

RISK MANAGEMENT ADVISORY BOARD

**July 22, 2025
Via Microsoft Teams**

1. CALL TO ORDER

The meeting of the Risk Management Advisory Board was called to order at 1:00 p.m. The meeting was held via Microsoft Teams.

ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Teresa Costantinidis, CFO of UNM
Blaine Moffatt, Designee for Attorney General
Alice Kane, Superintendent of Insurance
Jacob Gable, Designee for Wayne Probst, Dept. of Finance & Administration
Tom Pratt, CFO of a Local Public Body
Carla Martinez, Attorney

Members Not Present:

Rennette Apodaca, Designee for CFO of Albuquerque Public Schools
Shawna Casebier, Director of Legislative Council

Others Present:

Anna Silva, GSD
Jennifer Conn, GSD
Andrew Magida, RMD
Markita Sanchez, RMD
Theresa Griego, WC
Rod Crawley, PAC
Alan Yokley, PAC
Alex Gabaldon, PAC
Christian Myers, OSI

A Quorum was present.

2. APPROVAL OF THE AGENDA

Approved.

3. APPROVAL OF THE APRIL 8, 2025, MEETING MINUTES

Approved.

4. PROPERTY AND CASUALTY (Rod Crawley)

Mr. Crawley greeted the Board and the Chairwoman and said he is the Property and Casualty Bureau Chief for Risk Management. He asked for the screen to be shared to bring up the RMAB PAC Update document he prepared.

Mr. Crawley started off by stating that their department is very busy and took time to share his and his team's appreciation to the Secretary and the State Personnel Board for approving the expansion of Property and Casualty back in 2024 to build an underwriting team. Mr. Crawley introduced the underwriting team's supervisor, Alex Gabaldon. He asked Alex to share with the Board his background and experience. Mr. Gabaldon took a few moments to do so.

Mr. Gabaldon comes from personal lines. He was a producer and agency owner for nineteen years. He is a college graduate and has fifteen years with the State of New Mexico in various departments. Mr. Crawley stated he was pleased to have Mr. Gabaldon on his team and that he has been doing an excellent job.

Mr. Crawley then moved on with his presentation by discussing the three-member underwriting team. He discussed the work they do, such as having just completed the Annual Exposure Surveys which is to maintain the accuracy of the state's inventory of properties and full-time employees. Everything they insure basically. The information is turned over to the actuary for rate development and finalization of the premiums. The underwriting team is currently appraising all state properties valued at \$500k and above. These appraisals will be completed by the end of July 2025.

There was discussion of an upgrade to their portal of the Annual Exposure Survey to avoid gaps in coverage and ensuring they were not insuring non-existing buildings. The process for the Local Public Bodies application process was improved which added a layer of security for their data.

The policy renewals for FY26 went smoothly with over 59 binders issued by Alliant, the insurance broker. There was a breakdown of the entities covered which can be found in Mr. Crawley update document. Mr. Crawley went on to discuss the claim team which has become fully staffed.

The claim team is headed up by Alan Yokley who shared some of his background information. Mr. Yokley has been a claims adjuster for 35 years as a staff adjuster and as a independent adjuster and shared that Mr. Crawley "poached" him from his prior job. He worked his way up from being a PAC adjuster to claims supervisor. Mr. Crawley stated he was doing a great job. He then asked if Mr. Yokley could share information about the flooding claims in Las

Vegas, NM, from the heavy rains that occurred in June 2024 that affected the New Mexico Behavioral Health Institute.

He discussed the various damages and areas affected, and the various departments that have been affected as well. There is an outline of the monies paid out in the Update document that was sent to the Board. It was stated that these damages and claims will qualify as one of the top property losses for the state.

Mr. Crawley discussed how having a fully staffed claims team has enabled them to respond quickly with agency partners in property claims across the state. The claims team is able to handle more claim investigations internally, which saves costs associated with the hiring of independent adjusting firms. Claim frequency was discussed and there is a breakdown in the Update document. Actual dollar figures will be discussed at the upcoming financial update meeting.

After a brief discussion of the various members of the PAC underwriting team, the claim team, and the support team, Mr. Crawley completed his presentation and asked if the Board had any questions. After thanking Mr. Crawley for the presentation, the Chair asked if there were any questions. The Chair asked about the flash flooding in Ruidoso in July. She asked if there were any covered entities that were affected in that flooding. Mr. Crawley said that PAC doesn't have any state properties that were affected by that flooding. There were no further questions posed to Mr. Crawley or the PAC bureau.

5. WORKERS' COMPENSATION (Theresa Griego)

Ms. Griego's presentation was shared with the Board. She introduced herself before beginning her update on Workers' Compensation and the Third-Party Administrator (TPA) services. She shared that the TPA services have been in effect since July 1, 2024. There was an RFP process, and the awarded contract went to Cannon Cochran Management Services, Inc. (CCMSI). They have been handling the workers' compensation claims for the State of New Mexico since July 1, 2024. Ms. Griego gave some background on CCMSI, their staff and current claim volume. For the specific figures and information, please reference Ms. Griego's Update document.

Ms. Griego stated that they are currently covering, per the State Personnel Office (SPO), 30,023 employee positions in all branches, Executive, Judicial and Legislature. This has been an increase of 8,101 employees since her last presentation to the Board. Ms. Griego then went on to discuss the staffing at CCMSI and the breakdown of the caseload figures. Please reference her Update document that was sent out to the Board in preparation of this meeting for detail.

