

NM Tech Participation with NMPSIA - High Level Pro's and Con's

■ Pro's

- All employees and retirees will pay significantly less in premiums
 - Average savings over 20% depending on plan/carrier choice
 - Benefit coverage is comparable – some parts better; some not as rich
- NM Tech will most likely see savings as well
- Larger risk pool provides greater stability over time
- NMPSIA will allow retirees to participate

■ Con's

- Emergency Room visits are subject to additional cost sharing (see page 20)
- Loss of local ability to set premiums and plan designs
- Albuquerque residents will need to consider local vs. national network choice
- Pharmacy copayments will be higher for some and under a different formulary
- Rates change in October rather than January



New Mexico Institute of Mining and Technology (NMIMT) Health Insurance Plan Review and Analysis

April, 2018

Aon Risk Solutions | Employee Benefits Consulting Group

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Background and Context

- NMIMT recognizes that the Health Insurance benefit is an important element to attract and retain diverse talent
- NMIMT periodically reviews benefit offerings and conducts market reviews to ensure the best insurance coverage is offered to its employees at the best cost possible
- Aon, a global health and benefits consulting firm with a strong New Mexico presence, was selected to perform assessment of medical plan's current value and potential options for 2019
 - Mark Tyndall
 - 30 years experience in health care financing in both the public and private sector
 - Former Executive Director of NM Retiree Health Care Authority and Chairman of the Interagency Benefits Advisory Committee (IBAC), a public sector purchasing collective including the State of NM as well as all public school districts and most universities with 190,000 members and an annual medical spend of over \$1 billion

Summary of Assessment

- Analysis of NMIMT Medical Plans
 - Eligibility criteria consistent with other public entities
 - Plan designs are “gold” level and competitive with other public entities
 - Plan premiums are materially higher when compared to the same plans
 - Plans are compliant with regulatory requirements; though affordability may be an issue
- NMIMT Options for 2019
 - Option 1: Remain independent, self-funded purchaser of health benefits
 - Option 2: Join public sector purchasing pool as allowed by statute
 - New Mexico Public Schools Insurance Authority (NMPSIA)
 - ◆ NMPSIA was created by the NM Legislature in 1986 to serve as the purchasing agency for public school districts, post-secondary educational entities and charter schools.
 - ◆ NMPSIA currently provides medical, dental, and vision coverage to over 50,000 members. Most of these members represent the employees and families of NM’s 88 school districts (APS). NMPSIA also provides coverage to 5 institutes of higher learning in New Mexico so NMIMT would not be the only college/university.
 - ~~State of New Mexico, General Services Department, Risk Management Division – does not allow retiree participation~~
 - ~~University of New Mexico – would require cost-prohibitive reinsurance arrangement~~

NMIMT Options to Reduce Health Plan Costs

■ Option 2 – Become part of the New Mexico Public Schools Insurance Authority (NMPSIA)

– **Pros**

- Improved network of providers – BCBS and Presbyterian have been part of NMPSIA's offerings since at least 1996
- Reduction in total costs over time - Rate comparison attached
- Increased Stability – A larger risk pool allows catastrophic claims to be spread over a larger membership base which may smooth future rate increases
- NMPSIA has committed to allowing NMIMT retirees to participate (their premium requirements will be rated separately)

– **Cons**

- Loss of ability to set plan design and total premium levels – NM Tech would be required to offer its employees the benefits as designed and rated by NMPSIA
- NMPSIA's rates are subject to change October 1 rather than January 1 (though their deductibles and out of pocket maximums still follow a calendar year)

– **Neither Pro nor Con, But Different** – NMPSIA does NOT automatically include dental and vision coverages in with its Medical Premium – premium comparison will account for this

