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MEETING NOTICE:

The Advisory Council on Workers' Compensation and Occupational Disease Disabling will meet 2:30 p.m. on Thursday, November 16, at 2410 Centre SE, Albuquerque, NM 87106. See <https://workerscomp.nm.gov/Advisory-Council> for more information..

An Update on Medical Cannabis Reimbursement Rate Calculations

By Richard Adu-Asamoah, PhD

In 2014 and 2016, key rulings by New Mexico's Appellate Court set in motion changes to the status of medical cannabis in the New Mexico workers' compensation system. The decisions required employers and insurance providers to pay for medical cannabis treatments for qualified injured workers when such treatment is found to be "reasonable and necessary." However, the court did not specify how medical cannabis would be distributed and paid for, particularly given that cannabis is illegal under federal law.

Insurance companies were concerned that directly reimbursing dispensaries for medical cannabis treatment could expose them to federal legal liability. To mitigate this risk, the WCA proposed that injured workers would purchase their own cannabis and insurance companies would reimburse them. Implementing this proposal required a regulatory framework to prevent the potential for unregulated and unlimited cannabis reimbursements.

The WCA's Economic Research and Policy Bureau (ERP) was tasked with addressing the need for a maximum rate on cannabis reimbursements. At this time, there was a limited number of dispensary licenses that were granted by the state, creating a market that was similar to an oligopoly. Based on this assumption, the Cournot Oligopoly model was an appropriate way to calculate the market price for medical cannabis in New Mexico.

Using the Cournot Oligopoly model, ERP calculated the maximum rate of a unit of medical cannabis for its Health Care Providers' Medical Fee Schedule and Billing Instructions (fee schedule). This made New

Mexico the first state in the US to establish a fee schedule rate of its kind for medical cannabis. Rules were also established to ensure compliance with the Lynn and Erin Compassionate Use Act and to prevent arbitrary price-setting. This reimbursement rate has been published in the fee schedule since 2016.

In 2021, the Cannabis Regulation Act allowed the distribution of cannabis in New Mexico for recreational purposes beginning on April 1, 2022. Cannabis dispensaries in New Mexico now sell to both recreational and medical customers, and there are far more dispensaries operating in the state. Because the market no longer qualifies as an oligopoly, ERP has revised its original assumptions and updated the rate calculation model. The proposed medical cannabis reimbursement rate for 2022 and beyond is based on the Average Sales Prices (ASP) Model used by the US Centers for Medicare Services (CMS).

Under the new model, the rate is calculated as $P_m = (ASP) (1+H)$, where P_m is the maximum allowable rate, ASP is the Licensed provider's (LP) average dry-weight medical cannabis sales per gram weighted by LP market share, and H is the percentage overhead laid out in the CMS ASP Model. Temporary adjustments were applied to the maximum rates to account for market conditions during the transition. Future updates will phase out those adjustments and reflect changes in market conditions.

To learn more about workers' compensation research, download our annual report. *Dr. Adu-Asamoah is the agency's Economic Research and Policy bureau chief.*

WCA Welcomes Douglas Christopherson to Mediation Bureau

Attorney Douglas Christopherson began work as an attorney mediator at the WCA in September 2023 after spending years practicing as a workers' compensation defense attorney.

"I'm really looking forward to this new role where I get to help resolve claims at the mediation stage," Christopherson said of the position.

Raised in Salt Lake City, Utah, Christopherson received his undergraduate degree in psychology from the University of Utah. He then

spent several years managing psychiatric research studies in the University of Utah's Department of Psychiatry before continuing his studies to earn his law degree at the university.

Christopherson moved to New Mexico in 2012 and lives in the north valley of Albuquerque with his wife and daughter. "It took us no time at all to become proud New Mexicans," he said. "We love it here."

Christopherson spent a year as a prosecutor for the State of New Mexico, handling DWI and domestic



Mediator Doug Christopherson

violence cases. He worked as a workers' compensation defense attorney for 10 years prior to joining the Workers' Compensation Administration. In his spare time, he enjoys hiking and skiing.

