



August 30, 2024

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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. Miller and Mr. Simon,

I am writing on behalf of the New Mexico Retiree Health Care Authority (NMRHCA), to submit our appropriation request for Fiscal Year 2026, commencing July 1, 2025. We request a total of \$411.1 million, representing an increase of \$4.8 million, or 1.2 percent, over the FY25 approved operating budget.

The proposed increase for the Healthcare Benefits Administration Program accounts for the recent request for proposal cost increases and trends in medical, pharmacy, and voluntary benefits. These costs encompass overall changes in participation, evolving medical and pharmacy trends, and adjustments to rate agreements for voluntary plans paid directly by retirees.

We are requesting \$4.4 million for Program Support, which is \$287.8 thousand, or 7.0 percent, above the FY25 approved budget. This request includes total funding for 28 FTEs, with an additional FTE to support the increased member participation over the years, contract management, procurement, reporting, oversight, and overall program administration, including compliance with federal and state regulations. Additionally, there are modest increases in other cost categories and enhancements in contractual services for investment advisory, internal audits, and benefits consulting.

We appreciate your time and consideration of this request and are grateful for your ongoing support. Should you have any questions or require further information, please feel free to contact me directly.

Sincerely,



Neil Kueffer  
Executive Director

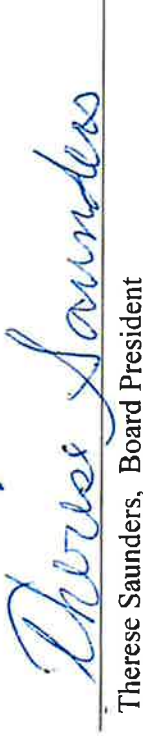
APPROPRIATION REQUEST  
CERTIFICATION  
FORM S-1

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.*

  
Neil Kueffer, Executive Director

  
Therese Saunders, Board President

  
Sheri Ayanniyi, Chief Financial Officer

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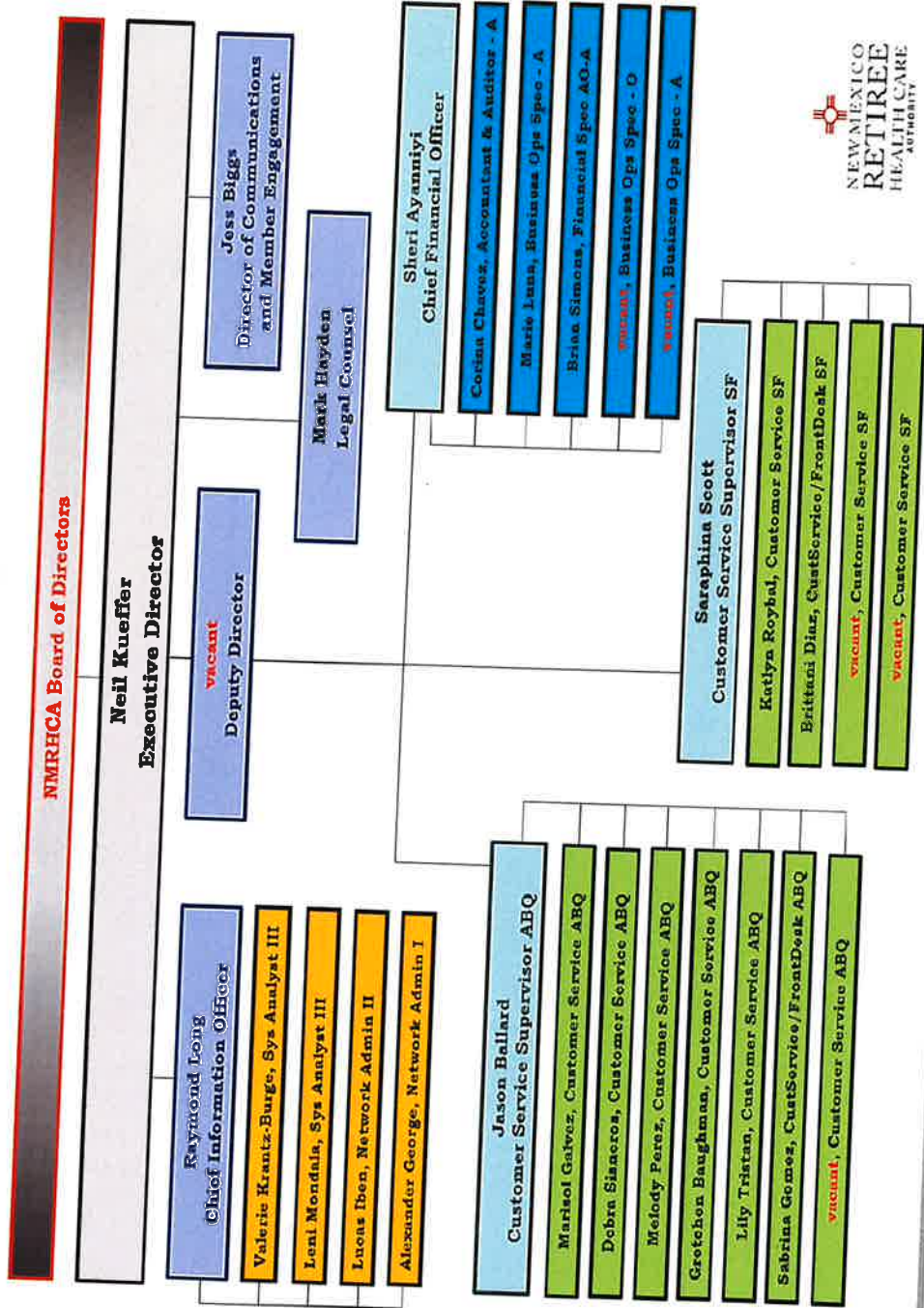
sheri.ayanniyi@rhca.nm.gov

*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: 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



NEW MEXICO  
**RETIREE**  
HEALTH CARE  
**AUTHORITY**

**FY26 STRATEGIC PLAN**

September 1, 2024

## **EXECUTIVE SUMMARY**

The New Mexico Retiree Health Care Authority (“NMRHCA” or “Authority”) Board of Directors is pleased to submit the FY26 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 304 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 65,700 retirees and their dependents.

The Authority is governed by a 12-member Board of Directors. The newest member (HCA) joined this year, 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 and (5) federal prescription drug subsidies and rebates. The Authority’s trust fund is comprised of revenue from the same sources.

### Staffing and Locations

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

In the upcoming fiscal year, NMRHCA is seeking approval for an additional full-time employee to handle the organization's expanding operations, the retiree population's increasing needs, and changes in health care reporting requirements and regulations. Specifically, we are requesting an Administrative Operations Manager position to provide enhanced oversight of customer service, including the crucial role of managing special reports provided by vendors. This position will ensure these reports are accurately monitored, worked on, and audited for better efficiency. The position will also be instrumental in improving workflow coordination between customer services and finance, thereby enhancing our overall efficiency and productivity. In addition, it will be responsible for developing missing policies and procedures and reviewing the policies and procedures for customer service to ensure alignment across both agencies in using best practices, participating in Request for Proposals evaluations, and working closely with leadership to provide necessary support as needed. The position will also provide research on industry trends and available programs that have been implemented by other public sector groups for success and lessons learned when unsuccessful. The knowledge required for this position will also support with the handling of escalated customer service issues.

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 status of NMRHCA's trust fund continues to present a significant long-term challenge, but it has shown substantial improvement. As of June 30, 2024, the State Investment Council reported a trust fund balance of \$1.504 billion, reflecting an increase of approximately \$248.4 million, a 19.8 percent rise compared to June 2023. The solvency of the program extends beyond 30 years, and deficit spending has been postponed through fiscal year 2035. The Board of Directors is actively implementing cost containment measures and making strategic investments in the healthcare outcomes of its members while being committed to ensuring access to affordable health insurance for retirees and their eligible dependents.

The health care sector in New Mexico and the United States as a whole is facing numerous challenges, both presently and in the foreseeable future. It is imperative for stakeholders to address these challenges to ensure the well-being of the population and the sustainability of the health care system. The below items aim to highlight the major challenges in health care and propose potential strategies for addressing them.

Some of the current challenges consist of:

- **Rising Costs:** Health care costs are escalating, placing a significant financial burden on individuals, families, and the healthcare system as a whole. Addressing the rising costs of healthcare services, pharmaceuticals, and insurance is crucial for ensuring affordability and accessibility for all.
- **Access:** Disparities in access to quality healthcare services continue to persist, particularly in underserved communities. This includes issues related to geographical accessibility, health insurance coverage, and cultural barriers to care. Many individuals and communities lack access to primary care, specialty services, and preventive care, leading to disparities in health outcomes. Addressing these access barriers is essential for improving the health of our retirees but population health overall.

- **Provider Shortage:** There is an ongoing shortage of healthcare providers, including primary care physicians, nurses, and specialists. This shortage poses a threat to timely and adequate healthcare delivery, especially in rural and remote areas.
- **Mental and Behavioral Health:** Mental health and behavioral health conditions are increasingly recognized as major public health concerns. Addressing these challenges requires a multifaceted approach that encompasses both prevention and treatment strategies.
- **Specialty Medications:** Access to and affordability of specialty medications, including GLP-1s and other advanced therapeutics, present financial barriers for patients and healthcare systems.
  - Advanced medications such as GLP-1s represent a new frontier in the treatment of various health conditions, including diabetes and obesity. While these medications offer promising benefits, their availability and affordability may present challenges for some patients, particularly those with limited insurance coverage.

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.

Addressing the challenges in health care demands a concerted effort from all stakeholders, including policymakers, healthcare providers, insurers, and the public. With costs consistently rising it is creating a delicate balance between controlling costs and improving access and quality of care.

## **FY26 STRATEGIC PRIORITIES**

The Board of Directors remains committed to ensuring that our members have access to affordable coverage and, accordingly, is implementing cost containment measures and making strategic investments to improve health care outcomes.

NMRHCA's strategic priorities reflect this commitment and are focused on maintaining solvency, making contributions to the long-term investment account, managing costs for our population, and providing comprehensive customer service. Specific strategic priorities for the agency in addition to the above include:

- Upgrading web-based capabilities to provide members with access to their NMRHCA account and make changes to their coverages and demographic information
- Comprehensive review and revision of all applicable rules codified in the New Mexico Administrative Code
- Maintaining a robust HIPAA compliance program and following all compliance guidelines

- Compliance with reporting requirements contained in GASB Statements 74 and 75
- Continuing to develop and upgrade a 'fee-for-outcome' arrangement with medical providers
- Develop more arrangements around value based and performance-based outcomes with health plans
- Increasing plan oversight to reduce costs and improve outcomes
- Maintaining a diversified investment strategy to improve earnings and reduce risk, and identifying new strategies in providing further support
- Ensure timely and accurate responses to customer inquiries and billing arrangements
- Development of a comprehensive plan guide document for all customer service employees
- Work with state IT to help improve cyber security of NMRHCA

## 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 current eligible participants.

#### Program Users:

Program users include approximately 65,700 eligible retirees and their dependents as of August 2024, and about 304 participating employers and their employees (representing over 93,000 active employees). More than 10 percent of the adult population in New Mexico is either covered by or contributing to future coverage through NMRHCA.

