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THURSDAY, SEPTEMBER 28, 2023, 9:00 A.M.

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CHAIRMAN ROBB: It is 9:00 o'clock. We will call the Public Employees Benefits Program meeting, September 28th, 9:00 a.m. We are in Carson City, Nevada. We will call the meeting to order.

First item, public comment. Do we have public comment in Carson City? Oh, roll call.

MR. HOPKINS: Chair Robb, we are live on YouTube.

CHAIRMAN ROBB: Thank you. Will you please call roll.

MS. CRANE: Good morning, everyone. To start roll call, Chair Robb.

CHAIRMAN ROBB: I can't hear her.

MS. GLOVER: She called you.

UNIDENTIFIED SPEAKER: She called your name.

MEMBER KELLEY: She's roll calling.

CHAIRMAN ROBB: Oh, hi. You can see my struggle sometimes. Some voices I don't hear very well.

MS. CRANE: Can you guys hear me okay?

UNIDENTIFIED SPEAKER: We can, yes.

MS. CRANE: Okay. So Chair Robb.

CHAIRMAN ROBB: Here.

MS. CRANE: Michelle Kelley.

1 MEMBER KELLEY: Here.

2 MS. CRANE: Betsy Aiello.

3 MEMBER AIELLO: Here.

4 MS. CRANE: Jim Barnes.

5 MEMBER BARNES: Here.

6 MS. CRANE: April Caughron.

7 MEMBER CAUGHRON: Here.

8 MS. CRANE: Leslie Bittleston.

9 MEMBER BITTLESTON: Here.

10 MS. CRANE: Jennifer McClendon.

11 MEMBER MCCLENDON: Here.

12 MS. CRANE: Betsy Strasburg.

13 MEMBER STRASBURG: Here.

14 MS. CRANE: Janell Woodward.

15 MEMBER WOODWARD: Here.

16 MS. CRANE: And Stacie Weeks.

17 MEMBER WEEKS: Here.

18 MS. CRANE: Thank you, everyone. We have a

19 quorum.

20 CHAIRMAN ROBB: Okay. Thank you. Sorry for the

21 confusion during that agenda item.

22 Now we can move on to public comment.

23 MS. LAIRD: Thank you and good morning. Chair

24 Robb, Fellow Board Members, my name for the record is Terri

1 Laird. I'm the executive director at RPEN, the Retired
2 Public Employees of Nevada, a non-profit, non-partisan
3 organization with over 7,000 dues-paying members and 17
4 chapters statewide.

5 We thank this board and staff for the efforts
6 made during the recent legislative session to try to lower
7 costs for state employees in PEBP, especially those who
8 aren't making huge salaries who, as witnessed by so many
9 letters of public comment posted on record for this meeting,
10 are struggling to cover their escalating health care costs.

11 We're also grateful that life insurance rates
12 were returned to pre-COVID levels. But it's still concerning
13 that long-term disability was not addressed. And we're
14 hopeful that that can be brought back at some point, if not
15 during the interim, then at the next session, in 2025,
16 especially if gaming revenue continue to hit record highs.

17 We also wish Interim Executive Officer Celestena
18 Glover good luck in her effort to become the next executive
19 officer. And we thank her for her willingness to continue
20 working with the Public Employee Coalition as it relates to
21 going over PEBP matters with us pre-meetings. We believe all
22 of us need to work together to get information out to all
23 PEBP participants, not just actives, but the thousands of
24 retirees in the Medicare Exchange.

1 It still concerns us that all transmissions from
2 PEBP is done via e-mail, since we are aware that many
3 retirees do not use e-mail and don't even have internet
4 access for one reason or another.

5 For that reason, we still hope Ms. Glover will
6 continue the tradition of providing RPEN a PEBP update called
7 Health Matters that we offer our members through our members
8 only newsletter, The RPEN Review, that is mailed out to every
9 one of our more than 7,000 members six times per year and it
10 puts important PEBP information directly in to those folks'
11 hands that may not have access to it otherwise. I know our
12 members have appreciated receiving that information, so we
13 hope our joint venture can continue. Thank you.

14 CHAIRMAN ROBB: Thank you very much. And, if you
15 have that, can you give that to staff, so they can put it in
16 to the record? I appreciate that.

17 Further public comment.

18 MR. ERVIN: Good morning, Chair Robb, Vice Chair
19 Kelley, Members, Interim Executive Officer Glover. Kent
20 Ervin, E-r-v-i-n, representing the Nevada Faculty Alliance,
21 the statewide association faculty at Nevada's public colleges
22 and universities.

23 We would like to endorse the comments of
24 Ms. Laird and comment on a couple of agenda items.

1 The budget report indicates excess reserves are
2 now near zero. The projected amount was 33 million as of the
3 end of April PEBP budget closing. So why has it evaporated
4 to zero?

5 To plan for the future, the board needs to know
6 whether this was due to higher usage, higher medical charges,
7 catastrophic cases, or other factors. Is a particular plan
8 most responsible? Have the partial restoration of benefits
9 approved by the legislature already been incorporated in the
10 FY '24 budget and are they covered within the beginning
11 balance? We hope these questions will be answered today.

12 Regarding plan design for the second year of the
13 biennium, the primary focus needs to be maintaining the
14 benefits as approved by the legislature in the budget. NFA
15 has advocated in the past for reducing employee premium for
16 the employee-only tier, the least expensive plan, to zero but
17 never at the expense of dependants.

18 Hundred percent coverage for the single employee
19 is in the state's interest for recruitment and retention.
20 Options for getting there in the future should be explored
21 but certainly not by increasing premiums for dependants.

22 Also in plan design, the differentiation between
23 the three plans need to be fine-tuned. The HMO EPO plan
24 should be restored to a zero deductible and zero no call

1 insurance plan as most people expect for an HMO plan.
2 Participants pay extra for that plan in order to have
3 predictable co-pays. And, so, moving to a deductible plan
4 there doesn't satisfy that need with also the co-insurance.

5 The low deductible plan was changed to a zero
6 deductible plan and we are not sure why. A reasonable low
7 deductible of a few hundred dollars could be offset by
8 improvements and co-pays for co-insurance or by adjusting
9 premiums downward and again to differentiate the three plans
10 so that participants have clear choices that they are now
11 paying for when they choose one of the higher plans.

