



August 29, 2025

Jacob Gabel
Principal Executive Budget & Policy Analyst
Department of Finance and Administration
Bataan Memorial Building, Room 190G
Santa Fe, NM 87501

Joseph Simon
Fiscal Analyst
Legislative Finance Committee
325 Don Gaspar
Santa Fe, NM 87501

Dear Mr. Gabel and Mr. Simon,

On behalf of the New Mexico Retiree Health Care Authority (NMRHCA), I respectfully submit our Fiscal Year 2027 appropriation request, effective July 1, 2026. We are requesting \$428.2 million, an increase of approximately \$12.6 million, or 3 percent, compared to the approved FY26 operating budget.

This request reflects the continued growth and evolving health care needs of more than 65,600 retirees and their dependents across New Mexico. The proposed increase for the Health Care Benefits Administration Program is driven by medical and pharmacy cost trends, particularly within Medicare Advantage plans. These adjustments ensure that retirees can continue to access affordable, comprehensive coverage despite rising utilization and higher negotiated premiums.

For Program Support, we are requesting just under \$5 million, an increase of \$492 thousand (11 percent) over FY26. This request funds 28 FTEs and a request for four new positions dedicated to strengthening member services, contract management, compliance, and oversight. These resources will allow us to respond more effectively to retiree needs, maintain transparency, and hold our vendors accountable for performance.

We greatly value your continued support of NMRHCA's mission to provide affordable, comprehensive coverage for New Mexico's retirees. Thank you for your consideration of this request. I would be happy to provide additional details or answer any questions at your convenience.

Sincerely,




Neil Kueffer
Executive Director

APPROPRIATION REQUEST CERTIFICATION FORM S-1

Agency Name: Retiree Health Care Authority

Business Unit: 34300

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numeric information has been verified.

DocuSigned by:


Neil Kueffer, Executive Director

Signed by:


Lee Caruana, President

DocuSigned by:


Sheri Ayanniyi, CFO

6300 Jefferson St. NE,
Suite 150
Albuquerque, NM 87109

(505) 222-6406

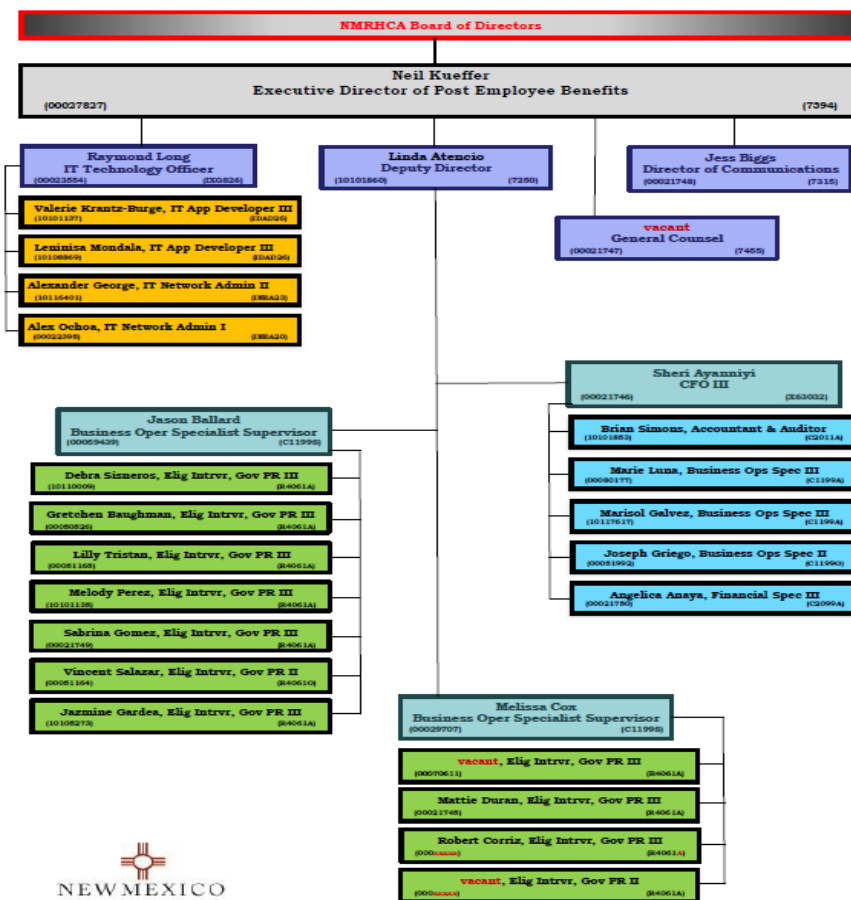
sheri.ayanniyi@rhca.nm.gov

Note: Appropriation Requests for agencies headed by a board or commission must be approved by the board or commission by official action and signed by the chairperson. Operating Budgets of other agencies must be signed by the director or secretary. Appropriation Requests not properly signed will be returned.

Agency Name: NM Retiree Health Care Authority
 Program Name: Program Support

Business Unit: 34300
 Program Code: P634

APPROPRIATION REQUEST ORGANIZATION CHART FORM S-2



Check Box if this form is a revision

Revision no:

Revision Date: 6/30/2011

Page

S-8 Financial Summary

(Dollars in Thousands)

BU PCode Department
34300 0000 0000000000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion	Total
REVENUE							
112 Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
130 Other Revenues	406,196.9	624,050.2	411,096.7	0.0	423,249.3	0.0	423,249.3
REVENUE, TRANSFERS	410,322.1	628,259.8	415,518.1	0	428,216.9	0.0	428,216.9
REVENUE	410,322.1	628,259.8	415,518.1	0	428,216.9	0.0	428,216.9
EXPENSE							
200 Personal services and employee benefits	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
300 Contractual services	402,775.0	354,664.7	407,385.0	0.0	419,052.0	0.0	419,052.0
400 Other	670.2	624.9	670.2	0.0	699.6	0.0	699.6
EXPENDITURES	406,196.9	357,860.3	411,103.1	3,050.68	423,249.3	0.0	423,249.3
500 Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
OTHER FINANCING USES	4,125.2	4,125.2	4,415.0	0	4,967.6	0.0	4,967.6
EXPENSE	410,322.1	361,985.5	415,518.1	3,050.68	428,216.9	0.0	428,216.9
FTE POSITIONS							
810 Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTEs	28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTE POSITIONS	28.00	0.00	28.00	28.00	28.00	4.00	32.00

S-8 Financial Summary

(Dollars in Thousands)

BU PCode Department
34300 P633 000000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion		Total
REVENUE								
112 Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0	0.0	423,249.3
REVENUE, TRANSFERS	406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0	0.0	423,249.3
REVENUE	406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0	0.0	423,249.3
EXPENSE								
300 Contractual services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	0.0	418,236.7
400 Other	45.0	39.8	45.0	0.0	45.0	0.0	0.0	45.0
EXPENDITURES	402,071.7	354,027.4	406,681.7	0	418,281.7	0.0	0.0	418,281.7
500 Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	0.0	4,967.6
OTHER FINANCING USES	4,125.2	4,125.2	4,415.0	0	4,967.6	0.0	0.0	4,967.6
EXPENSE	406,196.9	358,152.6	411,096.7	0	423,249.3	0.0	0.0	423,249.3

Program Support

State of New Mexico
S-8 Financial Summary
 (Dollars in Thousands)

BU PCode Department
 34300 P634 000000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion	Total
REVENUE							
112 Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
130 Other Revenues	0.0	87.4	0.0	0.0	0.0	0.0	0.0
REVENUE, TRANSFERS	4,125.2	4,296.9	4,421.4	0.0	4,967.6	0.0	4,967.6
REVENUE	4,125.2	4,296.9	4,421.4	0.0	4,967.6	0.0	4,967.6
EXPENSE							
200 Personal services and employee benefits	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
300 Contractual services	748.3	677.2	748.3	0.0	815.3	0.0	815.3
400 Other	625.2	585.1	625.2	0.0	654.6	0.0	654.6
EXPENDITURES	4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0	4,967.6
500 Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER FINANCING USES	0.0	0.0	0.0	0	0.0	0.0	0.0
EXPENSE	4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0	4,967.6
FTE POSITIONS							
810 Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTEs	28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTE POSITIONS	28.00	0.00	28.00	28.00	28.00	4.00	32.00

S-8 Financial Summary by Fund Level

(Dollars in Thousands)

BU Fund
34300 38000

		2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion		Total
REVENUE									
112	Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0		4,967.6
130	Other Revenues	0.0	87.4	0.0	0.0	0.0	0.0		0.0
REVENUE, TRANSFERS		4,125.2	4,296.9	4,421.4	0	4,967.6	0.0		4,967.6
REVENUE		4,125.2	4,296.9	4,421.4	0	4,967.6	0.0		4,967.6
EXPENSE									
200	Personal services and employee benefits	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0		3,497.7
300	Contractual services	748.3	677.2	748.3	0.0	815.3	0.0		815.3
400	Other	625.2	585.1	625.2	0.0	654.6	0.0		654.6
EXPENDITURES		4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0		4,967.6
500	Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0		0.0
OTHER FINANCING USES		0.0	0.0	0.0	0	0.0	0.0		0.0
EXPENSE		4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0		4,967.6
FTE POSITIONS									
810	Permanent	28.00	0.00	28.00	28.00	28.00	4.00		32.00
FTEs		28.00	0.00	28.00	28.00	28.00	4.00		32.00
FTE POSITIONS		28.00	0.00	28.00	28.00	28.00	4.00		32.00

S-8 Financial Summary by Fund Level

BU Fund
34300 38100

(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request -----		Total
						Expansion		
REVENUE								
112 Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0		423,249.3
REVENUE, TRANSFERS	406,196.9	623,962.8	411,096.7	0	423,249.3	0.0		423,249.3
REVENUE	406,196.9	623,962.8	411,096.7	0	423,249.3	0.0		423,249.3
EXPENSE								
300 Contractual services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0		418,236.7
400 Other	45.0	39.8	45.0	0.0	45.0	0.0		45.0
EXPENDITURES	402,071.7	354,027.4	406,681.7	0	418,281.7	0.0		418,281.7
500 Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0		4,967.6
OTHER FINANCING USES	4,125.2	4,125.2	4,415.0	0	4,967.6	0.0		4,967.6
EXPENSE	406,196.9	358,152.6	411,096.7	0	423,249.3	0.0		423,249.3

S-8 Financial Summary by Fund Level

(Dollars in Thousands)

BU 34300 **PCode** P633 **Department** 000000 **Fund** 38000

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request -----		Total
						Expansion		
REVENUE								
130 Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE, TRANSFERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

S-8 Financial Summary by Fund Level

(Dollars in Thousands)

BU PCode Department Fund
34300 P633 000000 38100

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion		Total
REVENUE								
112 Other Transfers	0.0	0.0	0.0	0.0	0.0		0.0	0.0
130 Other Revenues	406,196.9	623,962.8	411,096.7	0.0	423,249.3		0.0	423,249.3
REVENUE, TRANSFERS	406,196.9	623,962.8	411,096.7	0.0	423,249.3		0.0	423,249.3
REVENUE	406,196.9	623,962.8	411,096.7	0.0	423,249.3		0.0	423,249.3
EXPENSE								
300 Contractual services	402,026.7	353,987.6	406,636.7	0.0	418,236.7		0.0	418,236.7
400 Other	45.0	39.8	45.0	0.0	45.0		0.0	45.0
EXPENDITURES	402,071.7	354,027.4	406,681.7	0	418,281.7		0.0	418,281.7
500 Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6		0.0	4,967.6
OTHER FINANCING USES	4,125.2	4,125.2	4,415.0	0	4,967.6		0.0	4,967.6
EXPENSE	406,196.9	358,152.6	411,096.7	0	423,249.3		0.0	423,249.3

Program Support

State of New Mexico
S-8 Financial Summary by Fund Level
 (Dollars in Thousands)

BU PCode Department Fund
 34300 P634 000000 38000

		2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	Base	----- FY 2027 Agency Request ----- Expansion	Total
REVENUE								
112	Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
130	Other Revenues	0.0	87.4	0.0	0.0	0.0	0.0	0.0
REVENUE, TRANSFERS		4,125.2	4,296.9	4,421.4	0.0	4,967.6	0.0	4,967.6
REVENUE		4,125.2	4,296.9	4,421.4	0.0	4,967.6	0.0	4,967.6
EXPENSE								
200	Personal services and employee benefits	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
300	Contractual services	748.3	677.2	748.3	0.0	815.3	0.0	815.3
400	Other	625.2	585.1	625.2	0.0	654.6	0.0	654.6
EXPENDITURES		4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0	4,967.6
500	Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER FINANCING USES		0.0	0.0	0.0	0	0.0	0.0	0.0
EXPENSE		4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0	4,967.6
FTE POSITIONS								
810	Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTEs		28.00	0.00	28.00	28.00	28.00	4.00	32.00
FTE POSITIONS		28.00	0.00	28.00	28.00	28.00	4.00	32.00

BU PCode Department
34300 0000 0000000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
499880	O/F Sources - Lease Financing	0.0	84.4	0.0	0.0	0.0	0.0	0.0
499905	Other Financing Sources	0.0	0.0	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency	4,125.2	4,125.2	4,421.4	0.0	4,967.6	0.0	4,967.6
112	Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
402101	Withholding Taxes	51,815.1	47,506.4	58,032.9	0.0	64,996.9	0.0	64,996.9
422001	Rebates	0.0	4.0	0.0	0.0	0.0	0.0	0.0
441201	Interest On Investments	100.0	2,815.2	100.0	0.0	1,000.0	0.0	1,000.0
441401	Interest On Loans	0.0	43.4	0.0	0.0	0.0	0.0	0.0
441851	Unrealized Gain (Loss) on Invs	0.0	151,505.7	0.0	0.0	0.0	0.0	0.0
462000	Legal Settlements	0.0	54.6	0.0	0.0	0.0	0.0	0.0
471508	Employer Contr.-Retiree Ins	141,002.6	203,860.4	141,103.0	0.0	148,451.0	0.0	148,451.0
471608	Retiree Contr.-Retiree Ins.	174,319.8	168,905.0	172,901.4	0.0	168,801.4	0.0	168,801.4
496901	Miscellaneous Revenue	0.0	25.3	0.0	0.0	0.0	0.0	0.0
496903	Miscellaneous Revenue	38,959.4	49,330.1	38,959.4	0.0	40,000.0	0.0	40,000.0
130	Other Revenues	406,196.9	624,050.2	411,096.7	0.0	423,249.3	0.0	423,249.3
TOTAL REVENUE		410,322.1	628,259.8	415,518.1	0	428,216.9	0.0	428,216.9
520000	Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100	Exempt Perm Positions P/T&F/T	506.8	507.1	527.4	535.2	538.6	0.0	538.6
520200	Term Positions	0.0	2.5	0.0	0.0	0.0	0.0	0.0
520300	Classified Perm Positions F/T	1,460.5	1,336.1	1,680.3	1,624.6	1,923.6	0.0	1,923.6
520800	Annl & Comp Paid At Separation	0.0	26.6	0.0	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	203.7	164.9	191.0	292.0	311.7	0.0	311.7
521200	Retirement Contributions	383.6	354.9	427.9	421.6	473.7	0.0	473.7
521300	F I C A	152.8	137.2	169.2	132.6	188.4	0.0	188.4
521400	Workers' Comp Assessment Fee	0.3	0.2	0.3	0.0	0.3	0.0	0.3
521410	GSD Work Comp Insur Premium	1.2	1.2	1.7	0.0	1.4	0.0	1.4
521500	Unemployment Comp Premium	0.0	0.0	0.0	0.0	0.6	0.0	0.6
521600	Employee Liability Ins Premium	2.9	2.9	5.1	0.0	10.2	0.0	10.2
521700	RHC Act Contributions	39.9	36.9	45.0	44.6	49.2	0.0	49.2
200	Personal services and employee benef	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
530000	Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535100	Medical Services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
535200	Professional Services	441.5	421.5	437.6	0.0	487.5	0.0	487.5

BU PCode Department
34300 0000 0000000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
535300	Other Services	28.7	10.0	25.5	0.0	24.0	0.0	24.0
535309	Other Services - Interagency	22.3	25.5	30.3	0.0	32.9	0.0	32.9
535400	Audit Services	115.8	102.0	129.9	0.0	130.9	0.0	130.9
535500	Attorney Services	25.0	7.4	25.0	0.0	25.0	0.0	25.0
535600	IT Services	115.0	110.9	100.0	0.0	115.0	0.0	115.0
300	Contractual services	402,775.0	354,664.7	407,385.0	0.0	419,052.0	0.0	419,052.0
540000	Other Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542100	Employee I/S Mileage & Fares	1.5	1.9	2.5	0.0	2.5	0.0	2.5
542200	Employee I/S Meals & Lodging	5.5	5.6	6.0	0.0	6.0	0.0	6.0
542300	Brd & Comm Mbr Meals & Lodging	5.5	4.8	5.5	0.0	5.5	0.0	5.5
542310	Brd & Comm Mbr Mileage & Fares	6.0	4.4	6.0	0.0	6.0	0.0	6.0
542500	Transp - Fuel & Oil	2.2	0.6	2.2	0.0	2.2	0.0	2.2
542600	Transp - Parts & Supplies	0.6	0.0	0.6	0.0	0.6	0.0	0.6
542700	Transp - Transp Insurance	0.2	0.0	0.2	0.0	0.2	0.0	0.2
542800	State Transp Pool Charges	5.9	5.9	8.1	0.0	8.5	0.0	8.5
543200	Maint - Furn, Fixt, Equipment	6.0	5.9	6.0	0.0	9.0	0.0	9.0
543300	Maint - Buildings & Structures	6.0	0.0	6.0	0.0	6.0	0.0	6.0
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543830	IT HW/SW Agreements	21.7	38.8	24.0	0.0	24.0	0.0	24.0
544000	Supply Inventory IT	20.0	29.3	20.0	0.0	20.0	0.0	20.0
544100	Supplies-Office Supplies	13.0	6.3	13.0	0.0	11.0	0.0	11.0
544900	Supplies-Inventory Exempt	5.0	5.2	5.0	0.0	7.0	0.0	7.0
545600	Reporting & Recording	0.0	0.0	0.2	0.0	0.2	0.0	0.2
545700	ISD Services	11.2	14.0	21.5	0.0	23.8	0.0	23.8
545710	DOIT HCM Assessment Fees	9.7	9.2	9.8	0.0	10.5	0.0	10.5
545900	Printing & Photo Services	70.0	67.2	70.0	0.0	75.0	0.0	75.0
546100	Postage & Mail Services	85.0	88.4	90.0	0.0	90.0	0.0	90.0
546400	Rent Of Land & Buildings	126.5	4.4	134.7	0.0	139.0	0.0	139.0
546409	Rent Expense - Interagency	18.7	19.3	19.9	0.0	20.5	0.0	20.5
546500	Rent Of Equipment	30.3	9.6	37.1	0.0	37.1	0.0	37.1
546600	Communications	6.0	2.5	6.0	0.0	4.0	0.0	4.0
546610	DOIT Telecommunications	69.3	66.8	58.5	0.0	74.4	0.0	74.4
546700	Subscriptions/Dues/License Fee	7.0	4.1	7.0	0.0	6.0	0.0	6.0