#### Program Goals:

- Extending solvency period. NMRHCA is committed to prudently extending the benefits offered through NMRHCA for as long as possible. This solvency period, a key metric, is defined as the time period during which a positive balance in NMRHCA's trust fund is sufficient to pay full benefits for a projected future year. The objective of this goal is to maintain the benefits offered by NMRHCA, showcasing our strategic foresight and commitment to our members.
- Maintain affordable premiums and plan designs that discourage deficit spending and grow the Authority's trust-fund balance. The objective of this goal is to strike a balance between the level of benefits provided, aligning with our long-term financial goals, and what retirees can reasonably pay. This approach demonstrates our commitment to financial sustainability without compromising the welfare of our retirees.
- Continue to take steps toward the enactment of legislation to adjust the employer/employee contribution level prior to deficit spending as part of the comprehensive five-year sustainability plan. The objective of this goal is to continue the progress the Authority, Legislature, and Executive branch have made in improving the long-term finances of NMRHCA.
- Monitor and improve management and IT processes to assure the accuracy and timely receipt of employer/employee contributions from participating entities. This goal aims to ensure that the Authority is collecting all revenues owed from participating entities.

- Assure timely completion of annual budget, audit, monthly balance reporting, contracts, and associated process changes. This goal aims to ensure accurate reporting of the Authority's financial position to the Board and other interested parties.
- Adjust investment policy and asset allocations, considering changes at the State Investment Council, available investment options, and risk tolerance parameters and policies defined by the Board. This goal aims to prudently grow the Authority's investment fund and ensure that the Board meets its fiduciary obligations to manage the fund.
- Develop strategies that increase participation levels in health-risk appraisals, patient education, and disease management. The objective of this goal is to significantly improve the health status of NMRHCA retirees, reflecting our commitment to a holistic approach to member care.
- Work with health plan and provider/hospital group partners to develop and implement a value-based health care reimbursement methodology as an adjunct/replacement of traditional fee-for-service reimbursements. This goal aims to provide downward pressure to projected future health care cost increases to improve NMRHCA's long-term financial outlook.

Program Performance Measures:

Healthcare Benefits Administration		FY24 Actuals	FY25 Target	FY26 Request
*Output	Minimum number of years of positive fund balance	30	30	30
Outcome	Number of years of projected balance spending	10	6	6
Outcome	Emergency room visits per thousand members	512	<200	<200
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	49.6%	<80%	<80%
Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	41.0%	<85%	<85%
Efficiency	Annual loss ratio for the health benefits fund	99%	<100%	<100%
Explanatory	Year-end fund balance of the health benefits fund	\$1,504,639,859	Baseline	Baseline

Program Support/Administration

Program Purpose:

Program Support manages the day-to-day operations of the Authority. The program encompasses administration, finance, human resources, customer support, information technology and communication functions.

Program Users:

Program users include retirees, Legislature and Executive branch, the Board of Directors, insurance providers, participating entities, and the people of New Mexico.

Program Goals:

- Review, categorize and improve customer service workflow processes and update customer service operations manual to increase effectiveness and overall service. With the goal of improving staff performance and efficiency.

- Identify and implement strategies to improve program support in all areas of NMRHCA by reviewing and enhancing workflow processes, update, and document clear policy procedures, and achieve better response times.
- Review and develop staff training plans in the areas of customer relations, technical training, cross-training of job responsibilities, leadership development and team building.
- Identify and offer key staff opportunities to participate in certification programs, such as SALGBA's Certified Government Benefits Administrator program. These programs not only enhance the skills and knowledge of the staff but also validate their expertise and boost their performance.
- Engage customer service, finance, and IT staff in training opportunities.
- Identify and implement strategies to improve customer services, including monitoring workflow processes and response times.
- Maintain a safe operation for employees and customers, including monitoring conditions and implementing safety guidelines.

Program Performance Measures:

Program Support		FY24 Actuals	FY25 Target	FY26 Request
Outcome	Percent of deposits made within 24 hours	100	100	100
Outcome	Percent of payments made within 30 days	99	98	98

**CONCLUSION**

For the fiscal year 2026, 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.



NEWMEXICO  
RETIREE  
HEALTH CARE  
AUTHORITY

**Fiscal Year 2026**

*New Mexico Retiree Health Care Authority*

**IT STRATEGIC PLAN**

**September 1, 2024**

Raymond Long  
Chief Information Officer

## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>I. AGENCY OVERVIEW .....</b>	<b>3</b>
A. AGENCY MISSION .....	3
B. AGENCY GOALS .....	3
C. VISION AND PRIORITIES .....	3
D. AGENCY DESCRIPTION AND ORGANIZATION STRUCTURE .....	4
<b>II. IT ENVIRONMENT .....</b>	<b>4</b>
1. Major Applications .....	4
2. Infrastructure .....	4
3. Security .....	4
4. Agency IT Certified Projects .....	5
5. Workforce .....	6
6. Challenges .....	7
<b>III. FY24 KEY ACCOMPLISHMENTS .....</b>	<b>8</b>
A. FY24 STRATEGIC IT ACCOMPLISHMENTS .....	8
B. OTHER KEY IT ACCOMPLISHMENTS – FY24 .....	10
<b>IV. FY26 IT STRATEGIC GOALS AND STRATEGIES .....</b>	<b>11</b>
<b>V. IT FISCAL AND BUDGET MANAGEMENT .....</b>	<b>13</b>
<b>VI. SPECIAL FUNDING, SUPPLEMENTAL, COMPUTER SYSTEM ENHANCEMENT (C2) FUNDING AND REAUTHORIZATION OF C2 APPROPRIATIONS .....</b>	<b>14</b>
APPENDIX A-I: AGENCY ORGANIZATION CHART .....	15
APPENDIX A-II: IT ORGANIZATION CHART .....	16
APPENDIX A-III: C2 IT Data Processing CSEF .....	17
Budget Director Signature .....	17

# EXECUTIVE SUMMARY

The Retiree Health Care Act was created so that public and higher education employees would have more affordable health care benefits and health care services than they might otherwise have. The Information Technology Plan for NMRHCA supports this goal and the Agency's mission and is committed in providing the best possible IT support to the agency and our members. The IT department will oversee and administer technologies and go beyond what is generally expected through dedicated, compassionate, expert, efficient, and innovative service for Agency staff and current and future participants.

## I. AGENCY OVERVIEW

### A. AGENCY MISSION

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

### B. AGENCY GOALS

The NMRHCA's goal is to continue to administer affordable health care benefits for the retirees and families of retirees, and part of that process requires review and adjustment of the program. Revenue sources will be identified to help ensure the long-term stability of the benefit. With this in mind, the goals of the IT department are as follows:

**Goal 1** - To deliver a high-quality IT infrastructure that meets the computerized needs of management and staff.

Providing a reliable and efficient computerized infrastructure and administrative support for staff so that they have the tools and resources to be productive. This includes, but is not limited to, computer equipment that functions to levels that assist but does not hinder productivity, Systems and network that is secure, fast, and reliable, and an IT department that is capable of supporting the agencies computerized needs.

**Goal 2** - Information Technology Technical Support

The IT department will have the education and knowledge to support the computerized infrastructure of the agency.

**Goal 3** - Fiscal Responsibility

Every decision the IT department makes in terms of equipment and software, acquisitions and contracted services will be done with the understanding of the financial impact that these acquisitions will have on the agency. The IT department will be prudent of every purchase.

## C. VISION AND PRIORITIES

To ensure all IT services and duties are aligned with the goals and objectives of the agency; IT will support the organizations mission in the most productive manner possible, considering the services provided, funding available, organizational capabilities and established priorities.

### STRATEGIC PRIORITIES

- ❖ *To implement efficient and effective operational structure for the purpose of administering the NMRHCA's benefit programs:* To provide training to the IT staff in the technologies used by the IT department and to replace older technologies with newer technologies.

- ❖ Reduce IT Cost While Improving Service Quality: To utilize technology in a way to assist the agency in addressing the issue of rising cost of medical care. The IT department is constantly looking for ways to help the agency reduce cost and to continue to make improvements in its work process to reduce operational costs.
- ❖ Provide secure, fast, reliable technology: CyberSecurity has become an even larger focus and the IT department will be vigilant and will use all possible resources to protect every Member's HIPAA information and the financial responsibilities that RHCA oversees.

## **D. AGENCY DESCRIPTION AND ORGANIZATION STRUCTURE**

### Staffing and Locations

The Authority has two customer service locations, one in Albuquerque and one in Santa Fe, with 28 authorized full-time employees. Customer Service staffing have remained generally flat, while the number of retirees participating in the plans offered by NMRHCA has grown. IT staffing did gain 1 FTE – Network Administrator II, for a total of 4 IT employees and 1 IT Director. This was first addition in last 10 years, while the complexity and use of technology has grown significantly in same period.

## **II. IT ENVIRONMENT**

The role of the IT staff at NMRHCA is one that is active and very much a partner with senior management in the planning and managing for the agency. The health care industry in general poses a challenge to our agency. The cost of health care has a direct effect on what type of health services (in terms of benefits) we can provide our clients. The IT department is responsible, through hardware, software, and implementing the decisions by management to meet the needs of the agency.

### **1. Major Applications**

The major applications of the agency are the CareView system and the Kofax Documenting Imaging and Scanning System. The CareView system is a health benefits intake system and is responsible for managing the benefits for the agencies retiree population. The CareView system is also responsible for the creation of the health care provider files, these files are sent weekly to the agencies health care providers, and they contain all the vital information carriers need to provide health care coverage for participating members. The agencies Scan System contains all the scanned documents that are associated with the agencies retiree population and is used to securely store vital retiree information.

### **2. Infrastructure**

The agency shares datacenters with the Public Employees Retirement Association (PERA) both in Santa Fe and in Albuquerque. The Albuquerque location consists of twenty-three computers, five core servers, sixteen VM's, one FortiGate 80F firewall, one disk arrays, 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 200mb circuit. The Santa Fe office consists of four core servers, seven VM's, one FortiGate 80F firewall, Network Attached Storage (NAS), Veeams Backup software, seven computers, one Aruba and one Dell switch, DoIT routers for Internet and telephony access, and a 100mb circuit. Avaya desktop phone provided for each staff member at both locations.

The infrastructure assets consist of the following:

Hardware

- ❖ Twenty Dell computers
- ❖ Sixteen HP computers
- ❖ Four Dell Servers
- ❖ Five HP Servers
- ❖ Twenty-three Microsoft Hyper-V servers
- ❖ Two FortiGate 80F Firewalls
- ❖ Three Aruba switches
- ❖ Two Dell switches
- ❖ Two FS iSCSI switches
- ❖ KoFax Scanning System w/Canon DR-G2140 scanner
- ❖ Twenty-six desktop printers
- ❖ Three enterprise copiers
- ❖ One disk array (HP MSA)
- ❖ One 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)
- ❖ PGP Encryption for EMail

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 places a priority on IT security and the approach to security adopted by the agency starts with Security Governance. The agency has done the following in terms of security Governance.

1. Contracted Expertise in Security Governance specifically towards HIPPA – Beginning in 2018, the agency has contracted with Segal Co. to provide training in the areas of Security Governance with a focus on HIPPA.
2. Policy and Procedure Assessments partial completion different policies and procedures, such as Information Security, Network Security, New User, Password, Internet Acceptable Use, etc.
3. State of NM DoIT is providing monthly network penetration and security assessments starting in June 2022 with CSW/Ivanti. In April 2024, began monthly additional, external penetration tests with Department of Homeland Security – CISA Office and will continue going forward. Starting in September 2024 Authenticated Internal scans by DoIT will begin.
4. Address vulnerabilities outlined in contracted Security Assessments – based on these monthly security assessments vulnerabilities are worked on as they are found.
5. Standardize naming convention as part of State's Email - aligning with security permissions in Active Directory (AD). Re-organized internal RHCA staffing/dept groups for easier deployment of Group Policy.
6. Establish MS Defender for EndPoints and Server and moving to the use MS inTune to manage and provide advance security provisioning in a Hybrid setup.

