NSHE PEBP Benefits Task Force

Summary Notes from Meeting – January 30, 2013

1. **Status of PEBP Board membership:** All PEBP Board positions are filled at this time, with the membership outlined below. It is possible Mr. Bratsch will be leaving the PEBP board in the near future, however.

PEBP Board Member	Date Appointed	Expiration Date	Location	Additional information
Ronald Bratsch	6/2012	6/2013	Carson City	
Chris Cochran	12/2012	6/2014	Las Vegas	Local government rep
Leo Drozdoff	9/2008	6/2015	Carson City	
Jacque Ewing Taylor	2/2002	6/2016	Reno	Re-appointed 7/2012
Jeffery Garofalo	7/2011	6/2015	Las Vegas	Private atty - Las Vegas
Romaine Gilliland	11/2012	6/2016	Carson City	Risk management
Ashok Mirchandani	11/2012	6/2016	Las Vegas	
Robert Moore	6/2011	6/2015	Sparks	Private employee benefits consultant
Mike Torvinen	10/2012	6/2016	Carson City	Budget Director designee

2. **Summary notes from 1/9/13 meeting with PEBP leadership:** Renee and Gerry met with PEBP leadership in early January and had a very good discussion on several points, which are highlighted below (based on notes from the meeting by G. Bomotti). Overall, the PEBP has embraced the ideas of getting their experience data available in one data warehouse so they can be in a much better position to go to the market to examine options with the private exchange. We expect lots of activities in the first half of this calendar year, so they can test the market and have options to consider for FY15.

A. Webinar - can we/NSHE help them provide the open enrollment information in a Webinar format, both for folks who cannot come to a certain location (so they can ask questions via technology) and for folks to look at this information at a later date. Follow-up: Steve Zink has talked with PEBP IT staff about options, and they are looking at a Google application.

B. PEBP Board meetings for Las Vegas cannot use the state building during the legislative session. I am checking to see if we can set them up for two way video from a location on the UNLV campus - we will check for Stan Fulton first. Follow-up: PEBP will use the NSHE System office in Las Vegas for their meetings.

C. PEBP appears committed to considering the corporate exchange model for FY15, if at all possible. We talked about some potential milestones/goals/assumptions:

*PEBP has started working on getting their data warehouse set up. They believe they will get the $75k increment, but they have already started down this path to set up the data warehouse and will bring back status reports to the PEBP Board on a regular basis. Addressing the data issue is clearly a critical factor to being able to look at options like the corporate exchange. They hope to have this data warehouse set up by late summer/early fall. It would focus on the data from the self-funded plan first, and then work on the HMO data, and it would be structured so that we could add specifics on each employee (e.g. pay rate/range, occupation, etc. - data from the HR systems).

*1/31/13 PEBP Board meeting: No major updates scheduled but could have some general discussions, especially about their meeting with NSHE reps., data warehouse, etc.

*3/21/13 PEBP Board meeting: They would plan to introduce the Board to the corporate exchange model and talk about their schedule. I will ask BBI to draft what they think should be an outline for explaining what a corporate exchange model is and how it works/is structured and what the possible relationships (over time) might be with the Silver State Exchange that the State of Nevada is setting up. PEBP would appreciate our draft on this information (which would have to be ready about 3-4 weeks in advance of the meeting). We would want to include here all our best ideas about the approach/structure for PEBP moving forward with a corporate exchange.

*5/16/13 PEBP Board meeting: This is the meeting they would bring to the Board information on the RFI (for the corporate exchange) details, discuss schedule, etc. and likely get approval for moving ahead with the project.

*7/18/13 PEBP Board meeting: Assume have first reports out of the data warehouse system.

*Early July-August 2013: Flesh out the details of the RFI. They have indicated a willingness to work with us/NSHE on this project. Likely assumptions are that the current main policies impacting employees (dependent subsidy, etc.) would remain generally the same. Likely would ask for responses on at least two options for programs - CDHP type plan and what we have called "Middle Tier" type plan. Would like want to get vendor responses on offering CDHP only (but would need to address Rx issues) or both (to review cost/benefits).

