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# Investment & Pensions Oversight Committee

Representative Cynthia Borrego, Chair  
Senator Roberto "Bobby" J. Gonzales, Vice Chair

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## RHCA Information and Updates July 18, 2025

Therese Saunders, President  
Tomas Salazar, Vice President  
Lance Pyle, Secretary  
Neil Kueffer, Executive Director

# Agenda

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1 Retiree Health Care Authority Act

2 Board of Directors

3 Agency Updates

4 Agency Overview

5 Historical Contributions & Enrollment

6 Benefits & Premiums

7 Solvency Updates & Assumptions

8 Upward Plan Pressures

9 Board Actions

10 Investments & Performance

11 GASB 74 Update

# Retiree Health Care Act 1990

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## **10-7C-1 through 107C-16 NMSA 1978**

Purpose to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico

## **Legislative Findings (10-7C-3)**

Public employees face a severe problem in securing continuing medical insurance upon retirement citing medical care inflation exceeding general inflation for the past decade (1990)

Public employees covered by the Act have entered into public employment in circumstances where they have received in exchange for their services a present salary and an expectation of receiving a future stream of benefits, including certain retirement benefits

Nothing in the Act shall prohibit the legislature from increasing or decreasing participating employer or employee contributions, eligible retiree premiums or group health insurance coverages or plans

## **Board Duties (107C-7)**

Administration of program to include: procurement, promulgate and adopting rules, regulations and procedures for the governance of eligibility, participation, enrollment, length of service requirements and other conditions

# Retiree Health Care Act 1990

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## **10-7C-8. Fund created; investment; premiums; appropriation.**

There is created the "retiree health care fund". All money in the fund shall be invested as provided for in Subsection D of this section. All income earned from investment of the fund shall be credited to the fund. Except as otherwise specifically provided herein, the money in the fund is appropriated to the board to carry out the provisions of the Retiree Health Care Act. Any funds remaining at the end of any fiscal year shall not revert to the general fund.

The board shall determine which money in the fund constitutes the long-term reserves of the authority. The state investment officer shall invest the long-term reserves of the authority in accordance with the provisions of Sections 6-8-1 through 6-8-16 NMSA 1978. The state treasurer shall invest the money in the fund that does not constitute the long-term reserves of the fund in accordance with the applicable provisions of Chapter 6, Article 10.

### **\*Separate from the Act RHCA has:**

An investment policy that includes NMSIC, which is currently being reviewed.

A contract is in place with Meketa to provide investment consulting services to agency and board.

Ms. Therese Saunders,  
President

NEA NM, Classroom Teachers Association  
Federation of Educational Employees



Mr. Tomas Salazar,  
Vice President

New Mexico Association of  
Educational Retirees



Mr. Lance Pyle,  
Secretary

New Mexico Association  
of Counties



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Ms. Alex Castillo-Smith

New Mexico Health Care Authority

Ms. Renee Garcia

Educational Retirement Board

Ms. Laura Montoya

New Mexico State Treasurer

Ms. Donna Sandoval

New Mexico Municipal League

Ms. Kate Brassington

Public Employees Retirement of New Mexico

Ms. Raquel Alirez

Classified State Employee

Mr. Gerry Washburn

New Mexico Superintendent Association

Mr. Lee Caruana

Retired Public Employees of New Mexico

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# Board of Directors

# Agency Updates

## Annual Board Meeting: Thursday, July 24th & Friday, July 25th

- Election of Board Officers and Committee Assignments
- Investment Updates and Asset Allocation Review
- Review of Vendor Presentations
- Actuarial Presentations
- Plan Changes and Recommendations for Calendar Year 2026
  - Self-Insured Plan Rate Increases
    - Pre-Medicare (Premier and Value Plans) – FY26 TBD, FY25 Increase of 2% & 3%
    - Medicare Supplement – FY26 TBD, FY25 Increase of 2%
  - Medicare Advantage Rates – FY26 TBD, FY25 Zero dollar increase up to 42% increase
  - Elimination of Plan 2 options

## Board of Directors Meetings

- 1st Tuesday of each month unless otherwise specified
- Committees meet prior to board meetings and/or as needed

## Fall Open / Switch Enrollment

- October 1 – November 15

**Procurement – IBAC Pharmacy Benefit Management RFP in development for release this fall.**

# Agency Overview

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The New Mexico Retiree Health Care Authority fosters quality of life and peace of mind by responsibly administering affordable, secure health care benefits for public retirees and their families.

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## Established July 1990

- Retiree Health Care Act
- First full benefits paid to 15k+ members in Jan '91
- Board of directors has authority to set plan parameters
- Legislature has authority over employer/employee contributions
- Current solvency – Beyond 2055

## Purpose & Composition

- Provide comprehensive health insurance for those who've retired from public service in NM
- Active employees = Over 93k
- Retiree Participants = Over 65k
- Public Employer Groups – 304
- 50% schools
- 25% State agencies
- 25% local govt

## Budget & Finances

- \$411.1M Operating budget
  - \$406.7M Healthcare benefits
  - \$4.5M Program Support (28 FTE)
- Revenue Sources
- Employee/employer contributions
  - Retiree monthly premiums
  - Tax suspension fund distributions
  - Miscellaneous
  - Interest earnings



# HISTORICAL CONTRIBUTIONS

Employee and employer contributions since creation of Retiree Health Care Act:  
 Started with over 15,000 members

<b>Non-Enhanced Retirement Plan</b>			
	<b>Employee</b>	<b>Employer</b>	<b>Total</b>
1990-2002 (12 years)	0.500%	1.000%	1.500%
2002-2010 (8years)	0.650%	1.300%	1.950%
2010-2011 (1 year)	0.833%	1.666%	2.499%
2011-2012 (1 year)	0.917%	1.834%	2.751%
2012-2025 (13 years)	1.000%	2.000%	3.000%
<b>Enhanced Retirement Plan</b>			
	<b>Employee</b>	<b>Employer</b>	<b>Total</b>
1990-2002 (12 years)	0.500%	1.000%	1.500%
2002-2010 (8years)	0.650%	1.300%	1.950%
2010-2011 (1 year)	1.042%	2.084%	3.126%
2011-2012 (1 year)	1.146%	2.292%	3.438%
2012-2025 (13 years)	1.250%	2.500%	3.750%

- No pre-material funding
- No trust fund or reserves
- Payroll contributions for comprehensive and affordable benefits in retirement
- Currently over 65,000 members on plans
- 93,595 active employees contributing for future benefits (2023 GASB Report)