12 Finally, the IRS minimum deductible for the high
13 deductible plan is kicking in, raising the deductible from
14 1500 to 1600 for single employees. And that will continue to
15 go up in the future due to inflation adjustments at IRS.
16 That's a savings to the plan and a cost to participants. So
17 it should be offset by an increased HSA contribution, for
18 example, or other enhancements.

19 So thank you for this opportunity to provide
20 input today.

21 CHAIRMAN ROBB: Thank you. Any further public
22 comment in Carson City? Seeing none --

23 MR. HOPKINS: Chair Robb, we have two on line.
24 I'll put the public slide up right now.

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CHAIRMAN ROBB: Okay. Thank you.

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

Douglas Unger, you have been given permission to speak. Slowly spell and state your name for the record.

MR. UNGER: Doug Unger, D-o-u-g U-n-g-e-r, president, UNLV Chapter, Nevada Faculty Alliance, and, chair, Government Affairs Committee. Thank you, Director Robb and the PEBP board for your service and consideration.

First, we would like to thank the executive leadership of UMR for their outreach to set a meeting in late August with UNLV and NFA representatives after public comment in July. We believe our conversation is leading to improvements in communications between PEBP members and UMR, plus increased support services, which are most welcome.

We are continuing to work toward further improvements also through our own efforts to educate our PEBP members about how better to address billing and provider

1 issues. Thanks to UMR for this constructive response.

2 Regarding today's agenda, we hope PEBP leadership
3 and the PEBP board will be able to leave planned benefits as
4 intact and stable as possible for the next fiscal year. We
5 note many public comments from state employees requesting a
6 plan adjustment for zero percent premiums for the covered
7 employee.

8 In formal consultations with our UNLV colleagues,
9 we indicate that we also support this change but only if
10 funds can be found to continue to subsidize dependant
11 insurance costs at current levels. Without the current
12 dependant subsidies, we believe state employees with children
13 and partners will be forced to shoulder much higher costs,
14 which could be too burdensome.

15 Finally, we wish to offer our warmest wishes to
16 Interim Executive Officer Celestena Glover and to her
17 application for the permanent position. She is very
18 experienced, knows PEBP inside and out, and we look forward
19 to working with her in the coming year, including regular
20 PEBP advocacy group check-ins and meetings that vastly
21 improve member communications.

22 Thank you all, once again, for your service and
23 for your thoughtful work on the PEBP board.

24 CHAIRMAN ROBB: Thank you very much, Mr. Unger.

1 MR. HOPKINS: Caller with the last four digits
2 7912, please press star six to unmute, and please slowly
3 state and spell your name for the record. Caller with the
4 last four of 7912, you have permission to speak if you wish
5 to make public comment.

6 CHAIRMAN ROBB: Okay. Hearing none, we will
7 close public comment and we'll move on to Agenda Item Number
8 3, PEBP board disclosure for applicable board meeting agenda
9 items. Attorney general's office.

10 MS. KUNNEL: Good morning, everybody. Thank you,
11 Chair Robb. This is Radhika Kunnel, Deputy Attorney General,
12 for the record.

13 This agenda item is to allow me to make a
14 disclosure regarding conflicts of interest on behalf of the
15 board members who are eligible for PEBP benefits. Pursuant
16 to NRS 281A.420, on behalf of the board members who are
17 eligible for PEBP benefits or whose families are eligible for
18 PEBP benefits, I offer this disclosure, that they will be
19 voting on those items that may affect the benefits -- I'm
20 sorry -- that may affect the benefits available to them or
21 their family members. The law does not require abstention
22 from voting merely because the board member or their family
23 member is eligible for PEBP benefits.

24 At this time, I invite any member of the board

1 who has any additional disclosure to make it now. Thank you.

2 CHAIRMAN ROBB: Thank you very much.

3 We'll close Agenda Item Number 3 and move to
4 Agenda Item Number 4, discussion regarding recruitment
5 process for a new permanent executive officer of PEBP.
6 Recruitment open through September 28th.

7 I have asked Division Administrator of DHRM
8 Mande Bowsmith to be in attendance today. Will you please
9 come and explain the recruitment process that we went through
10 and what we found through the recruitment process, how long
11 the recruitment was open, and how many channels we tried to
12 get that recruitment through.

13 MS. BOWSMITH: Good morning. Thank you, Chair
14 Robb. For the record, my name is Mande Bowsmith. I serve
15 the State of Nevada as the administrator for the Division of
16 Human Resource Management within the Department of
17 Administration.

18 When former Executive Officer Laura Rich departed
19 the State, we undertook entering into a contract with
20 Ms. Glover to come in as the interim executive officer to
21 continue operations for the program.

22 In conjunction with that, Chair Robb and I
23 conferred and made a decision to open recruitment for the
24 executive officer. We did so through the DHRM office -- I'm

1 sorry -- classification recruitment group and they opened the
2 recruitment statewide. Then, once we -- once we were not
3 getting the candidate pool that we thought we wanted, we
4 opened it nationwide. So we sent it out nationwide. It was
5 open for a period of six weeks all told. There were four
6 candidates that applied, three of whom were deemed ineligible
7 under the minimum qualifications that are spelled out in the
8 statutory requirement for qualifications.

9 CHAIRMAN ROBB: I'm going to ask you a few more
10 follow-up questions. This isn't the only high level position
11 we currently have open within the state. And, one that I'm
12 very familiar with, we're looking for a project coordinator
13 or project manager for OPM for the new Core NV project. And
14 I know we've interviewed five or six times for that. We have
15 done interviews, selected candidates, and tried to move
16 forward on that recruit. And, every time, we have not been
17 able to make -- we've made offers and not been able to land a
18 successful candidate, due to northern Nevada's pay scale
19 compared to cost of living.

20 The candidates that we have selected in those
21 other roles have asked if they could do it remotely. And, on
22 projects such as that project or in positions such as this
23 one, remote option is not something we're going to explore in
24 those type of scenarios.

1 So, the recruitment process for other high level
2 positions, I know, throughout the state have been hindered by
3 that, especially looking outside the state.

4 And, as Ms. Bowsmith spoke to, the qualifications
5 of NRS are stringent to make sure we get the right person in
6 to this position. So, with those qualifications, there may
7 be other people that can do the job. But, because of the
8 qualifications, they do not qualify.

9 So we have one candidate. And I don't want
10 anybody to ever think that we're settling because we have one
11 candidate. In my mind, we have a very qualified candidate
12 and we're lucky that that person has taken an interim role
13 after retirement and is willing to come back.

