

RISK MANAGEMENT ADVISORY BOARD

December 8, 2020

Via Go to Meeting

<https://global.gotomeeting.com/join/934293789>

1. CALL TO ORDER

The meeting of the Risk Management Advisory Board called to order at 2:07 pm by Russell Toal, Chair. The meeting was held via Go to Meeting 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
Simon Miller, Cabinet Secretary Department of Finance and Administration
Raul Burciaga, Legislative Council Service
Anita Schwing, CFO of NM Health Insurance Exchange
Teresa Ann Costantinidis, CFO of UNM
Tami Coleman, CFO of Albuquerque Public Schools
Tania Maestas, Chief Deputy Attorney General
Michael Byrd, Insurance Agent

Members Excused:

C. Quinn Lopez, Attorney

Others Present:

Mark Tyndall, Risk Management Division Director
Randall Cherry, General Counsel and Deputy Director of Risk Management Division
Tori Berquist, ERISA Administrative Services
Matthew Nordacker, Mash
Tony Dodd, Marsh
Susan Wilson, NM Coalition for Healthcare Value

2. APPROVAL OF THE AGENDA

MOTION: Ms. Constantinidis moved to approve the agenda with a second from Ms. Coleman. The agenda was approved by unanimous voice vote.

3. APPROVAL OF MINUTES FROM SEPTEMBER 24, 2020

MOTION: The minutes were approved by unanimous voice vote.

4. DIRECTOR'S UPDATE-MARK TYNDALL, RISK MANAGEMENT DIVISION

Mr. Tyndall updated the board on the seven bureaus that are in the Risk Management Division. The Employee Benefits Bureau (ERB) just concluded the Open/Switch Enrollment period. Members can change their medical, dental, vision and flexible spending accounts. There was not a lot of members who signed up on the Cigna plan. They have agreed to get their plans better advertised, it may take a while to develop a following.

Mr. Tyndall explained the whole life insurance and supplemental life policies, which help with out of pocket fees. The policies are all voluntary. At the direction of the Governor, they are looking into home COVID-19 Testing for State employees. It would be an at home saliva test kit. They are working on the details of it.

Mr. Tyndall explained they are working on the RFP for the contract for the Stay Well Health Center is coming up. Cerner is the current provider and they provide telephonic appointments and vaccinations.

Mr. Tyndall explained the Property and Casualty Bureau (PAC) handles the claims for State property. Luckily there has not been any property claims this fiscal year. The Loss Control Bureau (LCB) facilitated a training for employers to mitigate the unemployment losses. They certify employees through the NM Edge program.

Mr. Tyndall explained the Alternate Dispute Resolution Bureau (ADR) conducted their first online ADR Symposium. They had great attendance and were awarded a plaque for their work. They had speakers from many entities. Much of the mediation they conduct is in person. That has changed now.

Mr. Tyndall stated the Workers Compensation Bureau (WCB) has seen a small drop in claims. There have been a few COVID claims, which is covered. There has been claims related to the new home working environment.

Mr. Tyndall discussed the Legal Bureau is close to settlement season. There has been an increase in the high dollar medical malpractice cases. They have been working with UNMH claims committee about identifying root causes. The legislature appointed a Civil Rights Commission who just reported and filed their findings. They are talking about removing caps in the Tort Claims Act and are contemplating having RMD pay the legal fees.

Mr. Tyndall explained there was an Executive Order 2020-083 issued, there has been a change in the Crisis Care under the tort claims act. Physicians would be considered public employees and there would then be liability issues.

Mr. Tyndall explained in the Finance Bureau has different funds they administer. The workers comp fund will spend a bit more than what they took in. That is not all of the projected liabilities. These claims have a long tail. The future costs can add up to a lot more. For the public property fund and public liability fund will spend more the fund balances are healthy. The health benefits fund is hanging in they have taken in a bit more. As they move forward they can have the providers come in with more data.

Ms. Constantinidis asked if the UNM Hospital employees are already considered public employees. Mr. Tyndall stated they are as well as Sandoval Regional, Presbyterian, Lovelace and Southwest Associates.

Mr. Burciaga asked about the benefit packages and asked how it compares to a commercial package offered. Chair Toal stated the State plan is a better deal for state employees. Mr. Tyndall explained the breakdown of the out of pocket costs and the cost to the member.