# Enrollment Counts

Enrollment Counts July 1, 2015	
<b>Medical Plans</b>	<b>Grand Total</b>
BCBS Premier Plus	3,388
BCBS Premier	6,636
Presbyterian Premier Plus	1,739
Presbyterian Premier	5,915
BCBS Medicare Supplemental Plan	22,920
BCBS Medicare Advantage I	2,785
BCBS Medicare Advantage II	1,561
Presbyterian Medicare Advantage I	3,693
Presbyterian Medicare Advantage II	1,378
United Healthcare Medicare Advantage I	1,136
United Healthcare Medicare Advantage II	672
<b>Grand Total</b>	<b>51,823</b>
Voluntary	6,213
<b>Total Enrollment</b>	<b>58,036</b>
Non-Medicare	17,678
Medicare	34,145

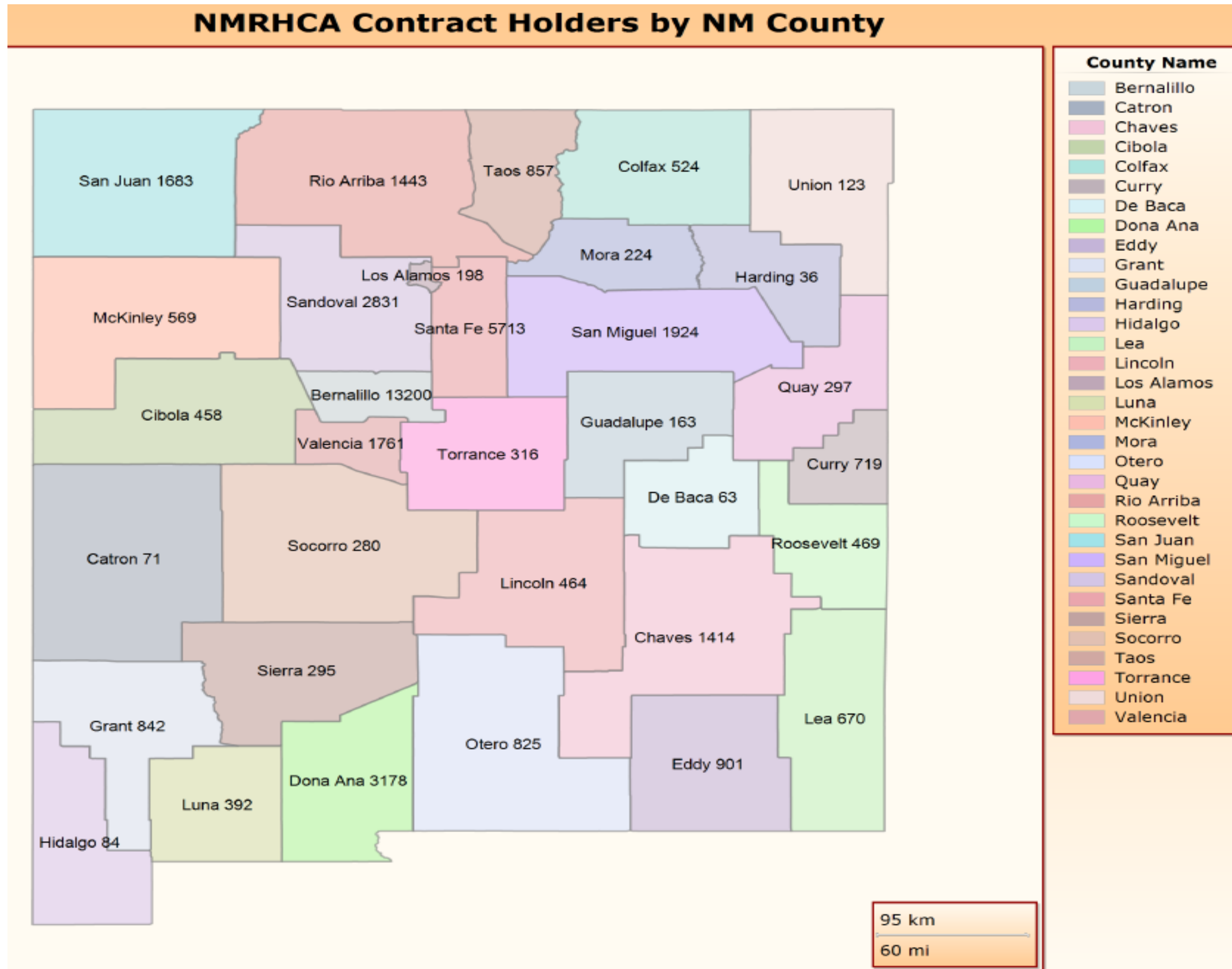
Enrollment Counts July 1, 2020	
<b>Medical Plans</b>	<b>Grand Total</b>
BCBS Premier	6,784
Presbyterian Premier	4,119
BCBS Value Plan	831
Presbyterian Value Plan	2,730
BCBS Medicare Supplemental Plan	22,724
BCBS Medicare Advantage I	2,496
BCBS Medicare Advantage II	1,263
Humana Medicare Advantage I	556
Humana Medicare Advantage II	533
Presbyterian Medicare Advantage I	6,625
Presbyterian Medicare Advantage II	1,693
United Healthcare Medicare Advantage I	1,937
United Healthcare Medicare Advantage II	2,123
<b>Grand Total</b>	<b>54,414</b>
Voluntary	9,481
<b>Total Enrollment</b>	<b>63,895</b>
Non-Medicare	14,464
Medicare	39,950

Enrollment Counts July 1, 2025	
<b>Medical Plan</b>	<b>Grand Total</b>
BCBS Premier PPO	4,642
Presbyterian Premier PPO	2,586
BCBS Value HMO	760
Presbyterian Value HMO	2,059
BCBS Medicare Supplemental Plan	19,611
BCBS Medicare Advantage I (HMO)	3,266
BCBS Medicare Advantage PPO	2,117
Humana Medicare Advantage I (PPO)	1,938
Presbyterian Medicare Advantage I (PPO)	8,746
United Healthcare Medicare Advantage I (PPO)	4,883
<b>Grand Total</b>	<b>50,608</b>
Voluntary	14,855
<b>Total Enrollment</b>	<b>65,463</b>
Non-Medicare	10,047
Medicare	40,561

**Difference 2015 to 2020**  
**Medical Pre-Medicare: -3,214**  
**Medicare: 5,805**

**Difference 2020 to 2025**  
**Medical Pre-Medicare: -4,417**  
**Medicare: 611**

# Enrollment by Household



Out of State: 5,392  
Out of Country: 5

# Benefits Offered 2025

## Pre-Medicare Medical (pre-65/non-disabled)

- 2 - Value HMO Plans
  - Choice between Presbyterian Health Plan and Blue Cross Blue Shield
- 2 - PPO Plans
  - Choice between Presbyterian Health Plan and Blue Cross Blue Shield

