

## NSHE PEBP Benefits Task Force

### **Summary Notes from Meeting – November 16, 2011**

1. **Discuss Presentation at November 3, 2011 PEBP Board meeting and follow-up.** Renee Yackira and Bart Patterson gave an update on the discussions, including some individual discussions which were before and after the meeting. PEBP understands our concerns and we expect to hear back from them in response to our requests. Renee Yackira is in the lead to set up a meeting with PEBP representatives for after Thanksgiving, and she will include Pat LaPutt, Michelle Kelley and Christine Casey in this meeting. Given initial feedback from PEBP on allowing access to some NSHE employees to their automated system, we will ask Vice Chancellor Zink to coordinate through Renee to initiate discussions with appropriate PEBP technical staff as soon as possible, so we can understand the significance of the system security issues (with the great hope that we will understand those technical issues by the time of the meeting with PEBP representatives). The main issues we have raised for PEBP consideration are summarized below:
  - \*Overall Customer Service for NSHE Employees: There is a great concern that PEBP customer service is lacking, and there are many complaints from employees. We recommended that NSHE staff be given access to the PEBP automated system (E-PEBP) so they can better serve our employees and lessen the burden on PEBP.
  - \*Lack of information regarding provider contract prices for services.
  - \*Delays in new hires receiving their information from PEBP.
  - \*Support PEBP's efforts to develop and evaluate the option of offering a "middle-tier" health care plan for FY13.
2. **PEBP Board Member Opening.** It was noted that there is turnover in one of the PEBP Board members. Each Task Force member was asked to submit any recommendations for a replacement to Gerry Bomotti and Chris Haynes no later than next Wednesday (11/23/11), which could be any PEBP eligible employee inside or outside NSHE. We will share those recommendations with the Chancellor's office in case he wishes to follow-up with the appointing authority.
3. **Retiree Representation on NSHE PEBP Task Force.** A question was raised by a PEBP Board member as to whether we had retiree representation on the Task Force. We do not have a retiree on the Task Force, but have in the past stayed connected with existing retiree groups. The Task Force talked about how best to assure we have retiree input. Each Task Force member was asked to send in any names for potential retiree representatives on the NSHE PEBP Task Force to Gerry and Chris no later than next Wednesday (11/23/11). We will also discuss, at a near future meeting, options to more formally connect with the existing state retiree groups.
4. **Discuss whether any comments by NSHE at the December 15, 2011 PEBP Board meeting would be appropriate.** The Task Force agreed that it was important to keep NSHE directly involved in all PEBP Board meetings, especially given the important issues facing NSHE employees regarding health care. **The next meeting of our Task Force will be on Monday, December 12 at 9 a.m.,** which is in advance of the 12/15 PEBP Board meeting, and we will identify any key issues we should specifically comment on at that 12/15 meeting. In the meantime, Renee will continue her contacts with PEBP representatives to keep them updated on our discussions and activities.

5. **Update on Status of NSHE Health Care Consultant Selection**. The System has given the contingent award of this contract (contingent upon finalizing a contract) to BBI (Business Benefits Inc.), a Las Vegas based firm. We will work to get this consultant to our next Task Force meeting.
6. **Discuss plan for December 1-2, 2011 Board of Regents Discussion**. There will be a general update to the Board on the activities associated with PEBP/Health Care at the upcoming meeting. After careful consideration, the Chancellor and Presidents determined that it would not be feasible to recommend supplemental benefits for NSHE employees effective FY13.
7. **Discuss and review the information from PEBP on a potential middle tier program**. Pat LaPutt and Michelle Kelley prepared a response to the initial PEBP outline of a potential middle tier program (see attachment #1). The Task Force thought the response was very good and we wanted to get some feedback to PEBP as soon as possible. We will immediately share the material Pat and Michelle put together with BBI, and ask BBI and Pat and Michelle to meet to discuss asap, including the important requirement of attaching some parameters to the assumptions on the premium range. We will finalize these comments with the hope of getting them to PEBP next week, as we assume they are working on the middle tier plan design for presentation at their 12/15/11 meeting.
8. **Follow-up on management of billings, deductibles, etc.** Michelle Kelley and Pat LaPutt reported back that they believe the current vendor (Health Scope) has made some changes and is doing a good job in managing this area, and that no additional follow-up is needed at this time.
9. **Status of Task Force Web Page**. Chris Haynes noted the NSHE web site is live and ready to go. Chris will send out this information to the HR representative at each NSHE institution, asking them to publicize and announce this information to their employees, as appropriate (following the pattern that worked well for us in the past).
10. **Potential Survey of NSHE Employees**. It was agreed that we should consider developing a survey of our employees relative to health care. Dr. Chris Cochran agreed to take the lead on this project. Task Force members were asked to send their comments about specific survey questions/topics to Chris by the end of November. One issue discussed, which may or may not be appropriate for this specific survey, is how NSHE state classified employees feel about moving under Board of Regent responsibility. It was noted that the current structure for NSHE state classified raises some issues in terms of benefits and other policies defined by the state.
11. **Potential Future Agenda Items:**
  - \*Discuss plan for specific input at the December 15, 2011 PEBP Board meeting.
  - \*Status update on middle tier discussions and what we submitted to PEBP.
  - \*Meet with NSHE Health Care Consultant to discuss overall priorities and schedule for their activities, including the potential for NSHE having an independent health care program, as well as the idea of using a "Health Care Concierge".
  - \* Retiree representation on NSHE PEBP Task Force, including options for more formal connections with existing retiree advocacy groups.
  - \*Discuss ideas about potential survey of NSHE employees. Chris Cochran.
  - \*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE employees.\*Discuss inviting Jacque Ewing Taylor to a near future Task Force meeting.