*9/19/13 PEBP Board meeting: Assume RFI is out by then and update the Board on status.

*Late October time frame - assume RFI responses back and can be reviewed. We should ask how we can be involved with this as well.

*11/21/13 PEBP Board meeting: Discuss with Board responses from RFI, plan design issues, etc.

*Goal is to have corporate exchange ready for July 1, 2014 roll-out (and open enrollment and all the associated issues prior to that).

3. **<u>Review of January 31, 2013 PEBP Board meeting agenda</u>** and discussion of any issues for public comment. There were no specific issues that we will be raising during the public comment portion of the agenda.

4. **<u>Governor’s budget and PEBP:</u>** Below is a summary of the past and projected employer’s contributions to PEBP that were included in the Governor’s recommended budget. It was noted that the decline in the FY14 rate is tied back to our previous discussions about PEBP projecting about $15+-M of state employer funds for lapse at the end of FY13 (they did not utilize all these funds). The increase for FY15 over FY13 budgeted is 12.7%.

Health Care Rates in Governor's 2013-2015 Proposed Budget			
	Employer PEBP per year	% change	REGIA Rates
FY11	$8,170		

FY12	$7,738	-5.3%	2.15%
FY13	$8,804	13.8%	2.70%
FY14	$8,153	-7.4%	2.53%
FY15	$9,918	21.6%	2.79%
	per employee		

5. **New Federal Limits on High Deductible Plans.** New limits for 2013 were approved at the federal level and the chart below shows how these new limits compare with the current limits and those used by PEBP. Action on the January 31, 2013 PEBP Board meeting (item IX) is based on these limit changes.

High Deductible Plans			
	2012 Limits	2013 Limits	Current CDHP
Deductible Minimums			
Single	$1,250	$1,250	$1,900
Family	$2,400	$2,500	$2,400 (ind. family member) $3,800 family
Out of Pocket Max's			
Single	$6,050	$6,250	$3,900
Family	$12,100	$12,500	$7,800
Maximum HSA contributions			
Single	$3,100	$3,250	$3,250*
Family	$6,250	$6,450	$6,450*

*According to PEBP Staff, the HSA maximum contributions have been set to the 2013 limits starting January 1, 2013 by HealthScope.

6. **Status of follow-up items from last quarterly meeting with PEBP staff, and schedule for next quarterly meeting**. The following items remain on our listing for quarterly discussions with PEBP staff. The only updates from the last report are the updated participant summary for BCS/BCN and on the concierge program, although we again discussed the need to roll out a new survey this spring.

*Open enrollment data from this last cycle. We would like to get from PEBP the open enrollment details for all NSHE employees, specifically relative to changes made (including dropping PEBP coverage). Pat LaPutt provided a summary chart on NSHE enrollment information in PEBP for planned years 2011, 2012 and 2013. The total HMO enrollments have stayed about the same over this time period, with reductions in the PPO/CDHP. Declined percentages were at 1.8% for PY11, 7.2% for PY12, and 6.63% for PY 13, with the declines correlated with income (low) level. BCN decline percentages for FY13 are at 7.3% with BCS at 6.9%. *(See updated participant summary – attached.)*

*Provide read access to E-PEBP system for NSHE employees by some key NSHE HR staff. Concern was expressed about how long NSHE would stay with PEBP. Apparently PEBP will prepare a memo outlining the plan and costs for such an approach and send it to us in the near future. Additionally, this was noted at the last PEBP Board meeting and the impression was that PEBP was not pursuing this at all – we need to follow-up to check on status. *Most recent update: PEBP is back to asking if there are HIPAA issues that prevent such access. PEBP is also now expressing concerns that all questions should go directly to PEBP vs. being handled by trained NSHE HR individuals. As of early September we did hear from PEBP staff about the specific data elements that we needed access to. We hope this means that this item is back under consideration and that we will have access to the system in the near future. October update: PEBP does not appear inclined to grant any such access.*

