



PCF Advisory Board Meeting

April 10, 2025

Your Partner in Risk Management

Agenda

- Call to Order – Roll Call/Approval of Agenda and Minutes
- Discussion and Recommendation to Superintendent concerning selection of Independent Actuary
- Report on PCF Status
 - Number of Participants and Change
 - Expenses
 - Surcharges Collected
 - Balance Sheet
- Update Regarding 2025 Legislative Session and Impact on PCF
- Pinnacle's Response to the PCF Advisory Board's 2025 Annual Report to the New Mexico Legislature
- Discuss and Set Rate Hearing Schedule
- Public Comment
- Adjournment

REPORT ON PCF STATUS

PCF Participating Carriers

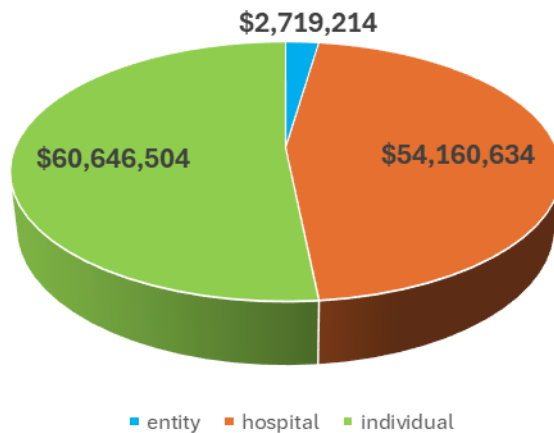
- 10 Participating Carriers in 2024
- Constellation Mutual (now Curi) is the MMIC Group (strong in Utah, Minnesota, North Carolina and Arkansas)

Carrier	Surcharge
ProSelect Insurance Company	\$ 55,801,757
AEIX	\$ 43,116,221
The Doctors Company	\$ 9,626,051
Medical Protective Group	\$ 5,072,838
Lone Star Alliance	\$ 1,506,908
MagMutual Insurance Company	\$ 1,363,019
Norcal Group	\$ 601,375
Constellation Mutual	\$ 566,534
Liberty Insurance Underwriters Inc.	\$ 5,237
Locum Tenens Consulting for The Doctors Company	\$ 4,700
California Medical Group Insurance Co...	\$ (138,290)
Total Surcharges 2024	\$ 117,526,351

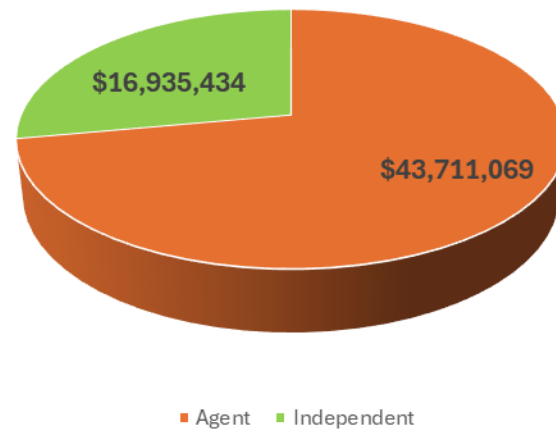
Report on PCF Status – 2024 year-end

- PCF Participants include 17 hospitals and outpatient health care facilities, 569 group entities and 5,920 individual providers.
- Total of \$117,526,351 in surcharges

Surcharge by Provider Type 2024



Breakdown of Individual Providers



Hospital Surcharges – Trend

- Hospitals: all but one renewed (San Miguel Hospital Corporation)
- Total of \$35,506,480 in 2023 and \$54,144,778 in 2024 and \$68,035,210 YTD 2025 (This includes hospital surcharges only, not employed providers)