7. Upgraded unsupported Microsoft Server (Server, SQL, SharePoint) products that are used for Core Application – CareView. Current MS software was 2012 and 2013 with no further security patches being developed for each. Migrated to Server 2022, SQL Server 2022, and SharePoint Server 2019.
8. The SQL 2022 database housing all Retiree HIPAA data will be encrypted beginning Oct 1, 2024.
9. Added Netwrix (3<sup>rd</sup> party vendor) SQL module provides reporting feature for each change/addition/deletion in the database, identifying the User who did this.
10. Upgraded ManageEngine (3<sup>rd</sup> party vendor) OpManager software for Networking to Professional version – ability to monitor both RHCA sites and including more devices, IP addresses, switch ports, FireWall ports, etc

#### 4. Agency IT Certified Projects

<b>Enrollment Web Portal</b>	
Project Description	Allow new Retirees to electronically enroll in RHCA to start their State sponsored benefits
Estimated Project Costs	\$18,090
Current Funding	\$18,090
Certified Project Phase	Phase II
Estimated Completion	May 30, 2025
Strategic Priority	1
<b>CareView Enhancement</b>	
Project Description	Dedicated focus on fixing and enhancing Core Application - CareView
Estimated Project Costs	\$21,600
Current Funding	\$21,600
Certified Project Phase	Onetime (160hrs)
Estimated Completion	June 27, 2025
Strategic Priority	2
<b>Veeam's Replication / Immutable Backup</b>	
Project Description	Provide for more data replication, longer backup retentions; and immutable backups – 3 iterations
Estimated Project Costs	\$14,800
Current Funding	\$14,800
Certified Project Phase	Phase I of I
Estimated Completion	January 31, 2025
Strategic Priority	3

**TABLE II.1: Current Certified IT Projects**

## 5. Workforce

### A. Full Time Employees

Title	Group	Name	Classification
CIO	IT Technology Officer	Raymond Long	Network, Security, DB(SQL), Servers, Apps, Desktop, Phone, Special Systems
DB Admin	IT Application Dev III	Valerie Krantz-Burge	DB(SQL), Servers, Apps
Systems Admin	IT Application Dev III	Leninisa Mondala	DB(SQL), Servers, Apps
Network Admin	IT Network Admin II	Lucas Iben	Network, Security, Servers, Apps, Desktop, Phone, Special Systems
Network Admin	IT Network Admin	Alexander George	Network, Security, Servers, Apps, Desktop, Phone, Special Systems

### B. IT Professional Services Contractors

Respec / Lehman Black

## 6. Challenges

The agencies fiduciary responsibilities to our retiree population are what drive many of the changes to the benefit plans as the agency tries to keep the Retiree fund solvent. The solvency of the agencies' fund is of the utmost importance and is what drives the agencies' strategies. The agency announced a major change in eligibility; starting July 2021, you must be 55 years of age to receive the subsidy that the agency applies to the cost of health care coverage. If you retire before age 55, you will not receive any subsidy, and you will pay the full amount for the benefit. The change in age at which a retiree qualifies for a level of subsidy is another major development. All these changes must be applied to the applications that are responsible for capturing and setting retiree benefits as well as transmitting retiree information to the agencies participating health care and life insurance providers. The increased need, focus, and work on Cybersecurity has become prevalent and much attention should be given due to the increasing risks and cyber/ransomware attacks that have happened to other State Agencies. Protecting our members Personal Health Information (PHI) and all the financial assets is a very big part of our fiduciary responsibilities as well. To this end, a new Network Administrator II position was gained with their main focus to be on cybersecurity. This will help ensure the safety of the ~\$16 million of monthly premiums collected by this Agency to be delivered to the healthcare providers that provide care for our retiree population. As part of securing the RHCA network, a move to standardization of network equipment will need to be made – to match our FireWall vendor and use one network management system. A DMZ may be looked at for each site, which adds complexity but adds another layer of security. Security training for staff will also become vital, as social engineering and Phishing attacks become even more prevalent. Human personnel are the easiest and most prevalent targets in current Ransomware and Malware attacks. In the past year, the aging server equipment became more apparent. This year two new servers were added with plans to retiree five and re-purpose two (1-completed, 1-ready) to address Agency's aging hardware and outdated software. With another new server being planned, all outdated, security-risk OS software will be eliminated and standardization on 2022 will have been accomplished. Current data replication and data backups have been established, which has been tested minimally. More recent hot, standby backups are planned, and a new Immutable Server will be created and housed in Santa Fe, as an extra, secure and separate fallback for any Ransomware compromises. Additional storage will also be planned at Santa Fe site which will allow for more daily backups to be saved and for quicker retrievals. The new, current, Testing environment should migrate to newer hardware to allow for more efficient and quicker testing. The Agency's core application functions but with many bugs and enhancements needing to be addressed. This is a new top priority now that most server hardware and OS has been updated. The User's Desktop environment will continue to evolve, with refreshes planned in a 4yr cycle, once caught up and in coordination of standardization with Windows 11. Data room enhancements should also be addressed, with recent cooling issue – redundancy should be strived for in AC, as well as renewing electrical, battery backup setup.

### III. FY24 KEY ACCOMPLISHMENTS

#### A. FY24 STRATEGIC IT ACCOMPLISHMENTS

<b>STRATEGIC PRIORITY 1 – Provides fast and reliable computer services for the RHCA</b>	
To implement efficient and effective technical operational structure for the purpose of administering the NMRHCA's benefit programs.	
<b>FY24 Strategy 1</b>	<b>Upgrade Servers</b>
Accomplishments	Two HPE 2022 Servers with MS Server 2022
Outcomes/Metrics	Current OS, better features, and security; one for StorMagic disaster failover/recovery; one for Santa Fe site – manual failover / backup storage
<b>FY24 Strategy 2</b>	<b>StorMagic Disaster Recovery setup</b>
Accomplishments	Created two-node cluster with StorMagic software;
Outcomes/Metrics	For core applications (specifically CareView) always-up setup
<b>FY24 Strategy 3</b>	<b>Veeam's OffSite Backups</b>
Accomplishments	Replication reset for new servers and virtual machines (VM's); using R2D2 as backup repository;
Outcomes/Metrics	Critical data stored away from main site; primary backup of data; Immutable Backups pending with re-cycle server
<b>FY24 Strategy 4</b>	<b>Retire outdated Server hardware and OS</b>
Accomplishments	Removed four 2012 Servers (Ironman, WonderWoman, Groot, Arrow)
Outcomes/Metrics	Reduced security vulnerabilities to RHCA environment.

<b>STRATEGIC PRIORITY 2 – Provide a secure IT infrastructure</b>	
To protect the agencies\constituents' data and to meet all CMS/HIPAA requirements.	
<b>FY24 Strategy 1</b>	<b>monthly (DoIT &amp; HHS-CISA) Security Assessments on infrastructure</b>
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
<b>FY24 Strategy 2</b>	<b>OpManager upgrade</b>
Accomplishments	Upgrade OpManager network security software to OpManager Plus
Outcomes/Metrics	Ability to monitor both sites, more IP addresses, switch ports, network activity/alerts; graphical view of RHCA network

<b>FY24 Strategy 3</b>	<b>SQL upgrade</b>
Accomplishments	Upgrade from MS SQL 2012 to 2022
Outcomes/Metrics	Security patches, database functionality enhancements, data/database encryption
<b>FY24 Strategy 4</b>	<b>MS Defender for EndPoints and Servers</b>
Accomplishments	all RHCA PC's/Notebooks and Servers loaded with Microsoft Defender software
Outcomes/Metrics	malware/virus protection and security monitoring for all computers and servers, with DoIT as an oversight to any intrusions or risks

<b>STRATEGIC PRIORITY 3 – Maintain core Applications (CareView and AppX)</b>	
<b>[STRATEGY STATEMENT] - To protect the agencies main application that allows Agency to serve all it's constituents and handle daily business tasks</b>	
<b>FY23 Strategy 1</b>	<b>Improve CareView in production</b>
Accomplishments	New reports for Finance and Customer Service
Outcomes/Metrics	More self-service for user and less wait and dependency on IT dept (Tax letter, Turning 65 letter, Beneficiary letter; Billing Statement)
<b>FY23 Strategy 2</b>	<b>KoFax Scanning review</b>
Accomplishments	Weekly report of number of scanned documents
Outcomes/Metrics	Weekly metrics aligning count to Binaries in system; ensures scans are not corrupted
<b>FY23 Strategy 3</b>	<b>Correct and enhance CareView</b>
Accomplishments	24 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
<b>FY23 Strategy 4</b>	<b>Ensure Federal gov't data handled</b>
Accomplishments	IRS 1095-B upload data sent to IRS
Outcomes/Metrics	Retirees received their mandated IRS information

**TABLE III.1: FY24 Strategic IT Accomplishments**

## B. OTHER KEY IT ACCOMPLISHMENTS – FY24

<b>APPLICATION</b>	
Accomplishment	Completed 607 of 867 refund issues in system CareView / REBIS; 834 collections issues done (total of ~3000 over last 2yrs)
Value or Impact	Decrease issues and mismatched records
<b>DATA</b>	
Accomplishment	Import Odessey database into SQL 2022 (w/CareView data) and linked MS Access GUI to this database
Value or Impact	Single database server (2022); potential to view archive Retiree records via core application - CareView
<b>PROCESS IMPROVEMENT</b>	
Accomplishment	New User IT onboarding, as well as Exit/Separation process consistently done
Value or Impact	New users start ready and users leaving, leave appropriately checked out
<b>WORKFORCE</b>	
Accomplishments	New Network Administrator II hired
Value or Impact	Able to separate many duties between two individuals and have more responsibility of Cyber/Network security on this individual
<b>CUSTOMER SERVICE</b>	
Accomplishments	Finance – Account History Report
Value or Impact	Able to view all history of Retiree – easier to determine issue and next course of action
<b>TELEWORK</b>	
Accomplishments	Not applicable (Governor mandate – return to Office)
Value or Impact	none
<b>SECURITY</b>	
Accomplishments	Increased security through assessments and new technology.
Value or Impact	Removed outdated MS Server OS software; added a second, external, penetration test (HHS – CISA);

**TABLE III.2: Other Key IT Accomplishments – FY24**

## IV. FY26 IT STRATEGIC GOALS AND STRATEGIES

<b>STRATEGIC PRIORITY 1 – Agency CyberSecurity</b>	
<b>Goal Statement - to ensure Agency's technology environment, core application, and all Retiree data is secure and safe</b>	
<b>FY26 Strategy 1</b>	<b>Move to standardize network security equipment (FortiNet)</b>
Outcomes/Metrics	Single control and monitoring of network devices (change switches and AccessPoint) to one management dashboard; more alerting and control of entire network
<b>FY26 Strategy 2</b>	<b>Align with DoIT Cybersecurity compliance standards</b>
Outcomes/Metrics	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.
<b>FY26 Strategy 3</b>	<b>Expand use of 3<sup>rd</sup> party Operational and Network Security programs</b>
Outcomes/Metrics	More insight to security warnings and alerts, allowing to be more proactive to any potential issues; target selected Event logs for specific items for less reviewing and more actionable information (ie Netwrix SQL database user identification)

<b>STRATEGIC PRIORITY 2 – Update physical computing environment.</b>	
<b>Goal Statement - To implement efficient and effective operational structure for the purpose of administering the NMRHCA's benefit programs.</b>	
<b>FY26 Strategy 1</b>	<b>Enhance physical Test environment platform – (after CareView MS project)</b>
Outcomes/Metrics	Better testing environment and prep for upgrading/changing core application;
<b>FY26 Strategy 2</b>	<b>Update older server technology</b>
Outcomes/Metrics	Replace older physical servers, as well Virtual Server Host Servers (HyperV); move to newer versions that have better features and are supported.
<b>FY26 Strategy 3</b>	<b>Update/Increase Data Backup Systems</b>
Outcomes/Metrics	Remove old, small NAS from main storage in Santa Fe and re-purpose current storage for near-line availability; add MSA and immutable server to Santa Fe;
<b>FY26 Strategy 4</b>	<b>Update User Desktops</b>
Outcomes/Metrics	Standardization of hardware, eliminated older equipment, prep for Windows 11

