

# NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY (NMPSIA)

## LESC November 16, 2011

Presented by:

Sammy Quintana, Executive Director

Christy Edwards, Deputy Director

# NMPSIA FY13 Budget Request

- FY 13 \$351,915,900
- FY 12 \$351,638,000
- Less than 1% increase FY 13 vs. FY 12

Program Support: \$1,272,600

Benefit Program: \$286,017,200

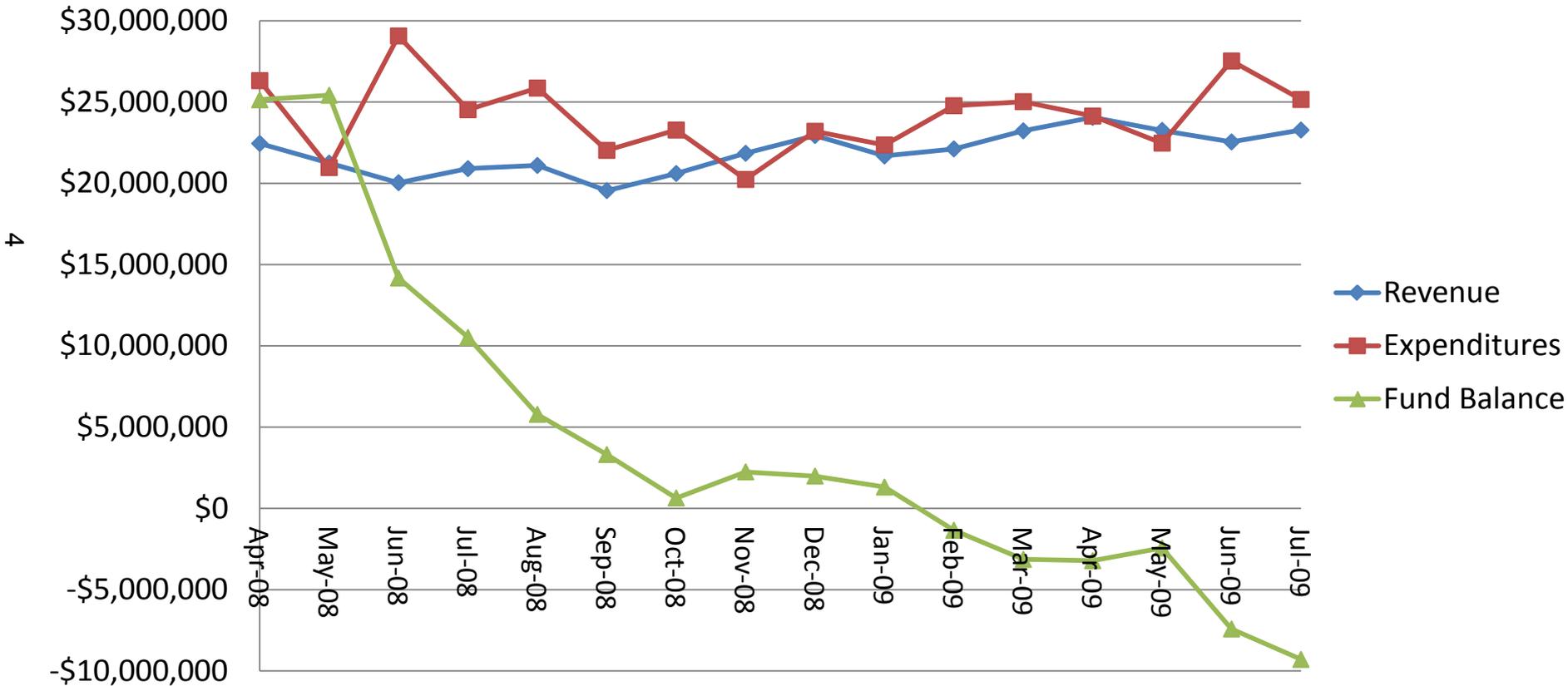
Risk Program: \$64,626,100

# How we got here

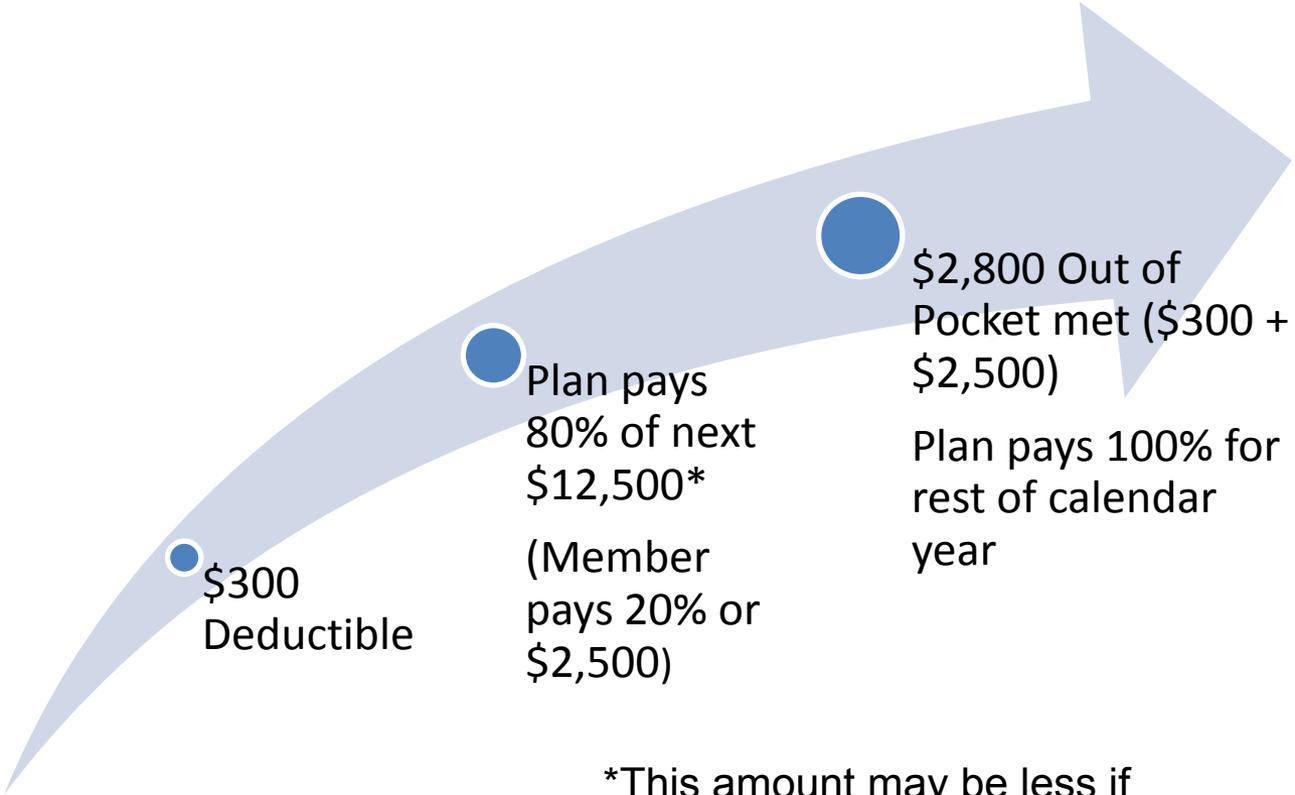
| July 1, 2007  | July 1, 2008   | July 1, 2009                      |
|---|--|-----------------------------------|
| Fund Balance \$33.9 million   | Fund Balance \$14.2 million  | Fund Balance – (\$7.4 million)    |
| October 1, 2007 rate action of 7.4% deferred until February 1, 2008 | October 1, 2008 rate action of 9.9% was decreased to 5.5% for BCBS members | October 1, 2009 rate action of 0% |
| July 1, 2007 Plan Enhancements                                      | Plan changes   | July 1, 2009 Plan Reductions      |
|   |  |                                   |

# Use of NMPSIA Fund Balance

## April 2008 – July 2009



# FY 10 Medical Plan Changes



\$300  
Deductible

Plan pays  
80% of next  
\$12,500\*  
(Member  
pays 20% or  
\$2,500)

\$2,800 Out of  
Pocket met (\$300 +  
\$2,500)  
Plan pays 100% for  
rest of calendar  
year

\*This amount may be less if  
copays were also paid

# Benefits – Overall Fund Balance

- FY 11 Audited Fund Balance: \$23.9 million