Entity	2023 Surcharge	2024 Surcharge	2025 Surcharge
Carlsbad Medical Center LLC	\$ 1,671,087	\$ 1,743,224	\$ 2,084,358
Covenant Hospital Hobbs	\$ 928,743	\$ 1,003,459	\$ 1,274,031
Deming Hospital Corporation	\$ 564,451	\$ 1,114,075	\$ 1,329,525
Encompass Health Rehabilitation Hospital of Albuquerque	\$ 320,400	\$ 347,502	\$ 407,672
Las Cruces Medical Center LLC	\$ 1,671,087	\$ 6,295,421	\$ 7,851,055
Las Cruces Surgery Center LLP	\$ 1,671,087	\$ 112,796	\$ 97,042
Lovelace Health System LLC	\$ 6,002,705	\$ 6,816,756	\$ 8,252,028
Lovelace UNM Rehabilitation Hospital LLC	\$ 460,253	\$ 742,591	\$ 896,263
New Mexico Heart Institute	\$ 482,725		
Otero County Hospital Association	\$ 713,793	\$ 2,462,500	\$ 2,848,828
PHC- Las Cruces Inc	\$ 1,431,833	\$ 4,037,253	\$ 4,999,236
PHC- Los Alamos inc	\$ 1,431,833	\$ 499,039	\$ 598,134
Presbyterian Healthcare Services	\$ 13,051,531	\$ 21,450,569	\$ 27,797,284
Roswell Hospital Corporation	\$ 1,671,087	\$ 2,541,619	\$ 3,417,162
San Miguel Hospital Corporation	\$ 300,072	\$ 468,637	
St. Vincent Hospital	\$ 2,918,844	\$ 4,509,337	\$ 6,182,592
TOTAL:	\$ 35,291,531	\$ 54,144,778	\$ 68,035,210

Report on PCF Status – Year End 2024

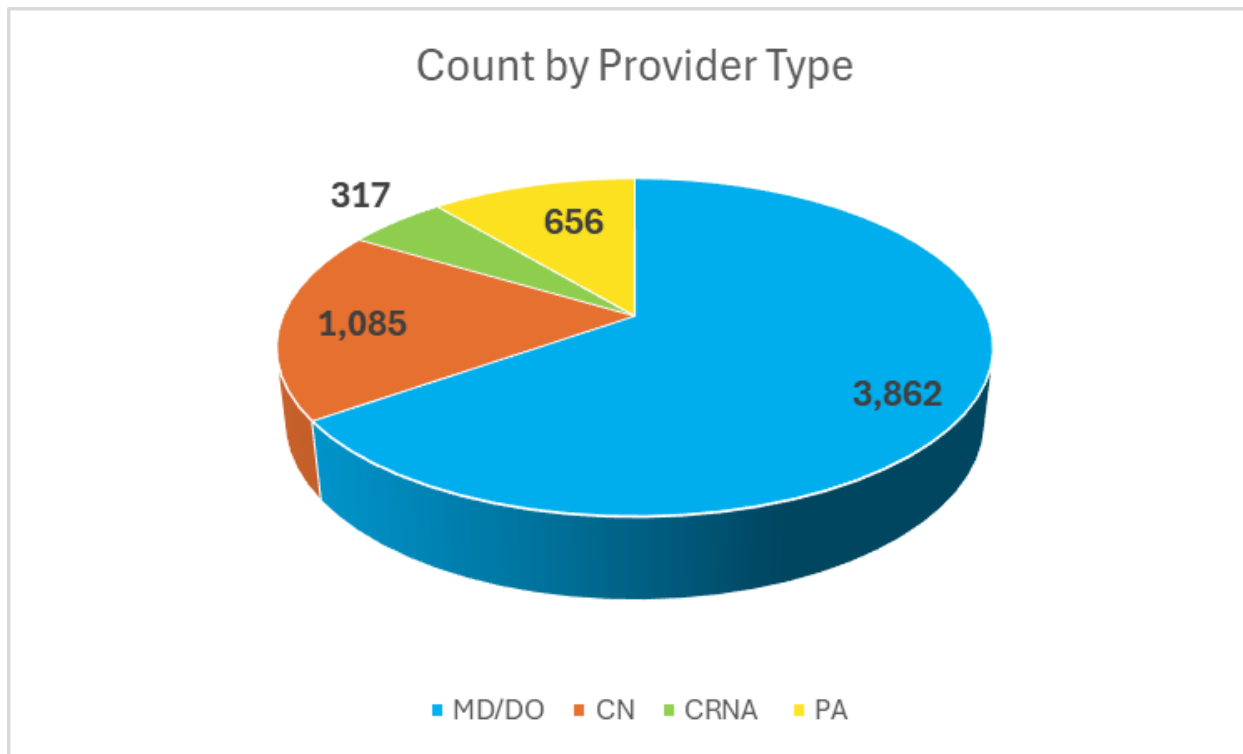
- Group Entities: 569 entities paying surcharges to PCF.
- Total of \$2,719,214 in entity surcharges.

