

1 **PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD**

2 **TRANSCRIPT OF PROCEEDINGS**

3 **VIDEOCONFERENCED OPEN MEETING**

4 **THURSDAY, MAY 26, 2022**

5 **CARSON CITY AND LAS VEGAS, NEVADA**

6
7 The Board: LAURA FREED, Chairperson
LINDA FOX, Vice Chair
8 APRIL CAUGHRON, Member
TOM VERDUCCI, Member
9 JENNIFER MCCLENDON, Member
LESLIE BITTLESTON, Member
10 JAMES BARNES, Member
JANELL WOODWARD, Member

11
12 For the Board: MICHELLE BRIGGS, Deputy
13 Attorney General

14 For Staff: LAURA RICH
15 Executive Officer
NIK PROPER
16 Operations Officer
CARI EATON
17 Chief Financial Officer
TIM LINDLEY
18 Quality Control Officer
WENDI LUNZ
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A G E N D A

| ITEM | PAGE |
|--|------|
| 1 - Open meeting; Roll call | 3 |
| 2 - Public comment | 4 |
| 3 - PEBP Board disclosures for applicable board meeting agenda items | 15 |
| 4 - Consent agenda | 16 |
| 5 - Executive Officer report | 27 |
| 6 - Enrollment and eligibility system transition update | 39 |
| 7 - Discussion and possible action regarding the framework for development of the agency budget request for the 2024-2025 biennium | 48 |
| 8 - Presentation and possible action on the status and approval of new PEBP contracts, contract amendments and solicitations | 86 |
| 9 - Public comment | 90 |
| 10 - Adjournment | 92 |

1
2
3
4
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THURSDAY, MAY 26, 2022, 9:07 A.M.

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CHAIRPERSON FREED: Good morning. This is Laura Freed. And it is 9:07 a.m. We're running a tiny bit late. Please forgive us. Welcome, everyone, to the May 26th meeting of the board of the Public Employees' Benefits Program.

With that, I will ask PEBP staff to call the roll.

MS. LUNZ: Thank you. Laura Freed.

CHAIRPERSON FREED: Here.

MS. LUNZ: Linda Fox.

MEMBER FOX: Here.

MS. LUNZ: Betsy Aiello is excused.
Jim Barnes.

MEMBER BARNES: Here.

MS. LUNZ: April Caughron.

MEMBER CAUGHRON: Here.

MS. LUNZ: Michelle Kelley is excused.
Leslie Bittleston.

MEMBER BITTLESTON: Here.

MS. LUNZ: Jennifer McClendon.

MEMBER MCCLENDON: Here.

MS. LUNZ: Tom Verducci.

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MEMBER VERDUCCI: Here.

MS. LUNZ: Janell Woodward.

MEMBER WOODWARD: Here.

MS. LUNZ: Thank you. And we have a quorum.

CHAIRPERSON FREED: Okay. Thank you very much.

All right. Agenda Item 2 is public comment. As per usual, we'll limit public comment to three minutes per person. So I'll hand it over to PEBP staff to manage the online and Zoom and telephone comments.

UNIDENTIFIED SPEAKER: Yes, Madam Chair. One moment please.

As a reminder, Zoom is used for public comment only. This meeting is streaming live on YouTube if you wanted to just listen in to the PEBP board meeting. The YouTube link is located on the agenda.

For those who have joined for public comment, your name or last four digits of the phone number will be announced and you will be advised that you have been unmuted. As a reminder for those on the phone, please press star six to unmute. Please slowly state and spell your name for the record and then proceed with your comments. Due to time considerations, each call will be limited to three minutes.

Okay. Mr. Ervin, you have permission to speak. Please make your public comment.

1 MR. ERVIN: Thank you. Good morning. Kent
2 Ervin, K-e-n-t E-r-v-i-n, representing the Nevada Faculty
3 Alliance, the Independent Statewide Association of Faculty of
4 Nevada's Public Colleges and Universities. We work to
5 empower our faculty members to be fully engaged in our
6 mission to help students succeed.

7 Regarding Agenda Item 7, while we appreciate that
8 the governor's budget directive is allowing benefits to not
9 be cut further, we have to point out that maintaining
10 benefits as they are now is, in fact, making permanent the
11 cuts that were done because of the pandemic.

12 With cuts always being permanent and enhancements
13 hard to get, we have a continual ratcheting down of benefits
14 for state employees. It happened after the great recession
15 and now again with the pandemic budget crisis. With poor
16 benefits and state employees' salaries also declining after
17 inflation, it's no wonder that PEBP and other agencies can't
18 hire to fill vacant positions.

19 To have any possibility of restoring benefits at
20 the legislature in 2023, advocates need firm estimates of the
21 costs that are -- of restoring benefits.

22 So we ask the board to instruct PEBP staff to
23 work with the actuary to price out a package of benefit
24 restorations to go back to the pre-pandemic levels with

1 respect to deductibles, out-of-pocket maximums, co-pays, life
2 insurance, and long-term disability insurance.

3 In addition, as you look to plan design this
4 fall, considerations should be given to a policy that ties
5 the deductible and the high deductible plan to the IRS
6 minimum, which is close to what the deductible is anyway and
7 making the HSA contribution as a percentage, say 50 percent,
8 of that high deductible.

9 If you do that as a policy, then the deductibles
10 and HSA contributions would track inflation as the IRS
11 minimums change, keeping the value of benefits constant
12 rather than the dollar amounts. Thank you for your
13 consideration.

14 UNIDENTIFIED SPEAKER: Thank you, Mr. Ervin.

15 Will the caller with the last four digits of 7419
16 please slowly spell out your name for the record and press
17 star six to unmute. That's caller 7419.

18 MR. SMITH: Hello. My name is Rett Smith,
19 R-e-t-t S-m-i-t-h. I'm an employee with Nevada State Parks
20 and a member of Local AFSCME 4041.

21 I called today on behalf of myself and my
22 co-workers to ask you to vote no on rate increase to state
23 employee health insurance.

24 With each passing year, we pay more and more for

1 insurance and we receive less and less benefits, leaving us
2 paying more for not only premiums and deductibles but also
3 for doctors visits and prescriptions.

4 I remember when I started with the state in 2004
5 paying just over two dollars per check for my benefits. That
6 same plan now costs me over 20 times that price. And, even
7 at that price, I have far more trouble finding a provider or
8 specialist that will accept any insurance. When I do find a
9 provider that accepts it, I'm still often unable to afford
10 the benefit.

11 The changes you all make to these benefits have
12 trickle-down effects that go farther than you can even
13 imagine. When I began with the state, I was absolutely
14 ecstatic knowing that I had found a place with job security,
15 benefits, and retirement. Over the last 20 years, the
16 benefits and retirement packages have shrunk. I see less and
17 less qualified and motivated candidates walk in with the same
18 excitement that I had all of those years ago.

19 As the benefits package further declined, I moved
20 in to a hiring position, and it became difficult to even find
21 unqualified candidates, putting further stress on dedicated
22 state workers to cover those positions.

23 As dedicated workers leave, more vacancies will
24 be created with less hope of filling them. And this is only

1 going to leave the state crippled by training costs,
2 incompetency through unqualified applicants, and high
3 turnover. These costs are going to greatly overtake the
4 savings that can be gained here today if it hasn't already.
5 And, furthermore, those small gains should not be made by
6 putting more burden on the already-low wages of public
7 service.

8 So, for the State of Nevada to remain great, it
9 needs to be organized, built, maintained, and run by
10 highly-qualified, well-trained, and dedicated teams of
11 individuals. Those people are only attracted initially to
12 apply by job security benefits and retirement, like I was all
13 of those years ago.

14 As the benefits and retirement decline, we are
15 only left with our job security, and only then because no one
16 capable and qualified would ever apply for my job with the
17 benefits and retirement package that's currently being
18 offered.

19 I appreciate you all giving me your time and
20 taking my thoughts in to consideration. Thank you.

21 UNIDENTIFIED SPEAKER: Thank you.

22 Will the caller with the last four digits 4 --
23 741 -- Sorry. Scratch all of that. Would the caller with
24 the last four digits 7832, please slowly state and spell your

1 name for the record and press star six to unmute. Caller
2 with the last four of 7832, you have been unmuted. Please
3 press star six to unmute if you wish to make public comment.

4 Will the caller with the last four digits 8673,
5 please slowly state and spell out your name for the record,
6 and press star six to unmute.

7 MS. MAYLATH: Good morning. This is Brooke
8 Maylath, it's M-a-y-l-a-t-h, speaking on the record to the
9 board. Thank you for this opportunity.

10 I'm calling out to your attention, as I have with
11 written comments as well, that the new revised master plan
12 documents to begin on the plan year 2023 are a big step in
13 the right direction of what I've been asking for for a year
14 and a half. So thank you for that.

15 There are issues with how the plan is written,
16 particularly with the gatekeeping of having behavioral health
17 required to access any form of gender-affirming intervention.
18 And that is technically illegal. It is -- Who ever put this
19 together seems to be unfamiliar with how the Affordable Care
20 Act Section 1557 applies, how NRS 613.330 applies. Also
21 looking at the rulings of Tovar v. Essentia from the Eighth
22 Circuit as well as the post-op decision from the Supreme
23 Court of the United States. And then even more recently,
24 just in the past couple of months, when we looked at the

1 rulings on Scott v. St. Louis University.

2 If the language goes through as is, you have not
3 reduced the liability for the board for the plan in any way,
4 shape, or form from the potential legal actions that have a
5 long history of precedent that say that you cannot treat
6 gender-affirming access any differently than you do access
7 for others.

8 So one of the elemental pieces to understand here
9 is that gender dysphoria, the diagnosis for a transgender
10 person seeking relief from the symptoms of gender dysphoria,
11 is not a mental defect or a mental disease and is in no way,
12 shape, or form something that must be gate-kept by a mental
13 health professional.

14 Behavioral health is helpful to manage the
15 stresses of navigating a hetero/cis normative society that
16 stigmatizes and punishes those that do not conform to the
17 norm of a procreation ideology.

18 So we are not against behavioral health. But you
19 cannot put that as a barrier to access things like hormone
20 therapy any more than you would think to put a barrier
21 between access to hormone therapy for a menopausal woman when
22 her doctor prescribes a hormone therapy for her or when a
23 doctor prescribes a testosterone treatment for a man who may
24 be diagnosed with low testosterone. You have to be able to

1 keep those things consistent according to the law. This plan
2 does not meet that by putting out these kinds of barriers.

3 There are other issues that I have pointed out in
4 writing. This item desperately needs to be pulled from the
5 consent agenda, properly discussed with authoritative
6 decision-making as to what needs to be changed and altered
7 prior to this plan being approved. Otherwise, you're just
8 continuing the liability.

9 This is your chance for a bite at the apple to be
10 able to make things right. Please, for the sake of all
11 employees, we don't want to be spending seven figures on
12 legal fees and settlement costs to be able to do something
13 that you can do here with a literal swipe of a pen.

14 So, thank you for listening to me. I hope that
15 you will heed the advice, free advice here, given. Be able
16 to check with your DAG as to the, you know, how this affects
17 things and what your liability is and how you might be able
18 to make immediate changes so that you can be able to move
19 forward with a plan document that works legally and is --
20 reduces the liability.

21 So thank you for your time. And I hope to see a
22 robust discussion coming up in a few minutes. Thank you.

23 UNIDENTIFIED SPEAKER: Thank you.

24 Will the caller with the last four digits 9199

1 please slowly state and spell your name for the record and
2 press star six to unmute if you wanted to make public
3 comment.

4 MS. OPFERMAN: Thank you, Board, for your time
5 this morning. For the record, my name is Tess Opferman.
6 That's spelled T-e-s-s O-p-f-e-r-m-a-n. I am speaking on
7 behalf of the AFSCME Retirees Local 4041.

8 We want to reiterate the many concerns stated by
9 Kent Ervin earlier in this call. We're concerned with the
10 cuts that were made during the pandemic and we do think it's
11 the top priority of this board to make sure that those are
12 reinstated. As you well know, our retirees are on a fixed
13 income, and so we need to make sure that that limited money
14 that they have is protected and continue to ensure that their
15 benefits are protected during the next biennium and this
16 budget.

17 So thank you very much for your time this
18 morning. I look forward to working with the board in the
19 coming months and year. Thank you so much.

20 UNIDENTIFIED SPEAKER: Thank you.

21 Will the caller with the last four digits of 0891
22 please slowly state and spell your name for the record and
23 please press star six to unmute if you wish to make public
24 comment.

1 MS. LAIRD: Yes. Thank you. Good morning, Chair
2 Freed and fellow PEBP board members. My name for the record
3 is Terri Laird, spelled T-e-r-r-i L-a-i-r-d. I am the
4 executive director for RPEN, the Retired Public Employees of
5 Nevada, where we represent retired and active public
6 employees. We are a non-profit, non-partisan organization
7 formed in 1976 and we have close to 8,000 dues paid members
8 in 17 chapters statewide.

