In The Matter Of:

PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD

TRANSCRIPT OF PROCEEDINGS

September 29, 2022

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PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD

TRANSCRIPT OF PROCEEDINGS

ZOOM/TELEPHONIC MEETING NOTICE AND AGENDA

THURSDAY, SEPTEMBER 29, 2022

CARSON CITY AND LAS VEGAS, NEVADA

The Board:	LAURA FREED - Chair LINDA FOX - Co-Chair JIM BARNES - Member LESLIE BITTLESTON - Member APRIL CAUGHRON - Member TOM VERDUCCI - Member MICHELLE KELLEY - Member BETSY AIELLO - Member JANELLE WOODWARD - Member JENNIFER MCCLENDON - Member
For the Board:	MICHELLE BRIGGS Deputy Attorney General
For Staff:	LAURA RICH Executive Officer WENDI LUNZ Acting Executive Assistant TIM LINDLEY Quality Control Officer NIK PROPER Operations Officer
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INDEX

INDEX

INDEX

THURSDAY, SEPTEMBER 29, 2022, CARSON CITY, NEVADA

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CHAIRWOMAN FREED: Good morning, everybody. Welcome. It is Thursday, September 29th. And I will call the meeting of the Public Employees' Benefits Program meeting to order.

And, staff, will you please call the roll.

MS. LUNZ: Laura Freed?

CHAIRWOMAN FREED: Here.

MS. LUNZ: Linda Fox?

VICE CHAIR FOX: Here.

MS. LUNZ: Betsy Aiello?

MEMBER AIELLO: Here.

MS. LUNZ: Jim Barnes?

MEMBER BARNES: Here.

MS. LUNZ: April Caughron?

MEMBER CAUGHRON: Here.

MS. LUNZ: Leslie Bittleston?

MEMBER BITTLESTON: Here.

MS. LUNZ: Jennifer McClendon?

MEMBER MCCLENDON: Here.

MS. LUNZ: Tom Verducci?

MEMBER VERDUCCI: Here.

MS. LUNZ: Janelle Woodward?

MEMBER WOODWARD: Here.

MS. LUNZ: And Michelle Kelley?

MEMBER KELLEY: Here.

MS. LUNZ: Thank you. We have a quorum.

CHAIRWOMAN FREED: Okay, thanks.

Agenda Item 2 is public comment. So, again, I will turn it over to PEBP staff to get us set up for that.

MR. HOPKINS: One moment, Madam Chair. I'll get the slide up.

As a reminder, Zoom is used for public comment only. This meeting is streaming live on YouTube. If you just want to listen to the PEBP Board meeting, the YouTube link is located on the agenda.

For those who have joined public comment, your name or last four digits of the phone number will be announced and you will be advised 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 caller will be limited to three minutes.

Will the caller -- would the caller with last four digits 0891, please slowly spell and state your name for the record and please press star six to unmute. Caller with the last four, 0891, please press star six to unmute if you

wish to make public comment.

MS. LAIR: Thank you. Good morning, Chair Freed and fellow Board Members. My name for the record is Terri Laird, T-e-r-r-i. Last name L-a-i-r-d. I'm the executive director at RPEN, the Retired Public Employees of Nevada. We are a nonprofit nonpartisan organization where we represent close to 7,500 members within 17 chapters statewide and we've been around since 1976.

We are happy today to learn through PEBP Executive Officer Laura Rich's report that staffing levels have improved. Although, that same report suggests it can be months before the new staff is fully trained and able to assist the many active participants, as well as the many retirees who needed assistance and guidance through the many issues that PEBP has had with vendors over the past year or so.

We remain hopeful that PEBP will receive legislative assistance next year to return PEBP to pre-Covid funding levels. And RPEN, along with our fellow advocacy members will lobby to support that effort.

Until then, I would like to thank Ms. Rich and her staff for going the extra mile to help our members in need when asked and in such an expeditious manner. Thank you for your time.

MR. HOPKINS: Thank you. Will Kent Ervin, please -- you have permission to speak. Please make your public comment.

MR. ERVIN: Thank you. Kent Ervin, K-e-n-t E-r-v-i-n, State president Nevada Faculty Alliance. Good morning, Chair Freed and Executive Director Rich and Board Members. Thank you for your service.

The State of Nevada has a dire employee crisis on its hand. The State agencies, including PEBP and NSHE cannot fill vacant positions because the compensation and benefits are deficient compared to the private sector and compared to cities and counties and nearby states.

The PEBP benefits should have been restored for the current plan year using American Rescue Plan Act funds. We don't understand why not. But now Governor Sisolak has told the Nevada Faculty Alliance that he supports restoring PEBP benefits.

The highest priority for FY2024 is to fully restore benefits and premium to pre-pandemic levels or better. My written comments provide details for some consideration. For the high deductible plan, deductibles should be kept at the IRS minimum. The out-of-pocket maximum should be reduced, and HSA contribution should be substantially increased including for dependents.

For the HMO/EPO plans, the deductibles and co-insurance should be zero. The point of HMO type plans is that the higher monthly premiums are paid with expectation of fixed co-pays and no surprises in billing.

The low deductible plan should be structured to be in the middle with a low deductible.

Long-term disability insurance should be restored. It's also time to increase the maximum annual dental benefit, which is at the same dollar amount as it was in 1990 while dental costs have increased three or four times.

We are opposed to the idea of eliminating the Northern EPO plan without providing another alternative comparable to the HMO in the South. One of the stated core values of PEBP is fairness, and it would be patently unfair to eliminate this option for one group of employees based on geographic location. PEBP perhaps should explore other options as outlined in my written comments.

Finally, as also shown in my written comments, we see, again, that the new excess reserves -- that new excess reserves were generated in FY2022 despite spend down plans. This has been going on for a dozen years. You now have at least 9.5 million to work with for employee benefits that should have been used now for -- to benefit current employees

and it should not wait until more State employees quit.

Restoring basic plan benefits to pre-pandemic levels should be the highest priority before investing in new and unproven programs. Thank you.

MR. HOPKINS: Thank you, Mr. Ervin.

Would the caller with the last four 9199, please slowly spell and state your name for the record, and you have permission to speak for public comment.

MS. OPERMAN: Good morning, Chair Freed and Members of the Board. For the record my name is Tess, Opserman. That's T-e-s-s O-p-s-e-r-m-a-n, speaking on behalf of AFSCME Retirees Chapter 4041. As Ken just addressed, excess reserves continue to be generated yearly at PEBP. And despite recorded efforts to spend down the reserves, we still see nearly $40,000,000 in excess reserves for fiscal year 2022.

These excess reserves are monies that could be used to provide better benefits for our retirees and restore benefits to pre-pandemic levels. Additionally, the continuous cuts at PEBP benefits have made a notable impact on the ability to hire for State positions in every department.

Historically, somewhat lower wages were counterbalanced with strong retirement benefits with the

State. Now with low wages and decreased benefits, the State is in employment crisis. Restoring benefits should be the top priority for fiscal years, including a full restoration of long-term disability, increasing the HSA employer contribution, keeping employee premiums at no more than current premium or preferably pre-pandemic premiums. And for the HMO/EPO plan, restoring zero deductibles and zero co-insurance.

Finally, the proposed elimination of the Northern EPO plan should only be considered if it is replaced by a plan comparable to the Southern HMO plan. Limiting medical care options based on geographical locations is inherently unfair and goes against PEBP stated core values. We look forward to the presentations today. And thank you for your time this morning.

MR. HOPKINS: Thank you.

Will the caller with the last four digits 0962, you have permission to speak. Please press -- please slowly spell and state your name for the record and unmute your phone if you want to make public comment.

MS. FILSOM: Hello?

MR. HOPKINS: We can hear you okay.

MS. FILSOM: All right. Thank you. My name is Natalia Filsom. Last name F, as in Frank, i-l-s-o-m. I am

an administrator for a private dental practice in Carson City, Nevada, Dr. Funke, DDS.

Our public comment is on a recent switch of State employees and retirees benefits to administrator UMR. We've encountered multiple issues with that administrator. Our patients have been advised that none of their benefits will be changed. However, we've noticed multiple changes where services have been downgraded for an insurance company called Alternative Treatment which is usually a lower cost which puts more pressure financially on the patient.

This practice by insurance companies forces patients to choose a treatment that might not be optimal for their dental health needs, and it can cause long-term impact on their dental and overall health, but it does benefit insurance companies financially and insurance companies should not just take patients treatment.

Also, from the administrator standpoint, very difficult to deal with this administrator. It generates enormous amount of time and resources, which small businesses cannot provide at this time. And lots of denied claims are put back on the patients, forcing them to either deal with it or pay out-of-pocket, which denies them the benefit that they are entitled for.

That's our statement. Thank you.

MR. HOPKINS: Thank you.

Will the caller with the last four digits 8673, please slowly state and spell your name for the record and proceed with your comment.

MR. MAYLATH: Good morning. My name is Brooke Maylath. That's B-r-o-o-k-e M-a-y-l-a-th. I have spoken before this Board numerous times, last in the May 24th meeting where Chair Freed stated that the issue that I brought forth about the precertification for transgender patients accessing hormone replacement therapy is technically illegal.

During this May 24th meeting, Chair Freed stated for the record, I will ask for this to be brought back at least as a discussion item perhaps in the action item, depending on what the lawyers have to say next meeting because I would like to see. I would like to understand better the legal standard for making the master plan document change midyear.

I would like to understand the pros and cons of Member McClendon suggests because if we don't have prior authorization for someone going through menopause, why do we have prior authorization for people going through gender transition? Those are some very good questions that never were brought up in the July meeting, which was the next

meeting.

A discussion is not even agendized for this meeting. Words matter, especially in a public meeting context. Why are we not having this discussion? We need to understand what you're going to do to remove the liability that continues to compound.

Please refer to my written public comments to be able to see how these liabilities are stacking up with recent additions of the updated standards of care for transgender health version eight from WPAN, as well as the new rule defining discrimination under the Affordable Care Act.

And last, which is not included in the written statement, the August 10th ruling for a permanent injunctive relief in Federal Court by U.S. District Judge Biggs that found that the exclusion discriminates on the basis of sex and transgender status in violation of equal protection in Title 7. You're out of compliance with federal law. You're out of compliance with State law. Please, let's get this resolved before we have to resolve it in court.

Thank you for your time. I look forward to seeing this agendized and advanced as quickly as possible, perhaps even in this meeting. I'll be watching. Thank you.

MR. HOPKINS: Thank you.

Will Constance please slowly state and spell your

name for the record.

MS. SHELTREN: Yes. Good morning, Board. I'm Dr. Constance Sheltren and the name is spelled, Constance, C-o-n-s-t-a-n-c-e. Last name Sheltren, S-h-e-l-t-r-e-n. I am a licensed psychologist and owner of the and clinical director for the Center of Psychological Wellbeing. I have been treating State employees for 14 years, and I employ three other clinicians as well as myself.

I pay my clinicians at the time of service and which works fine as long as I'm getting paid. Prior to July 1st, we generally receive from HealthSCOPE payments in two weeks after electronically submitting claims. There was initial lag when Aetna took over last year and it was about 45 days. But the transition to UMR has been a real challenge.

Finally, I contacted the Governor's Office at day 81 of not being paid. I'm a small business and do not have the cash flow to sustain my business without receiving payments. Prior to calling the Governor's Office, my office manager had contacted UMR numerous times. The responses from UMR were things like we're working on it. We will check with this and get back to you, which did not happen. You will get checks in two weeks. That did not happen. It will take up until a total of 60 days. We were at day 81. And then

shifted to blaming the State of Nevada with comments like the State wants to have all of this training and processing claims correctly.

We have not been able to get the staff trained on their process. PEBP is very picky. So and my office manager also tried to reach out to PEBP but was either put on eternal hold. I'm talking about one to two hours and then got transferred to UMR. So it was like this vicious cycle that got nowhere.

But after contacting the Governor's Office, Laura Rich reached out to me and everything changed. We could see claims being processed within 24 hours, and we did receive payment on Tuesday, September 27th, our day 89. We're hoping the process of claims will continue to move forward from this point on, but it was obviously a big problem.

One other side comment that I would like to make about contracting with insurance companies like for next year is that I would like you to consider mental health coverage. Some insurance companies want to pay absurdly low rates that only those who work from home on-line could afford to accept.

Furthermore, when insurance companies show you a list of mental health providers for those low paying insurance, most of the providers are not willing to accept any new patients. Simply they can't stay in business if they

do. I'm just simply suggesting that you consult with mental health providers prior to making decisions about what insurance company you will use for the following year. Thank you.

MR. HOPKINS: Thank you.

Will Doug Unger please slowly state and spell your name for the record if you wish to make public comment.

MR. UNGER: Doug Unger, D-o-u-g U-n-g-e-r, President UNLV Chapter, Nevada Faculty Alliance and Government Affairs representative.

Thank you, Chair Freed and Members of the Board, for your consideration. Nevada is in the midst of a State employee shortage that has driven many State agencies and vital services into partial disfunction. If not remedied, this crisis will become catastrophic and may be so already in some agencies.

Deficient entry level salaries, including starting salaries for many ranked levels of NSHE faculty and staff are clearly one reason for this. So our PEBP benefits widely perceived as inadequate compared to what they once were and ever in danger of unanticipated cuts.

In some, State employees are sick and tired of seeing their salaries and benefits used like a bank account, raided and emptied to balance Nevada's budget so they are

quitting. Very few applicants are willing to replace them for subsistence or less.

Implementing the budget, the PEBP Board submitted to restore health and other benefits to pre-pandemic levels, including life insurance and long-term disability insurance is one part of a remedy needed to address sufficient compensation for State workers, a remedy that is going to take years. Thank you for submitting that second budget. We hope it's approved.

For today's agenda, we support Executive Officer Rich's proposal, the study and report costs for augmentations of the plan design, especially the Cancer Concierge, Medical Travel and Hinge Health.

In the interest of fairness, we do not support elimination of the EPO in the North without preserving a third choice HMO, either self-funded or by seeking a new contract. However, more impactful to State employees than proposed augmentations would be reducing maximum out-of-pockets, increasing contributions to the HSA and HRA accounts for the HDHP plan and to lower co-pays and deductibles for the PPO to make it more desirable. Thank you all for your support and service.

MR. HOPKINS: Thank you.

Will Julie -- will speaker Julie Kay, can you

please slowly spell and state your name for the record if you wish to make public comment.

MS. KAY: My apology, I didn't request to speak, so sorry.

MR. HOPKINS: Okay. Can you please leave the Zoom meeting then. It's only for public comment. Thank you. If you wish to watch, please watch on the YouTube that's being streamed right now. You can get the link on the agenda.

MS. KAY: Got it. Thank you.

MR. HOPKINS: Madam Chair, that concludes public comment.

CHAIRWOMAN FREED: Okay. Thank you very much. Wait a second for the slide to come off and move on after that.

So, okay, Agenda Item 3 is PEBP Board disclosures for applicable Board Member items. I will toss it to Chief Deputy Attorney General Briggs. Good morning, Ms. Briggs.

MS. BRIGGS: Good morning, Madam Chair. Thank you. This agenda item is to allow me to make a disclosure regarding conflicts of interest on behalf of the Board Members who receive or are eligible for PEBP benefits. Certain items on the agenda may have a direct or indirect affect on those benefits.

Pursuant to NRS 281A.420, on behalf --

CHAIRWOMAN FREED: I'm sorry.

MS. BRIGGS: I'm sorry. Go ahead.

CHAIRWOMAN FREED: No. No. I realized I was still -- I have no disclosure. I'm just sitting here coughing and not saying much. I should have been on mute.

MS. BRIGGS: Okay. So pursuant to NRS 281A.420, on behalf of the Board Members who are eligible for PEBP benefits or whose families are eligible for those benefits, I offer this disclosure, that they will be voting on those items that may affect the benefits available to them or their family members. The law does not require abstention from voting merely because the Board Member is eligible for PEBP benefits.

At this time I invite any member of the Board who has any other additional disclosure to make to do so now. Thank you.