## **Attachment #1**

### Possible Middle Tier Option

After some discussion, Pat LaPutt and Michelle Kelley came up with a proposed middle tier plan for PEBP to consider. This plan is very similar to the plan that was presented as an option for the PEBP Board to consider when they were discussing plan changes in August 2010. It raised the deductible, but maintained the co-pay structure for doctor visits and prescriptions.

We believe that our goal in offering a middle tier plan is to provide employees with an additional option that offers a comprehensive medical and prescription plan with predictable out of pocket costs (copayments as opposed to unknown medical costs under the deductible), with a reasonable monthly premium. Since this will likely not be considered the base plan (base plan is the CDHP), then the premium subsidy level for this plan should be the same as the premium subsidy level currently offered to HMO Participants. If the monthly premium for this plan is similar to or lower than the HMO, it will likely reduce adverse selection since you will have healthy participants moving into this plan who are willing to pay the higher premium for the cost predictability.

If the premium amount is still high for the structure listed below, we believe that participants may be willing to increase the prescription to either a \$100 or \$150 providing that the co-pays for prescriptions stay the same.

The maximum out of pocket costs listed below can be broken down to:

- individual - \$3800 out of pocket maximum plus \$900 deductible
- Family - \$7800 out of pocket maximum plus \$1800 family deductible

The following is a side-by-side comparison of what PEBP submitted and what Pat and Michelle are proposing:

	MIDDLE TIER PLAN	
PLAN TYPE	PEBP PROPOSED PLAN	NSHE PROPOSED PLAN
<b>MEDICAL PLAN - MONTHLY PREMIUM</b>		
Annual premium cost		
Preventive Care	100% covered, no out of pocket cost	100% covered, no out of pocket cost
<b>DEDUCTIBLE</b>		
Individual	\$ 500.00	\$ 900.00
Family	\$ 1,000.00	\$ 1,800.00
<b>EMPLOYEE CO-INSURANCE RATE (Once deductible is met)</b>	20%	25%
<b>CO-PAYS</b>		
Primary Care	\$ 15.00	\$ 20.00
Specialist	\$ 30.00	\$ 30.00
Urgent Care	\$ 45.00	\$ 45.00
Emergency Room	\$100 copayment/visit, plus 20% coinsurance after deductible	\$70 copayment/visit, plus 25% coinsurance after deductible
<b>MAXIMUM OUT OF POCKET (INDIVIDUAL)</b>	\$ 4,000.00	\$ 4,800.00
<b>MAXIMUM OUT OF POCKET (FAMILY)</b>	\$ 8,000.00	\$ 9,600.00
<b>PRESCRIPTION PLAN**</b>		
Deductible	\$ 50.00	\$ 50.00
Co-pay - Generic	\$ 4.00	\$ 5.00
Co-pay - preferred brand	\$ 40.00	\$ 40.00
Co-pay - non preferred	100% contracted price	100% contracted price
Co-pay - specialty	info not available	Greater of \$50 copayment or 25% of drug cost max \$100 per prescription after deductible
<b>DENTAL PLAN</b>		
Preventive Care	4 cleanings per year	4 cleanings per year
Individual Deductible	\$ 100.00	\$ 100.00
Family Deductible	\$ 300.00	\$ 300.00
Basic Services	75% after deductible to a benefit max of \$1000	75% after deductible to a benefit max of \$1000
Major Services	50% after deductible to a benefit max of \$1000	50% after deductible to a benefit max of \$1000
<b>VISION PLAN</b>		
Annual Exam	1 exam per year paid at 80% of contracted cost	1 exam per year paid at 80% of contracted cost