9 We remain concerned about the many problems our
10 members have experienced with PEBP's enrollment and
11 eligibility system, although we are glad that Ms. Rich and
12 her staff have been able to work with our members to solve
13 some of their issues.

14 Ms. Rich did report to our advocacy group earlier
15 this week that PEBP is experiencing historic wait times
16 during the current open enrollment because they are not fully
17 staffed, something that is apparently happening within most
18 state agencies, as you're hearing this morning.

19 This causes great concern about retention and
20 recruitment of state employees who leave for higher pay and
21 better benefits at other local county government levels.
22 Ms. Rich also informed us that PEBP's budget is heading in to
23 the next biennium and will be kept at status quo and that the
24 governor's office has apparently told her he will not impose

1 any cuts in the state budget to come. But that still leaves
2 PEBP without long-term disability, which was eliminated
3 during the last state budget cycle, as were cuts again to
4 life insurance for retirees and actives. These losses are
5 concerning and we will need to look forward to getting them
6 at the next legislative session when it begins in February.

7 We believe PEBP should be returned to
8 pre-pandemic levels. And it's unfortunate PEBP didn't
9 receive much financial relief from the federal COVID funding
10 that the state received last year and will need to use some
11 20 million in excess funds or excess reserves, I should say,
12 over a three-year period to restore some of the cuts imposed
13 last year.

14 But our clients and state employees deserve
15 better. We are happy to see that PEBP will not make budget
16 cuts next year, but more should be done to alleviate the pain
17 of higher health care costs coupled with food and gasoline
18 costs that escalate daily.

19 And, it should also be noted, with so many state
20 jobs left unfilled, it leads to higher contribution rates for
21 all public employees and Nevada Public Employees Retirement
22 System, PERS, leaving less money in each paycheck needed to
23 cover the excess cost that they already pay. I thank you for
24 your time.

1 UNIDENTIFIED SPEAKER: Thank you for your public
2 comment.

3 Madam Chair, the public comment has been
4 completed.

5 CHAIRPERSON FREED: Okay. Thank you.

6 With that, we'll go in to Agenda Item Number 3.
7 So I will turn it over to Chief Deputy Attorney General
8 Briggs.

9 MS. BRIGGS: Thank you, Madam Chair. So this
10 agenda item is for me to allow you to make -- for me to make
11 a disclosure regarding conflicts of interest on behalf of the
12 board members who are eligible for PEBP benefits. Certain
13 items on the agenda may have a direct or indirect effect on
14 those benefits pursuant to NRS 281A.420. On behalf of the
15 PEBP members who are eligible for PEBP benefits or whose
16 family members are eligible for PEBP benefits, I offer this
17 disclosure that they will be voting on those items that may
18 affect their benefits available to them or family members.
19 The law does not require abstention from voting merely
20 because the board member or their family member is eligible
21 for PEBP benefits.

22 And, at this time, I would invite any members who
23 have any other additional disclosures to make them now.
24 Thank you.

1 CHAIRPERSON FREED: Hearing none, thank you very
2 much.

3 We'll go on to Agenda Item 4, the consent agenda.
4 Board Members, you've had a chance to review the meeting
5 packet, read materials. Would you please let me know if you
6 would like to discuss anything under Agenda Item 4.
7 Otherwise, we will take all of those items in one motion.

8 MEMBER MCCLENDON: Can we pull the master plan
9 document, please?

10 CHAIRPERSON FREED: You betcha. All right. So
11 that's Agenda Item 4.3.

12 Anything else?

13 Okay. Hearing nothing else, I will accept a
14 motion to approve Agenda Items 4.1 and 4.2.

15 MEMBER BITTLESTON: So moved. This is Leslie
16 Bittleston.

17 CHAIRPERSON FREED: Thank you. Do I have a
18 second?

19 MEMBER CAUGHRON: April Caughron. I'll second.

20 CHAIRPERSON FREED: Thank you. All in favor say
21 aye.

22 (The vote was unanimously in favor of the motion)

23 CHAIRPERSON FREED: Any opposed? I'm not hearing
24 or seeing any. Okay. The motion passes.

1 With that, let's talk about Agenda 4.3, approval
2 of PEBP master plan documents for plan year '23, including
3 master plan documents for the CDHP's low deductible plan and
4 the EPO plan.

5 Shall I turn it over to Executive Officer Rich or
6 shall I turn it over to Mr. Lindley? Or let me know.

7 MS. RICH: Tim, do you want to take this one?

8 MR. LINDLEY: Tim Lindley for the record. Agenda
9 Item 4.3 reviews the summary of changes to the plan year
10 document for master -- for plan year 2023, the master plan
11 documents for the CDHP low deductible and EPO plan documents.

12 In the process of transitioning plan design to
13 the new third party administrator, UMR, there were some
14 technical variances identified. Additionally, discussion of
15 the new utilization arrangement of the vendor provided some
16 recommended changes. This as a result of any changes in the
17 master plan documents since the March 24th, 2022 board
18 meeting. The overall changes are generally considered
19 benefit enhancements.

20 With that said, the overall changes were made to
21 list the sections that I noted on the master plan documents
22 respectively. Overall, the utilization arrangement section
23 was updated. The pregnancy section should be removed from
24 the plan documents because the NPDs already sufficiently

1 addresses this topic.

2 Other benefit changes include chemotherapy. That
3 is enhancements where a patient is undergoing chemotherapy
4 may be eligible for one wig of any type, synthetic or not,
5 per plan year, including sales tax.

6 Another benefit enhancement was speech therapy.
7 There was clarification. Because of the conflict between the
8 benefits and exclusions for speech therapy, the exclusion was
9 updated to cooperate with the benefit.

10 Another benefit enhancement was in regards to
11 bariatric surgery. There was the removal of the ten percent
12 weight loss requirement.

13 Other changes in the master plan documents center
14 around limitation and exclusions. Cosmetic surgery, services
15 and surgery, reflect overall changes primarily removing a
16 list of excluded examples.

17 Gender dysphoria and/or gender services reflect
18 overall changes, primarily removing a list of excluded
19 examples.

20 Rehabilitation therapy was updated and reflects
21 changes for childhood speech disorders.

22 Other overall changes involve key terms and
23 definitions. The key terms and definition for cosmetic
24 surgery or treatment had examples removed. The key term and

1 definition for step therapy was amended to include reference
2 to Nevada Senate Bill 290, requirements for the PEBP health
3 plan.

4 Going forward there are changes by specific plan
5 type. Plan types being the consumer driven health plan, low
6 deductible PPO, and the premier plan. The consumer driven
7 health plan benefit change specifically typed telemedicine
8 removed reference to co-pays. The CDHP does not have
9 co-pays.

10 The following changes are per the Doctor on
11 Demand contract rate change with our third party
12 administrator, psychology visit, a 50-minute psychology visit
13 is increasing to \$129 after deductible. Psychiatry visit,
14 the initial 45-minute visit is decreasing to \$229 after
15 deductible. This is updated on page 77 of the CDHP.

16 Additionally, a change to the consumer driven
17 health plan master plan document is the health savings
18 account. We added the calendar year 2023 contribution limits
19 where the IRS announced inflation adjusted amounts for health
20 savings accounts.

21 For calendar year 2023, the annual limitation on
22 deductions for an individual with self-only coverage under a
23 high deductible health plan is \$3,850. The annual limitation
24 on deductions for an individual with family coverage under a

1 high deductible health plan is \$7,750. This is updated on
2 page 22 for the CDHP.

3 Changes to the low deductible plan is a benefit
4 change. Skilled nursing facility has two different day
5 limits on page 34 and 75, reflecting 100 days and 60 days
6 respectively. This is updated to show 100 days on page 75 of
7 the low deductible plan document.

8 A benefit change to the premier plan also
9 duplicates the skilled nursing facility change that had two
10 different day limits on page 37 and page 78, reflecting 100
11 days and 60 days respectively. This is updated on page
12 100 -- This is updated to show 100 days on page 78 on the EPO
13 plan.

14 Mammogram benefits were also adjusted to match
15 previously-approved enhanced CDHP and low deductible PPO plan
16 benefits. This allows screening mammograms beginning at age
17 35 for members with a high risk of breast cancer. This is
18 reflected on page 75 of the exclusive provider organization
19 plan document. Full edited versions of the APDs can be
20 accessed on line electronically.

21 CHAIRPERSON FREED: Thank you, Mr. Lindley.

22 Member McClendon, you pulled this. I will give
23 you the floor to ask questions or to make comments.

24 MEMBER MCCLENDON: I'm wondering if we can remove

1 the precertification requirement for hormone therapy for
2 gender dysphoria. It seems like that's leaving the door open
3 for future litigation.

4 MEMBER LINDLEY: Is that a question?

5 MEMBER MCCLENDON: Yes.

6 MS. RICH: So Laura Rich for the record. That's
7 something that we can take in to consideration. However, I
8 would recommend doing this in a methodical way where we can
9 actually sit down with the subject matter experts and with
10 our legal team to ensure that, you know, we're doing this the
11 correct way, right, rather than -- rather than hastily making
12 any decisions, you know, at -- without really vetting every
13 decision or every change that is made to the master plan
14 document.

15 Typically, when we make changes, any change, we
16 vet them thoroughly, legal through, you know, our subject
17 matter experts, our vendors who perform these functions and
18 to make sure that we don't have any unintended consequences
19 to the decisions that we're making, right.

20 CHAIRPERSON FREED: This is Laura Freed. I have
21 a question. What's the prior approval authorization process
22 for hormone treatment not related to gender dysphoria? Just
23 like menopause or some other sort of gynecological phenomenon
24 that would require hormone treatment?

1 MS. RICH: Laura Rich for the record. I think
2 I'm going to ask someone from UMR maybe to speak on that if
3 possible.

4 MR. MAIER: Yeah. This is Nathan Maier for the
5 record. I'm going to defer to Rhonda. Can you help me out
6 with that one, please?

7 MS. HUCKABY: Yes. This is Rhonda Huckaby for
8 the record. And, to my knowledge, the only restrictions
9 around hormone therapy may be under the pharmacy benefits.
10 But there is currently nothing related to the medical
11 benefit.

12 MS. RICH: And is this maybe a question that we
13 should run by maybe American Health Holdings or the UM team?
14 Because I know that we're transitioning right now. And the
15 reason why I have -- we have the UMR representation on today
16 is because, as of July 1st, UMR takes over, right, so UMR is
17 the new vendor for the utilization management. And so it is
18 their policies that will be taking place versus what is
19 actually taking place today through American Health Holdings.

20 So, I don't know if, Nathan, if you have anyone
21 that can speak to that from a UM perspective.

22 MR. MAIER: So Nathan Maier for the record. Our
23 UM leader was unable to join the board meeting today, Laura.
24 For current state, you're right. I mean, it's really a

1 question we should pose to AHH.

2 To Rhonda's point, in the current plan
3 document -- And I would have to review it -- it sounds like
4 there is not a prior authorization requirement in place
5 outside of what we're specifically talking about.

6 So I guess I would have to do some research with
7 our UM team for future stay. And, then to the earlier point,
8 you probably want to talk to AHH on current state.

9 CHAIRPERSON FREED: I have another question.
10 This is Laura Freed. We have Aon as our outgoing actuary
11 doing legal compliance every two years under NRS 287.

12 Have we had our incoming actuary do a legal
13 compliance review of these master plan document changes?
14 And, if not, could we do that please.

15 MS. RICH: Laura Rich for the record. We have
16 not had our incoming actuary do that compliance review
17 because they're actually not -- We can't pay them yet. And
18 so we would --

19 CHAIRPERSON FREED: You mean, they won't work for
20 free? I'm shocked.

21 MS. RICH: Right. But this is something that has
22 been on our radar. This is something that is scheduled to
23 occur. I plan on moving this up if possible. So this is
24 definitely something that will take place soon.

1 CHAIRPERSON FREED: Okay. Member McClendon,
2 anybody else, please jump in and ask questions.

3 MEMBER MCCLENDON: I'm sorry. This is Jennifer
4 McClendon. Is the master plan document something that can be
5 updated throughout the year or is it something that can only
6 be updated every year or every two years?

7 MS. RICH: So, yes, it can be updated throughout
8 the year. However, it cannot be a significant change. So a
9 significant change would require a special enrollment period,
10 which means that members could have the possibility to -- or
11 have the ability to change plans throughout the year if we
12 were to change a plan benefit in a specific plan, right.

13 What is significant? That's where it's a gray
14 area and typically I like to defer to our legal experts on
15 this, because it's, you know, what would -- if we made a plan
16 design change -- And if it's across the board on all of our
17 plans it's a little easier, because the same change applies
18 to every plan and so it wouldn't trigger someone to say,
19 well, I would have chosen plan A had I known that this
20 benefit was going to be covered versus I chose plan B
21 because, you know, this change wasn't available back in May
22 during open enrollment, right.

