

## NSHE PEBP Benefits Task Force

### Summary Notes from Meeting - September 28, 2011

1. **Overall Task Force goals:** An initial discussion about this, which will continue at future meetings. Key elements highlighted included the following:
  - a. Customer Service to our employees. Work with PEBP asap on this issue.
  - b. Near term financial relief for health care for NSHE employees, perhaps through supplemental options approved by the Board of Regents. We will be working to prepare recommendations to the Chancellor in advance of the December 2011 Board of Regents meeting.
  - c. Longer term issue of working with the new NSHE health care consultant to consider the best options for providing health care coverage for all NSHE employees. We would like to have a fully developed plan for an independent NSHE health care program finalized by October 2012.
  
2. **Priority items to take to next PEBP Board meeting (November 3, 2011):** After some discussion, the following key items were identified as priorities for the next PEBP 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 are hard to contact, but when they are contacted, they are not that helpful in resolving specific questions. The NSHE HR staff are 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 a response, 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; 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).

**\*Request to PEBP that they work with appropriate NSHE representatives to 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 would like to be able to work with PEBP staff to talk about the specific structure of this option so that it can be fully evaluated.

3. **Prepare recommendation for December Board meeting on FY13 supplemental health care benefits:** Focus on employees only (those who opted for health care coverage), and not retirees, and support the proposal for an allocation based on the inverse relationship with base salary - all of which were recommendations from the Task Force.

Various models for distributing some supplemental health care funding to each employee were discussed. Task Force members will review these and prepare for a discussion at the next meeting. There was also the suggestion that NSHE consider offering additional direct supplemental programs, such as critical illness supplemental programs. HR staff will review options for discussion at the next meeting, including estimates of how many NSHE staff would benefit.

Update legal opinion for authority of Board to provide supplemental benefits to state Classified as well as academic and administrative faculty. Should there be discussions with State personnel, PEBP or others? Bart Patterson joined the discussion and indicated he would be leading this effort, and has already had recent discussions on these issues.

If supplemental benefits approved by Board, update assumptions on use of State and/or other sources of funds as the source of the support for these benefits. Should there be discussions with LCB or others? Bart Patterson indicated appropriate System staff would follow-up on this issue.

Summary of some key variables and options relative to NSHE supplemental Health Care Benefits provided to each NSHE employee. These are issues that were not fully discussed at the meeting, but which will be part of the discussion at our next meeting.

When provided: Open Enrollment period

How provided: (1) HSA and HRA accounts for individuals (to cover all PPO and HMO participants); (2) Towards premium payment; (3) others?

HSA: Rollover required and owned by employee. Would try to use PEBP HSA account (would be an issue to create a separate account). Would try to use the PEBP vendor. Initial contacts suggest this would be relatively easy to add any supplemental to the PEBP card, as the accounts and cards are issued to individuals.

HRA: Rollover up to NSHE, and would need to set up our own accounts for employees (might use the same vendor that PEBP has). Initial contacts suggest some challenges here, as the current HRA accounts are set up to take funds from a single bank account

(PEBP). Will check to see how difficult it would be to take credits from two accounts. Some NSHE employees do not have HRA accounts under PEBP, so those would have to be established. Can HRA funds be used to pay premium?

Are there limits on how much an employer can put into a high deductible plan HSA? (\$1,900 is current single deductible under PPO with \$700 from PEBP)? Initial reviews do not suggest problems with employers making contributions up to or above the deductible amount, as only the overall annual maximum for HSA, HRA and FSA accounts is noted.

New hires: pro-rate for portion of the year.

When given: 100% up front; 1/12 per month (PEBP plan for next year); quarterly; semi-annually. This would appear to be up to NSHE as to how they would like to structure it.

Actions when employees leave employment: HSA funds belong to them. HRA funds are up to the employer. Consider quarterly allocation of supplemental with no recourse when an employee leaves NSHE employment.

**4. Work with new NSHE consultant on longer term issues, including options to get out of PEBP and/or provide other supplemental benefits.**

The two finalists are Business Benefits, Inc. and Gallagher Benefit Services, Inc. Both finalists are scheduled to make a presentation in front of the RFP committee on October 12. Consider inviting consultant to a near future Task Force meeting, soon after they are selected.

**5. Next Meeting: Wednesday, October 19 from 1:30 – 3 p.m. at System Administration, Las Vegas & System Administration, Reno.**

**6. Potential Future Agenda Items:**

- \*Task Force Goals – Review and Finalize
- \*Finalize Priority Items for Presentation at November 3, 2011 PEBP Board meeting
- \*Meet with new NSHE Health Care Consultant
- \*Review final recommendations to System on supplemental Health Care contributions and/or supplemental programs
- \*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE employees
- \*Discuss communications of Task Force work: NSHE web site with information; survey of employees; other items?