

NSHE PEBP Benefits Task Force

Summary Notes from Meeting – September 27, 2013

1. PEBP Board Members/Appointments.

Two new appointments were recently announced, Don Bailey into the newly-created, additional 10th slot for a retiree, and Rosalie Garcia (UNLV employee). There are now three (3) PEBP Board members from NSHE and four (4) from Las Vegas.

2. Review of October 3, 2013 PEBP Board Meeting agenda and discussion of any issues for public comment. The Task Force discussed the following agenda items:

- Item 4 - change in the waiting period: This does not negatively impact any NSHE employees, and in fact the 90 day period for other employees is being reduced.

- Item 6.2 - taxability of health insurance on same-sex couples: PEBP is giving some flexibility to payroll offices to implement this change in deductions. It is important that the NSHE approach is consistent, so we asked Tim and Pat (representing BCN and BCS) to engage appropriate people at BCN and BCS into a discussion that results in a consistent recommendation that can be made. This recommendation should be written up and shared with the Chancellor's office (direct it to Renee so she can handle).

- Item 6.3 - status of contract with UNUM for long term care insurance: PEBP will continue to administer the product and all state agencies can continue with payroll deductions for existing policy holders. PEBP has requested that we do not open the product to new policies until they have signed the new contract with UNUM. PEBP is currently requesting a solicitation waiver from the Board of Examiners and they hope to be able to sign a new contract with UNUM around November. Once the new contract is signed, then we can open the product to new hires as well as any employee who is interested in the purchasing the product.

- Item 10 – Report on the responses to the RFI regarding the feasibility of a private exchange for PEBP participants: The RFI did not result in sufficient data to determine if there are better alternatives for price and value from the private sector. This is very unfortunate, and given the timing it may not be feasible to accelerate a process that allows RFP level data in time for the FY15 plan year. However, it does seem important to recommend to the PEBP that they move forward now on creating a viable RFP so that they can collect comparative data on plan design and costs/value for the following fiscal year (FY16).

- Item 11 - plan design changes effective July 1, 2014: This agenda item did not include any information about where the funding might come from to pay for the recommended additional benefits. It appears, based on the Chief Financial Officer report in the packet, that the projected end of year reserves (estimated at about \$50M when the FY14 rates were set), came in at an actual amount of \$73.6M. It is possible it is this growth in reserves that has led PEBP to consider plan enhancements. The Task Force discussed this issue for some time and strongly recommends that PEBP consider the following:
 - FY14 will represent the third year that there have been significant excess reserves. It seems prudent to review the existing plan designs to better balance them with the projected overall revenue.

- Before these proposed benefit enhancements are considered, we recommend the PEBP look at overall plan design (including the option of a middle tier) and employee premiums. It was also noted that the CDHP has deductible limits above the federal requirements, so that is one part of plan design that should be reviewed. The Task Force, however, did agree to support proposal 11.6 regarding vision, as this is considered a significant hole in the existing plan.

It was agreed that we would share the information above with the three (3) NSHE PEBP Board members prior to the October 3, PEBP Board meeting. Additionally, the Task Force asked Pat LaPutt and Mingle Valunte to coordinate on giving public comment on these items at the next PEBP Board meeting.

3. Discuss the option of doing a public solicitation for a Broker of Record for the NSHE voluntary supplemental benefit offerings (current line-up and potential extended line-up, and considering student health insurance in this solicitation as well). After some discussion it was agreed to ask the HRAC (through Tim) to recommend an appropriate scope/definition of the services requested in this area.

4. 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 most recent quarterly meeting was held September 13, 2013.