## Medicare Medical (65+/disabled)

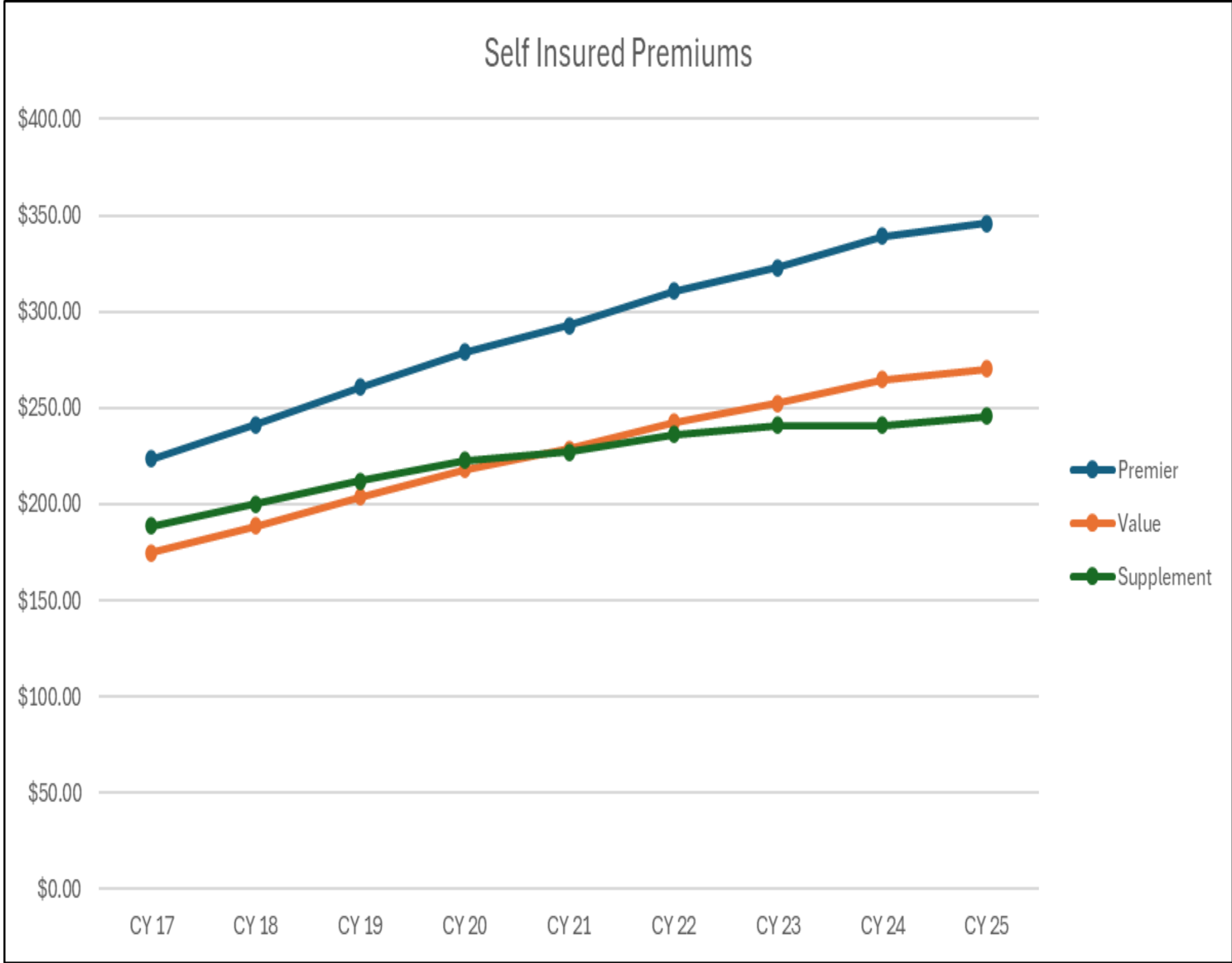
- 1 - Supplement Plan - Blue Cross Blue Shield
- 5 - Medicare Advantage Plans
- Choice United HealthCare, Humana, Presbyterian Health Plan, and Blue Cross Blue Shield HMO and Blue Cross Blue Shield PPO

## Voluntary Benefits

- Dental - Delta & Blue Cross Blue Shield
  - Basic
  - Comprehensive
- Vision - Davis
- Supplemental Term Life Insurance - Standard Insurance Company



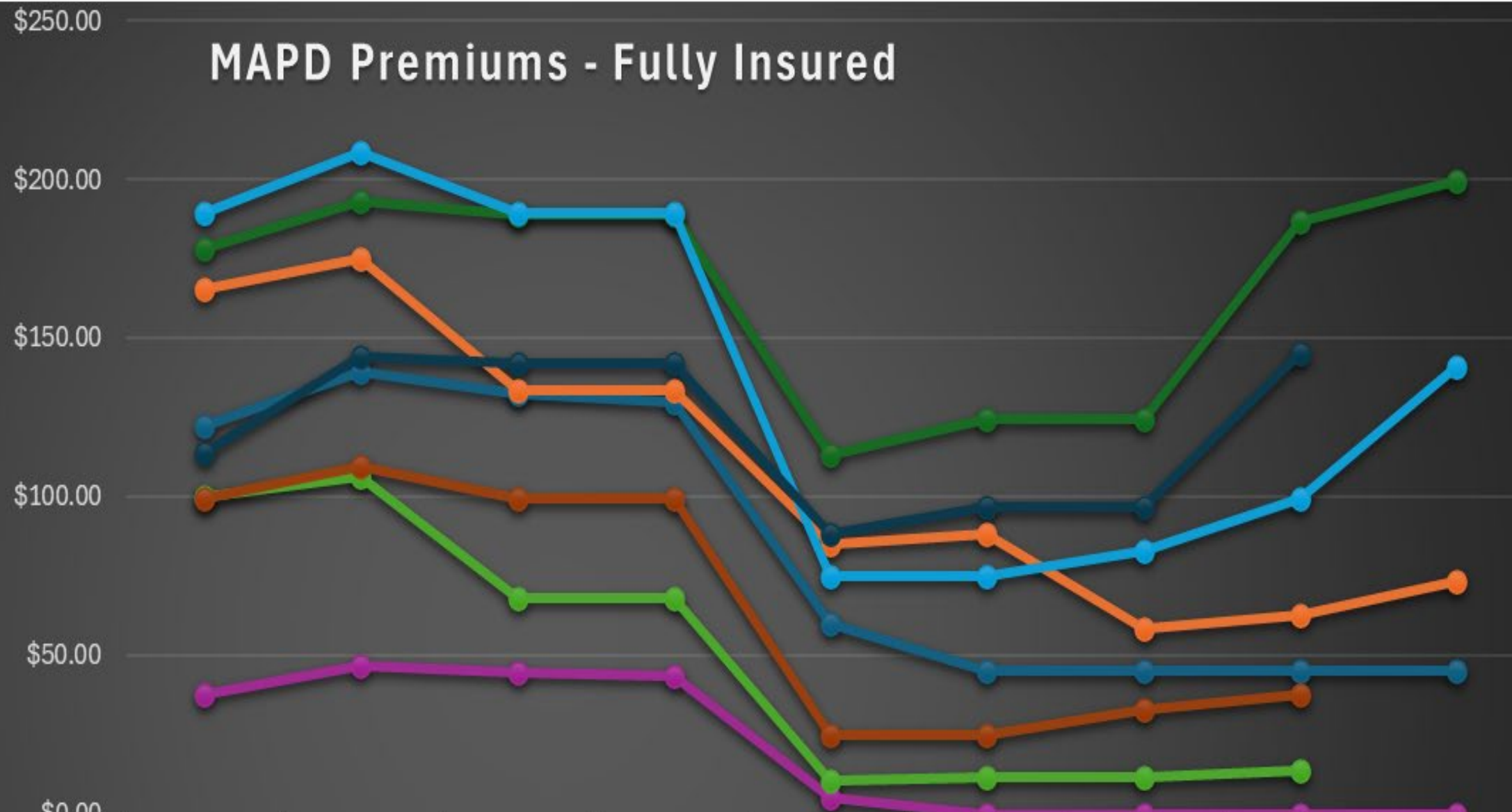
# Medical & Prescription Self Insured Plans