- FY 12 Projected: \$18.4 million  
◦ (assumes use of \$5.5 million in FY 12)
- Use of Fund Balance in FY 13: \$0
- FY 13 Projected: \$18.4 million

# Benefit Program FY 13 Request

FY 12 approved budget \$286,300,100

*(FY 12 updated revenue projection \$280,744,300)*

FY 13 submitted budget \$286,017,200

Anticipated medical premium on 10-1-12:

8.1% with plan changes

Anticipated dental premium increase on 10-1-12:

5.1% with plan changes

# Employer Matching averages 63%

|                                 | 100% Prem.   | ER Contribution |        |
|---------------------------------|--------------|-----------------|--------|
| BCBS HIGH OPTION                | \$12,366,557 | \$7,707,236     |        |
| BCBS LOW OPTION                 | \$152,062    | \$94,118        |        |
| PRESBYTERIAN HIGH<br>OPTION     | \$6,796,020  | \$4,259,499     |        |
| PRESBYTERIAN LOW<br>OPTION      | \$284,002    | \$177,499       |        |
| UNITED CONCORDIA LOW<br>OPTION  | \$23,781     | \$14,883        |        |
| UNITED CONCORDIA HIGH<br>OPTION | \$1,276,810  | \$799,741       |        |
| DAVIS VISION                    | \$218,945    | \$137,113       |        |
| THE STANDARD LTD                | \$208,767    | \$127,150       |        |
| THE STANDARD BASIC LIFE         | \$139,444    | \$139,444       |        |
|                                 | \$21,466,388 | \$13,456,683    | 62.69% |