14 We can get in to further discussion about that in
15 additional agenda items we have here today. I've made my
16 comments.

17 Does anybody have any questions or comments of
18 Ms. Bowsmith at this time while we have her? Because this is
19 an important day for Ms. Bowsmith. She has a -- not a job
20 fair. She has a hiring fair currently going on in Carson
21 City. With our vacancy rate being in excess of 20 percent,
22 we are doing hiring fairs, not job fairs. You come in and
23 have agencies ready to offer jobs on the spot today.

24 So, Ms. Bowsmith took time out of her day to be

1 here instead of at something that we really need. Does
2 anybody else have any questions of Ms. Bowsmith?

3 MEMBER KELLEY: I just have a timeline question,
4 just a follow-up. Michelle Kelley for the record. So you
5 said that recruitment was open statewide first and then
6 nationwide after there was not suitable applicants. What
7 period of time did that take? Was it two weeks open
8 statewide and then all nationwide?

9 MS. BOWSMITH: For the record, Mande Bowsmith,
10 DHRM Administrator. Actually, we ended up doing three and
11 three. It ended up being 21 days open statewide and then 21
12 additional days open on a nationwide platform.

13 MEMBER KELLEY: Thank you.

14 CHAIRMAN ROBB: Any further questions of
15 Ms. Bowsmith while we have her?

16 Seeing none, I thank you. Good luck today.

17 MS. BOWSMITH: Thank you. If I may give a
18 shameless plug. For those of you who know people who would
19 like to work for the State of Nevada, we are holding a hiring
20 fair at the Nevada State Library Archives building, which is
21 at 100 North Stewart. It's in the lobby. It is a hiring
22 fair, so we are planning to put on the table offers for
23 employment or contingent offers if there are certain
24 restrictions that need to happen, like background checks.

1 This is the first of six we will be running in northern
2 Nevada. And then on November 2nd and 3rd we will be running
3 two fairs in Las Vegas at the new McCarran campus that we're
4 very excited about. So please tell family, friends, who want
5 to work. We want them to work. Thank you all very much.

6 MEMBER KELLEY: I just wanted to know are you
7 hiring for all levels of jobs or just entry?

8 MS. BOWSMITH: Yes.

9 MEMBER KELLEY: So anything available, yes, is
10 potential?

11 MS. BOWSMITH: Mande Bowsmith for the record,
12 DHRM Administrator. So we were fortunate to be able to work
13 with the governor's office to get Executive Order 2023-10
14 issued, which helps us greatly. We are waiving minimum
15 qualifications for grades 29 and below. These are all of our
16 entry level, clerical entry level technical positions. And
17 we are also eliminating selective criteria for recruitments,
18 because we find that people are screening people out and not
19 screening people in with those selective criteria. And then
20 we are also allowing for grades 29 and below auto
21 progressions to occur faster than the job classification
22 says.

23 So, as a good example, and this is actually how
24 it came to our attention. The DMV services technician series

1 starts at a level 23. You have to sit in a level one for 12
2 months before you can auto-progress to a level two. That's
3 12 months at a grade 23, which is not very much money at all,
4 which is probably of note to this group, considering we're
5 talking about health insurance premiums and how much premiums
6 cost for employees and dependants. As a grade 23, folks
7 aren't affording those things. And so they typically will
8 come in at a grade 23 as a DMV services technician one and
9 then find another opportunity as an administrative assistant
10 at a higher grade somewhere else.

11 And, so, in order for the DMV to retain talent
12 and to be able to hopefully bring in more talent, that auto
13 progression allows the department to make a determination
14 about when an employee is ready to progress to the next
15 level. So that employee might be ready within three months
16 from a level one to a level two. This will progress them
17 through the series from a 23 to a 25 to a 27 to a 29 much
18 more quickly than otherwise they would have been able to do.

19 And hopefully they can retain some folks and not
20 lose folks to other agencies but also be able to keep some
21 talent that also can progress up through the professional
22 series within DMV at some point.

23 So we're really, really hoping we get folks
24 coming in who want to work. It is for all levels of jobs.

1 Right now we're focusing on classified jobs because that's
2 where we have the most vacancy. We do have vacancies that
3 are unclassified. But it's sort of difficult to throw an
4 unclassified hiring fair, because it's very -- the jobs are
5 so broad.

6 But, our model today is we are bringing people
7 in, we are scanning and reviewing resumes on the spot. We
8 are putting them through a speed dating kind of interview
9 process. And then we're hoping to get offers on the table
10 and get people in seats.

11 MEMBER KELLEY: And just a follow-up. Is there
12 information about the Reno and the Las Vegas ones on your
13 website?

14 MS. BOWSMITH: Yes. At HR dot NV dot gov. There
15 are -- There's a flyer that's posted. There's also a
16 memorandum that has all of the dates. And you will be seeing
17 more statewide correspondence. And hopefully we're going to
18 get a little media attention to help us out with some
19 marketing. So yes.

20 MEMBER KELLEY: No further questions.

21 CHAIRMAN ROBB: This is our we're kind of kicking
22 the tires today and finding the leak spots before the real
23 day.

24 MEMBER KELLEY: Yeah. Very nice. Thank you for

1 sharing.

2 MS. BOWSMITH: Thank you. Appreciate it. Thank
3 you all.

4 CHAIRMAN ROBB: Thank you for being here. We'll
5 close agenda -- Any other questions on that before we leave
6 this agenda item? Any other questions?

7 Seeing none, we'll move on to Agenda Item Number
8 5, applicant interview for position of the executive officer
9 of PEBP, information and discussion. Applicant interview to
10 be, interview approximately one hour. I don't know if it's
11 going to take that. Celestena Glover.

12 I will start with some questions and then we
13 don't have any formal questions put together. But can you
14 give us a brief background on your state service along with
15 your prior -- what you've done in your career prior to state
16 service.

17 MS. GLOVER: Celestena Glover for the record,
18 current Interim Executive Officer for PEBP. So, my history,
19 I started out in the Air Force. I joined the Air Force when
20 I was 18, like a lot of other people. I spent 14 and a half
21 years in a communications and computer field.

22 I then transferred to the Air National Guard in
23 California. And then I continued my career there until
24 retirement in -- I won't say when I retired. It's been a

1 long time.

