

NEW MEXICO INSURANCE NOMINATING COMMITTEE

MINUTES OF REGULAR MEETING

AUGUST 17, 2022

10:00 A.M.

Office of the State Engineer Interstate Stream Commission

5550 San Antonio Dr. NE Albuquerque, NM 87109

(This meeting was held in person only, with no remote attendance)

1. CALL TO ORDER

Chair Denish called the meeting to order at approximately 10:00 a.m.

A. Introductions

Each member of the Committee introduced herself/himself. Staff from the Office of Superintendent of Insurance and other attendees also introduced themselves as follows:

Members Present

Diane Denish, Chair

Jennifer Ford

Scott Yurcic

Brian Alexander

Patricia Greene Williams

Dale Rycraft

Nora Vazquez

Geffrey Romero

Members Absent

Allegra Carroll Carpenter

Office of Superintendent of Insurance (“OSI”) Staff

Russell Toal, Superintendent

Jennifer Catechis, Deputy Superintendent

Mark Hayden, General Counsel

Colin Baillio, Project Manager

Louella Pacheco, Law Clerk & Committee Administrator

Freya Tschantz, Law Clerk

Others Present

Valerie Joe, Assistant Attorney General

Syd Lopez, Public Attendee

Arslan Umarov, Public Attendee

Nancy Cronin, Public Attendee

(Being that eight of the nine committee members are present, a quorum is present.)

Superintendent Toal informs the Committee of Angelica Anaya Allen's departure from OSI. He foresees not filling the position for the time being. Chair Denish asks that the job description be sent to the Committee as they may have recommendations to fill the vacancy.

All members are sworn in; existing Committee Members reaffirm their oath and new Members Vazquez and Rycraft take oath for the first time. (New Members will need to sign copies of the oath to be filed with the Secretary of State.)

B. Approval of Agenda

All Members unanimously approve of the agenda as presented by oral vote (8-0).

C. Approval of Minutes

Minutes from January 28, 2021 Regular Meeting

Member Greene Williams requested a change of the minutes to include her as being present. (Transcript does not reflect Member Greene Williams being present or absent.) With that correction, the Committee unanimously approves the minutes by oral vote (8-0).

D. Approval of Open Meetings Resolution

AAG Joe provided a summary of the resolution and the requirements of the Open Meetings Act. A discussion about the two different options provided for Paragraph 6 of the Resolution occurred. The Committee selected the language of Option 2 to be included in the Resolution, with the addition of adding an email contact. The Committee also noted that the Resolution year needed to be changed from 2021 to 2022.

Member Romero moved to adopt the Resolution with the stated amendments. The motion was seconded by Member Ford. The motion was approved by a unanimous oral vote (8-0).

E. Per Diem and Mileage Rules and Policies for Committee Members

Superintendent Toal alerts the Committee to the Travel Reimbursement form contained within the folders provided to each Member. OSI Law Clerk advised the Committee that receipts for travel reimbursements are due to her within five days of the meeting.

F. Superintendent's Annual Salary

Committee Members reviewed the Cabinet Secretary Salary Summary provided by AAG Joe. Superintendent Toal stated he is satisfied with his current salary rate.

Member Greene Williams made an oral motion to continue to pay Superintendent Toal at the current salary rate. Member Ford seconded the motion. The motion was approved on a unanimous oral vote (8-0).

G. Superintendent's Report on OSI

See attached PowerPoint for overview of Superintendent Toal's presentation.

Deputy Catechis provided background on the Fair Plan, noting there are not many policies in Northern New Mexico, likely due to a lack of knowledge. OSI will be working with independent agents to provide education on the Fair Plan. OSI will be proposing legislation to raise limits. Once the draft legislation becomes available, OSI will make it available to the Committee. Superintendent Toal advised the Committee of OSI's current rulemaking efforts, including rules anticipated for 2023 (*see* attached rulemaking handout). The Superintendent also provided an overview of recently issued bulletins.

Colin Baillio, OSI Project Manager gave a presentation to the Committee on the Healthcare Affordability Fund, offering an overview and OSI's plan to implement it- specifically the Turquoise Plan. Stakeholder meetings will be scheduled soon, and the Plan will be available as part of OSI's budget proposal this fall.

Deputy Catechis provided information on OSI's tentative budget, which will be mostly comprised of requests for new positions and the operational costs associated with those positions. The finalized budget will be made available to the Committee.