<b>STRATEGIC PRIORITY 3 – Core Application Testing and Development</b>	
<b>Goal Statement</b> – to ensure Agency staff can work and develop core application outside production	
<b>FY26 Strategy 1</b>	<b>To rely less on contracted support for the agency’s CareView system.</b>
Outcomes/Metrics	Have dedicated, in-house focus for correcting bugs and making enhancement by the agency IT staff. Provide a dedicated staff.
<b>FY26 Strategy 2</b>	<b>Build an up-to-date, current MS (software) test environment</b>
Outcomes/Metrics	Match new OS, and related Server services (SQL, BizTalk, SharePoint, Visual Studio, etc) – to the new, current CareView environment (after MS upgrade)
<b>FY26 Strategy 3</b>	<b>Document programming code to Business logic</b>
Outcomes/Metrics	Better understanding of CareView modules and less time reviewing/searching where fixes and enhancements should be done
<b>FY26 Strategy 4</b>	<b>Evaluate GUI interface</b>
Outcomes/Metrics	Determine scope of work in programming new GUI and remove dependency on SharePoint

<b>STRATEGIC PRIORITY 4 – Core Application Enhancement</b>	
<b>Goal Statement</b> - to ensure Agency core application is the best available version	
<b>FY26 Strategy 1</b>	<b>Enhance CareView Platform (ongoing)</b>
Outcomes/Metrics	Correct bugs and enhance features for easier and efficient use by staff
<b>FY26 Strategy 2</b>	<b>WebPortal Phase 2</b>
Outcomes/Metrics	Continued improvements and additional functionality to online services for Retirees
<b>FY26 Strategy 3</b>	<b>Assist Customer Service and Finance Dept in creating Training videos</b>
Outcomes/Metrics	Provide standardize learning for all employees and minimize/eliminate user errors to minimize IT time in instructing and in fixing issues

**TABLE IV.1. FY26 IT Strategic Goals and Strategies**

# 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.)

<b>Agency Name</b>				<b>Agency Code</b>	
Retiree Health Care Authority				34300	
<b>Base Request Operational Support of IT. Check one of the options below:</b>				<b>Flat Budget</b>	<b>Expansion from previous year</b>
Yes/No				Yes	No
<b>Revenue IT Base Budget (dollars in thousands)</b>					
<b>Appropriation Funding Type</b>	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 OpBud</b>	<b>FY26 Request</b>	<b>FY27 Estimate</b>
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	729.4	782.0	922.4	929.7	937.9
<b>Total</b>	<b>729.4</b>	<b>782.0</b>	<b>922.4</b>	<b>929.7</b>	<b>937.9</b>
<b>Expenditure Categories (dollars in thousands)</b>					
<b>Category or Account Description</b>	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 OpBud</b>	<b>FY26 Request</b>	<b>FY27 Estimate</b>
Personal Services & Employee Benefits	440.4	508.4	614.9	614.9	614.9
Contractual & Professional Services	104.7	118.0	115.0	120.0	125.0
IT Other Services	184.3	155.6	192.5	194.8	198.0
Other Financing Uses	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>729.4</b>	<b>782.0</b>	<b>922.4</b>	<b>929.7</b>	<b>937.9</b>
	<b>Print Name</b>	<b>Phone</b>	<b>Email Address</b>	<b>Date</b>	
<b>Agency Cabinet Secretary/Director (Mandatory)</b>	Neil Kueffer	505-222-6408	<a href="mailto:neil.kueffer@rhca.nm.gov">neil.kueffer@rhca.nm.gov</a>	09/03/2024	
<b>Chief information Officer or IT Lead(Mandatory)</b>	Raymond Long	505-222-6421	<a href="mailto:raymond.long@rhca.nm.gov">raymond.long@rhca.nm.gov</a>	09/03/2024	
<b>Chief Finance Officer (Mandatory)</b>	Sheri Ayanniyi	505-222-6406	<a href="mailto:sheri.ayanniyi@rhca.nm.gov">sheri.ayanniyi@rhca.nm.gov</a>	09/03/2024	

Agency Cabinet Secretary/Director Signature

Chief Information Officer/IT Lead Signature

Chief Financial Officer Signature

*Neil Kueffer*  
*Raymond Long*  
*Sheri Ayanniyi*

**P-1 Program Overview****Program Description:**

NMRHCA was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 304 public entities including the state, cities, counties, public schools, universities, and charter schools participate in NMRHCA. The agency provides medical plans for both non-Medicare and Medicare-eligible retirees and their dependents as well as dental, vision, and life insurance.

The Health Care Benefits program provides affordable, comprehensive core group health care plans, and optional life insurance, to current eligible participants.

**Program Users:**

Program users include approximately 65,700 eligible retirees and their dependents as of August 2024, and about 304 participating employers and their employees (representing over 93,000 active employees). More than 10 percent of the adult population in New Mexico is either covered by or contributing to future coverage through NMRHCA.

**Program Goals:**

- Extending solvency period. NMRHCA is committed to prudently extending the benefits offered through NMRHCA for as long as possible. This solvency period, a key metric, is defined as the time period during which a positive balance in NMRHCA's trust fund is sufficient to pay full benefits for a projected future year. The objective of this goal is to maintain the benefits offered by NMRHCA, showcasing our strategic foresight and commitment to our members.
- Maintain affordable premiums and plan designs that discourage deficit spending and grow the Authority's trust-fund balance. The objective of this goal is to strike a balance between the level of benefits provided, aligning with our long-term financial goals, and what retirees can reasonably pay. This approach demonstrates our commitment to financial sustainability without compromising the welfare of our retirees.
- Monitor and improve management and IT processes to assure the accuracy and timely receipt of employer/employee contributions from participating entities. This goal aims to ensure that the Authority is collecting all revenues owed from participating entities.
- Assure timely completion of annual budget, audit, monthly balance reporting, contracts, and associated process changes. This goal aims to ensure accurate reporting of the Authority's financial position to the Board and other interested parties.
- Adjust investment policy and asset allocations, considering changes at the State Investment Council, available investment options, and risk tolerance parameters and policies defined by the Board. This goal aims to prudently grow the Authority's investment fund and ensure that the Board meets its fiduciary obligations to manage the fund.
- Develop strategies that increase participation levels in health-risk appraisals, patient education, and disease management. The objective of this goal is to significantly improve the health status of NMRHCA retirees, reflecting our commitment to a holistic approach to member care.
- Work with health plan and provider/hospital group partners to develop and implement a value-based health care reimbursement methodology as an adjunct/replacement of traditional fee-for-service reimbursements. This goal aims to provide downward pressure to projected future health care cost increases to improve NMRHCA's long-term financial outlook.

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## P-1 Program Overview

### 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, 2024, the State Investment Council reported a trust fund balance of \$1.504 billion, reflecting an increase of approximately \$248.4 million, a 19.8 percent rise compared to June 2023. The solvency of the program extends beyond 30 years, and deficit spending has been postponed through fiscal year 2035. In addition, the GASB Total OPEB Liability once again improved in the last study from 33.33% to 44.16%. 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.

### Overview of Request:

The projected increase was based on multiple factors as staff evaluated the FY24 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 percent for the self-insured plans, 0 to 41.6 percent increase in Medicare Advantage programs driven by the Inflation Reduction Act, and 10 percent for dental due to a blended premium increase associated with request for proposal. The vision contract for FY25 is slightly higher than previous year leading to a small increase in request. 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 participation in the retiree health care program. NMRHCA along with other IBAC partners for a medical, dental, and vision RFP did see an increase in costs based on proposed increases along with the Inflation Reduction Act passed at the federal level will see one of the biggest changes related to prescription coverage that will drive up costs to plan administrators. These changes have been incorporated into the budget for our FY26 appropriation request.

**P-1 Program Overview**

**Program Description:**

Program Support manages the day-to-day operations of the Authority. The program encompasses administration, finance, human resources, customer support, information technology and communication functions.

**Program Users:**

Program users include retirees, Legislature and Executive branch, the Board of Directors, insurance providers, participating entities, and the people of New Mexico.

**Program Goals:**

- Review, categorize and improve customer service workflow processes and update customer service operations manual to increase effectiveness and overall service. With the goal of improving staff performance and efficiency.
- Identify and implement strategies to improve program support in all areas of NMRHCA by reviewing and enhancing workflow processes, update, and document clear policy procedures, and achieve better response times.
- Review and develop staff training plans in the areas of customer relations, technical training, cross-training of job responsibilities, leadership development and team building.
- Identify and offer key staff opportunities to participate in certification programs, such as SALGBA's Certified Government Benefits Administrator program. These programs not only enhance the skills and knowledge of the staff but also validate their expertise and boost their performance.
- Engage customer service, finance, and IT staff in training opportunities.
- Identify and implement strategies to improve customer services, including monitoring workflow processes and response times.
- Maintain a safe operation for employees and customers, including monitoring conditions and implementing safety guidelines.

## P-1 Program Overview

### 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 control costs by employing knowledgeable staff who can efficiently manage and negotiate vendor contracts. 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 one 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. An aspect not highlighted in this request is that the new position will also support the organization during personnel changes in leadership roles. This need has become evident during leadership transitions, and the new role 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 33.33% to 44.16%. The trust fund has reached a new peak of one and a half billion 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, 2023, 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 an extra full-time equivalent (FTE) position, ensuring the agency has sufficient staffing to uphold its priorities and manage the benefits program effectively. Further details about this role are provided in the Base Budget Increase Justification.

## P-1 Program Overview

### 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 2026.

### Base Budget Justification:

Requests for increased funding have been made to accommodate escalating costs and to bolster specific sectors needing additional support and supervision. This encompasses the recruitment of investment experts to administer and sustain the expansion of the trust fund, which has recently exceeded one and a half billion dollars. Their specialized knowledge is vital for managing the intricacies of a changing economic environment and refining the agency's investment approach.

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 one more full-time employee (FTE) to enhance support and oversight within the organization. The NMRHCA is seeking approval for an additional FTE to manage the growing operations, the increasing needs of the retiree population, and the evolving health care reporting standards and regulations. We are specifically requesting an Administrative Operations Manager to improve oversight of customer service, particularly managing special reports from vendors. This role will ensure accurate monitoring, processing, and auditing of these reports to increase efficiency. Furthermore, the position will play a key role in streamlining workflow between customer service and finance, thus boosting our overall efficiency and productivity. The role includes developing missing policies, reviewing existing customer service policies to ensure they align with best practices across agencies, participating in Request for Proposals evaluations, and providing support to leadership as required. Additionally, the role involves researching industry trends and programs implemented by other public sector entities to glean insights from their successes and failures. The expertise required for this role will also aid in addressing escalated customer service issues. The increase for this position is incorporated into the budgeted at \$112,685.

