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Daniel J. Mayfield - Albuquerque
PERA Board Representative

Doug Crandall - Scottsdale, Az
RHCA Representative

Executive Director

Gerald L. Chávez - Mountainair
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 everyone is doing well and enjoying spring time in beautiful New Mexico.

I would like to remind the RPENM membership that we have our annual spring meeting on May 4th and 5th in Albuquerque. The evening of Friday, May 4th, a dinner reception will be held. Don't forget to send in your RSVP. At the Saturday, May 5th meeting, we will have numerous door prizes and a raffle for cash prizes.

I hope all of you are planning to attend. Come and meet your board members, your Executive Director, your lobbyists, and fellow members. This is a good chance for you to participate in the meeting and understand how your board works. Please come and be a part of this very important process.

On another note, I have good news about the results of the 2018 Legislative session. Your lobbyists, Richard Romero and Sue Griffith, report that there were no bills passed this session that would negatively change or impact our pension or health care benefits.

I want to thank all of the members of RPENM and especially those who have recruited new members. This is not the time to relax our efforts to ask other retired public employees to join RPENM. So again, I encourage you to continue to recruit new members. Membership is an integral part in protecting your benefits.

Hope to see you in May at the spring meeting and would enjoy listening to your ideas.



Annual Meeting

Please Join Us!

Meet your Board of Directors. Learn more about our mission of protecting our retirement system and retiree health care programs. Your input counts!

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. For hotel reservations, please call the MCM Elegante at: (505) 884-2511.

Our Spring Membership meeting events were announced within our Winter Newsletter in January. We had a very low RSVP response. **THANK YOU** to those members that took the time to RSVP with us. To assist us in our preparation, if you plan to attend the reception (buffet style dinner) **please RSVP as soon as possible!**



You can RSVP in one of three ways:

- By email to: rpenm@rpenm.org
- By phone: (505) 280-8459
- By mail: 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. Many great door prizes for members in attendance and raffle at the end of our meeting!



In sickness and in health.

(505) Ask-PRES

MPC031711-10

 **PRESBYTERIAN**
Health Plan, Inc.

Enter to Win



Purchase Your Raffle Tickets Now!

Special raffle to be conducted at our Membership Meeting on Saturday, May 5th

We will be raffling three (3) CASH Prizes

- Grand Prize: **\$250.00**
- Second Prize: **\$150.00**
- Third Prize: **\$100.00**

No need to be present to win!! Purchase your tickets in advance. Completely fill out the ticket stubs and mail us. We have provided these raffle tickets within this newsletter. For convenience of filling out

your raffle tickets, you can utilize your personal address labels. Just don't forget to write down your phone number. **If you would like to purchase more than 6 tickets, feel free to make copies of the tickets.**

SPECIAL NOTE: Make checks payable to RPENM and send to us no later than April 30th, 2018. Mail your ticket stubs with payment to: RPENM, P.O. Box 20607, Albuquerque, NM. 87154-0607.

Please find raffle tickets on page 4. If you need more, feel free to copy page 4.



Today,
tomorrow,
and through
the years...

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New Mexico's active and retired employees.**



**BlueCross BlueShield
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A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

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<p>RPENM Raffle PLEASE PRINT CLEARLY</p> <p>Name: _____</p> <p>Addr: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Tickets are \$2.00 each or 6 for \$10.00</p>	<p>Return ticket stub above with payment no later than April 30, 2018 to:</p> <p>RPENM PO Box 20607 Albuquerque, NM 87154-060</p> <p>Three prizes:</p> <p>Grand Prize: \$250.00 2nd Prize: \$150.00 3rd Prize: \$100.00</p> <p>Need not be present to win</p>	<p>RPENM Raffle PLEASE PRINT CLEARLY</p> <p>Name: _____</p> <p>Addr: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Tickets are \$2.00 each or 6 for \$10.00</p>	<p>Return ticket stub above with payment no later than April 30, 2018 to:</p> <p>RPENM PO Box 20607 Albuquerque, NM 87154-060</p> <p>Three prizes:</p> <p>Grand Prize: \$250.00 2nd Prize: \$150.00 3rd Prize: \$100.00</p> <p>Need not be present to win</p>	<p>RPENM Raffle PLEASE PRINT CLEARLY</p> <p>Name: _____</p> <p>Addr: _____</p> <p>_____</p> <p>Phone: _____</p> <p>Tickets are \$2.00 each or 6 for \$10.00</p>	<p>Return ticket stub above with payment no later than April 30, 2018 to:</p> <p>RPENM PO Box 20607 Albuquerque, NM 87154-060</p> <p>Three prizes:</p> <p>Grand Prize: \$250.00 2nd Prize: \$150.00 3rd Prize: \$100.00</p> <p>Need not be present to win</p>
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New Mexico Retiree Health Care Authority Report

April 2018

Doug Crandall, RHCA Board Member New Mexico Retiree Health Care Solvency Increases

Last year at this time the New Mexico Retiree Health Care Authority was trying to work through the loss of two revenue funds that had been suspended or eliminated as the result of the continuing fiscal downturn in the New Mexico economy. Solvency, which had exceed twenty years, dropped by five years, meaning that the Authority would become insolvent as early as 2032.

Now, one year later, thanks to limited, though meaningful plan changes and more important, to outstanding and unanticipated investment returns, solvency is now conservatively projected through 2035. In one 'best case' scenario, the plan could remain solvent until 2042.