BU PCode Department
34300 0000 0000000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
					Base	Expansion	Total
546709 Subscription & Due Interagency	0.0	0.1	0.2	0.0	0.2	0.0	0.2
546800 Employee Training & Education	10.0	5.3	9.0	0.0	8.0	0.0	8.0
546810 Board Member Training	7.5	0.0	5.5	0.0	5.5	0.0	5.5
546900 Advertising	1.8	0.1	1.8	0.0	1.8	0.0	1.8
547730 Lease Principal Payment	0.0	137.7	0.0	0.0	0.0	0.0	0.0
547900 Miscellaneous Expense	46.8	41.2	47.3	0.0	47.5	0.0	47.5
548300 Information Tech Equipment	53.9	25.5	27.5	0.0	27.5	0.0	27.5
548882 Lease Interest	0.0	6.8	0.0	0.0	0.0	0.0	0.0
549600 Employee O/S Mileage & Fares	5.0	5.1	6.0	0.0	6.0	0.0	6.0
549700 Employee O/S Meals & Lodging	5.8	8.9	6.5	0.0	7.5	0.0	7.5
549800 Brd & Comm O/S Mileage & Fares	3.5	0.0	3.5	0.0	3.5	0.0	3.5
549900 Brd & Comm O/S Meals & Lodging	3.0	0.0	3.0	0.0	3.0	0.0	3.0
400 Other	670.2	624.9	670.2	0.0	699.6	0.0	699.6
555106 OFU - INTRA-Agency	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
500 Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
TOTAL EXPENSE	410,322.1	361,985.5	415,518.1	3,050.68	428,216.9	0.0	428,216.9
810 Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
810 Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
TOTAL FTE POSITIONS	28.00	0.00	28.00	28.00	28.00	4.00	32.00

Healthcare Benefits Administration

State of New Mexico

BU PCode Department
34300 P633 000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
499906	OFS - INTRA-Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
112	Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
402101	Withholding Taxes	51,815.1	47,506.4	58,032.9	0.0	64,996.9	0.0	64,996.9
422001	Rebates	0.0	4.0	0.0	0.0	0.0	0.0	0.0
441201	Interest On Investments	100.0	2,727.9	100.0	0.0	1,000.0	0.0	1,000.0
441401	Interest On Loans	0.0	43.4	0.0	0.0	0.0	0.0	0.0
441851	Unrealized Gain (Loss) on Invs	0.0	151,505.7	0.0	0.0	0.0	0.0	0.0
462000	Legal Settlements	0.0	54.6	0.0	0.0	0.0	0.0	0.0
471508	Employer Contr.-Retiree Ins	141,002.6	203,860.4	141,103.0	0.0	148,451.0	0.0	148,451.0
471608	Retiree Contr.-Retiree Ins.	174,319.8	168,905.0	172,901.4	0.0	168,801.4	0.0	168,801.4
496901	Miscellaneous Revenue	0.0	25.3	0.0	0.0	0.0	0.0	0.0
496903	Miscellaneous Revenue	38,959.4	49,330.1	38,959.4	0.0	40,000.0	0.0	40,000.0
130	Other Revenues	406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0	423,249.3
TOTAL REVENUE		406,196.9	623,962.8	411,096.7	0.0	423,249.3	0.0	423,249.3
535100	Medical Services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
300	Contractual services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
547900	Miscellaneous Expense	45.0	39.8	45.0	0.0	45.0	0.0	45.0
400	Other	45.0	39.8	45.0	0.0	45.0	0.0	45.0
555106	OFU - INTRA-Agency	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
500	Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
TOTAL EXPENSE		406,196.9	358,152.6	411,096.7	0.0	423,249.3	0.0	423,249.3

Program Support

State of New Mexico

BU PCode Department
34300 P634 000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
499880	O/F Sources - Lease Financing	0.0	84.4	0.0	0.0	0.0	0.0	0.0
499905	Other Financing Sources	0.0	0.0	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency	4,125.2	4,125.2	4,421.4	0.0	4,967.6	0.0	4,967.6
112	Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
441201	Interest On Investments	0.0	87.4	0.0	0.0	0.0	0.0	0.0
130	Other Revenues	0.0	87.4	0.0	0.0	0.0	0.0	0.0

Program Support

State of New Mexico

BU PCode Department
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S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
					Base	Expansion	Total
TOTAL REVENUE	4,125.2	4,296.9	4,421.4	0.0	4,967.6	0.0	4,967.6
520000 Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100 Exempt Perm Positions P/T&F/T	506.8	507.1	527.4	535.2	538.6	0.0	538.6
520200 Term Positions	0.0	2.5	0.0	0.0	0.0	0.0	0.0
520300 Classified Perm Positions F/T	1,460.5	1,336.1	1,680.3	1,624.6	1,923.6	0.0	1,923.6
520800 Annl & Comp Paid At Separation	0.0	26.6	0.0	0.0	0.0	0.0	0.0
521100 Group Insurance Premium	203.7	164.9	191.0	292.0	311.7	0.0	311.7
521200 Retirement Contributions	383.6	354.9	427.9	421.6	473.7	0.0	473.7
521300 F I C A	152.8	137.2	169.2	132.6	188.4	0.0	188.4
521400 Workers' Comp Assessment Fee	0.3	0.2	0.3	0.0	0.3	0.0	0.3
521410 GSD Work Comp Insur Premium	1.2	1.2	1.7	0.0	1.4	0.0	1.4
521500 Unemployment Comp Premium	0.0	0.0	0.0	0.0	0.6	0.0	0.6
521600 Employee Liability Ins Premium	2.9	2.9	5.1	0.0	10.2	0.0	10.2
521700 RHC Act Contributions	39.9	36.9	45.0	44.6	49.2	0.0	49.2
200 Personal services and employee benef	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
530000 Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535200 Professional Services	441.5	421.5	437.6	0.0	487.5	0.0	487.5
535300 Other Services	28.7	10.0	25.5	0.0	24.0	0.0	24.0
535309 Other Services - Interagency	22.3	25.5	30.3	0.0	32.9	0.0	32.9
535400 Audit Services	115.8	102.0	129.9	0.0	130.9	0.0	130.9
535500 Attorney Services	25.0	7.4	25.0	0.0	25.0	0.0	25.0
535600 IT Services	115.0	110.9	100.0	0.0	115.0	0.0	115.0
300 Contractual services	748.3	677.2	748.3	0.0	815.3	0.0	815.3
540000 Other Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542100 Employee I/S Mileage & Fares	1.5	1.9	2.5	0.0	2.5	0.0	2.5
542200 Employee I/S Meals & Lodging	5.5	5.6	6.0	0.0	6.0	0.0	6.0
542300 Brd & Comm Mbr Meals & Lodging	5.5	4.8	5.5	0.0	5.5	0.0	5.5
542310 Brd & Comm Mbr Mileage & Fares	6.0	4.4	6.0	0.0	6.0	0.0	6.0
542500 Transp - Fuel & Oil	2.2	0.6	2.2	0.0	2.2	0.0	2.2
542600 Transp - Parts & Supplies	0.6	0.0	0.6	0.0	0.6	0.0	0.6
542700 Transp - Transp Insurance	0.2	0.0	0.2	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	5.9	5.9	8.1	0.0	8.5	0.0	8.5
543200 Maint - Furn, Fixt, Equipment	6.0	5.9	6.0	0.0	9.0	0.0	9.0
543300 Maint - Buildings & Structures	6.0	0.0	6.0	0.0	6.0	0.0	6.0

Program Support

State of New Mexico

BU PCode Department
34300 P634 000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543830	IT HW/SW Agreements	21.7	38.8	24.0	0.0	24.0	0.0	24.0
544000	Supply Inventory IT	20.0	29.3	20.0	0.0	20.0	0.0	20.0
544100	Supplies-Office Supplies	13.0	6.3	13.0	0.0	11.0	0.0	11.0
544900	Supplies-Inventory Exempt	5.0	5.2	5.0	0.0	7.0	0.0	7.0
545600	Reporting & Recording	0.0	0.0	0.2	0.0	0.2	0.0	0.2
545700	ISD Services	11.2	14.0	21.5	0.0	23.8	0.0	23.8
545710	DOIT HCM Assessment Fees	9.7	9.2	9.8	0.0	10.5	0.0	10.5
545900	Printing & Photo Services	70.0	67.2	70.0	0.0	75.0	0.0	75.0
546100	Postage & Mail Services	85.0	88.4	90.0	0.0	90.0	0.0	90.0
546400	Rent Of Land & Buildings	126.5	4.4	134.7	0.0	139.0	0.0	139.0
546409	Rent Expense - Interagency	18.7	19.3	19.9	0.0	20.5	0.0	20.5
546500	Rent Of Equipment	30.3	9.6	37.1	0.0	37.1	0.0	37.1
546600	Communications	6.0	2.5	6.0	0.0	4.0	0.0	4.0
546610	DOIT Telecommunications	69.3	66.8	58.5	0.0	74.4	0.0	74.4
546700	Subscriptions/Dues/License Fee	7.0	4.1	7.0	0.0	6.0	0.0	6.0
546709	Subscription & Due Interagency	0.0	0.1	0.2	0.0	0.2	0.0	0.2
546800	Employee Training & Education	10.0	5.3	9.0	0.0	8.0	0.0	8.0
546810	Board Member Training	7.5	0.0	5.5	0.0	5.5	0.0	5.5
546900	Advertising	1.8	0.1	1.8	0.0	1.8	0.0	1.8
547730	Lease Principal Payment	0.0	137.7	0.0	0.0	0.0	0.0	0.0
547900	Miscellaneous Expense	1.8	1.4	2.3	0.0	2.5	0.0	2.5
548300	Information Tech Equipment	53.9	25.5	27.5	0.0	27.5	0.0	27.5
548882	Lease Interest	0.0	6.8	0.0	0.0	0.0	0.0	0.0
549600	Employee O/S Mileage & Fares	5.0	5.1	6.0	0.0	6.0	0.0	6.0
549700	Employee O/S Meals & Lodging	5.8	8.9	6.5	0.0	7.5	0.0	7.5
549800	Brd & Comm O/S Mileage & Fares	3.5	0.0	3.5	0.0	3.5	0.0	3.5
549900	Brd & Comm O/S Meals & Lodging	3.0	0.0	3.0	0.0	3.0	0.0	3.0
400	Other	625.2	585.1	625.2	0.0	654.6	0.0	654.6
555106	OFU - INTRA-Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
500	Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL EXPENSE		4,125.2	3,832.9	4,421.4	3,050.7	4,967.6	0.0	4,967.6
810	Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00
810	Permanent	28.00	0.00	28.00	28.00	28.00	4.00	32.00

Program Support

State of New Mexico

BU PCode Department
34300 P634 000000

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

TOTAL FTE POSITIONS	28.00	0.00	28.00	28.00	28.00	4.00	32.00
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Retiree Health Care Authority

BU PCode Department
 34300 0000 000000000

State of New Mexico

S-9 Account Code Revenue Summary
 (Dollars in Thousands)

	Provider PCode	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
						Base	Expansion	Total
499880	O/F Sources - Lease Financing	0.0	84.4	0.0	0.0	0.0	0.0	0.0
499905	Other Financing Sources	0.0	0.0	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency	0.0	4,125.2	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency	P633	4,125.2	0.0	0.0	4,967.6	0.0	4,967.6
499906	OFS - INTRA-Agency	P634	0.0	0.0	0.0	0.0	0.0	0.0
112	Other Transfers	4,125.2	4,209.6	4,421.4	0.0	4,967.6	0.0	4,967.6
402101	Withholding Taxes	51,815.1	47,506.4	0.0	0.0	64,996.9	0.0	64,996.9
422001	Rebates	0.0	4.0	0.0	0.0	0.0	0.0	0.0
441201	Interest On Investments	100.0	2,815.2	0.0	0.0	1,000.0	0.0	1,000.0
441401	Interest On Loans	0.0	43.4	0.0	0.0	0.0	0.0	0.0
441851	Unrealized Gain (Loss) on Invs	0.0	151,505.7	0.0	0.0	0.0	0.0	0.0
462000	Legal Settlements	0.0	54.6	0.0	0.0	0.0	0.0	0.0
471508	Employer Contr.-Retiree Ins	141,002.6	203,860.4	0.0	0.0	148,451.0	0.0	148,451.0
471608	Retiree Contr.-Retiree Ins.	174,319.8	168,905.0	0.0	0.0	168,801.4	0.0	168,801.4
496901	Miscellaneous Revenue	0.0	25.3	0.0	0.0	0.0	0.0	0.0
496903	Miscellaneous Revenue	38,959.4	49,330.1	0.0	0.0	40,000.0	0.0	40,000.0
130	Other Revenues	406,196.9	624,050.2	411,096.7	0.0	423,249.3	0.0	423,249.3
TOTAL REVENUE		410,322.1	628,259.8	415,518.1	0	428,216.9	0.0	428,216.9

Healthcare Benefits Administration

BU PCode Department
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State of New Mexico

S-9 Account Code Revenue Summary
(Dollars in Thousands)

	Provider PCode	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
						Base	Expansion	Total
499906	OFS - INTRA-Agency	P634	0.0	0.0	0.0	0.0	0.0	0.0
112	Other Transfers		0.0	0.0	0.0	0.0	0.0	0.0
402101	Withholding Taxes		51,815.1	47,506.4	58,032.9	0.0	64,996.9	64,996.9
422001	Rebates		0.0	4.0	0.0	0.0	0.0	0.0
441201	Interest On Investments		100.0	2,727.9	100.0	0.0	1,000.0	1,000.0
441401	Interest On Loans		0.0	43.4	0.0	0.0	0.0	0.0
441851	Unrealized Gain (Loss) on Invs		0.0	151,505.7	0.0	0.0	0.0	0.0
462000	Legal Settlements		0.0	54.6	0.0	0.0	0.0	0.0
471508	Employer Contr.-Retiree Ins		141,002.6	203,860.4	141,103.0	0.0	148,451.0	148,451.0
471608	Retiree Contr.-Retiree Ins.		174,319.8	168,905.0	172,901.4	0.0	168,801.4	168,801.4
496901	Miscellaneous Revenue		0.0	25.3	0.0	0.0	0.0	0.0
496903	Miscellaneous Revenue		38,959.4	49,330.1	38,959.4	0.0	40,000.0	40,000.0
130	Other Revenues		406,196.9	623,962.8	411,096.7	0.0	423,249.3	423,249.3
TOTAL REVENUE			406,196.9	623,962.8	411,096.7	0.0	423,249.3	423,249.3

Program Support

BU PCode Department
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State of New Mexico

S-9 Account Code Revenue Summary
(Dollars in Thousands)

	Provider PCode	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
						Base	Expansion	Total
499880	O/F Sources - Lease Financing		0.0	84.4	0.0	0.0	0.0	0.0
499905	Other Financing Sources		0.0	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency		0.0	4,125.2	106.8	0.0	0.0	0.0
499906	OFS - INTRA-Agency	P633	4,125.2	0.0	4,314.6	0.0	4,967.6	4,967.6
112	Other Transfers		4,125.2	4,209.6	4,421.4	0.0	4,967.6	4,967.6
441201	Interest On Investments		0.0	87.4	0.0	0.0	0.0	0.0
130	Other Revenues		0.0	87.4	0.0	0.0	0.0	0.0
TOTAL REVENUE			4,125.2	4,296.9	4,421.4	0.0	4,967.6	4,967.6

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
520000	Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100	Exempt Perm Positions P/T&F/T	506.8	507.1	527.4	535.2	538.6	0.0	538.6
520200	Term Positions	0.0	2.5	0.0	0.0	0.0	0.0	0.0
520300	Classified Perm Positions F/T	1,460.5	1,336.1	1,680.3	1,624.6	1,923.6	0.0	1,923.6
520800	Annl & Comp Paid At Separation	0.0	26.6	0.0	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	203.7	164.9	191.0	292.0	311.7	0.0	311.7
521200	Retirement Contributions	383.6	354.9	427.9	421.6	473.7	0.0	473.7
521300	F I C A	152.8	137.2	169.2	132.6	188.4	0.0	188.4
521400	Workers' Comp Assessment Fee	0.3	0.2	0.3	0.0	0.3	0.0	0.3
521410	GSD Work Comp Insur Premium	1.2	1.2	1.7	0.0	1.4	0.0	1.4
521500	Unemployment Comp Premium	0.0	0.0	0.0	0.0	0.6	0.0	0.6
521600	Employee Liability Ins Premium	2.9	2.9	5.1	0.0	10.2	0.0	10.2
521700	RHC Act Contributions	39.9	36.9	45.0	44.6	49.2	0.0	49.2
200	Personal services and employee benefits	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
530000	Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535100	Medical Services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
535200	Professional Services	441.5	421.5	437.6	0.0	487.5	0.0	487.5
535300	Other Services	28.7	10.0	25.5	0.0	24.0	0.0	24.0
535309	Other Services - Interagency	22.3	25.5	30.3	0.0	32.9	0.0	32.9
535400	Audit Services	115.8	102.0	129.9	0.0	130.9	0.0	130.9
535500	Attorney Services	25.0	7.4	25.0	0.0	25.0	0.0	25.0
535600	IT Services	115.0	110.9	100.0	0.0	115.0	0.0	115.0
300	Contractual services	402,775.0	354,664.7	407,385.0	0.0	419,052.0	0.0	419,052.0
540000	Other Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542100	Employee I/S Mileage & Fares	1.5	1.9	2.5	0.0	2.5	0.0	2.5
542200	Employee I/S Meals & Lodging	5.5	5.6	6.0	0.0	6.0	0.0	6.0
542300	Brd & Comm Mbr Meals & Lodgin	5.5	4.8	5.5	0.0	5.5	0.0	5.5
542310	Brd & Comm Mbr Mileage & Fares	6.0	4.4	6.0	0.0	6.0	0.0	6.0
542500	Transp - Fuel & Oil	2.2	0.6	2.2	0.0	2.2	0.0	2.2
542600	Transp - Parts & Supplies	0.6	0.0	0.6	0.0	0.6	0.0	0.6
542700	Transp - Transp Insurance	0.2	0.0	0.2	0.0	0.2	0.0	0.2
542800	State Transp Pool Charges	5.9	5.9	8.1	0.0	8.5	0.0	8.5