WCA Welcomes Isabella Pacheco to Mediation Bureau

Aileen O'Catherine

When Isabella (Bella) Pacheco left Clovis, New Mexico, for an undergraduate degree at Notre Dame, she wasn't sure what she wanted for a career. While there, she majored in her interests—political science and Latino studies. By her own account, she fell into lawyering. An undergraduate summer internship at the Mexican American Legal Defense and Educational Fund (MALDEF), a non-profit in Los Angeles that is a leading

voice for Latino civil rights, planted the idea of law as a potential career.

"I went there because I wanted to follow my friends, who were all going to L.A. for the summer," she said, but soon found that the world of public policy and civil rights sparked an interest.

After graduating from Notre Dame, Pacheco took a gap year and considered law as a career. She worked for a year in Albuquerque, then decided on law, graduating from the University of New Mexico School of Law in 2017.

Pacheco spent five years as a public defender, then worked with Rothstein Donatelli, LLP for a year, focused on aspects of criminal law.

She was intrigued by the idea of working as a mediator, having done some mediation as a public defender. Philosophically, she thought it would be a good fit.



Mediator Isabella Pacheco

"The work here is intellectually stimulating," she said. "You're studying workers' compensation statutes and seeing how workers' compensation law becomes applicable. You're looking at the real world."

Pacheco joined the Workers' Compensation Administration as a mediator in October of 2023. In her spare time, she enjoys hiking, cycling and playing fantasy football.

NM Workers' Comp. Adm. Quarterly Bulletin

Robert E. Doucette, Jr., Director
Diana Sandoval-Tapia, Public Information Officer
Aileen O'Catherine, Public Relations Specialist

The Bulletin is electronically published in January, April, July and October by the Public Information Office of the New Mexico Workers' Compensation Administration. The Bulletin is available free of charge. Send changes of e-mail address and requests to receive the Bulletin to Diana Sandoval-Tapia in the Public Information Office, New Workers' Compensation Administration, WCA-PIO@state.nm.us

Suggestions for articles are welcome. Call Diana Sandoval-Tapia at (505) 841-6052.

Recent issues of the Quarterly Bulletin can be viewed on the Internet at <https://workerscomp.nm.gov/NMWCA-Publications>.

What is the Advisory Council?

The Advisory Council on Workers' Compensation and Occupational Disease Disablement is a task force created by statute, comprised of six members, three representing workers and three representing employers. The primary role of the Council is to advise the governor and legislature on the status of the workers' compensation system in New Mexico. The Advisory Council is required to meet at least twice annually. Scheduled meetings of the Council are announced on the WCA website, <https://www.workerscomp.nm.gov/Advisory-Council>.

Annual All-Hands Award Event Includes Mural Unveiling

Aileen O’Catherine

The New Mexico Workers’ Compensation Administration (WCA) held its annual “All Hands” staff development and employee recognition event on October 16 and 17, 2023. Staff from the agency’s six field offices traveled to Albuquerque for the event, which took place off-site at the National Hispanic Cultural Center for a half-day on October 16, and on-site in the main office on October 17. Field office managers remained at their offices so those offices could remain open.

At the National Hispanic Cultural Center, staff heard talks given by Judge Tony Couture, an attorney panel discussion, representatives from PERA on retirement and deferred compensation programs as well as a talk on wellness by a representative from The Solutions Group (a division of Presbyterian Healthcare Services).

A cookie contest during the break confirmed once again that Marietta Valdez, return-to-work coordinator from the WCA’s Las Cruces office, makes excellent lace cookies, which have won her the contest two years in a row.

Staff broke into assigned groups on October 17 to hear informational talks given by some of the agency’s bureaus. Presenting bureaus included Clerk of the Court, Enforcement, General Counsel, Self-Insurance, and the Uninsured Employers’ Fund.

