

## NSHE PEBP Benefits Task Force

### Summary Notes from Meeting – January 25, 2012

#### 1. Discussion of December 15, 2011 and January 18, 2012 PEBP Health Care meetings:

NSHE made specific comments at each of these PEBP Board meetings. The comments at the December PEBP Board meeting focused on customer service options and improvements, as well as support for a “middle tier” option. The comments at the January PEBP Board meeting focused on the need to always have premium information available (at least reasonable range estimates) connected with the discussion of plan options/structure, in order to make reasonable decisions. Jim Richardson also noted he commented about the “excess reserve” information that was in the January Board packet of material.

The next meeting of the PEBP Board is scheduled for March 14, 2012. Renee Yackira will take the lead in setting up a regular quarterly meeting with PEBP staff prior to this meeting and prior to the time that agenda material is finalized for the March 14, 2012 PEBP meeting. We will want to go over our list of issues for discussion with the PEBP, to include at least the following:

- ❖ Development of a viable “middle tier” option for employees
- ❖ Improve the customer service response to employees, both in terms of access (number of customer service staff) and quality (consistency and accuracy of information provided).
- ❖ Provide information on provider contracted prices for services to PEBP employees
- ❖ Address the current delays in new NSHE hires receiving their information from PEBP
- ❖ Provide read access to E-PEBP system for some key NSHE HR staff
- ❖ Access to PEBP data on NSHE employees, as is needed by our consultant, BBI

#### 2. Introduction of new NSHE Health Care Consultant – BBI:

Tim DeRosa and Debbie Stanberry from Business Benefits Inc. (BBI) attended the meeting and gave general background on the company. After a good discussion, we summarized next steps as follows:

- a. Near Term Options: Discussions with BBI on options to provide additional health care support to NSHE employees, under the current PEBP structure (and likely focused on active employees, and not including retirees). BBI will move forward on developing these proposals for consideration, but a needed first step is to get access to specific data on all NSHE employees. BBI will immediately send out a list of the specific data they need, and include with this the technical specifics of file structure requirements. This information will first go to Michelle Kelly and Pat LaPutt, who will be asked to determine what data NSHE will be able to provide, and then what data will need to be requested from PEBP. We will package the request of data needed from PEBP and forward this to Renee for action with PEBP. BBI indicated that once all the needed data was in hand, it would take 4-5 weeks for them to provide us with recommendations and options. It was highlighted that while the Task Force will likely be making recommendations to the Chancellor on near term benefit options for NSHE employees, this does not mean the Chancellor will support those options, or that if

taken to the Board of Regents they would support them. However, it was agreed that it is important to fully investigate all options. It was agreed that it would be highly desirable to have all our recommendations prepared in time to meet the deadlines for the special April Board of Regents meeting (if in fact a decision was made to take these recommendations to the Board), and this schedule would fit nicely with the projected May 2012, open enrollment period.

- b. **Longer Term Options:** Discussions with BBI on a plan and schedule in order to develop specific proposals for providing adequate health care coverage options for NSHE employees and retirees. It was noted that this project will take more time, but would still need all the same PEBP data on NSHE employees (as well as retiree data). The key analysis will focus on what viable longer term options might be available to the NSHE for health care for employees and retirees. The data may suggest very viable options for an independent health care program for NSHE outside of the PEBP structure, or it could conclude that such an option is not feasible, or something in between. In any event, we expect to use the outcome of this project in our work with PEBP on health care options for the future. If the Chancellor recommends a legislative strategy for PEBP/NSHE health care for the next legislative cycle to the Board of Regents, and if they support it, then all activities (and specifically those of BBI) within this plan would be coordinated through NSHE Director of Government Relations Renee Yackira.
- c. **Impact of Federal Health Care Legislation on PEBP:** We asked BBI to give us information on their assumptions about the implications on state health care programs, like PEBP, after the full implementation of the current federal health care requirements. There is nothing currently in the federal requirements that would impact the general structure of PEBP continuing forward. The federal requirements will have some significant impact on all health care programs, but PEBP could certainly adapt to these new requirements within their current basic structure.

### 3. **NSHE Health Care Survey status:**

Chris Cochran gave an update on the status of this project, and we reviewed a draft of the survey questions. Comments were provided to Chris on the draft. Each Task Force Member was asked to give any additional comments directly to Chris no later than the end of the day this Friday – January 27, 2012. BBI will also give input on survey questions. Chris will work to get an updated draft survey to all Task Force members by the middle of next week. The survey would go out after that time period.