Self Insured Premiums for Member			
	Premier Plan	Value Plan	Supplement
CY 17	\$223.56	\$174.63	\$188.64
CY 18	\$241.44	\$188.60	\$199.96
CY 19	\$260.76	\$203.69	\$211.96
CY 20	\$279.01	\$217.95	\$222.55
CY 21	\$292.96	\$228.85	\$227.00
CY 22	\$310.54	\$242.58	\$236.08
CY 23	\$322.96	\$252.28	\$240.80
CY 24	\$339.11	\$264.89	\$240.80
CY 25	\$345.90	\$270.19	\$245.61
Enrollment Counts			
7/1/2025	8,499	3,218	20,396



# Medicare Advantage Prescription Drug Plans



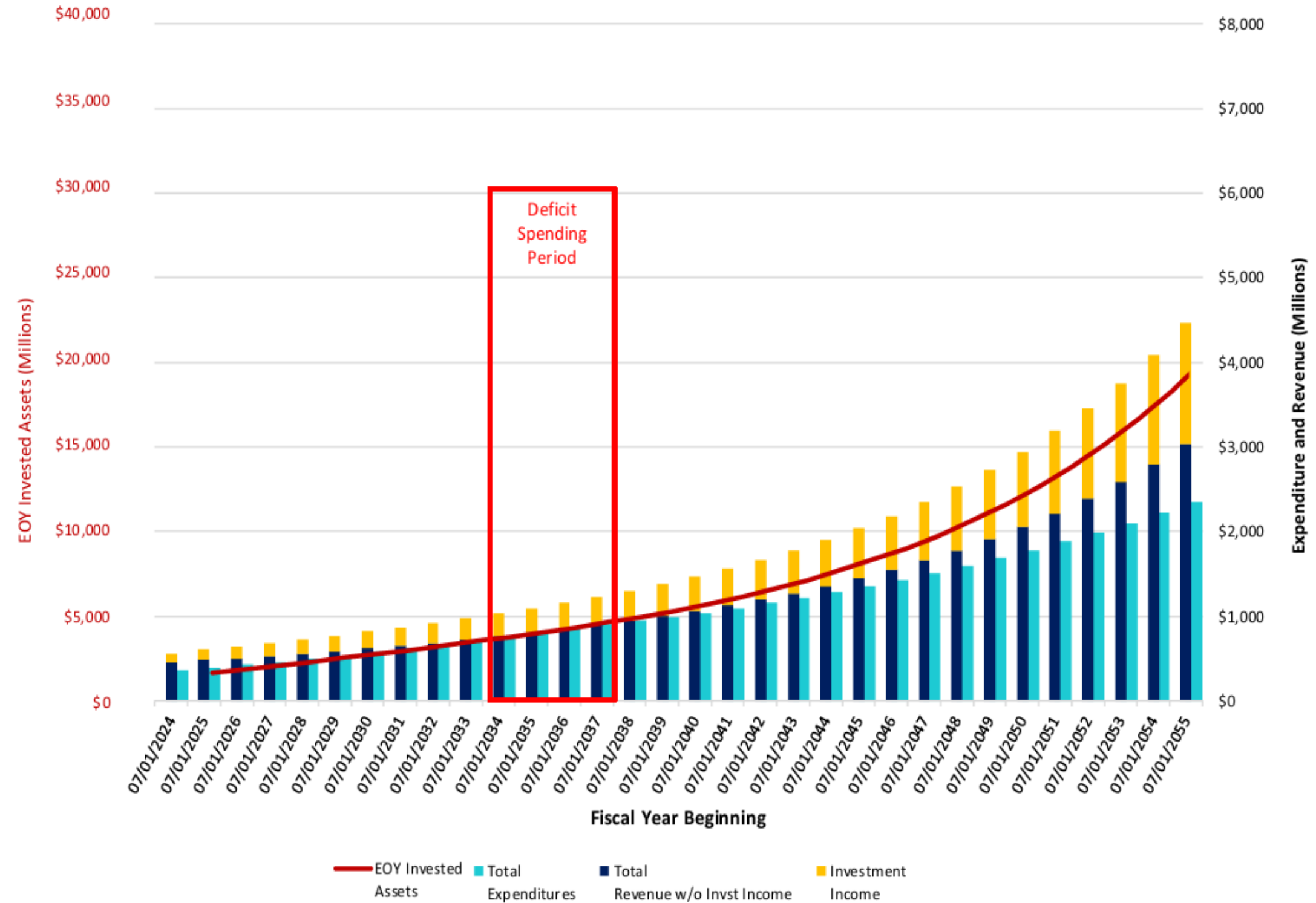
	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 23	CY 24	CY 25
Blue Cross Blue Sheild MAPD (PPO CY25)	\$122.40	\$139.20	\$132.20	\$129.60	\$60.00	\$45.00	\$45.00	\$45.00	\$45.00
Humana MAPD 1	\$165.55	\$174.90	\$133.65	\$133.65	\$84.94	\$88.26	\$58.22	\$62.72	\$73.23
Presbyterian MAPD 1	\$178.00	\$193.00	\$189.00	\$189.00	\$113.00	\$124.30	\$124.30	\$186.45	\$199.49
United Healthcare MAPD 1	\$189.39	\$208.33	\$189.37	\$189.37	\$75.00	\$75.00	\$83.00	\$99.60	\$141.00
Blue Cross Blue Sheild MAPD HMO	\$37.90	\$46.60	\$44.30	\$43.40	\$5.00	\$0.00	\$0.00	\$0.00	\$0.00
Humana MAPD 2	\$99.72	\$106.12	\$68.15	\$68.15	\$10.76	\$11.54	\$11.54	\$13.62	
Presbyterian MAPD 2	\$114.00	\$144.00	\$142.00	\$142.00	\$88.00	\$96.80	\$96.80	\$145.20	
United Healthcare MAPD 2	\$99.36	\$109.30	\$99.31	\$99.31	\$25.00	\$25.00	\$33.00	\$37.60	