Retiree Health Care Authority

BU PCode Department
34300 0000 0000000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
543200	Maint - Furn, Fixt, Equipment	6.0	5.9	6.0	0.0	9.0	0.0	9.0
543300	Maint - Buildings & Structures	6.0	0.0	6.0	0.0	6.0	0.0	6.0
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543830	IT HW/SW Agreements	21.7	38.8	24.0	0.0	24.0	0.0	24.0
544000	Supply Inventory IT	20.0	29.3	20.0	0.0	20.0	0.0	20.0
544100	Supplies-Office Supplies	13.0	6.3	13.0	0.0	11.0	0.0	11.0
544900	Supplies-Inventory Exempt	5.0	5.2	5.0	0.0	7.0	0.0	7.0
545600	Reporting & Recording	0.0	0.0	0.2	0.0	0.2	0.0	0.2
545700	ISD Services	11.2	14.0	21.5	0.0	23.8	0.0	23.8
545710	DOIT HCM Assessment Fees	9.7	9.2	9.8	0.0	10.5	0.0	10.5
545900	Printing & Photo Services	70.0	67.2	70.0	0.0	75.0	0.0	75.0
546100	Postage & Mail Services	85.0	88.4	90.0	0.0	90.0	0.0	90.0
546400	Rent Of Land & Buildings	126.5	4.4	134.7	0.0	139.0	0.0	139.0
546409	Rent Expense - Interagency	18.7	19.3	19.9	0.0	20.5	0.0	20.5
546500	Rent Of Equipment	30.3	9.6	37.1	0.0	37.1	0.0	37.1
546600	Communications	6.0	2.5	6.0	0.0	4.0	0.0	4.0
546610	DOIT Telecommunications	69.3	66.8	58.5	0.0	74.4	0.0	74.4
546700	Subscriptions/Dues/License Fee	7.0	4.1	7.0	0.0	6.0	0.0	6.0
546709	Subscription & Due Interagency	0.0	0.1	0.2	0.0	0.2	0.0	0.2
546800	Employee Training & Education	10.0	5.3	9.0	0.0	8.0	0.0	8.0
546810	Board Member Training	7.5	0.0	5.5	0.0	5.5	0.0	5.5
546900	Advertising	1.8	0.1	1.8	0.0	1.8	0.0	1.8
547730	Lease Principal Payment	0.0	137.7	0.0	0.0	0.0	0.0	0.0
547900	Miscellaneous Expense	46.8	41.2	47.3	0.0	47.5	0.0	47.5
548300	Information Tech Equipment	53.9	25.5	27.5	0.0	27.5	0.0	27.5
548882	Lease Interest	0.0	6.8	0.0	0.0	0.0	0.0	0.0
549600	Employee O/S Mileage & Fares	5.0	5.1	6.0	0.0	6.0	0.0	6.0
549700	Employee O/S Meals & Lodging	5.8	8.9	6.5	0.0	7.5	0.0	7.5
549800	Brd & Comm O/S Mileage & Fares	3.5	0.0	3.5	0.0	3.5	0.0	3.5
549900	Brd & Comm O/S Meals & Lodgin	3.0	0.0	3.0	0.0	3.0	0.0	3.0
400	Other	670.2	624.9	670.2	0.0	699.6	0.0	699.6
555106	OFU - INTRA-Agency	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
500	Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6

Retiree Health Care Authority

BU PCode Department
34300 0000 0000000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

	2024-25 Opbud	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	----- FY 2027 Agency Request -----		
					Base	Expansion	Total
TOTAL EXPENSE	410,322.1	361,985.5	415,518.1	3,050.68	428,216.9	0.0	428,216.9

Healthcare Benefits Administration

BU PCode Department
34300 P633 000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
535100	Medical Services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
300	Contractual services	402,026.7	353,987.6	406,636.7	0.0	418,236.7	0.0	418,236.7
547900	Miscellaneous Expense	45.0	39.8	45.0	0.0	45.0	0.0	45.0
400	Other	45.0	39.8	45.0	0.0	45.0	0.0	45.0
555106	OFU - INTRA-Agency	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
500	Other financing uses	4,125.2	4,125.2	4,415.0	0.0	4,967.6	0.0	4,967.6
TOTAL EXPENSE		406,196.9	358,152.6	411,096.7	0	423,249.3	0.0	423,249.3

Program Support

BU PCode Department
34300 P634 000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
520000	Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100	Exempt Perm Positions P/T&F/T	506.8	507.1	527.4	535.2	538.6	0.0	538.6
520200	Term Positions	0.0	2.5	0.0	0.0	0.0	0.0	0.0
520300	Classified Perm Positions F/T	1,460.5	1,336.1	1,680.3	1,624.6	1,923.6	0.0	1,923.6
520800	Annl & Comp Paid At Separation	0.0	26.6	0.0	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	203.7	164.9	191.0	292.0	311.7	0.0	311.7
521200	Retirement Contributions	383.6	354.9	427.9	421.6	473.7	0.0	473.7
521300	F I C A	152.8	137.2	169.2	132.6	188.4	0.0	188.4
521400	Workers' Comp Assessment Fee	0.3	0.2	0.3	0.0	0.3	0.0	0.3
521410	GSD Work Comp Insur Premium	1.2	1.2	1.7	0.0	1.4	0.0	1.4
521500	Unemployment Comp Premium	0.0	0.0	0.0	0.0	0.6	0.0	0.6
521600	Employee Liability Ins Premium	2.9	2.9	5.1	0.0	10.2	0.0	10.2
521700	RHC Act Contributions	39.9	36.9	45.0	44.6	49.2	0.0	49.2
200	Personal services and employe	2,751.7	2,570.6	3,047.9	3,050.7	3,497.7	0.0	3,497.7
530000	Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535200	Professional Services	441.5	421.5	437.6	0.0	487.5	0.0	487.5
535300	Other Services	28.7	10.0	25.5	0.0	24.0	0.0	24.0
535309	Other Services - Interagency	22.3	25.5	30.3	0.0	32.9	0.0	32.9
535400	Audit Services	115.8	102.0	129.9	0.0	130.9	0.0	130.9

Program Support

BU PCode Department
34300 P634 000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
535500	Attorney Services	25.0	7.4	25.0	0.0	25.0	0.0	25.0
535600	IT Services	115.0	110.9	100.0	0.0	115.0	0.0	115.0
300	Contractual services	748.3	677.2	748.3	0.0	815.3	0.0	815.3
540000	Other Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542100	Employee I/S Mileage & Fares	1.5	1.9	2.5	0.0	2.5	0.0	2.5
542200	Employee I/S Meals & Lodging	5.5	5.6	6.0	0.0	6.0	0.0	6.0
542300	Brd & Comm Mbr Meals & Lodgin	5.5	4.8	5.5	0.0	5.5	0.0	5.5
542310	Brd & Comm Mbr Mileage & Fares	6.0	4.4	6.0	0.0	6.0	0.0	6.0
542500	Transp - Fuel & Oil	2.2	0.6	2.2	0.0	2.2	0.0	2.2
542600	Transp - Parts & Supplies	0.6	0.0	0.6	0.0	0.6	0.0	0.6
542700	Transp - Transp Insurance	0.2	0.0	0.2	0.0	0.2	0.0	0.2
542800	State Transp Pool Charges	5.9	5.9	8.1	0.0	8.5	0.0	8.5
543200	Maint - Furn, Fixt, Equipment	6.0	5.9	6.0	0.0	9.0	0.0	9.0
543300	Maint - Buildings & Structures	6.0	0.0	6.0	0.0	6.0	0.0	6.0
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.1	0.0	0.1
543830	IT HW/SW Agreements	21.7	38.8	24.0	0.0	24.0	0.0	24.0
544000	Supply Inventory IT	20.0	29.3	20.0	0.0	20.0	0.0	20.0
544100	Supplies-Office Supplies	13.0	6.3	13.0	0.0	11.0	0.0	11.0
544900	Supplies-Inventory Exempt	5.0	5.2	5.0	0.0	7.0	0.0	7.0
545600	Reporting & Recording	0.0	0.0	0.2	0.0	0.2	0.0	0.2
545700	ISD Services	11.2	14.0	21.5	0.0	23.8	0.0	23.8
545710	DOIT HCM Assessment Fees	9.7	9.2	9.8	0.0	10.5	0.0	10.5
545900	Printing & Photo Services	70.0	67.2	70.0	0.0	75.0	0.0	75.0
546100	Postage & Mail Services	85.0	88.4	90.0	0.0	90.0	0.0	90.0
546400	Rent Of Land & Buildings	126.5	4.4	134.7	0.0	139.0	0.0	139.0
546409	Rent Expense - Interagency	18.7	19.3	19.9	0.0	20.5	0.0	20.5
546500	Rent Of Equipment	30.3	9.6	37.1	0.0	37.1	0.0	37.1
546600	Communications	6.0	2.5	6.0	0.0	4.0	0.0	4.0
546610	DOIT Telecommunications	69.3	66.8	58.5	0.0	74.4	0.0	74.4
546700	Subscriptions/Dues/License Fee	7.0	4.1	7.0	0.0	6.0	0.0	6.0
546709	Subscription & Due Interagency	0.0	0.1	0.2	0.0	0.2	0.0	0.2
546800	Employee Training & Education	10.0	5.3	9.0	0.0	8.0	0.0	8.0
546810	Board Member Training	7.5	0.0	5.5	0.0	5.5	0.0	5.5
546900	Advertising	1.8	0.1	1.8	0.0	1.8	0.0	1.8

Program Support

BU PCode Department
 34300 P634 000000

State of New Mexico

S-9 Account Code Expenditure Summary
 (Dollars in Thousands)

		2024-25	2024-25	2025-26	2026-27	----- FY 2027 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
547730	Lease Principal Payment	0.0	137.7	0.0	0.0	0.0	0.0	0.0
547900	Miscellaneous Expense	1.8	1.4	2.3	0.0	2.5	0.0	2.5
548300	Information Tech Equipment	53.9	25.5	27.5	0.0	27.5	0.0	27.5
548882	Lease Interest	0.0	6.8	0.0	0.0	0.0	0.0	0.0
549600	Employee O/S Mileage & Fares	5.0	5.1	6.0	0.0	6.0	0.0	6.0
549700	Employee O/S Meals & Lodging	5.8	8.9	6.5	0.0	7.5	0.0	7.5
549800	Brd & Comm O/S Mileage & Fares	3.5	0.0	3.5	0.0	3.5	0.0	3.5
549900	Brd & Comm O/S Meals & Lodgin	3.0	0.0	3.0	0.0	3.0	0.0	3.0
400	Other	625.2	585.1	625.2	0.0	654.6	0.0	654.6
555106	OFU - INTRA-Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
500	Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL EXPENSE		4,125.2	3,832.9	4,421.4	3,050.68	4,967.6	0.0	4,967.6

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

BusUnit	Line Item		2024-25	2025-26	Request		Recommendation		Opbud		
			Actuals	Opbud	Base	Expansion	Base	Expansion			
34300	P633-R	Healthcare Benefits Administrat	535100	Medical Services	353,987.57	406,636.7	418,236.7	0	0	0	0.0
			547900	Miscellaneous Expense	39.8	45	45	0	0	0	0.0
			555106	OFU - INTRA-Agency	4,125.2	4,415	4,967.6	0	0	0	0.0
Subtotal for:	34300	P633-R	Healthcare Benefits Administrat	358,152.57	411,096.7	423,249.3	0	0	0	0.0	

BusUnit	Line Item		2024-25	2025-26	Request		Recommendation		Opbud		
			Actuals	Opbud	Base	Expansion	Base	Expansion			
34300	P634-R	Program Support	520100	Exempt Perm Positions P/T&F/T	507.12	527.4	538.6	0	0	0	0.0
			520200	Term Positions	2.52	0	0	0	0	0	0.0
			520300	Classified Perm Positions F/T	1,336.11	1,680.3	1,923.6	0	0	0	0.0
			520800	Annl & Comp Paid At Separation	26.62	0	0	0	0	0	0.0
			521100	Group Insurance Premium	164.94	191	311.7	0	0	0	0.0
			521200	Retirement Contributions	354.92	427.9	473.7	0	0	0	0.0
			521300	F I C A	137.17	169.2	188.4	0	0	0	0.0
			521400	Workers' Comp Assessment Fee	0.23	0.3	0.3	0	0	0	0.0
			521410	GSD Work Comp Insur Premium	1.21	1.7	1.4	0	0	0	0.0
			521500	Unemployment Comp Premium	0	0	0.6	0	0	0	0.0
			521600	Employee Liability Ins Premium	2.85	5.1	10.2	0	0	0	0.0
			521700	RHC Act Contributions	36.89	45	49.2	0	0	0	0.0
			535200	Professional Services	421.46	437.6	487.5	0	0	0	0.0
			535300	Other Services	9.99	25.5	24	0	0	0	0.0
			535309	Other Services - Interagency	25.5	30.3	32.9	0	0	0	0.0
			535400	Audit Services	101.97	129.9	130.9	0	0	0	0.0
			535500	Attorney Services	7.39	25	25	0	0	0	0.0
			535600	IT Services	110.88	100	115	0	0	0	0.0
			542100	Employee I/S Mileage & Fares	1.92	2.5	2.5	0	0	0	0.0
			542200	Employee I/S Meals & Lodging	5.58	6	6	0	0	0	0.0
			542300	Brd & Comm Mbr Meals & Lodgin	4.76	5.5	5.5	0	0	0	0.0
542310	Brd & Comm Mbr Mileage & Fares	4.4	6	6	0	0	0	0.0			
542500	Transp - Fuel & Oil	0.58	2.2	2.2	0	0	0	0.0			
542600	Transp - Parts & Supplies	0	0.6	0.6	0	0	0	0.0			
542700	Transp - Transp Insurance	0	0.2	0.2	0	0	0	0.0			

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

542800	State Transp Pool Charges	5.88	8.1	8.5	0	0	0	0.0
543200	Maint - Furn, Fixt, Equipment	5.88	6	9	0	0	0	0.0
543300	Maint - Buildings & Structures	0	6	6	0	0	0	0.0
543400	Maint - Property Insurance	0	0.1	0.1	0	0	0	0.0
543830	IT HW/SW Agreements	38.8	24	24	0	0	0	0.0
544000	Supply Inventory IT	29.28	20	20	0	0	0	0.0
544100	Supplies-Office Supplies	6.3	13	11	0	0	0	0.0
544900	Supplies-Inventory Exempt	5.21	5	7	0	0	0	0.0
545600	Reporting & Recording	0	0.2	0.2	0	0	0	0.0
545700	ISD Services	14.02	21.5	23.8	0	0	0	0.0
545710	DOIT HCM Assessment Fees	9.18	9.8	10.5	0	0	0	0.0
545900	Printing & Photo Services	67.24	70	75	0	0	0	0.0
546100	Postage & Mail Services	88.35	90	90	0	0	0	0.0
546400	Rent Of Land & Buildings	4.45	134.7	139	0	0	0	0.0
546409	Rent Expense - Interagency	19.3	19.9	20.5	0	0	0	0.0
546500	Rent Of Equipment	9.61	37.1	37.1	0	0	0	0.0
546600	Communications	2.54	6	4	0	0	0	0.0
546610	DOIT Telecommunications	66.76	58.5	74.4	0	0	0	0.0
546700	Subscriptions/Dues/License Fee	4.09	7	6	0	0	0	0.0
546709	Subscription & Due Interagency	0.13	0.2	0.2	0	0	0	0.0
546800	Employee Training & Education	5.34	9	8	0	0	0	0.0
546810	Board Member Training	0	5.5	5.5	0	0	0	0.0
546900	Advertising	0.12	1.8	1.8	0	0	0	0.0
547730	Lease Principal Payment	137.7	0	0	0	0	0	0.0
547900	Miscellaneous Expense	1.38	2.3	2.5	0	0	0	0.0
548300	Information Tech Equipment	25.47	27.5	27.5	0	0	0	0.0
548882	Lease Interest	6.82	0	0	0	0	0	0.0
549600	Employee O/S Mileage & Fares	5.12	6	6	0	0	0	0.0
549700	Employee O/S Meals & Lodging	8.92	6.5	7.5	0	0	0	0.0
549800	Brd & Comm O/S Mileage & Fares	0	3.5	3.5	0	0	0	0.0
549900	Brd & Comm O/S Meals & Lodgin	0	3	3	0	0	0	0.0
Subtotal for:	34300 P634-R Program Support	3,832.88	4,421.4	4,967.6	0	0	0	0.0
34300		361,985.46	415,518.1	428,216.9	0	0	0	0.0

State of New Mexico
S-13 Line Items by Business Unit Expenditures
(Dollars in Thousands)

Totals by Line Item

BusUnit	Line Item	2024-25	2025-26	Request		Recommendation		Opbud	
		Actuals	Opbud	Base	Expansion	Base	Expansion		
34300	520100	Exempt Perm Positions P/T&F/T	507.12	527.4	538.6	0	0	0	0.0
	520200	Term Positions	2.52	0	0	0	0	0	0.0
	520300	Classified Perm Positions F/T	1,336.11	1,680.3	1,923.6	0	0	0	0.0
	520800	Annl & Comp Paid At Separation	26.62	0	0	0	0	0	0.0
	521100	Group Insurance Premium	164.94	191	311.7	0	0	0	0.0
	521200	Retirement Contributions	354.92	427.9	473.7	0	0	0	0.0
	521300	F I C A	137.17	169.2	188.4	0	0	0	0.0
	521400	Workers' Comp Assessment Fee	0.23	0.3	0.3	0	0	0	0.0
	521410	GSD Work Comp Insur Premium	1.21	1.7	1.4	0	0	0	0.0
	521500	Unemployment Comp Premium	0	0	0.6	0	0	0	0.0
	521600	Employee Liability Ins Premium	2.85	5.1	10.2	0	0	0	0.0
	521700	RHC Act Contributions	36.89	45	49.2	0	0	0	0.0
	535100	Medical Services	353,987.57	406,636.7	418,236.7	0	0	0	0.0
	535200	Professional Services	421.46	437.6	487.5	0	0	0	0.0
	535300	Other Services	9.99	25.5	24	0	0	0	0.0
	535309	Other Services - Interagency	25.5	30.3	32.9	0	0	0	0.0
	535400	Audit Services	101.97	129.9	130.9	0	0	0	0.0
	535500	Attorney Services	7.39	25	25	0	0	0	0.0
	535600	IT Services	110.88	100	115	0	0	0	0.0
	542100	Employee I/S Mileage & Fares	1.92	2.5	2.5	0	0	0	0.0
	542200	Employee I/S Meals & Lodging	5.58	6	6	0	0	0	0.0
	542300	Brd & Comm Mbr Meals & Lodging	4.76	5.5	5.5	0	0	0	0.0
	542310	Brd & Comm Mbr Mileage & Fares	4.4	6	6	0	0	0	0.0
	542500	Transp - Fuel & Oil	0.58	2.2	2.2	0	0	0	0.0
	542600	Transp - Parts & Supplies	0	0.6	0.6	0	0	0	0.0
	542700	Transp - Transp Insurance	0	0.2	0.2	0	0	0	0.0
	542800	State Transp Pool Charges	5.88	8.1	8.5	0	0	0	0.0

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

543200	Maint - Furn, Fixt, Equipment	5.88	6	9	0	0	0	0.0
543300	Maint - Buildings & Structures	0	6	6	0	0	0	0.0
543400	Maint - Property Insurance	0	0.1	0.1	0	0	0	0.0
543830	IT HW/SW Agreements	38.8	24	24	0	0	0	0.0
544000	Supply Inventory IT	29.28	20	20	0	0	0	0.0
544100	Supplies-Office Supplies	6.3	13	11	0	0	0	0.0
544900	Supplies-Inventory Exempt	5.21	5	7	0	0	0	0.0
545600	Reporting & Recording	0	0.2	0.2	0	0	0	0.0
545700	ISD Services	14.02	21.5	23.8	0	0	0	0.0
545710	DOIT HCM Assessment Fees	9.18	9.8	10.5	0	0	0	0.0
545900	Printing & Photo Services	67.24	70	75	0	0	0	0.0
546100	Postage & Mail Services	88.35	90	90	0	0	0	0.0
546400	Rent Of Land & Buildings	4.45	134.7	139	0	0	0	0.0
546409	Rent Expense - Interagency	19.3	19.9	20.5	0	0	0	0.0
546500	Rent Of Equipment	9.61	37.1	37.1	0	0	0	0.0
546600	Communications	2.54	6	4	0	0	0	0.0
546610	DOIT Telecommunications	66.76	58.5	74.4	0	0	0	0.0
546700	Subscriptions/Dues/License Fee	4.09	7	6	0	0	0	0.0
546709	Subscription & Due Interagency	0.13	0.2	0.2	0	0	0	0.0
546800	Employee Training & Education	5.34	9	8	0	0	0	0.0
546810	Board Member Training	0	5.5	5.5	0	0	0	0.0
546900	Advertising	0.12	1.8	1.8	0	0	0	0.0
547730	Lease Principal Payment	137.7	0	0	0	0	0	0.0
547900	Miscellaneous Expense	41.19	47.3	47.5	0	0	0	0.0
548300	Information Tech Equipment	25.47	27.5	27.5	0	0	0	0.0
548882	Lease Interest	6.82	0	0	0	0	0	0.0
549600	Employee O/S Mileage & Fares	5.12	6	6	0	0	0	0.0
549700	Employee O/S Meals & Lodging	8.92	6.5	7.5	0	0	0	0.0
549800	Brd & Comm O/S Mileage & Fares	0	3.5	3.5	0	0	0	0.0
549900	Brd & Comm O/S Meals & Lodging	0	3	3	0	0	0	0.0
555106	OFU - INTRA-Agency	4,125.2	4,415	4,967.6	0	0	0	0.0

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

Grand Total	361,985.46	415,518.1	428,216.9	0	0	0	0.0
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Program Description:

Program Purpose:

The Health Care Benefits program provides affordable, comprehensive core group health care plans and optional life insurance to eligible participants. It is the foundation of NMRHCA's mission to balance affordability, sustainability, and access to quality care.