**S-8 Financial Summary**

BU PCode Department  
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(Dollars in Thousands)

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	Expansion	Total
<b>REVENUE</b>							
112 Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
130 Other Revenues	394,335.1	335,173.7	406,196.9	0.0	411,094.7	0.0	411,094.7
<b>REVENUE, TRANSFERS</b>	<b>398,248.5</b>	<b>339,087.1</b>	<b>410,322.1</b>	<b>0</b>	<b>415,507.7</b>	<b>0.0</b>	<b>415,507.7</b>
<b>REVENUE</b>	<b>398,248.5</b>	<b>339,087.1</b>	<b>410,322.1</b>	<b>0</b>	<b>415,507.7</b>	<b>0.0</b>	<b>415,507.7</b>
<b>EXPENSE</b>							
200 Personal Services and Employee Benefits	2,585.9	2,441.1	2,751.7	2,760.8	2,941.1	0.0	2,941.1
300 Contractual services	391,079.0	332,142.0	402,775.0	0.0	407,454.9	0.0	407,454.9
400 Other	670.2	590.6	670.2	0.0	698.7	0.0	698.7
<b>EXPENDITURES</b>	<b>394,335.1</b>	<b>335,173.7</b>	<b>406,196.9</b>	<b>2,760.84</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
<b>OTHER FINANCING USES</b>	<b>3,913.4</b>	<b>3,913.4</b>	<b>4,125.2</b>	<b>0</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
<b>EXPENSE</b>	<b>398,248.5</b>	<b>339,087.1</b>	<b>410,322.1</b>	<b>2,760.84</b>	<b>415,507.7</b>	<b>0.0</b>	<b>415,507.7</b>
<b>FTE POSITIONS</b>							
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	29.00
FTEs	27.00	27.00	28.00	27.00	29.00	0.00	29.00
<b>FTE POSITIONS</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>29.00</b>

Healthcare Benefits Administration

State of New Mexico

BU PCode Department  
34300 P633 000000

S-8 Financial Summary

(Dollars in Thousands)

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	FY 2026 Agency Request Expansion	Total
<b>REVENUE</b>							
112 Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	394,335.1	335,076.2	406,196.9	0.0	411,094.7	0.0	411,094.7
<b>REVENUE, TRANSFERS</b>	<b>394,335.1</b>	<b>335,076.2</b>	<b>406,196.9</b>	<b>0.0</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>
<b>REVENUE</b>	<b>394,335.1</b>	<b>335,076.2</b>	<b>406,196.9</b>	<b>0.0</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>
<b>EXPENSE</b>							
300 Contractual services	390,376.7	331,466.7	402,026.7	0.0	406,636.7	0.0	406,636.7
400 Other	45.0	40.5	45.0	0.0	45.0	0.0	45.0
<b>EXPENDITURES</b>	<b>390,421.7</b>	<b>331,507.2</b>	<b>402,071.7</b>	<b>0</b>	<b>406,681.7</b>	<b>0.0</b>	<b>406,681.7</b>
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
<b>OTHER FINANCING USES</b>	<b>3,913.4</b>	<b>3,913.4</b>	<b>4,125.2</b>	<b>0</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
<b>EXPENSE</b>	<b>394,335.1</b>	<b>335,420.6</b>	<b>406,196.9</b>	<b>0</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>

Program Support

State of New Mexico

BU PCode Department  
34300 P634 000000

S-8 Financial Summary  
(Dollars in Thousands)

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	Expansion	Total
<b>REVENUE</b>							
112 Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
130 Other Revenues	0.0	97.5	0.0	0.0	0.0	0.0	0.0
<b>REVENUE, TRANSFERS</b>	<b>3,913.4</b>	<b>4,010.9</b>	<b>4,125.2</b>	<b>0.0</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
<b>REVENUE</b>	<b>3,913.4</b>	<b>4,010.9</b>	<b>4,125.2</b>	<b>0.0</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
<b>EXPENSE</b>							
200 Personal Services and Employee Benefits	2,585.9	2,441.1	2,751.7	2,760.8	2,941.1	0.0	2,941.1
300 Contractual services	702.3	675.3	748.3	0.0	818.2	0.0	818.2
400 Other	625.2	550.1	625.2	0.0	653.7	0.0	653.7
<b>EXPENDITURES</b>	<b>3,913.4</b>	<b>3,666.5</b>	<b>4,125.2</b>	<b>2,760.84</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
500 Other financing uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OTHER FINANCING USES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EXPENSE</b>	<b>3,913.4</b>	<b>3,666.5</b>	<b>4,125.2</b>	<b>2,760.84</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
<b>FTE POSITIONS</b>							
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	29.00
<b>FTEs</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>29.00</b>
<b>FTE POSITIONS</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>29.00</b>

Rctirce Health Care Authority

State of New Mexico

BU PCode Department  
34300 0000 00000000000

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request		Total
					Base	Expansion	
499906 OFS - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
112 Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
402101 Withholding Taxes	46,263.5	42,416.4	51,815.1	0.0	58,032.9	0.0	58,032.9
422001 Rebates	0.0	(46.6)	0.0	0.0	0.0	0.0	0.0
441201 Interest On Investments	0.0	3,565.0	100.0	0.0	100.0	0.0	100.0
441401 Interest On Loans	0.0	46.6	0.0	0.0	0.0	0.0	0.0
471508 Employer Contr-Retiree Ins	124,570.5	72,265.6	141,002.6	0.0	141,002.6	0.0	141,002.6
471608 Retiree Contr.-Retiree Ins.	184,530.8	175,077.7	174,319.8	0.0	172,999.8	0.0	172,999.8
496901 Miscellaneous Revenue	0.0	34.1	0.0	0.0	0.0	0.0	0.0
496903 Miscellaneous Revenue	38,970.3	41,814.9	38,959.4	0.0	38,959.4	0.0	38,959.4
130 Other Revenues	394,335.1	335,173.7	406,196.9	0.0	411,094.7	0.0	411,094.7
<b>TOTAL REVENUE</b>	<b>398,248.5</b>	<b>339,087.1</b>	<b>410,322.1</b>	<b>0</b>	<b>415,507.7</b>	<b>0.0</b>	<b>415,507.7</b>
520000 Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100 Exempt Perm Positions P/T&F/T	463.2	485.8	506.8	523.9	520.9	0.0	520.9
520300 Classified Perm Positions F/T	1,376.2	1,255.3	1,460.5	1,487.2	1,607.9	0.0	1,607.9
520700 Overtime & Other Premium Pay	0.0	0.3	0.0	0.0	0.0	0.0	0.0
520800 Annl & Comp Paid At Separation	0.0	10.2	0.0	0.0	0.0	0.0	0.0
521100 Group Insurance Premium	198.9	186.4	203.7	190.2	191.0	0.0	191.0
521200 Retirement Contributions	357.7	334.9	383.6	393.6	409.6	0.0	409.6
521300 F I C A	146.3	128.1	152.8	123.5	161.6	0.0	161.6
521400 Workers' Comp Assessment Fee	0.2	0.2	0.3	0.0	0.3	0.0	0.3
521410 GSD Work Comp Insur Premium	1.5	1.4	1.2	0.0	1.7	0.0	1.7
521600 Employee Liability Ins Premium	3.7	3.6	2.9	0.0	5.1	0.0	5.1
521700 RHC Act Contributions	38.2	34.8	39.9	42.4	43.0	0.0	43.0
200 Personal Services and Employee Bene	2,585.9	2,441.1	2,751.7	2,760.8	2,941.1	0.0	2,941.1
530000 Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535100 Medical Services	390,376.7	331,466.7	402,026.7	0.0	406,636.7	0.0	406,636.7
535200 Professional Services	431.5	404.9	441.5	0.0	492.5	0.0	492.5
535300 Other Services	15.2	11.1	28.7	0.0	24.0	0.0	24.0
535309 Other Services - Interagency	17.3	22.1	22.3	0.0	26.8	0.0	26.8
535400 Audit Services	83.3	110.6	115.8	0.0	129.9	0.0	129.9
535500 Attorney Services	50.0	9.1	25.0	0.0	25.0	0.0	25.0
535600 IT Services	105.0	117.4	115.0	0.0	120.0	0.0	120.0

Refiree Health Care Authority

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	Expansion	Total
300 Contractual services	391,079.0	332,142.0	402,775.0	0.0	407,454.9	0.0	407,454.9
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	2.7	1.5	0.0	3.0	0.0	3.0
542200 Employee I/S Meals & Lodging	3.5	4.7	5.5	0.0	5.5	0.0	5.5
542300 Brd & Comm Mbr Meals & Lodging	13.5	4.5	5.5	0.0	5.5	0.0	5.5
542310 Brd & Comm Mbr Mileage & Fares	0.0	4.5	6.0	0.0	6.0	0.0	6.0
542500 Transp - Fuel & Oil	2.2	0.6	2.2	0.0	1.5	0.0	1.5
542600 Transp - Parts & Supplies	0.3	0.2	0.6	0.0	0.6	0.0	0.6
542700 Transp - Transp Insurance	0.2	0.2	0.2	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	5.8	5.8	5.9	0.0	8.1	0.0	8.1
543200 Maint - Furn, Fixt, Equipment	6.0	0.0	6.0	0.0	6.0	0.0	6.0
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	23.0	21.1	21.7	0.0	24.0	0.0	24.0
544000 Supply Inventory IT	20.0	11.0	20.0	0.0	20.0	0.0	20.0
544100 Supplies-Office Supplies	13.0	11.2	13.0	0.0	13.0	0.0	13.0
544400 Supplies-Field Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	5.0	0.0	5.0	0.0	5.0	0.0	5.0
545600 Reporting & Recording	0.0	0.1	0.0	0.0	0.2	0.0	0.2
545700 ISD Services	13.3	13.6	11.2	0.0	21.5	0.0	21.5
545710 DOIT HCM Assessment Fees	9.5	8.9	9.7	0.0	9.8	0.0	9.8
545900 Printing & Photo Services	60.0	65.0	70.0	0.0	70.0	0.0	70.0
546100 Postage & Mail Services	100.0	99.5	85.0	0.0	100.0	0.0	100.0
546400 Rent Of Land & Buildings	122.8	127.8	126.5	0.0	134.7	0.0	134.7
546409 Rent Expense - Interagency	9.1	9.1	18.7	0.0	19.9	0.0	19.9
546500 Rent Of Equipment	30.3	28.1	30.3	0.0	30.3	0.0	30.3
546600 Communications	6.0	1.9	6.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	86.8	56.8	69.3	0.0	58.5	0.0	58.5
546700 Subscriptions/Dues/License Fee	7.0	4.2	7.0	0.0	7.0	0.0	7.0
546709 Subscription & Due Interagency	0.0	0.1	0.0	0.0	0.2	0.0	0.2
546800 Employee Training & Education	10.0	5.4	10.0	0.0	9.0	0.0	9.0
546810 Board Member Training	7.5	0.0	7.5	0.0	5.5	0.0	5.5
546900 Advertising	1.0	0.0	1.8	0.0	1.8	0.0	1.8

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	Expansion	Agency Request	Total
547900 Miscellaneous Expense	46.3	41.9	46.8	0.0	46.8	0.0	0.0	46.8
547999 Request to Pay Prior Year	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
548300 Information Tech Equipment	50.0	49.2	53.9	0.0	56.0	0.0	0.0	56.0
549600 Employee O/S Mileage & Fares	2.0	3.8	5.0	0.0	5.0	0.0	0.0	5.0
549700 Employee O/S Meals & Lodging	2.0	5.9	5.8	0.0	6.5	0.0	0.0	6.5
549800 Brd & Comm O/S Mileage & Fares	3.5	0.9	3.5	0.0	3.5	0.0	0.0	3.5
549900 Brd & Comm O/S Meals & Lodging	3.0	1.2	3.0	0.0	3.0	0.0	0.0	3.0
<b>400 Other</b>	<b>670.2</b>	<b>590.6</b>	<b>670.2</b>	<b>0.0</b>	<b>698.7</b>	<b>0.0</b>	<b>0.0</b>	<b>698.7</b>
555106 OFU - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	0.0	4,413.0
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	0.0	4,413.0
<b>TOTAL EXPENSE</b>	<b>398,248.5</b>	<b>339,087.1</b>	<b>410,322.1</b>	<b>2,760.84</b>	<b>415,507.7</b>	<b>0.0</b>	<b>0.0</b>	<b>415,507.7</b>
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	0.00	29.00
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	0.00	29.00
<b>TOTAL FTE POSITIONS</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29.00</b>