*Provide current contracted prices for health services to PEBP employees, in a similar approach to the prescription drug information currently available. PEBP indicated they are working with network providers to make this available, perhaps through a HealthScope secure website. However, no specific schedule was indicated. *No recent update.*

*Address the current delays in new NSHE hires receiving their information from PEBP. A new form was created that we think will be helpful, in addition to the plans for NSHE to add some language/information to the standard offer letters. *October update: PEBP is testing a new FAX process.*

*Status of HSA/HRA changes that impacted NSHE distribution of W-2's. PEBP is going to make some schedule changes to help with this issue in future years, but noted they expect additional tax year 2011 adjustments to come forward in the near future – this will cause a problem for NSHE relative to manually issuing revised W-2's (and the fact some employees likely already completed their tax filing) and the potential for additional fines. In fact, NSHE received another round of corrections impacting the W-2's in April. We would like to recommend to PEBP that NSHE handle employee contributions to these accounts like all others we already handle, and then feed these deductions to HealthScope. This would eliminate this as a problem for the future. Update: PEBP staff is now indicating that they are considering allowing NSHE to push the data to HealthScope for the HSA voluntary deductions. The recent issues with HealthScope and the June (now paid in July) payroll and failure to capture voluntary HSA contributions also were a problem for many NSHE employees. There were also comments on problems accessing the full funding in the HSA accounts early in the calendar year. *October update: PEBP indicates that the NSHE process for working with HealthScope is different/ unique from other state entities and they will help us push our data directly to HealthScope; otherwise they are opposed to this option. PEBP staff indicated they were not aware of these more recent issues with HealthScope files with errors in it to NSHE but will address them with HealthScope. It was also noted that NSHE could create HSA accounts for its employees as a substitute for, or in addition to, what PEBP has – we will review this to see if there are any viable options for us to consider.*

*Health Care Concierge program. We would like to see PEBP move forward to issue an RFP to bring on such a vendor, or allow NSHE to pilot this program for PEBP. PEBP was indicating that there are legal reasons why they cannot enter into such a program and the same reasons prevent us from running a pilot. We are trying to get more specific information from PEBP on the legal interpretation. *<u>October update</u>: PEBP in the midst of negotiations with Jack London group for a 6-month pilot program (July 2013 – Dec 2013); if the pilot can be worked out and shows benefit compared to their current vendor programs they will consider extending it, or decide if this is a unique service or not and whether they go out to bid. <u>January 2013 update:</u> This item was on the 12/10/12 PEBP Board agenda for discussion and PEBP has since executed a contract with Jack London for a pilot program effective 1/1/13 through 6/30/13. However, it was noted that we had not seen information going out from PEBP to inform participants of this program. Given the short time period of the "pilot" it seems as though an opportunity to communicate this no-cost program to participants was not taken. Michelle Kelley did get an e-mail about this program earlier this month and will share that e-mail with the Task Force and all NSHE campus HR contacts, so we can at least help get appropriate information out about this pilot program. We will also need to follow-up with PEBP in the future about the lack of adequate communications on the roll-out of this pilot program, and perhaps the next to extend the pilot as soon as possible so that they can have valid results.*

*<u>Work with PEBP to cooperate on a follow-up survey of participants next fall</u>, so we can track who made changes and why. We will ask Chris Cochran to prepare a proposal for what type of survey we would have so that we can share this with PEBP staff. *December 2012 Update: We have asked Chris to give a proposal for what GA support he would need to work on this follow-up next Spring, and to have a written proposal to share with PEBP as to the proposed survey. <u>January 2013 update:</u> Chris will work with Gerry to get a budget for moving this survey forward.*

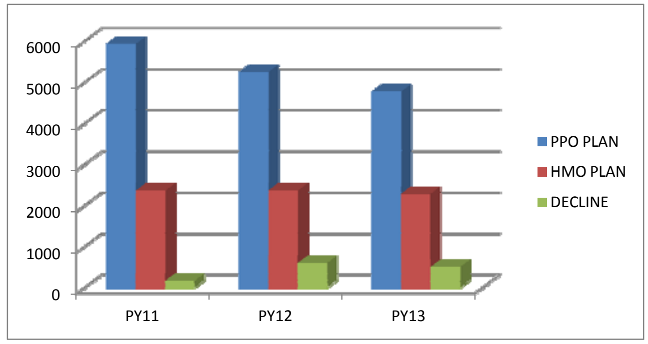
*<u>We would like to talk with PEBP staff about any opportunities in the "medical tourism" area</u>, which they are apparently investigating. We shared this item with Marcia Turner as an FYI.