Top 10 Entities by Surcharge

Entity	Surcharge
Southwest Medical Associates LLC	\$ 488,887
Las Cruces Physician Services LLC	\$ 259,662
Las Cruces Physician Practices LLC	\$ 165,151
New Mexico Heart Institute LLC	\$ 109,911
Pecos Valley of New Mexico LLC	\$ 88,310
Womens Specialists of New Mexico LTD	\$ 68,528
New Mexico Orthopaedic Associates PC	\$ 68,110
SOUTHWEST EMERGENCY MEDICAL ASSOCIATES OF NEW MEXICO	\$ 60,474
Las Cruces HB Medical Services, LLC	\$ 49,615
Sound Inpatient Physicians, Inc.	\$ 49,546

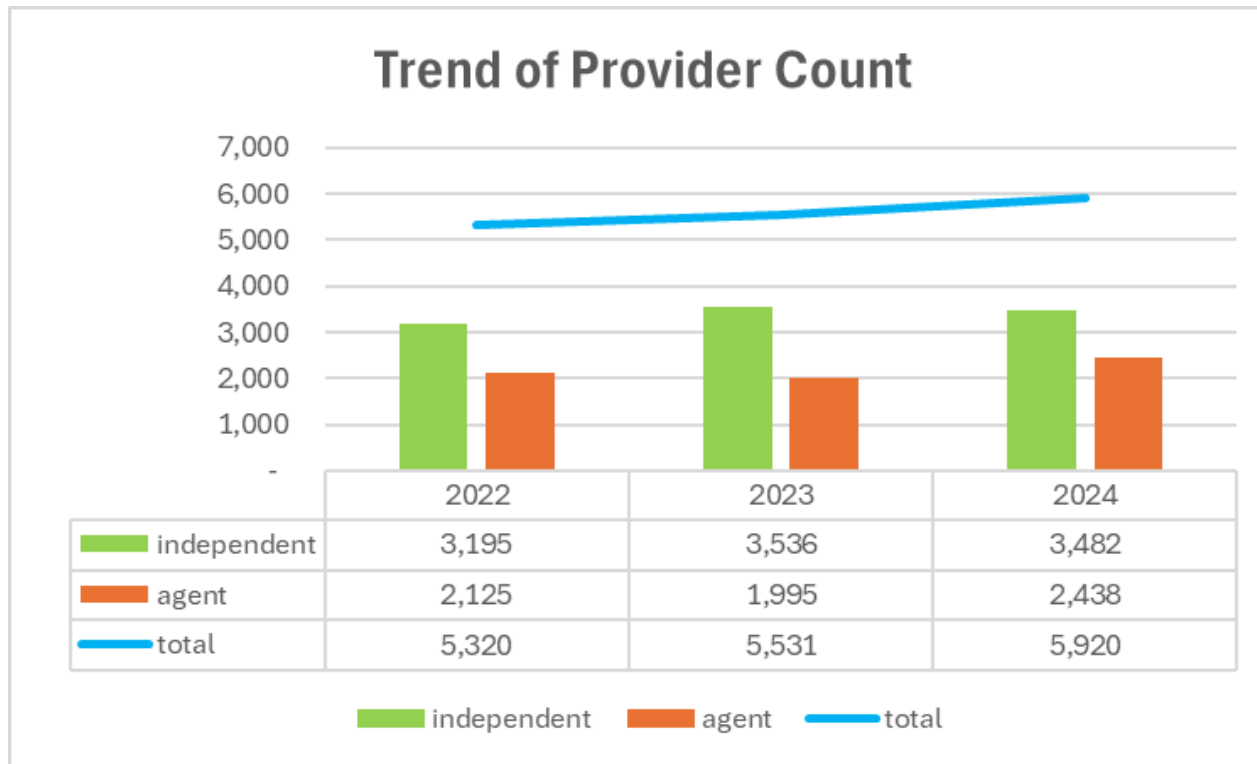
Report on PCF Status – Year End 2024

- Individual Providers: 5,920 total Qualified Healthcare Providers



41.2% Agent
58.8% Independent

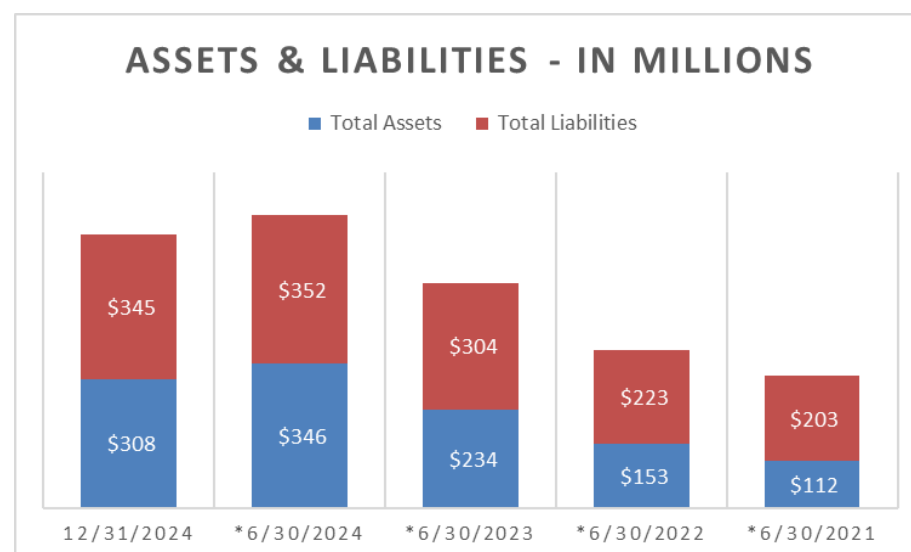
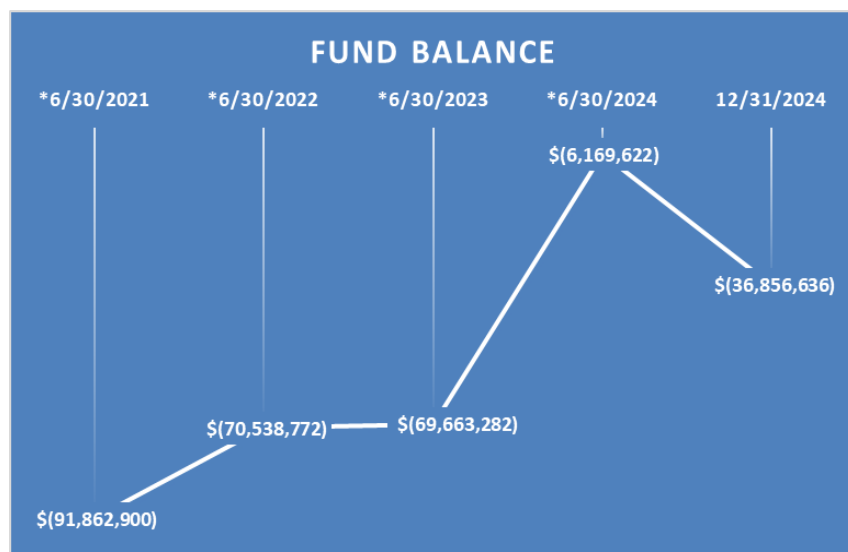
Trend of Provider Counts By Independent/Agent



FINANCIAL – BALANCE SHEET

Report on PCF Status – Balance Sheet

As Of:	12/31/2024	*6/30/2024	*6/30/2023	*6/30/2022	*6/30/2021	*6/30/2020
ASSETS						