### 4. **Recommendations for retiree representatives on the Task Force:**

A total of four (4) names came in, as noted below. Each of these individuals has indicated a willingness to participate with this Task Force. After some discussion, it was agreed that we would ask the Chancellor to allow us to invite all four of these individuals to participate in Task Force meetings:

Lou DuBois  
Carla Henson

Barbara Nelson  
Ann Ronald

As a follow-up to the next agenda item, we also agreed that we would ask each of these four individuals if they would also be willing to consider having their name forwarded for the retiree PEBP Board member slot, when that becomes available.

5. **PEBP Board openings:**

It was noted that there are nine (9) PEBP Board members, appointed through a defined process. Of this total, there is one (1) member from NSHE and one (1) from Clark County. There are currently two (2) vacant Board member positions, and two (2) that will be expiring by June 30, 2012. It was agreed that NSHE should consistently identify names of excellent candidates for PEBP Board positions, so that we could have this available to submit into the process when vacancies exist. Each Task Force member was asked to submit names of good candidates (specifically state classified staff from NSHE, but not limited to this) to Gerry Bomotti no later than the end of next Wednesday (February 1, 2012). Gerry will make sure these names get into the required process. It was also noted that given the new investment responsibilities of PEBP (HSA and HRA investments), it may be a good idea to consider someone with investment expertise from PERS to be on the PEBP Board.

6. **Update data on NSHE participants and opt-outs for PEBP program:**

An updated summary sheet on NSHE eligible employees who opted out of PEBP for FY12 was distributed (see attached copy). This replaces the previous sheet, which turned out to have inaccurate data. The FY11 declined percentage was 1.8%, and the FY12 declined percentage rose to 5.4% (439 individuals). Pat LaPutt was asked to determine what percent of the entire PEBP declined pool is represented by NSHE.

7. **Next Task Force Meeting:**

To be determined, however, we will schedule it to be held after the next quarterly meeting with PEBP staff but before the March 14, 2012 PEBP Board meeting.

8. **Potential future agenda items.**

- ❖ Discuss quarterly meeting with PEBP staff and any comments for March 14, 2012 PEBP meeting
- ❖ Follow-up discussions with BBI on near term employee health care benefit options
- ❖ NSHE Health Care survey
- ❖ PEBP Board openings
- ❖ Meet with BBI to discuss longer term planning, including the potential for NSHE having an independent health care program, as well as the idea of using a “health care concierge.”
- ❖ Future quarterly meetings schedule with PEBP staff
- ❖ Invite SDM and UNSOM representatives to discuss options for providing services to NSHE employees

SALARY RANGE	PLAN YEAR 2011			PLAN YEAR 2012 (as of 12/31/2011)		
	BCN TOTAL DECLINED INS	BCS TOTAL DECLINED INS	NSHE TOTAL DECLINED INS	BCN TOTAL DECLINED INS	BCS TOTAL DECLINED INS	NSHE TOTAL DECLINED INS
<\$50k	36	50	86	126	132	258
\$50K TO \$75K	16	17	33	51	62	113
\$75K TO \$100K	7	7	14	12	23	35
\$100K TO \$\$150K	8	4	12	7	16	23
\$150K AND UP	9	2	11	3	7	10
	<b>76</b>	<b>80</b>	<b>156</b>	<b>199</b>	<b>240</b>	<b>439</b>

Total Plan Year Participants	8295	7740
Total Plan Year Declines	156	439
Total Eligible	8451	8179
% declined	1.8%	5.4%

SALARY RANGE	Plan Year 2011 Enrolled	Plan Year 2011 Declined	% declined by Salary Level	Plan Year 2012 Enrolled	Plan Year 2012 Declined	% declined by Salary Level
<\$50k	3050	86	2.7%	3037	258	7.8%
\$50K TO \$75K	2594	33	1.3%	2311	113	4.7%
\$75K TO \$100K	1309	14	1.1%	1157	35	2.9%
\$100K TO \$\$150K	1004	12	1.2%	893	23	2.5%
\$150K AND UP	338	11	3.2%	342	10	2.8%
	8295	156	1.8%	7740	439	5.4%