



# New Mexico Public Schools Insurance Authority

*Created 1986 - Statutes 22-29-2 and 22-29-4*

**410 Old Taos Highway, Santa Fe, NM 87501**

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**<https://nmpsia.com/>**

## Legislative Finance Committee August 21, 2024

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# NMPSIA Today


## • Mandatory Members

- 88 Public Schools (Excludes APS)
- 99 Charter Schools

## • Voluntary Members

- 10 Higher Education
- 18 Other Educational Entities

## • Membership

- 77,400 Employees and Dependents
- 51,200 Employees
- Employees and Dependents by Coverage
  - 46,264 Medical
  - 54,298 Dental 
  - 47,287 Vision
  - 12,638 Long-Term Disability
  - 18,550 Additional Life



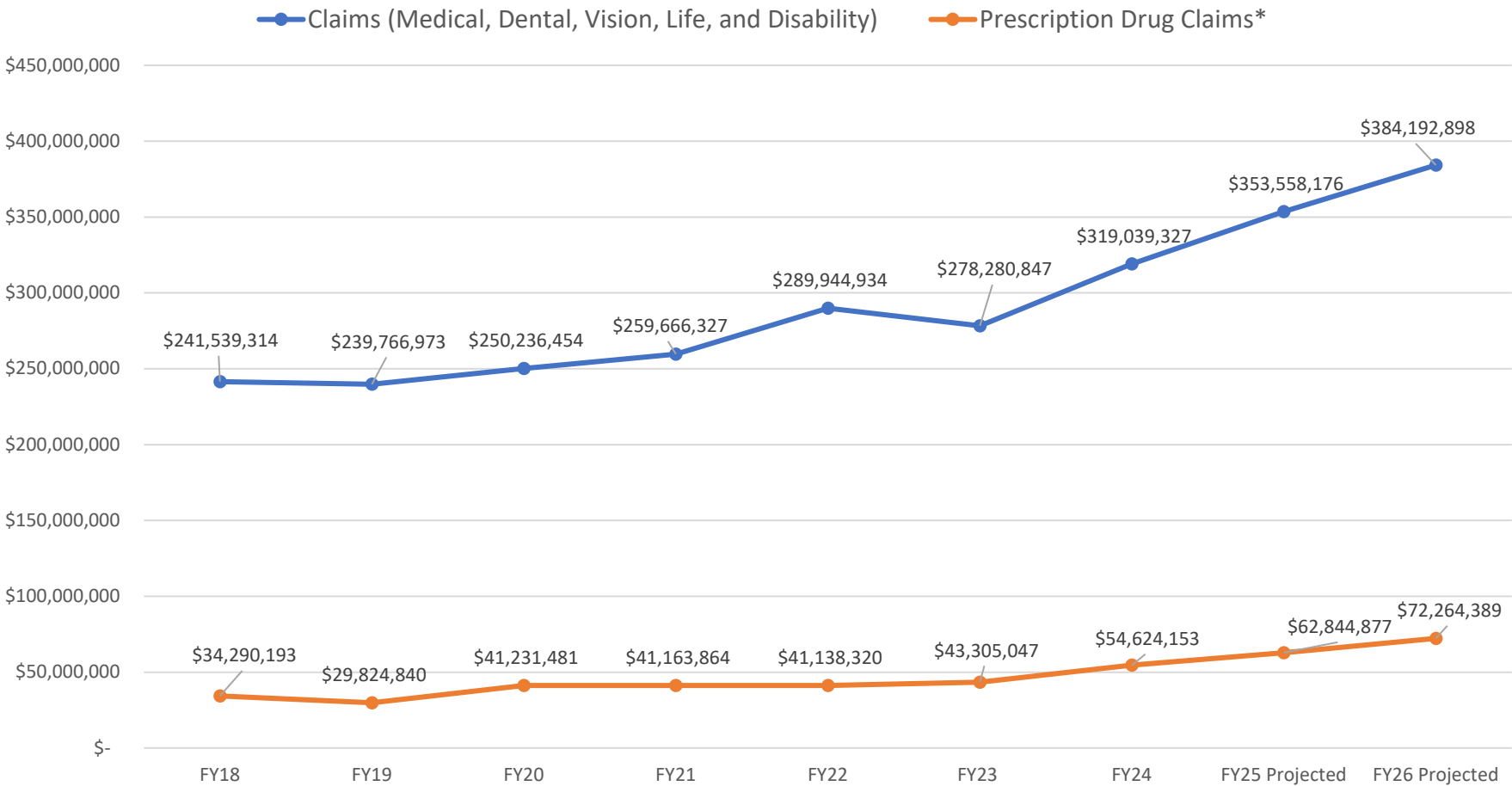
## • Staff

- 12 FTE

## • Board of Directors

- 11 Board Members
  - Governor Appointees
    - Alfred Park, President
    - Denise Balderas
    - Sammy J. Quintana
  - New Mexico Association of School Business Officials
    - Chris Parrino, Vice President
  - Educational Entities at Large
    - Trish Ruiz, Secretary
  - AFT-NM
    - Tim Crone
  - NEA-NM
    - Bethany Jarrell
    - David Martinez, Jr.
  - Public Education Commission
    - K.T. Manis
  - School Boards Association
    - Pauline Jaramillo
  - Superintendents' Association
    - Vicki Chavez

# Benefits Claims



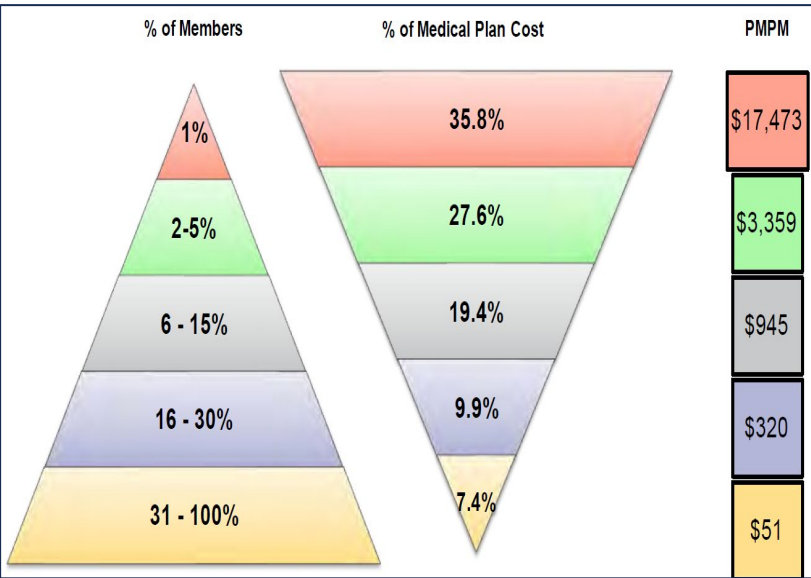