NMIMT / NMPSIA Plan Compare

<https://nmpsia.com/SummaryofBenefits.html>

	NM TECH		NMPSIA		
	Plan 2 (PPO)	Plan 3 (PPO)	High PPO	Low PPO	EPO/HMO
Carriers / Network	Meritain/Aetna	Meritain/Aetna	BCBS & Presbyterian	BCBS & Presbyterian	BCBS Narrow Ntwk
Deductible*					
Individual	\$1,000	\$1,500	\$750	\$2,000	\$500
Family	\$2,000	\$3,000	\$1,500	\$4,000	\$1,000
Out of Pocket Maximum*					
Individual	\$3,000	\$3,500	\$3,750	\$3,750	\$3,250
Family	\$6,000	\$7,000	\$7,500	\$7,500	\$6,500
Other Medical Cost Sharing*					
PCP Office Visit Copay	\$30	\$30	\$30	\$35	\$25
Specialist Office Visit Copay	\$50	\$50	\$50	\$60	\$35
ER Visit Copay	\$200	\$200	\$150 copay + 20% coinsurance	\$150 Copay + 25% coinsurance	\$150 copay + 20% coinsurance
Inpatient Hospital	20% coinsurance	20% coinsurance	\$500 per admit copay + 20% coinsurance	25% coinsurance	\$500 per admit copay + 20% coinsurance
Pharmacy (Retail)*					
Generic	\$10 copay	\$10 copay	\$10 copay	\$10 copay	\$10 copay
Brand (Formulary)	\$30 copay	\$30 copay	30% coinsurance (\$30 - \$60)	30% coinsurance (\$30 - \$60)	30% coinsurance (\$30 - \$60)
Brand (Non-Formulary)	\$60 copay	\$60 copay	70% coinsurance	70% coinsurance	70% coinsurance
Actuarial Value	83%	81%	81%	77%	82%
Costs - 2019 Rates (4% NM Tech Incr.)					
Total Monthly Premium - Individual**	\$875	\$856	\$551 (PHS) - \$682 (BCBS)	\$429 (PHS) - \$530 (BCBS)	\$613
Total Monthly Premium - Family	\$2,191	\$2,080	\$1,544 (PHS) - \$1,732 (BCBS)	\$1,200 (PHS) - \$1,346 (BCBS)	\$1,559
* In Network cost sharing only - Out of pocket max is for medical only (rx copays may still apply up to separate \$3,000 max)					
** NMPSIA Rates DO NOT include Dental and Vision. Single/Family Dental: \$27 / \$81 - Single/Family Vision: \$6 / \$14 FYI: NMPSIA Ambulance (including Air) Copay: \$30 for all plans					

Employee Savings if NMIMT Moves to NMPSIA

- All employees will pay less in premium under NMPSIA – even if they move from Plan 3 (lowest cost) to High Option with BCBS (highest cost)
- Exact amount depends on plan type, carrier, salary bracket and dental / vision coverage but averages between 20% and 29% - Note: NMPSIA premiums DO NOT include dental and vision coverage. **More details provided in FAQ**

Plan 2				High Option							
	# of EE's	Total Premium	Employee Portion*	Total Premium - BCBS	Total Premium - PHP	Employee Portion - BCBS	Employee Portion - PHP	Employee Savings - BCBS	Employee Savings - PHP		
Single	184	\$875	\$350	\$682	\$552	\$273	\$221	\$77	\$129		
Couple	27	\$1,815	\$726	\$1,297	\$1,158	\$519	\$463	\$207	\$263		
Family	58	\$2,191	\$876	\$1,732	\$1,545	\$693	\$618	\$184	\$258		
NM Tech Plan 3				NMPSIA Low Option							
	# of EE's	Total Premium	Employee Portion*	Total Premium - BCBS	Total Premium - PHP	Employee Portion - BCBS	Employee Portion - PHP	Employee Savings - BCBS	Employee Savings - PHP		
Single	58	\$856	\$342	\$530	\$429	\$212	\$172	\$130	\$171		
Couple	41	\$1,629	\$652	\$1,008	\$900	\$403	\$360	\$248	\$292		
Family	66	\$2,079	\$832	\$1,346	\$1,200	\$538	\$480	\$293	\$352		
NM Tech Plan 3				NMPSIA High Option							
	# of EE's	Total Premium	Employee Portion*	Total Premium - BCBS	Total Premium - PHP	Employee Portion - BCBS	Employee Portion - PHP	Employee Savings - BCBS	Employee Savings - PHP		
Single	58	\$856	\$342	\$682	\$552	\$273	\$221	\$70	\$122		
Couple	41	\$1,629	\$652	\$1,297	\$1,158	\$519	\$463	\$133	\$188		
Family	66	\$2,079	\$832	\$1,732	\$1,545	\$693	\$618	\$139	\$214		