Value Based Incentives

One of the major costs associated with a retiree populations are some very common surgeries including shoulder and knee arthroscopies, gall bladder removals and hernias.

Pre-Medicare participants of the Presbyterian Premier and Value plans now have the opportunity to pay a flat co-pay for these procedures through a limited network of surgeons. The co-pay includes all pre and post operation expenses, as well as for the surgery itself.

This is a voluntary program and members of RHCA may continue to choose doctors not part of the value option and pay standard fees and co-pays. The obvious usefulness of this option for RHCA is that it allows for a fixed calculation of costs to the plan.

These value based incentives are part of the future of health care and more common procedures will be added in the future.

Pharmacy Benefits and Medical Trends

When new rates are established for pre-Medicare and Medicare Supplement Plans, the amount of

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increase is directly tied to the number of plan participants and the inflationary cost of the service. For the past several years, nearly all of the inflationary increase is directly a result of the cost of prescription drugs.

A retiree aged population has substantially greater prescription drug use than a younger populace. RHCA works very closely with its Pharmacy Benefit Manager, Express Scripts, to ensure reasonable prescription costs while also assuring members that their pharmacy needs will not be sacrificed in the name of saving money.

One major change to pharmacy benefits over the past several years has been the introduction of step therapy. Step therapy means that a patient who has been prescribed a drug will often be prescribed a generic version of the drug first and will only move to the much more expensive name brand drug if the generic is ineffective, or causes side effects that can be mitigated by the brand name. Since inception, RHCA has saved nearly a million dollars as a result of the step therapy program.

RHCA is not the only one concerned with the high cost of prescription drugs. Cigna has just made an offer to buy Express Scripts. Presumably, this merger would allow Cigna to better control all their health care costs from hospitals to health practitioners and now, pharmaceuticals. CVS Caremark has already merged with Aetna insurers for this same purpose. The hope is that these mergers will help to rein in pharmaceutical costs and pass those savings on to the plan participants.

Investments

As previously noted, the RHCA investment returns for the past year were exceptional. Returns for 2017 exceeded 17.4%, more than double the 2016 return of 8.09%. The Authority bases its solvency projections on an assumed 7.25% rate of return. Thanks in large part to the 2017 success, RHCA has averaged an 8.82% return on investments over a five year period.

Assets of the New Mexico Retiree Health Care Authority exceeded \$645 million at the end of January 2018. This is greater than the \$622 million the Authority expected to have at the end of the fiscal year this coming July. This means that even flat returns over the next several months will allow

RHCA to maintain its expected solvency projections. In addition, because assets continue to grow, the RHCA Board recently approved the hiring of Wilshire Associates to review our asset allocation strategy and provide investment information and advice going forward. Although this is a one-time contract, the Authority is expected to request funds in the 2019 budget to contract for a full time investment advisory firm.

Board Vacancies

There are several vacancies, some long term, on the RHCA Board. Wayne Johnson, representing County employees and employers recently left the board when he was appointed State Auditor by Governor Susanna Martinez. In addition, city employees and employers have a seat on the board that has not been filled for several years. The Association of Counties is tasked with appointing a County representative and the Municipal League chooses the board member to represent towns and cities that are participants in the RHCA program. The State of New Mexico also is entitled to an employee representative.

More than 10% of New Mexico's entire population is affected by the Retiree Health Care Authority, either as a retiree, a spouse or a contributing working employee. It is critical that all stakeholders be represented on the RHCA Board.

RHCA Annual Meeting To Be Held In Taos

The Retiree Health Care Annual Meeting will be held at Sagebrush Inn and Suites in Taos on Friday, July 13th. The meeting will be preceded on July 12th with the RHCA Board's strategic planning retreat. All RHCA members are welcome to attend these meetings.

Please feel free to e-mail me at dougcinaz@gmail.com, or call me directly at 480-636-8063 if you have any questions or comments.



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!

Albuquerque, NM

Bruce Glasgow
Salomon Jojola
Margarito Chacon
Steven Pazand
Phil Portillo
Charlie Anaya

Alamogordo, NM

Clifford Stanbrough

Capitan, NM

Jack Eldridge

Carlsbad, NM

Albert Marchione

Elk Grove, CA

Bruce Hamlett

Fairacres, NM

Bonifacio Armijo

Farmington, NM

Alan Brack

Hobbs, NM

Laura Cazee

Los Alamos, NM

Edward Carpenter

Los Lunas, NM

Velma Hardesty



Lubbock, TX

Annie Rogers

Mesquite, NM

Sara Chavez

Mountain Home, AR

Delmar Barrett

Questa, NM

Jose Vigil D

Rancho De Taos, NM

Aurora Montoya

Rio Rancho, NM

Anthony Herrera
Arthur Wickard

San José, NM

Robert Ortiz

Santa Clara, NM

Jesus Atencio

Santa Fe, NM

William Jordan
Kaira Gallegos
Ralph Perkins

Todd, NC

John Upson

Tucumcari, NM

Pat Cannon

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Permit 798

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www: www.rpenm.org



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 (RPENM) 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



RPENM Members WANTED!

Due to the overwhelming requests for information about benefit programs, Association Member Benefits Advisors (AMBA) is seeking RPENM 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**