# Benefit Cost Drivers

## Claims Comparison

Current: Jan 2023 – Dec 2023

Prior: Jan 2022 – Dec 2022

### Distribution of Plan Paid Claims



Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total	Total Paid Amount	Total Paid PMPM	% of Total	
Outpatient Hospital <sup>1</sup>	\$110,284,884	\$202.33	27.3%	\$99,359,358	\$184.42	28.1%	9.7%
Inpatient Hospital	\$66,035,163	\$121.15	16.3%	\$60,146,700	\$111.64	17.0%	8.5%
Professional	\$54,382,191	\$99.77	13.4%	\$53,079,340	\$98.52	15.0%	1.3%
Emergency Room	\$32,894,230	\$60.35	8.1%	\$30,540,401	\$56.68	8.6%	6.5%
Urgent Care	\$1,446,118	\$2.65	0.4%	\$1,421,363	\$2.64	0.4%	0.6%
Drugs (Medical Benefit)	\$29,187,295	\$53.55	7.2%	\$24,157,018	\$44.84	6.8%	19.4%
All Others <sup>2</sup>	\$6,490,355	\$11.91	1.6%	\$5,955,217	\$11.05	1.7%	7.7%
<b>Total Medical</b>	<b>\$300,720,236</b>	<b>\$551.72</b>	<b>74.3%</b>	<b>\$274,659,397</b>	<b>\$509.78</b>	<b>77.6%</b>	<b>8.2%</b>
<b>Total Rx<sup>3</sup></b>	<b>\$103,930,117</b>	<b>\$190.68</b>	<b>25.7%</b>	<b>\$79,180,039</b>	<b>\$146.96</b>	<b>22.4%</b>	<b>29.7%</b>
<b>Total Paid</b>	<b>\$404,650,353</b>	<b>\$742.39</b>	<b>100.0%</b>	<b>\$353,839,436</b>	<b>\$656.75</b>	<b>100.0%</b>	<b>13.0%</b>
Member Paid	\$50,759,148	\$93.13	12.5%	\$45,171,721	\$83.84	12.8%	11.1%
Plan Paid	\$353,891,204	\$649.27	87.5%	\$308,667,715	\$572.91	87.2%	13.3%