Cash	\$ 225,320,685	\$ 262,557,551	\$ 192,043,106	\$ 110,569,668	\$ 65,192,363	\$ 60,526,150
Investments	\$ 82,954,683	\$ 82,954,683	\$ 41,852,954	\$ 39,680,489	\$ 45,879,766	\$ 39,821,873
Other	\$ -	\$ -	\$ -	\$ 2,412,025	\$ 518,063	\$ 594,386
Total Assets	\$ 308,275,368	\$ 345,512,234	\$ 233,896,060	\$ 152,662,182	\$ 111,590,192	\$ 100,942,409
LIABILITIES						
Long-term Claim	\$ 289,097,230	\$ 289,097,065	\$ 260,266,474	\$ 193,989,169	\$ 187,588,942	\$ 159,929,164
Other	\$ 231,862	\$ 6,778,879	\$ 5,440,586	\$ 2,246,720	\$ 4,030,173	\$ 673,566
Deferred revenue	\$ 55,805,912	\$ 55,805,912	\$ 37,852,282	\$ 26,965,065	\$ 11,833,977	\$ 11,564,558
Total Liabilities	\$ 345,135,004	\$ 351,681,856	\$ 303,559,342	\$ 223,200,954	\$ 203,453,092	\$ 172,167,288
NET POSITION						
	\$ (36,859,636)	\$ (6,169,622)	\$ (69,663,282)	\$ (70,538,772)	\$ (91,862,900)	\$ (71,224,879)
Total Liabilities and Net Position	\$ 308,275,368	\$ 345,512,234	\$ 233,896,060	\$ 152,662,182	\$ 111,590,192	\$ 100,942,409