Program Users:

Program users include over 65,600 eligible retirees and their dependents as of August 2025, and about 311 participating employers and their employees (representing over 93,000 active employees). More than 10 percent of New Mexico's adult population is either directly covered by or contributing to future coverage through NMRHCA.

Program Goals:

- Extend solvency period. Maintain long-term sustainability of benefits by prudently managing the trust fund (valued at \$1.804 billion as of June 2025) and extending projected solvency beyond FY2056.
- Maintain affordability. Balance premium rates and benefit design to discourage deficit spending, reduce retiree burden, and continue growing the trust fund.
- Legislative partnership. Advocate for protection of the NMRHCA trust fund with a legislative resolution.
- Improve collections and oversight. Strengthening management and IT processes to ensure timely and accurate receipt of contributions from participating entities.
- Financial accountability. Ensure timely completion of budgets, audits, monthly balance reports, contracts, and compliance reporting, maintaining transparency for stakeholders.
- Prudent investment strategy. Continue reviewing and adjusting investment policy and asset allocations in collaboration with investment consultants and the State Investment Council, aligning with evolving markets and risk tolerance.
- Promote retiree health. Expand engagement in health-risk assessments, patient education, wellness programs, and chronic disease management to reduce costs and improve quality of life.
- Shift toward value-based care. Partner with health plans and providers to advance value-based reimbursement methodologies that reward quality outcomes, reducing reliance on fee-for-service models and bending the cost curve over time.

Major Issues and Accomplishments:

The financial status of NMRHCA's trust fund continues to present a significant long-term challenge, but it has shown substantial improvement. As of June 30, 2025, the State Investment Council reported a trust fund balance of \$1.804 billion, reflecting an increase of approximately \$300 million, a 19.9 percent rise compared to June 2024. The solvency of the program extends beyond 30 years, and deficit spending has been postponed through the same time period. In addition, the GASB Total OPEB Liability once again improved in the last study from 44.16% to 46.99%. The Board of Directors is actively implementing cost containment measures and making strategic investments in the health care outcomes of its members while being committed to ensuring access to affordable health insurance for retirees and their eligible dependents.

The agency has 28 FTE to manage the health care benefits program with two offices located in Albuquerque and Santa Fe. But continues to evaluate the administration of the health care benefits program and realizes the need for additional FTEs to continue to meet the growing demands and ever-changing health care environment.

P-1 Program Overview**Overview of Request:**

The projected increase was based on multiple factors as staff evaluated the FY25 Actuals and took into account the current approved budget for this fiscal year to project future expenses based on recent request for proposal results and current medical trend increase of 8.75 percent for the self-insured plans, 0 to 76 percent increase implemented for FY26 for Medicare Advantage programs driven by the Inflation Reduction Act, higher utilization, and increase in neoplasms. The assumed trend due to these factors is not expected to decrease. Voluntary benefits for dental and vision the budget is remaining flat due to guaranteed issued premium rates. Life insurance premiums will not increase based on current rates, but rather an aging population will see an increase in premiums due to changes in age bracketed rates for retiree and spouse/domestic partner. Migration to other plans were taken into account and in some cases with migration to lower costing plans will help offset some of the increase allowing for a lower overall increase to the appropriation request.

Programmatic Changes:

Some of the strategies to mitigate these ongoing challenges are:

- Leverage Virtual Platforms: Embracing telemedicine and virtual care platforms can improve access to healthcare services, particularly in underserved or remote areas. This can enhance convenience, reduce costs, and facilitate better management of chronic conditions.
- Wellness Programs: Implementing comprehensive wellness programs can promote preventive care, healthy lifestyle choices, and early intervention, thereby reducing the overall burden on the healthcare system.
- Education to Members: Empowering individuals with health literacy and education can lead to better health outcomes, improved self-care, and more informed healthcare decision-making.
- Point Solutions: Implementing targeted point solutions, such as data analytics and digital health tools, can streamline care delivery, improve patient outcomes, and optimize healthcare resource allocation.
- Collaboration and Knowledge Sharing: Engaging in collaborative initiatives and learning from successful interventions implemented by other public sector groups and healthcare organizations can provide valuable insights and best practices for addressing healthcare challenges.

Base Budget Justification:

The overall increase in the health benefits administration is driven by the growing health care trend and consistent participation in the retiree health care program. NMRHCA along with other IBAC partners for a medical and prescription plans continue to see an increase in costs based on the growth of GLP1s, the Inflation Reduction Act passed at the federal level, and state legislation that has shifted out of pocket costs from member to plans administrators. These changes have been incorporated into the budget for our FY27 appropriation request.

Program Description:

Program Purpose:

The Program Support/Administration program manages the day-to-day operations of NMRHCA. This includes administration, finance, customer support, human resources, IT, communications, and compliance functions that ensure the Authority operates efficiently and fulfills its fiduciary responsibilities.

Program Users:

Program users include NMRHCA retirees and dependents, the Legislature and Executive branch, the Board of Directors, participating employers, insurance providers, vendors, and the public.

Program Goals:

- Enhance workflow efficiency. Review, categorize, and improve customer service workflows; update operations manuals; and implement standardized procedures to ensure timely and consistent retiree service.
- Invest in workforce capacity. Add critical new positions (Administrative Operations Manager, IT Database Administrator, Senior Public Assistance Representative, and Senior Actuary) to strengthen oversight, service quality, and in-house expertise.
- Strengthen staff development. Develop comprehensive training plans in customer relations, technical expertise, cross-training, leadership, and team building to ensure adaptability and resilience.
- Professional certification. Offer opportunities for staff to participate in certification programs, such as SALGBA's Certified Government Benefits Administrator program, to validate expertise and strengthen professional standards.
- Expand training participation. Engage staff across customer service, finance, and IT in targeted training and knowledge-sharing opportunities.
- Enhance customer service. Monitor and improve response times, establish escalation management protocols, and implement tools to reduce processing errors and ensure compliance.
- Ensure safe operations. Maintain safe environments for employees and customers by monitoring facilities, implementing safety protocols, and preparing continuity-of-operations plans.
- Leverage technology for efficiency. Improve digital tools and online self-service options for retirees, while strengthening cybersecurity and data protection to safeguard PHI and operational continuity.

Major Issues and Accomplishments:

As health care costs continue to rise, staff are tasked with finding ways to reduce expenses through enhanced partnerships with health plans and the adoption of more effective health management programs. These initiatives aim to curb the annual increases in health care costs at both the state and national levels. Program Support is a method to meet increasing operational demands, industry best practices, and fiduciary responsibilities over a \$1.8B fund by employing knowledgeable staff who can efficiently achieve these goals. Understanding the industry to implement best practices and uncovering additional opportunities through data and research are key. It's crucial to ensure that internal processes, procedures, and systems are established for the efficient administration of the program. An additional staff member is being requested to guarantee that quality and performance standards are not just met but surpassed. The addition of four new full-time employee (FTE) will provide the necessary personnel to bridge gaps in essential positions for daily operations. The job duties are detailed in the Base Budget Increase and Justification document. This need has become evident during leadership transitions, and the new roles will enable better staffing and planning to address both daily requirements and future leadership changes across various areas of the organization.

The agency's accomplishments include continued improvements in program management, as evidenced by the latest GASB study, which shows an increase in funded liabilities from 44.16% to 46.99%. The trust fund has reached a new peak of approximately one billion eight hundred million dollars, managed by the Board of Directors and staff, who strive to provide affordable comprehensive benefits while limiting cost increases. The IT department has enhanced security and data backups, aligning with the IT Strategic Plan. Furthermore, the finance department has met, and in some instances surpassed, the audit requirements for June 30, 2024, as detailed in the most recent audit report.

Overview of Request:

NMRHCA's goals and priorities demonstrate a strong commitment to maintaining financial solvency, delivering comprehensive customer service, managing costs effectively, and contributing to the long-term investment account.

Key priorities include:

- Ensuring robust HIPAA compliance and adherence to all related guidelines
- Meeting the reporting requirements outlined in GASB Statements 74 and 75
- Advancing from a 'fee-for-outcome' arrangement with medical providers to value based with quality outcomes arrangements
- Enhancing plan oversight to reduce costs and improve outcomes
- Maintaining a diversified investment strategy to optimize earnings and mitigate risk, while exploring new strategies for additional support
- Providing timely and accurate responses to customer inquiries and managing billing arrangements
- Developing a comprehensive plan guide for all customer service staff
- Collaborating with state IT to bolster the agency's cybersecurity measures

The agency has requested funding for contractual services, which encompasses investment professionals, IT experts, legal advisors, and consultants. The aim is to bolster internal quality controls and enhance process efficiency. This funding will either initiate new contracts or augment existing ones. The request accounts for budgetary adjustments and the necessity for extra resources to fulfill these objectives. Additionally, the funding increment for personal services and employee benefits is specifically to cover the cost of four full-time equivalent (FTE) positions, ensuring the agency has sufficient staffing to uphold its priorities and manage the benefits program effectively.

Programmatic Changes: Program Support is implementing changes to address the aging membership it serves and to evaluate best practices for improving care and access. A web portal is being developed for members, providing retirees with an online resource to review their benefits and personal information. This portal will enable them to update their address and submit information for benefit changes when qualifying events occur, with staff reviewing and approving based on proper documentation. Additionally, the agency is examining current policies and procedures to enhance documentation and create efficiencies. Over the past two years, an external contractor has conducted risk assessments of the department, identifying opportunities for improvement and reviewing documented processes and procedures. This ongoing effort aims to identify any deficiencies and implement improvements in the coming years, including fiscal year 2027.

Base Budget Justification: Requests for increased funding have been made to accommodate escalating costs and to bolster specific sectors needing additional support and supervision. Professional services funding is increasing to accommodate the support of consultants who provide additional expertise and knowledge of similar clients nationwide to assist with request for proposals in which a life insurance one will need to be conducted.

Furthermore, the funding will aid in the assessment and enhancement of organizational procedures and efficiencies. Considering the agency's varied operations, which encompass financial management, IT security for personal health data, compliance, and benefits administration, a comprehensive review has identified areas that require improvement.

The proposal includes a request for funds to add four more full-time employees (FTEs) to enhance support and oversight within the organization. The NMRHCA is seeking approval for four additional FTE to manage the growing operations, the increasing needs of the retiree population, and the evolving health care reporting standards and regulations. These positions are designed to strengthen internal operations, reduce risks, expand technical expertise, and improve customer service capacity.

R-2 Transfers
(Dollars in Thousands)

Prov PCode	Prov Fund	Prov Account	Prov Account Name	Rec PCode	Rec Fund	Rec Account	Rec Account Name	2024-25 Actual Transfers	2025-26 Adopted Transfers	2026-27 Agency GF	2026-27 Agency OSF	2026-27 Agency ISF/IAT	2026-27 Agency FF	2026-27 Total Request	Justification
P633	38100	555106	OFU - INTRA	P634	38000	499906	OFS - INTRA	0	0	0	4,967.6	0	0	4,967.6	
Sum:								0	0	0	4,967.6	0	0	4,967.6	

REV EXP COMPARISON

(Dollars in Thousands)

34300 - Retiree Health Care Authority

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES	0.0	423,249.3	4,967.6	0.0	428,216.9
Personal services and employee benefits	0.0	0.0	3,497.7	0.0	3,497.7
Contractual services	0.0	418,236.7	815.3	0.0	419,052
Other	0.0	45.0	654.6	0.0	699.6
Other financing uses	0.0	4,967.6	0.0	0.0	4,967.6
USES Total:	0.0	423,249.3	4,967.6	0.0	428,216.9
Net:	0.0	0.0	0.0	0.0	0.0

REV EXP COMPARISON

(Dollars in Thousands)

34300 - Retiree Health Care Authority

P633 - Healthcare Benefits Administration

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES Totals	0.0	423,249.3	0.0	0.0	423,249.3
Contractual services	0.0	418,236.7	0.0	0.0	418,236.7
Other	0.0	45.0	0.0	0.0	45
Other financing uses	0.0	4,967.6	0.0	0.0	4,967.6
USES Total:	0.0	423,249.3	0.0	0.0	423,249.3
Net:	0.0	0.0	0.0	0.0	0.0

REV EXP COMPARISON

(Dollars in Thousands)

34300 - Retiree Health Care Authority

P634 - Program Support

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES Totals	0.0	0.0	4,967.6	0.0	4,967.6
Personal services and employee benefits	0.0	0.0	3,497.7	0.0	3,497.7
Contractual services	0.0	0.0	815.3	0.0	815.3
Other	0.0	0.0	654.6	0.0	654.6
USES Total:	0.0	0.0	4,967.6	0.0	4,967.6
Net:	0.0	0.0	0.0	0.0	0.0

New FTEs

Rank: 0

New Initiative	2026-27 GF Sources	2026-27 OSF Sources	2026-27 ISF/IAT Sources	2026-27 FF Sources	2026-27 Total Request	2026-27 Exec Recommendation
Personal services and employee t	0.0	0.0	0.0	0.0	0.0	0.0
EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
Permanent	0	0	0	0	4	
FTEs	0	0	0	0	4	0

Brief Description:

As the New Mexico Retiree Health Care Authority (NMRHCA) continues to expand in size and complexity, there is a critical need to strengthen its workforce to ensure effective service delivery, operational efficiency, and long-term sustainability. Several key roles have been identified to address gaps in leadership, technical expertise, and frontline service capacity.

The Administrative Operations Manager position remains a critical need as the Authority continues to grow and evolve in complexity. This role is essential for improving operational oversight, standardizing processes, maintaining compliance, and coordinating workflows across departments such as customer service, finance, and IT. Currently, key responsibilities are dispersed among various staff members without a centralized point of leadership, resulting in inefficiencies and operational risk. Establishing this position will help unify processes, enhance accountability, and ensure members receive consistent, high-quality service.

The IT Database Administrator role is crucial due to the agency's increasing reliance on complex data systems. With the recent upgrade from SQL Server 2012 to SQL Server 2022, database performance, scalability, and integration have significantly improved—but require dedicated oversight. The agency's proprietary benefits system, CareView, is internally developed and maintained, and cannot be outsourced due to its complexity. Currently, two senior staff manage these databases alongside other responsibilities, which is unsustainable. A dedicated Database Administrator would ensure system stability, relieve workload pressures, and support strategic IT operations.

A Senior Public Assistance Representative is necessary to address growing demands from a retiree population that now exceeds 65,600 members. The Santa Fe office is understaffed, with only four Public Assistance Representatives and one Business Operations Manager managing face-to-face interactions, high call volumes, training needs, and complex enrollment processes. This heavy workload affects service quality and response times. Adding another representative would enhance the team's capacity to deliver timely, accurate service and improve the overall member experience.

The Senior Actuary position is recommended to reduce the Authority's dependence on external consultants for critical actuarial tasks, including forecasting, GASB compliance, and benefit sustainability analysis. While consultants bring valuable expertise, exclusive reliance on them can hinder responsiveness, limit internal knowledge development, and increase costs. Bringing actuarial expertise in-house would provide timely analysis, validate external data, and support long-term planning through consistent and informed oversight.