- 1% of Members account for 35.8% of medical plan cost
- 5% of Members account for 63.45% of medical plan cost
- 15% of Members account for 82.8% of medical plan cost

- Outpatient Hospital increased \$10.9 million or 9.7%
- Medical Benefit Drugs increased \$5.0 million or 19.4%
- Total Prescriptions increased \$24.8 million or 29.7%

# High-Cost Claimants by Condition

## Top Member Conditions

Current: Jan 2023 – Dec 2023

Prior: Jan 2022 – Dec 2022

Chronic Condition for High Cost Claimants <sup>1</sup>	Current Period			Prior Period			% Change	
	Members	% Within Condition	PMPY	Members	% Within Condition	PMPY	Prev	PMPY
1. Diabetes	94	2.1%	\$217,078	95	2.3%	\$202,175	-0.2%	7.4%
2. CAD	78	7.3%	\$238,752	79	7.8%	\$238,897	-0.5%	-0.1%
3. Asthma	53	1.3%	\$198,449	42	1.1%	\$173,560	0.2%	14.3%
4. COPD	22	8.3%	\$290,340	19	7.4%	\$247,965	0.9%	17.1%
5. Hypertension	213	2.2%	\$230,400	201	2.1%	\$211,127	0.0%	9.1%
6. CHF	18	10.6%	\$212,795	25	14.6%	\$255,564	-4.0%	-16.7%
7. Breast Cancer	31	8.2%	\$272,529	24	6.6%	\$250,579	1.5%	8.8%
8. Colon Cancer	13	15.3%	\$273,177	13	14.1%	\$289,202	1.2%	-5.5%
9. Prostate Cancer	11	9.7%	\$153,531	6	4.9%	\$141,788	4.8%	8.3%
<b>Totals (unique)</b>	<b>267</b>	<b>1.3%</b>	<b>\$226,678</b>	<b>242</b>	<b>1.2%</b>	<b>\$214,407</b>	<b>0.1%</b>	<b>5.7%</b>

- 267 unique high-cost member claimants account for \$60.5 million in claims.