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. March 2013 update: We still want to push this issue, but we should also discuss the broader issue of PEBP having an effective communications program with key contacts in each agency they support (for NSHE this would be the HR contacts at the institutions). By using the HR offices at each institution these individuals can have a better sense of what is happening with PEBP and they can better support (and communicate) that information to their employees. NOTE: Interest expressed in more strongly pursuing this item with PEBP, as it would help our employees greatly.*

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. March 2013 update: For the faxing of forms for new hires – PEBP was going to get in touch with NSHE benefits staff once they have their end set up to test our fax system for quality of the transmission. To date we have not been contacted by anyone from PEBP. May 2013 Update: Leo indicated he would assist us in getting a response on this item.*

**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. March 2013 update: Relative to direct access to HealthScope, at the last quarterly meeting Jim Wells indicated that he needed additional information from HealthScope before making a decision. We have not received any updates since. However, we also noted that tax year 2012 has seen additional problems with issuing corrections to W-2's and we still have not fixed all the problems, or perhaps even identified all of them. To date PEBP has their IT staff focused on this issue, when in fact we believe this is not just an IT issue but an issue of proper accounting for the benefits so the W-2 can be issued by NSHE and NSHE can communicate to its employees with confidence that the information is complete and accurate. May 2013 update: Leo also indicated he would assist us in getting a response on this item.*

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. October update: 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. January 2013 update: 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. March 2013 update: The Jack London pilot is underway at this time but we have not seen any report on what activity they have had to date. It would be nice to see this information and to be able to work with PEBP to get out better communications about programs like this to our employees. We also will want to discuss with PEBP, after we see some of the initial information, about extending the pilot for all of CY13, as a six month pilot on a program that was not well communicated with employees probably is not a long enough period to evaluate its impact. June 2013 update: The pilot has been extended to 9/30/13 and the PEBP Board will review it again in the fall. We discussed getting out more information on this program to NSHE employees. **Sept. 2013 update: Pilot discontinued. Although PEBP elected to continue services until Sept. 30th, Jack London elected to end the relationship with PEBP effective June 30th. The Task Force strongly recommends that*

PEBP consider going out to bid to allow similar services to be offered in the future, under a longer term engagement and with better communications that the services are available to PEBP participants.

*New Item – Status of PEBP Data Warehouse Program - **September 2013 update:** Jim Wells indicated that this project is moving forward and they have focused on the CDHP first. They expect to have this part of the project completed in the near future. Following that, in next calendar year, they will focus on the HMO data.

*New Item –Temporary Social Security Numbers on PEBP enrollment forms - **September 2013 update:** PEBP identified that there's been some issue with temporary social security numbers on PEBP enrollment forms which is causing administrative issues for PEBP staff. This situation typically occurs when NSHE hires internationals and it takes them a few weeks to get their SSN number. In the interim, NSHE assigns them a temporary SSN so that they could be entered into the HR system. PEBP staff recommended that if we have someone with a temporary SSN that we do not list that temporary SSN when we submit the Employee Hiring Form to PEBP. This will then trigger a process at PEBP that they would send a paper enrollment packet to the employee so that they could enroll by paper once they receive their correct SSN. Pat LaPutt was asked to update the HRAC on this issue.

* **New Item – September 2013 update:** Non-discrimination testing. PEBP is waiting on an opinion from the Attorney General's office regarding who is considered an employer for this purpose. They indicated that they would prefer to conduct one test for the whole state including NSHE because the regulations require that you use the same set of data when conducting the non-discrimination test for the Dependent Care FSA, the Medical FSA, and the Health Plan. Currently, NSHE runs its own Flexible Spending Account and we have done Dependent Care non-discrimination testing in the past. The regulation now requires that this test be run each year. This test is run by our FSA vendor ASI Flex and we are scheduled to provide them with data around November so that the testing can be completed by January. Testing on the Medical FSA and the Health Plan is currently awaiting additional guidance and is currently on hold. Jim Wells suggested that NSHE may want to consider having PEBP administer the FSA plan since they are using the same vendor that handles their HSA (HealthScope) and that it makes it easier to coordinate benefits for the FSA and the HSA. The Task Force did not support this PEBP recommendation, as we would prefer to maintain our own FSA.

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

5. **Next Task Force Meeting.** We will schedule this prior to the November 21, 2013 PEBP Board meeting.

6. **Potential Future Agenda Items:**

*Update on Task Force Membership.

*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.

*Review/discuss the 2011 action by the Legislature to eliminate any/all health care subsidy for state/NSHE employees hired after 1/1/12.

*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE Employees.