CHAIRWOMAN FREED: Okay. Hearing none, I will move on to Agenda Item 4 then. As you all know, Agenda Item 4 is our basket of reports that we typically get, including the budget report, equalization report, vendor reports.

Members, do you wish to call any of these reports for discussion before I take a motion to accept all of them?

Mr. Verducci, you got your hand up.

MEMBER VERDUCCI: Yes, Tom Verducci for the record. I would like to pull section 4.2.1, the budget report, 4.2.1.

CHAIRWOMAN FREED: That sounds good. Thank you. I was going to do the same. Thanks for saying that for me.

Any other? Okay. Hearing none, I will take a motion to accept all of the items on 4 except for 4.2.1.

MEMBER BITTLESTON: This is Leslie Bittleston. So moved.

CHAIRWOMAN FREED: Thank you, Ms. Bittleston.

Do I have a second?

MEMBER KELLEY: Michelle. Second.

CHAIRWOMAN FREED: Okay, thank you. It's been moved and seconded to approve everything except 4.2.1. All in favor say aye or raise your hand in your little box.

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

CHAIRWOMAN FREED: Any opposed say no. Okay, motion carries. Thank you.

Okay. I don't know whether we'll turn it over to Ms. Rich or Ms. Eaton for the budget report, but I'll let staff take it away.

MS. RICH: I will pass this off to Ms. Eaton since I know that she went back and forth with GFO quite a

bit on this. So but I think we can start off maybe with that, you know, if there's any questions from Mr. Verducci so she knows what exactly to address.

CHAIRWOMAN FREED: Oh, sure. Thank you for that. Mr. Verducci, take it away.

MEMBER VERDUCCI: Okay, thank you. Tom Verducci for the record. In reviewing the budget, I wanted to see if we could just get some clarification on the differential cash that's available. I see some, you know, different figures that have been presented in public comment. And I see the word the revision forward. I was wondering if we could get that defined with the wording revision forward, how that would affect the differential cash.

And I do see that there is an actual 2022 fourth quarter member in the report of twenty-three million four ninety-one. And I was wondering if we could just get some clarification of the actual close of the differential cash or excess reserves is for six thirty twenty-two that is available.

MS. EATON: Thank you. This is Cari Eaton for the record, excuse me. The reversions that are shown in this report of the 8.7 million dollars, the eight six six seven, that is, if you'll recall back in December, the Board voted to enhance the plan design with using $26,000,000 of excess

reserves and over a three-year -- three-year time period.

So the GFO requested that PEBP move the FY22 funds to FY23 for the FY23 plan design prior to closing. So that's why they call it a reversion. So it kind of complicated the closing a little bit.

So technically you could add that 8.7 million onto the differential cash available of 30.2 million for where we actually closed 2022. And that's why I added the not including reversion in the '23 section of this report. So it all does just pan out, and we still are opening fiscal year '23 with 33.1 million of differential cash.

CHAIRWOMAN FREED: Mr. Verducci, may I -- may I interject?

MEMBER VERDUCCI: Of course.

CHAIRWOMAN FREED: Because I was going to have the same question. The difference between what I see in the State accounting system of total balance quote of 33.1 as opposed to the twenty-three four ninety-one zero fifty-six shown in the chart on page two, and it sounds like GFO wanted PEBP to do a partial balance forward first and then do the closing work program. Sure, why not.

MS. EATON: This is Cari Eaton. Yes, they did. And I -- it made closing pretty interesting and I already --

CHAIRWOMAN FREED: I bet.

MS. EATON: -- said I am not doing that again this year.

CHAIRWOMAN FREED: Okay, cool.

MS. EATON: I hope. I hope.

CHAIRWOMAN FREED: Thank you for the clarification. Okay. So where we are basically, balance forward 148.9 million. Of that, we've set aside 26,000,000 plus actually for or I'm sorry, 23, 24 and 25 for plan design. And now we're, as we're going to talk about later in the meeting, we have got nine and a half million that's true excess cash.

MS. EATON: Cari Eaton for the record.

CHAIRWOMAN FREED: Correct, yes.

MS. EATON: So with the 33.1 million that we're starting with does not include the 8.6 because that's already in an expenditure category because --

CHAIRWOMAN FREED: Oh, okay.

MS. EATON: -- it's included in the plan design. So the 33.1 includes the 24 and 25.

CHAIRWOMAN FREED: Okay. So that was the rationale for the partial balance forward?

MS. EATON: Yes.

CHAIRWOMAN FREED: You have --

MS. EATON: I mean it could have happened at

closing as well.

CHAIRWOMAN FREED: Well, right, yeah.

MS. EATON: It would have all shaken out the same in a little more confusing.

CHAIRWOMAN FREED: That's an extra work program.

MS. EATON: Correct.

CHAIRWOMAN FREED: All right. That's super. Thank you for the clarification.

Mr. Verducci, please. I just -- now I got that straight in my head but please continue.

MS. EATON: It might only be -- it might only makes sense to you and I.

MEMBER VERDUCCI: Thank you so much, Chair Freed, and, Ms. Eaton. So, you know, I believe we've had discussion of spending down on excess reserves, and I see some figures here that they have actually gone up for 13 years. And, you know, we have two budgets that are going to be presented I believe at the December 5th meeting.

And in terms of fully restoring benefits, I recall it was in the neighborhood of 6.3, 6.4 million. Do you recall the figure that we were working with earlier in the year that would entail a full restoration of the benefits to the pre-pandemic level? I know it's not in this budget. But I kind of remember it was in the 6,000,000 dollar range.

Where I'm going at with this is it seems that it may be somewhat affordable in all of the public testimony, you know, requesting that we have full restoration of benefits and I like that idea too. It think it will be -- it will make the State of Nevada a premier employer with enhanced benefits.

Raises have gone on for a long time with -- there's been no raises. And I think what we can do is we can put in a request to restore the benefits and it seems affordable unless I'm missing something.

CHAIRWOMAN FREED: Mr. Verducci, I think I'm going to ask to table this until we get to Agenda Item 9. I'm sorry, Agenda Item 10 because that's where we're going to discuss what the Board's desire is with this nine and a half million dollars.

MEMBER VERDUCCI: Okay. Thank you very much. I'll table my comments until we get there.

CHAIRWOMAN FREED: Okay. With that does, anybody else have questions on the budget report? Okay. Hearing none, I will accept a motion probably from Mr. Verducci to accept the budget report.

MEMBER VERDUCCI: Tom Verducci, so moved.

CHAIRWOMAN FREED: Thank you. Do I have a second?

MEMBER WOODWARD: Janelle Woodward. Second.

CHAIRWOMAN FREED: Thank you. All in favor say aye.

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

CHAIRWOMAN FREED: Any opposed say no. Okay motion carries.

Okay. So that takes care of Number 4. Let's go to Agenda Item 5. And Agenda Item 5 is election of the Board's Vice Chair. Pursuant to NRS 287.0415, the Governor has designated me as Board Chair. And so until he designates somebody else, which he could do, I'm the Chair and I get to continue to be the Chair.

But in NAC 287.172, at the first meeting in the new plan year, we are to elect a Vice Chair from among ourselves, and so we didn't do it at the first meeting because we were waiting on some vacancies on the Board to be appointed. Then we still have I think one vacancy. We need to do this since we didn't do this in July.

So before I ask for nominations, I want to thank Linda Fox for being the Vice Chair. She's been the Vice Chair for what is it, two years, Linda or three maybe?

VICE CHAIR FOX: I think it's been three years.

CHAIRWOMAN FREED: Three years, yeah. Thank you

very much.

So with that I will accept, you may nominate yourself or you may nominate somebody else so I'll open it up. Mr. Verducci, you have your hand up.

MEMBER VERDUCCI: Tom Verducci for the record. I wanted to point out that I believe that Jim Barnes has been chairman of Washoe County Planning Commission, chairman of the OSHA Board, I believe Truckee Meadows Planning Commission and deferred compensation, the deferred compensation committee and he's done that in the '80s, '90s, 2000s, 2010s, and 2020s. And I've seen Mr. Barnes conduct meetings going back to the late '80s.

In terms of his legal background, his commitment, I think he would do a fine job stepping in and being able to conduct meetings in a very professional manner. And I would like to nominate Mr. Barnes as Vice Chair, if that is possible at this point.

CHAIRWOMAN FREED: Thank you, Mr. Verducci.

Mr. Barnes, do you accept?

MEMBER BARNES: Yes, I would be happy to accept.

CHAIRWOMAN FREED: Great, all right.

Ms. Briggs, Ms. Rich, do I need a motion and a second on this one? I assume I do.

MS. BRIGGS: Yes, you do.

CHAIRWOMAN FREED: All right. Thank you.

VICE CHAIR FOX: Linda Fox for the record. I will second.

CHAIRWOMAN FREED: Okay, great. So it's been moved by Mr. Verducci and seconded by Ms. Fox to have Mr. Barnes serve for the next year as Vice Chair of the PEBP Board. All in favor, signify by saying aye.

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

CHAIRWOMAN FREED: Any opposed? Great. Motion carries. That was so easy. I thought I was going to have to browbeat you guys by threatening to pick somebody myself. Thanks, everybody.

Congratulations, Mr. Barnes.

MEMBER BARNES: Thank you.

CHAIRWOMAN FREED: I think.

MEMBER BARNES: Thank you.

CHAIRWOMAN FREED: Okay. With that, I think we can go to Agenda Item 6, and this is an interesting one. This is a discussion item only, but it is, as we heard in public comment and as I've been made aware of and I think other Board Members have been made aware of, we have some delays in claims payment cropping up in the transition from HealthSCOPE to UMR.

And so I think I will ask Ms. Rich to give a little bit of context. And then I will ask UMR to walk us through the series of charts that they have provided and give Board Members a chance to ask questions. Does that sound okay? All right. With that, I'll let Ms. Rich take it away.

MS. RICH: Great. Laura Rich for the record. So just to provide a little bit of background, and I think we've got some folks on here from UMR who are going to go into it in more detail.

But to provide some insight on it, I was first made aware, it started out with dentists, dentists in, especially in Carson City where there's a large percentage of State workers were calling PEBP and making our office aware that, you know, hey, there's some issues there. UMR is not paying. There's some lag time. You know, we're getting close to 90 days. That then became a larger problem because it was more providers. We started hearing from more providers.

So at that point I engaged with UMR to see what was going on. There was definitely a delay. Part of it was due to some coding issues, which you'll hear about today from the UMR group, in that transition. It is -- when we go from one TPA to another, there's certain -- every client has certain, different benefits, right, and how those benefits

are applied. And so the coding rules have to be changed specifically for that -- for that client.

What ended up happening was a lot of the PEBP rules, and this is what actually you'll hear me talk about in the Executive Officer Report, I'm going to mention the compliance. But we are -- we're doing a deep dive compliance and review, and so this really does -- it highlights how important that compliance review is because what we found out is that there was a whole lot of coding that was needed because PEBP has a lot of antiquated nonstandard benefit rules and how we pay our benefits and so specifically for dental. But this is, you know, also for things in, you know, on the medical side as well.

So -- so there was a lot of coding that needed to occur to transition. You don't want to process claims until you know that they can be processed correctly because then if you have to reprocess them, it creates a whole lot of disruption, not just for providers but also for members. You know, you have to redo the accumulators and things like that. So there's -- there's a whole lot of disruption. So it is better to do it right the first time than to have to reprocess it, but that obviously caused some issues in the provider community.

And so I think -- I think I'm going to pass this

over to the UMR folks because they are going to give you a lot more detail to this. There is -- there has been a lot of progress that's been made in the last couple of weeks. I know a lot of payments have gone out. They are getting back to normal, but this was a bumpy transition in terms of those claim payments.

So I know it looks like Rhonda has joined. Rhonda Huckaby, are you going to be giving this report or Nathan Maier?

MR. MAIER: Yeah.

MS. RICH: Nathan, okay, you're going to take it.

MR. MAIER: Yeah, I'll just give a high level and pass over to Rhonda and then Darren. So Nathan Maier for the record, director of account management for UMR. Yeah, you know, I echo everything Laura said.

We certainly uncovered some things through the migration, you know, some expected, some unexpected. There are some complexities to the PEBP benefits. And, you know, there was some misinterpretation between the teams as we were setting up the system which to Ms. Rich's earlier point caused us to, the need to put the claims on hold as we worked through those and, you know, to ensure that claims correctly, but that certainly did cause claim delays like we heard in public comment.

We have made a lot of progress in the last few weeks on the inventory. And, you know, happy to report that we are, you know, nearing historical inventory levels and we'll go through some detail on that shortly.

And, you know, like I said, we made some good progress, and we feel good about going forward. But, yeah, you know, all of the things I just mentioned certainly did cause claim delays and some disruption in the provider community. And, you know, we do apologize for that. But, like I said, we have made some really good progress in the last few weeks.

So with that, I'm going to turn it over to Rhonda to go through some of the specifics of the transition items. And then she's going to turn it over to Darren Ashby in our operation leadership to go over inventory levels as of Monday, turnaround times, post migration, claim turnaround times. And then also I think we have got some updates as of this morning in terms of the inventory levels as of today.

So with that, I'm going to turn it over to Rhonda.

MS. HUCKABY: Good morning. This is Rhonda with -- Rhonda Huckaby for the record with UMR. And as Laura and Nathan have both previously stated, during the controlled releases that we did starting in July, as the claim inventory

came in for the new plan year effective 7-11 of '22 forward, we discovered some discrepancies which were, as Nathan stated, misinterpretations between HealthSCOPE and the UMR staff.

With that, we decided to put the claims on hold, and then we went back through each type of benefit to make sure that everyone understood the client's intent, as well as to ensure that the claims were processing accurately with the initial release. Because as Laura stated, when we do have to reconsider claims, especially on the high deductible where we have the interface with the prescription accumulators, it does cause issues for the providers as well as the members.

We did send e-mail blast to the dental community with the assistance of Diversified Dental. And we also did a medical e-mail blast to all of the contracted providers, just to kind of give them a heads up that we were hearing what they said. We understood and we were working on getting their claims paid.

And as Laura Rich mentioned, some of the things that we identified are just the PEBP nuances of the plan. Most of them, especially with the EPO, where that is a regional plan that is specific to the 14 counties in Northern Nevada. Some of the challenges that we have is just when people -- when we have participants and their dependents do

not reside in the 14 counties. So it's kind of like a split plan. Those require extensive programming and those are some of the things that we had to put the claims on hold and go back and look at.

Because anything outside of the counties requires GAP exception by the UM vendor. And then we have programming in place in the system to try to catch every scenario, but sometimes that requires a lot of manual intervention.

Some of the other items that Laura Rich mentioned were the, I wouldn't call them discrepancies but it was differences in the PEBP dental current plan design and how UMR hold very specific down to the ADA code. And that generated, you know, some conversation between UMR and PEBP. And we have already scheduled a call with the quality control officer and claims technology who is the auditor to do a deep dive into the plan documents, as well as what Segal is performing the compliance review on behalf of PEBP.

Some of the other items are just as Laura said, the PEBP nuances around the 50-mile rule. How we do what we refer to as the ology benefits. When they are at a contracted facility and/or provider and that provider send them or uses a non-contracted provider. So we had to go in and tweak what we call the ology rules to make sure that the UMR claims platform was applying the benefits in the same

manner that the HealthSCOPE platform had previously done.

All of this, as Laura said, led to some conversations, you know, that we need to have. You know, understanding the plan's intent and making recommendations to update the MPD with those clarifications because that's an ongoing process. We do this every year with the PEBP staff.

But this year we are going to take a deeper dive into the plan documents to ensure the plan's intent is well stated in the plan document just to support us during provider disputes and member appeals.

Laura, do you need me to address any other type of benefit?

MS. RICH: No. I think you got it all covered. Thanks, Rhonda.

MS. HUCKABY: Okay. And certainly if there's questions, we can ask them. And based on public comment from Dr. Sheltren, we have, you know, ensured her claims were paid, and we ran a report this morning. And at this time, we have no pending claims on file. And we would like to publicly apologize to Dr. Sheltren, and we should not have this issue going forward. Thank you.