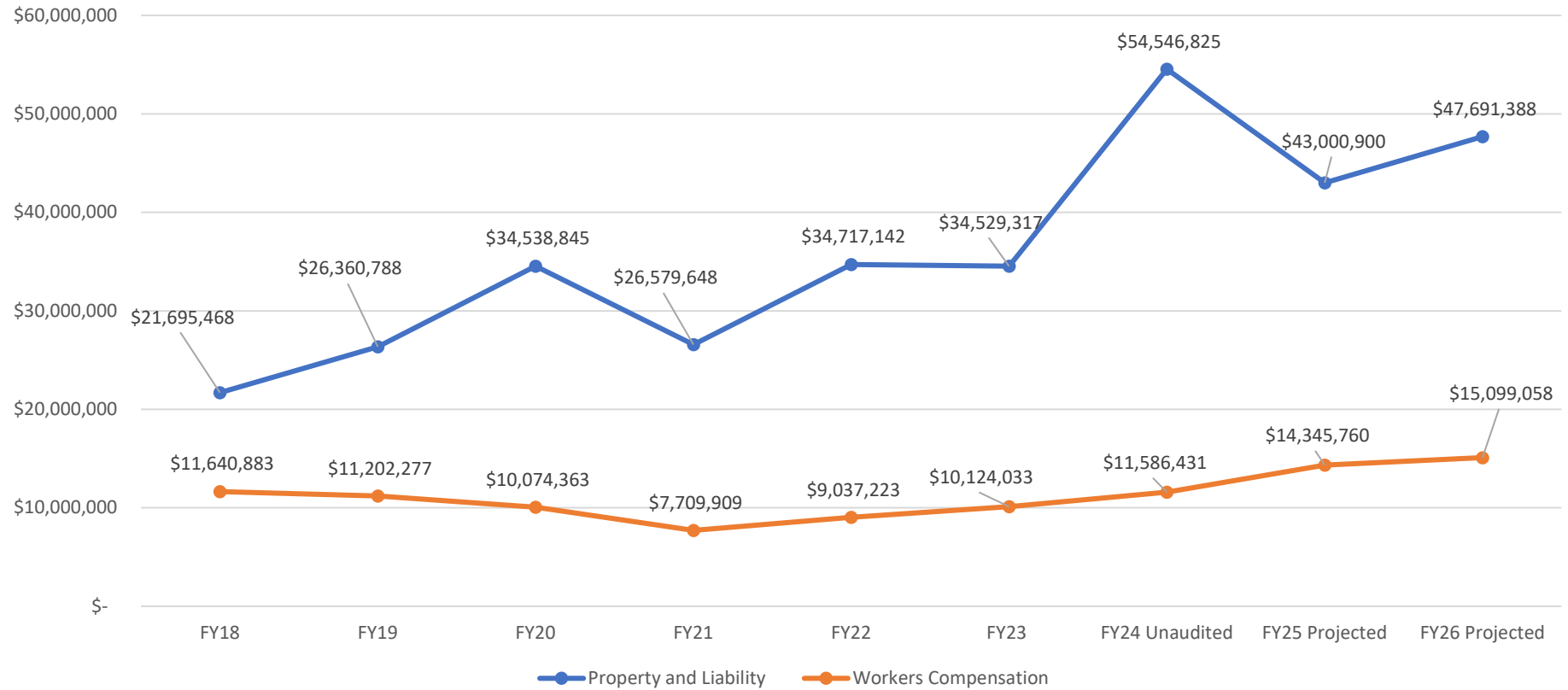
# NMPSIA Five-Year Benefits Projection

## Summary of Projection Scenarios

Description		Baseline	Scenario A: FY25 Breakeven Scenario	Scenario B: \$15M Appropriation	Scenario C: \$35M Appropriation	Scenario D: \$50M Appropriation
		Rate Action*				
	Eff. 10/1/2024	10.00%	17.46%	10.00%	10.00%	10.00%
	Eff. 10/1/2025	10.25%	7.52%	10.03%	9.74%	9.53%
	Eff. 10/1/2026	10.25%	7.52%	10.03%	9.74%	9.53%
	Eff. 10/1/2027	10.25%	7.52%	10.03%	9.74%	9.53%
	Eff. 10/1/2028	10.25%	7.52%	10.03%	9.74%	9.53%
	Eff. 10/1/2029	10.25%	7.52%	10.03%	9.74%	9.53%
		Fund Balance				
End of FY2025	Revenue	\$418,990,608	\$439,168,022	\$418,990,608	\$418,990,608	\$418,990,608
	Fund Balance	-\$15,886,732	\$4,290,683	-\$15,886,732	-\$15,886,732	-\$15,886,732
	Month of Claims	(0.4)	0.1	(0.4)	(0.4)	(0.4)
End of FY2026	Revenue	\$458,937,909	\$479,264,920	\$458,302,354	\$457,449,803	\$456,806,478
	Appropriation Funds	\$0	\$0	\$15,000,000	\$35,000,000	\$50,000,000
	Fund Balance	-\$28,287,919	\$12,216,506	-\$13,923,475	\$5,223,975	\$19,580,650
	Month of Claims	(0.7)	0.3	(0.3)	0.1	0.5
End of FY2027	Revenue	\$503,002,003	\$513,191,711	\$512,057,219	\$511,456,929	\$510,842,856
	Fund Balance	-\$29,728,308	\$21,010,742	-\$16,975,697	\$13,863	\$12,745,455
	Month of Claims	(0.7)	0.5	(0.4)	0.0	0.3
End of FY2028	Revenue	\$551,556,969	\$549,749,142	\$548,777,435	\$545,064,391	\$542,274,303
	Fund Balance	-\$18,063,707	\$30,867,516	-\$8,090,630	\$5,185,886	\$15,127,391
	Month of Claims	(0.4)	0.7	(0.2)	0.1	0.3
End of FY2029	Revenue	\$605,062,340	\$588,993,275	\$600,894,899	\$595,340,241	\$591,175,699
	Fund Balance	\$9,024,900	\$41,887,058	\$14,830,536	\$22,552,394	\$28,329,357
	Month of Claims	0.2	0.8	0.3	0.4	0.6
End of FY2030	Revenue	\$664,024,713	\$631,174,193	\$658,216,510	\$650,492,331	\$644,714,335
	Fund Balance	\$54,114,535	\$54,126,174	\$54,111,969	\$54,109,648	\$54,108,614
	Month of Claims	1.0	1.0	1.0	1.0	1.0

