

## NSHE PEBP Benefits Task Force

### Summary Notes from Meeting – October 19, 2011

1. **Updated Task Force Web page.** Chris Haynes updated the Task Force on the status of the draft web page. She will send a copy of the link to each Task Force member for their review and comment. She will also ask Task Force members to submit any/all comments they may have on survey questions we may wish to consider for NSHE employees (one likely question will relate to any PEBP proposed middle tier option plan). Once Chris hears from everyone on the web page draft she will finalize it and send a note to all campus HR contacts. As was the case in the past, each HR office will be asked to distribute information on the web site to their campus employees, as appropriate along with any cover note.
  
3. **Task Force goals.** The Task Force goals were finalized as follows:
  - a. Support high quality customer service to our employees, and high quality communications and program management. We will work with PEBP, as appropriate, on these issues.
  - b. Review options for near-term financial relief for health care needs for NSHE employees, perhaps through supplemental options approved by the Board of Regents. We will be working to prepare recommendations to the Chancellor.
  - c. On a longer term basis, work with the new NSHE health care consultant to consider the best options for providing health care coverage for all NSHE academic faculty, administrative faculty, classified staff and retirees.
  
4. **Finalize priority items for presentation at November 3, 2011 PEBP Board meeting.**

The following key issues will be presented to the PEBP Board at their November 3, 2011 meeting. Bart Patterson will assure that appropriate System staff is there to present these issues, under public comment. Each of these issues is one that Bart has already discussed with PEBP management and some of the Board members, so they should not be a surprise. Additionally, each Task Force member should feel welcome to attend the Board meeting.

\***Overall Customer Service for NSHE Employees:** There is a great concern that PEBP customer service is lacking, and there are many complaints from employees, including the following:

- PEBP customer service staff is hard to contact, but when they are contacted, they are not that helpful in resolving specific questions. The NSHE HR staff is often contacted and they end up calling the same rotary to try and work through an issue with the PEBP customer service staff.
- When the PEBP customer service staff does provide responses, there is concern that they are not providing accurate, complete or consistent information. Some examples are: recommendations for anyone eligible for Medicare coverage to immediately enroll; changes in coverage due to change of status; and retirees frustrated about the little information they have received about ExtendHealth from PEBP.

Note: It has been highlighted that the Prevention Plan customer service staff are responsive and effective.

#### POSSIBLE SOLUTIONS:

- a. Have additional customer service staff available, with more training;

- b. Allow specified NSHE HR staff access to consistent contacts at PEBP, to help provide more efficient and effective dialogue and service to our employees (noting that NSHE has some unique features compared with all other PEBP covered individuals).
- c. Allow some defined NSHE HR staff security access to the PEBP automated system (E-PEBP), so they can view and better assist employees who encounter issues, through understanding the facts relative to their enrollment. This will save a great deal of time on the part of everyone, as right now many employees contact PEBP first, then go to NSHE HR staff, and then the NSHE HR staff end up calling PEBP.

**\*Lack of information regarding provider contract prices for services:**

POSSIBLE SOLUTION: Make this information available on either the PEBP or HealthScope website specific to the providers within PEBP's network. PEBP has a resource on their website, but it only gives you a range of cost for the service and is not specific to the negotiated rate that PEBP has with their providers.

While there is good information on appropriate prescription drug costs under the new PPO program, the same is not the case for other medical costs. Not only are employees unable to determine contracted rates, the PROVIDERS are confused and guessing at amounts which could cause employees to pay more than necessary at the time of the visit.

**\*Delays in new hires receiving their information from PEBP:**

Currently it takes 4 to 6 weeks for an employee to receive their new-hire packet from the date that they attend Orientation (Note: NSHE new employees are eligible for health care coverage immediately, which is a major difference from other PEBP covered employees). This is due to the change in PEBP's process, which requires an employee to complete the Employee Hiring Form (EHF) before PEBP will send them their packet and give them access to the E-PEBP on-line system. The EHF requires an employee signature and PEBP indicated that they cannot remove this requirement because if the employee does not complete their E-PEBP on-line enrollment, they are defaulted to the CDHP and they have to pay a premium. The employee's signature permits PEBP to collect this premium from the employee.

The solution that PEBP proposed to streamline this process is to allow NSHE to submit EHF forms without the employee's signature. However, if the employee does not complete their enrollment on the E-PEBP system by the 20th of the month in which they are eligible for coverage, they will be defaulted to "DECLINE" status. PEBP staff will still mail the packet and on-line instructions to the employee. PEBP indicated that it will take them 3 to 5 business days from receipt of the EHF to enter the employee's information into the E-PEBP system. The employee will then be able to go online themselves after this time and choose their benefit option. PEBP staff will provide NSHE benefits with a list of individuals who have not completed the E-PEBP on-line enrollment so that we can reach out to these folks before they are defaulted. PEBP indicated that the new-hire packet is available on-line and we can provide that information to employees during new hire orientation. We believe there are more effective and efficient solutions to this on-going challenge.