<b>Total Membership - 20,950</b>
<b>Enrollment as of 7/1/25</b>
<b>2,117</b>
<b>1,938</b>
<b>8,746</b>
<b>4,883</b>
<b>3,266</b>
<b>0</b>
<b>0</b>
<b>0</b>

# 2024 Solvency Scenario – Board Approved Rate Action

2% Pre-Med\* / 2% Med Supp Rate Increases, No MAPD II Plans, New BCBS PPO MAPD Plan

## Solvency Model



\* +2% increase in Pre-Medicare Retiree and Spouse rates; +3% increase in Pre-Medicare Child contribution rates



# Solvency Model Assumptions

Assumption	Current Assumption July 2024
Asset Balance	Use June 30, 2024 fund balance of \$1,504,639,859 as an estimate for 7/1/2024 fund balance
Investment Return	7.00%
Annual Growth in Payroll	FY2024 payroll estimated to be \$5,609,136,993, increasing 0.00% through FY25 and 2.75% thereafter
Contribution Rates (Employer/Employee)	
Public Safety, et al	No Change
Other Occupations	No Change
Annual Growth in Retirees	
Non-Medicare	No Change
Medicare	No Change
Retiree Ancillary Costs	No Change
Pension Tax Revenue	\$51,825,124 for FY2024, increasing 12% thereafter
HB 728/573 Revenue	No Change
Rx Rebates	FY2025 Rebates of \$54,395,477 based on contract implemented 7/1/2022; increased Rx claim cost trend thereafter.

Assumption	Current Assumption July 2024
EGWP Revenue Components:	
Direct Subsidy	CY2024 projected by Segal based on historical data; CY2025 assumed to be \$115 PMPM based on CMS subsidy information released; thereafter increases annually at retiree growth rate with PMPM's adjusted by 4.5% trend
Federal Reinsurance	CY2024 projected by Segal based on historical data at \$100.14 and CY2025 projected by ESI based on IRA changes effective 1/1/2025 at \$50.95 PMPM; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Low Income Subsidy	0.0% annual increase to CY2024 estimate of \$3.06 PMPM; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Coverage Gap Discount Program	CY2024 and CY2025 projected by ESI at \$66.47 and \$80.95 PMPM, respectively; thereafter increases annually at retiree growth rate with PMPM's adjusted by Medicare Rx trend
Short Term Interest	No Change
Subrogation	\$361,416 estimated for FY2024, increased at retiree growth rate

Assumption	Current Assumption July 2024
Annual Trend	
Medical	
Medicare Advantage	CY2025 increases based on actual rates as provided by NMRHCA staff; BCBSNM MAPD 1 in which \$0 for CY2025-CY2028, CY2029 will be \$10; 6% trends until 2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Medicare Supplement	6% until 2033 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Medicare Rx	10% through CY2024, decreasing at 0.5% through 2031 and then decreasing by 0.25% each year until a 4.5% ultimate trend
Non-Medicare Medical	7% until 2027 and then decreasing at 0.25% each year until a 4.5% ultimate trend
Mental Health	No Change
Non-Medicare Rx	13% in CY2024, 12.5% in CY2025, 12.0% in CY2026, then decreasing at 1.0% through 2032 and then decreasing by 0.25% each year until a 4.5% ultimate trend
Medical Rates	No annual Non-Medicare and Medicare Supplement rate increases
Dental	Uses current rates for CY2024, dental RFP BAFO rates (CY2025-CY2028) and 6.00% thereafter
Vision	Uses vision RFP rates FY2025-FY2028 and 5.00% thereafter
Program Support	\$3,913,400 budgeted for FY2024, increasing 2.5% annually thereafter
Administrative Services Fee	No Change



# Solvency Model Assumptions

Assumption	Current Assumption July 2024
Plan Design Changes	
Medical	
Medicare	No Future Plan Changes
Non-Medicare	Includes impact from approved 2023 legislative session bills, the Hinge Health (BCBS) Program, and the Sword Health (PHP) Program effective 1/1/2024 and approved 2024 legislative session bills effective 1/1/2025. No future plan changes
Rx	
Medicare	No Future Plan Changes
Non-Medicare	Includes impact from approved 2023 legislative session bills effective 1/1/2024 and approved 2024 legislative session bills effective 1/1/2025. No future plan changes
Annual Index in Cadillac Tax Thresholds	Not applicable
Annual Increase in PCORI Fee	Projected increase in National Health Expenditures, per CMS Office of the Actuary (PCORI Fee Reinstated)
Member Rate Share	
Retiree	
Medicare	No Change
Non-Medicare	No Change
Spouse	
Medicare	No Change
Non-Medicare	No Change
Child(ren)	
Medicare	No Change
Non-Medicare	No Change
Minimum Service to Receive Full Subsidy	No Change

Assumption	Current Assumption July 2024
Minimum Participation Age	No Change
Member Migration / Participation	As of 7/1/24, BCBSNM Plan II members move to Plan I with BCBSNM Plan II no longer offered. Non-Medicare members migrate from Premier to Value plan until any plan changes are triggered (1.25% annual shift from Premier); Presbyterian age-ins default to UHC MA I; BCBSNM age-ins default to Humana MA I; 50% of age-ins opt out of Medicare Advantage Default elections to Medicare Supplement. Effective 1/1/25, 5% membership shift from BCBS MAPD I (HMO) to BCBS PPO MAPD, 25% membership shift from PHS MAPD II to BCBS PPO MAPD, 25% membership shift from PHS MAPD II to PHS MAPD I, 50% membership shift from PHS MAPD II to UHC MAPD I, 70% membership shift from UHC MAPD II to BCBS PPO MAPD, 30% membership shift from UHC MA II to UHC MAPD I, 70% membership shift from Humana MAPD II to BCBS PPO MAPD, and 30% membership shift from Humana MAPD II to UHC MAPD I. Effective 1/1/25, there will be no MAPD II plans offered by the insurers.