2 During that time there, I became the first
3 sergeant, which put me essentially in charge of all the
4 enlisted folks within the unit. We were 200 strong. And I
5 was the senior manager. My primary goal and responsibility
6 was really health and welfare for our individuals, also
7 disciplinary actions. A very similar role to HR.

8 I came to the State of Nevada in 1995 where I
9 worked for Department of Corrections as a -- I actually
10 started as a clerical trainee. The way they were able to
11 hire back then, I came in as a clerical trainee on day one.
12 On day two, I was a grade 21. On day three, I was a grade
13 23, back then a management assistant.

14 I progressed up through my career where
15 eventually I went to SIIS, which was our workers comp agency
16 at the time. It was a state agency and was privatized. I
17 became a workers comp specialist. I worked on the financial
18 side of the house. And our primary goal was collecting
19 premium from employers and sending them to collections when
20 they didn't pay and recommending actions to our investigative
21 unit or enforcement unit if they didn't stay current on the
22 workers comp premium, which in some cases resulted in
23 business doors being shut until they complied with the
24 requirements.

1 Once I left there, I actually went to, at the
2 time it was Department of Personnel, I was a personnel
3 analyst for a short period of time, and then determined that
4 the best fit for me was the financial side of the world, so I
5 moved on and become an auditor at DHHS. At the time they
6 were called human resources.

7 And then went on to DMV as a management analyst
8 and continued to progress from there. Became administrative
9 services officer. Went to Medicaid, worked there in the
10 accounting unit. Went to a budget office shortly after that.
11 And then, eventually, I came to PEBP in 2012 where I finished
12 out my career as the chief financial officer from August of
13 2012 until I retired in February of 2018. And I came back on
14 May 1st of this year and here I am.

15 CHAIRMAN ROBB: What are your goals and visions
16 of PEBP and your role going forward here if you're successful
17 in getting the job?

18 MS. GLOVER: So, what I'm looking at -- I know
19 that a lot of times the answer is I want to make innovative
20 changes and things like that. But, really, what I would like
21 to see, I think we have a good group -- we're obviously
22 short-staffed like most of the state. But what I'm looking
23 to do is work with my team to really do a deep dive on what
24 our benefits look like, what works, what doesn't work, what's

1 being used, what's not being used. And then make
2 recommendations for the board on where we should move the
3 plan.

4 We know that often times we hear of good
5 programs. We try to implement them and get so many things
6 going. And we never really get a chance to look at them and
7 go is this really a good idea. It sounded good at the time,
8 but a year down the road or two years down the road it wasn't
9 really a good idea.

10 We have several programs that are coming on line
11 this year. Some have already started. Some are going to be
12 on as probably by January. And, rather than continuing the
13 add programs, we would like to look at it as let's kind of
14 stay at this level, review it, and really understand what
15 works for the program, what works for our members, what do
16 they really do, is this a program or a benefit that we're
17 offering that really isn't serving our members. And what do
18 we need to do, what do they need instead.

19 Does it mean eliminating some things? Possibly.
20 Does it mean adding things? Possibly. We really need to
21 take that time to fully understand and get to a point where
22 we can administer the plan in a way that provides good
23 information to everyone that's enrolled in our plan and also
24 take the appropriate steps to make the adjustments, changes,

1 things of that nature.

2 CHAIRMAN ROBB: We've had some audits that
3 haven't come back as to your satisfaction. How do you see us
4 moving through that process and ensuring progress in the
5 future and making sure that people we serve are taken care of
6 in a proper manner? And how do we move forward through some
7 of the hurdles we've recently experienced?

8 MS. GLOVER: So I think that one of the things to
9 look at -- We always talk about communication, and I think
10 right now that we try to use all the different levels of
11 communication, e-mail, newsletter, mailings, meetings. I
12 know our goal is to try to educate our members as much as
13 possible to get the information out there. That also means
14 working with all of our advocacy groups. So it could be
15 RPEN. It could be AFSCME, NSHE, all the different groups
16 that are definitely stakeholders. They have a stake.

17 How do we make that communication useful is
18 always a struggle. We get to a point where we're trying to
19 provide so much information that it becomes information
20 overload and people start treating our mailings and our
21 e-mails as spam and they just ignore it. And we know that a
22 portion of people don't realize what's going on because they
23 just don't read what we send them.

24 If we could go out to every household and hand

1 them something and read it to them, great, I would need about
2 3,000 people, please. You know, we will do the best that we
3 can. I think more, whether it's through a webinar, virtual
4 meeting, or an in-person meeting, we try to reach out to more
5 employees, hopefully, and in other areas, as well as talking
6 to retirees, talking to even their family members, because
7 often times it's not the employee, it's the spouse that's
8 actually making that decision and we need to maybe
9 incorporate them more in the discussion when it comes to
10 education about our clients.

11 CHAIRMAN ROBB: Okay. Any other board member
12 have any questioning or comments?

13 MEMBER WOODWARD: Janell Woodward for the record.
14 You mentioned that part of what you did as a guard was health
15 and welfare of your guard members. So, I guess my question
16 is directed at where is your heart at, kind of.

17 We all are very aware of cost, high cost of
18 health care limits and what we can do. But I guess I'm
19 wondering what is your feeling? Are you only the bean
20 counter? Are you truly caring about the health and welfare
21 of state employees with this? You know, yes, it's a benefit,
22 but it's a very important benefit, actually one I'm very
23 passionate about. And, I know if I am, other state employees
24 are as well. So I'm just wondering what your feeling is

1 that, are you focused on cost only or are you looking at the
2 whole picture?

3 MS. GLOVER: Celestena Glover for the record.
4 I'm looking at the whole picture. I am a bean counter.
5 That's what I did. But I also look at -- Part of the reason
6 I came to PEBP was I knew I could work on the financial side.
7 But, because of our small agency, it afforded me the ability
8 to look also at the personal side, which in a lot of
9 agencies, in the bigger ones, you kind of get, you know, you
10 just get stuck in one place and you don't really see what
11 your decisions are doing and how it affects other areas. And
12 so working here it's allowed me to kind of look at more
13 sides, be more involved on both sides.

14 And I think it's important that we have the best
15 plan we can put together within the resources we have. And
16 the resources are financial, as well as the people I have
17 here that can help administer this plan.

18 So my heart is in both places. I need to
19 consider both things. I can't consider them in silos. If
20 the world was perfect and I could have anything I want, we
21 would have a plan that had everything that anybody could
22 want.