*Monthly premium based on salary above \$25,000 rounded to nearest \$

Based on 2019 Published NMPSIA Rates and an assumed 4% increase to NM Tech Rates

Retiree Coverage Under NMPSIA

- Retirees will have access to same plans as active members. Plans will coordinate benefits with Medicare as primary payer where applicable the same as current plans
- NMPSIA's actuaries have determined that pre-Medicare retirees will be subject to the same total premium (rate) as active employees while Medicare-eligible retirees (and retiree dependents) will be subject to 88.62% of the same active premiums. Still Unknown: Family Rates impacting four (4) retirees.
- Premium comparisons are based on both NMIMT and the retiree paying 50% of the total medical premiums. Note: NMIMT does not currently publish total retiree premiums nor specific contribution percentages
- All retirees have the opportunity to pay less under NMPSIA rate structure – even moving from Plan 3 (lowest cost option) to NMPSIA High Option. Amount varies from 4% to 45% depending on plan and carrier selection. NOTE: NMPSIA RATES DO NOT INCLUDE DENTAL/VISION
- NMIMT would pay between \$150K and \$230K less depending on same factors (while still providing dental/vision subsidies)

	# of Retirees	2019 Retiree Premium <u>Plan 2</u>	NMPSIA Total Premium High Option - BCBS		NMPSIA Retiree Premium - BCBS	NMPSIA Retiree Premium - PHP	\$ Savings BCBS	\$ Savings PHP
Retiree Eligible for Medicare	15	\$366	\$581	High Option PHP	\$291	\$235	\$76	\$131
Retiree Ineligible for Medicare	8	\$484	\$682		\$341	\$276	\$143	\$208
Retiree & Individual Medicare Eligible	6	\$711	\$1,163		\$581	\$470	\$130	\$241
Retiree & One Individual Eligible for Medicare	2	\$857	\$1,263		\$632	\$511	\$226	\$347
Retiree & Individual Medicare Ineligible	2	\$929	\$1,364		\$682	\$552	\$247	\$377

		2019 Retiree Premium <u>Plan 3</u>	NMPSIA Total Premium Low Option - BCBS		NMPSIA Retiree Premium - BCBS	NMPSIA Retiree Premium - PHP	\$ Savings BCBS	\$ Savings PHP
Retiree Eligible for Medicare	40	\$305	\$473	Low Option PHP	\$237	\$191	\$68	\$114
Retiree Ineligible for Medicare	31	\$373	\$530		\$265	\$214	\$108	\$159
Retiree & Individual Medicare Eligible	22	\$634	\$946		\$473	\$383	\$161	\$251
Retiree & One Individual Eligible for Medicare	5	\$776	\$1,003		\$502	\$406	\$275	\$370
Retiree & Individual Medicare Ineligible	5	\$841	\$1,060		\$530	\$429	\$311	\$413

Frequently Asked Questions (FAQ)

1. What is NMPSIA?

“The New Mexico Public Schools Insurance Authority (NMPSIA) was created by the NM Legislature in 1986 to serve as a purchasing agency for public school districts, post-secondary educational entities and charter schools. Through NMPSIA, member schools are afforded the opportunity to offer quality employee benefits.”

NMPSIA currently provides medical, dental, and vision coverage to over 50,000 members. Most of these members represent the employees and families of NM’s 88 school districts (APS). NMPSIA also provides coverage to 5 institutes of higher learning in New Mexico so NMIMT would not be the only college/university.

2. Will I be able to see the same providers?

Yes, but make sure to pick the right carrier. NMPSIA offers coverage through both Blue Cross Blue Shield of New Mexico (BCBS) and Presbyterian Health Plan (PHP). Both provide in-network access to large, comprehensive provider networks. If you live outside of the Albuquerque area, most providers are contracted with both carriers. Within Albuquerque, not all competing delivery systems contract with the same health plans. We have provided a grid to help to illustrate this. Any questions about individual providers/facilities can be directed to the carriers during enrollment.