CHAIRWOMAN FREED: Thank you, Ms. Huckaby. I appreciate that. I have questions. I knew if I had questions for the Board Members, they would jump on it. So I

think Ms. Kelley rang in first. So I'm going to go Ms. Kelley, Ms. Bittleston and Ms. Aiello.

MEMBER KELLEY: Good morning. Thank you, Chair Freed. My question I guess is for UMR, someone from UMR. I'm not really sure. I guess I'm just really surprised and actually unhappy. It seems like whenever I implement a large contract, which certainly claims plan is a massive contract, there's significant testing done. And there's a whole lead where I would have expected you go through the plan documents. Even though UMR and HealthSCOPE are related, if I understand it correctly, it was still a new implementation, and it seems like the implementation failed frankly.

You know, I mean, on July 1st you guys should have been ready to pay the claim. The plan design did not change very much. And so I guess, you know, I would like to hear what the implementation plan was and how that clearly wasn't executed.

And then secondly, I guess I -- I guess I just wanted to put on record that I kind of take exception to using antiquated benefit rules to antiquated benefit rules and nonstandard benefits. In all honesty that makes me feel like that there is a goal to maybe diminish the benefits as we would through the plan document.

And so my request after hearing that kind of

language is that any changes to the plan document that comes out through this detailed review, each and every one, language change, benefit change, highlighting actually come to the Board so that we can see what UMR is actually requesting.

And the reason for that is that any change in language, any change in interpretation of how something works will impact our members. And if a member is used to paying something -- something being paid one way and suddenly it's paid a different way and potentially it's paid at a less of a percentage so the employee share goes up, that's a concern. You know, we will hear about that, and we need to be in front of that. And with that, thank you.

MS. RICH: Can I address that before UMR, if possible? All right. Laura Rich for the record. So I just wanted to -- I want to address both of your points, Ms. Kelley. Being devil's advocate here, I do have to say that there were many many implementations going on at once and that is not the norm.

And so there were -- you know, we were implementing the HSA. We were implementing the -- you know, going over to the new TPA, the network, things like that. So all of it kind of runs through the TPA. So there's multiple -- multiple integrations with the TPA happening at

once.

And if you recall, the biggest one of all was the enrollment eligibility system. HealthSCOPE and UMR were very very integral in that part and had to dedicate a lot of time and hours to fixing that in going back to LifeWorks. And so there was some -- there were definitely a lot of things going on at once.

And while I do agree that more testing should have been done and that we probably should have addressed that because of it's importance, I do just want to put that on the record that there were a lot of integrations happening at the same time and that is not normally the case. We would try to avoid that at all costs because of these types of situations specifically.

The second one is you're absolutely correct, that's why we're doing this compliance review. We will be bringing it to the Board. I'll be talking about it in the -- during the Executive Officer Report, but we will be bringing it to the Board. And that's why we're doing it during this time frame so that we can bring it to the Board before, hopefully by January so that we can get this all into the -- into the next plan year documents.

It does not mean that these are benefits that we're looking at downgrading. It's actually the ones that

I've seen are the opposite, especially regarding dental. It's things like, you know, do we want to continue paying for silver fillings. Maybe we need to look at, you know, the standard now is composite. Maybe that's what we need to start looking at and changing to adhere to, you know, antiquated. Most people aren't getting silver fillings anymore. Most people want those composite fillings, right? So those are the things we're looking at. They are not exactly downgraded.

Like the 1,500, that was -- I think that was brought up during public comment. We haven't changed that 1,500 max in like a decade. So we're looking at, you know, is that still appropriate, right? So there's things like that that we're looking, and we will bring everything back to the Board. We're expecting to bring it back to the Board in January.

So, Rhonda, or, Nathan, if you want to add anything to what I just said, feel free.

MR. MAIER: Yeah, hi. Nathan Maier for the record. So we did do testing, of course, as we always do for migrations, implementations. And obviously, you know, we missed some items in testing. You know, some things have to be in the production environment to test, so the network for example. So PEBP has got a pretty complex network

configuration. And with the change to the new network and the routing to the various networks can only happen in the production environment.

So, you know, that's just an example of, you know, something that we had to wait until production to thoroughly test. And if you think about, you know, the way claim building works, so, yes, we went live 7-1. But most of the claim volume was -- was being paid on Health Access throughout all of July. So we really didn't start seeing claim volume come into the UMR system until end of July, early August until we could start our control release and we started identifying some of the issues that Rhonda identified.

Yes, I would have like to have seen us catch whatever we could through the test environment. Again, there were some misinterpretations of the benefits between the teams which caused us, you know, missed opportunity there on some of the benefits.

And to Laura's point, you know, not making excuses but, you know, we -- we got eligibility pretty late in the process, which has kind of put us behind schedule. Again, not making excuses, just putting that out there for context.

So, you know, yes, we did testing. There was

some misinterpretation between the teams as to how the claims should have paid that we have identified in production. And then to what Rhonda spoke to earlier, you know, made the decision to put everything on hold as we worked some of those discrepancies.

Rhonda, anything you would add to that?

MS. HUCKABY: Can you guys hear me?

CHAIRWOMAN FREED: We can now.

MS. HUCKABY: Okay. Yes, I would just like to kind of elaborate on what Laura Rich and Nathan both had presented. And, yes, Ms. Kelley, we were doing several installation meetings. At one time we had about 13 different install and implementation meetings going on and PEBP staff were included in most of those, as well as implementing some of the new vendors for 7-1.

And, yes, we did have an approximately six-month implementation where we meet weekly. We discuss -- you know, we write down the benefits one at a time, from the office visit to chiro to hospital. But as Nathan said, there were some misinterpretations where some of the staff did not truly understand PEBP's intent and/or recommendations that we had previously received from PEBP's auditor that we were trying to put into place to make sure that when we started paying claims on the CPS which is the UMR platform that they were

processed in the same manner that they were while we were doing run-outs on the HealthSCOPE platform.

We did spend about the first three weeks in July working through some of the eligibility issues. And I'm sure LifeWorks can, you know, confirm this. We were trying to look at discrepancies on what we had received from Benefit Focus and then what we started receiving from LifeWorks in May. Because in our system some of that information did not synch up. So we spent approximately three weeks cleaning up the eligibility. And as Nathan said, at that time we did not have a lot of claim volume on the UMR platform. Most of the processing was still doing the run out on the health access platform.

CHAIRWOMAN FREED: Okay, thank you. I'm going to go to Member Bittleston.

MEMBER BITTLESTON: Thank you, Madam Chair. Member Kelley kind of brought this up. But I want to present a question to, I don't know, I guess it's UMR. So anything that's not paid by a provider is usually passed onto the patient, consumer, especially dental, you know, PPO's, all of that.

So my question, where it's disturbing to hear that providers were waiting for long periods of time. My question is around were dental providers and other providers

paid but paid incorrectly and cost incorrectly moved to the consumer or the patient based on some confusing algorithms or whatever it is. So I guess what I'm trying to say, will the compliance report pick this information up to see if, you know, some providers were paid incorrectly, therefore, passing cost to consumers incorrectly. I hope that makes sense.

MR. MAIER: Darren, or, Rhonda, does one of you want to take that one?

MR. ASHBY: This is Darren Ashby for the record. I am senior vice president of operations of UMR in 2019 as part of the HealthSCOPE Benefits acquisition. So in answer to your question, there could have been some claims that were processed early on incorrectly that could have resulted in a balance owed by -- by the member. In most of those instances it was brought to our attention by the provider community and adjustments were completed. Therefore, avoiding any out-of-pocket expense from the member being necessary.

CHAIRWOMAN FREED: Okay. Member Bittleston, do you have a follow-up or should I move to the next question?

MEMBER BITTLESTON: You know, I don't know if I really have a follow-up. You know, this one I actually experienced myself. So I'm just --

CHAIRWOMAN FREED: Okay.

MEMBER BITTLESTON: I'm just kind of wondering if -- if everything was caught. And, you know, especially around the dental claims and stuff like that. So I'm just making a point that -- that I've seen and have heard about folks having co-pays for dental that they never had in the past, and that could be due to some changes or it could be due to claims paid incorrectly.

CHAIRWOMAN FREED: Right.

MEMBER BITTLESTON: I guess I'm just trying to differentiate were claims paid properly. That's what I'm trying to differentiate.

CHAIRWOMAN FREED: Okay. If -- I think with that, I will move to Member Aiello and then follow-up by Member Woodward. I saw Ms. Coughron had her hand up. Then it was down. I don't know if she had a question, but I'll move to Betsy.

MEMBER AIELLO: I want to say that actually I agree with both Members Kelley and Bittleston with what they were saying. And I was having the concern that people -- as we've been hearing, a lot of folks have been choosing what they can and can't do, and in this time period it could be dental but it could also be other services, not just the dental that folks have had to been picking up things and it might be part of the dissatisfaction with people thinking

more things have been cut than maybe actually have been cut.

And I don't know -- I would ask staff if there was a way now that claims have paid if people can run, either what happened during the delayed pay run reports or claims that were reprocessed and paid differently to try to understand if some of our clients have had to pay things and maybe make them give them some sort of notice that their doctors or physicians are, now have been paid because it might be hard for them to keep track, even the physicians. We're relying on their systems to now say whoops, I charged a client and now I'm being paid this many days out. So now I owe the client money back and that. Just something to throw out there.

The other thing I wanted to bring up was the customer service side of this that we heard because that's a concern. I did hear in the report that yes, we -- we sent bulletins out or provided information out but it sounds like that some of those providers that did spend the time to call an outreach both to UMR and then to PEBP, and we understand how short staffed PEBP have been, didn't -- maybe if they understood totally what was going on might have had a little bit more understanding and not kept reaching out.

Because I do understand two small businesses that operate on cash flow can't go as long as larger entities.

But customer service and understanding can go a long way. And I could say that I know how short staffed the government has been. But I would have been very very unhappy if I waited two hours on the phone just to be returned to an entity I tried to get help from three or four times. And in this type provider environment, it's just -- so I just wanted to bring that out to the customer service level. If we really knew this was going on, could there have been someone that went to provider's offices. Just throwing ideas out so that maybe something like this wouldn't happen in the future.

CHAIRWOMAN FREED: Thank you. I'm not -- is there --

MEMBER AIELLO: It's not really a question.

CHAIRWOMAN FREED: Okay.

MEMBER AIELLO: I think I'm more -- more learned from this.

CHAIRWOMAN FREED: Right.

MEMBER AIELLO: Because it's in the past. Other than throwing out the idea of is there any way to run reports so that --

CHAIRWOMAN FREED: Yeah.

MEMBER AIELLO: -- maybe a provide client, some of our clients have paid things they shouldn't have, it would help them.

CHAIRWOMAN FREED: Okay. Okay. With that, I will go to Member Woodward. You're on mute.

MEMBER WOODWARD: Thank you. I guess I haven't learned that in the last two or three years. My apologies. Mine is just a comment as well. And I know that I interacted with Laura Rich on this and she took care of it immediately. I heard the same thing when I went to the dentist, and my dentist said your provider is not paying. And she took care of that immediately.

I guess my comment is maybe and it echoes Ms. Aiello and everybody else, as soon as you know something, that there's an issue, notify everybody. Communication is always the issue with every incident that we have for any situation. And so the sooner that we communicate there's an issue, it's going to take a little bit to fix, the less they are going to say, hey, your provider is not paying us. What's wrong. They're crappy, whatever. And it's not just, you know, the bumpiness of what happens because we know that that happens any time there's a change. There's issues are going to come up. So that's it.

CHAIRWOMAN FREED: Thank you.

Does any other Board Member have their hand raised? I'm not seeing anybody.

Okay. With that, I'm going to start in on my

questions which are probably tangential to a lot of what other members have said. I have a lot of yes, no questions and a couple of explain this to me questions. I'll start with the graphs that were submitted by UMR.

Because there's no narrative, I wasn't sure what I was looking at. And I've got a series of tables of claim inventory -- claim inventory -- claim inventory. And I assume some of these are dental and some of these are medical. UMR, would you please talk me through these charts on these successive pages so I can label them.

MR. ASHBY: Absolutely. This is Darren Ashby for the record again. So to start with the top of the page there of the reports where we have claim inventory 7-1 through 9-23 of 2022, weekly, that represents the dental claim inventory.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: And what this is showing you is a week by week.

CHAIRWOMAN FREED: Right.

MR. ASHBY: Total inventory. And --

CHAIRWOMAN FREED: Mr. Ashby, why is there a blank on the September 2nd, 2022 column?

MR. ASHBY: I believe that has to do -- you know, I apologize. I'll have to look in and see why that is a zero.

CHAIRWOMAN FREED: Okay. So as of September 26th, we have eight dental claims over 30 days old.

MR. ASHBY: That is correct.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: And then -- I'm sorry, go ahead.

CHAIRWOMAN FREED: No, it's okay. Go, please.

MR. ASHBY: I was going to say and just to provide an update, as of yesterday we were actually under 200 claims in total inventory with zero claims over 30 days. Of course, throughout the week that volume will ebb and flow.

CHAIRWOMAN FREED: Sure.

MR. ASHBY: So as of this morning, we're actually at 665 claims in inventory but still zero claims over 30 days.

CHAIRWOMAN FREED: Okay. All right. And so on the next page, we've got, again, that same chart in that same format. Is this medical since we're talking about 25,713 as of 9-23 or what?

MR. ASHBY: That is correct.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: This represents the medical claim inventory.

CHAIRWOMAN FREED: Okay. All right. And then on the third page as of 9-24 1,005 claims, which what is that?

MR. ASHBY: Okay. So that represents the health access environment and the number of claims that are in total inventory remaining in the legacy HealthSCOPE Benefits claims processing system.

CHAIRWOMAN FREED: Okay. Can you -- do you have an update? I know that's only five days ago. So do you have an update as of yesterday or today about the total number of claims left?

MR. ASHBY: If you give me one second, I will check and see if that has come through. I have not yet received that update for today.

CHAIRWOMAN FREED: All right.

MR. ASHBY: Whoops, I'm sorry. Here it is, it has come through.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: There are a total of 714 claims in total inventory.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: Three of those are dental.

CHAIRWOMAN FREED: Okay.

MR. ASHBY: And the remaining 711 are medical.

CHAIRWOMAN FREED: Okay. Okay. That helps. Thank you. So over the course of this discussion, I heard a couple of things. I heard that, you know, coding issues were

discovered. And certainly, like other members, I've had personal experience. When I came in this morning, one of the members of my staff was actually on the phone with UMR about her dental claim because it was crown coded as orthodontia so it was denied. And her dentist was fulminating about how he was not going to talk to UMR anymore so they made her call.

So I've heard about peculiarities about the way that PEBP wants things -- wants their claim management organized and I've heard coding issues. Have the coding issues been resolved?

MR. ASHBY: Yes, those coding issues have been resolved which has allowed us to --

CHAIRWOMAN FREED: Okay.

MR. ASHBY: -- expedite the processing of claims of late, yes.

CHAIRWOMAN FREED: Okay. One of the other problems is UMR was showing payments, but providers had not received those payments, have no record of them. I heard that we've caught up and given a lot of providers the money they were owed. Has that flaw been corrected?

MR. ASHBY: As far as --

MS. HUCKABY: Darren?

MR. ASHBY: Go ahead.

MS. HUCKABY: This is Rhonda Huckaby for the

record. And yes, Madam Chair, some of those things are related to actually how the dental providers accept payment. We certainly encourage all of the providers to do the EFT, but some of them choose not to do that. They do their payments through what they call virtual card payments.

CHAIRWOMAN FREED: Okay.

MS. HUCKABY: And some of them actually opt out of that, you know, the virtual card payment and the EFT and want their payments to be, you know, sent USPS so certainly that delays some of the things. So a lot of the dental providers, you know, do not want to participate in the EFT, not sure if it's related to fees that their banks may incur, but we actually did send some of the account management team to several dental offices in Carson City.

CHAIRWOMAN FREED: Uh-huh.