# Risk Claims

Risk Claims Cost

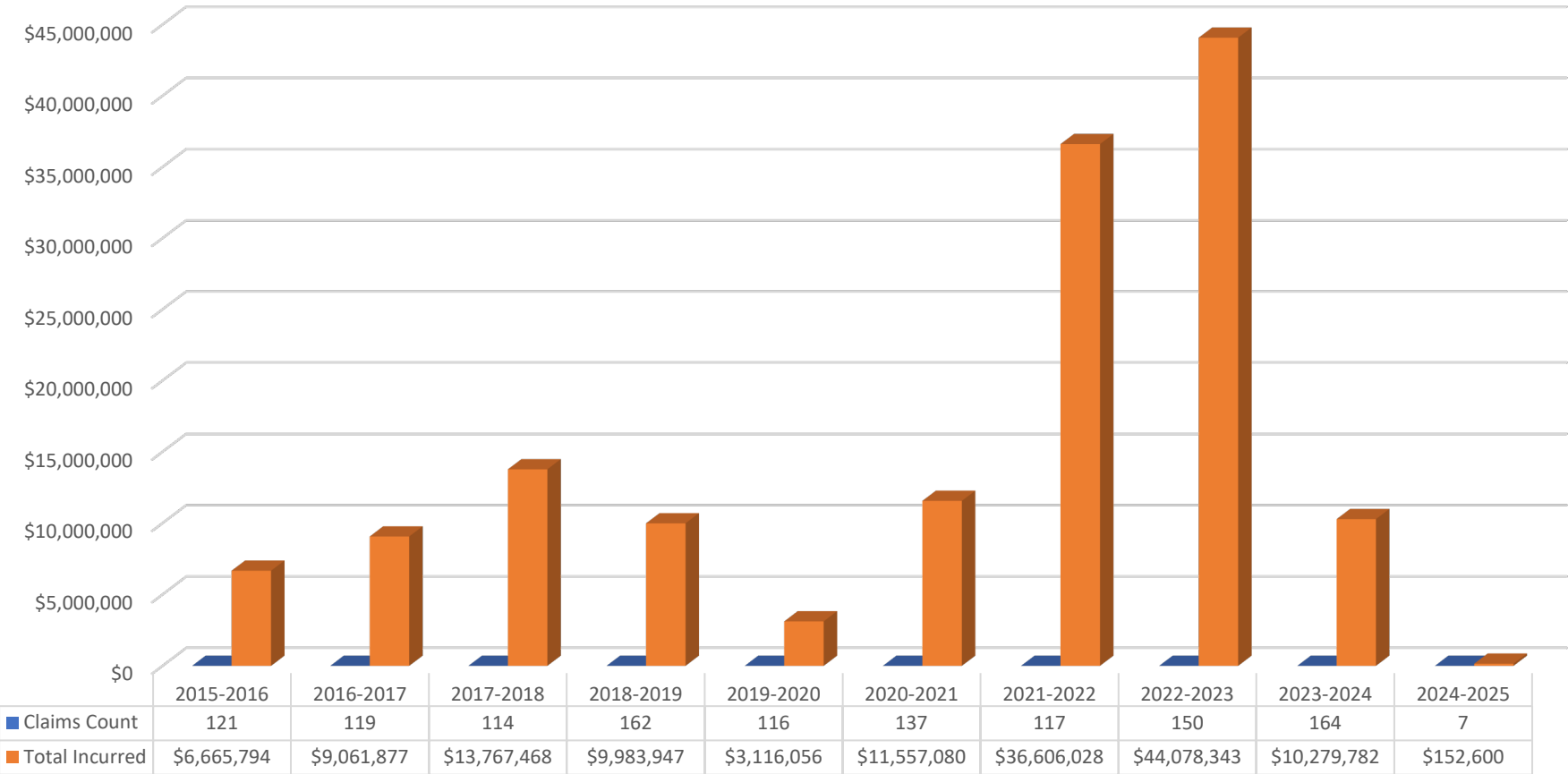


- FY24 costs are unaudited
  - IBNR and Claim Reserves adjusting journal entries are not included
- FY25 & FY26 projected costs are derived from NMPSIA’s mid-year actuarial analysis



