

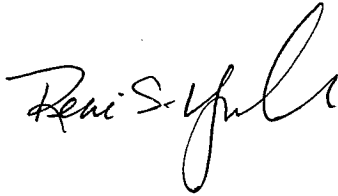


Benefit Services

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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: January 31, 2011

The Benefit Advisory Committee was established to assist New Mexico State University, through the guidance of Human Resource Services, with review of current benefit programs offered to NMSU employees and recommend possible changes that would benefit the employee and employer, through increased value and/or decreased cost. The committee's first task was to review the current arrangement for medical, prescription and dental plans offered through the State of New Mexico Risk Management Division (RMD) and determine if moving to a self insured program would benefit NMSU and its employees.

After reviewing information presented from 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 2013, over the next year. The evaluation would require sending Requests for Proposal in the Fall 2011 and utilizing the services of a benefit consultant to review the data and assist with interpretation of market trends and peer evaluations.

The committee requests the support of NMSU administration in securing the needed utilization and claims data from the State of New Mexico RMD to determine the feasibility of leaving the state programs for fiscal year ending 2013. The committee recommends a minimum receipt of

quarterly reports submitted from the State to NMSU Benefit Services, but no less than semi-annually

The committee also 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, and recommend possible 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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