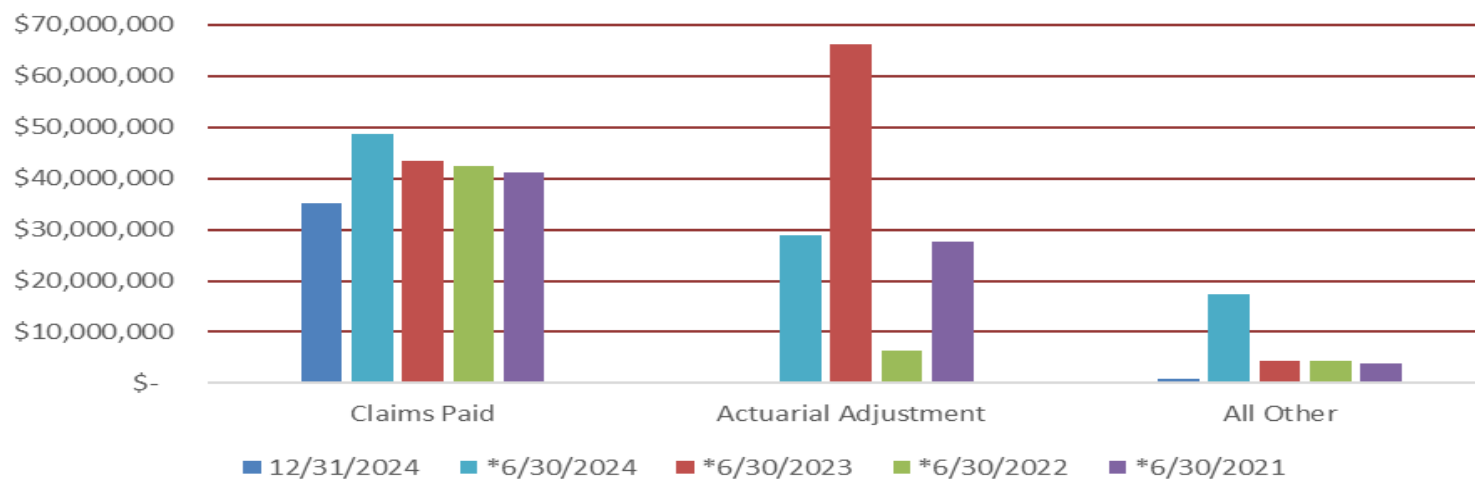


Report on PCF Status - Expenses

Your Partner in Risk Management

	For the Six Months Ended,	For the Year Ended,				
Expense	12/31/2024	*6/30/2024	*6/30/2023	*6/30/2022	*6/30/2021	*6/30/2020
Claims Paid	\$ 35,088,292	\$ 48,801,900	\$ 43,398,695	\$ 42,484,641	\$ 41,200,659	\$ 24,843,894
Actuarial Adjustment	\$ -	\$ 28,827,786	\$ 66,277,305	\$ 6,400,197	\$ 27,659,778	\$ 40,929,164
Other	\$ 184,357	\$ 297,233	\$ 2,251,401	\$ 2,444,466	\$ 2,418,931	\$ 2,503,718
Contractual	\$ 711,093	\$ 16,833,733	\$ 1,335,363	\$ 926,410	\$ 415,942	\$ 302,361
Intra-agency	\$ -	\$ 272,200	\$ 816,500	\$ 816,500	\$ 816,500	\$ 616,700
Personnel	\$ -		\$ 37,254	\$ 136,870	\$ 205,966	\$ 248,143
Total Expense	\$ 35,983,742	\$ 95,032,852	\$ 114,116,518	\$ 53,209,084	\$ 72,717,776	\$ 69,443,980

Expense Comparison



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UPDATE REGARDING 2025 LEGISLATIVE SESSION AND IMPACT ON PCF

PINNACLE'S RESPONSE TO THE PCF ADVISORY BOARD'S 2025 ANNUAL REPORT TO THE NEW MEXICO LEGISLATURE

RATE HEARING SCHEDULE

Actuarial Study – Important Dates

- *Data has already been submitted to Pinnacle.*
- *Receive Draft on or around June 1, 2025.*
- *Will schedule a meeting for Pinnacle to present data to PCF Advisory Board.*
- *Rate hearing takes place on ...*
- *Interested parties must file for intervenor status by ...*
- *Superintendent must promulgate 2026 rates by October 31, 2025.*
- *Rates take effect January 1, 2026.*

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