

NSHE PEBP Benefits Task Force

Summary Notes from Meeting – September 12, 2012

1. **Follow-up on FY14 PEBP budget assumptions as “Flat” given FY13 increase was not fully utilized:**

Information was provided to PEBP following the last meeting to note that even a “flat” FY14 budget would be an increase over existing FY expenses, as the FY13, 13.8% increase in employer contributions was not being fully utilized in FY13, resulting in a projected end of FY13 state employer contribution account with a \$13.5-\$15.5M surplus (meaning the PEBP is not fully consuming the 13.8% employer increase budgeted for FY13). No responses were received from PEBP on the data provided to them. However, we did get a copy of the July 19, 2012 PEBP budget document, which seems to indicate a reduction in state subsidies for FY14 and FY15 vs. the FY13 levels. This needs more review and clarification, and Gerry will work with Pat to try and figure this out and report back.

2. **Review of September 13, 2012, PEBP Board meeting agenda and discussion of any issues for public comment:**

After reviewing the agenda several items were highlighted where we felt it important to support them via public comment at the 9/13/12 meeting. Pat LaPutt was agreeable to make comments at the meeting about these two items under proposed changes to the Nevada Administrative Code that are supported by NSHE:

* Removing the provisions that requires a retiree who returns to work as a part time employee (50% FTE or more) to enroll in coverage as an active employee. Comment from NSHE: **Correction to information discussed at the meeting: this change has no impact on our part time employees - this is a housekeeping item only. However, it may be that our part time employees have the option to stay in their retiree health insurance program under another existing policy - we are researching this now and this could change our procedures going forward.** We actually brought this up to PEBP during one of our quarterly meetings since this was proving to be burdensome for our part time instructors who also have retiree coverage from PEBP. With this change, the participant can then stay in retiree health insurance rather than switch to active employee coverage.

* Change to the number of days that a participant has to elect coverage before they are defaulted to the High Deductible with participant only coverage. Participants will be defaulted on the latter of either their first day of eligibility or 30 days after their first day of employment. Comments from NSHE: This change gives classified employees more time to make a decision regarding their coverage since they are subject to a 90 day waiting period. However, this does not help our faculty members because their coverage starts on the first day of employment.

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Under another agenda item there is an attached, March 30, 2012 e-mail from a PEBP participant suggesting changes in the PEBP programs for FY14. The main suggestions include: pharmaceuticals should have a separate deductible and should not be subject to the PPO high deductible – this is very

consistent with the NSHE request for a middle tier option; eliminate the prevention plan; recommend that the HSA become a family HSA; and changes in coverage for insulin pumps. It is not clear why PEBP identified this one e-mail with suggestions about changes for FY14, as NSHE has provided comments (specifically on a middle tier option) for the past year, and we know other individuals have provided comments and suggestions to PEBP about changes as well. We will highlight our support for a middle tier option.

UPDATE: Pat LaPutt attended the PEBP Board meeting on 9/13/12. During the Board's discussion on the plan changes, she reiterated NSHE's request for consideration of a middle tier plan with predictable out-of-pocket costs for prescriptions and medical. She also added that information provided on the middle tier should include the cost of this plan if offered. Jacque Ewing-Taylor backed this up with a very good motion that PEBP staff bring a middle tier plan to the November meeting with the same parameters that were used for the sample plan that was provided at the December 15, 2011 meeting, along with the cost of that plan if offered as a third option along with the high deductible and the HMO. The PEBP Board approved the motion and information will be presented at the November meeting.

3. **Status of PEBP Board openings:** At our July meeting, it was noted that Ron Bratsch (AFSCME/Dept. of Corrections) of Gardnerville, was appointed June 13, 2012 to fill the position formerly held by Teresa Thienhaus. Since then, Cindy Jones of Carson City has vacated her position, so of the nine (9) Board seats, there are currently two vacant seats open.

PEBP Board Member	Date Appointed	Expiration Date	Location	Additional information
Ronald Bratsch	6/2012	6/2016	Gardnerville/ Carson City	Replaces position formerly held by Teresa Thienhaus
George Campbell	9/2008	6/2012	Washoe County	Term expired but will serve until further notice
Leo Drozdoff	9/2008	6/2015	Carson City	
Charles Duarte **	3/2012	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
VACANT - Cindy Jones went to LCB in August		None		Budget Director designee - no exp. date
Robert Moore	6/2011	6/2015	Sparks	Private employee benefits consultant
VACANT – non-state rep	Formerly held by Dawn Stout, but City of Elko left PEBP 6/30/2012 so new rep will need to be appointed and doesn't need to be a non-state person			

The replacement for Cindy Jones' position will be designated by the Budget Director. However, we hope to hear some feedback from the Governor's office in the near future on the remaining vacant seat. It was previously noted that both Jim Richardson and Chancellor Klaich supported the nomination of Dr. Chris Cochran for the remaining vacant seat. **It was noted at our September 12th meeting that we believe Charles Duarte recently resigned from the PEBP Board, which will create another vacancy.