POSSIBLE SOLUTION: Included in a recommendation under Customer Service - Allow some defined NSHE HR staff security access to the PEBP automated system (E-PEBP), so they can view and better assist employees who encounter issues, including getting them initially signed

up at hire without problems with delays (this is one of the areas of difference with NSHE – our employees are eligible for health care coverage immediately).

**\*Support PEBP’s efforts to develop and evaluate the option of offering a “middle-tier” health care plan for FY13**, which does not have the high deductible structure of the current PPO (perhaps similar to something like the PPO for FY11 – higher monthly premiums but lower deductibles and co-pays for services). We appreciate that PEBP has already moved forward to investigate and model such an option, and look forward to working with them.

5. **Management of Billings, Deductibles, etc.** Questions were raised as to how PEBP was addressing overall billing management, so that deductibles are being correctly managed and will be met in a timely manner. The Task Force asked Michelle Kelley and Pat La Putt to collaborate on investigating answers to this question and bring this back to the Task Force.
6. **Summary update on conversation with PEBP by Bart Patterson on 10/6/11.** Bart Patterson gave additional updates on his very positive meeting with PEBP representatives. He also noted that this has already led to the PEBP reviewing options for a middle tier PPO program.
7. **Supplemental Benefit Options Discussion.** The discussion focused on two specific issues:
  - a. Discussion at the December 1-2, 2011 Board of Regents meeting. Bart Patterson will talk with the Chancellor about bringing up the specific topic of supplemental benefits as a priority for FY13 with the Presidents. Based on that discussion and outcome, an appropriate presentation will be made at the December Board meeting. It was acknowledged that there are program, financial, strategic, technical and even political issues that need to be considered and appropriately addressed.
  - b. Detailed supplemental benefit options. It was agreed that developing a proposal for supplemental benefits is very important. While we are focused on FY13, we understand that health care benefits will continue to be an important issue for future years, and we expect that NSHE will continue to give this issue a high priority. We expect the NSHE to identify the health care consultant in the near future, and we will invite this consultant to our next Task Force meeting, with the intent that we will need to have some detailed level discussions about the options, issues and structures for a supplemental health benefit program that covers all academic faculty, administrative faculty, and state classified employed within the NSHE. The assumed focus of this health care program would be on employees only (those who opted for health care coverage, but it may be required that we include all benefit eligible employees), and not retirees.

Our previous discussions supported an allocation based on the inverse relationship with base salary, but there is some interest in also discussing equal benefit amounts for each individual employee. We also would like to consider a broad range of options for supplemental benefits, which would allow employees to allocate the benefit to meet their needs, which could include offering direct supplemental programs, such as critical illness supplemental programs, to allowing individuals to allocate additional resources to an HSA or HRA account, etc.

It continues to appear feasible to be able to offer supplemental benefits to all employee groups in NSHE, with Board of Regent approval. There are many detailed issues that would need to be

addressed (e.g. compliance, non-discrimination, comparability, taxability, etc.), but we will include these in our discussions as we move this project forward.

One specific issue that needs to be addressed by System financial staff related to supplemental benefits is whether there are any issues/concerns with using state appropriated funds to support the supplemental benefits (including pay date shift savings, which would be allocated during the open enrollment period). This is an important issue that needs to be reviewed as soon as possible.

8. **Potential future agenda items:** The next scheduled meeting of the Task Force has been scheduled for Wednesday, November 16, 2011, starting at 8:30am. Anticipated agenda items include the following:

\*Discuss Presentation at November 3, 2011 PEBP Board meeting.

\*Discuss plan for December 1-2, 2011 Board of Regents Discussion.

\*Meet with NSHE Health Care Consultant to discuss details of a supplemental health care program for NSHE employees.

\*Discuss and review the information from PEBP on a potential middle tier program. Pat La Putt and Michelle Kelley were asked to take the lead on this issue, and have their comments in by October 26. All other Task Force members were asked to submit their comments by the same date.

\*Follow-up on management of billings, deductibles, etc. (M. Kelley and P. La Putt.)

Potential agenda items beyond the next meeting would include follow-up on those noted above, but also could include the following:

\*Discuss ideas about potential survey of NSHE employees.

\*Discuss retiree coverage issues and challenges.

\*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE employees.