

State of New Mexico
General Services Department
Risk Management Division



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

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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 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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