23 So we can tweak things and especially when it is
24 to comply with any kind of legal requirements. So we can

1 make tweaks throughout the year. We cannot make very
2 significant changes that may trigger, unless we want to offer
3 a special enrollment period, which my staff may all get up
4 and walk out if that's what should happen.

5 CHAIRPERSON FREED: This is Laura Freed. So let
6 me see if I'm following the distinction between significant
7 and non-significant. Non-significant, a relaxing of
8 exclusions, like we're contemplating here, is not significant
9 because, number one, it applies to every plan. So every
10 participant, no matter what plan they have chosen or what
11 coverage tier they're in stands to benefit. Is that the test
12 then? So to Member McClendon's question if we were going to,
13 you know, eliminate the prior approval for hormone treatment.
14 Again, that would stand to benefit members, so we could do
15 that without doing an open enrollment. Do I have that right?

16 MS. RICH: Laura Rich for the record. It's not
17 necessarily the standard. It's one of them. Really the --
18 What you need to ask yourself is if this benefit is
19 introduced, whatever benefit it is, would someone have chosen
20 a different plan during open enrollment had they known that
21 this benefit was -- was in place, right.

22 And so it's more asking that kind of question.
23 And, again, this is something that normally I would defer to
24 legal because it is such a gray area. You need to be able to

1 defend it. And, I mean, we could always offer that special
2 enrollment period. But it has to be offered across the
3 board, right, to everybody.

4 So, basically, it becomes very, very disruptive
5 to allow people to change plans during the middle of the
6 year, not just for staff but for actual cases.

7 So, in this case, I don't think that changing
8 that type of certification would be significant. That's just
9 my non-legal opinion. But we have to -- I would like to vet
10 that through legal just to make sure.

11 CHAIRPERSON FREED: Board Members, other
12 questions, comments? Okay.

13 So okay. I think I will at the very least -- And
14 I can work with Executive Officer Rich off line. And, Board
15 Members, please feel free to e-mail me, but not all at once.
16 I don't want an open meeting law violation. But please feel
17 free to e-mail me if you have thoughts about how the master
18 plan document might change in the future. But I will ask for
19 this to be brought back at least as a discussion item,
20 perhaps as an action item, depending on what the lawyers have
21 to say, next meeting, because I would like to see -- I would
22 like to understand better the legal standard for making
23 master plan document changes mid-year. And I would like to
24 understand better the pros and cons of what Member McClendon

1 suggests, because if we don't have prior authorization for
2 someone going through menopause, why do we have prior
3 authorization for people going through gender transition.

4 So, okay, so that's where I'm at. Feel free to
5 chime in and tell me where you guys' heads are at. I'm
6 really a grammarian this morning.

7 And, with that, I would accept a motion to
8 approve these master plan document changes if that's the
9 sense of this board.

10 MEMBER MCCLENDON: I move to approve the master
11 plan documents. It's Jennifer McClendon.

12 CHAIRPERSON FREED: Thank you.

13 Do I have a second.

14 MEMBER FOX: Linda Fox for the record. I'll
15 second.

16 CHAIRPERSON FREED: Thank you, ma'am.

17 All of those in favor, signify by saying aye or
18 raise your hand in the Zoom box.

19 (The vote was unanimously in favor of the motion)

20 CHAIRPERSON FREED: Thank you. Any opposed say
21 nay. Hearing none, the motion carries. Thank you, guys.

22 With that, we'll move on to Agenda Item 5, the
23 executive officer's report, which is just an information
24 item.

1 MS. RICH: Laura Rich for the record. I'll start
2 out the executive officer's report with just a quick staffing
3 update. And I think this is really important because, as
4 you've heard through public comments, you know, this is
5 affecting our ability to perform our jobs and our mission.
6 And it is something that not just PEBP but every other agency
7 in the state is challenged with right now.

8 We are happy to announce that we have added
9 several staff just in time for open enrollment. Several of
10 the candidates that we hired were hired to fill the member
11 services unit position, so that's our call center. And we've
12 also had -- we also have several vacancies remaining. And,
13 with the 25 percent plus overall vacancy rate in the state,
14 which, Chair Freed, I think you can correct me if there's a
15 new number on that, but I think that was the last I heard,
16 recruiting is really a challenge.

17 And, as you've heard, you know, our pay and, you
18 know, just the wages are just not keeping up with inflation.
19 And, unfortunately, in this state, we don't really have the
20 ability to make those changes easily. And, when I say we, it
21 really requires legislative action. And so it's not
22 something that can be addressed really quickly. So, in the
23 meantime, PEBP and every other agency in the state is really
24 challenged with staffing issues right now.

1 So we currently have seven positions vacant of
2 our total 34 positions. There's going to be an additional
3 two vacancies coming up in June, one resignation and one
4 retirement, which brings us back to nine total vacancies.

5 I'm just going to add everyone that is working is
6 working at a hundred percent plus here. We've got staff that
7 are pouring their blood, sweat, and tears in to this open
8 enrollment and really just in the last two years in general
9 through everything that PEBP has gone through. So I just
10 want to publically thank my staff because everyone has really
11 done an excellent job and is really just stepped up when they
12 were needed.

13 The Patient Protection Commission benchmark
14 analysis. This is something that PEBP is participating in.
15 In December of 2021, the governor signed an executive order
16 that instituted a cost growth benchmark program. And it
17 really just serves as a cost containment strategy in
18 eliminating how much a state's health care spending can grow
19 each year. There's some other states that have done this
20 already and so Nevada is kind of following in their
21 footsteps.

22 The Patient Protection Commission, partnering
23 with the Peterson-Milbank Foundation and Bailit Health, has
24 been tasked with overseeing this effort. And, as I think the

1 board is aware, the PEBP executive officer position was added
2 to the Patient Protection Commission as a non-voting member
3 this last session. And so I've been participating in that
4 process and in the PPC meetings.

5 On May 3rd of 2022, PEBP, with the assistance of
6 Aon, presented the phase one analysis for the health care
7 cost benchmark analysis. And both PEBP and Medicaid
8 presented detailed reports breaking down health care spending
9 by age, gender, and services, as well as where those services
10 are being provided, so the geography of the state.

11 This is the first of several steps to better
12 understand cost drivers and attempt to slow health care cost
13 growth along with improving access for Nevadans. PEBP is
14 going to continue to partner with Nevada Medicaid and the PPC
15 to produce additional analysis in which will be presented in
16 future PPC meetings.

17 So I really encourage -- I know I've shared this
18 before already. But I encourage board members to look at
19 those presentations. I think there's a lot of good
20 information on there and in the public as well to see, you
21 know, how PEBP performs or what that analysis looks like and
22 how a plan has performed year over year. And, in comparison,
23 you can't really compare the Medicaid, but you can look at
24 how that looks compared to Medicaid.

1 So I did present the materials and the meeting
2 reporting link there as well if you're interested in
3 accessing that.

4 Strategic planning. I'm very excited that we
5 held our annual strategic planning meeting back in April.
6 Typically we do it later on in the year, but I think we're
7 going to start doing this earlier in the year, because I
8 think holding it earlier in the year provided our vendor
9 opportunities an -- our vendor partners opportunity to
10 present new ideas, services, and vision to the program and
11 then it allows PEBP staff to take those ideas and take those
12 discussions and plan for any kind of budget impacting ideas
13 more effectively so that when we meet in November we have the
14 ability to, you know, we have that time to research and to
15 analyze and come prepared to the November board meeting with
16 those ideas that came out of strategic planning.

17 So PEBP staff would like to thank the board
18 members who did participate in this process and also the
19 vendor representatives who attended and participated in these
20 discussions. It was certainly -- I felt like we had really,
21 really good discussions and I'm excited to take some of these
22 ideas that came out of that and present them in November.

23 I don't want to steal Nick's thunder, but he will
24 be presenting more details on open enrollment. But, as of

1 the date that this report was written, PEBP's annual open
2 enrollment has gone much more smoothly than we anticipated.
3 The transition back to Life Works has thankfully exhibited
4 less issues than we anticipated and members are generally
5 able to access their portals and make benefit selections
6 incident-free.

7 So we are very, very thankful for that. We are
8 thankful for Life Works for stepping in and making things go
9 as smoothly as possible.

10 We did also hold PEBP's open enrollment meeting.
11 They were performed virtually again this year. And we had a
12 pretty significant participation rate in the north. We had
13 almost 700 people participate for the north webinars. And
14 then in the south we had about 500. And then we had some
15 retirees also participate in those as well. So we had a
16 total of 1258 participants in open enrollment. And so I
17 think that went really well. So, with that, I will stop for
18 questions.

19 CHAIRPERSON FREED: Board Members, questions
20 comments?

21 MEMBER VERDUCCI: Yes. Tom Verducci for the
22 record. I want to point out that I attended the strategic
23 planning and I thought it was really awesome seeing the
24 vendors in person, getting their ideas. And I thought it was

1 a very good format and I was very appreciative to Laura and
2 her staff.

3 I also wanted to ask Laura Rich a question about
4 the vacancies at PEBP and how is it affecting the service
5 center. Is everybody getting taken care of? I read some
6 comments -- the public comment that was a little concerning
7 with delays. But can we have a quick update on how the
8 service center is going with the vacancies?

9 MS. RICH: Sure. Laura Rich for the record.
10 Yes. And, unfortunately -- In the past, historically, PEBP
11 has had very, very low wait times. If you had to wait on
12 hold for, you know, two minutes, that was a long time.
13 Unfortunately, that's not the case. That is not the case. I
14 walked in to the office this morning and I heard every single
15 person on the phone. It was very, very busy. And that was
16 at, you know, 8:02. So it was very, very -- There's a lot of
17 calls that are coming in. Obviously we have got times that
18 are much more busy than others. Monday morning at 8:00
19 o'clock is much more busy than Friday at 4:00 p.m., right.

20 But, generally, we've prided ourselves on our
21 ability to respond to e-mails and to answer calls very
22 promptly. And, unfortunately, that's just not the case
23 during this open enrollment because of our staffing
24 challenges right now.

1 And, I mean, I say this, this is affecting PEBP,
2 but it's also affecting the DMV, it's also affecting our
3 vendors. If you try to call any call center and you're on
4 hold for less than five minutes, we need to speak to someone,
5 that's a win, because that's just not the state of the world
6 today. And, unfortunately, it's what we're dealing with as
7 well.

8 And, on top of that, we have had some very
9 seasoned staff that are -- that have been around in our
10 member services unit for a while and several of them have
11 either retired or have moved on, have gotten promotions. And
12 so we have a lot of new staff as well. So that turnover has
13 affected also our ability to assist members because, I mean,
14 anyone who has been following PEBP for any amount of time
15 recognizes that PEBP is very, very complicated. And so you
16 can't expect a new employee to come in and get, you know, a
17 couple weeks of training and have the level of understanding
18 that someone who has been here for a few years will have.

19 And, so that is also something that we have been
20 challenged with as well, because it takes people time to
21 understand all of the intricacies of the plan roles and the
22 complexities of everything that PEBP does, right.

23 So it has been a challenge. We are doing our
24 best. Every has been, you know, as I said, stepping up. We

1 have, unfortunately, been faced with a situation where I've
2 had to -- We typically limit vacation leave during open
3 enrollment anyway. But this year was much more limited. And
4 so staff are racking up leave hours that they're not able to
5 use because we have very limited ability to function if they
6 are to take leave. And that's happening across the state as
7 well.

8 MEMBER VERDUCCI: Just as a follow-up. What type
9 of recruitment efforts are under way to fill those positions?
10 That's about 30 percent of your staff that's not there. Is
11 there anything that can be done to increase the recruitment
12 and get some positive candidates in there?

13 MS. RICH: So Laura Rich for the record.
14 Recruitment efforts -- And I see Chair Freed smiling.

15 CHAIRPERSON FREED: I want to jump in.

16 MS. RICH: Go for it. Go for it.

17 CHAIRPERSON FREED: Okay. So, as a department
18 director myself and as the department director over Division
19 of Human Resource Management, I have a lot to say on this
20 issue. And, so, yes on the global scale, DHRM is undertaking
21 some creative programs to funnel ex-military and students
22 from community colleges in to state employment. But the
23 fundamental issue is pay and its benefits. And I don't think
24 we can escape that.

1 And, Member Barnes, I see you and I'm going to
2 give you the floor in a second.

3 MEMBER BARNES: Thank you.

4 CHAIRPERSON FREED: I made this point at the last
5 Interim Finance Committee. You know, Laura's vacancy rate is
6 approximately 20 percent right now. That tracks with the
7 overall bureaucracy. Some class codes have a much, much
8 higher vacancy rate. Some have a bit lower. But, generally
9 speaking, over the entire State of Nevada bureaucracy, we're
10 at somewhere between 20 to 25 percent, so that means a fifth
11 to a quarter of state business is not getting done. And so
12 that's why you see people having to wait at member services.