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 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	46,263.5	42,416.4	51,815.1	0.0	58,032.9	0.0	58,032.9
422001 Rebates	0.0	(46.6)	0.0	0.0	0.0	0.0	0.0
441201 Interest On Investments	0.0	3,467.5	100.0	0.0	100.0	0.0	100.0
441401 Interest On Loans	0.0	46.6	0.0	0.0	0.0	0.0	0.0
471508 Employer Contr-Retiree Ins	124,570.5	72,265.6	141,002.6	0.0	141,002.6	0.0	141,002.6
471608 Retiree Contr.-Retiree Ins.	184,530.8	175,077.7	174,319.8	0.0	172,999.8	0.0	172,999.8
496901 Miscellaneous Revenue	0.0	34.1	0.0	0.0	0.0	0.0	0.0
496903 Miscellaneous Revenue	38,970.3	41,814.9	38,959.4	0.0	38,959.4	0.0	38,959.4
130 Other Revenues	394,335.1	335,076.2	406,196.9	0.0	411,094.7	0.0	411,094.7
<b>TOTAL REVENUE</b>	<b>394,335.1</b>	<b>335,076.2</b>	<b>406,196.9</b>	<b>0.0</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>
535100 Medical Services	390,376.7	331,466.7	402,026.7	0.0	406,636.7	0.0	406,636.7
300 Contractual services	390,376.7	331,466.7	402,026.7	0.0	406,636.7	0.0	406,636.7
540000 Other Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547900 Miscellaneous Expense	45.0	40.5	45.0	0.0	45.0	0.0	45.0
400 Other	45.0	40.5	45.0	0.0	45.0	0.0	45.0
555106 OFU - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
<b>TOTAL EXPENSE</b>	<b>394,335.1</b>	<b>335,420.6</b>	<b>406,196.9</b>	<b>0.0</b>	<b>411,094.7</b>	<b>0.0</b>	<b>411,094.7</b>

Program Support

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- Base	----- Expansion	----- Total
499906 OFS - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
112 Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
441201 Interest On Investments	0.0	97.5	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	0.0	97.5	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUE</b>	<b>3,913.4</b>	<b>4,010.9</b>	<b>4,125.2</b>	<b>0.0</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
520000 Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100 Exempt Perm Positions P/T&F/T	463.2	485.8	506.8	523.9	520.9	0.0	520.9

Program Support

BU PCODE Department  
34300 P634 000000

State of New Mexico

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

	2023-24	2023-24	2024-25	2025-26	FY 2026 Agency Request		Total
	Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	
520300 Classified Perm Positions F/T	1,376.2	1,255.3	1,460.5	1,487.2	1,607.9	0.0	1,607.9
520700 Overtime & Other Premium Pay	0.0	0.3	0.0	0.0	0.0	0.0	0.0
520800 Annl & Comp Paid At Separation	0.0	10.2	0.0	0.0	0.0	0.0	0.0
521100 Group Insurance Premium	198.9	186.4	203.7	190.2	191.0	0.0	191.0
521200 Retirement Contributions	357.7	334.9	383.6	393.6	409.6	0.0	409.6
521300 F I C A	146.3	128.1	152.8	123.5	161.6	0.0	161.6
521400 Workers' Comp Assessment Fee	0.2	0.2	0.3	0.0	0.3	0.0	0.3
521410 GSD Work Comp Insur Premium	1.5	1.4	1.2	0.0	1.7	0.0	1.7
521600 Employee Liability Ins Premium	3.7	3.6	2.9	0.0	5.1	0.0	5.1
521700 RHC Act Contributions	38.2	34.8	39.9	42.4	43.0	0.0	43.0
<b>200 Personal Services and Employee Bene</b>	<b>2,585.9</b>	<b>2,441.1</b>	<b>2,751.7</b>	<b>2,760.8</b>	<b>2,941.1</b>	<b>0.0</b>	<b>2,941.1</b>
530000 Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535200 Professional Services	431.5	404.9	441.5	0.0	492.5	0.0	492.5
535300 Other Services	15.2	11.1	28.7	0.0	24.0	0.0	24.0
535309 Other Services - Interagency	17.3	22.1	22.3	0.0	26.8	0.0	26.8
535400 Audit Services	83.3	110.6	115.8	0.0	129.9	0.0	129.9
535500 Attorney Services	50.0	9.1	25.0	0.0	25.0	0.0	25.0
535600 IT Services	105.0	117.4	115.0	0.0	120.0	0.0	120.0
<b>300 Contractual services</b>	<b>702.3</b>	<b>675.3</b>	<b>748.3</b>	<b>0.0</b>	<b>818.2</b>	<b>0.0</b>	<b>818.2</b>
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	2.7	1.5	0.0	3.0	0.0	3.0
542200 Employee I/S Meals & Lodging	3.5	4.7	5.5	0.0	5.5	0.0	5.5
542300 Brd & Comm Mbr Meals & Lodging	13.5	4.5	5.5	0.0	5.5	0.0	5.5
542310 Brd & Comm Mbr Mileage & Fares	0.0	4.5	6.0	0.0	6.0	0.0	6.0
542500 Transp - Fuel & Oil	2.2	0.6	2.2	0.0	1.5	0.0	1.5
542600 Transp - Parts & Supplies	0.3	0.2	0.6	0.0	0.6	0.0	0.6
542700 Transp - Transp Insurance	0.2	0.2	0.2	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	5.8	5.8	5.9	0.0	8.1	0.0	8.1
543200 Maint - Furn, Fixt, Equipment	6.0	0.0	6.0	0.0	6.0	0.0	6.0
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	23.0	21.1	21.7	0.0	24.0	0.0	24.0
544000 Supply Inventory IT	20.0	11.0	20.0	0.0	20.0	0.0	20.0
544100 Supplies-Office Supplies	13.0	11.2	13.0	0.0	13.0	0.0	13.0

Program Support

BU PCode Department  
34300 P634 000000

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request ----- Base	Expansion	Total
544400 Supplies-Field Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	5.0	0.0	5.0	0.0	5.0	0.0	5.0
545600 Reporting & Recording	0.0	0.1	0.0	0.0	0.2	0.0	0.2
545700 ISD Services	13.3	13.6	11.2	0.0	21.5	0.0	21.5
545710 DOIT HCM Assessment Fees	9.5	8.9	9.7	0.0	9.8	0.0	9.8
545900 Printing & Photo Services	60.0	65.0	70.0	0.0	70.0	0.0	70.0
546100 Postage & Mail Services	100.0	99.5	85.0	0.0	100.0	0.0	100.0
546400 Rent Of Land & Buildings	122.8	127.8	126.5	0.0	134.7	0.0	134.7
546409 Rent Expense - Interagency	9.1	9.1	18.7	0.0	19.9	0.0	19.9
546500 Rent Of Equipment	30.3	28.1	30.3	0.0	30.3	0.0	30.3
546600 Communications	6.0	1.9	6.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	86.8	56.8	69.3	0.0	58.5	0.0	58.5
546700 Subscriptions/Dues/License Fee	7.0	4.2	7.0	0.0	7.0	0.0	7.0
546709 Subscription & Due Interagency	0.0	0.1	0.0	0.0	0.2	0.0	0.2
546800 Employee Training & Education	10.0	5.4	10.0	0.0	9.0	0.0	9.0
546810 Board Member Training	7.5	0.0	7.5	0.0	5.5	0.0	5.5
546900 Advertising	1.0	0.0	1.8	0.0	1.8	0.0	1.8
547900 Miscellaneous Expense	1.3	1.5	1.8	0.0	1.8	0.0	1.8
547999 Request to Pay Prior Year	0.0	0.7	0.0	0.0	0.0	0.0	0.0
548300 Information Tech Equipment	50.0	49.2	53.9	0.0	56.0	0.0	56.0
549600 Employee O/S Mileage & Fares	2.0	3.8	5.0	0.0	5.0	0.0	5.0
549700 Employee O/S Meals & Lodging	2.0	5.9	5.8	0.0	6.5	0.0	6.5
549800 Brd & Comm O/S Mileage & Fares	3.5	0.9	3.5	0.0	3.5	0.0	3.5
549900 Brd & Comm O/S Meals & Lodging	3.0	1.2	3.0	0.0	3.0	0.0	3.0
400 Other	625.2	550.1	625.2	0.0	653.7	0.0	653.7
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
<b>TOTAL EXPENSE</b>	<b>3,913.4</b>	<b>3,666.5</b>	<b>4,125.2</b>	<b>2,760.8</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	29.00
810 Permanent	27.00	27.00	28.00	27.00	29.00	0.00	29.00
<b>TOTAL FTE POSITIONS</b>	<b>27.00</b>	<b>27.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>29.00</b>

Retiree Health Care Authority  
 BU PCode Department  
 34300 0000 0000000000

State of New Mexico

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

	Provider PCode	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request -----		Total
						Base	Expansion	
499906	OFS - INTRA-Agency	157.5	3,913.4	0.0	0.0	0.0	0.0	0.0
499906	OFS - INTRA-Agency	3,755.9	0.0	0.0	0.0	4,413.0	0.0	4,413.0
499906	OFS - INTRA-Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
112	Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
402101	Withholding Taxes	46,263.5	42,416.4	0.0	0.0	58,032.9	0.0	58,032.9
422001	Rebates	0.0	(46.6)	0.0	0.0	0.0	0.0	0.0
441201	Interest On Investments	0.0	3,565.0	0.0	0.0	100.0	0.0	100.0
441401	Interest On Loans	0.0	46.6	0.0	0.0	0.0	0.0	0.0
471508	Employer Contr-Retiree Ins	124,570.5	72,265.6	0.0	0.0	141,002.6	0.0	141,002.6
471608	Retiree Contr.-Retiree Ins.	184,530.8	175,077.7	0.0	0.0	172,999.8	0.0	172,999.8
496901	Miscellaneous Revenue	0.0	34.1	0.0	0.0	0.0	0.0	0.0
496903	Miscellaneous Revenue	38,970.3	41,814.9	0.0	0.0	38,959.4	0.0	38,959.4
130	Other Revenues	394,335.1	335,173.7	406,196.9	0.0	411,094.7	0.0	411,094.7
	TOTAL REVENUE	398,248.5	339,087.1	410,322.1	0	415,507.7	0.0	415,507.7

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

Provider PCode	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request	
					Base	Expansion Total
P634	0.0	0.0	0.0	0.0	0.0	0.0
499906 OFS - INTRA-Agency	46,263.5	42,416.4	51,815.1	0.0	58,032.9	0.0
112 Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0
402101 Withholding Taxes	0.0	0.0	0.0	0.0	0.0	0.0
422001 Rebates	0.0	(46.6)	0.0	0.0	0.0	58,032.9
441201 Interest On Investments	0.0	3,467.5	100.0	0.0	100.0	0.0
441401 Interest On Loans	0.0	46.6	0.0	0.0	0.0	100.0
471508 Employer Contr.-Retiree Ins	124,570.5	72,265.6	141,002.6	0.0	141,002.6	0.0
471608 Retiree Contr.-Retiree Ins.	184,530.8	175,077.7	174,319.8	0.0	172,999.8	0.0
496901 Miscellaneous Revenue	0.0	34.1	0.0	0.0	0.0	172,999.8
496903 Miscellaneous Revenue	38,970.3	41,814.9	38,959.4	0.0	38,959.4	0.0
130 Other Revenues	394,335.1	335,076.2	406,196.9	0.0	411,094.7	0.0
TOTAL REVENUE	394,335.1	335,076.2	406,196.9	0.0	411,094.7	0.0