23 But, when I flip to the other side and realize
24 that's not practical, then I have to go, okay, what's most

1 important, what is needed, what are we hearing from everyone,
2 where are our weak points, where are our strong points and
3 address the weak points without sacrificing the strong
4 points. So it's both sides. It can't be one without the
5 other.

6 MEMBER WOODWARD: Just a quick follow-up if I
7 may.

8 CHAIRMAN ROBB: Yes, please.

9 MEMBER WOODWARD: Would you consider doing maybe
10 a little bit more outreach to all state employees? Because
11 it hasn't always been hugely successful in the past getting
12 responses and that. But finding ways to get feedback on
13 maybe decisions that would be made by the employees.

14 MS. GLOVER: Celestena Glover for the record. I
15 am always open to reaching out to the employees, employees
16 and retirees both. Like I said earlier, we need to hear what
17 they have to say, listen to what they're saying. But I think
18 we also need to maybe include some of those family members,
19 like I said, who are likely making the decisions for the
20 family. So it is hard to get their feedback.

21 We know that a lot of our folks, you know, they
22 enroll in a plan, they stay in that plan forever, they never
23 make changes, they don't think about it. It's just there.
24 And, for other people, they're definitely more invested in

1 trying to determine what's best for them and their families.
2 And, we need to look at, you know, how do we go forward and
3 how do we understand versus we know what's sitting over here,
4 we know what we're working with, but is that working for
5 everybody else? So, without that feedback, we really don't
6 know. We're guessing. And, keep in mind, the PEBP employees
7 are members also, so we can get their feedback. But they
8 work here and they understand a little better how the plans
9 work, where, you know, the DMV tech maybe doesn't. The
10 correctional officer maybe isn't paying attention. The
11 retiree, they're traveling, and just as long as they're
12 covered, they're good. So, those folks, we don't hear a lot
13 from.

14 So we can try to get their feedback and that's
15 really all we can do is try and we'll see if there's other
16 avenues that we haven't explored in the past and then try to
17 go down that path. What those are right now, I don't know.
18 Because what I've seen are, we try to reach out every way
19 possible. We used to do a lot more in-person meetings. And,
20 over the years, that has kind of gone by the wayside to more
21 virtual.

22 And, as Ms. Laird said, there are a lot of people
23 that don't have the internet for one reason or another, they
24 don't read e-mails, they, you know, they want a hard copy in

1 their hands that they can read. So, how we get to those
2 folks besides mailings and are they reading it and are they
3 understanding it, that's where our challenge is.

4 MEMBER WOODWARD: Thank you.

5 CHAIRMAN ROBB: Ms. Kelley.

6 MEMBER KELLEY: Michelle Kelley for the record.
7 Ms. Glover, so I guess I heard your focus on education and
8 communication, that's fantastic, as well as doing that deep
9 dive on the current benefits. I think those are really
10 prudent thing to do.

11 I guess my question comes in to staffing, because
12 your executive staff here is limited. And I know the
13 decision was made during the legislative session before you
14 came on board, of course, to get rid of the education and
15 communication on the staff in place of a lawyer. So I'm just
16 wondering what do you do -- That's not right? Okay.

17 CHAIRMAN ROBB: I know where it's at, but this is
18 an interview of Ms. Glover. So let's keep it with Ms. Glover
19 and then we'll get to this.

20 MEMBER KELLEY: Okay. So my question is, really,
21 how do you -- I know that during open enrollment everything
22 was just on line. But how do you adequately build
23 communication, the strategy and then the multi-disciplined
24 way of communicating with people if you don't have that high

1 level professional?

2 MS. GLOVER: Celestena Glover for the record.
3 The position that we eliminated was the chief information
4 officer who was our IT person. We felt like we -- Because we
5 had support through at the time the state IT, I think that
6 the thought was we needed the benefit of an in-house legal
7 counsel to help us with compliance and other things that come
8 up that we really could use the assistance full time of a
9 legal mind.

10 We use the DAG, obviously, and we will continue
11 to use their office for things that we need outside of
12 personnel staff. Our education and communication officer did
13 not go away. That person is still a member of this staff.
14 And so I will work with her to see where she needs some
15 assistance, what are we lacking, does she have some other
16 ideas that maybe we haven't implemented or considered and
17 then we'll see what is feasible going forward.

18 MEMBER KELLEY: So that position used to be part
19 of the executive staff. Maybe that's my confusion. Is --
20 Who is in that position at the moment?

21 MS. GLOVER: So Celestena Glover for the record.
22 In the past, we had a PIO, public information officer. They
23 actually weren't part of the executive staff. They actually
24 worked for the operations officer. That position, over time,

1 has become the education communications officer. And that's
2 Kara, who is -- she -- she does all of our newsletters. She
3 does all the communication that goes outside of the PEBP.

4 So it wasn't a change for moving from an
5 executive officer. It was essentially a change in title and
6 a little bit change in duties to try to get the education
7 piece, not just the information piece.

8 MEMBER KELLEY: Thank you. And so you feel
9 you're adequately staffed to kind of really dig in to the
10 education piece and start, you know, doing different
11 communications and targeted and all of that good stuff?

12 MS. GLOVER: This is Celestena Glover. I won't
13 say we're adequately staffed. Could we use more people to
14 assist? Of course we could. But that is going to leave it
15 up for me and for the rest of the executive chain, we all
16 play dual duty. Just because we have a chief financial
17 officer does not mean that I can't involve that individual on
18 the education side. She may have ideas that we hadn't
19 considered. Same thing with our TC officer and same thing
20 with the operations officer.

21 I will use all of my staff to the best of our
22 ability to try to get that information out there and see what
23 we're lacking and where we can improve and what we can do to
24 meet that goal.

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MEMBER KELLEY: Thank you.

MEMBER BITTLESTON: Yes. Thank you. Leslie Bittleston for the record. So this question is kind of a stability question. You have quite an extensive background. I'm also a veteran, so I understand what the first sergeant's role is.

So you've retired from two careers. So my question is how long do you think you would like to stay in this position, knowing that, you know, PEBP is very complicated and really needs some stability? So my question is how long do you see yourself if you are appointed staying in this role.