Legislative Change: _____

Session Law Citation:

Legal Settlement: _____

Case Number or Citation:

Program Support

BU PCode Department
34300 P634 000000

State of New Mexico

EB-2 Expansion Fiscal Summary
(Dollars in Thousands)

New FTEs

Rank: 0

		2026-27 GF Sources	2026-27 OSF Sources	2026-27 ISF/IAT Sources	2026-27 FF Sources	2026-27 Total Request	2026-27 Exec Recommendation
200	Personal services and employee benefits	0.0	0.0	0.0	0.0	0.0	0.0
EXPENDITURES		0.0	0.0	0.0	0.0	0.0	0.0
810	Permanent	0	0	0	0	4	0.0
FTEs		0	0	0	0	4	0

Program Support

BU PCode Department
34300 P634 000000

State of New Mexico

EB-3 Expansion Line Item Detail
(Dollars in Thousands)

New FTEs

Rank: 0

		2026-27 GF Sources	2026-27 OSF Sources	2026-27 ISF/IAT Sources	2026-27 FF Sources	2026-27 Total Request	2026-27 Exec Recommendation
520100	Exempt Perm Positions P/T&F/T	0.0	0.0	0.0	0.0	0.0	0.0
520300	Classified Perm Positions F/T	0.0	0.0	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	0.0	0.0	0.0	0.0	0.0	0.0
521200	Retirement Contributions	0.0	0.0	0.0	0.0	0.0	0.0
521300	F I C A	0.0	0.0	0.0	0.0	0.0	0.0
521700	RHC Act Contributions	0.0	0.0	0.0	0.0	0.0	0.0
200	Personal services and employee benefits	0.0	0.0	0.0	0.0	0.0	0.0
Total for New FTEs		0.0	0.0	0.0	0.0	0.0	0.0

BU PCode
34300 P633

E4 PCode Detail
(Dollars in Thousands)

Fund	Account		2024-25	2025-26	2026-27	FY 2027 Agency Request				Justification	
			Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF		Total
38100	547900	Miscellaneous Expense	39.8	45.0	0	0.0	45.0	0.0	0.0	45.0	
	400	Other	39.8	45.0	0	0.0	45.0	0.0	0.0	45.0	
38100	555106	OFU - INTRA-Agency	4,125.2	4,415.0	0	0.0	0.0	0.0	0.0	0.0	
	500	Other financing uses	4,125.2	4,415.0	0	0.0	0.0	0.0	0.0	0.0	
TOTAL EXPENSE			4,165.0	4,460.0		0.0	45.0	0.0	0.0	45.0	

Program Support

BU PCode
34300 P634

State of New Mexico

E4 PCode Detail
(Dollars in Thousands)

Fund	Account		2024-25	2025-26	2026-27	FY 2027 Agency Request				Justification	
			Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF		Total
38000	520100	Exempt Perm Positions P/T&F/T	507.1	527.4	535.23	0.0	0.0	538.6	0.0	538.6	
38000	520200	Term Positions	2.5	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	520300	Classified Perm Positions F/T	1,336.1	1,680.3	1,624.63	0.0	0.0	1,923.6	0.0	1,923.6	
38000	520800	Annl & Comp Paid At Separation	26.6	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	521100	Group Insurance Premium	164.9	191.0	291.96	0.0	0.0	311.7	0.0	311.7	
38000	521200	Retirement Contributions	354.9	427.9	421.62	0.0	0.0	473.7	0.0	473.7	
38000	521300	F I C A	137.2	169.2	132.64	0.0	0.0	188.4	0.0	188.4	
38000	521400	Workers' Comp Assessment Fee	0.2	0.3	0	0.0	0.0	0.3	0.0	0.3	
38000	521410	GSD Work Comp Insur Premium	1.2	1.7	0	0.0	0.0	1.4	0.0	1.4	
38000	521500	Unemployment Comp Premium	0.0	0.0	0	0.0	0.0	0.6	0.0	0.6	
38000	521600	Employee Liability Ins Premium	2.9	5.1	0	0.0	0.0	10.2	0.0	10.2	
38000	521700	RHC Act Contributions	36.9	45.0	44.61	0.0	0.0	49.2	0.0	49.2	
	200	Personal services and employee benef	2,570.6	3,047.9	3,050.68	0.0	0.0	3,497.7	0.0	3,497.7	
38000	542100	Employee I/S Mileage & Fares	1.9	2.5	0	0.0	0.0	2.5	0.0	2.5	
38000	542200	Employee I/S Meals & Lodging	5.6	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	542300	Brd & Comm Mbr Meals & Lodging	4.8	5.5	0	0.0	0.0	5.5	0.0	5.5	
38000	542310	Brd & Comm Mbr Mileage & Fares	4.4	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	542500	Transp - Fuel & Oil	0.6	2.2	0	0.0	0.0	2.2	0.0	2.2	
38000	542600	Transp - Parts & Supplies	0.0	0.6	0	0.0	0.0	0.6	0.0	0.6	
38000	542700	Transp - Transp Insurance	0.0	0.2	0	0.0	0.0	0.2	0.0	0.2	
38000	542800	State Transp Pool Charges	5.9	8.1	0	0.0	0.0	8.5	0.0	8.5	
38000	543200	Maint - Furn, Fixt, Equipment	5.9	6.0	0	0.0	0.0	9.0	0.0	9.0	
38000	543300	Maint - Buildings & Structures	0.0	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	543400	Maint - Property Insurance	0.0	0.1	0	0.0	0.0	0.1	0.0	0.1	
38000	543830	IT HW/SW Agreements	38.8	24.0	0	0.0	0.0	24.0	0.0	24.0	
38000	544000	Supply Inventory IT	29.3	20.0	0	0.0	0.0	20.0	0.0	20.0	
38000	544100	Supplies-Office Supplies	6.3	13.0	0	0.0	0.0	11.0	0.0	11.0	
38000	544900	Supplies-Inventory Exempt	5.2	5.0	0	0.0	0.0	7.0	0.0	7.0	
38000	545600	Reporting & Recording	0.0	0.2	0	0.0	0.0	0.2	0.0	0.2	
38000	545700	ISD Services	14.0	21.5	0	0.0	0.0	23.8	0.0	23.8	
38000	545710	DOIT HCM Assessment Fees	9.2	9.8	0	0.0	0.0	10.5	0.0	10.5	
38000	545900	Printing & Photo Services	67.2	70.0	0	0.0	0.0	75.0	0.0	75.0	
38000	546100	Postage & Mail Services	88.4	90.0	0	0.0	0.0	90.0	0.0	90.0	

Program Support

BU PCode
34300 P634

State of New Mexico

E4 PCode Detail
(Dollars in Thousands)

Fund	Account	2024-25 Actuals	2025-26 Opbud	2026-27 PCF Proj	FY 2027 Agency Request				Total	Justification	
					GF	OSF	ISF/IAT	FF			
38000	546400	Rent Of Land & Buildings	4.4	134.7	0	0.0	0.0	139.0	0.0	139.0	
38000	546409	Rent Expense - Interagency	19.3	19.9	0	0.0	0.0	20.5	0.0	20.5	
38000	546500	Rent Of Equipment	9.6	37.1	0	0.0	0.0	37.1	0.0	37.1	
38000	546600	Communications	2.5	6.0	0	0.0	0.0	4.0	0.0	4.0	
38000	546610	DOIT Telecommunications	66.8	58.5	0	0.0	0.0	74.4	0.0	74.4	
38000	546700	Subscriptions/Dues/License Fee	4.1	7.0	0	0.0	0.0	6.0	0.0	6.0	
38000	546709	Subscription & Due Interagency	0.1	0.2	0	0.0	0.0	0.2	0.0	0.2	
38000	546800	Employee Training & Education	5.3	9.0	0	0.0	0.0	8.0	0.0	8.0	
38000	546810	Board Member Training	0.0	5.5	0	0.0	0.0	5.5	0.0	5.5	
38000	546900	Advertising	0.1	1.8	0	0.0	0.0	1.8	0.0	1.8	
38000	547730	Lease Principal Payment	137.7	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	547900	Miscellaneous Expense	1.4	2.3	0	0.0	0.0	2.5	0.0	2.5	
38000	548300	Information Tech Equipment	25.5	27.5	0	0.0	0.0	27.5	0.0	27.5	
38000	548882	Lease Interest	6.8	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	549600	Employee O/S Mileage & Fares	5.1	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	549700	Employee O/S Meals & Lodging	8.9	6.5	0	0.0	0.0	7.5	0.0	7.5	
38000	549800	Brd & Comm O/S Mileage & Fares	0.0	3.5	0	0.0	0.0	3.5	0.0	3.5	
38000	549900	Brd & Comm O/S Meals & Lodging	0.0	3.0	0	0.0	0.0	3.0	0.0	3.0	
	400 Other		585.1	625.2	0	0.0	0.0	654.6	0.0	654.6	
TOTAL EXPENSE			3,155.7	3,673.1		0.0	0.0	4,152.3	0.0	4,152.3	

State of New Mexico
Contract by PCode Detail
(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	----- FY 2027 Agency Request -----				Total	Justification
					GF	OSF	ISF/IAT	FF		
38100	535100	Medical Services	1000	353,987.6	0.0	418,236.7	0.0	0.0	418,236.7	
TOTAL EXPENSE				353,987.6	0.0	418,236.7	0.0	0.0	418,236.7	

Program Support

BU PCode
34300 P634

State of New Mexico
Contract by PCode Detail
(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	----- FY 2027 Agency Request -----				Total	Justification
					GF	OSF	ISF/IAT	FF		
38000	535200	Professional Services	1000	421.5	0.0	0.0	487.5	0.0	487.5	
38000	535300	Other Services	1000	10.0	0.0	0.0	24.0	0.0	24.0	
38000	535309	Other Services - Interagency	1000	25.5	0.0	0.0	32.9	0.0	32.9	
38000	535400	Audit Services	1000	102.0	0.0	0.0	130.9	0.0	130.9	
38000	535500	Attorney Services	1000	7.4	0.0	0.0	25.0	0.0	25.0	
38000	535600	IT Services	1000	110.9	0.0	0.0	115.0	0.0	115.0	
TOTAL EXPENSE				677.2	0.0	0.0	815.3	0.0	815.3	

DFA Performance Based Budgeting Data System

Annual Performance Report

Agency: 34300 Retiree Health Care Authority

Program: P633 Healthcare Benefits Administration

The purpose of the healthcare benefits administration program is to provide fiscally solvent core group and optional healthcare benefits and life insurance to current and future eligible retirees and their dependents so they may access covered and available core group and optional healthcare benefits and life insurance benefits when they need them.

Performance Measures:		2024-25 Target	2024-25 Result	Met Target	Year End Result Narrative
Explanatory	Annual loss ratio for the health benefits fund	N/A	113%	N/A	
Explanatory	Year-end fund balance of the health benefits fund, in thousands	N/A	0	N/A	
Outcome	Emergency room visits per one thousand members	200	572	No	The data currently does not break out urgent and non-urgent; or follow up care. Therefore, incorporating non-emergent visits.
Outcome	Hospital inpatient admissions per one thousand members	New	New	Yes	
Outcome	Hospital inpatient readmissions per one thousand members	New	New	Yes	
Outcome	Number of nonemergent emergency department encounters per one thousand members	New	New	Yes	
Outcome	Number of years of projected balanced spending	6	30	Yes	
Outcome	Percent change in per-member per-year annual health claims cost	New	New	Yes	
Output	Minimum number of years of positive fund balance	30	30	Yes	
Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	85%	42%	No	RHCA results align with NM as a whole. There are many barriers including economic, rural access, provider shortages, cultural and language.
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	80%	48%	No	RHCA results align with NM as a whole. There are many barriers including economic, rural access, provider shortages, cultural and language.

Program: P634 Program Support

The purpose of program support is to provide administrative support for the healthcare benefits administration program to assist the agency in delivering its services to its constituents.

Performance Measures:		2024-25 Target	2024-25 Result	Met Target	Year End Result Narrative
Outcome	Percent of deposits made within twenty-four hours	100%	100%	Yes	
Outcome	Percent of payments made within thirty days	98%	99%	Yes	

Performance Measures Summary

P633 Healthcare Benefits Administration

Purpose: The purpose of the healthcare benefits administration program is to provide fiscally solvent core group and optional healthcare benefits and life insurance to current and future eligible retirees and their dependents so they may access covered and available core group and optional healthcare benefits and life insurance benefits when they need them.

Performance Measures:		2023-24 Actual	2024-25 Actual	2025-26 Budget	2026-27 Request	2026-27 Recomm
Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	41%	42%	85%	85%	
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	50%	48%	80%	80%	
Output	Minimum number of years of positive fund balance	30	30	30	30	
Outcome	Number of years of projected balanced spending	10	30	6	6	
Outcome	Emergency room visits per one thousand members	512	572	200	200	
Outcome	Hospital inpatient admissions per one thousand members	New	New	New	100	
Outcome	Hospital inpatient readmissions per one thousand members	New	New	New	15	
Outcome	Number of nonemergent emergency department encounters per one thousand members	New	New	New	21	
Outcome	Percent change in per-member per-year annual health claims cost	New	New	New	9%	
Explanatory	Year-end fund balance of the health benefits fund, in thousands	\$1,504,639	0	N/A	N/A	
Explanatory	Annual loss ratio for the health benefits fund	99%	113%	N/A	N/A	

P634 Program Support

Purpose: The purpose of program support is to provide administrative support for the healthcare benefits administration program to assist the agency in delivering its services to its constituents.

Performance Measures:		2023-24 Actual	2024-25 Actual	2025-26 Budget	2026-27 Request	2026-27 Recomm
Outcome	Percent of deposits made within twenty-four hours	100%	100%	100%	100%	
Outcome	Percent of payments made within thirty days	99%	99%	98%	98%	



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

FY27 STRATEGIC PLAN

September 1, 2025

EXECUTIVE SUMMARY

The New Mexico Retiree Health Care Authority (“NMRHCA” or “Authority”) Board of Directors is pleased to submit the FY27 Strategic Plan. The Authority’s vision is to provide comprehensive and affordable group health care benefits and life insurance to current retirees and their dependents while ensuring access to benefits for future generations of retirees.

MISSION STATEMENT

The New Mexico Retiree Health Care Authority fosters quality of life and peace of mind by responsibly administering affordable, secure health care benefits for public retirees and their families.

OVERVIEW

Established in 1990, NMRHCA provides health care coverage to retirees of state agencies and eligible participating public entities. Approximately 311 public entities, including cities, counties, universities, and charter schools, participate in NMRHCA. The agency offers medical plans for both non-Medicare and Medicare-eligible retirees and their dependents, as well as dental, vision, and life insurance. Currently, the Authority covers over 65,600 retirees and their dependents.

The Authority is governed by a 12-member Board of Directors, representing retired and active employees from the following groups:

- Superintendents Association of New Mexico
- New Mexico Association of Educational Retirees
- Retired Public Employees of New Mexico
- Educational Retirement Board
- Public Employees Retirement Association
- NEA Classroom Teachers Association
- Governor’s Appointee
- New Mexico State Treasurer
- New Mexico Municipal League
- New Mexico Association of Counties
- State Classified Employee
- State Benefits Division of the Health Care Authority

INTERNAL AND EXTERNAL ASSESSMENTS

Revenue Streams

The Authority receives funding from five sources:

1. Employer and employee contributions
2. Retiree premiums
3. Taxation and Revenue Department suspense fund disbursements
4. Investment income

5. Federal prescription drug subsidies, rebates, and vendor performance guarantees

As of June 30, 2025, the trust fund balance was \$1.804 billion. Investments have experienced steady growth, with a solvency outlook exceeding 30 years, though pressures remain from rising health care costs and new specialty medications.

Staffing and Locations

The Authority has 28 authorized full-time employees and operates two customer service locations in Albuquerque and Santa Fe.

To meet increasing operational demands, industry best practices, and fiduciary responsibilities over a \$1.8B fund, NMRHCA is requesting **approval for four new positions in FY27**. These positions are designed to strengthen internal operations, reduce risks, expand technical expertise, and improve customer service capacity:

1. Administrative Operations Manager

Justification:

The need for this position has been identified and will be a fourth request in which there is still very much an essential role. As the Authority grows and complexity changes, the Administrative Operations Manager role is vital for enhancing oversight, ensuring consistent processes, maintaining compliance, and coordinating workflows across customer service, finance, and IT. Currently, multiple critical operational responsibilities are distributed among staff without a dedicated role to oversee and integrate them, creating inefficiencies and risk. A dedicated Administrative Operations Manager will provide focused leadership to unify processes, strengthen accountability, and ensure members receive timely, accurate, and high-quality service.

Current Scope of Work:

The agency manages a broad and growing set of administrative and operational responsibilities that require dedicated oversight, including:

- **Vendor & Reporting Oversight:** Producing and reconciling 13 weekly health plan vendor discrepancy reports, COBRA notification reports processed monthly, billing fall-out and paid reports from 2 pension systems handled monthly, and monthly evidence of insurability reports.
- **Customer Service & Member Accounts:** Assisting with escalated member issues, assuring accuracy of member accounts for terminations, additions, and enrollment changes, and coordinating the filing of death claims with the life insurance vendor.
- **Cross-Departmental Coordination:** Serving as a liaison across customer service, finance, and IT to improve CareView processes and ensure efficiency in overlapping workflows.
- **Audit & Compliance:** Conducting audits on customer service entry, providing secondary review of refunds, and ensuring adherence to internal controls and best practices.
- **Ongoing Meetings & Monitoring:** Participating in vendor and eligibility discrepancy meetings, documenting process improvements, and ensuring timely resolution of issues.

This role will centralize accountability for these operational functions, reduce redundancy, and ensure a consistent standard of accuracy and timeliness across departments.

Impact:

- Improves reporting accuracy through centralized oversight of vendor, billing, and compliance reports.
- Reduces operational risk by implementing consistent processes and adding a dedicated layer of review for key functions such as refunds and eligibility changes.
- Ensures compliance with best practices and audit requirements, strengthening confidence in agency operations.
- Strengthens vendor oversight by monitoring eligibility, billing, and enrollment processes across multiple carriers.
- Addresses escalated customer service issues, leading to faster resolutions and improved member satisfaction.
- Creates efficiencies in CareView operations by coordinating IT, finance, and customer service on process improvements.

Alignment with Agency Business Goals and Strategic Priorities:

- **Robust IT Infrastructure:** Enhances coordination with IT on CareView platform improvements to support reliable and efficient operations.
- **Expert Technical & Operational Support:** Provides dedicated oversight of operational workflows to improve accountability and reduce errors.
- **Fiscal Stewardship:** Reduces costs by minimizing billing discrepancies, refund delays, and vendor inefficiencies.
- **Operational Efficiency:** Streamlines reporting and cross-departmental processes, reducing delays and ensuring staff time is used more productively.
- **Cost Reduction with Quality Improvement:** Delivers faster service to members, such as reduced waiting times for refunds and more accurate eligibility processing.
- **Data Protection and Reliability:** Ensures accurate member account maintenance, enrollment changes, and reporting, which strengthens overall integrity of agency systems.

Industry Alignment:

Public pension and retiree health systems across the U.S. increasingly rely on operational managers to improve accountability, strengthen internal controls, and coordinate cross-departmental efficiencies. By adding this role, NMRHCA aligns with peer agencies that have prioritized operational management as a cornerstone of delivering efficient, accurate, and member-focused services.

2. IT Database Administrator**Justification:**

With NMRHCA's reliance on complex data systems, maintaining reliable, high-performing databases is essential. The agency recently transitioned from SQL Server 2012—stagnant for nearly a decade—to SQL Server 2022,

which introduces significant advances in performance, scalability, and integration. NMRHCA utilizes CareView as its own developed, and managed proprietary benefit system which is a complex system to maintain and can not be outsourced.

Two senior employees are currently responsible for managing database functions in addition to their primary roles, resulting in unsustainable growth in responsibilities. A dedicated DBA will provide the needed support to these positions, allowing them to focus on strategic IT and operational priorities while ensuring the database environment is fully optimized and sustainable.