# Risk Fund Cost Drivers

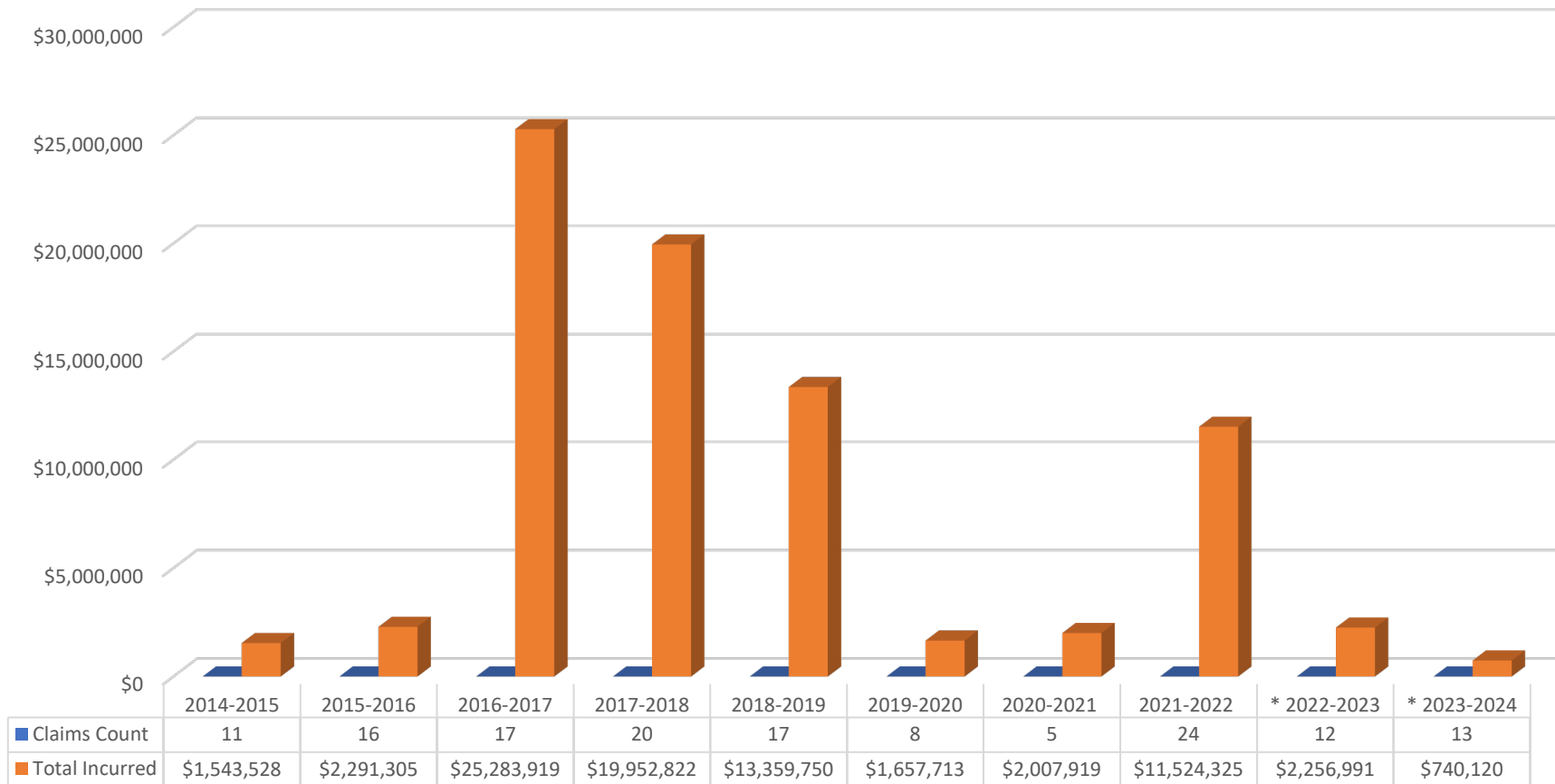
## Property Losses



- From May 2022 to May 2023, NMPSIA has incurred projected expenses of \$57.3 million due to Wind and Hail Claims.

# Risk Fund Cost Drivers

## Sexual Molestation/Inappropriate Touching Claims



- \* Fiscal Years considered immature
- Data includes faculty on student, faculty on faculty, and student on student

# NMPSIA Five-Year Risk Projection

		Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	
		Original	No Appropriation	\$20M Appropriation	\$40M Appropriation	\$60M Appropriation	No Appropriation
<b>Rate Action</b>							
Effective	FY25 7/1/2024	31.86%	14.99%	14.99%	14.99%	14.99%	22.54%
Effective	FY26 7/1/2025	17.00%	16.91%	15.64%	14.35%	13.03%	13.69%
Effective	FY27 7/1/2026	4.35%	16.91%	15.64%	14.35%	13.03%	13.69%
Effective	FY28 7/1/2027	4.35%	16.91%	15.64%	14.35%	13.03%	13.69%
Effective	FY29 7/1/2028	4.35%	16.91%	15.64%	14.35%	13.02%	13.69%
<b>Premium Income</b>							
Effective	FY25 7/1/2024	\$ 132,200,952	\$ 115,984,204	\$ 115,984,204	\$ 115,984,204	\$ 115,984,204	\$ 123,599,481
Effective	FY26 7/1/2025	\$ 154,675,114	\$ 135,597,132	\$ 134,124,133	\$ 132,627,937	\$ 131,096,945	\$ 140,520,250
Effective	FY27 7/1/2026	\$ 161,403,481	\$ 158,526,607	\$ 155,101,147	\$ 151,660,046	\$ 148,178,877	\$ 159,757,472