13 And I would like to echo the kudos of Laura Rich
14 for the PEBP member services. Thank you guys for your work.
15 I know you're slammed. And that means staff at my department
16 and staff at the DMV and staff at HHS and everywhere is doing
17 things that they -- more than they would normally because, of
18 course, they have vacancies wherever they work.

19 And so there are things being discussed to
20 mitigate this. But recruitment is difficult for all of us.
21 No matter -- And it used to just be certain class codes were
22 difficult to recruit for. And, you know, PEBP member
23 services wasn't necessarily one of those class codes. Now
24 it's every one.

1 So I just want to say, you know, to participants
2 who have been, you know, sitting in the phone cue or having
3 difficulties, I mean, I'm sorry, I get it. And shout out to
4 all of my retiree friends who called me directly to help with
5 their open enrollment stuff, because people are getting
6 creative now.

7 But, I mean, it's just tough all over. And we're
8 working as best we can in the context of a biennial budget
9 cycle to make things better.

10 Mr. Barnes.

11 MEMBER BARNES: Yes. Thank you. Jim Barnes for
12 the record. First of all, I wanted to agree with
13 Mr. Verducci. I thought the strategic planning meeting was
14 excellent and really a very good meeting.

15 I did want to ask Laura when is it that the
16 actual strategic plan will be reviewed and updated as opposed
17 to just having vendor presentations.

18 MS. RICH: Laura Rich for the record. So we do
19 have a strategic plan. I don't know if anything that came
20 out of our strategic planning affects the overall strategic
21 plan. I think a lot of it was specifically focused on plan
22 design and benefits and things that we can do to change the
23 course of PEBP and prove what we're providing to members
24 versus the actual strategic planning documents.

1 Now, we can definitely -- We typically go through
2 that every year or two and update it. I can take a look at
3 that and provide that probably I would say over the summer we
4 can update that if necessary and bring it back to the board
5 with our recommendations. But that certainly is something we
6 can do. I know it's been a while since it's been updated.

7 MEMBER BARNES: Yes. So when will the actual
8 plan design changes for 2023 be considered? Is that going to
9 be -- When will that be?

10 MS. RICH: So normally we bring some ideas to the
11 board in September and say, you know, this is what we're
12 planning on looking at. Is there anything else that the
13 board would like us as staff to research and to bring back an
14 analysis moving forward. And then in November is when we
15 bring the actual, you know, full analysis and recommendations
16 to the board and then typically the board will vote on it in
17 November. Sometimes there's things that are -- that are
18 pended until the January board meeting. But most things are
19 taken care of in November for that.

20 MEMBER BARNES: Thank you very much.

21 CHAIRPERSON FREED: Okay. I'm not hearing
22 anybody else coming with questions on the executive officer's
23 report.

24 So, with that, I would like to take a short

1 break, water and bathroom break. So it's 10:03. Let's all
2 come back at 10:10 and we'll jump in to Agenda Item 6.

3 (Recess was taken)

4 CHAIRPERSON FREED: We are now on to Agenda Item
5 6, another information item. This is enrollment and
6 eligibility system transition update. The board will recall
7 that we chose last meeting to move back to Life Works and
8 Corestream for enrollment and eligibility and voluntary
9 benefits. So I will turn it over to Mr. Proper. Okay. I
10 have to go find Mr. Proper. Hold on a second, everybody.

11 MS. RICH: I'm texting him. Hang on just one
12 second. He's actually on -- Oh, there he is. He's on
13 vacation.

14 CHAIRPERSON FREED: Oh, no.

15 MS. RICH: He's taken, minus an emergency
16 surgery, I think this is the first couple of days he's taken.

17 CHAIRPERSON FREED: You have real bad luck with
18 this. Okay.

19 MS. RICH: You're back, Nik. All right.
20 Perfect. Go for it.

21 MR. PROPER: All right. Thank you, Chair Freed.
22 Nik Proper for the record. At the March 24th board meeting,
23 the decision was made to transition from Benefit Focus back
24 to Life Works, which was PEBP's prior enrollment eligibility

1 vendor.

2 On May 2nd, Life Works system went live
3 successfully for members, but staff and agency
4 representatives were granted access prior to the member
5 portal going live about two weeks prior. While successful
6 overall, there was some challenges and risks that are being
7 mitigated that I will get in to throughout this report.

8 This transition actually consisted of PEBP staff
9 independently running Excel reports in the Benefit Focus
10 system and then sent to Life Works. The reports were not in
11 the ideal format. They did not contain the ideal identifiers
12 and data elements for Life Works. So it's been a manual
13 process. Not just an automatic load from the file.

14 Because of this, the process caused some account
15 issues, including some member changes that have occurred
16 since January to not be reflected accurately. So staff has
17 currently tracked over 200 members. There could be more,
18 given the volume that was potentially unknown, given the
19 prior issues with the prior vendor. PEBP staff has worked in
20 conjunction with Life Works, agency representatives,
21 agencies, and current vendors to verify the member
22 information, while staff has corrected the accounts and
23 coverages.

24 Finalization, thankfully, with almost all vendors

1 have been set up correctly and timely. The one final
2 immigration with HPN was unable to be set up in the same
3 format prior to January, causing Life Works, PEBP, and HPN to
4 come up with a short-term solution while working on the new
5 file format required by HPN.

6 The impact is a short-term added work load on all
7 sides to get these members loaded with the correct account
8 coverages and statuses.

9 And so Life Works, in conjunction with PEBP, is
10 creating a manual enrollment spreadsheet to send to HPN to
11 load before we set up this new file format and structure.

12 This next item is not necessarily transition
13 related for voluntary benefits, but I wanted to provide an
14 update on an issue that has occurred since the last board
15 meeting.

16 As you know, Benefit Focus was our administrator
17 for January through April and as such they administered
18 voluntary benefits from that time. And, in April, PEBP
19 received some members complaining that their claims were
20 denied for voluntary benefits due to nonpayment of premiums.

21 Because of that, we contacted Focus, LSI, and the
22 voluntary benefit carriers to discover that, sure enough,
23 Benefit Focus did not remit any payments received from
24 members to carriers from January. Because of that, PEBP

1 contacted the Division of Insurance as the regulatory
2 licensing agency for assistance in getting the members'
3 claims paid and the premiums remitted.

4 The impact was three members with claims
5 originally denied but they have since been paid and the DOI
6 has been in contact with the voluntary benefit carriers to
7 have them pay these denied claims without receiving the
8 premiums remitted. But the DOI has also been in contact with
9 benefits for regular status updates. And, as of now,
10 collected premiums have been remitted by benefit carriers for
11 January through March and is on track for April in the
12 upcoming week or two. So good news there that there will be
13 no members receiving denied claims due to nonpayment of
14 premiums.

15 And, as Laura touched on in her report, open
16 enrollment began May 16th. It's typically the entire month
17 of May, but we shortened it due to the transition. And so
18 we'll continue through the 31st. And Life Works cued open
19 enrollment events for all members with no major issues
20 reported as of today.

21 On May 5th, in anticipation of open enrollment,
22 recognizing staff shortages but typically high call volume,
23 PEBP staff created an on-line form for a password reset
24 assistance, which is historically a significant percentage of

1 calls taken during OE. And, as of today, we reached over
2 3,000 password form resets, which enabled members to log in
3 to their accounts. And, again, this directly impacts the
4 call center workload during this high volume time.

5 Just some preliminary early stats show plan
6 enrollment fairly consistent with the current plan year '22
7 but about a slight increase in enrollment in the LD PPO plan.

8 And before, you know, I get to questions, I just
9 really want to thank all PEBP staff, including the board,
10 including all state agencies, our vendors and Life Works and
11 Corestream for this short-noticed transition.

12 CHAIRPERSON FREED: Okay. Thank you very much.
13 Oh, I'm sorry.

14 MR. PROPER: No. It's okay. I'm open for
15 questions.

16 CHAIRPERSON FREED: Okay. Board Members,
17 questions about all of that?

18 MEMBER BITTLESTON: This is Leslie. May I ask a
19 question, Madam Chair? First of all, I want to say thank
20 you, PEBP staff. Wonderful job, everybody.

21 My question, Mr. Proper, is regarding the --
22 something we heard at the last couple of board meetings were
23 some members were getting deducted for double -- What am I
24 trying to say -- double premiums. And so did the change from

1 the previous -- And I'm getting them screwed up -- the
2 previous vendor to Life Works, did that correct these
3 problems and some of those other nuanced issues that we were
4 really talking about with the previous vendor?

5 MR. PROPER: Nik proper for the record. You're
6 absolutely correct. There was a multitude of accounting and
7 billing issues for just various demographics. But the double
8 deductions that I'm aware of were specifically for PERS
9 retirees. And that has been sorted out. They figured that
10 out. And I just wanted to put on the record that with
11 Benefit Focus there was no HRA reimbursement file and no
12 eligibility file set up with our vendor via benefits. But
13 that is now set up.

14 MEMBER BITTLESTON: Okay. Thank you.

15 CHAIRPERSON FREED: Okay. Thank you for that
16 question.

17 And, thank you, Mr. Proper, for the reassurances.
18 It's always nice to hear that the retirees are taken care of.

19 If nobody has any questions, I would like to ask
20 a couple of questions about voluntary benefit situation that
21 became apparent to PEBP in April. So, in the staff report,
22 it says collected premiums have currently been remitted by
23 Benefit Focus for January and February to the carriers. How
24 much does that represent and how much does the rest of it for

1 March and April represent?

2 MR. PROPER: So, at that time that I wrote it, it
3 was just January and February. Nik Proper for the record.
4 March has been remitted. And so they're on track for April.
5 But this is -- I haven't seen the exact dollar amount. But
6 it's hundreds of thousands of dollars per month.

7 CHAIRPERSON FREED: Okay. Right. I was given to
8 understand that Benefit Focus was holding in trust about
9 \$900,000 of participants' voluntary benefit premiums due to
10 carriers, various carriers; is that correct?

11 MR. PROPER: That is correct.

12 CHAIRPERSON FREED: Okay. And so all but
13 April's, which would be, if you said a couple hundred
14 thousand dollars a month, that would be \$700,000 has gone
15 where it needs to go?

16 MR. PROPER: That is correct.

17 CHAIRPERSON FREED: Okay. Sounds good. My
18 next -- Okay. And my next set of questions I think is for
19 the Division of Insurance, because, in reading this staff
20 report and in reading a couple of e-mails that came to me, I
21 couldn't get a handle on whether the insurance division views
22 this as a regulatory matter, these voluntary benefits, or a
23 contract failure.

24 So I saw that Commissioner Richardson is on. I

1 want to welcome you to the PEBP board and thank you for
2 joining us. Since Title 57 of NRS is enormous, I took a shot
3 at trying to review it, but I couldn't get through all of
4 those chapters. And I'm going to rely on, Commissioner
5 Richardson, your much, much greater knowledge of those
6 chapters than me. Is Benefit Focus in possession of a
7 certificate of authority from the Division of Insurance?

8 MS. RICHARDSON: Barbara Richardson for the
9 record. Yes, they are. It's not a -- Benefit Focus is
10 actually what's called a producer.

11 CHAIRPERSON FREED: That was my next question.
12 So they have a certificate of authority and they are licensed
13 as a producer of insurance?

14 MS. RICHARDSON: Yes.

15 CHAIRPERSON FREED: Okay. Got it. So what does
16 it mean in the staff report that your division has been in
17 contact with Benefit Focus for status updates?

18 MS. RICHARDSON: So this is Barbara Richardson
19 for the record. So I'm going to start right off saying that
20 we have staff shortages, so I did this all myself.

21 CHAIRPERSON FREED: Oh, okay. I get it. Thank
22 you for that.

23 MS. RICHARDSON: So, basically, when we agreed to
24 help PEBP out -- And we don't have the regulatory authority

1 over the contract. So what we decided to do or we decided to
2 do was to handle this as a regulatory matter. So I reached
3 out to the state of domicile for Benefit Focus, which is in
4 North Carolina, and let them know that we were going to be in
5 their backyard poking at one of their producers. And we
6 spoke to their compliance officer and then we -- Well, then I
7 called all the company's compliance officers.

8 CHAIRPERSON FREED: The carriers?

9 MS. RICHARDSON: Yes. And basically made sure
10 that they were knowledgeable about the situation. The bulk
11 of them were, which made it a lot easier. A couple weren't
12 so we put them in touch with Benefit Focus to make sure that
13 everybody was on track, because, basically, as a regulatory
14 matter, if a producer is holding money in trust as premium,
15 then that carrier must act as if that money is already
16 sitting in the carrier's hands. So that's what we talked to
17 them about. That's what we sort of directed them to do.
18 It's like you need to act as if this is your money, you
19 cannot say no to the state employees for any claim that they
20 might put in. You can't say no because you don't have a
21 premium. Because, technically, under the regulatory rules,
22 if they have a premium, you have a premium.