Current Scope of Work:

The existing IT staff already manage a wide range of critical, time-sensitive database functions in addition to their other duties, including:

- **Eligibility & Billing:** Processing 12 eligibility files weekly, monthly deduction files from pensions, direct billings, posting deposits, and managing collections reports.
- **Data Corrections & Migrations:** Performing ongoing data corrections from customer service entries, finance updates, and large-scale data migration projects.
- **Coding & Development:** Delivering program coding for corrections and enhancements in both testing and production environments, supporting web portal development, and configuring system changes (monthly over 25 SQL system modifications).
- **Vendor & Staff Support:** Participating in vendor eligibility meetings, training staff on proper CareView processes, and documenting all updates, changes, and enhancements (14 meetings on average a month).
- **Reporting & Compliance:** Producing on average 16 monthly reports to include ad hoc participation/demographic reports, preparing data files for consultants (benefits, GASB), generating IRS 1095 uploads, and creating outgoing enrollment switch files to produce 45 thousand letters.
- **Operational Continuity:** Providing full coverage of all these responsibilities during staff absences.

This workload demonstrates the breadth and complexity of tasks tied directly to agency operations and member services. Without additional DBA support, growth in responsibilities will continue to strain current resources and heighten the risk of errors, delays, and inefficiencies.

Impact:

- Adds direct support to two senior IT staff managing critical, high-volume workloads.
- Enables the agency to be proactive in addressing bugs, errors, and inefficiencies before they impact staff or member services.
- Improves efficiency and performance in the CareView platform, the central system relied on by all agency staff to accomplish daily work.
- Ensures timely adoption of SQL 2022 features such as intelligent query processing, accelerated database recovery, and cloud integration.
- Enhances data accuracy and reporting, strengthening decision-making across the organization.

Alignment with Agency Business Goals and Strategic Priorities:

- **Robust IT Infrastructure:** A DBA ensures the CareView platform and SQL environment are reliable, optimized, and able to scale with organizational needs.
- **Expert Technical Support:** Provides specialized knowledge to complement current senior IT staff, relieving them of excessive workload and enabling sustainable operations.
- **Fiscal Stewardship:** Prevents costly downtime, reduces reliance on external vendors, and maximizes the value of SQL 2022's built-in efficiency.
- **Operational Efficiency:** Proactively resolves bugs and optimizes queries, improving CareView functionality for all staff.
- **Cost Reduction with Quality Improvement:** Minimizes system failures and inefficiencies, saving time and resources while improving service delivery.
- **Data Protection and Reliability:** Maintains the accuracy, integrity, and availability of member and agency data, which underpins all operations.

Industry Alignment:

Performance optimization, data integrity, and modernization are leading priorities across public benefit agencies. Many peer organizations have created dedicated DBA positions to reduce reliance on multi-tasked IT staff, improve system reliability, and ensure continuous improvements to enterprise-wide platforms. An in-house DBA at NMRHCA will enable consistent optimization of the CareView platform and ensure that the agency's database systems keep pace with both technological advancements and organizational growth.

3. Senior Public Assistance Representative

Justification:

The retiree population now exceeds 65,600 members, with increasing case volumes, regulatory requirements, and program complexity. Current staffing levels in the Santa Fe office—four Public Assistance Representatives and one Business Operations Manager—are insufficient to keep pace with member demand. Staff are responsible for managing face-to-face meetings, high call volumes, ongoing training requirements, and complex eligibility and enrollment processes while maintaining office coverage from 8–5 daily. This workload results in strained service response times, call abandonment, and reduced ability to provide the level of service retirees need and expect. Adding an additional Public Assistance Representative will provide essential support to ensure timely service, accurate processing, and improved member experience.

Current Scope of Work:

Public Assistance/Customer Service Representatives staff manage a wide range of time-intensive responsibilities, including:

- **Member Service & Coverage:** Meeting with members face-to-face, answering calls, educating retirees on benefit options, and maintaining full coverage for walk-ins and phone support.
- **Processing & Compliance:** Preparing and processing benefit paperwork, calculating and receiving premiums, verifying eligibility under statutes, NMAC, entity participation, and pension systems, and processing death claims and refund requests.

- **Data Accuracy & Oversight:** Performing peer review of data entry, scanning of documents, and verifying accuracy of records to maintain integrity of member accounts and ensure compliance.
- **Coordination:** Working closely with 7 Public Assistance Representatives and one Business Operations Manager in Albuquerque to handle data entry averaging 2,300 enrollments per year over the last 8 years.
- **Mailings & Notifications:** Preparing Medicare-age-in mailouts (≈130 per month) and processing approximately 140 member deaths monthly.
- **Volume & Service Data (FY25):** Supporting 6,899 walk-ins and more than 35,300 calls through the phone queue (excluding direct calls), with abandonment rates due to high volume and time required to properly explain benefits.
- **Training & Oversight:** Staying current with changes in benefit plans and regulations, participating in ongoing trainings, supporting health fairs and enrollment meetings, and completing assigned reporting, audits, and special projects.

This workload demonstrates the critical need for additional front-line staffing to maintain service levels, reduce call abandonment, and provide retirees with adequate time and attention during interactions.

Impact:

- Provides additional support to the Santa Fe office to balance high member volumes and reduce call abandonment rates.
- Improves service response times for retirees who need in-depth explanations of benefits and complex eligibility requirements.
- Ensures accurate documentation and eligibility compliance, including through peer review of data entry and scanned documents.
- Enhance coverage and capacity during walk-ins, phone calls, and enrollment events, reducing bottlenecks and delays.
- Strengthens member experience by reducing wait times for services such as refunds, death claims, and enrollment changes.

Alignment with Agency Business Goals and Strategic Priorities:

- **Robust Operations Infrastructure:** Expands staff capacity to ensure reliable member service delivery.
- **Member Service Excellence:** Provides retirees and their families with timely, accurate, and personal assistance.
- **Operational Efficiency:** Improves call response rates, reduces abandoned calls, and ensures all member interactions are completed accurately.
- **Cost Reduction with Quality Improvement:** Prevents costly errors in eligibility, refunds, and premium processing while improving service satisfaction.

- **Data Integrity and Reliability:** Strengthens accuracy of data entry and document management through peer review, ensuring reliable member account records.

Industry Alignment:

Customer service models in large benefit programs increasingly emphasize adequate staffing and tiered service levels to balance volume, manage compliance, and provide quality assistance. Many peer agencies have expanded public assistance staffing as retiree populations grow and regulatory complexity increases. Adding a Public Assistance Representative will allow NMRHCA to align with best practices while directly improving member service and reducing risks tied to under-resourced operations.

4. Senior Actuary

Justification:

The Authority relies heavily on outside actuarial consultants for complex forecasting, GASB compliance, and benefit sustainability projections. While these consultants provide valuable expertise, sole reliance on external vendors can limit responsiveness, reduce institutional knowledge, and create additional costs. An internal actuary will strengthen the Authority's ability to conduct timely analysis, ensure accuracy in consultant data, and support long-term benefit sustainability through independent oversight and in-house expertise.

Duties & Responsibilities:

An internal actuary would provide critical support across several areas, including:

- **Strategic Forecasting & Compliance:** Developing, reviewing, and validating actuarial models to ensure compliance with GASB, federal, and state requirements.
- **Vendor Oversight:** Supporting RFP development, review, and participation in vendor selection; monitoring health carrier performance guarantees to ensure accountability.
- **Claims & Program Analysis:** Reviewing health benefit carrier claims data and identifying opportunities for improvement based on benchmarks from other state retiree systems.
- **Consultant Oversight:** Reviewing actuarial work products and data from consultants (benefits and investments) to validate assumptions and improve accuracy.
- **Plan Enhancement Research:** Recommending plan design changes and evaluating point solutions with proven results to improve outcomes for retirees, particularly those managing chronic conditions.
- **Health Care Trend Mitigation:** Analyzing and recommending strategies to help mitigate rising health care costs and improve value for retirees.
- **Provider Access & Alternatives:** Reviewing provider access issues and evaluating alternative industry options that could improve access while containing costs.
- **Alternative Health Care Models:** Researching and assessing new models from medical carriers and pharmacy benefit managers (PBMs) to identify innovations that could reduce costs and improve care.
- **Member Impact:** Identifying opportunities that could lead to lower premium increases, fewer disruptive plan design changes, and improved care delivery for retirees.

- **Legislative & Policy Support:** Providing data-driven analysis on proposed or enacted legislation and assessing its impact on the Authority's funding and benefit sustainability.
- **Internal Coordination:** Supplying timely analysis and recommendations to leadership, finance, and program staff to strengthen decision-making and align benefits strategy with fiduciary responsibilities.

Impact:

- Provides independent, in-house expertise to strengthen the accuracy and timeliness of actuarial forecasting.
- Ensures compliance with GASB and federal/state regulatory requirements.
- Improves vendor accountability by monitoring claims performance, performance guarantees, and contract deliverables.
- Helps drive better care for retirees by evaluating benefit design, access, and outcomes in line with industry best practices.
- Mitigates growing health care trends by identifying opportunities for efficiency and recommending cost-saving strategies.
- Supports lower premium growth and fewer plan design disruptions through data-driven oversight and research into cost management models.
- Strengthens legislative analysis capacity, allowing the Authority to proactively assess impacts of proposed policy changes.
- Enhances cost control and sustainability by identifying opportunities for efficiency and validating consultant assumptions.

Alignment with Agency Business Goals and Strategic Priorities:

- **Fiscal Stewardship:** Provides deeper internal oversight of actuarial and financial data to protect long-term solvency and reduce unnecessary consultant reliance.
- **Operational Efficiency:** Improves the speed and responsiveness of financial forecasting and legislative analysis.
- **Expert Technical Support:** Expands the Authority's in-house expertise in actuarial science, supporting leadership with high-quality, timely data.
- **Cost Reduction with Quality Improvement:** Reviews and research new care models, carrier strategies, and PBM approaches that reduce costs while maintaining or improving retiree care.
- **Data-Driven Decision Making:** Supplies leadership with reliable, independent data to guide program design, vendor selection, and strategic planning.
- **Member Service Excellence:** Supports better retiree outcomes through access improvements, chronic condition management, and innovative plan design options.

Industry Alignment:

Large public retiree systems nationwide that employ internal actuarial staff to improve accuracy, speed, and strategic alignment of financial forecasts. Increasingly, internal actuaries are also tasked with evaluating alternative health care models, provider access strategies, and trend mitigation efforts. Adding an actuary will bring NMRHCA in line with peer organizations that have recognized the value of building internal actuarial capacity to safeguard solvency, improve care, and strengthen member programs.

Conclusion for Staffing: These four positions align with industry standards, address critical operational and fiduciary needs, and will significantly strengthen the Authority's ability to serve its growing retiree population while protecting fund solvency. In addition, NMRHCA will ensure that any vacancies are monitored and that positions are filled per guidelines set by the Department of Finance and Administration and the State Personnel Office.

SIGNIFICANT CHALLENGES

The financial and operational status of NMRHCA's trust fund continues to present both opportunities and challenges. While the fund reached \$1.8+ billion as of June 30, 2025, reflecting nearly 20 percent growth year-over-year, external pressures in the health care environment continue to impact long-term projections. The solvency of the program extends beyond 30 years, yet the Board remains vigilant as new health care trends, regulatory requirements, and workforce changes reshape the environment in which the Authority operates.

The health care sector in New Mexico and across the U.S. is undergoing rapid change. The following challenges, both current and anticipated, highlight areas requiring strategic attention:

Rising Health Care and Prescription Drug Costs

Health care spending growth has accelerated due to hospital consolidations, labor shortages driving wage inflation, and the increased use of specialty medications. GLP-1 therapies (for diabetes and weight management) and other emerging specialty drugs continue to strain pharmacy budgets. While these drugs offer significant clinical benefits, their rapid uptake presents unsustainable cost trajectories for self-insured and public sector health plans. The expected expansion of new high-cost gene therapies further compounds this trend.

Neoplasms and Cancer-Related Costs

Cancer remains a leading driver of health care costs for retirees nationwide and in New Mexico. According to the New Mexico Tumor Registry, cancer incidence in the state continues to increase with higher prevalence among aging populations. Oncology treatment which includes chemotherapy, immunotherapy, and targeted biologics are among the costliest categories of care. Nationally, cancer care spending is projected to exceed \$246 billion annually by 2030. For NMRHCA, cancer-related claims represent a significant share of high-cost claimants, requiring enhanced strategies for value-based oncology care, early detection, and effective care coordination.

Cardiovascular Disease

Heart disease remains the leading cause of death in New Mexico and a major contributor to health care spending. Costs associated with cardiovascular conditions, including hospitalizations, surgeries, medications, and rehabilitation continue to grow. Retirees with multiple comorbidities face higher risks of readmission and complications. NMRHCA must emphasize prevention programs, chronic condition management, and coordination of cardiac care.

Cybersecurity and Data Protection

State agencies have experienced an uptick in ransomware attacks and attempted breaches targeting personal health information (PHI). With more than 65,000 retirees and dependents in NMRHCA's system, a successful attack could create both reputational and financial risk. As the Authority expands online platforms and self-service tools, cybersecurity must remain a top organizational priority, requiring investments in infrastructure, monitoring, and in-house expertise.

Customer Service and Member Expectations

NMRHCA has seen increasing case volumes, more complex eligibility issues, and higher demand for real-time support. Members now expect digital self-service options while also requiring personalized assistance for complex matters. This dual demand creates operational stress. Without additional staffing capacity and senior-level oversight, there is heightened risk of processing delays, escalations, and compliance gaps in member communications.

Regulatory and Legislative Pressures

New Mexico continues to pursue state-level reforms related to prescription drug pricing, transparency, and cost-sharing limitations. At the federal level, Medicare reforms under the **Inflation Reduction Act** (e.g., insulin caps, drug price negotiations, and out-of-pocket maximums) will alter retiree benefit coordination and increase administrative complexity. Anticipated federal budget pressures could further impact subsidies and funding streams that NMRHCA relies upon.

Provider Shortages and Access Barriers

New Mexico remains among the states with the highest shortages of primary care physicians, specialists, and behavioral health providers. The aging population, coupled with retirements in the provider workforce, will deepen these shortages, particularly in rural areas. Limited provider access may drive retirees toward more costly emergency and out-of-network services, raising both financial and member satisfaction risks.

Mental and Behavioral Health Needs

Demand for behavioral health services continues to rise among retirees and dependents, reflecting national trends around depression, anxiety, substance use, and post-pandemic stressors. Legislative mandates, including New Mexico's cost-sharing elimination for behavioral health services (SB 317), have improved access but also increased utilization and costs. The challenge for NMRHCA will be to balance affordability with timely access to a limited behavioral health workforce.

Inflationary and Economic Pressures

General inflation, particularly in the medical sector, remains above historical averages. Wage increases across provider systems, coupled with higher supply chain costs, are directly impacting insurance premiums and health

care service pricing. At the same time, investment market volatility can reduce fund earnings, challenging solvency projections.

Evolving Retiree Demographics and Expectations

NMRHCA's retiree base is growing not only in size but also in diversity of needs. Younger retirees expect digital-first solutions, while older populations require traditional service models. Balancing these competing expectations requires modernization while maintaining accessibility. Additionally, rising life expectancy and longer retirements increase benefit costs and the demand for preventive and chronic disease management.

Future Anticipated Challenges

- **Emerging Technologies in Care:** Adoption of telehealth and AI-driven diagnostic tools will reshape care delivery. While promising, these raise regulatory, equity, and cost implications.
- **Climate and Public Health Risks:** Extreme weather and environmental changes increase risks of respiratory and chronic disease conditions, potentially raising claims costs.
- **Workforce Sustainability:** Recruiting and retaining highly skilled staff within state salary structures is becoming more difficult, particularly in IT, actuarial sciences, and specialized customer service roles. Without competitive positions, reliance on costly external vendors could increase.

FY27 STRATEGIC PRIORITIES TO MITIGATE SIGNIFICANT CHALLENGES

The Board of Directors remains committed to ensuring that NMRHCA members have access to affordable, comprehensive health coverage while preserving the solvency of the trust fund for future generations. Building on the progress of FY26, the Authority will continue advancing core initiatives while incorporating new strategies to address emerging risks and opportunities.

1. Strengthen Financial Sustainability and Solvency

- Continue making contributions to the long-term investment account and monitoring market conditions to safeguard the \$1.804B trust fund.
- Maintain diversified investment strategies in coordination with the State Investment Council to mitigate volatility.
- Expand in-house actuarial capacity to strengthen forecasting, evaluate contribution adequacy, and reduce reliance on external consultants.
- Advance legislative discussions on employer/employee contribution levels to proactively address long-term deficit spending risks.

2. Contain Rising Health Care and Pharmacy Costs

- Expand value-based purchasing and outcomes-based contracts with health plans and PBMs, particularly for GLP-1 therapies, gene therapies, and other specialty drugs.

- Strengthening pharmacy benefit oversight, rebate management, and formulary alignment to ensure affordability.
- Promote preventive care, wellness programs, and chronic disease management to reduce avoidable utilization.
- Leverage partnerships with other public sector purchasers to advocate for cost-containment reforms and explore group procurement opportunities.

3. Enhance Cybersecurity and IT Infrastructure

- Add an in-house IT Database Administrator to strengthen data security, system reliability, and disaster recovery planning.
- Invest in advanced cybersecurity defenses and continuous monitoring systems to protect personal health information (PHI).
- Expand digital self-service platforms with secure access controls to balance convenience and security.
- Provide annual staff training to improve cybersecurity awareness and reduce human error risks.

4. Improve Customer Service and Member Experience

- Implement a tiered service model by adding a Senior Public Assistance Representative to handle escalations and mentor staff.
- Standardize workflows and update customer service policies and procedures to reduce errors and processing delays.
- Expand web-based self-service functionality for routine transactions while preserving personalized support for complex needs.
- Develop tailored member communication and education resources to improve health literacy and benefit utilization.

5. Navigate Regulatory and Legislative Changes

- Monitor state-level reforms on prescription drug pricing, transparency, and cost-sharing limitations, ensuring compliance readiness.
- Model the financial impact of federal Medicare reforms under the Inflation Reduction Act, including drug price negotiations and out-of-pocket caps.
- Use in-house actuarial analysis to provide timely, data-driven recommendations to policymakers.
- Maintain engagement with the Legislature, Executive agencies, and public-sector partners to ensure alignment on retiree health priorities.

6. Address Provider Shortages and Access Barriers

- Expand telehealth, telemedicine, virtual care platform offerings and partnerships to mitigate shortages and improve access to healthcare services, especially in underserved or rural areas. This can enhance convenience, reduce costs, and facilitate better management of chronic conditions.
- Support provider recruitment and retention through value-based arrangements that incentivize high-quality, efficient care.

- Strengthen oversight of provider networks to ensure retirees have timely access to necessary services.
- Collaborate with state workforce development initiatives to address provider pipeline challenges.