# Upward Plan Pressures

## **Prescription Drug Cost Cap- Inflation Reduction Act (Federal Mandate to Medicare Part D)**

- Reduced member cost sharing by capping out-of-pocket spend on prescriptions to no more than \$2,000 (FY25) and \$2,100 (FY26)
- Higher premiums increases – some Medicare Advantage plans rising over 40%. In many cases due to increased costs of prescriptions paid by Plan, and reduction of patient cost sharing and Medicare shared financial liability

## **Medicare Advantage Star Ratings from Centers for Medicare and Medicaid Services**

- Lower reimbursement from Medicare, leads health plans asking for higher premiums to make up difference and rising costs

## **Statewide shortage of medical professionals/pharmacies leading to higher reimbursement rates paid to providers to maintain network adequacy.**

- New Mexico is one of the states facing a high rate of physician shortages
- Physician and Hospital consolidations removing competition and resulting in higher reimbursement rates
- Pharmacies negotiations for new structured payments leading to higher reimbursements to maintain operations

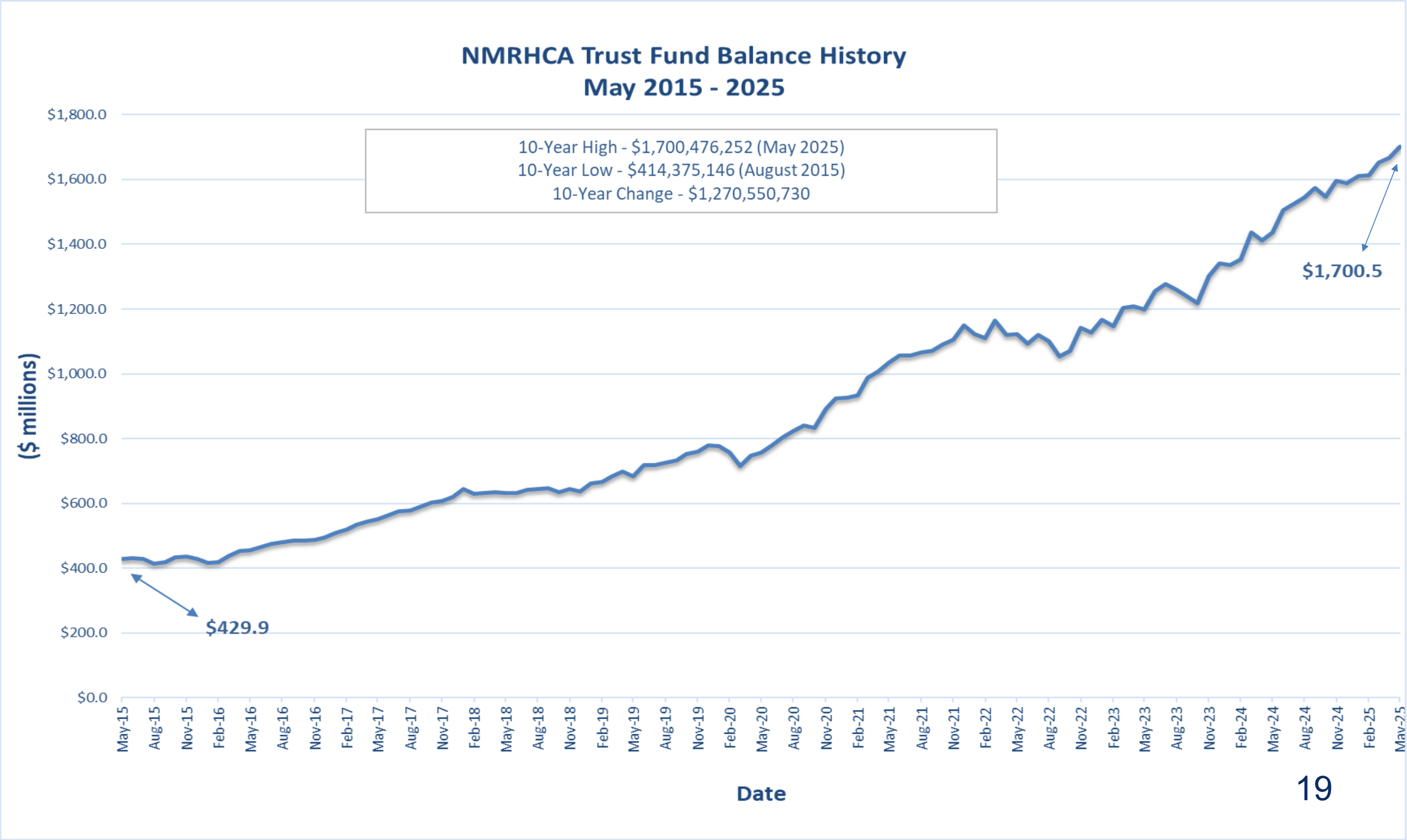
## **Increase in prescription drug costs**

- New cell and gene therapies capable of curing illnesses but lead to costly drugs
- Specialty drugs driving higher costs, especially with accelerated approvals and limited competition
- GLP-1 medications are both a breakthrough and a budgetary strain
- Increase in pricing of existing drugs

