have not been able to apply the percentages because they ran into IT issues. They are working with Department of Workforce Solutions.

Secretary Garcia thanked the Risk Management Division for the presentation.

Vice Chair Toal stated they are used to getting more information on the health plan. He will email Mr. Cherry on what they want to see in the future.

## **7. BOARD DISCUSSION ITEMS**

Chair Costantinidis thanked Mr. Cherry for the presentation and the bureaus.

Vice Chair Toal asked if the next meeting will be scheduled in May or June.

**9. PUBLIC COMMENTS**

Per Mr. Cherry the meeting was properly advertised and there was not any public comment.

**10. NEXT MEETING POSSIBLY JULY 28, 2022**

It was decided to have the next meeting in May or June before there are any changes to the health plans.

**11. ADJOURN**

With all business concluded at 3:25 p.m. Vice Chair Toal moved to adjourn with a second from Mr. Burciaga.

Signed and approved:

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Teresa Costantinidis, Chair