7. Expand Behavioral and Mental Health Support

- Promote integration of behavioral health into primary care delivery models.
- Increase tele-mental health partnerships to expand access despite workforce shortages.
- Monitor utilization trends to anticipate costs and adjust plan design as needed.
- Enhance retiree education and outreach around behavioral health resources, stigma reduction, and crisis support.

8. Manage Inflationary and Economic Pressures

- Continue proactive cost containment efforts through contract negotiations, utilization management, and value-based arrangements.
- Stress-test financial models under various inflation and investment return scenarios to guide long-term planning.
- Explore operational efficiencies to reduce administrative costs without compromising service quality.

9. Adapt to Changing Retiree Demographics

- Invest in technology-driven self-service tools for younger retirees while maintaining traditional service channels for older members.
- Expand preventive health, wellness, and chronic disease programs to meet the needs of longer retirements.
- Tailor communication strategies to different retiree segments for accessibility and engagement.
- Evaluate plan designs and benefit offerings to ensure they remain responsive to evolving demographics.

10. Anticipate and Prepare for Future Challenges

- Monitor and responsibly integrate emerging technologies such as AI-enabled tools and remote monitoring into retiree care delivery.
- Incorporate climate-related health risks into actuarial models and disease management programs.
- Strengthen workforce sustainability through succession planning, leadership development, and competitive staffing investments (Administrative Operations Manager, IT Database Administrator, Senior Public Assistance Representative, Senior Actuary).
- Continue to benchmark against peer retiree systems nationwide to identify best practices and lessons learned.

AGENCY PROGRAMS

Health Care Benefits

Program Purpose:

The Health Care Benefits program provides affordable, comprehensive core group health care plans and optional life insurance to eligible participants. It is the foundation of NMRHCA's mission to balance affordability, sustainability, and access to quality care.

Program Users:

Program users include over 65,600 eligible retirees and their dependents as of August 2025, and about 311 participating employers and their employees (representing over 93,000 active employees). More than 10 percent of New Mexico's adult population is either directly covered by or contributing to future coverage through NMRHCA.

Program Goals:

- Extend solvency period. Maintain long-term sustainability of benefits by prudently managing the trust fund (valued at \$1.804 billion as of June 2025) and extending projected solvency beyond FY2056.
- Maintain affordability. Balance premium rates and benefit design to discourage deficit spending, reduce retiree burden, and continue growing the trust fund.
- Legislative partnership. Advocate for protection of the NMRHCA trust fund with a legislative resolution.
- Improve collections and oversight. Strengthening management and IT processes to ensure timely and accurate receipt of contributions from participating entities.
- Financial accountability. Ensure timely completion of budgets, audits, monthly balance reports, contracts, and compliance reporting, maintaining transparency for stakeholders.
- Prudent investment strategy. Continue reviewing and adjusting investment policy and asset allocations in collaboration with investment consultants and the State Investment Council, aligning with evolving markets and risk tolerance.
- Promote retiree health. Expand engagement in health-risk assessments, patient education, wellness programs, and chronic disease management to reduce costs and improve quality of life.
- Shift toward value-based care. Partner with health plans and providers to advance value-based reimbursement methodologies that reward quality outcomes, reducing reliance on fee-for-service models and bending the cost curve over time.

Program Performance Measures:

Healthcare Benefits Administration		FY25 Actuals	FY26 Target	FY27 Request
Outcome	Emergency room visits per one thousand members	572	<200	<200
Outcome	Hospital inpatient admissions per one thousand members	New		<100
Outcome	Hospital inpatient readmissions per one thousand members	New		<15%
Outcome	Number of nonemergent emergency department encounters per one thousand members	New		<20.8%
Outcome	Number of years of projected balanced spending	30	6	6
Output	Percent change in per-member per-year annual health claims cost	New		<8.75%
Output	Minimum number of years of positive fund balance	30	30	30
Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	42.1%	>85%	>85%
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	47.5%	>80%	>80%
Explanatory	Annual loss ratio for the health benefits fund	113%	<100%	<100%
Explanatory	Year-end fund balance of the health benefits fund, in thousands	\$1,804,706	Baseline	Baseline

Program Support/Administration

Program Purpose:

The Program Support/Administration program manages the day-to-day operations of NMRHCA. This includes administration, finance, customer support, human resources, IT, communications, and compliance functions that ensure the Authority operates efficiently and fulfills its fiduciary responsibilities.

Program Users:

Program users include NMRHCA retirees and dependents, the Legislature and Executive branch, the Board of Directors, participating employers, insurance providers, vendors, and the public.

Program Goals:

- Enhance workflow efficiency. Review, categorize, and improve customer service workflows; update operations manuals; and implement standardized procedures to ensure timely and consistent retiree service.
- Invest in workforce capacity. Add critical new positions (Administrative Operations Manager, IT Database Administrator, Senior Public Assistance Representative, and Senior Actuary) to strengthen oversight, service quality, and in-house expertise.
- Strengthen staff development. Develop comprehensive training plans in customer relations, technical expertise, cross-training, leadership, and team building to ensure adaptability and resilience.
- Professional certification. Offer opportunities for staff to participate in certification programs, such as SALGBA’s Certified Government Benefits Administrator program, to validate expertise and strengthen professional standards.
- Expand training participation. Engage staff across customer service, finance, and IT in targeted training and knowledge-sharing opportunities.

- Enhance customer service. Monitor and improve response times, establish escalation management protocols, and implement tools to reduce processing errors and ensure compliance.
- Ensure safe operations. Maintain safe environments for employees and customers by monitoring facilities, implementing safety protocols, and preparing continuity-of-operations plans.
- Leverage technology for efficiency. Improve digital tools and online self-service options for retirees, while strengthening cybersecurity and data protection to safeguard PHI and operational continuity.

Program Support		FY25 Actuals	FY26 Target	FY27 Request
Outcome	Percent of deposits made within 24 hours	100	100	100
Outcome	Percent of payments made within 30 days	99	98	98

Program Performance Measures:

CONCLUSION

For the fiscal year 2027, the Board anticipates ongoing enhancements to the management and financial state of the agency by clearly communicating our objectives and initiatives to all stakeholders within the organization. This strategy also aims to assess the success of our initiatives as indicated by our overall financial situation. The ongoing improvement of the financial state will reduce unfunded liabilities for employers and guarantee a competitive retiree health benefits program for current and future retirees.



Fiscal Year 2027

New Mexico Retiree Health Care Authority

IT STRATEGIC PLAN

September 2, 2025

Raymond Long
Chief Information Officer

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EXECUTIVE SUMMARY

The New Mexico Retiree Health Care Authority (NMRHCA) was established under the Retiree Health Care Act to ensure that public and higher education employees have access to affordable and secure health care benefits. The Information Technology (IT) Strategic Plan supports this mission by providing the systems, infrastructure, and security necessary to serve more than 65,600 retirees and their families.

The IT department is committed to delivering innovative, reliable, and cost-effective technology solutions that enhance agency operations, safeguard sensitive information, and support long-term program sustainability. Through proactive investment in cybersecurity, infrastructure modernization, and application development, IT plays a central role in enabling NMRHCA to fulfill its fiduciary responsibilities and improve member experience.

I. AGENCY OVERVIEW

A. AGENCY PURPOSE AND MISSION

The New Mexico Retiree Health Care Authority fosters quality of life and peace of mind by responsibly administering affordable, secure health care benefits for retirees and their families.

B. AGENCY BUSINESS GOALS

NMRHCA's primary business goal is to maintain and expand access to affordable health care benefits while ensuring the long-term solvency of the retiree fund. The IT department supports this goal through three core objectives:

- **Robust IT Infrastructure** – Provide reliable, secure, and efficient systems that empower staff to deliver services effectively.
- **Expert Technical Support** – Maintain a highly skilled IT team capable of supporting the agency's full technology environment.
- **Fiscal Stewardship** – Ensure that all technology investments are prudent, cost-effective, and aligned with the agency's mission.

C. AGENCY VISION

The IT department will align all technology initiatives with NMRHCA's strategic goals and State of New Mexico IT (DoIT) standards. By balancing service needs, available funding, and organizational capacity, IT will ensure the agency can operate at peak productivity while continuously improving member and staff experiences.

STRATEGIC PRIORITIES

- **Operational Efficiency** – Implement modern hardware and software to optimize staff productivity.
- **Cost Reduction with Quality Improvement** – Leverage technology to reduce administrative costs while maintaining high-quality service.
- **Cybersecurity and Data Protection** – Safeguard personal health information (PHI), agency systems, and financial assets through proactive security measures.

D. AGENCY BUSINESS PRIORITIES AND PRIORITY CHANGES

The agency's highest priority is controlling health care costs for retirees. IT supports this by:

- Providing secure, accessible data to inform policy decisions.
- Consolidating and upgrading servers and software (e.g., Microsoft OS and Database 2022).
- Implementing stronger backup and recovery processes.
- Developing the new Enrollment Portal to streamline member services.

E. AGENCY ACCOMPLISHMENT, GOALS, AND CHALLENGES

The IT Department plays a critical role as a strategic partner in agency planning. Over the past three years, NMRHCA has:

- Upgraded Microsoft Server and Database platforms.
- Enhanced cybersecurity under DoIT's statewide security umbrella (InTune and SecurIn).
- Implemented robust data backup and replication systems.
 - Twenty (20) minute replication intervals and clustering of main application server (2-node).
- Built a new retiree WebPortal.

Challenges remain in staffing, contractor reliance, and meeting rising cybersecurity demands. To address these, IT will continue to expand internal expertise, modernize infrastructure, and ensure compliance with HIPAA and other regulatory standards.

II. IT ENVIRONMENT

1. Major Applications

The agency relies on two primary applications to manage retiree health benefits and records:

- **CareView System** – A custom-built intake and benefits management system. CareView maintains retiree enrollment, benefit selections, and generates weekly provider files that supply health care carriers with essential participant information.
- **Kofax Document Imaging and Scanning System** – Used to securely capture and store retiree documents. All scanned records are associated with retiree files and maintained in compliance with HIPAA and agency retention standards.

Together, these systems ensure accuracy, security, and efficiency in administering retiree benefits.

2. Infrastructure

Staffing and Locations

NMRHCA operates two customer service locations in Albuquerque and Santa Fe with 28 authorized full-time employees. IT staff consists of **five positions**: CIO, two Application Developers, and two Network Administrators. Although staffing has remained stable, the steady increase in retiree enrollment has significantly heightened demands on IT infrastructure and support.

The agency shares data centers with the Public Employees Retirement Association (PERA) in Albuquerque and Santa Fe.

- **Albuquerque Office:** 24 computers, 4 core servers, 16 virtual machines, FortiGate 80F firewall, HPE MSA disk array, Veeams backup software, three Aruba and one Dell data switches, two FS S5860-20sq iSCSI switches, DoIT routers for Internet and telephony access, and a 300Mb internet circuit.
- **Santa Fe Office:** 3 core servers, 7 virtual machines, FortiGate 80F firewall, Network Attached Storage (NAS), Veeams Backup software, 7 computers, Aruba and Dell switch, DoIT routers for Internet and telephony access, and a 300Mb internet circuit.
- **Telephony:** Avaya phones are deployed at both sites; connectivity is supported through DoIT routers.

The infrastructure assets consist of the following:

Hardware

- ❖ 12 Dell computers
- ❖ 20 HP computers
- ❖ 2 Dell Servers
- ❖ 5 HP Servers
- ❖ 18 Microsoft Hyper-V servers
- ❖ 2 FortiGate 80F Firewalls
- ❖ 3 Aruba switches
- ❖ 2 Dell switches
- ❖ 2 FS iSCSI switches
- ❖ KoFax Scanning System w/Canon DR-G2140 scanner
- ❖ 26 desktop printers
- ❖ 2 enterprise copiers
- ❖ 2 enterprise copiers with Fax
- ❖ 17 Canon user printers
- ❖ 8 HP user printers
- ❖ 1 disk array (HP MSA)
- ❖ 1 tape backup system (LTO8)

Software

- ❖ Microsoft Windows 2022 Enterprise Server Software
- ❖ Microsoft Office software O365 for each staff member
- ❖ Microsoft Visual Studio 2019
- ❖ HIPPA SUITE software
- ❖ Microsoft SQL Server software 2022
- ❖ Microsoft SharePoint Server software 2019
- ❖ OTG Application Extender software (AppX)
- ❖ Netwrix Network/AD monitor software
- ❖ PGP and TLS Encryption for Emails
- ❖ MS Defender for EndPoints and Servers

Data

- ❖ Retiree Data – Odessey, REBIS, CareView, and OTG databases
- ❖ File Share Data – Consists of all documents stored on NMRHCA shared drive
- ❖ Personal Folder Data – Consists of the personal folders of all staff member’s drive

3. Security

The agency prioritizes cybersecurity to protect retiree PHI, financial assets, and agency systems. Security governance is embedded through partnerships with DoIT and contracted expertise.

Key security measures include:

- **Penetration Testing & Scans** – Monthly penetration assessments (DoIT/Ivanti) since 2022; monthly external penetration tests by DHS CISA since 2024; annual statewide DoIT penetration test (most recent May 20, 2025).
- **Security Governance** – Contracted HIPAA-focused training and policy development with Segal Co. since 2018.
- **Policies & Procedures** – Implemented and partially completed updates covering information security, password management, and acceptable use.
- **Vulnerability Management** – Ongoing remediation of risks identified in monthly security assessments.
- **Access Control & Monitoring** – Standardized Active Directory naming and group policy management; Netwrix monitoring of Active Directory and SQL database changes.
- **Encryption & Upgrades** – Migration from unsupported Microsoft versions to Server 2022, SQL 2022, and SharePoint 2019. All retiree data encrypted (SQL 2022 database encrypted July 17, 2025).
- **Endpoint Protection** – Defender for Endpoints and Servers, BitLocker, Entra ID, and Intune device management.
- **Cybersecurity Awareness** – Periodic staff security alerts; KnowBe4 phishing training pending implementation.

4. Agency IT Certified Projects

Current projects are designed to improve service delivery for retirees and staff alike. The new electronic enrollment portal streamlines processes and enhances ease of use. Upgrading desktop PCs to the latest version of Windows ensures continued security and feature support. In addition, replacing the CareView application’s GUI with a consolidated .NET/C# framework will simplify maintenance, reduce reliance on external platforms such as SharePoint, and allow faster, more reliable system enhancements.

Enrollment WebPortal	
Project Description	Allow new Retirees to electronically enroll in RHCA to start their State sponsored benefits
Estimated Project Costs	\$40,000.00
Current Funding	\$40,000.00
Certified Project Phase	Phase III
Estimated Completion	June 30, 2026
Strategic Priority	1
Agency IT Strategic Plan Alignment	

Windows 11 implementation	
Project Description	Upgrade or replace Window 10 PCs
Estimated Project Costs	\$9,634.00
Current Funding	\$20,000.00
Certified Project Phase	Refresh 4
Estimated Completion	June 30, 2027
Strategic Priority	2
Agency IT Strategic Plan Alignment	

5. Workforce

A. Full Time IT Employees

Classification	Positions Filled	Positions Vacant
CIO	1	0
IT Application Dev III	2	0
Network Admin II	1	0
Network Admin I	1	0

B. Percentage of IT Full-Time Employees Teleworking, In the Office, or a Hybrid Schedule

Teleworking (%)	Working in the Office (%)	Hybrid Schedule (%)
20%	80%	0%

C. IT Professional Services Contractors

Service Category	Contract Vendor Name	Number of Contract Personnel	Annual Hours
Professional Services	Respec	1 (one)	435

6. Challenges

The agency’s fiduciary responsibility to retirees drives all benefit plan decisions and ensures the long-term solvency of the Retiree Fund. Maintaining solvency is the agency’s highest priority and guides every strategic initiative. A major eligibility change was implemented in July 2021: retirees must now be at least 55 years old to qualify for the health care subsidy. Those retiring before age 55 are responsible for the full cost of coverage. This shift in subsidy eligibility required significant updates to IT applications that establish retiree benefits and transmit data to participating health and life insurance providers.

Cybersecurity remains a top priority due to the increasing frequency of ransomware and cyberattacks affecting state agencies. Protecting members' personal health information (PHI) and safeguarding financial transactions are central to the agency's fiduciary role. With more than \$16 million in monthly premiums processed and delivered to carriers, IT staffing is critical to maintaining secure operations. Filling the Network Administrator I role has allowed the Network Administrator II to dedicate more time to cybersecurity. Additional focus is being placed on security training for all staff, as phishing and social engineering remain the most common entry points for cyberattacks. Standardizing network equipment with FortiNet firewalls, switches, and access points is also planned, enabling centralized management, stronger protection, and greater efficiency.

Over the past year, nearly all aging servers have been replaced, with one new server added to enhance performance. These upgrades have improved the functionality of the core CareView application. Moving forward, a cyclical replacement approach will be adopted to prevent technology gaps. Microsoft server software was upgraded from 2012 to 2019/2022 versions; future planning is needed to stay current with upcoming 2025 releases and ensure continued security and functionality. By upgrading again in 2027, the agency will position itself midway through the 2022 lifecycle while also advancing into the 2025 platform, reducing the frequency of major future upgrades.

The current testing environment has struggled since the Microsoft upgrades, requiring greater processing power and further impacted by SQL database encryption. To improve testing efficiency, interim upgrades to RAM and storage are being considered until a new server can be purchased. Maintaining a strong test environment is vital for bug resolution and application enhancement. While CareView has seen notable improvements, issues remain, and development work is ongoing. Replacing the web-based GUI, currently built on Microsoft SharePoint 2019, is a priority. Since SharePoint has shifted to cloud-based systems with its 2022 release, the agency is planning a transition to a programmable GUI built in .NET and C#, aligning with CareView's framework. A feasibility analysis completed at the end of FY25 confirmed this approach is viable.

The new Enrollment WebPortal (v1.0) has been successfully launched, offering retirees electronic enrollment functionality. Continued updates and enhancements, including a Change Request section, will be needed as usage expands. Adequate resources must be dedicated to ensure the portal becomes a reliable and widely adopted tool for retirees.

Data backup protocols are now more robust, with replication to Santa Fe every 20 minutes and an immutable backup server in place to protect against ransomware. While these measures strengthen resiliency, minimal testing has been conducted to verify recovery processes, and replacing the seven-year-old tape backup system (LTO8) should be prioritized to maintain reliability.

The user desktop environment is evolving on a four-year refresh cycle. With Windows 10 reaching end-of-life, migration to Windows 11 is underway. Once fully standardized, the refresh cycle may extend to five years, supported by improved compatibility with the 2025 server operating system and enhanced security features.

Data room improvements have also been made. A new AC unit and upgraded UPS systems have stabilized cooling and power reliability, while a continuously running fan has helped mitigate humidity issues. Despite extreme climate fluctuations, monitoring software shows that conditions have remained steady. Daily oversight remains essential to ensure continued stability.