**Program Support**

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

Provider PCode	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request	
					Base	Expansion Total
P633	157.5	3,913.4	0.0	0.0	0.0	0.0
499906 OFS - INTRA-Agency	3,755.9	0.0	4,125.2	0.0	4,413.0	0.0
112 Other Transfers	3,913.4	3,913.4	4,125.2	0.0	4,413.0	4,413.0
441201 Interest On Investments	0.0	97.5	0.0	0.0	0.0	0.0
130 Other Revenues	0.0	97.5	0.0	0.0	0.0	0.0
TOTAL REVENUE	3,913.4	4,010.9	4,125.2	0.0	4,413.0	4,413.0

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

	2023-24	2023-24	2024-25	2025-26	FY 2026 Agency Request		Total
	Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	
520000 Payroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520100 Exempt Perm Positions P/T&F/T	463.2	485.8	506.8	523.9	520.9	0.0	520.9
520300 Classified Perm Positions F/T	1,376.2	1,255.3	1,460.5	1,487.2	1,607.9	0.0	1,607.9
520700 Overtime & Other Premium Pay	0.0	0.3	0.0	0.0	0.0	0.0	0.0
520800 Annl & Comp Paid At Separation	0.0	10.2	0.0	0.0	0.0	0.0	0.0
521100 Group Insurance Premium	198.9	186.4	203.7	190.2	191.0	0.0	191.0
521200 Retirement Contributions	357.7	334.9	383.6	393.6	409.6	0.0	409.6
521300 F I C A	146.3	128.1	152.8	123.5	161.6	0.0	161.6
521400 Workers' Comp Assessment Fee	0.2	0.2	0.3	0.0	0.3	0.0	0.3
521410 GSD Work Comp Insur Premium	1.5	1.4	1.2	0.0	1.7	0.0	1.7
521600 Employee Liability Ins Premium	3.7	3.6	2.9	0.0	5.1	0.0	5.1
521700 RHC Act Contributions	38.2	34.8	39.9	42.4	43.0	0.0	43.0
<b>200 Personal Services and Employee Benefits</b>	<b>2,585.9</b>	<b>2,441.1</b>	<b>2,751.7</b>	<b>2,760.8</b>	<b>2,941.1</b>	<b>0.0</b>	<b>2,941.1</b>
530000 Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535100 Medical Services	390,376.7	331,466.7	402,026.7	0.0	406,636.7	0.0	406,636.7
535200 Professional Services	431.5	404.9	441.5	0.0	492.5	0.0	492.5
535300 Other Services	15.2	11.1	28.7	0.0	24.0	0.0	24.0
535309 Other Services - Interagency	17.3	22.1	22.3	0.0	26.8	0.0	26.8
535400 Audit Services	83.3	110.6	115.8	0.0	129.9	0.0	129.9
535500 Attorney Services	50.0	9.1	25.0	0.0	25.0	0.0	25.0
535600 IT Services	105.0	117.4	115.0	0.0	120.0	0.0	120.0
<b>300 Contractual services</b>	<b>391,079.0</b>	<b>332,142.0</b>	<b>402,775.0</b>	<b>0.0</b>	<b>407,454.9</b>	<b>0.0</b>	<b>407,454.9</b>
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	2.7	1.5	0.0	3.0	0.0	3.0
542200 Employee I/S Meals & Lodging	3.5	4.7	5.5	0.0	5.5	0.0	5.5
542300 Brd & Comm Mbr Meals & Lodgin	13.5	4.5	5.5	0.0	5.5	0.0	5.5
542310 Brd & Comm Mbr Mileage & Fares	0.0	4.5	6.0	0.0	6.0	0.0	6.0
542500 Transp - Fuel & Oil	2.2	0.6	2.2	0.0	1.5	0.0	1.5
542600 Transp - Parts & Supplies	0.3	0.2	0.6	0.0	0.6	0.0	0.6
542700 Transp - Transp Insurance	0.2	0.2	0.2	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	5.8	5.8	5.9	0.0	8.1	0.0	8.1
543200 Maint - Furr, Fixt, Equipment	6.0	0.0	6.0	0.0	6.0	0.0	6.0

Retiree Health Care Authority  
 BU PCODE Department  
 34300 0000 0000000000

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	FY 2026 Agency Request Expansion	Total
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	23.0	21.1	21.7	0.0	24.0	0.0	24.0
544000 Supply Inventory IT	20.0	11.0	20.0	0.0	20.0	0.0	20.0
544100 Supplies-Office Supplies	13.0	11.2	13.0	0.0	13.0	0.0	13.0
544400 Supplies-Field Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	5.0	0.0	5.0	0.0	5.0	0.0	5.0
545600 Reporting & Recording	0.0	0.1	0.0	0.0	0.2	0.0	0.2
545700 ISD Services	13.3	13.6	11.2	0.0	21.5	0.0	21.5
545710 DOIT HCM Assessment Fees	9.5	8.9	9.7	0.0	9.8	0.0	9.8
545900 Printing & Photo Services	60.0	65.0	70.0	0.0	70.0	0.0	70.0
546100 Postage & Mail Services	100.0	99.5	85.0	0.0	100.0	0.0	100.0
546400 Rent Of Land & Buildings	122.8	127.8	126.5	0.0	134.7	0.0	134.7
546409 Rent Expense - Interagency	9.1	9.1	18.7	0.0	19.9	0.0	19.9
546500 Rent Of Equipment	30.3	28.1	30.3	0.0	30.3	0.0	30.3
546600 Communications	6.0	1.9	6.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	86.8	56.8	69.3	0.0	58.5	0.0	58.5
546700 Subscriptions/Dues/License Fee	7.0	4.2	7.0	0.0	7.0	0.0	7.0
546709 Subscription & Due Interagency	0.0	0.1	0.0	0.0	0.2	0.0	0.2
546800 Employee Training & Education	10.0	5.4	10.0	0.0	9.0	0.0	9.0
546810 Board Member Training	7.5	0.0	7.5	0.0	5.5	0.0	5.5
546900 Advertising	1.0	0.0	1.8	0.0	1.8	0.0	1.8
547900 Miscellaneous Expense	46.3	41.9	46.8	0.0	46.8	0.0	46.8
547999 Request to Pay Prior Year	0.0	0.7	0.0	0.0	0.0	0.0	0.0
548300 Information Tech Equipment	50.0	49.2	53.9	0.0	56.0	0.0	56.0
549600 Employee O/S Mileage & Fares	2.0	3.8	5.0	0.0	5.0	0.0	5.0
549700 Employee O/S Meals & Lodging	2.0	5.9	5.8	0.0	6.5	0.0	6.5
549800 Brd & Comm O/S Mileage & Fares	3.5	0.9	3.5	0.0	3.5	0.0	3.5
549900 Brd & Comm O/S Meals & Lodgin	3.0	1.2	3.0	0.0	3.0	0.0	3.0
400 Other	670.2	590.6	670.2	0.0	698.7	0.0	698.7
555106 OFU - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0	0.0	4,413.0
TOTAL EXPENSE	398,248.5	339,087.1	410,322.1	2,760.84	415,507.7	0.0	415,507.7

Retiree Health Care Authority  
BU PCode Department  
34300 0000 0000000000

State of New Mexico  
**S-9 Account Code Expenditure Summary**  
(Dollars in Thousands)

Healthcare Benefits Administration

BU PCode Department  
34300 P633 000000

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request ----- Base Expansion Total
535100 Medical Services	390,376.7	331,466.7	402,026.7	0.0	406,636.7
300 Contractual services	390,376.7	331,466.7	402,026.7	0.0	406,636.7
540000 Other Expenses	0.0	0.0	0.0	0.0	0.0
547900 Miscellaneous Expense	45.0	40.5	45.0	0.0	45.0
400 Other	45.0	40.5	45.0	0.0	45.0
555106 OFU - INTRA-Agency	3,913.4	3,913.4	4,125.2	0.0	4,413.0
500 Other financing uses	3,913.4	3,913.4	4,125.2	0.0	4,413.0
<b>TOTAL EXPENSE</b>	<b>394,335.1</b>	<b>335,420.6</b>	<b>406,196.9</b>	<b>0</b>	<b>411,094.7</b>

Program Support

BU PCode Department  
34300 P634 000000

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request ----- Base Expansion Total
520000 Payroll	0.0	0.0	0.0	0.0	0.0
520100 Exempt Perm Positions P/T&F/T	463.2	485.8	506.8	523.9	520.9
520300 Classified Perm Positions F/T	1,376.2	1,255.3	1,460.5	1,487.2	1,607.9
520700 Overtime & Other Premium Pay	0.0	0.3	0.0	0.0	0.0
520800 Annl & Comp Paid At Separation	0.0	10.2	0.0	0.0	0.0
521100 Group Insurance Premium	198.9	186.4	203.7	190.2	191.0
521200 Retirement Contributions	357.7	334.9	383.6	393.6	409.6
521300 F I C A	146.3	128.1	152.8	123.5	161.6
521400 Workers' Comp Assessment Fee	0.2	0.2	0.3	0.0	0.3
521410 GSD Work Comp Insur Premium	1.5	1.4	1.2	0.0	1.7
521600 Employee Liability Ins Premium	3.7	3.6	2.9	0.0	5.1
521700 RHC Act Contributions	38.2	34.8	39.9	42.4	43.0
<b>200 Personal Services and Employee</b>	<b>2,585.9</b>	<b>2,441.1</b>	<b>2,751.7</b>	<b>2,760.8</b>	<b>2,941.1</b>
530000 Contracts	0.0	0.0	0.0	0.0	0.0
535200 Professional Services	431.5	404.9	441.5	0.0	492.5
535300 Other Services	15.2	11.1	28.7	0.0	24.0
535309 Other Services - Interagency	17.3	22.1	22.3	0.0	26.8
535400 Audit Services	83.3	110.6	115.8	0.0	129.9

Program Support

BU PCode Department  
34300 P634 000000

State of New Mexico

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

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	FY 2026 Agency Request Expansion	Total
535500 Attorney Services	50.0	9.1	25.0	0.0	25.0	0.0	25.0
535600 IT Services	105.0	117.4	115.0	0.0	120.0	0.0	120.0
<b>300 Contractual services</b>	<b>702.3</b>	<b>675.3</b>	<b>748.3</b>	<b>0.0</b>	<b>818.2</b>	<b>0.0</b>	<b>818.2</b>
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	2.7	1.5	0.0	3.0	0.0	3.0
542200 Employee I/S Meals & Lodging	3.5	4.7	5.5	0.0	5.5	0.0	5.5
542300 Brd & Comm Mbr Meals & Lodgin	13.5	4.5	5.5	0.0	5.5	0.0	5.5
542310 Brd & Comm Mbr Mileage & Fares	0.0	4.5	6.0	0.0	6.0	0.0	6.0
542500 Transp - Fuel & Oil	2.2	0.6	2.2	0.0	1.5	0.0	1.5
542600 Transp - Parts & Supplies	0.3	0.2	0.6	0.0	0.6	0.0	0.6
542700 Transp - Transp Insurance	0.2	0.2	0.2	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	5.8	5.8	5.9	0.0	8.1	0.0	8.1
543200 Maint - Furn, Fixt, Equipment	6.0	0.0	6.0	0.0	6.0	0.0	6.0
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	23.0	21.1	21.7	0.0	24.0	0.0	24.0
544000 Supply Inventory IT	20.0	11.0	20.0	0.0	20.0	0.0	20.0
544100 Supplies-Office Supplies	13.0	11.2	13.0	0.0	13.0	0.0	13.0
544400 Supplies-Field Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Supplies-Inventory Exempt	5.0	0.0	5.0	0.0	5.0	0.0	5.0
545600 Reporting & Recording	0.0	0.1	0.0	0.0	0.2	0.0	0.2
545700 ISD Services	13.3	13.6	11.2	0.0	21.5	0.0	21.5
545710 DOIT HCM Assessment Fees	9.5	8.9	9.7	0.0	9.8	0.0	9.8
545900 Printing & Photo Services	60.0	65.0	70.0	0.0	70.0	0.0	70.0
546100 Postage & Mail Services	100.0	99.5	85.0	0.0	100.0	0.0	100.0
546400 Rent Of Land & Buildings	122.8	127.8	126.5	0.0	134.7	0.0	134.7
546409 Rent Expense - Interagency	9.1	9.1	18.7	0.0	19.9	0.0	19.9
546500 Rent Of Equipment	30.3	28.1	30.3	0.0	30.3	0.0	30.3
546600 Communications	6.0	1.9	6.0	0.0	5.0	0.0	5.0
546610 DOIT Telecommunications	86.8	56.8	69.3	0.0	58.5	0.0	58.5
546700 Subscriptions/Dues/License Fee	7.0	4.2	7.0	0.0	7.0	0.0	7.0
546709 Subscription & Due Interagency	0.0	0.1	0.0	0.0	0.2	0.0	0.2
546800 Employee Training & Education	10.0	5.4	10.0	0.0	9.0	0.0	9.0
546810 Board Member Training	7.5	0.0	7.5	0.0	5.5	0.0	5.5