7. **<u>Next Task Force meeting:</u>** We will schedule this prior to the March 21 PEBP Board meeting.

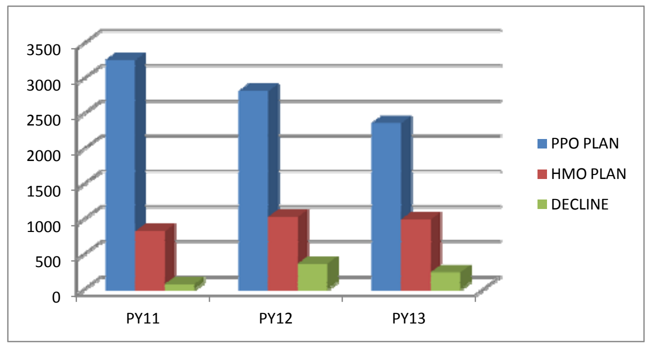
8. **<u>Potential Future Agenda Items</u>**:
*Status of follow-up Survey. Chris Cochran.
*Discuss proposal BBI is developing for their engagement with NSHE going forward (given the direction being taken by PEBP based on their work last year).
* Open enrollment final data for NSHE employees: annual comparison to previous year's enrollment, including those that opt out, vs. the new year, including shifts between the CDHP and the HMO.
*Status of voluntary NSHE supplemental benefit offerings, and specifically the feasibility of vision and long-term care being added.
*Priority items to highlight at future Board of Regents meetings.
*Status of follow-up items from last quarterly meeting with PEBP staff, and schedule for next quarterly meeting.
*Review Next PEBP Board agenda for possible comments during public comment.
*Information on HMO participant change from FY11 to FY12, as well as changes from FY12 to FY13.
*Meet with BBI to discuss longer term planning for NSHE health care options.
*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE Employees.

Participant Counts for Past Three Plan Years

NSHE	PY11	PY12	PY13
PPO Plan			
Employee Only	3127	3063	2644
Employee Plus Spouse	864	512	495
Employee Plus Child	845	862	846
Employee Plus Family	1100	814	792
Total	**5936**	**5250**	**4777**
HMO Plan			
Employee Only	1277	1285	1249
Employee Plus Spouse	332	309	270
Employee Plus Child	359	478	483
Employee Plus Family	391	296	278
Total	**2359**	**2366**	**2280**
Declined	**156**	**592**	**501**



BUSINESS CENTER NORTH	PY11	PY12	PY13
PPO Plan			
Employee Only	1674	1580	1199
Employee Plus Spouse	473	269	261
Employee Plus Child	483	508	475
Employee Plus Family	629	459	427
Total	**3259**	**2816**	**2362**
HMO Plan			
Employee Only	443	522	501
Employee Plus Spouse	107	148	122
Employee Plus Child	130	222	227
Employee Plus Family	145	140	145
Total	**825**	**1032**	**995**
Declined	**76**	**366**	**244**



BUSINESS CENTER SOUTH	PY11	PY12	PY13
PPO Plan			
Employee Only	1453	1483	1445
Employee Plus Spouse	391	243	234
Employee Plus Child	362	354	371
Employee Plus Family	471	355	365
Total	**2677**	**2435**	**2415**
HMO Plan			
Employee Only	834	763	748
Employee Plus Spouse	225	161	148
Employee Plus Child	229	256	256
Employee Plus Family	246	156	133
Total	**1534**	**1336**	**1285**
Declined	**80**	**226**	**257**