In Network Coverage Grid

- All PPO plans provide coverage for services received outside of the health plan’s set of contracted providers. **However**, the “out of network” benefit level requires much higher cost sharing from the patient.
- It is extremely important to use in network providers whenever possible.**
- Note: All urgent/emergent services are paid “In Network” regardless of the provider or geographic location.
- Below is a reference grid to help determine the best strategy for receiving “In Network” benefits.
- Albuquerque resident is defined as living in the following counties: Bernalillo, Sandoval, Valencia and Torrance.
- Plan changes may be made annually on a calendar year basis (effective January)

	State-wide	National (Urgent or Emergency Care)	National (Non-Emergency)	Non-Albuquerque Resident - Presbyterian Delivery System	Albuquerque Resident - Presbyterian Delivery System	Lovelace Delivery System + Davita	University of New Mexico Hospital and Physicians	International (Urgent or Emergency Care)
Aetna (current)	X	X	X	X	X	X	X	X
BCBS NM	X	X	X	X		X	X	X
Presbyterian Health Plan	X	X		X	X			X

Frequently Asked Questions (FAQ), cont.

3. Will I pay more or less in premiums out of my paycheck?

You will pay less in premiums out of every paycheck under NMPSIA's plan.

How much less will depend on your salary and the choices you make regarding plan type and carrier. Attached are the most likely scenarios with a worksheet showing the level of savings.

Note:

- NMPSIA has separate (additional) rates for dental and vision coverages whereas NMIMT's rates are inclusive.
- Dental coverage is provided by United Concordia and Vision coverage is provided by Davis Vision. Both have extensive national networks of providers.
- These are comparisons of 2019 rates – NMPSIA's rates are published and NM Tech's assumes a 4% increase
- NMPSIA publishes its rates as "monthly" premiums. To convert NMIMT rates to monthly, perform the following calculations:
 - 24 pay periods - $(\text{Rate} \times 24) / 12 \text{ months}$
 - 26 pay periods - $(\text{Rate} \times 26) / 12 \text{ months}$

Employee Premium Comparison – NM Tech Plan 2 to NMPSIA High Option (BCBS) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$875
– Employee Portion (40%)	\$350
– 2019 Total Monthly Premium – BCBS NMPSIA High Option:	\$682
– Employee Portion (40%)	\$273
– Monthly Employee Savings w/ NO Dental/Vision	\$77
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$63</u>
• <u>Savings %</u>	<u>18%</u>
• <u>Annual Savings</u>	<u>\$756</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$2,191
– Employee Portion (40%)	\$876
– Current Total Monthly Premium – BCBS NMPSIA High Option:	\$1,732
– Employee Portion (40%)	\$693
– Monthly Employee Savings w/ NO Dental/Vision	\$183
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$145</u>
• <u>Savings %</u>	<u>16%</u>
• <u>Annual Savings</u>	<u>\$1,740</u>

Employee Premium Comparison – NM Tech Plan 2 to NMPSIA High Option (PHP) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$875
– Employee Portion (40%)	\$350
– 2019 Total Monthly Premium – PHP NMPSIA High Option:	\$552
– Employee Portion (40%)	\$221
– Monthly Employee Savings w/ NO Dental/Vision	\$129
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$115</u>
• <u>Savings %</u>	<u>33%</u>
• <u>Annual Savings</u>	<u>\$1,380</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$2,191
– Employee Portion (40%)	\$875
– Current Total Monthly Premium – PHP NMPSIA High Option:	\$1,545
– Employee Portion (40%)	\$618
– Monthly Employee Savings w/ NO Dental/Vision	\$257
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$219</u>
• <u>Savings %</u>	<u>25%</u>
• <u>Annual Savings</u>	<u>\$2,628</u>

Employee Premium Comparison – NM Tech Plan 3 to NMPSIA Low Option (BCBS) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$856
– Employee Portion (40%)	\$342
– Current Total Monthly Premium – BCBS NMPSIA Low Option:	\$530
– Employee Portion (40%)	\$212
– Monthly Employee Savings w/ NO Dental/Vision	\$130
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$116</u>
• <u>Savings %</u>	<u>34%</u>
• <u>Annual Savings</u>	<u>\$1,392</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$2,079
– Employee Portion (40%)	\$832
– Current Total Monthly Premium – BCBS NMPSIA Low Option:	\$1,346
– Employee Portion (40%)	\$538
– Monthly Employee Savings w/ NO Dental/Vision	\$294
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$256</u>
• <u>Savings %</u>	<u>31%</u>
• <u>Annual Savings</u>	<u>\$3,072</u>