MS. GLOVER: Celestena Glover for the record. My plan, whether it happens or not, is to stay at least for the next two to three years, get us in session. We've got budget building coming up. We've got a session we're getting ready to prepare for. We've got plan design and we're doing rate setting. Like, there's a lot of things happening in the next six to 12 months that I'm gearing up for. I will not leave six months from now. That is not the plan, unless you guys all tell me to go. The plan is to stay and get us through, at the very least, get us through that next session, so going in to plan year '26 and '27. So that is what I'm looking at currently. That could be extended depending on, you know,

1 the satisfaction of the board with my performance and me
2 going crazy coming back from retirement. So I'm not looking
3 at going anywhere very quickly.

4 MEMBER BITTLESTON: Thank you.

5 MEMBER STRASBURG: Betsy Strasburg for the
6 record. Ms. Glover, thank you for all that you've done over
7 the last six months. We really appreciate and your desire to
8 continue to serve. Over your career at the state, which is
9 quite extensive here, not all things go right.

10 Can you kind of talk about a situation or a
11 project where things didn't go right, how did you recover
12 from that, and what lessons learned that you would like to
13 practice in the future.

14 MS. GLOVER: Memory banks. Celestena Glover.
15 Off the top of my head, I don't have a particular situation.
16 I mean, there's always something that doesn't always go to
17 plan. Whether it's more, you know, bringing on line a whole
18 new system, which when I worked at DMV, they had just gone
19 through a system change. During my time there, they actually
20 had a break-in at an office where a camera was stolen and the
21 camera was actually a computer and it had commercial driver's
22 license records on it.

23 I was a business manager. I was not a DMV
24 technician, had no clue about that side of the house. But I

1 got rolled in with a lot of other people to assist with, one,
2 notifying all of the individuals that were affected by this,
3 going in to the system, learning it really quickly, reviewing
4 the records, who was affected, who didn't respond, and then
5 reissuing all new drivers licenses to those individuals. We
6 managed it. I think it was about 5,000 records.

7 The director at the time pulled in every resource
8 she could. So a lot of us were doing things that were way
9 out of our comfort zone and our knowledge base, but we
10 managed to get those records.

11 They also recovered the camera and found the
12 person who actually stole it. So we at least got that much
13 back.

14 And then additional notifications went out and
15 provided for people to go to the credit agencies to verify
16 that there would be no unusual transactions happening on the
17 credits -- credit cards or any other financial situation.

18 MEMBER STRASBURG: So, learning on the fly?

19 MS. GLOVER: Learning on the fly.

20 CHAIRMAN ROBB: Member Weeks.

21 MEMBER WEEKS: Stacie Weeks for the record. What
22 do you think the biggest challenge is facing PEBP and meeting
23 its mission over the next couple of years and what would you
24 do to lead the team and the board in the right direction to

1 address that challenge?

2 MS. GLOVER: So, the challenges, the immediate
3 challenge -- This was mentioned in public comment. It is
4 also in our board packet. Since I first started with PEBP,
5 we have had a pretty significant excess reserves and we've
6 been using those to fund benefit enhancements. Those
7 reserves have finally gone to a point where we've exhausted
8 them. We right now do not have any excess reserves.

9 So the biggest challenge I think will be how do
10 we enhance benefits, make the plan the best it can be,
11 realizing that the funding has to come from within the
12 resources we have. That is part of the deep dive. What can
13 we do? What adjustments can we make?

14 And then once we get that deep dive -- And I'm
15 not talking about something that we're going to do for the
16 plan year coming up July 1st. I'm talking about something
17 that might be in plan year '26 and '27 where we actually have
18 time to truly look at what does this program look like and
19 what should it look like to meet the needs of our
20 participants and our members.

21 And I think the way for me to do that is periodic
22 feedback to the board to let you know what we're finding and
23 to take whatever action the board wants us to take at that
24 point. So it's really keeping you informed as to what we're

1 discovering. Maybe we discovered that the plan is the way it
2 should be and it is meeting the needs of most people. But,
3 generally, there's always something. So that will be my
4 focus and that's what I'll be doing going forward.

5 CHAIRMAN ROBB: Member Aiello.

6 MEMBER AIELLO: Betsy Aiello for the record.

7 And, I really commend you about the deep dive, because so
8 many times things get added that sound fantastic and certain
9 things can conflict with each other. So I really do do that.

10 One of the biggest things I've seen since I've
11 been in this last year -- I've been here years -- has been we
12 did have money, extra money, at the legislature. But, from
13 my understanding, not all of it was accepted because of the
14 timing of how things can come back and whether we can
15 actually take everything because of how PEBP's budget
16 building, PEBP's benefit building, all of the timing.

17 And so my question to you would be someone comes
18 and says -- The legislature comes -- not someone. The
19 legislature comes and says, we have money for you guys, we
20 want to make you whole, we want to be able to offer, because
21 we can't hire anybody, what we used to offer, can you make it
22 happen. And then to hear, no, we can't make it happen,
23 that's -- I don't know if you have thoughts or processes
24 or --

1 MS. GLOVER: Celestena Glover for the record. I
2 just recently had this discussion. The timing of setting
3 rates and open enrollment and the plan start conflict with
4 the legislative session in the odd years. Because you're
5 talking about a session that is not going to finish until the
6 first week in June, the open enrollment is already done,
7 rates have already been set for the upcoming plan year.

8 My suggestion or recommendation would be to a
9 legislator that rather than trying to get that in to the
10 first year, look at our second year and beyond. Instead of
11 trying to rush things in, if we're doing the deep dive and
12 we're really understanding what we need, then, ideally, we
13 would have that information before we go in to session and
14 that would be in the first year.

15 But, if they somehow found a pot of money that
16 would help us with benefits, then I would suggest do that in
17 the second year of the plan because that is -- gives us time,
18 gives us a runway to get the information out there, to get
19 the rates set, to get the funding the way we need it. So, it
20 would be nice to implement everything tomorrow, but sometimes
21 you have to wait.

22 MEMBER AIELLO: This is Betsy Aiello again. And
23 this might not be a fair question for you. Do you -- because
24 you weren't as involved at that point. But is there a reason

1 that you understand why we didn't do that then?

2 MS. GLOVER: This is Celestena Glover for the
3 record. I don't know why that's not been done in the past.
4 I know there has always been the -- typically because most of
5 the budgetary side they want to implement it through the
6 beginning of the fiscal year, which is July 1st. But, often
7 times, even outside of a plan, even for other programs,
8 that's not always ideal.

9 And what I see go back to, especially to IFC or
10 any interim committee, is why didn't you implement this thing
11 we gave you money for. Well, we needed six, nine, 12 months
12 to actually get this thing implemented. So your first year a
13 lot of times is doing a study to see what you need to do,
14 especially if it's something you weren't actually planning
15 for.

