



## **Benefit Services**

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### MEMORANDUM

**TO:** Dr. Barbara Couture, President

**FROM:** René S. Yoder, Benefits Manager

**ON BEHALF OF:** Benefits Advisory Committee

**RE:** Recommendation for continuation of medical, prescription and dental plans offered through the State Risk Management Division

**DATE:** February 29, 2012

The Benefit Advisory Committee was established to assist New Mexico State University, under the guidance of Human Resource Services, with review of current benefit programs offered to NMSU employees and recommend changes that would benefit the employee and employer through increased value and/or decreased cost.

In the last year, the Benefits Advisory Committee has review proposals from vendors for critical illness plans, which resulted in the implementation of the critical illness plan through AFLAC, and the review of the online discount program through SmartSavings being implemented March 1, 2012. The committee was recently tasked with reviewing the medical/prescription/dental plan currently offered through the State of New Mexico Risk Management Division (RMD).

After reviewing information presented by the NMSU benefit consultant, Mercer, regarding market benefit comparison, as well as NMSU employee survey data and proposals submitted from carriers through a Request for Proposal for medical, prescription and dental plan services, the committee recommends staying with the State of New Mexico for the fiscal year ending 2012. Based on the data reviewed, the committee could not develop a plan based on current budget constraints that would be attractive or financially beneficial as an alternative to the current plans offered through the State of New Mexico.

The benefits of leaving the state programs and moving to a self insured program are considerable; however, the financial impact at this time is not feasible. Therefore, the committee recommends reviewing the option of leaving the state plans for fiscal year ending 2015 over the next three years. The evaluation would require performing an actuarial review of claims data and possibly a Request for Proposal. Human Resource Services would need to utilize the services of a benefit consultant to review the data and assist with interpretation of market trends and peer evaluations.

Benefit Services has requested quarterly claims data from RMD that will be evaluated by the current HR consultant, Mercer, as long as the agreement for services is in place.

The committee requests the support of NMSU administration in recommending to the State of New Mexico RMD that a benefits advisory board, comprised of representatives from local public bodies that participate in the state plans, be created to assist RMD in securing participant input in possible plan changes and impact to participants.

The Benefits Advisory Committee will continue to review NMSU benefit programs over the next year, facilitated by Human Resource Services, to recommend potential plan changes to be implemented that can increase the value of being an NMSU employee. The committee will consider financial constraints as well as employee concerns regarding benefit programs and recommend changes that are of benefit to NMSU and its employees.

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