MS. HUCKABY: To kind of work with them, and it was discovered it was the way that they were accepting the payment. And because of a large payment, if they do it through their fax, the virtual card payer that they are working with will choose to drop that to paper and send it, you know, via USPS.

CHAIRWOMAN FREED: Okay.

MS. HUCKABY: But that -- that is a lot of the providers that we were made aware of that were having issues,

you know, where we show that the payment had been made two weeks ago but they did not have the actual payment in their office yet. But we worked closely with those providers who did report that issue. And, you know, going forward, we always try to encourage medical and dental providers to enroll into EFT so, you know, a direct deposit right into their account.

CHAIRWOMAN FREED: All right. And you guys have mentioned that you sent an e-mail blast out to the dental providers. Did I hear that right?

MS. HUCKABY: Yes, ma'am.

CHAIRWOMAN FREED: Okay.

MS. HUCKABY: Once again, this is Rhonda Huckaby. We did work with the Diversified Dental because they are the network.

CHAIRWOMAN FREED: Right.

MS. HUCKABY: And they have all of the e-mail addresses for the -- for dental provider community. So we told them we would work directly with Diversified and they did send out an e-mail blast to the dental community and then UMR did the same thing for all of the contracted SHO and UHC providers.

CHAIRWOMAN FREED: Okay. So dental providers and the medical providers were all communicated with --

MS. HUCKABY: Yes, ma'am.

CHAIRWOMAN FREED: All right.

MS. HUCKABY: If they were contracted.

CHAIRWOMAN FREED: Okay.

MS. HUCKABY: Yes, ma'am.

CHAIRWOMAN FREED: All right. Are there -- what was the feedback from the providers from the e-mail blast, if any? And are there more communications plan to say, all right, we've got this under control. Please let us know if you guys are experiencing more problems.

MS. HUCKABY: Yes, ma'am. So, you know, we work closely with Diversified Dental because a lot of the providers, even though they are the network, not the claims payer.

CHAIRWOMAN FREED: Uh-huh.

MS. HUCKABY: They will reach out directly to Diversified. And we have that working relationship that we've had with the Diversified team for the last 11 years.

CHAIRWOMAN FREED: Okay.

MS. HUCKABY: So they're very quick to reach out directly to the claims manager or the account management team. And, you know, if they're getting a complaint, we work, you know, with them to ensure that the complaints are being addressed, and the same thing applies to the medical

community. A lot of the hospitals, just because they worked with the HealthSCOPE staff for so many years, they have our e-mails and our phone numbers so they will either reach out to Laura, you know, or to Tim Lindley at PEBP and/or directly to the claims manager or myself.

CHAIRWOMAN FREED: All right. Okay. Thank you very much for that. Okay. It seems like the Board has asked all -- closed all of the questions it wants to. Again, this is an information item. So I think I expressed the sense of the Board of, you know, disappointment. But I'm -- I'm looking forward to I suppose a deeper dive on looking at our own dental processes and perhaps this may stimulate some change in the master plan document down the road.

So but, yeah, this was deeply unfortunate. I think we have -- I think UMR -- oh, Ms. McClendon, you raised your hand. Go ahead.

MEMBER MCCLENDON: Thanks. I just want to make a quick comment that we've been talking a lot about the impact on dental providers and they have been really proactive as reaching out for help. But as we heard in public comment, I think that this has also had an enormous impact on mental health providers. And it's extremely concerning to live in a state that doesn't have enough mental health providers already that some of them might drop being part of our plan,

which would make it even harder for employees of the State to access mental health services.

And I know that we're all thinking the same thing. We all have concerns, but I just wanted to make a point that this has a real impact on mental health providers who really rely on a swift reimbursement to keep their businesses open, so thanks.

CHAIRWOMAN FREED: No, thank you for that. That's a good point.

Ms. Bittleston.

MEMBER BITTLESTON: Thank you, Madam Chair. I forgot to make a comment. I had a second comment and I forgot to make it. I just want to thank Executive Officer Rich because it seems like she's the one that got the ball rolling with UMR. Though, you know, to express the frustration with the Board, you know, it shouldn't take Executive Officer Rich's involvement to get UMR to do the right thing and to reach out to providers if there's a problem.

But anyways so I just want to put that on the record and to thank, you know, Laura Rich for that. And I'm glad that we're moving forward. But, again, I just don't think it needs -- you know, Laura needs to get involved for them to do the right thing. Thank you.

CHAIRWOMAN FREED: Thank you for that. I echo the thanks to the Executive Officer, as well as to Tim Lindley for the birddogging they've done on this. Thank you, UMR, for your testimony. And, yeah, I think we -- it's -- it's only fair that we all own our hearts in this. And so if PEBP is peculiar, maybe we'll try and be less peculiar moving forward.

But, anyway, thank you again, everybody. And I think unless there's anymore discussion, I will move onto the next agenda item which is Number 7. So we're talking about audits now. And we have Michelle Suckow, I believe who is going to talk to us about number seven and number eight. So with that, I will turn it over to you, Ms. Suckow.

MS. SUCKOW: Thank you, Madam Chair. Michelle Suckow for the record M-i-c-h-e-l-l-e S as in Sam -u-c-k-o-w. If you're following along with your packet, this is report number seven. I will be reviewing the executive summary on page three. What I'm presenting to you today is a quarter brief of fiscal year 2022. The audit period was January 1st, 2022 through March 31st, 2022. This was an audit of HealthSCOPE Benefits. During that time period for medical and dental claims, there was just over $53,000,000 paid, 188,000, 118 claims paid, denied or adjusted.

For the health reimbursement arrangement, during

that same time period, there was $880,745 in claims paid. And total transactions was 9,828. Our comprehensive audit included an operational review over performance guarantees, 100 percent electronic screening with targeted samples, a statistically valid random sample audit and data analytics. In our auditor's opinion, HealthSCOPE met its financial accuracy measurement for fiscal year 2022 and no penalty is owed.

You can see at the bottom of that page that both financial accuracy and payment accuracy were not only met but they were actually exceeded with regard to the targeted measure.

There were a few findings with regard to the targeted sample, and there was one error with regard to random sample. And so we do recommend in there that HealthSCOPE and, you know, ultimately now UMR take these filings of this report to determine the proven opportunities to prevent the payments of duplicate claims payments made outside the time of filing and just to make sure that the correct co-insurance is applied to claims going forward.

All in all for this quarter, HealthSCOPE performed very well. We are working on the reports for quarter four right now. And we already engaged UMR to kick off quarter one fiscal year 2023.

Any questions on this report or the summary that I've provided?

CHAIRWOMAN FREED: Board Members, any questions on Item 7? Ms. Coughron?

MEMBER COUGHRON: Yes. April Coughron for the record. Question, probably more for Director Rich. On page 17 of the audit report, it does speak to the application of NCCI editing for potential cost savings to the State. I realize this audit was conducted for HealthSCOPE. But looking forward for UMR or future vendors, how does PEBP take into consideration what options we might have around applying those NCCI edits or how they could potentially impact future cost savings?

MS. RICH: Laura Rich for the record. We have not looked into this yet, but this is also part of that greater -- greater plan to look into, you know, all of the -- all of the suggestions and recommendations made by not just CTI, our auditors, but our, you know, UMR and Stalar Consultants as well. So we're all getting together as far as this compliance audit in talking through a lot of these things. So I'm sure this is something that is going to be discussed as well.

CHAIRWOMAN FREED: Any other questions? Okay. Hearing none, I'll accept a motion to accept CTI's audit of

HealthSCOPE.

MEMBER BITTLESTON: This is Leslie. So moved.

CHAIRWOMAN FREED: Thank you. Do I have a second?

MEMBER COUGHRON: Second.

CHAIRWOMAN FREED: Thank you. All in favor say aye.

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

CHAIRWOMAN FREED: Any opposed say no. Okay. Motion carries.

And we will move on to the audit of ESI.

MS. WEISSMANN: Good morning, Members of the Board. I am Julie Weissmann, J-u-l-i-e W-e-i-s-s-m-a-n-n. Today I'll be reviewing the prescription benefit management audit of Express Scripts. The audit scope was for fiscal year 2021, which was July 1st, 2020 through June 30th, 2021.

The components reviewed in this audit were pricing and fees, reconciliation of pricing guarantees, benefit payment accuracy review, a rebate review and an overall performance guarantee review. The overall findings for fiscal year 2021 were that ESI did meet the financial accuracy performance standard listed in the contract for the retail guarantee. However, they did not meet it in the mail

order guarantee. In aggregate, ESI's overall performance did not meet PEBP's contractual financial accuracy guarantee. Further acts agreed were the ESI calculated under-performance amount of $125,443.43. This penalty was paid back to PEBP on November 12th, 2021.

The processing accuracy is measured comparing the intended plan benefit as listed in the summary plan description and the claim processed by the PBM. ESI's overall performance in both the retail and mail order met the contractual processing accuracy guarantee.

Within each original guarantee that was met, the retail claim financial was met. ESI reported an overall over-performance of $110,879.21 for the retail financial accuracy, including $110 347 -- 110,000, excuse me, $347.20 for discounts and $532.20 in dispensing fees.

The retail processing accuracy guarantee was also met as noted with 100 percent, noted no errors for retail processing accuracy.

The mail order claim financial accuracy guarantee was not met. It was calculated at 95.92 percent. ESI reported an under-performance of $31,262.59 for the mail order financial accuracy, including $301 -- $301,262.59 for discounts and zero dollars for dispensing fees. The mail order claim processing accuracy guarantee was met with no

errors.

The specialty claim financial accuracy guarantee was met. ESI reported an overall -- over-performance of $64,939.95 for the specialty financial accuracy. This includes 64,900 and -- $64,939.95 for discounts and the dispensing fee accuracy was not included in the guarantee. The specialty claim processing accuracy guarantee was met with no issues.

Rebate amount minimum guarantee was met. ESI reported and paid a rebate amount of $14,602,000, which is above the pillar X calculated amount of $14,590,240.

The rebate remittance time to PEBP guarantee was not met. We calculated that as zero percent because all four quarters of the rebate payments for fiscal year '21 were remitted after the required 90-day time frame.

In regards to the claim processing turnaround guarantee for both normal and intervention types of claims, the mail order claims processing time was completed in less than a guaranteed standard number of days. No issues were reported.

For the telephone service guarantees, they were met. Customer service telephone response times, to answer was less than the guaranteed time. And the telephone abandonment rate was also less than the contracted guarantee

amount.

It is Pillar X's recommendation that PEBP consider removing any offsetting language from their financial accuracy guarantees in their pharmacy benefit contract. For example, if ESI performed in any of the current over-performed in any of the current categories and under-performed in separate categories, as they have, currently ESI offsets that difference and figures out the net. But using this audit as an example, the PEBP would have received an amount of $412,632 in penalties if offsetting was not allowed in their contract, instead of just the 125,000.

Additionally, PEBP should consider updating the performance guarantees around other financial accuracy dollars to calculate the results based on financial numbers and not just the claim counts to make it a little bit easier to calculate the actual percentage rate.

That is all I have.

CHAIRWOMAN FREED: Okay. Thank you, Ms. Weissmann. I appreciate the report.

Board Members, questions? Comments? Thoughts? Mr. Verducci?

MEMBER VERDUCCI: Yes, Tom Verducci for the record. As far as the rebate remittance time to PEBP, it appears there were four quarterly rebate payments that were

missed after the 90-day time frame causing the performance guarantee not to be met. Is there any plan in place since all four were missed so that could be corrected moving forward?

MS. RICH: This is Laura Rich. We have Nancy Langelend on from ESI. Nancy, would you just like to give some context to the rebates and -- and the delays in them.

MS. LANGELEND: Yeah, sure, Laura. Nancy Langelend for the record. I'm the account executive that's assigned to PEBP. The reason for the delays were primarily due to staffing challenges that ESI face during this time period. We have since hired additional staff that have been up-trained, and hopefully we won't experience these delays in the future. But during the time frame in question, that was the main reason why we experienced those delays in payments.

MEMBER VERDUCCI: Thank you. And just as a follow-up question, are there any performance penalty guarantees associated with missing the rebate remittance?

MS. RICH: So Laura Rich for the record. So yes, so that was a -- if you look at -- maybe CTI can jump in here and tell me exactly where it is at in their report. But yes, there are. I'm looking at it right now.

Julie, do you have it right off the top of your head what that is?

MS. WEISSMANN: I'm hunting through right now to see exactly what that dollar amount was, what the difference was. I'm --

MS. EATON: This is Cari Eaton. The contract was I believe two percent of annual admin fees for every four percent or fraction thereof below the performance guarantee. Unfortunately that would be extremely high in this instance since they were 100 percent missed.

MEMBER VERDUCCI: Just one follow-up question. Has the performance penalties already been assessed or is that something that becomes an agenda item in the future?

MS. RICH: Laura Rich for the record. The report from the auditor is presented to the Board once it is approved by the Board. Those -- unless the Board chooses to waive those penalties, the penalties are assessed after the fact, yes.

MEMBER VERDUCCI: Thank you very much.

CHAIRWOMAN FREED: Okay. Member Kelley has a question.

MEMBER KELLEY: Thank you, Chair Freed. This is a question for Ms. Rich. I'm just wondering regarding the CTI recommendation to update the penalties or some of the penalties or the language around them, I know that we've just -- I think we've entered into a new contract with

Express Scripts. So I'm wondering if there is an opportunity to update that language, how will that work. If you can just maybe talk about kind of the process that you follow to implementation -- to implement recommendations such as to that CTI made around the service level agreement.

MS. RICH: Sure. So Laura Rich for the record. I actually took a look at the contract after reading these recommendations from the auditors. And the new contract is definitely different. The performance guarantees are not set up in the same way. I think we did a much better job in this new contract, but there's still some, in my opinion some -- some things that need to be clarified. So it is on my list of things to do to address this with ESI just so that we can get some of these performance guarantees clarified as to, you know, making sure that these recommendations are incorporated. So we are taking a look at it.

MEMBER KELLEY: Just a follow-up, Chair Freed. Has -- has ESI indicated whether or not they are open to renegotiating the service level agreement language now? Have you spoken to them about it? Is there anyone here from ESI that might be prepared to answer that question?

MS. RICH: Yes. So Nancy Langelend is on for ESI that can speak to us. We typically when we engage in these conversations, as we have in the last contract, they are

typically pretty receptive to compromising on when making these changes.

So, Nancy, do you have anything to add on this?

MS. LANGELEND: Nancy Langelend for the record. I agree with Laura. I mean, anything that's brought forth as a concern, we would happily negotiate and enter discussions to try and come to, you know, an agreement on how we would proceed moving forward.

We also have the annual market checks where, you know, amendments are created for the contract that exists. So there's definitely opportunities to have further discussions on any concerns related to the existing contract.

CHAIRWOMAN FREED: Okay. I'm not seeing any other question or comments from the Board, okay. Well, I'll accept a motion to accept this audit of ESI.

Vice Chair, why don't you make that motion.

MEMBER BARNES: Yes, so moved. So moved.

CHAIRWOMAN FREED: All right. Do we have a second?

MEMBER AIELLO: Betsy. Second.

CHAIRWOMAN FREED: All right, thanks. Okay. All in favor say aye.

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

CHAIRWOMAN FREED: Any opposed? All right, motion carries.

Thank you very much, Ms. Langelend, and Ms. Weissmann. I appreciate that.

I'm going to call a five-minute break before we get into Items 9 and 10. It's 10:41. Come back at 10:46, please, and that way everybody can go to the bathroom and get a beverage. Thanks.

(Whereupon, a brief recess was taken.)

CHAIRWOMAN FREED: We're back. Let us move to Agenda Number 9, the Executive Officer Report.

MS. RICH: Laura Rich for the record. Let's start with staffing and operations. I know we've talked a lot about this. I know it is on everybody's radar. We are pleased to announce we have a small improvement from a 32 percent vacancy rate up to a 20 percent vacancy or down to a 20 percent vacancy rate. We have on board some new employees to fill four of the 11 vacancies. We thought there for a moment we had five or six, but those fell through, so we're down four.