Thursday, September 5, 2024

Program Support

BU PCode Department  
34300 P634 000000

State of New Mexico  
S-9 Account Code Expenditure Summary  
(Dollars in Thousands)

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	FY 2026 Agency Request Expansion	Total
546900 Advertising	1.0	0.0	1.8	0.0	1.8	0.0	1.8
547900 Miscellaneous Expense	1.3	1.5	1.8	0.0	1.8	0.0	1.8
547999 Request to Pay Prior Year	0.0	0.7	0.0	0.0	0.0	0.0	0.0
548300 Information Tech Equipment	50.0	49.2	53.9	0.0	56.0	0.0	56.0
549600 Employee O/S Mileage & Fares	2.0	3.8	5.0	0.0	5.0	0.0	5.0
549700 Employee O/S Meals & Lodging	2.0	5.9	5.8	0.0	6.5	0.0	6.5
549800 Brd & Comm O/S Mileage & Fares	3.5	0.9	3.5	0.0	3.5	0.0	3.5
549900 Brd & Comm O/S Meals & Lodgin	3.0	1.2	3.0	0.0	3.0	0.0	3.0
<b>400 Other</b>	<b>625.2</b>	<b>550.1</b>	<b>625.2</b>	<b>0.0</b>	<b>653.7</b>	<b>0.0</b>	<b>653.7</b>
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
<b>TOTAL EXPENSE</b>	<b>3,913.4</b>	<b>3,666.5</b>	<b>4,125.2</b>	<b>2,760.84</b>	<b>4,413.0</b>	<b>0.0</b>	<b>4,413.0</b>

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request					Total	Justification
					GF	OSF	ISF/IAT	FF	Total		
38100	547900 Miscellaneous Expense	40.5	45.0	0	0.0	45.0	0.0	0.0	0.0	45.0	
	400 Other	40.5	45.0	0	0.0	45.0	0.0	0.0	0.0	45.0	
38100	555106 OFU - INTRA-Agency	3,913.4	4,125.2	0	0.0	0.0	0.0	0.0	0.0	0.0	
	500 Other financing uses	3,913.4	4,125.2	0	0.0	0.0	0.0	0.0	0.0	0.0	
	<b>TOTAL EXPENSE</b>	<b>3,953.9</b>	<b>4,170.2</b>		<b>0.0</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.0</b>	

Program Support  
 BU PCode  
 34300 P634

State of New Mexico

E4 PCode Detail  
 (Dollars in Thousands)

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
00000	5203000	0.0	0.0	93.49	0.0	0.0	0.0	0.0	0.0	
00000	521100	0.0	0.0	5.11	0.0	0.0	0.0	0.0	0.0	
00000	521200	0.0	0.0	17.78	0.0	0.0	0.0	0.0	0.0	
00000	521300	0.0	0.0	5.73	0.0	0.0	0.0	0.0	0.0	
00000	521700	0.0	0.0	2.31	0.0	0.0	0.0	0.0	0.0	
38000	520000	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	520100	485.8	506.8	523.95	0.0	0.0	520.9	0.0	520.9	
38000	520300	1,255.3	1,460.5	1,393.71	0.0	0.0	1,607.9	0.0	1,607.9	
38000	520700	0.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	520800	10.2	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	521100	186.4	203.7	185.04	0.0	0.0	191.0	0.0	191.0	
38000	521200	334.9	383.6	375.86	0.0	0.0	409.6	0.0	409.6	
38000	521300	128.1	152.8	117.79	0.0	0.0	161.6	0.0	161.6	
38000	521400	0.2	0.3	0	0.0	0.0	0.3	0.0	0.3	
38000	521410	1.4	1.2	0	0.0	0.0	1.7	0.0	1.7	
38000	521600	3.6	2.9	0	0.0	0.0	5.1	0.0	5.1	
38000	521700	34.8	39.9	40.07	0.0	0.0	43.0	0.0	43.0	
	200	2,441.1	2,751.7	2,760.84	0.0	0.0	2,941.1	0.0	2,941.1	
38000	540000	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	542100	2.7	1.5	0	0.0	0.0	3.0	0.0	3.0	
38000	542200	4.7	5.5	0	0.0	0.0	5.5	0.0	5.5	
38000	542300	4.5	5.5	0	0.0	0.0	5.5	0.0	5.5	
38000	542310	4.5	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	542500	0.6	2.2	0	0.0	0.0	1.5	0.0	1.5	
38000	542600	0.2	0.6	0	0.0	0.0	0.6	0.0	0.6	
38000	542700	0.2	0.2	0	0.0	0.0	0.2	0.0	0.2	
38000	542800	5.8	5.9	0	0.0	0.0	8.1	0.0	8.1	
38000	543200	0.0	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	543300	0.0	6.0	0	0.0	0.0	6.0	0.0	6.0	
38000	543400	0.0	0.1	0	0.0	0.0	0.1	0.0	0.1	
38000	543830	21.1	21.7	0	0.0	0.0	24.0	0.0	24.0	
38000	544000	11.0	20.0	0	0.0	0.0	20.0	0.0	20.0	
38000	544100	11.2	13.0	0	0.0	0.0	13.0	0.0	13.0	

Program Support  
 BU PCode  
 34300 P634

State of New Mexico

E4 PCode Detail  
 (Dollars in Thousands)

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
38000	544400	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	544900	0.0	5.0	0	0.0	0.0	5.0	0.0	5.0	
38000	545600	0.1	0.0	0	0.0	0.0	0.2	0.0	0.2	
38000	545700	13.6	11.2	0	0.0	0.0	21.5	0.0	21.5	
38000	545710	8.9	9.7	0	0.0	0.0	9.8	0.0	9.8	
38000	545900	65.0	70.0	0	0.0	0.0	70.0	0.0	70.0	
38000	546100	99.5	85.0	0	0.0	0.0	100.0	0.0	100.0	
38000	546400	127.8	126.5	0	0.0	0.0	134.7	0.0	134.7	
38000	546409	9.1	18.7	0	0.0	0.0	19.9	0.0	19.9	
38000	546500	28.1	30.3	0	0.0	0.0	30.3	0.0	30.3	
38000	546600	1.9	6.0	0	0.0	0.0	5.0	0.0	5.0	
38000	546610	56.8	69.3	0	0.0	0.0	58.5	0.0	58.5	
38000	546700	4.2	7.0	0	0.0	0.0	7.0	0.0	7.0	
38000	546709	0.1	0.0	0	0.0	0.0	0.2	0.0	0.2	
38000	546800	5.4	10.0	0	0.0	0.0	9.0	0.0	9.0	
38000	546810	0.0	7.5	0	0.0	0.0	5.5	0.0	5.5	
38000	546900	0.0	1.8	0	0.0	0.0	1.8	0.0	1.8	
38000	547900	1.5	1.8	0	0.0	0.0	1.8	0.0	1.8	
38000	547999	0.7	0.0	0	0.0	0.0	0.0	0.0	0.0	
38000	548300	49.2	53.9	0	0.0	0.0	56.0	0.0	56.0	
38000	549600	3.8	5.0	0	0.0	0.0	5.0	0.0	5.0	
38000	549700	5.9	5.8	0	0.0	0.0	6.5	0.0	6.5	
38000	549800	0.9	3.5	0	0.0	0.0	3.5	0.0	3.5	
38000	549900	1.2	3.0	0	0.0	0.0	3.0	0.0	3.0	
400	Other	550.1	625.2	0	0.0	0.0	653.7	0.0	653.7	
38000	555106	0.0	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	0.0	
<b>TOTAL EXPENSE</b>		<b>2,991.2</b>	<b>3,376.9</b>		<b>0.0</b>	<b>0.0</b>	<b>3,594.8</b>	<b>0.0</b>	<b>3,594.8</b>	

Healthcare Benefits Administration

BU PCode  
34300 P633

State of New Mexico

Contract by PCode Detail

(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	FY 2026 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
38100	535100	1000	Medical Services	331,466.7	0.0	406,636.7	0.0	0.0	406,636.7	
TOTAL EXPENSE				331,466.7	0.0	406,636.7	0.0	0.0	406,636.7	

Program Support

BU PCode  
34300 P634

State of New Mexico

Contract by PCode Detail  
(Dollars in Thousands)

Fund Account	#	Contract Purpose	Actuals	FY 2026 Agency Request				Total	Justification
				GF	OSF	ISF/IAT	FF		
38000 535200 Professional Services	1000		404.9	0.0	0.0	492.5	0.0	492.5	
38000 535300 Other Services	1000		11.1	0.0	0.0	24.0	0.0	24.0	
38000 535309 Other Services - Interagency	1000		22.1	0.0	0.0	26.8	0.0	26.8	
38000 535400 Audit Services	1000 0		110.6	0.0	0.0	129.9	0.0	129.9	
38000 535500 Attorney Services	1000		9.1	0.0	0.0	25.0	0.0	25.0	
38000 535600 IT Services	1000		117.4	0.0	0.0	120.0	0.0	120.0	
<b>TOTAL EXPENSE</b>			<b>675.3</b>	<b>0.0</b>	<b>0.0</b>	<b>818.2</b>	<b>0.0</b>	<b>818.2</b>	

## 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:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Efficiency	Annual loss ratio for the health benefits fund	100%	99%	Yes	
Explanatory	Year-end fund balance of the health benefits fund, in thousands	N/A	\$1,504,639	N/A	
Outcome	Emergency room visits per one thousand members	200	512	No	
Outcome	Number of years of projected balanced spending	6	10	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%	41%	No	
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	80%	50%	No	

#### 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:		2023-24 Target	2023-24 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:		2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Request	2025-26 Recomm
Quality	Percent of members with diabetes receiving an annual screening for diabetic nephropathy	37%	41%	85%	85%	
Quality	Percent of members with diabetes receiving at least one hemoglobin A1C test in the last 12 months	48%	50%	80%	80%	
Output	Minimum number of years of positive fund balance	30	30	30	30	
Outcome	Number of years of projected balanced spending	9	10	6	6	
Outcome	Emergency room visits per one thousand members	479	512	200	200	
Explanatory	Year-end fund balance of the health benefits fund, in thousands	\$1,256,273	\$1,504,639	N/A	N/A	
Efficiency	Annual loss ratio for the health benefits fund	96%	99%	100%	100%	

**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:		2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Request	2025-26 Recomm
Outcome	Percent of deposits made within twenty-four hours	100%	100%	100%	100%	
Outcome	Percent of payments made within thirty days	98%	99%	98%	98%	