Effective	FY28 7/1/2027	\$ 168,424,532	\$ 185,333,457	\$ 179,358,967	\$ 173,423,262	\$ 167,486,585	\$ 181,628,270
Effective	FY29 7/1/2028	\$ 175,751,000	\$ 216,673,344	\$ 207,410,709	\$ 198,309,500	\$ 189,293,338	\$ 206,493,180
Fund Balance (Projected)	June 30, 2024	(13,017,402)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)
FY 2025 Operating Income (Loss)		(4,029,226)	(23,438,528)	(23,438,528)	(23,438,528)	(23,438,528)	(15,823,251)
Legislative Appr		0	0	20,000,000	40,000,000	60,000,000	0
Fund Balance	June 30, 2025	(17,046,628)	(38,527,390)	(18,527,390)	1,472,610	21,472,610	(30,912,113)
FY 2026 Operating Income (Loss)		9,080,268	(13,075,472)	(14,548,471)	(16,044,667)	(17,575,659)	(8,152,354)
Fund Balance	June 30, 2026	(7,966,361)	(51,602,862)	(33,075,861)	(14,572,058)	3,896,951	(39,064,467)
FY 2027 Operating Income (Loss)		19,271,390	12,660,742	9,235,282	5,794,181	2,313,012	13,891,607
Fund Balance	June 30, 2027	11,305,029	(38,942,120)	(23,840,579)	(8,777,877)	6,209,963	(25,172,860)
FY 2028 Operating Income (Loss)		(718,847)	12,278,563	6,304,073	368,368	(5,568,309)	8,573,376
Fund Balance	June 30, 2028	10,586,183	(26,663,557)	(17,536,506)	(8,409,509)	641,654	(16,599,485)
FY 2029 Operating Income (Loss)		(5,580,642)	31,803,025	22,540,390	13,439,181	4,423,019	21,622,861
Fund Balance	June 30, 2029	5,005,540	5,139,468	5,003,884	5,029,673	5,064,673	5,023,376



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