23 CHAIRPERSON FREED: Okay. Got it. That helps.
24 Thank you. I was trying to get to what your regulatory

1 authority in a situation where a licensee's failure to
2 perform causes consumers harm but, you know, getting to, you
3 know, it's not illegal necessarily to have bad business
4 practices.

5 MS. RICHARDSON: So this is Barbara Richardson
6 for the record. It's not illegal. However, I think the
7 concern that we had right away was that Benefit Focus was not
8 necessarily as an appointed producer, was not necessarily
9 keeping its carriers up to date.

10 CHAIRPERSON FREED: Okay, okay.

11 MS. RICHARDSON: So, no matter what, that's a
12 regulatory oversight issue that needed to get taken care of.

13 CHAIRPERSON FREED: Okay. I understand better
14 now. Thank you very much, Commissioner Richardson. I
15 appreciate your testimony.

16 Other questions, comments from the board? Okay.
17 I'm not hearing any. Okay. That is, again, an information
18 item, so thank you very much.

19 And we will move on to Agenda Item 7, discussion
20 and possible action regarding the framework for development
21 of the agency request budget for the 2023(sic)-2025 biennium.

22 MS. RICH: All right. That is me and I just
23 clicked off my report, so one second while I bring it up. I
24 apologize.

1 All right. So Laura Rich for the record. This
2 report provides updates on the budget direction and proposed
3 budget recommendations for PEBP's agency request FY-24 and 25
4 budget.

5 I provided an update to the board at the last
6 board meeting. But, during the statewide budget kickoff
7 meeting in March, agencies were given directions to build
8 their FY-24 and FY-25 agency request budget using two times
9 the FY-23 cap. So what that is, is effectively a flat
10 budget. And we all know when it comes to health care, a flat
11 budget is essentially a budget cut, because we have to reduce
12 benefits in order to remain at that flat budget level.
13 Basically your dollar doesn't stretch as far.

14 So we immediately brought this issue to the
15 attention of the governor's office and began discussions on
16 possible alternatives.

17 So the message from the governor's office has
18 been very, very clear. There is zero desire to cut employee
19 health benefits and they wanted to take active measures so
20 that we could avoid a scenario in which the PEBP board has
21 asked to reduce or remove benefits in order to meet those
22 budget requirements.

23 So, after some conversation, we discussed some
24 options with the governor's office and the governor's finance

1 office and we were ultimately granted the authority to submit
2 our agency request budget using projected cost to maintain
3 current benefit levels. So that's also including spending
4 down the excess, so the eight million per year that we've
5 been projected to spend down for those enhanced benefits.

6 This means that PEBP will be working with our
7 actuary, Segal, this summer to project those FY 24-25 cost
8 using current plan benefits design while taking in to account
9 the projected trends over the biennium.

10 So budget enhancements. Although we were granted
11 the ability to be exempt from this flat budget requirement,
12 there is no guarantee that any additional benefits are going
13 to be included in the governor's recommended budget, which is
14 gov rec, above and beyond anything that we have in place
15 today.

16 So, therefore, PEBP is only recommending minor
17 staff enhancements to be included in the agency's request
18 budget. Normally -- Normally when we come to the PEBP board
19 with a budget request, we don't get down to the nitty-gritty
20 of, you know, what we're going to include in terms of, you
21 know, staff reclassification or new equipment or things like
22 that. So this is typically not something that we would bring
23 to the board. But, because I think it's important, the
24 recommendation here is to replace a current executive staff

1 member and make some changes to just the executive staff
2 construct of our organizational chart. I thought it was
3 important to bring it to the board.

4 So, as you heard, the most concerning gap at PEBP
5 by far is the lack of health care specific legal resources
6 that we have available to the program. Although PEBP leans
7 on the attorney general's office for legal support, the
8 deputy AG assigned to PEBP is usually assigned to several
9 other agencies and doesn't necessarily have subject matter
10 expertise in health care specific matters. So this puts them
11 in an unfair predicament as well.

12 Each time the agency is assigned a new DAG, there
13 is a substantial learning curve and the constant and
14 increasing need for legal assistance exposes the agency to
15 potential risk if the representing counsel is unfamiliar with
16 certain health care law.

17 So, as the agency grows and health care
18 legislation becomes more and more complex, the need for
19 industry-specific legal expertise increases, in addition to
20 the time a DAG must dedicate specifically to PEBP.

21 So it is staff's opinion that an in-house counsel
22 could be highly beneficial to the program by not only
23 providing ongoing legal expertise in that specific health
24 care related arena but also would assist in benefit

1 compliance reviews and other contracting matters. And, as
2 we've seen in the last few years, we've had a lot of
3 contracting as well. So that is very, very helpful.

4 So, in an attempt to remain cost-neutral, staff
5 is actually recommending the elimination of the chief
6 information officer position. So that's a position on our
7 executive staff, which has been vacant for quite some time
8 now. And replacing it with an in-house counsel.

9 In the last several years, PEBP has steadily
10 transitioned a lot of the IT responsibilities to the state's
11 IT office, right, so the Enterprise IT Services, and also to
12 vendors. The IT responsibilities do remain, but those duties
13 can be shifted to the remaining two IT staff that we have and
14 that's actually they've been doing this all along since we've
15 been down a CIO for quite a bit. I think, gosh, it's been, I
16 think, a year now at least that we haven't had a CIO.

17 As such, PEBP is also recommending reclassifying
18 the ITE two and three to a three and four respectively. So
19 we included the chart here and there is a cost step
20 differential. It's about a \$25,000 difference, additional.
21 But it's also important to note that even on the surface this
22 appears to be an enhancement in our budget, it can also be
23 argued that an in-house counsel will reduce PEBP's yearly AG
24 assessment, because we do pay the AG's office for their legal

1 services as well. So I would predict that it could reduce
2 our AG assessment by at least the 25,000, if not more. So
3 it's realistic that this change may actually ultimately save
4 the program money versus costing the program money.

5 So just for the board members who aren't aware of
6 what the timeline looks like. All agencies are required to
7 submit their respective budgets by the end of August. GFO
8 then spends the remainder of the year reviewing the agency's
9 budget requests and working with the agency heads to address
10 questions, issues, or make changes to that budget.

11 That budget remains confidential until it is
12 publically announced in January, prior to the commencement of
13 the biennial legislative session. And then during the course
14 of the legislative session, agencies are required to present
15 their gov rec's approved budgets to the legislature and
16 ultimately those budgets receive final approval, depending on
17 when you're scheduled, in the April or May timeframe for the
18 start of that fiscal year.

19 We've actually worked with our out saving fiscal
20 staff pretty closely in this last session to ensure that our
21 budget, the PEBP budget, was heard early, because we all know
22 that if there's any changes to that budget, it can, in turn,
23 affect open enrollment and things like that. And so we need
24 to ensure that if the legislature wants to do anything with

1 PEBP benefits and PEBP budgets that we do this earlier rather
2 than later and we have those conversations earlier rather
3 than later. So we're going to try to repeat that process
4 this year as well.

5 So the recommendation here is to approve the
6 submission of PEBP's agency request budget based on existing
7 plan benefits design through the biennium and to include the
8 enhancement request for in-house counsel and upgrade of the
9 two sustained IT positions. And I'm just going to add,
10 because there's always some small changes that are made, so
11 staff's ability to make technical changes as needed.

12 CHAIRPERSON FREED: Thank you.

13 Member Verducci, go ahead.

14 MEMBER VERDUCCI: Thank you, Chair Freed. I had
15 a question for Laura Rich. With this final budget would it
16 have to be approved by the GFO and the IFC?

17 MS. RICH: No. So the -- Well, it is submitted
18 to the governor's finance office. And, ultimately, GFO has
19 the authority -- It's the governor's budget. So it's not
20 GFO. It is the governor's budget. So we submit our budget
21 request and then the GFO works with the agencies to adhere to
22 really what the governor wants to include in his budget. And
23 so there may be changes. Our budget submission is a request
24 and it is a request only.

1 So, as we saw last biennium, changes were made.
2 And, ultimately, it's the governor's budget. And so we
3 worked with the governor's finance office during that
4 process.

5 But, no, then it does -- Once the -- Once gov rec
6 is released in January, it lands in the legislature's hands.
7 So it's not -- It's no longer IFC. IFC is the Interim
8 Finance Committee, right. So this is now in the actual
9 legislative session and the legislators then are tasked to
10 approve those budgets or amend those budgets.

11 MEMBER VERDUCCI: So, just as a follow-up, I do
12 recall prior to COVID we had some -- we were mandated to make
13 plan design changes to reduce the budget. And at the time it
14 was temporary. And it seems like it's become a plan design
15 change. And, you know, from what I'm reading, we're seeing
16 less salary costs, that means we're paying less in benefits,
17 employees have seen inflation at a 40-year high. And I'm not
18 sure we got all of our federal funding back either.

19 And, in reading the public testimony, it seems
20 the voice of the employees are asking for the benefits to be
21 restored back to pre-pandemic levels, including restoration
22 of long-term care, life insurance. And, I mean, it would
23 seem reasonable to me to at least ask for the restoration of
24 these benefits. I think it would also help the staffing

1 issues by attracting and retaining qualified employees. And
2 our costs are going down. It seems like revenue is going up.
3 And this might be the time, in my opinion, to ask for that.

4 CHAIRPERSON FREED: Thank you for that, Member
5 Verducci.

6 I'm going to go to Member Barnes.

7 MEMBER BARNES: Yes. Thank you very much. First
8 of all, I want to say I agree with Mr. Verducci's last
9 comment. I think this is really the time to restore the
10 benefits to the pre-pandemic levels. I think that's one of
11 the most important things we could do. And, again, this is
12 Jim Barnes for the record.

13 I did have a question for Laura Rich. And that
14 was can legal counsel on health care issues be retained on a
15 case-by-case basis? I know when I was in the AG's office we
16 used to hire outside counsel on a case-by-case basis. And I
17 was wondering if that would be cheaper than hiring a
18 full-time attorney.

19 And, also, is this available through Segal?
20 Would it be available through Segal?

21 MS. RICH: So Laura Rich for the record. Those
22 are very good questions. First of all, yes, we do actually
23 have in the actuary contract, we do have legal services that
24 are provided. So -- And we do leverage those on occasion as

1 well. I know personally I have gone to Aon with a lot of
2 legal questions specifically for, you know, either health
3 care or something that is more in their wheelhouse versus the
4 AG's wheelhouse.

5 The problem is that sometimes those two things
6 kind of intertwine where you need someone who understands the
7 state specific, you know, open meeting laws and contracting
8 laws and things like that, you know, any kind of state
9 specific statutes and processes. For example, contracting,
10 right. It's very difficult to review a contract from a legal
11 perspective if you don't really have any contacts as to what
12 happens in that contract, right.

13 And so while our DAG's do their best to review it
14 for the standard state legal processes and requirements that
15 we have, it's not -- there's no context to what PEBP actually
16 does. It would really, really be beneficial for PEBP to have
17 someone on staff in house that understands what we do on a
18 day-to-day basis to review those contracts, those RFPs, any
19 kind of situation like that.

20 And then, additionally, we have things that come
21 up, we have appeals that come up a lot, that we could stand
22 to benefit from, you know, someone that I could just walk in
23 to their office and say, can you look at this really quick
24 and weigh in on it from a legal perspective.

1 So, yes, we can farm some of those things out if
2 we wanted to. We already have the ability to through our
3 actuary and also through our other vendors as well. They've
4 got their own legal resources.

5 One of the things that is difficult when we do
6 that is that there's always the legal disclaimer that they do
7 not represent us. And so, you know, they're willing to give
8 information and they're willing to weigh in, but they don't
9 necessarily represent us. So that is where it's -- There's a
10 line there as well. But it would just benefit PEBP to have
11 someone internally.

12 And, I mean, Michelle Briggs, if you would like
13 to weigh in. I mean, I know that you've been -- you haven't
14 been around too long, but you've seen our -- you've seen the
15 e-mails that come to you, you've seen the needs. And I think
16 that you and I have had conversations that this is definitely
17 something that would be advantageous to PEBP. So, I mean, if
18 you want to add anything on this, that would be helpful as
19 well.

20 MS. BRIGGS: Yeah. I would just say that health
21 care is highly specialized. And while I can review
22 contracts, I'm not part of the RFP process. And what these
23 contracts would require in terms of what PEBP's
24 responsibilities are, what they should have in there specific

1 to the health care arena, like the state has its forms, you
2 know, for insurance requirements and standard things that
3 every vendor has to have. But this is very specific. And
4 so -- And you've got HIPAA and you've got all kinds of other
5 requirements that you have to -- that come in to play that is
6 not really considered through states purchasing and review of
7 contracts that they have set up.