This year’s event was coordinated by agency bureau chiefs, primarily led by Enforcement Bureau Chief Kelly Villanueva and Ombudsman Bureau Chief Samuel Castillo. IT Manager Brenda Henderson and Public Information Officer Diana Sandoval-Tapia also provided expertise for off-site specifics.

As always, the event concluded with awards presented for Bureau, Employee and Manager of the Year, along with service awards for years of service with the agency.

Economist Charles Cordova with

the economic research and policy bureau (ERPB) was named the agency’s “2023 Employee of the Year.” Cordova has been with the agency since July 2021. “I’m honored to receive this award,” Cordova said. “We all work together to bring value to the agency and our stakeholders,” he added. His supervisor, Richard Adu-Asamoah, notes that in addition to his regular duties, Cordova has engaged in important research, has delivered a presentation on artificial intelligence in workers’ compensation to the International Association of Industrial Accident Boards and Commissions and has developed computer programs to automate bureau tasks. “Congratulations, Charles for your hard work,” Adu-Asamoah said.

The Safety Bureau was named the “2023 Bureau of the Year,” having been nominated for the work staff have undertaken to re-institute the statutorily required Risk Reduction Program, which works with high risk employers to reduce safety violations.

The agency’s “Manager of the Year” award went to Santa Fe Field Office Manager Charlene Cde Baca. “I find great satisfaction working with my fellow team and the public,” said Cde Baca. “I really love my job. Thank you for noticing my efforts, and I will do my best to merit this recognition,” she said.

“This recognition is deserved,” said Cde Baca’s supervisor, Field Programs Manager Trey Flynt. “Charlene is always willing to lend a hand and her enthusiasm for her job and our agency shows,” said Flynt.

Awards also went to staff for years of service. Attorney Richard Crollett has been with the agency for 25 years, many of



Executive Deputy Director Leigh Martinez (l) with 25-year employee Richard Crollett

those years working in the Uninsured Employers’ Fund. Crollett began work at the WCA on May 11, 1998. “I have enjoyed working at the WCA,” Crollett said. “I am honored to have worked for the State of New Mexico Workers’ Compensation Administration,” he said.

The WCA recognized several other staff members for their years of service to the agency. Service award recipients included Elizabeth Zon for 15 years; Jessica Rodriguez and Hon. Reginald Woodard for 10 years; Patricia Baca, Amber Crow, Kenneth Owens and Trisha Platt for five years; and Kayleen Apodaca, Michael Holt, Norma Nored, Amanda Olvera, Jeff Romero, Ernie Saucedo, Les Urioste and Marietta Valdez, each with three years of service.

This year, there was also a mural unveiling ceremony to honor long-time employees and those who passed away while employed with the WCA. There was a mini-reunion of many former staff who were invited back to see their names on the mural.



WCA staff gather in front of the agency in Albuquerque

Director Robert E. Doucette, Jr. Named IAIABC Board President

The International Association of Industrial Accident Boards and Commissions (IAIABC) educates and connects the global workers' compensation community in order to

reduce harm and aid recovery from work illnesses and injuries.

Director Robert E. Doucette, Jr., has been on the IAIABC Board of Directors since 2018 and was chosen

to be President of the board for the 2023-2024 term. The IAIABC Board of Directors is the organization's governing body.

Lisa Romero Named Manager of the Quarter

Self-Insurance and Regulatory Audit Bureau Chief Lisa Romero has been named the WCA Manager of the Quarter for the third quarter of 2023.

Romero began with the WCA in July of 2016 as a financial auditor with the bureau. In December 2021, Romero stepped up to take on additional responsibilities and serve as the lead for her peers when her bureau chief became ill. She was appointed bureau chief in October, 2022.

"It was a challenging year, but with the help and the camaraderie of the people in this agency, we made it through," Romero said.

Romero has worked in New Mexico state agencies for over 26 years.

"I came to the WCA because it gave me the opportunity to work in audit, which I love doing," she said.

She also wanted to join the WCA because her mentors told her the agency made a difference in peoples' lives. "These same mentors shaped my philosophy in supervising, to make sure one of your main goals is to make an impact," she said.

