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RPENM

Albuquerque Office

10501 Montgomery NE, Ste 320

(505) 280-8459

PO Box 20607

Albuquerque, NM 87154

rpenm@rpenm.org

President's Report

By Joel W. Pafford, President

Hello to all. I hope that everyone had a Merry Christmas and a Happy New Year.

This is the time of year that we make New Year Resolutions. We make resolutions to quit bad habits, exercise more, and eat better. I would like to suggest that we, as RPENM members, make a New Year Resolution to recruit enough new members to double our membership. To double our membership every RPENM member would only have to recruit one new member in 2018.

The money raised from membership goes towards protecting our pension benefits (PERA) and our Retiree Health (RHCA). Each of us knows how important health care and pension benefits are to the future of current retirees, future retirees, and RPENM.

Discussions have begun that might possibly rewrite pension and health care benefits. Therefore, with that in mind, this is most definitely the time to increase our membership (RPENM). We need the support of all retired public employees to protect our benefits that we worked hard for and paid into.

I want to thank all the members of RPENM. Your membership is helping to protect our benefits.

Thank you.



NM Retiree Health Care

By: Doug Crandall

If you, like most RPENM members and PERA retirees, are insured through the New Mexico Retiree Health Care Authority, you saw an increase in your premiums for 2018. Health care is an important, and costly, part of your retirement and of American society. Often, RHCA enrollees feel that their premiums, co-pays and deductibles are too expensive. You may wonder why rates seem so high and what health care would cost if purchased privately. The facts are that the total health insurance cost for most RHCA members is substantially less expensive than can be found nearly anywhere else in the private market.

One important fact to understand is that any health plan purchased through RHCA by a pre-Medicare PERA retiree with least 20 years of service is subsidized 64%. This means that the premium charged to the retiree is only 36% of the actual cost of the plan. For Medicare retirees, whose plans are already subsidized by the U.S. government, RHCA still

subsidizes 50% of the premium paid. Spouses and domestic partners who did not retire from PERA or ERA, are still subsidized 36% for pre-Medicare enrollees and 25% for Medicare, even though no contribution was ever made.

Rates are partially subsidized through the active employee and employer contributions. Since 2013, the employee contribution has been 1% of salary, while the employer has contributed 2%. Prior to 2013, contributions were even lower. Even at the 1% level, however, a retiree who averaged a \$40,000 a year over a 25-year career would have paid only \$10,000 into the Retiree Health Care fund during his or her entire career! To put this in perspective, a single hip replacement, a common surgery among seniors, costs over \$30,000. Other surgeries, drug costs and general health maintenance must also be considered. According to retirement financial planners Fidelity & Nationwide, a person retiring at the age of 65 can expect to incur \$130,000 in healthcare related expenses during retirement.

A pre-Medicare retiree covered by the NM Retiree Health Care Authority who has 20 or more years of



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service and a non-retiree spouse or partner, can expect to pay almost \$700 a month for the Premier PPO (Preferred Provider Organization), or about \$546 for a Value HMO plan where the health providers are limited to a specific network. Annual deductibles are \$800 for the PPO and \$1500 for the HMO.

Annual out-of-pocket limits are \$4500 and \$5500 respectively. These rates are the same, regardless where the retiree may live.

As a comparison, that same retiree and non-retiree spouse/partner, living in Santa Fe can expect to pay between \$728 and \$875 for a similar private plan with annual deductibles ranging up to almost \$5000 and out-of-pocket maximums ranging from \$6000 to \$7350. In Las Cruces, premiums range from \$812 to \$973 with the same out of pocket maximums. Rates, deductibles and out-of-pocket costs are similar, even in Albuquerque where there are more health care facilities and service providers. Even more important, none of these other available plans are PPO's and the health care provider network is limited.

A few years ago, RHCA started offering a choice between a Medicare supplement plan, and a Medicare Advantage Plan (MAP). The rates for MAPS are set by the Federal government, and RHCA has no control over these costs. Nonetheless, RHCA still subsidizes the rates for its members.

The cost, for a fully subsidized Medicare supplement plan through RHCA is approximately \$500 a month for a 20-year retiree with a non-retiree spouse or partner. Although organizations such as AARP can sometimes provide a Medicare supplement plan with lower premiums than RHCA, there are many variables, and many caveats in the AARP plans, such as age, tobacco use, and pre-existing medical conditions. Even more critical is that AARP plans do not offer a prescription drug benefit, the cost of which is included in the RHCA premiums.