8 And so, yeah, I could see it being very helpful
9 to PEBP to have in-house counsel that can answer these
10 questions, that knows something about health care, the
11 federal requirements and what these vendors do exactly.

12 MEMBER BARNES: Thank you very much.

13 CHAIRPERSON FREED: Okay. Member Bittleston.

14 MEMBER BITTLESTON: Thank you, Madam Chair. I do
15 want to say that I do wholeheartedly support the addition of
16 a legal counsel for PEBP.

17 My question is around eliminating the position,
18 the PIO or CIO position. It seems like we need more staff
19 rather than less staff. So what will happen with the
20 elimination of that position? Where are those job duties
21 going? I guess what I'm trying to say is wouldn't it be more
22 beneficial just to ask for an attorney to be on staff rather
23 than trying to reclass another position that you probably
24 still need?

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MS. RICH: So Laura Rich for the record.

Historically, when I got to PEBP, we had IT doing a whole lot more than what is done today. We did not leverage the state IT, administration, and resources. Everything was done in house, everything. E-mail, administration, I mean, anything you can think of, it was done in house.

And, so, slowly but surely, we started farming some of these things off to both our, each division but also to our vendors. So, for example, in the past, we were managing the spiderweb of files that went from one vendor to another vendor to another vendor. We no longer do that. We don't get in the middle of that. We don't need to be the middle man. So that has removed a lot of responsibilities off of IT.

Now, it doesn't mean that we don't still require and need those, the IT component, in PEBP, because we obviously do. But, slowly but surely, a lot of those responsibilities been absorbed by the two IT staff that we have. And I have spoken to both of the IT staff and they are very comfortable with the fact that, you know, they can continue to perform these duties without a CIO and that a CIO is not necessarily necessary anymore because of the changes that we've made internally at PEBP.

We can keep the CIO, but I will tell you, the

1 reason it's been vacant is because we can't fill it. I mean,
2 we couldn't fill it before the work force issues.

3 So, you know, IT positions, if you go out in to
4 the private sector, a CIO makes easily double, if not more,
5 than what the state is paying currently. And that was before
6 these work force issues. And so it was impossible to be able
7 to fill that position with a -- with a person that met that
8 criteria. And so that's why we've had it vacant for so long.

9 And, because of this, I thought, well, if we have
10 to make the argument that we're not going to be asking for
11 anything on top of what we have today, I can at least replace
12 it with something that we definitely need.

13 MEMBER BITTLESTON: All right. Thank you for
14 that. And that is probably why you are also requesting the
15 upgrades of those two existing IT staff because they have
16 taken on some additional duties and stuff. Okay. Well,
17 thank you for that. And, like I said, I do support the
18 addition of an attorney. I think that's an excellent idea.
19 So thank you, Madam Chair.

20 CHAIRPERSON FREED: You're welcome.

21 Okay. Board Members, anything else? Thoughts,
22 questions for the executive officer?

23 MS. RICH: I just want to add one thing to
24 address Tom's comments. We can ask for whatever it is we

1 want. And so that is -- You know, we are able to request
2 these enhancements. But there's no guarantee that we -- that
3 it's going to be accepted. It's something that we can field
4 out and do the work for to price anything out to have it on
5 hand. But it is -- We've been given direction that we need
6 to submit a budget based on our current situation today and
7 the cost of that, the benefits that we have in place today,
8 regardless of what that cost is, it's status quo.

9 CHAIRPERSON FREED: This is Laura Freed. I would
10 like to add to that. This is not common for an agency to get
11 an exception like this. And I would like to thank the
12 governor's office and the GFO for their respectiveness to the
13 requests made by PEBP because, yeah, the budget instructions
14 to all of us -- And I think I said this probably last time we
15 talked about budget building. Laura's budget is internal
16 service fund under the consolidated annual financial report.
17 Many of the budgets in my department are also internal
18 service funds. There is a strict cap on internal service
19 fund budgets. Blowing that cap out is not favorably
20 received. Let me put that very bluntly.

21 So, to protect participants from the sort of
22 passive damage that a flat budget would impose, Laura went to
23 bat for all of us, for the participants on behalf of the
24 board. And so I thank her for that too. And so we, the

1 board, should jump on the opportunity to build an agency
2 request budget based on actuarial determined trend. And, you
3 know, I don't know if the actuaries are here, but I'm
4 assuming that trend would be, medical trend, would be six to
5 seven percent. Pharmaceutical trend would be probably about
6 ten. Dental would probably stay low. I mean, just based on,
7 you know, recent experience, right.

8 So that's subsidy dollars that we are able to put
9 in to the agency request budget that won't be immediately
10 rejected out of hand. So I just want to put this in context
11 compared to other internal service funds like my own. I
12 didn't get an exception. So I'm, quite frankly, pretty
13 jealous.

14 Member Woodward.

15 MEMBER WOODWARD: Thank you, Chair Freed. I
16 would just like to support Mr. Verducci as well as
17 Mr. Barnes' desire to, at the very least, do price that out
18 and see what it might cost to add back those things. You
19 know, understanding budgets, because I work with a lot of
20 budgets myself, if you don't ask for it, the answer is going
21 to be know. My dad used to be tell me, well, if you don't
22 even ask, the answer is no. I do think we should be prepared
23 to ask for some of those things that are in addition to
24 what's normal. Because I think that, you know, public

1 employees and AFSCME people are going to go to legislature
2 and basically beg for this, you know, trying to get them to
3 invest more. And, I think that if we as a board are
4 supportive of them investing, that goes a long way as well.
5 So I would just add that.

6 CHAIRPERSON FREED: Okay. Thank you for that.

7 Member Verducci, back to you.

8 MEMBER VERDUCCI: Yes. Tom Verducci for the
9 record. So this would require legislative approval for this
10 additional DAG position. So it could very well come back
11 unapproved. And I kind of think what we should be asking for
12 is that position but add if it's not approved by the
13 Legislative Council Bureau to retain counsel on a
14 case-to-case basis and also returning the benefits to
15 pre-pandemic levels. Just to reiterate what was just said,
16 we could ask for it and it could be denied. But I think
17 that's been a long-term goal going back a couple of years.
18 These were mandated reductions. They were temporary.
19 They've become permanent. I just don't think the outcome is
20 any good. We've lost a lot of employees. And I think action
21 needs to be taken.

22 CHAIRPERSON FREED: Thank you, Member Verducci.

23 Member Caughron.

24 MEMBER CAUGHRON: Member Caughron for the record.

1 Back to bringing on in-house counsel, has PEBP done any
2 analysis as to how much they're spending for AG services on
3 annual basis and is that something you can share with the
4 board? I think that might be helpful.

5 MS. RICH: I do actually have that. I know I
6 asked Cari for that recently. So let me see -- Cari, if you
7 happen to be able to pull that up before I can. I'm going to
8 pull it up. Okay. I have it.

9 So in FY-18 we spent about \$137,000. In '19 it
10 was 257,000. In '20 it was 163,000. In '21, which surprises
11 me, and I asked Terry about this, we didn't have any answers
12 but we only have an assessment of about \$57,000, which is
13 very surprising to me, given all the work that went in to
14 2020. So I don't have an answer for that. And we don't have
15 anything for '22 or --

16 And, Cari, do you know why that was zero for '22?
17 Do you have an answer for that one?

18 MS. EATON: This is Cari Eaton for the record. I
19 am not sure why it's actually nothing. I do know that the AG
20 is an assessment that I believe is based on the prior
21 previous two years utilization. So maybe our -- or if
22 something to do with the budget cuts. I'm really not sure
23 why '22 was at zero and then '23 is only supposed to be,
24 like, \$6,000 or something like that.

1 CHAIRPERSON FREED: I can add to that. Cari
2 Eaton is correct. This is Laura Freed. The AG cost
3 allocation is a three-year trailing assessment. So you're
4 not going to see -- What you're paying for this fiscal year
5 is what you racked up two or three years ago. And I don't
6 think many people know that the AG cost allocation seems to
7 be a black box for a lot of people. But that is in fact what
8 happens. So if they -- I mean, correct me if I'm wrong,
9 budget folks. But I think you would have to trail off your
10 AG cost allocation if it was requested to have in-house
11 counsel and legislatively approved, I think you would still
12 pay AG cost allocation for the next couple of years as you
13 wind it down. So your bill is not -- And I'm not here to say
14 that AG billing contracting is necessarily correct. You can
15 always in the budget process ask for a review. But the AG
16 cost allocation, you can -- you can see if the calculations
17 done by GFO's consultant is correct. You don't necessarily
18 know if the source data from the attorney's billing is
19 accurate. And that's been a constant kind of technical
20 difficulty with the budget for a lot of agencies.

21 I did want to say something else about hiring
22 outside counsel. I believe it's NRS 228. And maybe Michelle
23 Briggs can cite the actual part of NRS for me. To forego
24 attorney general services and hire outside counsel, you have

1 to have the attorney general's office aver that they do not
2 have the specialty in whatever type of law you're trying to
3 find outside counsel for. I happen to know this because I
4 went through this in collective bargaining. You know, we
5 talked a lot in administration about getting, you know, labor
6 counsel specific to the bargaining process. So that's -- I
7 mean, it's a hurdle and I can't recall the last time I saw
8 the attorney general's office aver that it could not provide
9 a given specialty service.

10 MS. BRIGGS: Well, I just, from what I know,
11 agencies will hire outside counsel to do certain things. So
12 it is entirely possible that you could hire outside counsel
13 to ask health care questions to -- I think we could say that
14 we do not have a specialty area in --

15 CHAIRPERSON FREED: Okay. The only example I
16 know of is nuclear projects.

17 MS. BRIGGS: Sometimes litigation --

18 CHAIRPERSON FREED: Yeah. Oh, corrections
19 litigation, yes, for sure.

20 MS. BRIGGS: I'm trying to think. Well, imminent
21 domain, I think there was some of that. It just depends.
22 But I think health care is one of those that you could.

23 CHAIRPERSON FREED: Okay. Thank you.

24 Member Barnes.

1 MEMBER BARNES: Yes. Jim Barnes for the record.
2 I would like to just make a motion to add back the cuts with
3 the reserves and everything that we have, I just think
4 there's no excuse for leaving the cuts in place. If
5 possible, I would just like to go ahead and make that motion.

6 CHAIRPERSON FREED: You may. I would like you to
7 clarify what you mean by add back. Quantify that. What and
8 how much?

9 MEMBER BARNES: Yes. I would like the benefits
10 to go back to the pre-pandemic levels.

11 CHAIRPERSON FREED: Okay. All right. So you are
12 moving to bring the benefits. And, Laura Rich, correct me if
13 I'm wrong, we didn't have the low deductible plan
14 pre-pandemic. So keep the low deductible plan, that would be
15 a pre-requisite as it is, because it did not exist prior to
16 the pandemic. But move the CDHP and the PPO and the HMO in
17 the south to what it was in fiscal year '20. That would be
18 the fiscal year but prior to the pandemic. And then maintain
19 actuarially determined medical, dental, RX trend. Is that a
20 correct summation?

21 MEMBER BARNES: Yes, that's correct.

22 MS. RICH: Can I jump in here? Because I think
23 it's a little bit more complicated than that. Laura Rich for
24 the record. So we have allocated excess already to cover

1 that for the next three years. So I think that we need to
2 specify when we say benefit restoration are we asking to
3 restore benefits and not use our excess to -- because we are
4 already restoring benefits using excess. Or are you just
5 asking to restore all of the benefits that were not included?
6 So life insurance, long-term disability, I think those were
7 the two that were -- And, if anyone else can remember any of
8 the others that were cut, I think those were the two that are
9 remaining, that were never restored, because we were able to
10 restore at least the plan design part of that.

11 CHAIRPERSON FREED: Mr. Barnes, did you have a
12 response or is that food for thought while I go to two other
13 questioners?

14 MEMBER BARNES: Well, I guess maybe I want to
15 give it a little thought. What I'm really trying to do is,
16 given the level of reserves that we have now, the income that
17 the state is getting now I think is at record levels, and I
18 just don't see any excuse for not going at least back to
19 where we were before the pandemic. So I'm trying to -- What
20 I'd like to do is restore everything as close to possible as
21 it was right before the pandemic started.

22 CHAIRPERSON FREED: Okay. I think the issue that
23 Ms. Rich raised is the commitment of excess reserves that
24 we've already made as a board to keep the plan design very

1 merely what it was in FY-20. It's not quite there but
2 almost. And what would happen if we overrode that previous
3 decision to bring the plan design back to FY-20, keep the low
4 deductible plan, and account for trend. And so -- And I
5 guess my question then for you is are we just using subsidy
6 dollars to do that or are you suggesting we use the excess
7 reserves previously committed to plan enrichment for your
8 motion?