4. **Status of data request to PEBP on NSHE participants and use of that data to develop options/recommendations for NSHE:**

The original data request from NSHE was sent to PEBP on 2/21/12, with a request for the data by March 6. As of last month all the data needed on active employees was received from PEBP. We have

concluded that it is not feasible to get similar data on any “PERS” retirees, so a precise and comprehensive review cannot be undertaken. We are assuming we will not be able to get any additional information from PEBP on PERS retirees, so we have discussed other options in order for us to prepare a proposal for consideration at the late November 2012 Board of Regents meeting. This other option is to basically get overall claims experience data for all PERS retirees (we would like to ask for that data on a subset of the 8600 PERS retirees under PEBP, which would exclude those that are in the “non-state” category), get an estimate of PERS retirees that would have come from NSHE, and then ask BBI to estimate the impact of those NSHE PERS retirees. By piecing this data together with the actual data on active employees we believe we will have a very reasonable approximation upon which to base a proposal from BBI. BBI will draft the specific data request needed and we will internally review and then get to PEBP, likely with a follow-up phone call to make sure there are no questions. We will then work with BBI to determine when they will have their proposal drafted, so we can set the next meeting of the Task Force, as we would need to review that in advance of any presentation to the Board of Regents (and after approval of the Chancellor for such a presentation).

We also discussed the idea of whether we can/should plan now to start gathering more information on our retirees, so we would have a better data base in the future. BBI noted they have proposed a data system option to NSHE that is under evaluation that would address this issue. It was also noted that we have internally discussed the tracking of retirees as part of the iNtegrate 2 project.

5. **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. Updates are noted based on the June 7, 2012 quarterly meeting. The next quarterly meeting with PEBP has not yet been scheduled, but we hope that it will be scheduled for the near future. Gerry will work with Renee to schedule the next meeting.

*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).

*Development of a viable “middle tier” option for employees in the future. Rejected for FY13, but we have raised this issue for FY14/FY15 planning. No recent update.

*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. Unfortunately, no significant action seems to have taken place on this item. 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.

*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 has been helpful, and NSHE added some language/information to the standard offer letters. **THIS ITEM WILL COME OFF OUR LIST AND IS ASSUMED ADDRESSED.**

*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 health scope. This would eliminate this as a problem for the future. Most Recent 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.

*Policy for when Medicare-eligible employees return to work. PEBP has expressed interest in revising their plan documents to allow Medicare-eligible employees to retain their program if they end up back as active employees (i.e. retired but teach part time and go over the ½ time level for a semester). They also agreed to consider plan revisions to address this issue during open enrollment. **THIS ITEM WILL COME OFF OUR LIST IF THE PEBP BOARD APPROVES ONE OF THE POLICY CHANGES ON THEIR AGENDA FOR THE 9/12/12 MEETING.**

*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. Most Recent Update: PEBP is now 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.

*Work with PEBP to cooperate on a follow-up survey of participants next fall, 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.

*We would like to talk with PEBP staff about any opportunities in the “medical tourism” area, which they are apparently investigating. We will share this item with Marcia Turner as an FYI.

6. **Next Task Force meeting.** We will schedule the next meeting at a time when we can review the material from BBI relative to options for health care coverage for NSHE employees. We will want to schedule this in time to meet the deadlines for the late November 2012 Board of Regents meeting agenda requirements, and will work with Renee to ask her to speak with the Chancellor about this agenda item.

7. **Potential future agenda items:**

*Follow-up on FY14/FY15 PEBP State Funding levels compared with FY13.

* 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 BBI's analysis of data from PEBP on NSHE employee claims, and discussion of near term employee health care benefit options to bring to the November 2012 Board of Regents Meeting.

*Status of Voluntary NSHE Supplemental Benefit Offerings, and specifically the feasibility of Vision and Long Term Care being added.

*Discussion about a potential follow-up after the start of the new plan year to track any changes by NSHE employees.

*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.

*PEBP Board openings.

*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.