5. THIRD PARTY ADMINISTRATOR SERVICES-ERISA ADMINISTRATIVE SERVICES

Mr. Tori Bergquist summarized the customer service they provide. In 2020 has answered 377,000 emails, 54,102 phone calls. Since July 1st they have processed 11,386 enrollments. They do not have automated systems they prefer to provide personal services. They have access to the SHARE program that all state employees have access to. They are set up to use the IBAC 2.0 software. They handle enrollments for the legislators and LPB's.

In either system it takes around ten minutes for a typical enrollment. They verify and make sure all information is vetted, accuracy is critical. They conduct audits.

Chair Toal asked how they insure compliance with the Section 125 rule?

Mr. Bergquist explained they have an administrative guide that sets up the specific design allowances and the actual rule. They normally go to ERB for a ruling or they have an attorneys on retainer they refer to.

Mr. Tyndall stated they have reached out directly to the IRS this year, they called them back and have a good working relationship with them.

Chair Toal asked who is working on their new website. Mr. Bergquist stated it was set up by a contractor and they used the same coding as GSD. The new design is intended to accommodate them and be easier to update.

Mr. Bergquist reviewed the figures on the open/switch enrollments. It looks like it will be an average year. This year the window of time was broader which made things more smooth.

Mr. Bergquist explained the disability administration portion of their services and states it requires more direct interaction and more depth. The ACA tax reporting may be taken over by SHARE but until then they will handle them. The flexible spending accounts has about 2,000 to 3,000 participants. It is administered through the WEX system. The COBRA participation has been between 60-100 steadily.

Mr. Bergquist explained the Cybersecurity initiatives. Medical insurance has become a prime target. Erisa follows HIPAA guidelines and has closed all external access. There are annual audits which look at the best practices and it is complete by fiscal year. There is an offsite data center where the server and hardware is located. Erisa has the ability to recover all operations in the case of an emergency.

Mr. Bergquist discussed the challenges they face. Cybersecurity is a risk of cybercrime. The operations in a post-pandemic world will be a challenge, they will maintain secure information. They must balance modern convenience with security concerns for HIPAA and PHI requirements. WEX provides certifications and meets the same standards as they use. They remain to grow and innovate with the State of New Mexico.

Ms. Constatinidis requested a copy of the Cyber Security audit.

Mr. Bergquist states he will send it out. They have internally penetration testing. They also conduct testing with GSD-TSSB. Chair Toal states there is a contract that tests annually. However he feels that is inadequate and they need it more frequent.

6. INSURANCE BROKERAGE SERVICES-MARSH

Mr. Nordaker and Mr. Dodd is responsible for the totality of the relationship for the State of New Mexico from an insurance brokerage perspective. Marsh is the largest risk management and insurance brokerage in the world. The public entity practice and the education practice has hundreds of employees. They are to understand the emerging risks. Millions are placed into the two entities, experts are brought in for properties.

Mr. Dodd explained he canvases the market. They make sure to pull in all resources.

Mr. Nordacker explained the services they provide daily. They negotiate the best prices and limits. Marsh files all claims for small agencies for example higher education programs. Marsh files all claims in a timely manner. There is also a miscellaneous section. They regularly meet to discuss all pending items.

Mr. Nordacker discussed the hardening market. Workers compensation is holding but there is a rise on particular types of claims. They have seen higher extremes and lower. The market is in disarray. In the third quarter the purchases were up 85%.

Mr. Nordacker states prior to COVID, in 2016 it was a friendly market with better terms and prices. In 2017, losses went up all over the country. The reinsurance market started to go into effect. Now with COVID things are uncertain.

Mr. Tyndall asked if they can expect the same difficulty coming up.

Mr. Nordacker states it will look the same. Even with what the economy changes. Mr. Tyndall stated they will have Marsh back in when it is closer to the renewal period.

Mr. Tyndall apologized to have Ms. Wilson return to another meeting and set up a standard meeting throughout the year.

Chair Toal likes the idea of having a regular meeting. Mr. Tyndall asked if perhaps when the session is over they can set up a regular meeting.

Ms. Coleman and Ms. Constaniditis state Thursday afternoons work for them.

7. NM COALITION FOR HEALTHCARE VALUE

Mr. Tyndall asked Ms. Wilson if they can invite her back to the next meeting. Ms. Wilson is happy to return.

8. BOARD DISCUSSION ITEMS

None.

9. PUBLIC COMMENTS

None.

10. NEXT MEETING

11. ADJOURN

With all business concluded the meeting adjourned at 3:30 p.m.

Signed and approved:



Teresa Costantinidis






RMAB Meeting Dec.8

Final Audit Report

2023-04-27

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