Romero's nominator noted she had served as a lead for her peers almost a year prior to being named bureau chief, and that despite suffering the losses of a team member and a personal loss,



*Self Insurance Bureau Chief
Lisa Romero*

"she still manages to lead her team with grace and integrity. She teaches her auditors the "why" behind the answers to their questions and truly wants them to succeed both individually and as a team."

Robert Gallegos Named Employee of the Quarter

Administrative Services Coordinator Robert Gallegos has been named WCA Employee of the Quarter for the third quarter of 2023. Gallegos has been with the WCA since June, 2022, where he works in the facilities bureau.

One of Gallegos' supervisors, Field Programs Manager Trey Flynt, said Gallegos is a valuable member of the agency. "His willingness to help everyone and his ability to get things done are appreciated," said Flynt.

As the administrative services coordinator, Gallegos ensures mail gets distributed, telephone equipment remains operational, agency cars run

well, as well as providing a myriad of support in ensuring the building and its many functions operate smoothly.

Gallegos served 30 years in the Army, and worked at the Department of Military Affairs, the Air Force Research Lab and Kirtland Air Force Base prior to joining the WCA.

Gallegos' nominator said his knowledge and assistance go far beyond the duties of his position.

"Robert's knowledge and help in installing new phone systems in the field offices, and his enthusiasm for helping have been wonderful," his nominator said. "He works very hard keeping this building running."



*Administrative Services Coordinator
Robert Gallegos*

For his part, Gallegos enjoys his job. "It is a great honor and privilege to be selected as employee of the quarter," Gallegos said of his award. "It really shows hard work doesn't go unnoticed."

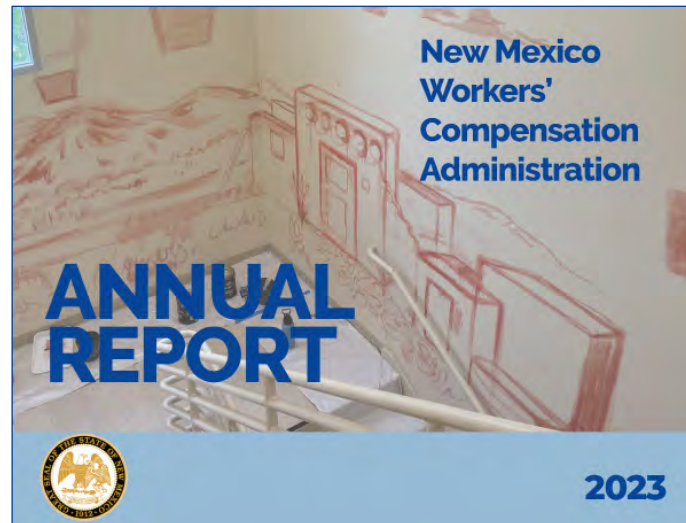
2023 Annual Report Now Available Online

The WCA's 2023 Annual Report is now available online at the agency's website. The report highlights the WCA's successes and places where improvements can be made. Several highlights from the report include:

- New Mexico's share of pharmaceuticals as a percentage of medical costs exceeds that of either its geographic region or the country.
- Cannabis trends reversed following recreational legalization.
- Falling claim rates are countering rising indemnity costs.

To request a printed report, email WCA-PIO@wca.nm.gov, or find it online at:

<https://workerscomp.nm.gov/NMWCA-Publications>.



HOLIDAY CLOSURE

The Workers' Compensation offices in Albuquerque and all its field offices will be closed on the following upcoming holidays:
Veterans Day, Friday, November 10
Thanksgiving, Thursday and Friday, November 23 - 24
Christmas, Monday, December 25
New Year's Day, Monday, January 1
MLK Day, Monday, January 15

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MAIN OFFICE

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Albuquerque, NM 87106-4190

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1-866-WORKOMP 1-866-967-5667

WCA Website:

<https://workerscomp.nm.gov>