But it's going to be several months before many of them are fully trained. As you heard, you know, our call center, there's a whole lot of training that goes into that, just because you have to know a lot of information to be able

to answer member questions. And so there's a lot that goes into training some of those entry level staff.

We've been looking because lower call center volume has resulted in improved call center wait times. But the e-mail times, the response times for us to get through those e-mails are still longer than normal. We love to turn them around pretty quickly, within a couple of days. That's still not happening. We just don't have the volume of staff that is trained to be able to do that.

We have temporarily reinstated a one day a week walk-in by appointment. We used to have walk-in's prior to the pandemic. We would have walk-in's, you know, available to those members who needed in-person assistance. That stopped during the pandemic. We have since been able to add the one day a week. We were not able to do that for a while just because of the staffing. So we have made it by appointment only, just to accommodate those members that need to have that in-person or would like to have the in-person assistance.

But if call volumes do increase, so for example, we typically see call volume increasing during the Medicare open enrollment period in October/November. Then we're going to have to take those walk-in's away, at least temporarily until -- until we have the staffing available to do that.

A quick budget update, so State agencies, including PEBP were required to submit agency request budgets by the end of August. At the request of the Board, PEBP did submit two budgets that which one of them included the reinstatement of all benefits to pre-pandemic levels. Agencies began presenting their respective budgets to the Governor's Finance Office during the September/October months. This allows the GFO staff to ask questions in preparation for the agency request for how the agency request will eventually become a part of the Governor's recommended budget released in mid-January.

And I do want to add just a little bit to this because I know there's been some confusion by public comment. I've heard it in public comment. I've also heard it from Board Members. So PEBP does submit budgets, and we have submitted our budget, in this case two budgets. But that is -- we don't present it again. We do not present it to the Board or in any kind of public setting because then it becomes part of the Governor's recommended budget, right.

So then the Governor and the Governor's staff make whatever changes that they deem are necessary to that budget, and it makes it into the overall Governor's recommended budget, which is then presented publicly because this is all confidential until it is presented publicly in

the middle of January.

At that point it is handed off to the legislature and the legislature gets to review those budgets. And eventually some time, usually it's around April or May the PEBP budget is heard. And at that point legislators have the flexibility to make changes to the budget that was submitted. So there's a whole lot of steps in that. And in every step of the way there is an option to potentially, you know, or changes that can be made.

So speaking of the legislature, the 2023 Legislative Session is scheduled to begin on February 26th, 2023. PEBP has already started to track bill draft request or BDR's as they get posted. To date, 90 of the 446 posted, I think there's a little bit more now, have been identified as bills impacting health care or issues that may have an impact on the agency in general.

So right now there's -- there's not a whole lot of language that is released. The BDR will say something like changes to health care or this bill -- this BDR makes changes to health insurance, right. So we don't know anything more than that. So that's what we're tracking at this time.

Once that language comes out, I hope that the 90 people that we're tracking will start to dwindle. However,

we do anticipate a large volume of health care related bills and we expect to be very busy this legislative session, not just health care related bills.

But, you know, obviously we've got -- we've got a large or a very significant challenge with staffing. And so I think that compensation of benefits are going to be, you know, under the microscope, and so I think we're going to have a whole lot to do in that space as well.

So as we have done previously, monthly Board meetings will be scheduled between February and May of 2023 to provide the Board with an opportunity to discuss and weigh in on any proposed legislation.

Another thing we've been working on is office relocation. Throughout the last several years there's been some talk about PEBP possibly moving out of the Bryan Building to provide the much needed space for Department of Conservation and Natural Resources which is DCNR. But recently, the Division of Emergency Management, DEM, indicated that they needed to demand their space in order to meet their own federal requirements.

DEM shares a space with Division of Forestry. So in order to DEM to expand, NDF has to move. It makes no sense for NDF to take the space here in the Bryan Building because they belong to DCNR. It allows them to have all of

the divisions housed in the same place.

So as we've been working through this, it was discussed that, you know, that PEBP would be willing to move. You know, these discussions have included the Governor's Office as well. So we've been looking for new office space, which has been actually more challenging than I expected, especially in Carson City. So that will accommodate the agency's needs.

But the timing of this is highly contingent on necessary IT equipment, which unfortunately is on backorder. We think we're going to be able to get this in time for a February move but that is still all up in the air. I would personally appreciate moving either before February or after July because that is when PEBP is most busy, right, and we also have the legislative session and things like that. So if we can make it happen before February, that would probably be the best. If not, we probably have to push it out until July.

So that's just to avoid any disruptions and -- and allow us to be ready for open enrollment and get through open enrollment and through this -- through the legislative session.

A couple of things that I wanted to add that are not on this report, I've got a few of them. So I talked a

little bit about the compliance already. We are in the process of doing that compliance review. We addressed it at, I can't remember if it was the last Board meeting or the meeting before that, but it did come up. We are presenting this in two different buckets because we have gone down that road of doing that deep dive of just going through the MPD's and how we're paying our -- our claims and things like that and what makes sense.

Some of these equity type scenarios we heard about, the hormone therapy and things like that, you know, what are we doing that is nonstandard. What do we have that's outdated, right. The, potentially the 1,500 dollar dental max may be too low. So these are all things that we are considering and will be part of that -- that overall recommendation that's brought to you in January. We expect -- actually, it would be the November Board meeting but that's been pushed out to December 5th.

So at the December Board meeting, we'll have the, what the Board is used to seeing, that compliance portion of whether we're in compliance with federal and state regulations, so that should be presented in December.

Additionally, I wanted to bring up the patient protection commission cost from benchmark project. We are still working with the PPC on that. And I just wanted to

make the Board aware that these discussions are happening. And there is -- there's lots of potential involvement in the future with PEBP as a result of this. So I would encourage Board Members to begin to watch these board meetings or commission meetings or, but in the future I will be providing updates on that.

Additionally, I just want to provide a quick update that PEBP has been offering the flu shot clinics again. We did put on a flu shot clinic here in Carson City and also in Las Vegas on September 19th. We have a follow-up in Carson on October 13th and a follow-up in Las Vegas on October 10th. We're also working with the University of Nevada Reno to potentially schedule something on campus there as well.

The great thing about these flu shot clinics this year is that not only are we offering flu shots but we're also offering COVID vaccines and then also shingles vaccines as well for those who qualify. So I'm super happy about that. And, you know, we are getting -- we're getting a lot of participation in that.

So with that, I'll take any questions.

CHAIRWOMAN FREED: Questions, anybody? Mr. Verducci?

MEMBER VERDUCCI: Yes, Tom Verducci for the

record. And thank you so much for the report, Officer Rich. I appreciate all of the information. And I just -- I just had two items that I wanted to bring up. I noticed that we have two budgets that have been submitted, and then they have to go through the GFO and the legislature. And my question is how does it impact Item 10 here on the agenda in terms of plan design changes? Have we already submitted plan design changes that are in the form of a budget and now we're waiting for them to be approved, denied or altered?

I kind of just see what the difference is between what we're going to be voting on on Item 10 and what has already been submitted. That was my first question.

MS. RICH: Okay. So Laura Rich for the record. So what was submitted was or let me back up. The direction by the Governor's Finance Office was for State agencies to submit flat budgets. So that means whatever their budget cap was last biennium would be somewhere this biennium, right. PEBP got an exception to that. PEBP was able to submit a budget that where we could increase the actual dollar budget based on what the current benefit levels are to maintain.

So that budget that we submitted is based on keeping everything the same and not adding any additional costs. So that is -- that was the direction of the GFO. Now the Board also asked PEBP staff to submit an additional

budget request that enhanced, that provided the restoration of all of the benefits that were cut during the pandemic. So we did that as well.

We won't know if we are going to -- if PEBP is going to get any additional funding to fund any -- any kind of program. We won't know that until -- until the Governor's recommended budget is released in January. So there's going to be -- I can -- I can tell you right now there's going to be a whole lot of discussion. There's already a working group that has been formed to address compensation and benefits.

And so there's a potential that, you know, there could be money allocated to PEBP, but at this point that's not what we're working with. We are working under the direction that we're keeping benefits the same or at least the funding is -- the funding that we're using is to keep benefits the same. We're not using any new funding to increase benefits or to add additional products or services.

MEMBER VERDUCCI: Just as a follow-up, since this budget has already been submitted, two of them, does this require another action on behalf of the Board on action Item Number 10, Agenda Item Number 10? I'm trying to figure out if we are --

MS. RICH: No. So Laura Rich for the record.

No. At this point, Agenda Item Number 10 is talking about the -- where, you know, what kind of things we can do with what we have today, right. So this is not adding any new money. It is working with the current budget we have today under the -- the -- we do have some excess so we'll talk about that during that agenda item. So we do have some excess. So we do have some money to spend. It's not very much, but that is still working within the budget that we have in the budget guidelines that we were given by the Governor's Finance Office.

MEMBER VERDUCCI: Thank you so much for the clarification. The second part of my question is I'm curious how the patient protection commission discussion that we had really affects PEBP. Kind of -- how does that actually affect PEBP? I'm trying to put the two together.

MS. RICH: So Laura Rich for the record. So in the cost growth benchmark project, basically we've got Medicaid who is submitting their claims data and PEBP. And so we're all submitting claims data to -- to present and for the commission to discuss and potentially look at ways to -- the goal here is to -- it's to slow or curb the cost of health care, right. So health care is increasing, the cost of health care is increasing dramatically. And so they are looking at ways to decrease the cost of health care. Without

data, it's difficult to be able to do that.

And so you have got Medicaid and PEBP as State agencies. We're providing that data because you've got the, you know, the commercial market who isn't required to provide that data. And so PEBP is being used as a proxy to the commercial market. There's potentially some -- some recommendations and decisions that could be made, you know, to use PEBP as a, and this would probably, you know, end up at the legislature. You know, the Governor, the legislature would likely be weighing in on these types of suggestions. You know, if there's any kind of changes that can be made as, you know, maybe a pilot program to see if there's ideas that can -- that can impact the growth of -- of health care costs, right, you know, to slow them.

And so sometimes what comes out of these types of projects and analysis is ways to use State agencies as a, you know, as a test, right. You know, how do we pilot this to see if it works? So that's just something that potentially could come out of it. But right now it's really just, it's presenting data and looking at that data to see if there's -- you know, what -- what areas in the state are impacted by these costs and -- and where can we focus our efforts as a state, not just PEBP but a state to lower the cost of health care.

MEMBER VERDUCCI: Thank you so much. And I see another hand up. I want to throw out one more question real quick. Where are you guys looking at moving to? I mean, it makes sense with Conservation moving into the Bryan Building. But has there been a location determined at this point?

MS. RICH: Laura Rich for the record. There is no location determined. We do have it narrowed to we think to one location. It is in Carson City, but there's nothing concrete or in place yet. We're still working on that, and we hope to have something -- we're working really hard to get this -- to get it wrapped up because we want to make sure that if we're gonna move, we move before February.

MEMBER VERDUCCI: Well, thank you for all you do. It's much appreciated.

CHAIRWOMAN FREED: Member Kelley, you had a question.

MEMBER KELLEY: Thank you, Chair Freed.

I just wanted to find out more about the benefit and compensation working group that Ms. Rich mentioned. I wanted to understand kind of what level that working group is that and who's on it, if the PEBP Board is on it, if you can share more about that organization and how I guess we can influence that.

MS. RICH: Laura Rich for the record. This is

really just something the Governor's Office is looking to get information and data from different agencies within the State, you know, just so that they can better make -- make better decisions, you know, in, as they formulate that Governor's recommended budget.

So there's not a whole lot I can share right now on it other than, you know, that we know that the Governor's Office, this is high on the priority list of the Governor's Office. They are looking to get as much information as possible, and this is something they are very very concerned about.

CHAIRWOMAN FREED: Board Members, other questions? Okay.

Thank you by the way, Laura, for clarifying that you haven't settled on a place to move to because I was going to ask if the fiscal impact is going to merit a IFC level work program since the square foot -- you know, it's a buck square foot for B and G rent but it's two something for commercial rent. So a question on the budget, has PEBP had its budget conference with Governor's Finance Office yet?

MS. RICH: Laura Rich for the record. No. And the reason we have not and we actually had to clarify is because normally you put together a formal presentation and you present it to the Governor's Office.

CHAIRWOMAN FREED: Right.

MS. RICH: Because of, you know, where we are and -- and the focus on paying benefits. I think we're last and it is -- it's not really a formal presentation. It's more of a discussion.

CHAIRWOMAN FREED: Yeah.

MS. RICH: So, yes, we have not gotten to that point.

CHAIRWOMAN FREED: Okay. I'm going to be interested to see how everyone in that conference reacts to the budget with the subsidies like the so-called flat budget with the subsidies being allowed to grow as opposed to the second budget where the Board restores the plan design to narrow very nearly what it was pre-pandemic and what the reaction is. So thank you for that. I think that's the only question I had.

And so with that, this is an info item so we can move on to the next item, which is an action item if everybody is okay with that.

It looks like, yes, so let's go to Agenda Item 10, discussion and possible direction from the Board to staff on potential program design changes for plan year '24.

MS. RICH: So Laura Rich for the record. Repeating myself again but it's the PEBP's final FY24-25

budget will remain unknown until it is approved by the legislature in the spring of 2023. We've submitted our budget based on the Governor's Office directives and we built -- it was built to fund the program at current benefit levels for the biennium. The second budget at the direction of the Board was built to fund the program at pre-pandemic levels.

So I just want go make clear, since PEBP is already using our access that we -- we got as a result of the -- of the claims suppression during the pandemic, we're using that cash to restore many of the benefits that were cut as a result of the pandemic. So most of those benefits are already restored, with the exception of maybe life insurance and long-term disability insurance. So but the benefit portions themselves, the health insurance benefit portions have been largely restored.

As shown in the table below, because we were very -- we were very interested to see -- well, I'm sorry, I'm getting ahead of myself here. So as shown in the table below, PEBP is starting off the current fiscal year with a beginning differential cash or excess cash balance of $33,000,000. But after we factored in all of what has already been earmarked, right, so that is -- that plan design spend-down, the restoration of those -- those benefits and

then the premium buy-down, if you recall during the last budget cycle we -- we used a little bit of excess to bring down some of those -- the premiums in the second year of the biennium and then additionally the Medicare HRA and things like that.

So after all -- all of that that has been earmarked is removed from that $33,000,000, we're left with about 9.5 million dollars in excess cash. That can be allocated towards new benefits and other enhancements. It's not a lot. Nine and a half million in a billion dollar budget is not really all that much.

So not all benefit enhancements will require the use of funds. Some of them -- well, most benefit enhancements come with a cost. So you're adding -- you're adding a benefit of some sort, whether it's a product or service or you're increasing or decreasing deductibles or something like that.

There are some things that we can introduce that are cost neutral or even result in overall net savings. So for example, the implementation of a chronic disease for weight loss program may result in an overall reduction in claims or reduce increases in claims. So the -- the ROI or return on investment though is sometimes hard to prove. And if we do miss it, it could require PEBP to dip into

catastrophic reserves to make up for those budgetary differences.

So we thought that this was something that was necessary, not just for this discussion but moving forward in terms of, you know, in the legislature and as we start these discussions, you know, with the Governor's Office and things like that.

So obviously we've had -- we've been plagued by staffing shortages, not just PEBP, but every other State agency. And it's been our idea that the State is not competitive in wages or benefits when compared to the private sector and other public employers in Nevada.

So as a result, we thought it was important to understand how we compare, how did PEBP benefits compare so that we can look to see, you know, we are -- where should we improve. You know, what are other public employers offering that we're not and what do they do that PEBP does not?

So we did our best to -- its very difficult. I'm just going to say that right now. It's very difficult to compare apples to apples, but we did our best to put together a side by side comparison here of the different plans. We looked at Washoe County. Unfortunately, Clark County does not make employee benefits publicly available. We've asked for that data. We have not received it.

There's a -- Chair Freed pointed out that there is an error here. It does not -- in that charter it does not, it's missing the word not. We also compared the City of Sparks. City of Las Vegas, we have 2019 data so it's a little bit antiquated. We've asked for new information on that.

