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AGENDA ITEM

- Action Item
- Information Only

Date: July 28, 2022

Item Number: V

Title: Executive Officer Report

SUMMARY

This report provides updates to the Board and Public on PEBP Operations.

REPORT

STAFFING

Staffing at PEBP, and across all state agencies, continues to be a challenge. As of the date this report was written, 11 (or roughly 32%) of the available positions at PEBP remain vacant.

There are several hurdles, beginning with delays related to the challenges associated with the Division of Human Resource Management's transition to new HR software (Success Factors). Similar to PEBP, the State recently terminated its contract with LSI Inc. for its statewide Smart 21 ERP implementation. Success Factors will, however, continue to be utilized but problems within the system continue to lead to delays in the recruiting process.

While Success Factors has delayed PEBP's ability to conduct recruitments expeditiously, it is only one small component of a bigger problem. Once the recruitment has posted and a list of eligible candidates becomes available, it is challenging to fill interview slots. In the most recent round of interviews, only 2 candidates accepted an interview of the 12 that were invited, Of those, only 1 showed up for their scheduled interview and once offered the position, the candidate declined citing low compensation. A similar experience occurred in a different recruitment where of the 17 candidates who were offered interviews, only 2 accepted but neither showed up.

Although this has impacted PEBP in all areas, the most noticeable impact has been in the Member Services unit (call center). These positions are front line positions meant to assist members by answering questions and providing information on PEBP eligibility and processes. These positions are especially crucial during Open Enrollment when the call volume is high and members have a limited time to make plan selections. Unfortunately, the staffing shortage created long wait times, sometimes up to an hour long. During OE members who had emailed questions in were waiting up to 3 weeks to get responses. PEBP attempted to divert resources, but with the various competing implementations happening concurrently as well as the normal duties, there were limited options. The high call volume and long wait times continue to exist even beyond OE and will likely continue until the staffing challenges are no longer a factor.

Moving forward, there are some options that have been presented by DHRM through emergency regulations that will allow PEBP to retain good, knowledgeable staff by offering promotional opportunities that they previously would not have qualified for. We are excited about this because it allows PEBP to promote from within and avoid the long learning curve associated with bringing on new staff. It also rewards good employees for their efforts and allows recognition of those efforts. The unintended downside to promoting entry level staff is that it creates more vacancies in the hard to fill positions such as MSU. Unfortunately, this problem is largely out of the control of PEBP and will have to be addressed on a legislative level during the upcoming legislative session.

IMPLEMENTATIONS

As PEBP wrapped up its long list of solicitations, it meant that newly awarded contracts would require complex implementations. Typically, PEBP would try to limit these implementations to one or two a year because of the extra efforts, increased risk of member disruption and increased need for member communication. This year, however, PEBP had many implementations to juggle at once; the Third-Party Administrator, Medical Network, Life Insurance, HSA/HRA administrator, Actuarial Consultant, and the reversion of the eligibility and enrollment system. PEBP is pleased to announce that all the implementations were successfully implemented with only minor issues.

While no implementation went without its challenges, overall, no major setbacks occurred and members were able to access services without disruption on July 1. This could not have happened without the tremendous efforts of our vendor partners and PEBP staff, who worked extensively to ensure the integrations with PEBP and between vendors went smoothly. The coordination and commitment at all levels should be celebrated and as Executive Officer I want to ensure PEBP staff and partners receive recognition for making this a success.

OPEN ENROLLMENT UPDATE

Almost 7000 members made open enrollment selections, which is consistent from previous years OE activity. As illustrated in the migration chart below, members migrated largely from the CDHP to the LD plan.

PEBP Migration

PLAN	PY2022 Enrollment Count*	PY2023 Enrollment Count*
HMO (HPN)	3716	3730
CDHP	18350	16792
EPO	3889	3674
LD	4730	6447
Exchange Dental	9274	9197

*Primary Members

REPORTING SCHEDULE

Historically, PEBP has struggled to align reporting between vendors due inconsistent methodologies and timing. As a result, we have used the transition to new partners as an opportunity to more closely align reporting across the board and to improve the consistency in data. One simple but highly effective change was the decision to report solely on an incurred basis – meaning that data is reported based on the date of the claim (date of service) versus the date the claim is paid. In order to account for claim lag time, some changes will be made to the reporting schedule moving forward. These changes will allow for claims run-out and capture more accurate experience. As shown below, the schedule will only be impacted in Q4 where instead of presenting in September, the reports will be provided at the November Board meeting.

Current Schedule			Proposed Schedule		
Report Period	Due to PEBP	Board Mtg.	Report Period	Due to PEBP	Board Mtg.
Q1 7/22-9/22	11/12/2022	January	Q1 7/22-9/22	12/16/2022	January
Q2 7/22-12/22	2/11/2023	March	Q2 7/22-12/22	3/17/2023	May
Q3 7/22-3/23	5/15/2023	July	Q3 7/22-3/23	6/16/2023	July
Q4 7/23-6/23	8/13/2023	September	Q4 7/23-6/23	9/15/2023*	November

*Allows for 2 months of runout

COMPLIANCE REVIEW

PEBP is required to undergo a compliance audit every other year. This review is performed by PEBP’s consultant and focuses on the program’s compliance with federal and state laws. This year, however, PEBP has asked Segal to perform a more in-depth review to include best practices throughout the plan. This includes recommendations on the language and presentation of the master plan documents as well as an assessment on some of the clinical aspects of the plan. Because of this more extensive analysis, the findings will be presented separately by subject matter

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as each section is completed. PEBP and Segal have already begun discussions and work on this project and hope to have a more definitive timeline of deliverables in the coming weeks.