Employee Premium Comparison – NM Tech Plan 3 to NMPSIA Low Option (PHP) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$856
– Employee Portion (40%)	\$342
– Current Total Monthly Premium – PHP NMPSIA Low Option:	\$429
– Employee Portion (40%)	\$172
– Monthly Employee Savings w/ NO Dental/Vision	\$170
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$156</u>
• <u>Savings %</u>	<u>45%</u>
• <u>Annual Savings</u>	<u>\$1,872</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$2,079
– Employee Portion (40%)	\$832
– Current Total Monthly Premium – PHP NMPSIA Low Option:	\$1,200
– Employee Portion (40%)	\$480
– Monthly Employee Savings w/ NO Dental/Vision	\$352
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$314</u>
• <u>Savings %</u>	<u>37%</u>
• <u>Annual Savings</u>	<u>\$3,768</u>

Employee Premium Comparison – NM Tech Plan 2 to NMPSIA EPO/HMO (BCBS) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$875
– Employee Portion (40%)	\$350
– 2019 Total Monthly Premium – BCBS NMPSIA High Option:	\$614
– Employee Portion (40%)	\$246
– Monthly Employee Savings w/ NO Dental/Vision	\$104
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$90</u>
• <u>Savings %</u>	<u>26%</u>
• <u>Annual Savings</u>	<u>\$1,080</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 2:	\$2,191
– Employee Portion (40%)	\$876
– Current Total Monthly Premium – BCBS NMPSIA High Option:	\$1,559
– Employee Portion (40%)	\$624
– Monthly Employee Savings w/ NO Dental/Vision	\$252
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$214</u>
• <u>Savings %</u>	<u>24%</u>
• <u>Annual Savings</u>	<u>\$2,568</u>

Employee Premium Comparison – NM Tech Plan 3 to NMPSIA EPO/HMO (BCBS) Over \$25K Salary Tier

▪ Single Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$856
– Employee Portion (40%)	\$342
– Current Total Monthly Premium – PHP NMPSIA Low Option:	\$613
– Employee Portion (40%)	\$246
– Monthly Employee Savings w/ NO Dental/Vision	\$96
– Employee Portion for NMPSIA Dental (high) and Vision	\$14
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$82</u>
• <u>Savings %</u>	<u>24%</u>
• <u>Annual Savings</u>	<u>\$984</u>

▪ Family Coverage

– 2019 Total Monthly Premium – NM Tech Plan 3:	\$2,079
– Employee Portion (40%)	\$832
– Current Total Monthly Premium – PHP NMPSIA Low Option:	\$1,559
– Employee Portion (40%)	\$624
– Monthly Employee Savings w/ NO Dental/Vision	\$208
– Employee Portion for NMPSIA Dental (high) and Vision	\$38
– <u>Monthly Employee Savings WITH Dental/Vision</u>	<u>\$170</u>
• <u>Savings %</u>	<u>20%</u>
• <u>Annual Savings</u>	<u>\$2,040</u>

Dental and Vision Plan Comparisons

DENTAL PLAN COMPARISONS	NM Tech Current - Meritain	NMPSIA - United Concordia High Option - In Network	NMPSIA - United Concordia High Option - Out of Network*
Calendar Year Deductible - Single / Family	\$50 / \$100	\$50 / \$150	\$50 / \$150
Calendar Year Maximum - Single / Family	\$1,000 / \$3,000	\$1,500 per person	\$1,000 per person
Preventive Services	100% - No Deductible	100% - No Deductible	100% - No Deductible
Basic Services	80% after Deductible	80% after Deductible	55% after deductible
Major Services	50% after Deductible	50% after Deductible	35% after deductible
Orthodontic	50% after Deductible	50% - No Deductible**	50% - No Deductible

* Out of Network providers may balance bill where charges are limited to allowable amounts

**Lifetime Ortho Max of \$1,500 In Net / \$500 Out of Network

VISION PLAN COMPARISONS	NM Tech Current - Meritain	NMPSIA - Davis Vision*
Exams	100% up to \$55	\$10 Copayment
	<u>Lens & Frames - Single / Pair</u>	<u>Lenses**</u>
Lenses	Single Vision: \$40 / \$80	\$15 Copay for standard
&	Bifocal: \$55 / \$110	Single, bifocal and trifocal
Frames	Trifocal: \$70 / \$140	<u>Frames</u>
	\$ amounts are what plan pays	100% using Davis Collection; OR Up to \$130 retail allowance
Contact Lenses	\$130 - \$180 allowance depending on correction level	100% using Davis Contacts; OR \$110 retail allowance

* See Plan Summary for Out of Network Reimbursement Schedule

** Discounts available for Lens Options (i.e. no-line) and Coatings

Frequently Asked Questions (FAQ), cont.