Clark County School District, Lyon County School District and Carson City School District, basically what you can see from this -- and let me just add. There's one glaring -- one that's missing which is City of Reno. The reason that was not included is because City of Reno has a handful of collective bargaining agreements and everybody gets -- from my understanding, everybody gets different benefits, and so it was difficult to -- to use that as a comparison.

So by looking at these, you can see that PEBP is actually not that -- I mean we're pretty competitive, right. We're pretty competitive. We have just chosen -- the State has chosen to focus its efforts to not just the employee but the family and also the retiree. Whereas a lot of other cities, counties, you know, public employers, they focus on, if you look at this chart on attachment A, they focus on the employees.

So you can see that most of these employees, the

active, you know, the employee is, they have zero dollar premiums. But once you get into adding family members, it becomes very expensive because they don't subsidize the families quite as highly as they would, you know, the employee. Whereas, the State would kind of spread out that cost, right. We don't give an employee a zero dollar premium, but we do provide pretty decent subsidies for -- for families.

The other thing we do too that differentiates us from those other public employers in the State is the way that we treat retirees. So retirees that retire from the State of Nevada do get a -- they get pretty good benefits when compared to other employers, right. So they get a premium subsidy. So they are -- their overall premium is to start with lower. And then they get a year of service subsidy as well. So they can -- based on however long they work they can reduce that.

Other employers throughout the state do not provide that. They either provide a very small user service subsidy or like for example, City of Sparks, it depends on collective bargaining agreement. They use -- they can use their sick leave to be converted into a subsidy. But once that sick leave is depleted, then those premiums, you know, go back up again.

So, you know, I thought this was interesting because we are actually pretty competitive in the grand scheme of things. It just depends on how you want to look at, you know, do we want to focus on family or do we want to focus on the employee or do we want to focus on actives versus retirees. The State does a pretty good job spreading it out. Whereas, a lot of these other public employers do not. They focus on their active employees.

So with that, on the initiatives, earlier this year, PEBP staff, several Board Members and vendors met in a day-long planning session. Thank you to the Board Members that -- that participated in that. Each partner provided valuable input on plan performance and possible solutions that may be beneficial to plan performance.

So basically what we're proposing here is a series of programs that either come with a cost or can be pitched as a potential cost neutral situation. This is not an all inclusive list. This is staff coming to the Board saying, hey, this is what we've come up with. These are things that I think warrant some additional analysis to bring back at the December 5th meeting. But if there's anything else that the Board would like to add to this list, we are certainly willing to, you know, to add to this.

If there's something that is on this list that

the Board has no appetite in pursuing, then this is the time to discuss it because there's no point in doing the analysis. This is something that there's, you know, no appetite for. So the list here starts out with Real Appeal. I'm just going to go over just high level, some of these things that we're proposing to bring to the Board in December.

Real Appeal is a weight loss program. You're going to hear a lot about these. This is new. This is coming out, a lot of virtual programs. Especially after the pandemic, people are a lot more receptive to virtual solutions. So there's no member per month fees. These are just paid through claims. It's a small, I think it's a 49 dollar claim for every member that is participating in this per month, and it's just a claim.

And -- and really it's -- it's a program that kind of gives those people that meet the requirements of this program may get all kinds of cool little gadgets and a scale and things like that and there's some monthly encouragement to reach their weight loss goals.

Why this is important, obesity is associated with most chronic conditions, including diabetes and hypertension and heart disease. So launching an option that assists with weight loss and weight management may help reduce costs in other areas.

Hinge Health, so this is a virtual musculoskeletal, I cannot say that word so I'm going to say MSK clinic and therapy program to address chronic knee, back, neck, hip and shoulder pain. I have heard through other states, other, you know, cities and basically other programs who are offering this lots and lots of good feedback.

This is something that, you know, there's a lot of members. MSK is a high cost -- high cost claims in the program, right. So this is one of the highest costs in the PEBP program and really, you know, nationally.

It does come with a PMPM cost. That PMPM cost, I would say there's a good chance that we can argue that would end up being cost neutral. It does replace in person or it can replace in person physical therapy, and you'll probably be hearing me talk about access issues here. You know, I believe we already talked about them, but you'll hear me talk about them more, you know, based on what is happening at PEBP.

But it's hard -- it's hard to get into physical therapists right now. So if there is a virtual option that is, you know, that's been -- members seem to be -- members that are using for other programs are very very happy with. There seems to be a lot of very positive feedback about this program.

This is something that, you know, we can probably -- we can look at it and do the analysis, but I have a feeling it will come back as a cost neutral type situation. It would provide greater access but also it can help reduce overall MSK related claims cost.

Cancer Concierge, so this is really a concierge service that assists the member basically to navigate a critical and stressful situation. The program assists patients by making medical appointments, coordinated care among all the different providers, providing coaching and assisting with the billing and claims submissions.

Generally, when someone is undergoing cancer care, there's a lot going on in their life, right. It gets not only on the medical side but on just billing and the finances and keeping track of everything is a -- it's a lot of work. And cancer is the number one cost driver in the program. So patients that are diagnosed with cancer just often do have very complicated medical situation and complex billing scenarios. This is probably not going to be a cost neutral situation. This is going to come with a PMPM cost, but I wanted to bring it up.

And I hope -- I'm going to bring up an example. Many of you remember our former Board Member Jet who passed away from cancer. I remember when she went into hospice. I

called her and I asked her, you know, if there was anything I can do for her. Her request of me was to help her partner navigate through all her bills after she was gone. And to me that was just, no one should have to say that as they're preparing for death, you know. And so, you know, this is -- if we go down this path, it's a service that we're going to offer people that are going through complex situations that need that assistance and it's the empathy and, you know, and just the hand pooling that they need through this already difficult process.

So, you know, I just think it's something we should consider and something I think would be helpful to the patients or the members on our program who are faced with these situations.

The next one is medical travel. These programs provide access to a network of specialists for generally high cost surgical procedures. So we already kind of do this anyway. We do this where we've got hip and knee surgeries for example, right. We -- we have reference based pricing for hip and knee surgery. So we basically say these are the facilities where you need to have your hip and knee surgery performed. If you don't have it performed, we are only going to pay -- if you don't have it performed in any of these facilities, we're only going to pay what we would have paid

that facility.

And the reason we do that is for example, if you have a hip and knee -- hip or knee replacement in Elko, the plan can pay upwards of $100,000. Whereas, that same procedure in Reno would be 20,000, right. And so what we do is we pay for the travel for that member and -- and a companion to come and have their -- their procedures done at a high quality low cost facility.

This just expands on this. The medical travel expands on this and it really just produces lower cost -- lower cost and improved outcomes. This also would come with a PMPM cost. An analysis would be necessary to see if that is something that would be, eventually would be cost neutral or would come at a cost.

Premium credits, that's another way. We've got nine and a half million dollars. We could utilize that cash to provide premium credits. Premium credits provide immediate financial impacts to members. So it is a -- it's a way to spend down those reserves.

Also Doctor on Demand. You've heard mental health is, it's a problem. We've got mental health shortages all over the nation. But definitely the North and more so even in the rurals we have a major shortage of behavioral health providers, and so people do not have access.

And, I mean, I'll give you an example. In early July, I had a hospital -- actually it was a provider in Northern Nevada who reached out to me, multiple providers reached out to me with the same scenario say, hey, look, we have 100 people that we service and we are out-of-network in this new network that you guys have. What do you want us to do?

And so the first thing I had to do was call our network and say, hey, you have to -- you have to contract with this -- with this provider because there is no way we've got 100 people on PEBP that they service and they cannot -- they don't have anywhere to go. You know, there's waiting lists months and months long. And if you need a psychiatrist, that's even -- that's upwards of a year.

So there's -- there's already a drastic shortage in behavioral health providers. And we have the Doctor on Demand option where there is a -- it's not just your typical kind of urgent care type service that you would use Doctor on Demand, but there's also the behavioral health component too.

There's not a whole lot of utilization in that behavioral health and so potentially we can work to incentivize that so that people can start using this type of service for their behavioral health needs. So that's an idea as well.

And then the last one is elimination of the EPO plan. So the EPO plan was developed to replace the fully insured HMO plan previously offered by Hometown Health in the North. And it was intended to mirror the fully insured HMO plan offered by HPN in the South. The problem with this plan is that it is not just administratively burdensome for the staff but very burdensome on the members as well because what's happening is you've got -- it's a regional plan, right. And so there are no out-of-network benefits. You must remain in network and seek services in network.

So members on the EPO plan, typically you would choose an EPO because it's -- because it's got the actuarial value is higher, right. So you're getting more -- more benefits, right, so richer benefits through the EPO. Now those premiums are also more costly as well.

So typically you get those people who utilize health care. So they are the ones who are going to the doctor. They are the ones who are probably seeking services because they have got conditions that require those higher cost services.

So we already have a safer population on this plan. Members likely are seeking services that are not available in Northern Nevada. We -- again, we have a very significant shortage of providers in Northern Nevada and

typically if you've got specialized care, you have to seek services outside of Northern Nevada.

So what's happening here is that any time that any member on this plan has to seek a service outside of the -- outside of the network, it becomes an exception. It becomes a, you know, we've got to get this approved. We have to look at, you know, are there any other providers? It's an administrative burden on staff, not just internally at PEBP but also for vendors. It's their manual. And then also, it is a pain. It's a pain for members as well.

The other problem is members don't necessarily recognize that this is a regional plan and that there are no out-of-network benefits. So you have a member who signs up for the EPO and they don't realize that their college age kid who is out of state somewhere going to college who they cover on their plan does not have access to health care outside of urgent and emergent type situations. And so those dependents are outside of the state don't get to seek care. And by the time they realize this, you know, they are three or four months into the plan, right, and so it becomes problematic.

And so really it's something that we may want to consider moving forward just because of the scenarios, the access scenarios in the North versus the South. Although, I do fully, you know, recognize the fact that the Northern

members would have one less option when compared to those members in the South.

So with that, PEBP recommends that Board pick the research of some or all of the above proposed plan year '24 initiatives as well as any others that are not listed in this report. So I'll open it up for discussion.

CHAIRWOMAN FREED: Okay. Thank you for that. Okay. I've got lots of people jumping in, raising their hand. But Michelle had her hand up for quite a while. So I'll let you go first.

MEMBER KELLEY: Thank you. I'm not sure if it's really good to go first, but I put my hand up as soon as I had my first question. So I do have a few questions. So I appreciate your patience with me.

So the first question is, I guess probably all of the questions are for Ms. Rich, but I wanted to -- I've been reviewing attachment A, so the comparison of PEBP to kind of our city and county counterparts in public employment. And the first thing, you know, I think -- honestly, I think I pay a lot of attention to this because it is publicly available and it is a summary of our benefits, and so I think it needs to be correct, including the PEBP staff.

So my question is around the retirees subsidy line initially that you have got here. You indicated PEBP

pays the premium subsidy for employee and family to use and to use it through the subsidy. And I just wanted to ask you about that because it's my understanding that PEBP no longer subsidizes any retiree health insurance for new employees and, in fact, any new employee hired on or after July 1st of 2012.

So when I reviewed this, I think it's not correct because for the last ten years we've not been providing a subsidy. So, yes, we do have a grandfather population, and I understand that. But anyone new coming in, we're not budgeting or providing any cost savings for them as far as their retiree health insurance. And I see that, you know, City of Las Vegas, Clark County schools, there's no subsidy listed for any of them. And so I think that, you know, you need to go into detail here for PEBP because I'm guessing that some of these employees in these groups may have access to an old subsidy as well. I don't know that, but I certainly don't agree that PEBP or State of Nevada employees have an option for retiree health insurance anymore. So that's my first comment on that particular sheet.

And I look forward -- I wonder if we should also be looking at our neighboring state, city, I'm sorry, neighboring state employees such as Utah, Arizona because they probably fall within our attachment area as well and

they are larger employees -- employers. I've got no idea what their benefits look like, but I think it would be interesting to see if that was possible. So that's my first question.

My second question is this list of services or programs that you put together is really interesting, and I appreciate you putting together this. But I do wonder how as a committee do we -- how can we measure their effectiveness, like not just from a budgeting perspective. You know, that's obviously really important but also from a participant uptake and reviews I guess. You know, I do not buy one thing anymore that I have not read extensive reviews on, kind of understand the trends of the service. What do people think of the service.

And I know we already have some services that I think some of us scratch our head and wonder why they are not more broadly used by our population. And so as we look at adding new programs, it would be really good to understand how can as a Board Member I go out and actually see what participants think of these services and, you know, how they review them, as well as the budgeting impacts. Because why -- if something is poorly reviewed and people don't really like it who are already using it, why would we add it is my thought there.

Third question, and specifically looking at Cancer Concierge, that's the one that actually sparked this question for me. How would the Cancer Concierge service interact with the pre-approval processes that we already have in the plan right. Because it's my understanding those pre-approval processes provide a nurse and also that outreaches people to make sure that they are kind of taking the services and they're getting their medication and they're taking it. So how would a program like Cancer Concierge intertwine with that?

And are we -- is there a concern that we're raising that we're making it more complicated for our participants I guess when the intended course is to make it, streamline it, make it easier, provide them more services. So are we just adding more and more bureaucracies that these things are just too hard to find or to use.

And just a comment on the Medical Travel piece. You know, I've heard there's lots of savings around Medical Travel, potential savings, not to mention just better service. My concern with expanding this and potentially offering it for more conditions is that there are some conditions where people need to be -- there's some reasons why people need to be in their own city to have things done. If you are a paraplegic or family member, maybe you need the

support of your children while you're recuperating that this program maybe allows for one person to go with you and, you know, see you through services.

So I have concerns about kind of broadening that until we can understand the impact it will have on a person's recuperation because a lot of people need a lot of support, you know, especially for these more serious medical conditions.

And with that, I appreciate your patience, Chair Freed. I will cede the floor.

CHAIRWOMAN FREED: Okay. Are those questions like to have the staff address to the extent they can now or are those research questions to bring back answers to when --

MEMBER KELLEY: I think if they have the answers to those questions now, that would be great. But, and if they need to research them, if they can just indicate that they will bring it back to us in December maybe.

CHAIRWOMAN FREED: Okay. Laura?

MS. RICH: Okay. So I'm going to start. I know you have four of them. I don't know if I can remember all of them. I'm going to try. You are correct. I will -- I will update that table. Just to the, after 2010, this is no longer a benefit. So I will -- I will definitely update that.

The second one you had asked how do we get feedback? You know, unfortunately the way we gauge feedback is on the negative, right. If you hear a whole lot of ways about how someone just doesn't like something, and typically people don't -- they don't provide feedback when they like something. They only provide feedback when they don't like something, and so that has been really how we've gauged, you know, the satisfaction in the past.

Another thing we've done is put out surveys, right. So we have attempted to put out -- we haven't done it recently just because of, you know, the complexity of the pandemic and all of these, you know, different -- you know, different vendor changes and things like that. So we haven't put out a survey out recently, but that's something that we can do is say, you know, have you used Doctor on Demand? Is it something you like? So it's definitely an option we can put together, something moving forward to see if, you know, how people feel about certain things.

My thought is that a lot of people just don't know about it. They don't know about some of these options. And as much as we have tried to push it in different ways, we've tried to communicate it in our newsletters. We've done mailings. We've done -- you know, there's different ways. There's still people that just don't, either don't read. You

know, they see something that comes from PEBP and they throw it away, right.

And so there's -- there's definitely some issues there, you know, with the communication. And if anyone can solve that problem, I would thank them forever and ever because it's definitely something we struggle with internally at PEBP is that communication and getting people to read and getting people to understand what is offered through the PEBP program.

The last --

MEMBER KELLEY: Can I interject, Laura?

MS. RICH: Sure.

MEMBER KELLEY: I'm sorry, I just want to clarify. So I appreciate that about the service we already have in the plan. But what about before we go out? Do you reference check? Do you go out to other organizations that offer these benefits and kind of ask the executive officers of those plans, hey, how is this working? What is the uptake? Can we do some of that pre-work at least on the per member per month cost program? Have you already done that? You know, will you do that? How do we at least before we add them to the plan.