8

# NMPSIA's Insurance Increase

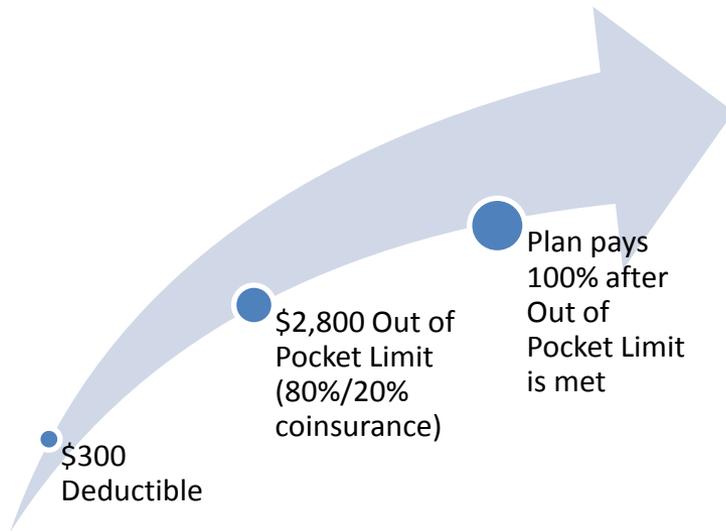
|  | FY 12         | FY 13         |             |
|--|---------------|---------------|-------------|
|  | \$270,787,733 | \$286,017,200 |             |
|  | \$17,200      | \$17,200      | (Interest)  |
|  | \$2,767,112   | \$2,704,851   | (Rebates)   |
|  | \$3,795,147   | \$3,795,200   | (Vol. Life) |
|  | \$1,862,794   | \$1,862,794   | (Self Pays) |
|  | \$262,345,480 | \$277,637,155 |             |
|  |               | \$15,291,675  |             |

# NMPSIA's Insurance Increase

| FY 13 PUBLIC SCHOOL SUPPORT ESTIMATE FROM NMPSIA        |              |      |              |
|---|--------------|------|--------------|
|   | Benefits     | Risk | Total        |
| Revenue Increase Over FY 09                             | \$15,291,675 | \$0  | \$15,291,675 |
| Less Higher Ed. (10%)                                   | \$13,762,508 | \$0  | \$13,762,508 |
| Less Fed. Funds (5%)                                    | \$13,074,382 | \$0  | \$13,074,382 |
| NMPSIA Employer Share (63% for Benefits, 100% for Risk) | \$8,236,861  | \$0  | \$8,236,861  |
| Plus APS  |              |      |              |
| Total Public School Support                             |              |      |              |

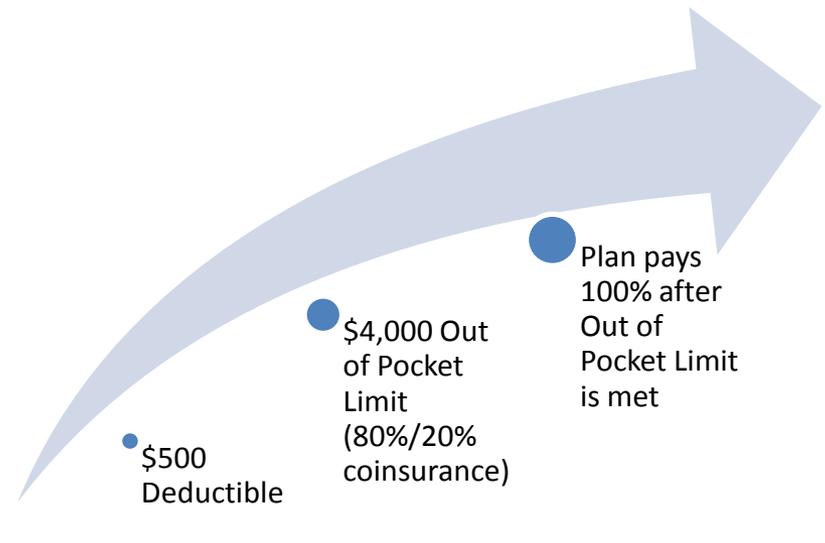
# Probable Medical Plan Changes

## CURRENT PLAN DESIGN



Retail Rx \$2 generic, \$16/42 preferred, 70% non-preferred, \$50 specialty

## FY 13 PLAN DESIGN



Retail Rx \$4 generic, \$20/\$60 preferred, 70% non-preferred, \$100 specialty

# In closing . .

- Thank you!
- Questions?
- Comments?