4. Will I pay more or less when I access care?

Overall, NMIMT members will pay about the same under the NMPSIA High Option plans as compared to NMIMT's current Plan 2 and Plan 3. While the deductible is a little lower (only \$750 compared to \$1,000 or \$1,500), other areas of coverage are not quite as rich – prescription copays and emergency room visits for example.

It will be especially important to find out if prescriptions you are currently taking are on the new formulary. Make sure to have a conversation with your doctor before planning to change any medication regimen.

<https://nmpsia.com/ExpressScripts.html>

Both NMPSIA plans have good first dollar coverage – preventive care in all of the plans is covered at 100% while regular doctor's visits (both PCP and specialist) are only subject to copayments.

NMPSIA's plans do require more member out of pocket costs for emergency room services. As an example, let's assume a member on the High option incurs a \$1,000 ER expense and has not met any of the annual deductible. The charge would be subject to a \$150 copay, then the \$750 deductible, and then a 20% coinsurance. As a result the plan would only pay \$80 with the member responsible for \$920 (of course, now that member's deductible is satisfied for the year, where the current plans have a \$200 copay). Current plans provide access to 24 hour nurse advise line and both BCBS and PHP provide access to 24 hour nurse advice lines and 24 hour physician video visits to help their members with any health concern but also to help avoid unnecessary ER visits. In summary, total out of pocket expenses will be similar under NMPSIA. However, some individual services will cost more while others will cost less. It will be important to examine the details of each plan during the enrollment process.

Frequently Asked Questions (FAQ), cont.

5. Who will I call if I have a problem?

NMPSIA currently provides health insurance benefits to 203 participating entities including 88 school districts (all but APS) and 5 higher learning institutions. The diverse requirements associated with this disparate customer require NMPSIA to subcontract out the majority of its administrative services to ERISA Administrative Services. The relationship between NMPSIA and “ERISA” goes back over a decade and includes performance guarantees associated with customer service levels. As a participating entity, NMIMT would be assigned an account ERISA account manager to ensure an efficient transfer of eligibility and billing information. Additionally, NMPSIA maintains its own customer service functionality to resolve any issues that may arise between NMIMT and either the carriers or ERISA. Below is a guide for where to start when trying to resolve an issue.

- Provider Access: Carrier
- Claims Processing: Carrier
- 1st Level Appeal: Carrier
- 2nd Level Appeal: Carrier
- 3rd Level Appeal: NMPSIA
- Eligibility Issues: NMIMT / ERISA
- COBRA Administration: ERISA
- Payroll Deduction: NMIMT

Frequently Asked Questions (FAQ), cont.

6. What would moving to NMPSIA do to NM Tech's finances?

- University will most likely see savings compared to its current arrangement; the amount depends partially on employee choices (carrier, plan, etc.) but is most sensitive to potential increased employee participation.
- Best Case Scenario
 - 60% BCBS / 40% PHP; 60% High Option (lower deductible) / 40% Low Option (higher deductible); Same employee participation level
 - **Annual Savings to University: \$800K or 18%**
- Likely increase in High Option participation since rate is lower than current Plan 3
 - 60% BCBS / 40% PHP; 80% High Option (lower deductible) / 20% Low Option (higher deductible); Same employee participation level
 - **Annual Savings to University: \$550K or 12%**
- Likely increase in employee participation due to decrease to employee premiums
 - 60% BCBS / 40% PHP; 80% High Option (lower deductible) / 20% Low Option (higher deductible); 10% increase in membership
 - **Annual Savings to University: \$230K or 5%**
- Possibility exists that participation could increase enough to totally offset savings to University
 - Not necessarily bad – covering more employees who are paying less
 - 60% BCBS / 40% PHP; 80% High Option (lower deductible) / 20% Low Option (higher deductible); 17% increase in membership - 75 waived employees join (participation level of 70%; currently about 60%)
 - **Annual Savings to University -\$2K or -1%**