MS. RICH: So specifically on Hinge Health, yes. I've spoken to the State of Alaska who has been using them.

And the State of Alaska has a lot of the same problems that we have in terms of access, right. So, yes, this is -- this is where I'm getting not just from the State of Alaska but also I've gone to conferences as well where there's, you know, a lot of people out there who are attesting that, hey, there's -- you know, our people, our members are very very happy with X service or Y service, right.

And so we do -- before I'm bringing this to the Board, there is a level of research that we've already done. Now, again, you know, if there's no appetite in this, we didn't want to go down the road of doing all of the analysis and all that, which is why we're bringing it today to the Board because we don't want to do a lot of that work, you know, for something that there's no appetite for.

But, yes, for Hinge Health specifically, we have -- we have looked at that. I have not looked at the Cancer Concierge or Medical Travel. Real Appeal is already used -- members on the HMO already have that so this would actually be adding it to our other plans as well.

And then the last question I think you had was, and I'm going to have to call on some of our vendor partners for this, either Richard Ward or Nathan and Rhonda from UMR on that last question about how does Cancer Concierge work with and integrate with the TPA and UMCM and all of those

different components of the plan.

MR. WARD: I'm not sure if I should go first.

MS. RICH: Go for it, Richard.

MR. WARD: All right. So generally from a, speaking from an industry, a general industry perspective, these programs or point solutions provide services in addition to more broader services than what the carriers or the TPA provided programs provide.

So in particular with Cancer Concierge, it would be, Laura was mentioning assistance with billing. And from a true concierge perspective, assisting with other personal needs or some of them do personal care needs. So you may need help keeping your house clean or other -- other personal -- other personal needs. I know I keep using that term. But that's a common additional component compared to programs that are provided by the carriers or the TPA that are more medical care focused.

CHAIRWOMAN FREED: This is Laura Freed. So relating this back to our late colleague, Jet, she had complicated or what do they call it, large case management, through our vendor who does that, and this would be broader than just medical RX care coordination that we already have a contract for.

MR. WARD: Correct. There's a range on how these

programs are structured. Some are more focused on the care coordination and come with a center of excellence component to their program. Others focus on coordinating care locally and then others add to it, the more personal -- personal needs.

CHAIRWOMAN FREED: Okay, thank you very much. I see -- boy, this caused people to put up their hands and I've been trying patiently to put in order. Ms. McClendon was next in line to propose a question on Cancer Concierge or something else but please go ahead.

MEMBER MCCLENDON: I just wanted to see if we could -- I was looking at the Travel options and I was thinking about how many states are now making abortion fully illegal. So if we have people on our plan who live in other states, is there a way we can look into the cost of covering transportation for them to get to a state where they can get a medically necessary abortion. Is that possible?

MS. RICH: That is certainly possible. We do have dependents who potentially reside in some of these states where abortion care is not -- not available, and so they would have to travel elsewhere. For example, you've got, probably there are -- we have members that have children who are going to college in Utah where it is -- you know, that is not something that would be available to them. They

would have to travel outside the state. It's something that we can look into for sure and can add to this analysis as well.

MEMBER MCCLENDON: Thank you.

CHAIRWOMAN FREED: Okay. I think Member Aiello was next.

MEMBER AIELLO: I have a few questions. But in regards to Cancer Concierge, I thought I would jump in a little bit. Right now I'm dealing with a sister-in-law that has lung cancer and potential colon cancer. And her -- she was going through chemo with an oncologist. And they said she needs to get a GI and they sent a referral. And the company said, well, we can see you in three months. And it's like, no, no, this person has stage four cancer and may be dying. And they're like, well, you can call us every single day to see if there's a cancellation.

And her GI sent another referral or her oncologist and it still didn't work, but her staff won't sit there and try to make all of the appointments for you, so there's another GI group in town. Somehow after waiting already six weeks, we finally got into that and then that found something and there was supposed to be a follow-up through them that was having problems getting scheduled. So then there was an ER visit with C. Diff, and so then that

stopped something else.

So then there was a referral to a regular surgeon that probably didn't need to be met because people were not, the docs, even though they send reports back and forth, they weren't getting to read exactly what the other guy needed to do. And so I just have to tell you that someone that would help make appointments and the same coordinating care on multiple providers, there's even a prep for colonoscopy that then the colonoscopy got called off because of the C. Diff that hadn't gotten noted even though we called them and let them know.

I mean, it's been a nightmare and to have somebody, even though there is case management on her insurance plan, it really isn't to that level. So just bringing that up from something I'm currently going through with someone, I could see where that could be a lifesaver for this person and even the stuff I'm doing.

So just on this side, I wanted to bring up some of the same things. My history having worked in insurance programs are there were many plans that vendors and folks have brought to us that said this is what's being done and it's going to save you all this money and do better care and we would implement the programs and nothing would happen.

You know, you wouldn't save money or nobody would

take it up. And so the same thing, if we could find actual entities instead of the people that provide the programs but entities like Alaska or whatever when you're doing the research that are saying, yes, people like this. They will take it up. This is the way to communicate it. This is the way to outreach so that there's a little bit more than just starting the program.

So that was similar to Michelle Kelley, Member Kelley's comment that I think that we need data on the success of these programs and what made it successful, if there's a state that has made it successful because that may be the key, the what.

And then another comment I had was in our comparisons. One of the big griefs I've had, just worry is the elimination of the long-term disability that we had to use since we don't have people on social security so they can't get social security, disability and our life insurance. And I know that you guys did a comparison of the medical, but I don't see that, and I think it would be good to see that.

And if they don't have long-term disability, are the entities, because I do know some public employees do get social security so they can get social security disability also. So is there access to disability? Because that for me might make a difference, not just the health insurance plan

but a couple of the other benefits in choosing if I had multiple offers from different public employers.

And then I have one more comment. So I don't really need anyone to answer back. They are just comments I want to put on record I guess. And from what we've heard in public comment, and it sounds like the public that's at least interacting with us are not really supportive of the elimination or the EPO. And if one of the biggest issues with it is no coverage on out of area network, maybe we can make that more obvious before someone chooses it, like a big red, if you choose this, these are the benefits but no out-of-network coverage or something. Just a thought because we had a lot of public comment on it and that's my comments on what we've heard though.

I tend to think all of these things sound really good. I just hope they really are.

CHAIRWOMAN FREED: Okay, thank you.

I want to note on the LTD that executive branch employees enrolled in PEBP get disability from PERS. So the LTD elimination mostly affects NSHE professional employees. We had discussed that when we were talking about reducing the budget in advance of the '21 session and this came up. The legislature posed this question to PEBP staff during the '21 session and wanted to know how many people that would be. So

it turns out to be NSHE basically.

So with that, I'll go to Vice Chair Barnes.

MEMBER BARNES: Yes, thank you. I have a question for Laura Rich, please. And I just wanted to clarify that, am I correct that the State is not providing retiree health care benefits for post 2011 hires?

MS. RICH: Yes, that is correct. So after post 2012, that is completely eliminated.

MEMBER BARNES: Okay, thank you. I just wanted to be sure I was right about that. Thank you.

CHAIRWOMAN FREED: All right. With that, I'll go to Member Woodward.

MS. RICH: It looks like you're on mute.

MEMBER WOODWARD: I'm so sorry. Gosh, I'm having a day or week. I wanted to just give a comment regarding the Cancer Concierge from a personal experience. Obviously, I've not had the Cancer Concierge itself through any of our current stuff. But in the past, I was -- I took advantage of that through some of our previous coverage, and it made a huge difference when -- when my case was of advance cancer, breast cancer was dropped by my provider. It kind of fell through the cracks. And I ended up outside, technically outside of the chemotherapy window. Of course, I was pretty livid about that, and I contacted my provider.

And through -- through the provider that the nurse provider through our previous coverage that we had, was able to get me in really quickly with another oncologist in town and kind of facilitate a lot of that stuff, and there were a lot of things that that person was able to do for me. So that means a lot to somebody going through that cancer experience, the treatment and everything that is included in that. It takes some of that stress off.

And, you know, I can sympathize or empathize I guess with Laura, your conversation with the previous Board Member who went through that because it's a huge difference in having somebody even on your side. I did not need to take advantage of some of the things that they could do, but I could for important things like getting in for a needed procedure or a test or, you know, getting in with a doctor's office. So it was very helpful, and I just want to put that out there from my experience that that's a great thing to have.

CHAIRWOMAN FREED: Thank you.

Member Bittleston.

MEMBER BITTLESTON: Thank you, Madame Chair. Just a few comments. I do want to thank Laura Rich and her staff for the background research that they have already done in presenting this information to us.

I am a long-time State employee, and I started at the time where health benefits to the employee was zero. So I do remember that and that was one of the reasons to come from the State. I had just left the army at the time and so, you know, military benefits are free. And, anyway, so I just kind of wanted to say that I think that for members looking at lowering the cost of any premiums will always be great.

Secondly, I want to talk about the Cancer Concierge. I don't even know if I said that right. I did lose my father, who was a State employee, to cancer several years back. And one of the things that I found very very difficult to deal with after his death were all of the bills that I was getting from the various doctors.

Because when you're on the PPO, every single doctor, every single anesthesiologist, every single this, every single that bills separately. And so I would really really like to say that what Laura mentioned with the individual that she talked about is absolutely true. I was getting bills for two years after his death. And it's just, it's so confusing. You don't know if you paid the bill before.

So I would also like to say helping family members get through this, you know, I'm -- I was a State employee. My father was a State employee. So, you know, I

just really want to say that that would be very beneficial to families. So thank you for the opportunity for comments.

CHAIRWOMAN FREED: Thank you.

Member Verducci.

MEMBER VERDUCCI: Yes, Tom Verducci for the record. You know, I want to point out, as far as the Cancer Concierge, I have seen what Washoe County does. Washoe County has an employee assistance phone number that any member of the county employee or the family members, you know, they are experiencing stress, mental anxiety, any concerns with bill paying, there's a toll free number. I'm suggesting maybe we look into what the county is providing as far as employee assistance phone number. I think it's even a 24-hour number. I've sat through a few presentations. It was very impressive as far as what they do have available.

You know, I also wanted to point out or ask, I don't believe we ever stored the HSA contributions to pre-pandemic levels. You know, obviously I haven't seen the budget, the two budgets that have been submitted. I believe it was, you know, single individual, 1,100 and I think it was reduced to 600. I'm not positive if we looked into that.

And I also wanted to point out the long-term disability. I heard it said only affects NSHE. I do believe that it affects the average State employee retiree. I think

those were eliminated. So I heard -- I pointed out it was NSHE. I pointed out larger population. I could be wrong.

CHAIRWOMAN FREED: This is Laura Freed. Again, like I said, the State population that is on PERS has access to disability insurance from PERS. NSHE professional is not on PERS. That's why they are not able to access that option.

MEMBER VERDUCCI: So it was my interpretation --

CHAIRWOMAN FREED: Also, Washoe County, you talk about employee assistance. The State of Nevada has an employee assistance contract. It's run out of the Department of Administration rather than PEBP, but we do have EAP, if that's what you're referring to.

MEMBER VERDUCCI: Okay, I see. So it's available but ran through a different agency.

And in terms of the elimination of the EPO plan, you know, I don't see that really as being an advantage. I see the justification that there's administrative burdens. But I think the intention would be to have a comparable HMO plan that we have set up in the south that would avoid catastrophe in terms of an employee that is trying to have zero co-pays, zero deductibles.

And in terms of just complete elimination, I don't think that's the right direction. I think they want to be looking at some kind of replacement. And there's an issue

here of out-of-network, and it was pointed out that maybe it could be advertised in a better fashion. That if someone might be out-of-network perhaps during the enrollment, they can be choosing a different plan. It might be more suitable for them.

So those were my comments. And one of the bigger concerns is the HSA State contributions. I'm not really sure if we really are restoring recommending a restoration of those benefits. So I just want to put that out for the record.

MS. RICH: So Laura Rich for the record. Tom, our second budget did include an increase, an increase in HSA funding. Now remember, pre-pandemic, the low deductible plan, which does have a zero deductible right now didn't exist. And so you have to have in those three plans, you have to have the three plans differentiate, right. And the way that that's differentiated in insurance fee is called actuarial value.

And so you have the EPO or HMO that has a richer benefit but higher out-of-pocket costs initially. Your premiums, right, your premiums are much higher. Then you've got the low deductible plan, which is kind of that middle plan where it's a compromise. In this case though, it's actually fairly comparable to the -- to the EPO today and

HMO. It's not identical but it's fairly comparable and it has lower premiums as well.

And then you have the high deductible. And so you can't -- you can't just increase HSA to that high deductible plan without doing something else to the other two as well because otherwise you get three plans that are the same, right. So you want people to have different choices.

MEMBER VERDUCCI: Thank you again. If there was an elimination of the EPO, wouldn't have a quite different plan that's offered up North than what would be available down South? You know, I believe it's our intention to have something comparable I believe they have down South.

MS. RICH: So the reason -- sorry.

MEMBER VERDUCCI: I'm sorry.

MS. RICH: So the reason that we did, that we replaced the HMO with the EPO in the North originally was because having a self-funded EPO was, it was better financially for us, right. We were more efficient at lower cost. We were able to do it. There's -- PEBP does not have the overhead. We don't pay the three percent tax, you know, that fully insured provider or insurance provider does, right.

So we were able to do it at a lower cost to administer this program at a lower cost. Regardless, because

of the access issues in the North, this is going to exist. It's just whether, you know, PEBP staff and our vendors have to administer it or another -- another provider, insurance provider, let's just say Hometown Health, that was our previous one, that is going to come at a cost, right. Because, again, there's no access in the North. We have very significant access issues. Betsy mentioned GI. That is -- it's taking months to get into a GI doctor, dermatologist, things like that, right.

So what's happening is that there's -- we're sending these people out of -- out-of-network, right, because there's no providers in the North regardless of who the insurer is because of that model and the way that it's a regional type model, and the reason it's built that way is because it is contains costs in a network. There are no out-of-network benefits, right. So it's a narrow network. So replacing it would not -- it would just be a more expensive option of the same.

MEMBER VERDUCCI: Has there been any consideration of having a statewide HMO plan that mirrors each other just so we don't disadvantage one group originally or geographically. It seems like the northern part of the state here is no longer going to have a plan available. It's elimination of a benefit and it looks like we forced them

into the low deductible plan.

We have researched the new HMO option and we're looking at the out-of-network issues and perhaps putting a fix on the other plans, it could be part of the problem that's bringing us to discussion of the elimination of the EPO.

MS. RICH: So to be fair, we are not voting on eliminating the EPO today. That is -- that's not -- that's just something we are discussing, whether it is something that the Board has an appetite for in terms of the analysis of it. If there's absolutely no appetite for it, then there's no point in doing the analysis.

I will say that, gosh, it has to be -- it was before we put the EPO plan in place so I think it was like six years ago maybe, something like that, there was an analysis done and potentially, you know, having that HMO be statewide.

The HMO in the South was determined at that time to be -- we couldn't compete with it. Their pricing, their -- you know, their model down there, HPM's model down there was something we could not replicate. So that was -- I can pull up the analysis, it's been years, so or we can redo that analysis as well, but that was something that we also considered at the time.

CHAIRWOMAN FREED: Yeah, let me jump in there. This is Laura Freed. Yeah, that's always been a problem, not always, but for years that's been a problem. The South, health care costs are fundamentally lower. And so subsidizing, if you will, HMO participants in the North and that makes resentful participants in the South. So statewide HMO still has those problems hence a week ago.

Okay. I'll move to Member Kelley.

MEMBER KELLEY: Thank you, Chair Freed. Okay. So at the risk of just irritating the committee, the Board. I'm sorry about this. I wanted to talk about LTD again. I know it's a political hot potato. First off, I just want to clarify. I think someone said that PERS offers disability insurance, and they actually don't offer disability insurance. I do have a disability component to the PERS program which NSHE classified employees are in PERS. I want to put that out there. So we do work with the disability program through PERS.