9 MEMBER BARNES: Yes, it's the latter.

10 CHAIRPERSON FREED: Okay. All right. Thank you
11 for that. I'm going to go to Member Woodward.

12 MEMBER WOODWARD: Yes. Janell Woodward for the
13 record. Just a quick question, Laura. On last year's for
14 the previous calendar year we decided on between the three
15 levels. You know, there was a lot of public comments to go
16 with option three, but the board chose option two. Is
17 that -- Is that what we're talking about? We didn't bring
18 everything back, but we brought most of it back with option
19 two. Are we in a position where we could potentially go back
20 to that option two, which I thought was bringing back
21 everything that was missing from -- from the, you know, the
22 previous pandemic 2020? I hope that makes sense.

23 MS. RICH: Yeah. So Laura Rich for the record.
24 I think I know what you're asking. But I believe what

1 Mr. Barnes was referring to was going back to pre-pandemic
2 levels, meaning because it's difficult to go completely back
3 to pre-pandemic levels because we introduced that new low
4 deductible plan, right, and so that changes things. You
5 can't just have, you know -- Every plan has to change a
6 little bit if you're going to put a plan in the middle of
7 that, right. Because you don't want three identical plans.
8 You want to space them out in actuarial value so that you
9 don't have three of the same options. You want three
10 different options so that they fit the needs of different
11 people. And, so, yes, there are some differences in the plan
12 design because of that and so we could go back to -- I would
13 have to look back at those board reports what was option two
14 and what was option three. But, yes, there's -- I mean,
15 quite honestly, the differences aren't going to be -- If
16 you're going to price that out, they're not -- they're pretty
17 similar. And so the differences aren't going to be drastic
18 to -- Because, remember, what we're presenting here is a
19 budget. We can always tweak the plan design benefit to fit
20 in to that budget that is -- that has been presented or that
21 has been approved. So we can do that moving forward, if
22 necessary. If the board would like to tweak it moving
23 forward, it's just pricing it out really is what we're trying
24 to do. What is the -- What does the plan design of restoring

1 everything look like and what is the total price tag that is
2 associated with that?

3 CHAIRPERSON FREED: Okay. Member Verducci, back
4 to you.

5 MEMBER VERDUCCI: Yes. Tom Verducci for the
6 record. So I think it would be important to have some
7 language to allow staff to make technical adjustments that
8 could perhaps be brought back to the board. And, yeah, I
9 think it's okay to use excess reserves temporarily to restore
10 the levels back to where they were. And I don't believe the
11 HSA contribution deductibles and co-pays have really come
12 back to pre-pandemic levels. I think they're still less.
13 And I think we should, as the board, be at least asking for
14 those subsidy dollars back to the membership.

15 CHAIRPERSON FREED: Okay. Thank you.

16 So I'm going to go back to a procedural thing
17 here in the sense that Member Barnes has made a motion, put a
18 motion on the floor, and there's been expressions of support
19 for it. So I will solicit a second from that motion and then
20 I'm going to have some more discussion.

21 MEMBER VERDUCCI: Tom Verducci for the record.
22 I'll second that motion.

23 CHAIRPERSON FREED: Okay. Thank you.

24 Now, this is a question for PEBP staff. Knowing

1 that the agency request budgets are due August 31st, the next
2 board meeting is in July, if the sense of the board was keep
3 the plan design that existed in FY-20 at what it was in
4 FY-20, keep the low deductible plan, override the board's
5 previous decision on the excess reserves. Because, remember,
6 Board Members, we used excess reserves over three fiscal
7 years in order not to have benefit design shock or rate shock
8 hopefully. So -- Hold on. Give me a second to gather my
9 thoughts. This is getting to be a long sentence.

10 So if that was the motion and it passed, would
11 Cari Eaton and staff have enough time mechanically to put
12 this stuff in to NEVS, bring it back in July, get yes, no,
13 something else, whatever at the July meeting and then put it
14 in to NEVS for submission by August 31st. Is that
15 logistically doable?

16 MS. EATON: This is Cari Eaton for the record. I
17 want to say yes, but it does depend on how quickly we can get
18 the information from our actuary in to a format to be able to
19 enter in to NEVS. So it all does depend.

20 CHAIRPERSON FREED: Okay. All right.

21 MS. RICH: I also want to just add that we are
22 switching actuaries. And so while Segal, I know they're
23 watching today, we've been sharing a whole lot of information
24 with them, we're already in discussions with them, they don't

1 have access to our stuff yet. And so they only have a high
2 level understanding of PEBP right now. And so there is
3 definitely some challenges to that because there's a lot that
4 we're going to be asking of them. They've got the PPC
5 analysis, a compliance review, and then the budget, all the
6 budget activities right away.

7 And so being a vendor I'm a little concerned.
8 But that's not to say we can't do it. It is just a matter of
9 being able to do it thoroughly and -- You know, we've been
10 rushing so much. It seems every board meeting there's a rush
11 to get something completed. And for the last two years --
12 two plus years. And it would be -- I don't want to put
13 ourselves in a situation where we're rushing to do something
14 this important.

15 CHAIRPERSON FREED: Yeah. And I don't want to
16 put us in a situation where we have to build two budgets,
17 like, the budget that the board would like and then the
18 budget that it would be cut back to. I don't want to warn
19 the board members -- And I say this as someone who used to
20 work at the GFO. You know, if you turn in a budget and they
21 think, oh, well, that's too high, it's not like -- PEBP is
22 not like another operating budget where they can just remove
23 a couple of enhancements and get it down to a level they'd
24 like. You can't remove an enhancement without breaking the

1 rest of the system. That's the thing with the PEBP budget.
2 So, if you let somebody who is inexperienced kind of try to
3 do that, then your governor's recommended budget may end up,
4 you know, not what the board wants at all. So I just want to
5 warn you guys about that possibility in which -- And I would
6 be, essentially we would be asking, I think, PEBP staff to
7 build two versions of an agency request budget, the one that
8 Laura got an exemption from the cap for and then the one the
9 board really likes.

10 So, having said all of that, if you guys are
11 ready, I'm going to call the question. So the motion is --
12 Mr. Barnes, jump in if I'm wrong here. The motion on the
13 floor that's been moved and seconded to submit, instruct PEBP
14 staff to submit an agency request budget that brings benefits
15 to what they were in fiscal year '20 with the exception of
16 retaining the low deductible plan that was introduced later
17 and include the ability to make technical adjustments to the
18 budget as necessary and trend the budget as our new actuaries
19 project it for the 2023-25 biennium. So that is the question
20 before you. All in favor signify by saying aye.

21 (Three members voted in favor of the motion)

22 CHAIRPERSON FREED: Okay. Shoot. Okay. I see,
23 the ayes are Woodward, Barnes, Verducci. Did I miss anybody?
24 Okay. Nay, all the nays again say nay. Okay. That's

1 Caughron, Middleston, Fox, McClendon, and then myself. Okay.
2 Motion fails.

3 Do I have an alternate motion from a board
4 member?

5 MEMBER MCCLENDON: This is Jennifer McClendon. I
6 think this is more of a clarifying question on my part. I'm
7 seeing this as a two-part thing. So one part is the issue
8 that's on our agenda is kind of how do we -- it's budget for
9 staffing the office and sort of managing the practical
10 aspects of PEBP. And then there's a second issue, which is
11 that the state subsidies for employees need to go up so that
12 we can start doing more with the money that we have coming in
13 through state subsidies.

14 So I think if we put it in to our budget that we
15 want all of these little bits and pieces put back in and then
16 that gets translated in to the subsidy, it was just too
17 confusing for me to wrap my head around how that process
18 would work.

19 On the other hand, I do think that we need to
20 strongly advocate for higher subsidies that we can in part
21 rule as one of the benefits. I guess my question -- And
22 maybe this is for Laura Rich -- is what is the most effective
23 way for the board to advocate for subsidy increases? Is it
24 through this budget process, in which case maybe we revisit

1 the question? Or is there a separate process or another way
2 that we advocate for higher subsidies for state employees? I
3 hope that question makes sense.

4 MS. RICH: I'm trying to figure out how to answer
5 that question best. Because, you know, I explained the
6 timeline. Obviously there's a whole lot of steps that go in
7 to it, right. And, so, part of the agency, part of the
8 reason that we built this agency request budget is to
9 understand what our costs are going to be, right. And so --
10 and to plan for our cost.

11 For PEBP, because we're dealing with health care,
12 typically health care costs increase. And so those subsidies
13 usually increase anyway, right, because we need more subsidy
14 to fund the overall higher rate. And so those subsidies
15 increase anyway.

16 So, when we're asked to develop a budget and what
17 we're -- basically the ask of us and the exemptions we are
18 getting is we're not limiting you to the subsidy not growing,
19 right. To -- Because in another -- in every other agency,
20 right, if we were going to be held to the same standards,
21 that subsidy would remain the same. And that subsidy is what
22 determines what we can -- what benefits we can pay for,
23 right. And so because, otherwise, the remainder of the
24 overall rate is picked up by the employees, right. So this

1 is the employer portion. And the employer portion affects
2 every other budget in every other agency around the state,
3 right, whether its's NSHE's budget, whether it's the
4 Department of Corrections, everybody participates in PEBP.
5 That budget is affected by our budget because it's the
6 subsidy level.

7 So, when we come up with a subsidy, we are coming
8 up with a subsidy based on the plan design we are going to be
9 offering, right. And so the direction given to us by the
10 governor's office is keep the plan design as is. We don't
11 want you -- Because, otherwise, we would have to plan for
12 here's our subsidy, it is set. That is the number that we
13 need to get to. And so we would be doing the opposite. We
14 would be reducing benefits so that we could adhere to that
15 budget limit essentially.

16 What we're doing here is the opposite. We're
17 saying we're going to keep benefits the same. We're not
18 cutting them, we're not enhancing them. We're going to keep
19 them the same. And this is how much the state is going to
20 pay in that subsidy -- those subsidy dollars. This is how
21 much it's going to cost.

22 And so whether it's -- I can't remember what it
23 is right now, Cari. I'm sure you can give me off the top of
24 your head. It's like 700 and -- 760.

1 MS. EATON: 727, I believe.

2 MS. RICH: Oh, it went -- Oh, that's right,
3 because this year it went down. So 727. So it might be that
4 that \$727 goes up to \$757, right, next year because -- And so
5 that's so our subsidy dollars are going to grow regardless.
6 So, if you want better enhanced plan benefit design, we have
7 to say that that 757 is now 787, right.

8 And so really, yes, it's in the budget where this
9 is -- this comes in to play because otherwise the projected
10 costs are going to come in low. We're not going to have
11 sufficient funds to cover any enhancements. So that's really
12 what the budget process is meant to do.

13 Now, it goes through the executive branch, and
14 this is where the executive branch then, the governor's
15 office and the governor's finance office, vet these budgets
16 and they decide, you know, what ultimately is going to be
17 part of gov rec, the governor's recommended budget.

18 And then it goes to the legislature. And then
19 that's when the legislature can weigh in and say, well, we're
20 willing to give more money or we're not willing to, we're
21 going to take something away. And they've done both
22 historically.

23 So we can definitely -- And I plan 100 percent to
24 have conversation with legislators and the governor's office

1 during the legislative session, because I'm sure this is
2 going to be a hot topic where legislators are going to come
3 to us and say, PEBP, what can you do, what is it going to
4 cost if we want to do X, Y, and Z. That likely will happen
5 if there is pressure from stakeholders at the legislative
6 level. But it's hard to know what they're going to ask us to
7 do. And pricing that out, not only is it a lot of work, but
8 it's also expensive because you have to use the actuaries to
9 do it.

10 And, so, while you can somewhat plan ahead,
11 sometimes they just throw a curve ball and say, well, you
12 know, can you price X plus Y plus Z and we may not have that
13 on hand.

14 So, I mean, that's a long answer to your
15 question. But really if the board needs to or wants to --
16 wants to include the pricing of benefits, this is the time to
17 do it in terms of the board's ability to weigh in. This is
18 the time for the board to be able to weigh in. But, you
19 know, whether that's taken in to account or not in gov rec
20 and then in the legislature, you know, it's out of our hands
21 after that.

22 MEMBER MCCLENDON: Thank you. That was helpful.
23 I appreciate it.

24 CHAIRPERSON FREED: Member Verducci.

1 MEMBER VERDUCCI: This is Tom Verducci for the
2 record. I just think we would be remiss for not asking for a
3 restoration of benefits. The worst thing that could happen
4 is it's rejected, it comes back from the GFO that it's not
5 affordable. But I do think this is the time to at least be
6 asking for the restoration to the pre-pandemic levels. And I
7 think it's the best thing that we can do for the employees.