# Board Actions

Summary of Plan Changes 2017 - 2025											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Rate Changes</b>											
Pre-Medicare											
1 Premier Plus (% Change)	Eliminated										
2 Premier Plus Rate	NA										
3 Premier (% Change)	29%	8%	8%	7%	5%	6%	4%	5%	2%/3% Child	TBD	
4 Premier Rate	\$ 223.56	\$ 241.44	\$ 260.76	\$ 279.01	\$ 292.96	\$ 310.54	\$ 322.96	\$339.11	\$345.90	TBD	
5 Value (% Change)	Created	8%	8%	7%	5%	6%	4%	5%	2%/3% Child	TBD	
6 Value Rate	\$ 174.63	\$ 188.60	\$ 203.69	\$ 217.95	\$ 227.00	242.58	\$ 252.28	\$264.89	\$270.19	TBD	
Medicare											
7 Supplement (% Change)	6%	6%	6%	5%	2%	4%	2%	0%	2%	TBD	
8 Supplement Rate	\$ 188.64	\$ 199.96	\$ 211.96	\$ 222.55	\$ 227.00	236.08	\$ 240.80	\$240.80	\$245.61	TBD	
9 Advantage Rates	\$18.95 - \$94.69	\$23.30 - \$104.16	\$22.15 - \$94.68	\$21.70 - \$94.68	\$2.50 - \$56.50	\$0 - 62.15	\$0 - 62.15	\$0 - 93.23	\$0 - 99.74	TBD	
<b>Subsidy Levels</b>											
Pre-Medicare											
10 Retiree	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	
11 Spouse/Domestic Partner	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	
12 Dependent Child	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Medicare											
13 Retiree	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
14 Spouse/Domestic Partners	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
15 Dependent Child	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
<b>Rules</b>											
16 Minimum Age (Non-Enhanced)					55	55	55	55	55	55	
17 Years of Service (Max Subsidy)	20	20	20	20	25	25	25	25	25	25	
18 Implement/Enforce Open Enrollment	X	X	X	X	X	X	X	X	X	X	
<b>Plan Changes/Elimitation</b>											
19 Basic Life Conversion	100%	75%	50%	25%	0%						
20 Enhanced Wellness Program/Incentiv	X	X	X	X							
21 Medicare Advantage Default		X	X	X	X	X	X	X	X	X	
22 Elimination of OTC Prescriptions	X	X	X	X	X	X	X	X	X	X	
23 Increase Prescription Drug Copays	Brand Copay										
24 Voluntary Smart 90 Program	Walgreens/Mail Order										
25 Flat copays for certain procedures (Presbyterian)			Bundled Agreements	Bundled Agreements							
26 Introduction 3rd Tier Coverage (BCBS)	X										
27 Eliminate Premier Plus Plan	\$300 deductible / \$3500 OOP Max										
28 Create Value Plan	\$1500 deductible / \$5500 OOP Max										
29 Increase Premier Plan Cost Share	\$800 deductible / \$4500 OOP Max										
							ER \$350/ Urgent Care \$55				
							ER \$250/Urgent Care \$45/BCBS Tier 1				

# Investments



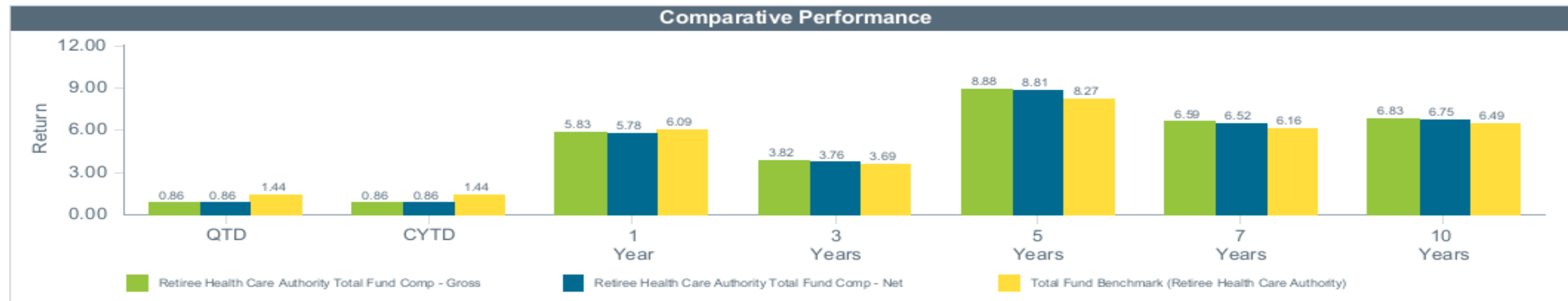


# Investment Performance

## New Mexico State Investment Council Retiree Health Care Authority Total Fund Comp

As of March 31, 2025

Overview	Asset Allocation vs. Target Allocation				
<p>The New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.</p>	Market Value (\$)	Allocation (%)	Target (%)	Difference (%)	
	US Large Cap Index	237,698,178	14.39	14.00	0.39
	US Small/Mid Cap Alt Wtd Index	31,980,089	1.94	2.00	-0.06
	Non-US Developed Markets Index	215,925,889	13.07	14.00	-0.93
	Non-US Emerging Markets Active	128,331,979	7.77	10.00	-2.23
	US Core Bonds	348,883,517	21.12	20.00	1.12
	Private Debt	244,061,773	14.78	15.00	-0.22
	Real Return	82,419,678	4.99	5.00	-0.01
	Real Estate	140,714,402	8.52	10.00	-1.48
	Private Equity	221,803,478	13.43	10.00	3.43
	<b>Total Fund</b>	<b>1,651,818,984</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>



### Comparative Performance

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2024	2023	2022
<b>Retiree Health Care Authority Total Fund Comp - Gross</b>	0.86	0.86	5.83	3.82	8.88	6.59	6.83	7.69	9.39	-6.98
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	1.44	1.44	6.09	3.69	8.27	6.16	6.49	7.20	9.84	-8.54
Difference	-0.58	-0.58	-0.25	0.13	0.61	0.43	0.34	0.49	-0.45	1.56
<b>Retiree Health Care Authority Total Fund Comp - Net</b>	0.86	0.86	5.78	3.76	8.81	6.52	6.75	7.62	9.32	-7.05
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	1.44	1.44	6.09	3.69	8.27	6.16	6.49	7.20	9.84	-8.54
Difference	-0.58	-0.58	-0.31	0.06	0.54	0.36	0.27	0.42	-0.52	1.48

### Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	1,588,449,690	50,000,000	13,369,294	1,651,818,984	0.86

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees, except where noted otherwise. Performance includes receipt of additional units of the US Large Cap Index Pool effective July 1, 2020.