But the way it works is the person who becomes disabled and, you know, goes through the process would be paid the retirement allowance they have earned without reduction to early retirement. And so when I look at the numbers for long-term employees, the PERS accumulator, 2.67 percent per year of service, right. So if we have --

you know, if we say long-term disability paid at 50 percent, it would take 22.47 years for a classified employee to earn 60 percent of their retirement earning. You get paid that if they become disabled. So after 22 and a half years, they would earn 60 percent of their retirement benefit and be paid that as long as they're retired.

The new accumulator is 2.5 percent. And so those people who are hired under that PERS program, it's over 24 years before those accumulate 60 percent of their income. And so if the person is in the PERS program or if they're an NSHE employee in the RPA program, the long-term disability benefit did pay for those people who became disabled.

And the way it would work with the PERS employee is that the insurance company that holds the LTD policy deducts that PERS income from whatever they pay the employee. So they guarantee 60 percent if an employee has made 40 percent through the PERS service and approved their disability program, the LCB piece will pick up the extra 20 percent as long as they were disabled.

And so I think that is different from just -- you know, like 24 years is a long time to be employed before you get 60 percent if you're disabled. And I think, you know, obviously people who become disabled have medical bills. They have all kinds of, as well as their regular bills going

on that they need to cover.

And so I think that saying that NSHE is the only beneficiary, NSHE employees are the only beneficiary of an LCB policy is -- is a little simplistic because I do think it covers all employees. It definitely covers executive branch employees until they hit their 22 or 24 years of service in some way. And so I just wanted to put that out there and put LTD back on the table. Even though, I know it's a hot potato, I just wanted the record to be correct on that.

CHAIRWOMAN FREED: I'll jump in because I feel like my words have been misconstrued. I just needed to restate that I never said it wasn't -- didn't pertain to NSHE classified. I noted that NSHE professionals are the only ones who don't have access to PERS disability nor did I ever represent it was great insurance.

You're absolutely correct that LTD helps buy it up. But LTD is also expensive based on the money that we have. So I don't think that it's a political hot potato. It's that it's pricey, and I'll leave it at that. And I didn't take it off the table. And I'll let Laura Rich jump in.

MS. RICH: Laura Rich for the record. The reason you do not see long-term disability on this list is because per our budget, we have nine and a half million dollars in --

in differential cash or excess reserves. LTD is over that. To fund LTD, it would be upwards of 10,000,000 just by a quick, you know, estimate. So we don't have the ability to fund it using the money we have today.

We also offer as voluntary benefit, I don't have the numbers right in front of me, but there has been -- there has been an uptick in members who have purchased that product as well.

CHAIRWOMAN FREED: Member Aiello.

MEMBER AIELLO: Just a quick question. In the restoration budget that, the full budget that went to the Governor, the long-term disability, as well as the life insurance is in that too or solely the health plan to restore benefits back?

MS. RICH: We added long-term disability and reduction in life insurance, as well as HSA. And then there was -- it was a very very small number to restore the benefit portions because we are so close already to restoring the benefit or we've already gotten to that point through the access that we've used to restore. So a lot of that budget is really, the additional costs are coming from HSA, LTD, really it's LTD for the most part and life insurance.

MEMBER AIELLO: So the summary would be that the Board did send that forward and it will be both the Governor

and the legislative process and for advocacy is what I'm hearing.

MS. RICH: That is correct.

CHAIRWOMAN FREED: All right. So what I'm hearing in terms of consensus is a couple of things. Number one, almost everybody would like the PEBP staff to research Cancer Concierge programs. Number two, there is a desire to look into Medical Travel. And third, there were scattered conversation about premium credits. And, although, I've -- this was sort of couched in terms of health savings and health reimbursement contributions.

But to make it equal, I think what I mean and I think what staff means by premium credits here is the same amount of premium credit to everybody for the employee only. If you're doing anything for other coverage tiers, you're necessarily giving certain coverage tiers more than -- more than others. So that's what it sounds like to me. We have three things for staff to work on here, Cancer Concierge and Medical Travel and premium credits.

MS. RICH: I think a better question would be is there anything on this list that is not worth time exploring?

CHAIRWOMAN FREED: Oh, okay.

MEMBER AIELLO: Yeah, because my discussion wasn't that I didn't think that things weren't good. I just

wanted to make sure in the exploration that they were working somewhere else and then what was the key to making them work, not that I didn't think they were good.

CHAIRWOMAN FREED: Okay. Well, thank you for that. And thank you, Laura, for sort of flipping the question on its head. In terms of things that the Board doesn't want to look into, it sounds like elimination of EPO plan on that list would be the only one that people wouldn't want to look into.

Member Kelley? You're muted.

MEMBER KELLEY: I'm sorry. Thank you. I just wanted to bring up Doctor on Demand for mental health or behavioral health because given that Executive Officer Rich has flags that there's already a shortage of providers in Nevada, it's not worth exploring given that, you know, we are already having issues with our getting appointments. That would be the only one.

CHAIRWOMAN FREED: Ms. McClendon.

MEMBER MCCLENDON: I'm in favor of looking into Doctor on Demand as an option for people who don't have local providers who have availability for behavioral health. But my concern is that I have heard some -- I mean, given the way -- so the on-line therapy companies have been running into some problematic things. I'm thinking of better health

and tox space and places like that. And i just -- so given those concerns, I want to see as we're doing research, is there any way we can look into what participants' experiences are with on-line providers. I'd really lover to see some of that information if it's possible to find it. Thanks.

MS. RICH: So for the record, I just want to clarify. We already do offer Doctor on Demand, behavioral health, that's already in place. What we're proposing here is incentivizing that utilization so driving sort of an incentive to say, hey, there's a mental health shortage. We know it's really difficult to get into -- into see, you know, your counselor, mental health provider, why don't you try Doctor on Demand, right, and potentially incentivizing that so that people start exploring it as an option.

But you are correct, that, you know, maybe this is something we need to look at in terms of for people happy with it, right.

MEMBER MCCLENDON: Yeah. I'm sure I'm going a little too far down this rabbit hole because of my professional background. But I'm concerned that people's experiences, I've heard of people who have bad experiences but, again, I'm not suggesting that it's anecdotal, right. So I don't know if that's universal. And I'm just afraid if somebody really needs care and they reach out for care and

they get really bad care, like they're not getting help for their problem and the problem could be exacerbated and worsened, which I guess is like a worse case scenario. So that's where my question is coming from, not so much that I think it's a bad benefit to offer or that we should stop offering it. But if we incentivize it and make people sort of lean towards that option, are they going to get quality care. Thanks.

CHAIRWOMAN FREED: Okay, thank you.

Mr. Verducci?

MEMBER VERDUCCI: Yes, Tom Verducci. You know, I see seven items that are listed here. And the last one, elimination of the EPO, I don't think there's a lot of support in terms of just eliminating it, but I don't see anything wrong. These are research items, researching the first six and dropping the elimination of the seven terms of the EPO. I mean, there could even be some wording rather than elimination determining options for the EPO rather than a complete elimination.

But I'm okay with the first six. Just that elimination, I really don't see that really benefiting the membership unless there's a replacement in order.

CHAIRWOMAN FREED: Okay, thank you.

MEMBER BITTLESTON: So is that a motion?

CHAIRWOMAN FREED: I'm sorry, what was that, Ms. Bittleston?

MEMBER BITTLESTON: I was just asking Mr. Verducci if that was a motion.

MEMBER VERDUCCI: Tom Verducci for the record, yes, I was thinking about bringing that up as a motion.

CHAIRWOMAN FREED: Okay.

MEMBER VERDUCCI: And so be it, there's a motion.

CHAIRWOMAN FREED: All right. Thank you. Do I have a second on that motion? This would be a motion to ask PEBP staff to research Real Appeal, Hinge Health, Cancer Concierge, Medical Travel, premium credits and incentivization of Doctor on Demand for behavioral health.

MEMBER BITTLESTON: This is Leslie. I'll second.

CHAIRWOMAN FREED: Thank you.

Okay. I saw that Mr. Barnes has his hand up. Mr. Barnes, would you like to go ahead.

MEMBER BARNES: I was just going to agree with Mr. Verducci. I think maybe we can possibly research alternatives to the Northern EPO, like I statewide HMO or a statewide self-funded plan with out-of-state network, something like that. So I was basically agreeing with Mr. Verducci.

CHAIRWOMAN FREED: Okay. So --

MS. RICH: Laura Rich for the record. An HMO is defined as a narrow network. So it's -- it's really -- you know, that would be a PPO that you're describing, Mr. Barnes. And so it's -- we already have a high deductible plan. And we have a low deductible plan. An HMO by definition does not have out-of-network benefits.

MEMBER BARNES: Okay, thank you.

CHAIRWOMAN FREED: All right. So it's been moved and seconded to have the staff come back the next meeting with some details on the six things shown on page three of the staff report excluding the seven things on page four. All in favor say aye.

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

CHAIRWOMAN FREED: Any opposed say no. Okay. Motion carries.

Let's move to Agenda Item 11. This is very limited.

MS. RICH: I will be giving this one as well. It's going to be very short. I'll need to pull it up here. Really, there's not much here on the contract report. We have gotten through the last two years of contracts. And the only thing that we have is the status of current solicitations. And I just wanted to bring up a little update

on the eligibility and enrollment system, RFP.

So as the Board can recall, PEBP ended its contract with LSI. We terminated it early as a result of, you know, a lot of the issues that we were having with implementing the eligibility enrollment system.

Shortly after, the State, the Office of Project Management also chose to terminate their contract with LSI early as well for the statewide ERP system.

So as we -- it's something that we thought was very important as we move down this RFP process and developing a solicitation was, you know, wasn't smart. We learned a whole lot of lessons during this process and one of the things we learned was that PEBP touches everything payroll related, everything DHRM related, there's a whole lot of overlap.

And while we understand, we recognize that only half of our population is, falls under central payroll or actually, it's a little bit over half of the population. NSHE is the other largest part of that -- that population. And then you've got the small section of boards and commissions and things like that that we cover.

But for the most part, the largest cross-section here of our membership falls under central payroll, and so this is a very very important project if the State is

implementing an ERP and upgrading their -- their payroll solution and HR solution and things like that, we are going to need to work very very closely in terms of aligning our requirements and timelines and things like that, especially if we're using different vendors.

So we are working with the Office of Project Management on this. There's several different options in place that we're exploring. I expect them to bring this back to the Board, probably at a later date, likely at the December Board meeting. The other thing we learned is that in a typical eligibility and enrollment system, there is not the accounting component that is required by PEBP, right. So that's not offered as a standard solution in an eligibility and enrollment system product.

So, and we know that this is not offered through anybody because LSI did actually go out and -- and look for other potential solutions and there was nobody -- none of the eligibility and enrollment system vendors have that in place and that would need to be something that was customized.

So there's a potential that this RFP turns into two RFP's. We are working very closely with our consultants at Segal to identify the requirements and see if, you know, what path we're going to take moving forward. We have a little bit of time to, you know, to develop this RFP. But,

again, it is very very important if the more time we can have to implement the better. Two years is the minimum in my mind so, you know, longer if possible. So this is something that we're really, you know, we've already started on, but there's potentially different options that might be presented to the Board moving forward based on the conversations with the Office of Project Management and the -- the work with our consultants as well.

And that is it. There is nothing -- this is -- this report is very bear for the first time in a long time.

CHAIRWOMAN FREED: Yeah, this is an action item, but I don't believe there's any action for the Board to take, so.

MS. RICH: That was an oversight on our part.

CHAIRWOMAN FREED: No, it's fine. We'll leave it as an action item. Just because it is doesn't mean the Board has to do anything. So thank you for that.

And we'll move on to Item 12 which is the second public comment period. So I'll throw it to PEBP staff.

MR. HOPKINS: All right. One moment, Madam Chair.

As a reminder, Zoom is used for public comment only. This meeting is streaming live on YouTube. If you want to just listen 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 you've been unmuted. As a reminder for those on the phone to please press star six to unmute, please slowly state and spell your name for record and then proceed with your comments. Due to time considerations, each caller will be limited to three minutes.

Kent Ervin, you have permission to speak.

MR. ERVIN: Thank you. Kent Ervin, K-e-n-t E-r-v-i-n for the Nevada Faculty Alliance. We work to empower our faculty members to be fully engaged in our mission to help students succeed. I just want to thank you all for the discussions today about future benefits and trying to get back to the pre-pandemic level.

A couple of points, the health savings account contribution, particularly for dependents, have not been restored to pre-pandemic levels and that's really something that needs to be looked at. If that affects the placement of the high deductible plan compared to other plans, then an appropriate adjustment can be made to the other plans to keep the appropriate spread of actuarial values.

Regarding PERS, not only do all of our classified colleagues at NSHE, not only are they members of PERS, about

15 percent of them are professional employees, faculty, administrative and academic faculty are member of PERS last I checked. And that's because once you're on PERS in the State you're always on PERS, and so it's not just the classified staff alone at NSHE that's on PERS.

But more importantly, as is pointed out, the PERS disability early retirement is not a replacement for long-term disability insurance which is the essential income taking that per person. And we all are one diagnosis away or one injury away from being disabled and unable to work anymore. And if you have that cancer diagnosis, we urge, part of that is to navigate the system. Well, if you can't afford rent about the time you're going to hospice because you no longer have this long-term disability income safety net, that's really cruel. Thank you.

MR. HOPKINS: Thank you, Mr. Ervin.

Doug Unger, you have been unmuted. Please slowly state and spell your name for the record if you wish to make public comment. Doug Unger, if you wish to make public comment, please unmute your microphone.

Madam Chair, there is no one else for public comment. Do you want to give it a minute just in case more people roll in or do you want to --

CHAIRWOMAN FREED: We can hold for another minute

or two.

MR. HOPKINS: Perfect.

Hi, Doug Unger. You have permission to speak.

MR. UNGER: Doug Unger, D-o-u-g U-n-g-e-r. President UNLV Chapter Nevada Faculty Alliance and Government Affairs representative. Thank you, Chair Freed, and, Members of the Board, for your good discussion today.

And I would like to back up what my colleague, President Ervin, said about long-term disability insurance being an absolute necessity, especially for our younger faculty members who don't quite realize they should buy the voluntary coverage.

I just want to say that this State worker crisis is hugely acute, and I hope everyone on the Board really understands what a crisis it is. I think it's going to take at least five years and two legislative sessions to fix it and restoring PEBP benefits and making them very very attractive is going to be one big part of that.

By my calculations, and this is just a back of the envelope calculation, in order to really fix entry level salaries and benefits of the $800,000,000 in the estimated budget surplus that's in our budget now, I actually think our State is going to need to spend half of that in order to address the situation and probably that much again during the

next legislative session.

All this is going to require us working together to convince our State leaders that this must be fixed and also to put the burden on them. On one side of the aisle, understanding and admitting that in their passion to provide for the disenfranchised with progressive policies then neglected to take care of workers who do the hard labor to implement those policies.

And on the other side of the aisle, due to ideological zeal, never to consider remnants enhancements, they have committed to starving our State of the resources needed actually to be a functioning state.

I hope every member of this Board will join us in making sure that our State leaders understand the crisis, how dire it is and that we're really at the edge of catastrophe in order to be a functioning state.

Thank you for doing your part to help restore the benefits to pre-pandemic levels and even improve them as much as possible to make State employment attractive once more. Thank you.

MR. HOPKINS: Madam Chair, that concludes public comment.

CHAIRWOMAN FREED: Okay. Thank you very much. I'm going to give that -- it is 12:39 and we'll thank the

Board for its service today and we are adjourned.

MEMBER BITTLESTON: Thank you, Madam Chair.

STATE OF NEVADA,)
) ss.
CARSON CITY.)

I, KATHY JACKSON, Official Court Reporter for the State of Nevada, Public Employees' Benefits Program Board, do hereby certify:

That on Thursday, the 29th day of September, 2022, I was present on a teleconference for the Public Employees' Benefits Program, Carson City, Nevada, for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 139, is a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Carson City, Nevada, this 7th day of October, 2022.

KATHY JACKSON, CCR
Nevada CCR #402

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