

**NOTICE OF PROPOSED RULEMAKING AND PUBLIC RULE HEARING**

The New Mexico Retiree Health Care Authority (NMRHCA) is considering amending the part name of the existing rule 2.81.11 NMAC - ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF YEARS OF CREDITABLE SERVICE, amending sections 6, 7, 8 and 9 and adopting a proposed new section 10 to be included in 2.81.11 NMAC. The purpose of the amendment of existing sections of the rule is to amend the subsidy schedule to increase the years for maximum subsidy for some plans. The purpose of the proposed new section is to establish a minimum age requirement to receive subsidy for coverage. The part name will be changed to "ESTABLISHING SUBSIDY LEVELS ON THE BASIS OF AGE AND YEARS OF CREDITABLE SERVICE" in order to reflect the proposed rule. A summary of the full text of the proposed rule follows:

Section 9 of the existing rule 2.8.11 NMAC provides for the NMRHCA to pay a percentage of the subsidy to monthly premiums of eligible retirees, which percentage is dependent on the years of credited service of the retiree and is 100% at 20 years of credited service. The amendment changes the years at which 100% is paid to 25 and changes the percentages for fewer years of credited service for retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2020. Section 7 of the existing rule is amended to include a definition for "members of an enhanced retirement plan." The new section 10 requires that eligible retirees who are not members of an enhanced retirement plan and become eligible for participation on or after January 1, 2020 be 55 years of age to receive subsidies. Section 8 is amended to clarify that disabled retirees receive a 100% subsidy regardless of years of service or age. Section 6 is amended to clarify that the objective of the part includes that subsidies will have a minimum age requirement for those retiring on or after January 1, 2020.

The NMRHCA is authorized to promulgate rules to implement the Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 to -16 (1990, as amended through 2009) ("Act") by NMSA 1978, Section 10-7C-7 (1998). By resolution dated May 8, 2018, the NMRHCA resolved to undertake the rulemaking in conformity with the Act, the State Rules Act, NMSA 1978, Sections 14-4-1 to -11 (1967, as amended through 2017), the Default Procedural Rule for Rulemaking, 1.24.25 NMAC (4/10/2018) and the Open Meetings Act, NMSA 1978, Sections 10-15-1 to -4 (1974, as amended through 2013).

The NMRHCA is increasing the minimum years of service requirement to receive the maximum subsidy provided by the program to be consistent with requirements to receive a full pension benefit from both the Public Employee Retirement Association of New Mexico and the New Mexico Educational Retirement Board. In addition, the agency is establishing a minimum age requirement for folks not retiring from an enhanced retirement plan to promote and strengthen the solvency of the program. A study of NMRHCA's long-term solvency projections, NMRHCA 2017 Long-Term Solvency Model, is available at its website, [www.nmrhca.org/financial-documents.aspx](http://www.nmrhca.org/financial-documents.aspx).

The full text of the proposed rule may be obtained by contacting Greg Archuleta, Director of Communication and Member Engagement, New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107; telephone 505-222-6403, to request a copy of the rule. The full text and this notice are also available on NMRHCA's website: <http://www.nmrhca.org/>.

A person may submit, by mail or electronic form, written comments on the proposed rule through the end of the public comment period, which ends July 26, 2018. Written comments should be submitted to Greg Archuleta, Director of Communication and Member Engagement, New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107. Written comments also will be accepted by email: [gregoryr.archuleta@state.nm.us](mailto:gregoryr.archuleta@state.nm.us) or by fax: (505) 884-8611. All written comments received by the agency will be posted on <http://www.nmrhca.org/> no more than 3 business days following receipt to allow for public review. Written comments will also be available for public inspection at New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107.

A public rule hearing on the proposed rule will be held before Greg Archuleta, Director of Communication and Member Engagement, NMRHCA, on July 26, 2018 from 1-3 p.m. at the NMRHCA office's Alfredo R. Santistevan

Board Room, located at 4308 Carlisle Blvd. NE, Suite 207 in Albuquerque, NM, 87107. Individuals may submit data, views or arguments orally or in writing to the proposed rule at the public rule hearing. Persons offering written comments at the hearing must have 2 copies for the hearing officer.

Any individual with a disability in need of an auxiliary aid or service to attend or participate in the hearing, or who needs copies of the proposed rule in an accessible form may contact Greg Archuleta at 505-222-6403 at least 10 days before the hearing.