New Mexico Municipal League
Annual Conference – September 3, 2020
Employee Benefit Challenges in the Time of COVID-19

State of New Mexico / RMD Employee Benefits Risk Pool: At a Glance

Covered Entities:  
- All State Agencies (2/3 of total membership)
- 134 Local Public Bodies (1/3 of total membership)
- 56 Municipalities
- 23 Counties
- Institutions of higher learning including NMSU, NM Highlands and NMMI
- Various governmental districts (housing, soil and irrigation, etc)

Covered Members: 57,554 members

Annual Spend: $366 million in FY20

Funding Method: Self-Insured - 3% to carriers for admin fee / 97% to providers as claims

Carriers: Presbyterian, BCBS, Delta Dental, EyeMed, Well-Being Solutions (EAP)

Actuarial Value: 84% to 87% (Medical Plans)
COVID-19 Timeline

• January 21, 2020: First confirmed case of COVID-19 in the U.S.
• March 11, 2020: First confirmed case of COVID-19 in New Mexico
• March 11, 2020: Governor declares a Public Health Emergency (EO-2020-004)
• March 12, 2020: NM Superintendent of Insurance promulgates emergency rules
  • Prohibits any cost sharing requirement for the provision of health care services for COVID-19

COVID-19 Testing

• New Mexico – 9/1/2020
  • Total Tests: 770,959
  • Positive: 25,612
  • Positivity Rate: 3.3%

• RMD Pool (Based on paid claim data so not nearly so current)
  • Total Tests: 4,952
  • Positive: 115
  • Positivity Rate: 2.3%
COVID-19 Costs

- **Testing**
  - Total Tests: 4,952
  - Total Costs: $395,743
  - Cost Per Test: $79.91

- **Treatment**
  - Inpatient: $273,135
  - Outpatient: $1,022,247
  - Professional: $327,569
  - Total Treatment Costs: $1,622,951

- Total COVID-19 Costs to Date: $2 million

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- **March 18, 2020:** Families First Coronavirus Response Act (FFCRA) is passed
- **March 24, 2020:** Public Health Order Prohibits Non-Essential Health Care Services
Reduced Utilization/Costs During Lockdown

• 1st Quarter Total Costs: $95,446,364
• 2nd Quarter Total Costs: $103,393,848
• 3rd Quarter Total Costs: $90,065,810
• Avg of 1st 3 Quarters: $96,302,007

• 4th Quarter Total Costs: $77,322,984
• Difference from Average: $19 million

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• March 24, 2020: Public Health Order Prohibits Non-Essential Health Care Services
• March 27, 2020: CARES act is signed designating $2.2 Trillion in economic stimulus
• April 30, 2020: Public Health Order Easing Restrictions Non-Essential Health Care Services
Employee Benefit Challenges Moving Forward

• Access To Care
  • Digital Solutions
    • Telemedicine
      • Telemedicine visits to surpass 1 billion in 2020
      • RMD pool had more telehealth visits in the 4th quarter than previous 3 quarters combined
      • Expanded range of services: behavioral health, physical therapy, etc.
  • “Connected” Devices
    • Glucometers
    • Scales
    • Blood Pressure Monitors
• Education and Early Intervention
  • Community Health Workers
  • EMT crews making home visits during down time

• Behavioral Health
  • Increased EAP visits for ALL employees and family members
  • Examine where cost barriers may exist

Employee Benefit Challenges Moving Forward

• Actuarial Uncertainty
  • Cost of continued COVID-19 Services
    • Testing
    • Treatment (new drugs?)
    • Vaccine
  • Pent Up Demand for Medical Services When Restrictions Ease
    • When will the additional costs hit?
    • Will this high of a volume of foregone services creates gaps in care?

• Budgetary Uncertainty
  • Public sector revenues remain strained
  • Federal actions in the future.....
Closing

- Stay Safe
- Don’t Panic – we’ll get through this together
- GET YOUR FLU SHOT
- In fact, work with your Primary Care Physician to get all of your recommended preventive care (don’t have a PCP?...Get One!)

- Thank you to NMML for allowing me to speak with you today
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