16 So, if -- The process was more of a take that
17 first year, the first year of the biennium, figure out how
18 you're going to implement the new program with the new
19 funding and then implement it in the second year. I think
20 that's more feasible. That could work for PEBP. That could
21 work for other programs.

22 I wasn't in a position where I could make those
23 suggestions. I don't know if it was thought about at the
24 time. You know, I can't speak for other people. But that's

1 the way I would approach it. Whether or not that would be
2 satisfactory to the legislature, I can't answer that at this
3 point.

4 MEMBER AIELLO: And then one final thing. One of
5 the things that I thought I understood, why we haven't done
6 that, because I've heard this word a lot. But for any
7 program to grow this would be a one-time funding. But my
8 understanding is once it's in the program then it should
9 probably become some of the base. But, if it takes too
10 long -- I don't know. And so that's my thought is how that
11 would impact that also.

12 MS. GLOVER: Celestena Glover for the record. So
13 one-time funding is an issue. It doesn't work for a plan
14 unless it's a benefit that you really can say, oh, this is a
15 finite thing that can only happen for this period. What we
16 would have to look at is as we are going to future sessions
17 that we would say, okay, we received this one-time funding,
18 the funding provided a benefit that was, it was successful,
19 it's used, it's needed, and we would have to justify to get
20 funding in future years.

21 I can't tell you what the legislature will do.
22 And, of course, if the economy takes a nose dive, then, you
23 know, in the past it's been benefits and compensation that
24 typically takes a hit. So whether it's frozen or furloughs

1 or whatever it is. So all we can do is just ask and hope
2 they say yes.

3 MEMBER BARNES: Jim Barnes for the record. I
4 just wondered if you could tell us a little more about your
5 philosophy on the development of staff.

6 MS. GLOVER: So Celestena Glover for the record.
7 Through my career, through my time of work for the state, I
8 have always encouraged staff to look at what other
9 opportunities are, what kind of education is needed, whether
10 it's going back to school, is it a technical school, is it a
11 certification program, and then try to support them in that
12 effort.

13 I am also a big proponent for reaching out to
14 other agencies, the individuals applying for those positions
15 in other agencies, especially when you're looking at PEBP.
16 We're very small and so we're very limited opportunity for
17 career growth. So, if you're looking to move in to certain
18 positions, it might require that you leave one agency, work
19 somewhere else for several years, develop your skills, and
20 then when those positions come back open in the agency you
21 left, come back, try to get those opportunities that way.

22 Movement within an agency. If there are
23 promotional opportunities, then definitely we want those
24 individuals, because we already have a knowledge base, we

1 already have people that are qualified that deserve those
2 promotions, they've earned them through hard work and through
3 taking their own time to learn how our program works. And I
4 think that's true in any state agency or any company, for
5 that matter.

6 I would never, say, pigeonhole somebody in to one
7 place. I also say that there are some individuals that they
8 come in to a position, it doesn't matter where it's at, grade
9 23 or grade 33, they do good work in that position, they're
10 happy in that position, they stay long term, they're your
11 history, they're your knowledge, they train all of your new
12 people, you need those folks too.

13 There are a lot of people that career-ridden is
14 not their thing, and so I want to support those folks too.
15 Nothing wrong with deciding this is the right place for you
16 and you should continue for however long that is. So I would
17 support both options.

18 MEMBER BARNES: Thank you.

19 MEMBER KELLEY: I've got a follow-up from I think
20 kind of the train going talking about legislative session and
21 how all of that works, kind of fixates us.

22 But, I'm just wondering, your position reports to
23 the board. But then it, obviously, has a very long dotted
24 line up to the budget office in the governor's office. And,

1 obviously, we all work at the pleasure of all. So, I'm just
2 wondering, how are you going to manage that kind of joint
3 reporting when it comes to, you know, the board recommending
4 certain activities and then the budget office second-guessing
5 the board? How are you going to manage that level of stress,
6 for one thing, but also navigate the wars?

7 MS. GLOVER: Celestena Glover for the record.
8 So, previously, as a CFO, that was something I had to do
9 anyway. I supported what the executive officer was trying to
10 do, who he was trying to support, and the board. So when I
11 presented our request to the budget office, at the time
12 budget office, now GFO, then, you know, that goes to the
13 governor's office, obviously, explaining -- trying to get
14 them to understand why we're going the path we are going.
15 Can you always get them to agree? Not necessarily.

16 As the executive officer, I see my role in a
17 similar way, in that I would still need to make the argument
18 there why we're trying to go a certain way. I would
19 obviously be supporting the board and trying to take their
20 information forward and doing my best to explain to the
21 governor's finance office, the governor's office, and then,
22 eventually, the legislature why we need what we have
23 requested, why we're making plan changes. All of those
24 things we would have discussed internally and we would have

1 brought to the board. So trying to make sure that I clearly
2 communicate to those individuals that will make the final
3 decision. That's the goal. And, hopefully, I'll be
4 successful at that.

5 I think sometimes if you can have some
6 conversations with them and get their understanding, a lot of
7 times that's all you need. Because I find that often times
8 when you listen to the comments that are made or the
9 questions that are asked, it becomes obvious that they, for
10 whatever reason, didn't fully understand what you're trying
11 to do. And that, a lot of times, is because we didn't make
12 it very clear. So I will do my best to try to make it clear
13 to who ever I need to talk to what it is we're trying to do,
14 where we're headed, and why we're headed in that direction.

15 MEMBER KELLEY: Thank you.

16 CHAIRMAN ROBB: Any further questions? Seeing
17 none, we'll close Agenda Item Number 5 and we'll move on to
18 Agenda Item Number 6, discussion and possible action
19 regarding appointment of the executive officer of PEBP
20 subject to governor approval, per NRS 287.0424(1).

21 MEMBER AIELLO: For the record this is Betsy
22 Aiello. And I would like to say that I read some of your
23 written answers, too, and I was impressed with the quality of
24 the answers, even down to grammar and English and formatting

1 your answer and how -- I mean, I hate to say this, but over
2 the years I read some things that really surprised me at
3 different levels of candidates. And I'm also very impressed.
4 And over the years I know we have known each other, but with
5 your background and your background with PEBP and your
6 knowledge with how to work within the politics of working in
7 the government, it's very different than being an executive
8 in private industry also and how to balance different things.
9 So I just wanted to make that statement that throughout the
10 answers you have given and you seem well aware of the
11 challenges and what needs to occur to move forward. You have
12 some thoughts and plans. And so I just wanted to speak in
13 support from that standpoint.

