

# **RISK MANAGEMENT ADVISORY BOARD**

**October 27, 2022  
Via Microsoft Teams**

## **1. CALL TO ORDER**

The meeting of the Risk Management Advisory Board called to order at 2:01 p.m. Teresa Costantinidis, Chair. The meeting was held via Microsoft Teams due to the current health restrictions.

### **ROLL CALL**

Roll call indicated the presence of a quorum as follows:

#### **Members Present:**

Teresa Ann Costantinidis, CFO of UNM  
Collin Baillo, Designee for Superintendent of Insurance  
Rennette Apodaca, Designee for CFO of Albuquerque Public Schools  
Cecilia Mavrommatis, Designee Department of Finance and Administration  
C. Quinn Lopez, Attorney  
Anita Schwing, CFO of NM Health Insurance Exchange  
Raul Burciaga, Legislative Council Service

#### **Members Excused:**

Michael Byrd, Insurance Agent  
Malaquias (JR) Rael, Office of the Attorney General

#### **Others Present:**

Randall Cherry, Acting Risk Management Division Director  
Markita Sanchez, Finance Bureau Risk Management Division  
John Garcia, Cabinet Secretary General Services Department

## **2. APPROVAL OF THE AGENDA**

No changes to the agenda, the agenda was approved by unanimous vote.

## **3. APPROVAL OF JUNE 2, 2022 MEETING MINUTES**

No changes to the minutes of June 2, 2022, the minutes were approved with by unanimous vote.

## **4. FINANCE BUREAU UPDATE**

Ms. Sanchez discussed the ending balances for all funds. There were not any payments to the state and LPB unemployment fund, in FY 23 they will not be collecting. She has been working with them daily to reconcile and clean up amounts due. They will start invoicing agencies again in FY24. The Public Property fund has changed due to the ongoing changes in the market. There has been losses and rates have gone up. They will keep an eye on it, the cost won't be going down

anytime soon. Public liability is paying out more than what they are collecting. This has been due to more civil rights and medical malpractice cases. The workers comp balance also shows an overage. They are monitoring it, the audit is not complete yet. They are still finalizing the annual report with the actuary.

Mr. Burciaga asked if there is a way to track the case impact of the Civil Rights Act.

Mr. Cherry stated they are not tracking it specifically, the RMIS program does not have that capability. Secretary Garcia stated they do need to plan for future lawsuits.

Chair Costantinidis stated there is a cash balance and they do not need to panic yet. She would like them to ask when they need the board to jump in for advice.

Ms. Sanchez discussed the 1<sup>st</sup> quarter collections, they are slow. It takes a while to invoice agencies. The legislative session is going to have a 50% rule this year, they won't get a lot of payments until after session. The health benefits fund shows a large negative balance. They need to discuss an equitable solution.

Ms. Sanchez stated to break even they would need a 25% increase. They were hoping to get some more funds for COVID. She has requested some data from state budget to see where some medical funds are coming from they can then analyze it better. Ms. Sanchez explained the expenses.

Mr. Cherry explained the deficit and the amount they are looking at without COVID costs.

Secretary Garcia discussed the work the legislative team along with Senator Hickey and AON are doing. They have been working on the premiums and working with the providers. They are all parallel and they are trying to find ways to make the fund stable.

## **5. GROUP HEALTH BENEFITS PROGRAM UPDATE**

Mr. Cherry stated the team has been meeting with consultants to look at other states and their models. They are considering systemic changes. The changes will require legislation.

They have hired a new PBM ("Pharmaceutical Benefits Manager") and have added a new tier system with providers. Mr. Cherry explained they are looking at options such as telehealth to reduce costs. They are looking at wellness programs.

Mr. Cherry explained they have established a set of principles and they try to maximize the pool. There are options

Chair Costantinidis stated they can tell that there is a plan in place, in the December meeting they can discuss the legislative plans and they will hear in ADR. Between now and then what will they do to show what they have done?

Secretary Garcia stated none of the plans are adopted as of yet. They will likely have legislation drafted hopefully. They may need some advice. The providers stepped up. There will be some technical items on the plan they will need some help with.

Mr. Lopez stated the concept is spot on. Designing the patterns is important, bringing in industry standards and wellness is all best practices. He offered to assist in any way. The provider workforce will be a challenged.

Mr. Burciaga agrees on the provider access it is a huge issue. He spent some time in the healthcare industry and has drafted some legislation. He is happy to take an objective look at any legislation. Perhaps they should look at public health and wellness programs together.

Mr. Cherry thanked the board for their support.

Mr. Lopez stated they need to have the agencies support wellness and utilization.

**6. BOARD DISCUSSION ITEMS**

None.

**7. PUBLIC COMMENTS**

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

**8. NEXT MEETING– DECEMBER 15, 2022 – APRIL 20, 2023 – JUNE 22, 2023**

Chair Costantinidis asked these dates be sent out as placeholders.

**9. ADJOURN**

With all business concluded at 3:05 p.m. the meeting was adjourned.

Signed and approved:



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Teresa Costantinidis, Chair






# RMAB 10-27-22

Final Audit Report

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