As expensive as medical care may be, the cost of prescriptions is almost entirely driving health care inflation today. RHCA is a part of the Interagency Benefit Advisory Committee (IBAC), which also

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includes Albuquerque Public Schools, State of New Mexico General Services and the New Mexico Public Schools Insurance Authority. The IBAC all use the same Prescription Benefit Manager. Last year, the cost of the top 30 prescriptions dispensed for those individuals covered by IBAC agencies totaled over \$291 million! The top 10 drugs alone cost almost \$175 million. Even more concerning, there are more than two dozen commonly prescribed drugs covered by RHCA whose price increased more 1,500% since 2012.

RHCA has faced myriad challenges in delivering comprehensive health care at a reasonable cost, including the growth in medical and prescription costs, limited growth in payroll, thus limiting contributions, and a temporary suspension of a tax revenue fund, which subsidized RHCA. The suspension of that income source is expected to cost the Retiree Health Care trust fund nearly a quarter of a billion dollars over the next several years. Despite these challenges, RHCA remains solvent. The plan,

which was once projected to go broke in 2014, is now projected to be funded through 2035. In February of 2009, there was less than \$123 million in the trust fund. In December 2017, there was over \$605 million in that same fund.

As health care costs continue to negatively affect the entire American economy, changes will have to come. In the meantime, the New Mexico Retiree Health Care Authority remains committed to providing reliable, comprehensive health care to its members.

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- Organ Transplant
- Cardiovascular (Heart) Disease
- Oral Cancer
- Lupus
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ADV-0059-0817



Please welcome

Michael Hansen and Frank Rendon to your RPE Board of Directors!

In our Summer Newsletter, we solicited for interested members to volunteer to fill two Board of Director positions. The Board considered all interested parties and appointed the following members to join the RPE Directors in governing our organization:

Mr. Michael Hansen

Michael Hansen has decades of experience in all areas of auditing and fraud investigations. Michael served the State of New Mexico with over 25 years in some form of auditing and/or

IT auditing. He brings to the table an abundance of experience, knowledge and skills that will be very helpful to the RPE Board.



Mr. Frank Rendon

Frank Rendon has decades of experience in accounting and management. He served 25 years working for state and county government.

Frank is also a U.S Army Veteran, cited with several prestigious combat decorations. He brings to the table an abundance of experience, knowledge and skills that will be very helpful to the RPE Board.



Important

Set your calendars!

Our 2018 Spring Board and Membership meeting will take place in Albuquerque on Friday, May 4th, and Saturday, May 5th. Meetings will be held at the MCM Elegante Hotel at 2020 Menaul Blvd. NE, Albuquerque, NM 87107. Hotel# (505) 884-2511.

The reception will be prearranged on a RSVP basis only. We will be having a buffet style dinner. It is necessary to RSVP by the end of March, so that we can plan accordingly. We plan on having a raffle item which will be announced within our April Newsletter.

Please RSVP by email to:

rpenm@rpenm.org

By phone at:

(505) 280-8459

Or by mail to:

PO Box 20607

Albuquerque, NM 87154-0607

Schedule of Events at Hotel

Friday, May 4th:

- Board of Directors business meeting, from 1:00pm to 5:00pm
- Dinner Reception from 6:30pm to 8:00pm

Saturday, May 5th:

- Membership Meeting, from 9:15am to 1:00pm. Door prizes for members in attendance!

Notice our new Logo!



In our Summer Newsletter, we requested input from the membership in updating our logo. The intent was to not only update our logo, but emphasize upon our mission; the advocacy of our retirement and health care systems for our membership.

At the Fall Board meeting the Directors considered all input and/or recommendations received. Mr. Michael Clendenin's recommended logo was officially adopted as our new logo representing the "Retired Public Employees of New Mexico. Its bold letters of RPE brings emphasis on Retired Public Employees, as New Mexico is symbolized by our Zia and states geographical outline.

Thank you Michael for your participation and suggested logo that was adopted to represent our organization! Let's go RPE!!!

Let's Keep a Watchful Eye

To oppose any Legislative Bills that may hurt our PERA Retirees!!!