H. Public Comment

Public Comments were taken from Syd Lopez and Arslan Umarov- both of which are plaintiffs attorneys who discussed problems encountered with Patient's Compensation Fund litigation and difficulties with settlement.

I. Future Meetings and Location

The Committee expressed a desire to meet again before the 2023 legislative session begins (early to mid-January). The meeting will be located in Albuquerque, with the date and exact location to be determined at a later date.

J. Adjournment

Chair Denish made a motion to adjourn the meeting at 12:01 PM. Member seconded the motion. The motion was approved on a unanimous oral vote (8-0).

Approved by Committee on: _____

DRAFT

Nominating Committee

Annual Meeting

Russell Toal, Superintendent

August 17, 2022



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**Russell Toal
Superintendent**

- Human Resources
- IT

**Jennifer Catechis
Deputy Superintendent**

- Budget and Finance
- Records and Administrative Services
- Actuarial Services
 - Property and Casualty
 - Patient Compensation Fund
- Compliance
 - Company Licensing
 - Producer Licensing
 - Insurance Criminal Fraud
 - Financial Analysis
 - Examinations
- Title Insurance and Regulation

**Mark Hayden
General Counsel**

- Legal Services
- E-Docketing
- Hearing Officers

**Julie Weinberg
Life and Health**

- Coverage Affordability Bureau – HCAF
- Health Care Policy Bureau
- Life and Health Product Filing Bureau