III. KEY ACCOMPLISHMENTS – PRIOR FISCAL YEAR

A. STRATEGIC IT ACCOMPLISHMENTS

STRATEGIC PRIORITY 1 – Deliver fast and reliable IT services	
Implement an efficient technical operation structure to support benefit program administration.	
Strategy 1	Active Directory (AD) Organizational Units (OU)’s redone
Accomplishments	Redid OU structure to better align with incoming Hybrid Security (InTune)
Outcomes/Metrics	Allows for better and more efficient granting of permissions and pushing out patches/updates; managing UserIDs and devices
Strategy 2	Provide best possible Desktops for Staff
Accomplishments	3 rd year refresh of PCs
Outcomes/Metrics	Retired outdated computers; prep for running Windows 11, as Windows 10 is expiring
Strategy 3	Redo Rack Server alignment and wiring
Accomplishments	Retired outdated servers, aligned new (2022) servers for next refresh; continued wire and cable management
Outcomes/Metrics	Rack ready for current servers and one pending one; wire management allows for quick patching and tracing
Strategy 4	Retire outdated Server hardware and OS
Accomplishments	Removed two 2019 Servers (Yoda, DA1)
Outcomes/Metrics	Reduced security vulnerabilities to RHCA environment.

STRATEGIC PRIORITY 2 – Secure IT infrastructure	
Protect agency and retiree data while meeting CMS and HIPAA requirements.	
Strategy 1	Become part of DoIT’s CyberSecurity umbella
Accomplishments	Complete four of five CyberSecurity components from DoIT OCS; pending InTune in
Outcomes/Metrics	Provide for 1 st layer protection for vulnerabilities and attacks
Strategy 2	monthly (DoIT & HHS-CISA) Security Assessments on infrastructure
Accomplishments	Eliminating older, less secure protocols and addressing current and new vulnerabilities
Outcomes/Metrics	better awareness of potential risks and quicker turnaround time to correct

Strategy 3	SQL tuning and encryption
Accomplishments	MS SQL 2022
Outcomes/Metrics	Variables set for memory and CPU processing to provide best performance; DB encryption to protect PHI if databased is stolen/copied
Strategy 4	Upgraded and installed enhanced Cyphers and Certificates
Accomplishments	Set TLS encryption to 1.2 and 1.3; Cyphers to Triple DES168, AES128, and AES 256; Hashes to SHA256, 384, 512
Outcomes/Metrics	Better security for desktops and servers

STRATEGIC PRIORITY 3 – Maintain and enhance core applications (CareView and AppX)	
Ensure core applications operate at peak efficiency to support staff and retirees.	
FY23 Strategy 1	Improved CareView database performance in production
Accomplishments	Set max RAM and Buffer usage for SQL DB
Outcomes/Metrics	Provides DB max limits on memory usage, while preventing memory from being taken from OS
FY23 Strategy 2	AppX Scanning DB move
Accomplishments	Moved AppX DB (OTG) to SQL 2022; current SQL Express DB limit at 9Gb of max 10Gb
Outcomes/Metrics	Database/indexing of AppX can continue to grow without restriction; until 2Tb
FY23 Strategy 3	Correct and enhance CareView
Accomplishments	18 bugs/patches handled / 3 deployments / SQL 2022 compatibility changes – tested, verified, & put into production system
Outcomes/Metrics	Better functioning core Application to serve staff and customers
FY23 Strategy 4	IRS / Federal gov’t data uploaded
Accomplishments	IRS 1095-B upload data sent to IRS; 3 for 3 yearly 1 st try attempts successful
Outcomes/Metrics	Retirees received their mandated IRS information

B. OTHER KEY IT ACCOMPLISHMENTS – PRIOR FISCAL YEAR

APPLICATION	
Accomplishment	Upgraded AppX and KoFAX applications; migrated images to new destination server
Value or Impact	Provided enhancements and eliminated bugs and security risks; able to retire older, slower server where Agency images resided
DATA	
Accomplishment	Finalized a comprehensive data backup schedule that ensures data is backed-up to Tape and Disk, Onsite/Offsite copies, replication every 20min to SF, and secure, stable Immutable copy (SF)
Value or Impact	Strengthened disaster recovery capabilities
PROCESS IMPROVEMENT	
Accomplishment	Hybrid AD join (with InTune) allowed for single sign on to RHCA domain with Office365; also allowed single-sign on with Careview
Value or Impact	Standardized logins and created two-factor authentication with domain
WORKFORCE	
Accomplishments	Fully Staffed / NetAdmin II and NetAdmin I roles both filled
Value or Impact	Improved workload distribution, enhanced cybersecurity focus, and established backup staffing
CUSTOMER SERVICE	
Accomplishments	Deployed a second AppX/KoFAX scanner in Santa Fe
Value or Impact	Allowed same-day document scanning and eliminated transport delays to Albuquerque
TELEWORK	
Accomplishments	N/A
Value or Impact	N/A
SECURITY	
Accomplishments	Implemented four of five DoIT security components (pending Intune) and encrypted SQL databases
Value or Impact	Allows Agency to fall under and be part of State’s Cybersecurity umbrella; PHI data is locked and protected if stolen/copied

IV. FY27 IT STRATEGIC GOALS AND STRATEGIES

STRATEGIC PRIORITY 1 – Strengthen Agency Cybersecurity	
Goal Statement - Ensure that the agency’s technology environment, applications, and retiree data remain secure against evolving threats.	
Strategy 1	Move to standardize network security equipment (FortiNet)
Outcomes/Metrics	Consolidate firewalls, switches, and access points under FortiNet to enable centralized management, stronger security alerts, and greater efficiency
Strategy 2	Complete Alignment with DoIT Cybersecurity compliance standards
Outcomes/Metrics	Four of five areas completed – pending InTune. Once done, this allows Hybrid join with DoIT to provide more oversight and resources to identify, prevent, and quarantine vulnerabilities in RHCA environment – including desktops, servers, and software. Standardization with security patch management.
Strategy 3	Expand Use of Third-Party Monitoring Tools
Outcomes/Metrics	Increase visibility into event logs and system alerts using tools like Netwrix, allowing proactive action to address risks

STRATEGIC PRIORITY 2 – Enhance Core Application Testing and Development	
Goal Statement – Build internal capacity to maintain and improve the CareView system while reducing reliance on external contractors.	
Strategy 1	Rely less on contracted support for the agency’s CareView system
Outcomes/Metrics	Recruit and assign a full-time staff position to manage CareView bug fixes and enhancements
Strategy 2	Maintain current Microsoft server environment
Outcomes/Metrics	Plan for new OS (2025), and related Server services (SQL, BizTalk, SharePoint, Visual Studio, etc) – for current CareView environment
Strategy 3	Document programming code to business logic
Outcomes/Metrics	Create documentation for CareView modules, reducing troubleshooting time and supporting smoother enhancements

STRATEGIC PRIORITY 3 – Improve Core Application Functionality	
Goal Statement - Ensure CareView and related systems operate efficiently and continue to meet staff and retiree needs.	
Strategy 1	Ongoing CareView Enhancements
Outcomes/Metrics	Address bugs and implement usability improvements to increase staff efficiency
Strategy 2	Advance WebPortal Rollout (Phase 3)
Outcomes/Metrics	Electronic enrollment and Change Request portal streamlines processes and enhances ease of use.
Strategy 3	Staff Training and Support
Outcomes/Metrics	Standardize CareView and WebPortal training across Customer Service and Finance to reduce errors and minimize IT intervention

STRATEGIC PRIORITY 4 – Update Physical Computing Environment	
Goal Statement - Implement efficient and effective operational structure to support administration of benefit programs.	
Strategy 1	Strengthen Test Environment
Outcomes/Metrics	Upgrade servers, RAM, and storage to improve testing capacity and reduce delays
Strategy 2	Replace Aging Servers
Outcomes/Metrics	Cycle out remaining legacy servers and refresh virtual server hosts (Hyper-V) to supported versions
Strategy 3	Maintain Robust Backup Systems
Outcomes/Metrics	Replace aging LTO8 tape drive with LTO9 drive.
Strategy 4	Refresh User Desktops
Outcomes/Metrics	Standardization of hardware, eliminated older equipment, complete migration to Windows 11

STRATEGIC PRIORITY 5 – Business Continuity and Resilience	
Goal Statement - Ensure the agency can maintain operations and recover quickly from disruptions.	
Strategy 1	Develop a Comprehensive Business Continuity Plan (BCP)
Outcomes/Metrics	Establish formal procedures to ensure uninterrupted operations during emergencies
Strategy 2	Enhance Disaster Recovery Plan (DRP)
Outcomes/Metrics	Document and test recovery processes to restore IT services in the event of a system failure or disaster
Strategy 3	Formalize IT Policies and Procedures
Outcomes/Metrics	Publish updated IT policies on security, access, and usage to guide staff behavior and ensure accountability

V. IT FISCAL AND BUDGET MANAGEMENT

Information Technology (IT) Operating Budget (C1)

(To update this table, please double click on the embedded spreadsheet and add the required information. Before exiting the spreadsheet, please make sure to scroll up. Otherwise, the entries of this table will not be fully previewed.) □

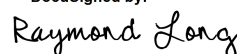
Agency Name				Agency Code	
Retiree Health Care Authority				34300	
Base Request Operational Support of IT. Check one of the options below:				Flat Budget	Expansion from previous year
Yes/No				Yes	
Revenue IT Base Budget (dollars in thousands)					
Appropriation Funding Type	FY24 Actual	FY25 Actual	FY26 OpBud	FY27 Request	FY28 Estimate
General Fund	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0
Internal Svc Funds/Interagency Transfer	810.1	880.9	969.2	1,001.1	1,014.1
Total	810.1	880.9	969.2	1,001.1	1,014.1
Expenditure Categories (dollars in thousands)					
Category or Account Description	FY24 Actual	FY25 Actual	FY26 OpBud	FY27 Request	FY28 Estimate
Personnel Services & Employee Benefits	508.4	550.2	664.8	664.8	664.8
Contractual & Professional Services	118.0	110.9	100.0	115.0	120.0
IT Other Services	183.7	219.8	204.4	221.3	229.3
Other Financing Uses	0.0	0.0	0.0	0.0	0.0
Total	810.1	880.9	969.2	1,001.1	1,014.1
	Print Name	Phone	Email Address	Date	
Agency Cabinet Secretary/Director (Mandatory)	Neil Kueffer	505-222-6408	neil.kueffer@rhca.nm.gov		
Chief Information Officer or IT Lead(Mandatory)	Raymond Long	505-222-6421	raymond.long@rhca.nm.gov		
Chief Finance Officer (Mandatory)	Sheri Ayanniyi	505-222-6406	sheri.ayanniyi@rhca.nm.gov		

Agency Cabinet Secretary/Director Signature

DocuSigned by:

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Chief Information Officer/IT Lead Signature

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Chief Financial Officer Signature

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VI. SPECIAL FUNDING, SUPPLEMENTAL, COMPUTER SYSTEM ENHANCEMENT (C2) FUNDING AND REAUTHORIZATION OF C2 APPROPRIATIONS

- A. **Special Funding and Supplemental Request(s):** [Include narrative describing any special or supplemental funding requested. If none, note the agency has no requests.]

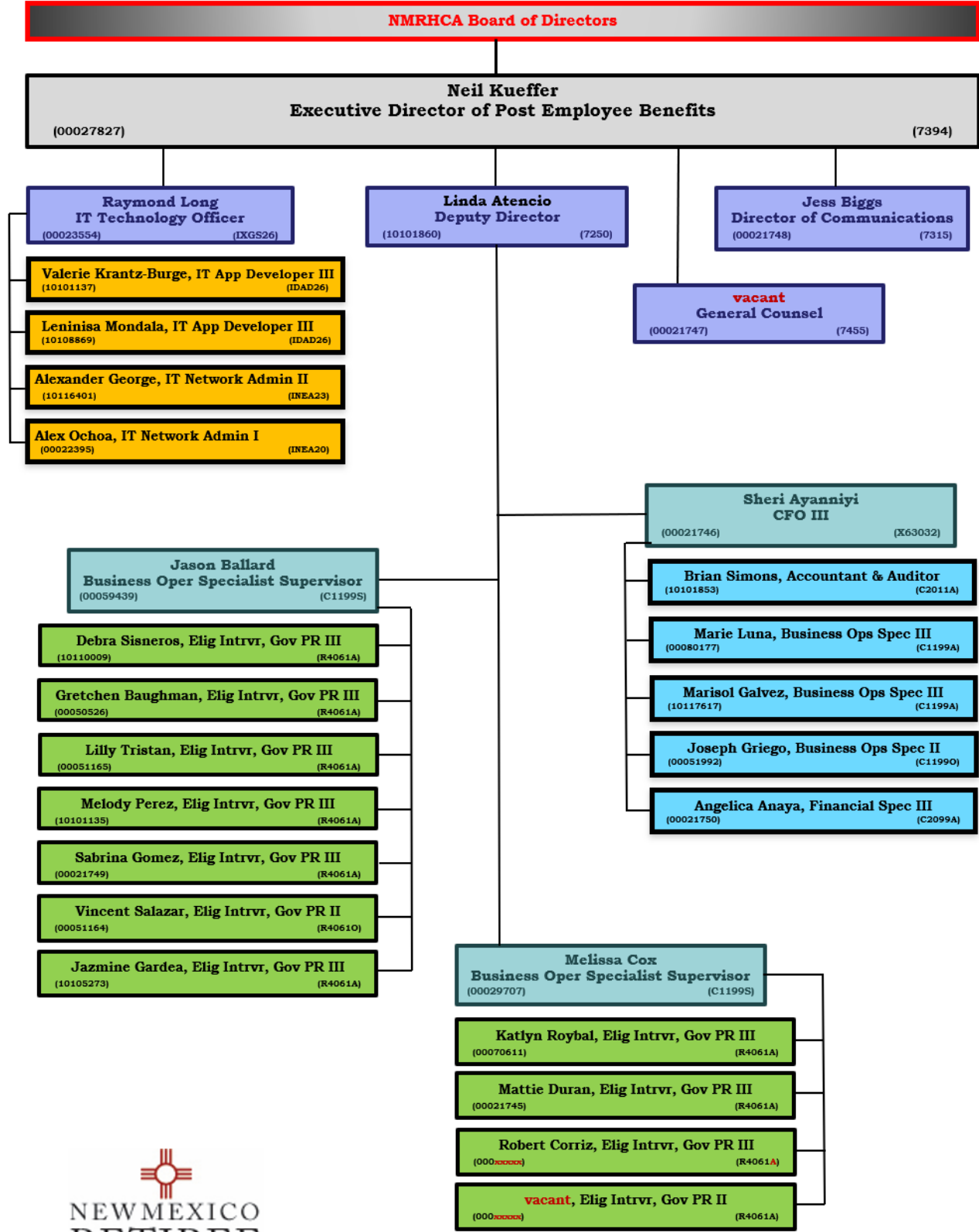
- B. **Computer System Enhancement (C2) Funding:** [Include a list of C2 funding request(s) with the name(s) of the proposed projects. Insert a C2 Information Technology Data Processing – Computer Enhancement Fund (CSEF) form for each request as Appendix-A-III and reference Appendix-A-III in this section. If none, note the agency has no requests.]

- C. **Reauthorization of C2 Appropriations:** [Include requested reauthorizations of prior C2 appropriations or note the agency is not requesting reauthorization of prior C2 appropriations.]

REQUEST FOR REAUTHORIZATION OF C2 APPROPRIATIONS

Information Technology Request for Reauthorization of C2 Appropriations			
Agency Name		Agency Code	
Lead Agency Name Listed on Appropriation		Project Name	
Source of Authorization (e.g. Laws 2022, Chapter 54, Section 7 (12) or Grant/Federal Fund #)		Appropriation Amount (in thousands)	Remaining Balance (in thousands)
		0.0	0.0
		0.0	0.0
		0.0	0.0
		0.0	0.0
		0.0	0.0
		0.0	0.0
Total amount appropriated for project life (in thousands)		Will the project be completed within the next fiscal year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Reason for Requesting Reauthorization			

APPENDIX A-I: AGENCY ORGANIZATION CHART



APPENDIX A-II: IT ORGANIZATION CHART



APPENDIX A-III: C2 IT DATA PROCESSING CSEF

APPENDIX A-III: C2 IT Data Processing CSEF

C2: Information Technology Data Processing - Computer Systems Enhancement Fund (CSEF)

Agency Name	Agency Code	Project Name		
Multi-Agency Project	Participating Agencies	Priority	Projected/Actual Start Date	Projected End Date

Revenue Project Cost (dollars in thousands)				
Category or Account Description	FY25 & Prev Actual	FY26 Budget	FY27 Request	Total
General Fund (CSEF)	0.0	0.0	0.0	0.0
Other State Funds (*specify funds below)	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0
Internal Svc Funds/Interagency Transfer	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0
*If Other State Funds, Specify Funding Source/Fund Name				

Expenditure Categories (dollars in thousands)				
Category or Account Description	FY25 & Prev Actual	FY26 Budget	FY27 Request	Total
Personnel Services & Employee Benefits	0.0	0.0	0.0	0.0
Professional Services	0.0	0.0	0.0	0.0
Travel/Lodging	0.0	0.0	0.0	0.0
IT Hardware	0.0	0.0	0.0	0.0
IT Software	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

	Print Name	Phone	Email Address	Date
Agency Cabinet Secretary/ Director (Mandatory)				
Chief Information Officer or IT Lead(Mandatory)				
Chief Finance Officer / Budget Director (Mandatory)				

Agency Cabinet Secretary/Director Signature _____

Chief Information Officer/IT Lead Signature _____

Chief Finance Officer/Budget Director Signature _____

**FY26 APPROPRIATION REQUEST
FORM E-6B LEASED PASSENGER-RELATED VEHICLES**

Account code 542800

LEASED VEHICLE INFORMATION @ 7/1/25

Agency Name: Retiree Health Care Authority
Program Name: Program Support

Business Unit: 34300
Program Code: P634

Item No.	LONG TERM LEASES ONLY						Lease Type Operational (O) or Standard (S)	Long Term Only			SHORT TERM ONLY			Put (x) if Fed \$
	Year	Make/Model	Vehicle Type	A** R C	License Plate Number	Mileage As of 7/1/25		A	B	A x B = C	D	E	D x E = F	
								FY27 Monthly Rate S= Rate Schedule	Number of months to lease	Total cost Rate FY27	Daily Rate Based On Vehicle Type	No. of Days	Total Lease Rate	
Example														
1	2021	Nissan/Altima	02BA	C	008680SG	24,712	Standard (S)	704	12	8,448.0			-	
2										-			-	
3										-			-	
4										-			-	
5										-			-	
6										-			-	
7										-			-	
8										-			-	
9										-			-	
10										-			-	
11										-			-	
12										-			-	
13										-			-	
14										-			-	
15										-			-	
16										-			-	
17										-			-	
18										-			-	
19										-			-	
								TOTAL LONG TERM:		8,448.0	TOTAL SHORT TERM:		-	

Operational(O) rate for FY27 will be

** Code A = additional leased vehicle request C = vehicle currently leased R = request to replace previously purchased vehicle