8 I know we made a motion that didn't go through.
9 I can change the wording here, tone it down just a little
10 bit, and come up with the second motion. I don't know if it
11 will have the same results as the last one.

12 CHAIRPERSON FREED: Okay. Please go ahead and
13 state a motion if that's your wish and then I'll go to Member
14 Barnes.

15 MEMBER VERDUCCI: Thank you, Chair Freed. I
16 would like to make a recommendation that we approve the
17 submission of PEBP's agency request budget based on existing
18 plan benefit design through the biennium and include enhanced
19 request for in-house counsel and upgrade of two existing IT
20 positions. I would also like to request the PEBP program be
21 brought back to pre-pandemic levels subject to the GFO
22 approval.

23 CHAIRPERSON FREED: Okay. I -- I think I
24 understand that motion. I'm going to let that sit with the

1 members for a second while I ask Mr. Barnes for his input.

2 MEMBER BARNES: Yes. Thank you very much. I
3 wanted to say that I agree -- Jim Barnes for the record. I'm
4 sorry. I wanted to say that I agree with Mr. Verducci. And
5 I think that really the board needs to be tough. The GFO can
6 always reduce this back if they want to. But I think it's
7 important that the board take a stand and show that they're
8 going to be tough in trying to do what's best for the
9 employees.

10 So I would be willing to second that motion that
11 Mr. Verducci made and urge that the board pass the motion.

12 CHAIRPERSON FREED: Okay. Thank you for that.

13 All right. So a clarification request for
14 Mr. Verducci here. Your motion, now that I thought about it
15 for 45 seconds here, seems to be almost exactly what it was
16 previously and that one failed. So what do you see as the
17 substantive change from your previous motion?

18 MEMBER VERDUCCI: So Tom Verducci for the record.
19 I believe my substantial change would be restoring the
20 long-term care of the life insurance that was reduced, the
21 HSA contributions and the deductibles and also keeping the
22 low deductible plan.

23 CHAIRPERSON FREED: Okay. But isn't that --
24 Isn't that inherent in returning everything to FY-20 levels,

1 which was your previous motion?

2 MEMBER VERDUCCI: With the language that would
3 allow staff to make technical adjustments. So it might not
4 be exact. Time has evolved. And, of course, there's going
5 to be some technical adjustments.

6 But what I'm urging the board to do is make a
7 suggestion that we just go back to the pre-pandemic levels.
8 We've discussed that and we ended up with plan design changes
9 that was a result of the exact dollar amounts that we had to
10 request be reduced back then. And I think it's having a
11 negative impact. And this motion, yes, it could be adjusted,
12 but I do think we should be asking in this recommendation
13 that the benefits come back to pre-pandemic levels. We could
14 change the wording.

15 CHAIRPERSON FREED: Go ahead, Mr. Barnes.

16 MEMBER BARNES: Yes. Thank you. Jim Barnes for
17 the record. Yes, I agree with Mr. Verducci. They had
18 itemized dollar amounts for the cuts. So I think that's on
19 the record already. So, once again, I'm in agreement with
20 Mr. Verducci.

21 CHAIRPERSON FREED: Okay. A couple more
22 questions and then I think I've got a friendly amendment to
23 offer, which will provide staff some more clarity, because I
24 think staff might be confused right now.

1 Mr. Verducci, is your motion to propose to
2 override the board's previous decision and use excess
3 reserves for some of this? Because, again, we previously
4 voted to smooth the benefit design over the next three fiscal
5 years using excess. So, are you saying don't use that, use
6 it for plan enrichment to FY-20 levels? Or are you saying
7 request subsidy dollars to do these things that are in your
8 motion?

9 MEMBER VERDUCCI: Chair Freed, Tom Verducci. So
10 my suggestion would be that the subsidy dollars are
11 temporary, that we request that the subsidy from the state be
12 returned to the pre-pandemic levels, also including the
13 federal funding that would be coming back in to the program
14 and it would be a combination of both. But the -- the
15 subsidy from the state, yes, that would be included and --
16 Does that clarify your answer?

17 CHAIRPERSON FREED: Not exactly.

18 Ms. Rich, please.

19 MS. RICH: Can I maybe make a recommendation here
20 just thinking about it. So, potentially, have staff develop
21 two budgets, with the second one, the second option being the
22 restoration of benefits to pre-pandemic levels that also
23 includes the spend-down of excess, right, so really all we're
24 doing is asking for the difference of what our excess doesn't

1 cover. So life insurance and long-term disability.

2 CHAIRPERSON FREED: Yeah. Thank you, Laura. I
3 was going to suggest to Mr. Verducci and Mr. Barnes a
4 friendly amendment to the motion that I think captures the
5 spirit of what they're getting to without the possibility of
6 getting gov rec budgets back requested. So, in other words,
7 two budgets. One budget that essentially does what the
8 governor's office and the GFO, you know, agreed to let PEBP
9 do, which is, you know, stated in the staff report. And
10 another budget that restores to FY-20 benefits, including,
11 you know, life insurance, LTD, all the stuff that, you know,
12 we ended up cutting in advance of last session, and then
13 using a mixture of subsidies and excess reserves. Because,
14 you know, right now the excess reserves here are a bit high
15 and we do want to sort of return that money, including HSA
16 and HRA levels, right. So two budgets. That way if they say
17 no to the one the board likes, there's a coherent one that
18 they can take. Is that an amendment that you two would
19 accept?

20 MEMBER VERDUCCI: Chair Freed, I think that would
21 be perfect.

22 CHAIRPERSON FREED: Okay. All right.

23 MEMBER BARNES: Yes, I would agree to that,
24 Chairman Freed.

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CHAIRPERSON FREED: Okay. Sounds good.

So the motion before the board -- I love trying to restate these -- is to instruct PEBP staff to do two versions of an agency request budget for the 23 -- 2023-2025 biennium. The first one would be based on existing benefit design and would include an enhancement request for in-house counsel upgraded to existing IT positions, the ability to do technical changes to the budget like, you know, replacement equipment and assessments and, you know, that sort of thing and budget for trends as the actuaries predicted.

The second budget would be a request to submit a request based on FY-20 plan design with retention of the low deductible plan design that was introduced after FY-20 with, again, an enhancement for in-house counsel and the reclass of two IT positions and technical adjustments and actuarially-predicted trends. That's the motion on the floor. And now I will call the question. All in favor signify by saying aye. And hold your hands up so I can count you.

(The vote was unanimously in favor of the motion)

CHAIRPERSON FREED: Okay. Any opposed say no. Okay. Motion carries unanimously. We did it, folks. Okay. Good job. Thank you, everyone.

With that, we'll go to Agenda Item 8,

1 presentation and possible action on the status and approval
2 of new PEBP contracts. Ms. Eaton.

3 MS. EATON: Thank you. Cari Eaton for the
4 record. I will skip down to Item 2.1. This item is
5 recommending that the board authorize staff to complete a
6 short-term contract with Vivo Technologies for equipment
7 installation. The board previously approved a new contract
8 for this at the March board meeting and that contract ended
9 on April 30th. Unfortunately, a piece of equipment that
10 still needs to be installed arrived damaged and the
11 replacement did not arrive prior to the end of the contract
12 term. So now a new contract is necessary for this company to
13 complete the work. So PEBP is recommending the board
14 authorize staff to complete this new contract for equipment
15 installation. Thank you.

16 CHAIRPERSON FREED: Okay. Do I hear a motion to
17 approve authorization of staff for a short-term contract
18 between PEBP and Vivo?

19 MEMBER BITTLESTON: This is Leslie. So moved.

20 CHAIRPERSON FREED: Thank you. Do I have a
21 second?

22 UNIDENTIFIED SPEAKER: I'll second.

23 CHAIRPERSON FREED: Thank you. All in favor say
24 aye.

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(The vote was unanimously in favor of the motion)

CHAIRPERSON FREED: Any opposed say no. Okay.
Motion carries. Thanks very much.

Okay. Let's go on to the next one.

MS. EATON: Thank you. Cari Eaton for the record. Item 8.3.1 is recommending that the board authorize staff to complete an amendment to our contract with Segal, our actuary.

As you heard earlier, the current contract does not give PEBP the ability to pay Segal until fiscal year 2023. So an additional \$50,000 of contract authority is needed for Segal to perform work related to analysis necessary for the Patient Protection Commission's cost growth benchmark analysis in this current fiscal year. So PEBP is recommending the board authorize staff to complete this contract amendment with Segal.

CHAIRPERSON FREED: Okay. Thank you. Is PPC going to pay them?

MS. EATON: This is Cari Eaton for the record. We are actually looking in to a reimbursement request. It's not final yet, but we are in discussions.

CHAIRPERSON FREED: Okay. Okay. So do I have a motion for approval of a contract amendment between PEBP and Segal for -- to retroactively increase the contract's total

1 maximum?

2 MEMBER FOX: Linda Fox for the record. I will
3 make a motion.

4 CHAIRPERSON FREED: Do we have a second?

5 MEMBER BITTLESTON: Leslie. I'll second.

6 CHAIRPERSON FREED: Thank you. All of those in
7 favor say aye.

8 (The vote was unanimously in favor of the motion)

9 CHAIRPERSON FREED: Any opposed say no. Okay.
10 The motion carries. Thanks very much.

11 Okay. 8.3.2, I believe.

12 MS. EATON: Yes. Cari Eaton for the record.

13 8.3.2 is recommending that the board authorize staff to
14 complete a contract amendment to our contract with Claim
15 Technologies. An additional \$30,000 of contract authority is
16 needed for Claim Technologies to perform an additional PBM
17 audit for fiscal year 2020. This audit was inadvertently
18 missed during the transition between the vendors. So PEBP is
19 recommending the board authorize staff to complete that
20 contract amendment with Claims Technologies.

21 CHAIRPERSON FREED: Okay. Do I have a motion for
22 approval for a contract amendment to 24030?

23 MEMBER BITTLESTON: So moved. This is Leslie.

24 CHAIRPERSON FREED: Thank you. A second?

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MEMBER FOX: I'll second. Linda Fox.

CHAIRPERSON FREED: Thank you. All of those in favor signify by saying aye.

(The vote was unanimously in favor of the motion)

CHAIRPERSON FREED: Any opposed, say no. Okay. Motion carries. Thanks.

I believe that is it for Agenda Item 8. Correct me if I'm wrong.

MS. EATON: That's correct.

CHAIRPERSON FREED: Okay. All right. Agenda Item 9 is public comment. This is our second public comment period. And I'll turn it over to PEBP staff.

UNIDENTIFIED SPEAKER: One moment, Chair Freed. For those who have joined for public comment, your name or last four digits of your phone number will be announced and you'll be advised that you have been unmuted. As a reminder for those on the phone, please press star six to unmute. Please slowly state and spell your name for the record and proceed with your comments. Due to time constraints, each caller will be limited to three minutes.

Mr. Ervin, you have been given permission to speak. Please make your public comment.

MR. ERVIN: Thank you very much. Kent Ervin, K-e-n-t E-r-v-i-n, for the record. I would like to thank

1 Chair Freed, Laura Rich, and the board members for your
2 discussion, especially for Agenda Item 7. We know it's extra
3 work for staff to develop two budgets, but it's important in
4 the legislative process to keep options open. That's the
5 only way we can move forward and possibly get benefits back
6 to where they were before the pandemic, which I'll note were,
7 you know, still institutionalizing some of the cuts from the
8 great recession. Although some of those had been clawed
9 back.

10 Optimistically, I would like to note that with a
11 new actuary and new actuarial analysis, that could reduce
12 some of the costs or projections. We'll see how that works
13 out.

14 But, again, just thank you for your discussion
15 today and your work for state employees. Thank you.

16 UNIDENTIFIED SPEAKER: Madam Chair, as of right
17 now, that was the only public comment we had. Do you want to
18 give it a minute or two just to be safe?

19 CHAIRPERSON FREED: Yeah. Why don't we just sit
20 tight until 11:40 and see if anybody logs in.

21 (Pause in the proceedings)

22 UNIDENTIFIED SPEAKER: Madam Chair, that
23 concludes public comment.

24 CHAIRPERSON FREED: All right. Thank you very

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much.

With that, we have finished our business for the day. I would like to thank the board for its hard work and vibrant discussion today. And I would like to thank all our vendors and I would like to thank the AG's office, Chief DAG Briggs, for her insight. And I look forward to seeing you all at the next meeting. And we are adjourned.

(Hearing concluded at 11:41 a.m.)

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STATE OF NEVADA)
) ss.
CARSON CITY)

I, CHRISTY Y. JOYCE, Official Court Reporter for the State of Nevada, Public Employees' Benefits Program Board, do hereby certify:

That on Thursday, the 26th day of May, 2022, I was present, via Zoom, for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 92, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 8th day of June, 2022.

CHRISTY Y. JOYCE, CCR
Nevada CCR #625