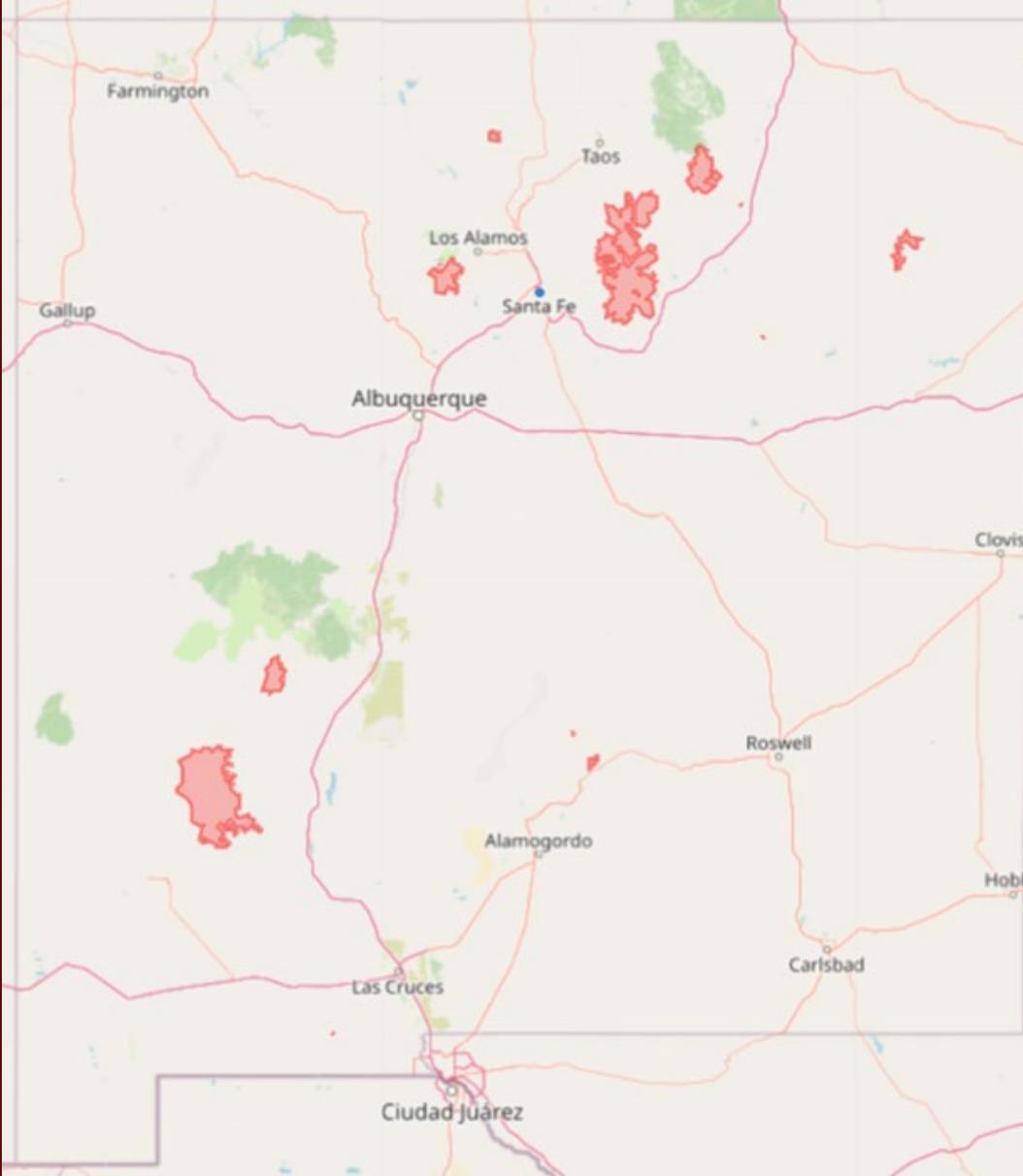
**Vacant
Consumer Assistance**

- Consumer Assistance
- Civil Investigations
- Managed Health Care B



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Organizational Chart



New Mexico Wildfires – Property & Casualty

- Fires Burned for months: FEMA on ground before end of catastrophe

Staffing Limitations

- OSI has limited staff for emergency response. Staffed centers.
- Two emergency orders issued by the OSI.

FAIR Plan

- People are unaware of the program and the cap may be too low

Uninsured/Underinsured

San Miguel County Population	27,540
- Residential Homeowners and Mobile Home policies in force	4,037
- Claims (as of June 30)	649
Mora County Population	4,500
- Residential Homeowners and Mobile Home policies in force	618
- Claims (as of June 30)	333

OSI Regulations

- See separate list.



The Health Care Affordability Fund

- To address health care affordability issues and to expand health coverage, SB 317 was passed by the Legislature and signed by Governor Lujan Grisham in April 2021.
- SB 317 created the Health Care Affordability Fund (HCAF):
 - Creates a revenue stream that funds efforts to reduce health insurance costs for individuals, families, and small businesses.
 - OSI is responsible for implementing these initiatives.
 - The legislature approved appropriations during the 2022 legislative session.

The Small Business Health Insurance Premium Relief Initiative

- Available to small businesses with 50 or fewer full-time employees
- Reduces premiums in the ACA-compliant small group market by 10%
- Started on July 1, 2022
- \$30 million budget for FY 23



The Health Insurance Marketplace Affordability Program

- Available to individuals and families who qualify for beWellnm
- Covers the full premium for the Benchmark plan up to 200% FPL and reduces premiums for those between 200-400% FPL; offers \$0 options to Native Americans up to 300% FPL who qualify for beWellnm
- Reduces deductibles, max out-of-pocket limits, co-pays, and coinsurance for individuals and families up to 300% FPL
- Shopping with enhanced assistance starts November 1, 2022; coverage starts January 1, 2023
- \$28 million budget for FY 23



Medicaid Transition Premium Relief

- Available to individuals and families who:
 - No longer qualify for Medicaid;
 - Qualify for federal premium tax credits on beWellNm; and
 - Have income at or below 400% FPL
- Covers one month of premium when the individual/family enrolls in a beWellNm plan; intended to smooth out coverage transition & effectuate coverage
- The federal COVID-19 Public Health Emergency is slated to be extended into 2023; the transitional premium relief will begin after the PHE ends
- Requires significant coordination between OSI, HSD, and beWellNm
- Budget is included in Marketplace Affordability Program



Coverage Expansion Plan

- Program for uninsured individuals and families who don't have access to employer insurance, beWellNm, Medicaid, and Medicare
- Provides benefits, premiums, and out-of-pocket costs similar to beWellNm
- Start date likely to be late 2023/early 2024
- Budget and program details still in development

Tentative OSI Budget FY 24 Request and Revenue Projections

	FY23 OSI	FY24 OSI
Personnel Services (200)	\$ 10,500,000	\$ 12,300,000
Contracts (300)	2,400,000	3,100,000
Other – IT, Supplies, Rent (400)	1,800,000	2,400,000
Patient Compensation Fund (PCF)	29,000,000	43,900,000
Financing Uses	9,400,000	11,600,000
Heath Care Affordability Fund (HCAF)	58,000,000	58,000,000*
Total FTE	109**	130
TOTAL \$	\$ 111,100,000.00	\$ 131,300,000