Ms. Griego's presentation continued as she discussed the current claim volume of 910 claims, which is Medical and Indemnity claims combined. Her Update gives a very clear breakdown of the numbers that are reflective from 07/01/2024 to 06/30/2025. She also discussed House Bill 66 which increased the cap on legal fees, which the governor signed into law on March 21, 2025.

Ms. Griego went on to discuss that CCMSI uses PPO network providers, which is cost effective and which the State did not have in place. The savings from having these network providers are quickly adding up. The same is true for the State of New Mexico's pharmacy program that is also being handled by CCMSI. Basically, the usage of the third-party administrator is rendering great savings to the state.

As the Workers' Compensation Program Manager, Ms. Griego explained that she oversees the workers' compensation program and manages the TPA's efforts to produce and deliver on all aspects of the state's services as was delineated in the Quality Service Plan. Some of these services include the best practices for compliance and audit purposes, ensure that claim investigation and findings are documented in claim file notes, ensures subrogation potential is sent a lien letter, ensures new plan participants are established as users in the CCMSI portal, etc. For a more thorough breakdown, please see the Update document Ms. Griego submitted.

Ms. Griego closed out her presentation with discussion on some points she wanted to make the Board aware of. These had to do with the potential effects the application of tariffs on the pharmaceutical supply chain can cause, which creates pressure for reform and emergency preparedness. She pointed out that with the evolving political landscape there is no way to know for certain how the situation will unfold. She listed some statistics regarding the United States reliance on foreign sources for pharmaceutical production. These issues can cause difficulty in obtaining generics and may lead to the need to turn the more expensive brand-name medications, driving up healthcare costs for both patients and insurers.

Ms. Griego asked if the Board had any questions. Board member Kane asked how quickly the TPA was able to take over the claim's operation. She asked if there was a conversion period. Ms. Griego stated that there was a conversion period of, she believed, 90 days from the start of the TPA's handling of the claims which started on July 1, 2024. There were minor glitches which did not pose a real issue for the transitioning.

The Chair had a follow-up question. She asked about the handling of complaints. She wondered, overall, how the transition was received by the customers, the state agencies, and their employees. Ms. Griego said the transition to the TPA has been received well. The clients are happy with the speed of the process of claim handling, being more directly involved in the process, etc. Ms. Griego has not received any complaints about how CCMSI handles their claims. There have been a few issues with claimants not being able to reach their adjusters quickly enough. When Ms. Griego is notified of these issues, she gets directly involved in assisting the claimants with the proper information for their particular adjuster and assuring that the claimants understand the proper procedures to follow to get the right help they need.

Chairwoman Costantinidis continued with a few questions. The first was inquiring about the \$14.5 million payout for the fiscal year July 2024 to June 2025. She was wondering how that figure compared to other years, if the costs were trending up, down or are they staying the same. Ms. Griego did not have this information at hand. Acting Director Sanchez stated they would get a graph prepared to show these figures at the next Board Meeting which will have a presentation by Finance.

The Chair asked about the “injuries” part of Ms. Griego’s presentation. She was wondering if there were any preventive training or efforts being made to address how to reduce such. Ms. Griego deferred the question to Acting Director Sanchez who stated they have their Office of Mitigation, Prevention and Resolution and they have contracted with Poms and several other contractors to do outreach and present different types of training to all the insured entities. RMD has received many requests for such, and they will be arranging to do those. Other preventive measures will involve facility inspections for all FMD-owned buildings. They are also working toward each insured entity having their own program implemented in their agency so they can run it internally on their own and use the RMD to provide the training.

The Chair then asked if there were any other pending regulatory or legislative changes, like House Bill 66, that impact the workers’ comp area. Ms. Griego responded that there are some cost factors that are being looked at. She went on to discuss a House Bill where employers were going to be paying for discovery costs at an increased limit of \$3,500, up from \$1,500, and this amount will continue to increase yearly.

There were no further questions.

6. CONTRACT UPDATES (Markita Sanchez/Andrew Magida)

Acting Director Sanchez started off stating that just recently the State Purchasing Division updated all the templates RMD uses for all of its contracts. The only major change was to the TRD signature line to include gross receipts and compensational taxes for the contractors themselves. All templates are available on the GSD/State Purchasing Division website. She then deferred to Andrew Magida to discuss the contracts that have been entered into since the last meeting.

Andrew Magida stated that since the last meeting there have been two contracts signed for mediation services. One for insurance with Aon Risk, and one for actuarial consulting. There was one for an investigative firm’s services that help with the DOT claims. The last one was for a contract executed with a law firm for legal defense services out of state. One of our covered entities was sued in another jurisdiction and we had to retain counsel in that jurisdiction to defend the state entity. Given the time constraints, they were unable to do an RFP and there was not an existing legal services contract with any firms in this outside jurisdiction. He apologized for being vague but explained that it is a pending legal matter and he doesn’t want to discuss particulars while we are in an open meeting. He asked if the Board wanted to go into an executive session to discuss this particular contract. Alternatively, he offered to speak with any Board members personally if they had any questions.

7. BOARD DISCUSSION ITEMS – There were none.

8. PUBLIC COMMENTS – No members of the public requested to speak.

9. NEXT MEETING – TO BE DETERMINED

The next meeting in October, to be determined, there will be a report on Alternative Dispute Resolution and Finance.

10. ADJOURN

With all business concluded at 1:47 p.m., the meeting was adjourned.

Signed and approved:

Approved and Signed at the 05/27/2026 RMAB Meeting
Teresa Costantinidis, Chair