# Investment Performance



## New Mexico Retiree Health Care Authority

### Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,588,448,687</b>	<b>100.0</b>	<b>-1.0</b>	<b>7.6</b>	<b>3.0</b>	<b>6.8</b>	<b>6.9</b>	<b>7.4</b>	<b>Jul-92</b>
<i>Total Fund Benchmark</i>			<i>-1.8</i>	<i>6.7</i>	<i>2.3</i>	<i>5.9</i>	<i>6.5</i>	<i>7.6</i>	
<b>Global Public Equity</b>	<b>597,680,973</b>	<b>37.6</b>	<b>-2.8</b>	<b>13.1</b>	<b>3.1</b>	<b>7.7</b>	<b>7.8</b>	<b>7.4</b>	<b>May-11</b>
<i>MSCI AC World Index</i>			<i>-0.9</i>	<i>18.0</i>	<i>5.9</i>	<i>10.6</i>	<i>9.8</i>	<i>9.1</i>	
<b>US Equity</b>	<b>276,054,194</b>	<b>17.4</b>	<b>2.4</b>	<b>22.6</b>	<b>7.7</b>	<b>13.6</b>	<b>12.3</b>	<b>12.1</b>	<b>May-11</b>
<i>Russell 3000 Index</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>	<i>12.9</i>	
<b>US Large Cap Index Pool</b>	<b>241,969,917</b>	<b>15.2</b>	<b>2.7</b>	<b>24.5</b>	<b>8.4</b>	<b>14.2</b>	<b>12.8</b>	<b>13.2</b>	<b>May-11</b>
<i>Russell 1000 Index</i>			<i>2.7</i>	<i>24.5</i>	<i>8.4</i>	<i>14.3</i>	<i>12.9</i>	<i>13.2</i>	
<b>US SMID Cap Alternative Weighted Index Pool</b>	<b>34,084,277</b>	<b>2.1</b>	<b>-0.6</b>	<b>8.5</b>	<b>1.8</b>	<b>--</b>	<b>--</b>	<b>6.0</b>	<b>Feb-21</b>
<i>S&amp;P SmallCap 600 Index</i>			<i>-0.6</i>	<i>8.7</i>	<i>1.9</i>	<i>--</i>	<i>--</i>	<i>6.1</i>	
<b>Non-US Equity</b>	<b>321,626,779</b>	<b>20.2</b>	<b>-7.1</b>	<b>5.0</b>	<b>-0.9</b>	<b>2.9</b>	<b>4.3</b>	<b>2.7</b>	<b>May-11</b>
<i>MSCI AC World ex USA index</i>			<i>-7.5</i>	<i>6.1</i>	<i>1.3</i>	<i>4.6</i>	<i>5.3</i>	<i>4.2</i>	
<b>Non-US Developed Markets Index Pool</b>	<b>199,947,392</b>	<b>12.6</b>	<b>-7.7</b>	<b>3.8</b>	<b>0.9</b>	<b>4.6</b>	<b>5.3</b>	<b>4.6</b>	<b>May-11</b>
<i>Non US Developed Markets Passive Custom Index</i>			<i>-7.5</i>	<i>4.4</i>	<i>1.2</i>	<i>4.8</i>	<i>5.3</i>	<i>4.5</i>	
<b>Non-US Emerging Markets Active Pool</b>	<b>121,679,386</b>	<b>7.7</b>	<b>-6.1</b>	<b>7.1</b>	<b>-3.7</b>	<b>--</b>	<b>--</b>	<b>-5.0</b>	<b>Jan-21</b>
<i>MSCI Emerging Markets (Net)</i>			<i>-8.0</i>	<i>7.5</i>	<i>-1.9</i>	<i>--</i>	<i>--</i>	<i>-2.1</i>	

# Investment Performance



## New Mexico Retiree Health Care Authority

### Asset Allocation & Performance | As of December 31, 2024

	Market Value \$	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity</b>	<b>215,046,603</b>	<b>13.5</b>	<b>1.7</b>	<b>5.9</b>	<b>4.7</b>	<b>14.0</b>	<b>--</b>	<b>12.4</b>	<b>Apr-15</b>
Private Equity Pool	215,046,603	13.5	1.7	5.9	4.7	14.0	--	12.3	Apr-15
<i>MSCI ACWI + 2%</i>			<i>-0.5</i>	<i>19.8</i>	<i>7.5</i>	<i>12.3</i>	<i>--</i>	<i>11.4</i>	
<b>Fixed Income</b>	<b>560,616,158</b>	<b>35.3</b>	<b>-0.7</b>	<b>4.8</b>	<b>1.5</b>	<b>3.2</b>	<b>3.8</b>	<b>4.3</b>	<b>May-11</b>
<i>Blmbg. U.S. Universal Index</i>			<i>-2.7</i>	<i>2.0</i>	<i>-2.0</i>	<i>0.1</i>	<i>1.7</i>	<i>2.4</i>	
Core Bonds Pool	328,757,953	20.7	-3.0	1.7	-2.5	-0.1	--	1.6	Oct-18
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>	<i>--</i>	<i>1.3</i>	
Private Debt Market Pool	231,858,205	14.6	2.4	8.7	6.4	7.4	--	6.2	Apr-15
<i>Credit Suisse Leveraged Loan +2%</i>			<i>2.8</i>	<i>11.2</i>	<i>9.0</i>	<i>7.8</i>	<i>--</i>	<i>7.1</i>	
<b>Real Estate</b>	<b>134,716,502</b>	<b>8.5</b>	<b>-0.2</b>	<b>-5.8</b>	<b>0.5</b>	<b>4.0</b>	<b>6.4</b>	<b>6.2</b>	<b>May-14</b>
Real Estate Pool	134,716,502	8.5	-0.2	-5.8	0.5	4.0	6.4	6.2	May-14
<i>NCREIF ODCE Net 1 Qtr Lag</i>			<i>0.0</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.2</i>	<i>5.6</i>	
<b>Real Assets</b>	<b>80,388,450</b>	<b>5.1</b>	<b>4.0</b>	<b>11.9</b>	<b>12.1</b>	<b>8.6</b>	<b>--</b>	<b>6.9</b>	<b>Oct-18</b>
Real Return Pool	80,388,450	5.1	4.0	11.9	12.1	8.6	--	6.9	Oct-18
<i>CPI+3%</i>			<i>0.8</i>	<i>6.0</i>	<i>7.3</i>	<i>7.3</i>	<i>--</i>	<i>6.7</i>	



# GASB 74 Update

## Governmental Accounting Standards Board (GASB)

- Actuarial Valuation Review of Other Postemployment Benefits (OPEB)
  - Beginning 2006 changed accounting standards for (OPEB) GASB 43
  - In 2017, GASB 74 replaced GASB 43
    - Actuarial Accrued Liability = Total OPEB Liability
    - Actuarial Value of Assets = Plan Fiduciary Net Position
    - Unfunded Actuarial Accrued Liability = Net OPEB Liability

	2006	2017	2024
GASB Statement	43	74	74
Actuarial Accrued Liability	\$ 4,264,180,967	\$ 5,111,141,659	\$ 3,366,766,868
Actuarial Value of Assets	\$ 154,538,668	\$ 579,468,641	\$ 1,581,966,829
Unfunded Actuarial Accrued Liability	\$ 4,109,642,299	\$ 4,531,673,018	\$ 1,784,800,039
Funded Ratio	3.62%	11.34%	46.99%
Covered Payroll	\$ 4,073,731,873	\$ 4,165,647,340	\$ 5,609,136,993
Total Participants	140,292	160,035	159,125





NEW MEXICO  
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HEALTH CARE  
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