Type of Revenue	FY24 Projected
Licenses & Renewals	\$ 34,607,000
Fines & Penalties	370,000
*** Fraud Assessments	3,621,387
*** Title Assessments	1,044,700
*** Patient Compensation Fund	46,287,021
*** Continuing Education	235,133
*** Miscellaneous	31,801
Total Projected	\$ 86,197,040.25

* Placeholder ** OSI received an additional 12 new positions in FY23 previously the agency had 97 FTE *** Numbers are based on an average of current and previous fiscal year collections

Work in Progress

- Rate setting for PCF – effective January 1
- Legislative proposals for consideration by the Governor
- Governor's Prescription Drug Pricing Task Force recommendations
- PBM compliance effort
- Open enrollment for beWellnm
- Medicaid disenrollment effective February 1
- Review and action plan on homeowner insurance
- Increased focus on compliance

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Questions

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**Office of Superintendent of Insurance
Rulemaking 2022-2023**

Adopted	
Name	Effective
EXCEPTED BENEFITS PERM- 13.10.34 NMAC (REPEAL & REPLACE)	7/1/2023
PROPERTY AND CASUALTY ACTUARIAL OPINIONS, 13.2.9 NMAC (AMENDMENTS)	7/1/2022
CREDIT FOR REINSURANCE; 13.2.8 NMAC (NEW RULE)	7/1/2022
HEALTH CARE AFFORDABILITY FUND (HCAF); 13.10.36 NMAC (NEW RULE)	5/1/2022
HCAF EMERGENCY RULE; 13.10.36 NMAC	6/1/2022
HCAF PERMANENT RULE; 13.10.36 NMAC	9/1/2022
SUITABILITY IN ANNUITY TRANSACTIONS; 13.9.20 NMAC	10/1/2022
PHARMACY BENEFITS MANAGERS RULES; 13.10.30 NMAC (REPEAL & REPLACE)	3/1/2022
ANNUAL PRIVACY RULE; 1.3.9 NMAC (AMENDMENT)	3/1/2022
TITLE RULES PARTS 4, 6, 8, 9 AND 10 OF TITLE 13, CHAPTER 14 NMAC (AMENDMENTS)	2/2/2022

Pending 2022 Rules	
Name	Effective
PROVIDER GRIEVANCE; 13.10.16 NMAC (REPEAL & REPLACE)	1/1/2023
DENTAL & VISION MLR; 13.10.35 NMAC (AMENDMENT)	7/1/2023
MEWA / PEO/GROUP FORMATION RULE; 13.19.4 NMAC (REPEAL & REPLACE)	7/1/2023
VACCINE PURCHASING ACT; 13.10.40 NMAC (NEW RULE)	1/1/2023
PRIOR AUTHORIZATION; 13.21.31 NMAC (AMENDMENT)	1/1/2023
AUTO THEFT PREVENTION AUTHORITY (NEW RULE)	1/1/2023
CATASTROPHE DECLARATION RULES; 13.7.4 NMAC (AMENDMENT)	3/1/2023

Office of Superintendent of Insurance
Rulemaking 2022-2023

TERM AND UNIVERSAL LIFE INSURANCE RESERVE FINANCING MODEL REGULATION (NEW)	1/1/2023
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Anticipated Rules for 2023	
NAME	Effective
NETWORK ADEQUACY	1/1/2024
UTILIZATION MANAGEMENT	7/1/2024
CREDIT LIFE AND CREDIT HEALTH - 13.18.2	TBD
ADVERTISING- L&H	TBD
MEMBER GRIEVANCE - 13.10.17 REPEAL AND REPLACE	TBD
PROVIDER CREDENTIALS - (POST-SESSION) 13.10.28	TBD
MARKET EXIT/DISCONTINUANCE	TBD
PHARMACY BENEFIT MANAGER 13.10.30 AMENDMENTS (POST-SESSION)	1/1/2024
THIRD-PARTY ADMINISTRATION AMENDMENT	TBD
INTEREST ON UNPAID CLAIMS	TBD
PRODUCER LICENSING CLEAN-UP	TBD
DATA SECURITY	TBD
MODERN FORMS ADOPTION IN TITLE	7/1/2023
ACTUARIAL RULES RE: LIFE INSURANCE	TBD
PROCEDURES- GENERAL CLEAN-UP	TBD
NAIC #668- CYBERSECURITY	TBD
PROPERTY AND CASUALTY CLEAN-UP	TBD
STOP LOSS	TBD