2018 Legislative Session Dates

December 15, 2017 - January 12, 2018, Legislation may be pre-filed

January 16 - Opening day (noon)

January 31 - Deadline for introduction

February 15 - Session ends (noon)

March 7 - Legislation not acted upon by governor is pocket vetoed

May 16 - Effective date of legislation not a general appropriation bill or a bill carrying an emergency clause or other specified date

Membership Has Benefits! AMBA

Your membership with RPENM gives you access to many member only benefits. Association Member Benefits Advisors (AMBA) helps to make the following benefits available to RPENM members:

- Dental & Vision Plans
- Long Term Care
- Medicare Supplement
- Tax Deferred Annuity
- Medical Air Services Association (MASA)
- American Hearing Benefit (AHB)
- Government Employee Travel Opportunities
- La Quinta Inn & Suites Discount
- Rental Car Discounts (Budget, Avis, & Hertz)
- Dell Computer Discounts
- Apple Computer Discounts
- 1-800-FLOWERS Discounts
- AMBA TravelPERX Travel Deals

For additional information, contact our benefits provider, AMBA, at 1.800.258.7041. You can also request a speaker for your local meetings by calling Susan Lowry, AMBA National Director of Association Relations, at 800.258.7041 ext. 110.



Necrology

The following Retired Public Employees of New Mexico were reported to us as deceased since our last Newsletter.

Their commitment to protecting New Mexico's public employees, retirees and PERA itself, was demonstrated by their continued support of RPENM. **We offer our sincerest condolences to their families, and we honor them for their public service to the citizens of New Mexico.**

Thank you for your dedication to protecting New Mexico's Retirees!

Abiquiu, NM

Juan Duran

Albuquerque, NM

Silverio Gomez

Clement C. Koogler

Charles Martin

Juan Montoya

Gertrude Alderete

Kirsten Anderson

John Valdez

Adelle Sanchez

Dora Atkins

Arthur Thompson

Bessie Rich

Dolores Avila

Ruby Hoolihan

Worth French

Margaret King

Barbara Treseder

Lee Gallegos

Alex Marquez

Ralph Vigil

Ann Arbor, MI

Dorothy Eskelson

Bosque, NM

Warren Harris

Cuba, NM

Robert Valdez

Deming, NM

Antonio Ortiz

Lois Bryant

James Clay

Mary Hofacket

Eastland, TX

Toby Williams

Eloy, AZ

George Parascandola

Fairacres, NM

Joe Sanchez

Farmington, NM

Jeanette Ream

Hardy, AZ

Lane Vance

Hernandez, NM

Mariano Maestas

Hillsboro, NM

Mary Torrez



Ilfeld, NM

George Sandoval

Las Cruces, NM

Louis Fietze

Becky Hughes

Alfred Elder

Rita Kondy

Lincoln, NM

Wilburn Morrow

Lolo, MT

Ansel Stenseth

Lordsburg, NM

Manuel Renteria

Las Lunas, NM

Blas Benavidez

Lovington, NM

Mary Hammons

Meridian, ID

James Canfield

Mora, NM

Nora Archuleta

Peoria, AZ

James Brown

Ratón, NM

Selma, Gutierrez

Mary Martínez

Rio Rancho, NM

Carmen Pace

Galen Benson

Roswell, NM

Jack Wynne

Santa Fe, NM

Floyd Silva

George Ewing

Mary Adams

Shiprock, NM

Fern Begay

Silver City, NM

Robert Smith

Springer, NM

Elinor Olson

Tucson, AZ

William Moe

Retired Public Employees of New Mexico

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Have You Scheduled Your Benefits Checkup Yet?

Many members are glad they've taken the opportunity to meet with their local benefits representative to learn about their endorsed member benefits. The Retired Public Employees of New Mexico (RPEM) has partnered with Association Member Benefits Advisors (AMBA) to make benefits available to members. Benefit representatives are available as a courtesy to answer all of your questions.

Your Member Benefits Include:

- > Dental & Vision Coverage
- > Medicare Supplement Plans
- > Life Insurance
- > Rental Car Discounts
- > Travel Discounts
- > Cancer Insurance
- > Long-Term Care
- > Emergency Transportation Plan
- > Computer Discounts
- > Restaurant Discounts

This is one checkup you don't have to worry about.
Call today to see what you might be missing out on!



1-800-258-7041

www.myAMBAbenefits.info/rpenm

Benefits Made Available through



RPEM Members WANTED!

Due to the overwhelming requests for information about benefit programs, Association Member Benefits Advisors (AMBA) is seeking RPEM members to work as benefit representatives. Benefit representatives conduct seminars on long term care and hold informational meetings with other members in their area. If you have an interest in this position, please call Jeanie Coffey, National Director of Association Relations, at: **1-800-258-7041, ext. 332**