14 CHAIRMAN ROBB: We only have one candidate today.
15 And I don't want -- I don't want it to seem like we're
16 settling because we only have one candidate.

17 (The court reporter interrupts)

18 CHAIRMAN ROBB: I don't want it to seem like
19 we're settling because we only have one candidate. I
20 consider us very lucky today that Ms. Glover would come out
21 of retirement to even consider this job. She's retired. She
22 was happily retired. I think it's a great favor to the State
23 of Nevada and to the participants in this program that
24 somebody of her caliber would even consider coming out of

1 retirement to do this. It truly is remarkable that we can
2 have somebody with seven years of experience. She was in her
3 role from 2012 to 2019, has tremendous experience, knows the
4 ins and outs.

5 In one of my first meetings I had in my new role,
6 I met with the former executive officer. And, the amount of
7 information she went over in one meeting with me, I looked at
8 her and said why are you here, you're worth so much more on
9 the outside in private industry. And, I probably shouldn't
10 have asked that question, because she left for private
11 industry. That's the truth. Somebody with the skills and
12 knowledge level of Ms. Glover and her predecessor, we're
13 lucky to have those individuals. And I truly believe that
14 having Ms. Glover here, and further other employees within an
15 agency, their knowledge base, and help build that bridge in
16 to the future. I think it's a crucial step for us to have
17 that bridge, to gain the knowledge of other employees, to get
18 them to the level that they're comfortable in taking on such
19 a role.

20 And I know there's multiple people that we could
21 foster and move towards that direction. But, if they felt
22 they were ready, they would raise their hand now, and they
23 haven't.

24 So I truly appreciate Ms. Glover and where she's

1 at and her willingness to come back and help the State of
2 Nevada.

3 MEMBER KELLEY: And, with that, no better way to
4 follow on than -- Michelle Kelley for the record. I'll make
5 a recommendation that we offer Ms. Celestena Glover the
6 continuing role of PEBP executive officer. And thank you for
7 your application.

8 MEMBER CAUGHRON: I'll second.

9 CHAIRMAN ROBB: We have a motion and a second.
10 Any further discussion? Seeing none, I'll call for --

11 (The court reporter interrupts)

12 CHAIRMAN ROBB: I'll call for the vote. All of
13 those in favor, signify by saying aye.

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

15 CHAIRMAN ROBB: Motion passes unanimous.
16 Congratulations.

17 UNIDENTIFIED SPEAKER: Yay.

18 CHAIRMAN ROBB: We'll close Agenda Item Number 6
19 and move on to Agenda Item Number 7, consent agenda. All
20 items for possible action. Consent items will be considered
21 together and acted on in one motion unless an item is removed
22 to be considered separately by a board member. Everybody has
23 their packet. Does anybody want to remove one of the items
24 on the consent agenda? What number, Member Kelley?

1 MEMBER KELLEY: Could I ask that 7.2.1, the
2 budget report, be removed?

3 CHAIRMAN ROBB: Okay. Other items to be removed?
4 Hearing none, I'll call for the motion, removing 7.2.1.

5 MEMBER KELLEY: So moved.

6 CHAIRMAN ROBB: We have a motion.

7 MEMBER STRASBURG: Second.

8 CHAIRMAN ROBB: We have a second. Any further
9 discussion? Seeing none, all those in favor signify by
10 saying aye.

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

12 CHAIRMAN ROBB: All of those opposed? Motion
13 passes.

14 (The court reporter interrupts)

15 CHAIRMAN ROBB: Okay. 7.2.1.

16 MEMBER KELLEY: Yes. Michelle Kelley for the
17 record. So I really just have a quick question and it's a
18 follow-up from public comment. Can you address the zero
19 reserves again in light of all of the enhancements we did
20 using reserves that we're only kind of partway through, we
21 just started the new biennium. So can you talk about where
22 are those programs? Where is the money for those sitting now
23 if we're at zero? Or do we have no money?

24 MS. WEYLAND: Well, to begin with --

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(The court reporter interrupts)

MS. WEYLAND: Michelle Weyland for the record. Sorry. To start with, we did -- we had to do a work program at the very end of fiscal year '23 of approximately nine million dollars to recover shortfall.

(The court reporter interrupts)

MS. WEYLAND: Okay. I guess I'll shout at the ceiling. So we did a nine million dollar work program at the end of fiscal year '23 to cover a shortfall in place for county board 40, which reduced our excess reserves by that. And then when we balance forward with the cash, we had to cover another 14 million dollar shortfall in what was budgeted for the balance forward. So that took our reserves to zero.

MS. GLOVER: This is Celestena Glover for the record. So I want to clarify that. The amount that was projected, that was the budgeted amount, 33 million dollars in our excess reserve. It wasn't projected where we were going to end. During plan year '23, fiscal year '23, we were slowly eating away at the excess reserves. Part of that is because of the shortfall we had to do in the plans category we're starting to see that. The plans rise and the enhancement to benefits.

When we closed the year, we made adjustments

1 based on the memo we received from the reserves for our
2 catastrophic and our incurred but not paid reserves. And
3 that adjusted down. We had 14 million budgeted for excess
4 reserves. The shortfall that we needed to transfer the cash
5 from one year in to the next, the shortfall was actually 24
6 million dollars. So that wiped out the 14 million that we
7 had in excess for the budget. That also was adjusted with
8 the reduction in the other two reserve categories. And, then
9 in the last three and a half million dollars or so, we had to
10 reduce the HRA reserve simply because there was no where else
11 to go. So we reduced that, still leaving us at a level that
12 we should be fine with those reserve calculations.

13 The plan always had been over the years to
14 utilize excess reserves as much as we could because there was
15 consternation about the level of reserves that PEBP had for a
16 very long period of time. And the reason they had those
17 reserves is because we had a lot of years where we had good
18 experience, good trend, so we ended up saving.

19 But, as that changed and we had kept trying to
20 say, at some point we will exhaust these reserves, we just
21 didn't know when that was going to happen. It took a lot
22 longer than we thought. We started at 90 million back in
23 2012. Here we are in 2023 and we have finally managed to
24 exhaust all of the reserves.

1 As far as all of the benefits that may have been
2 funded with those, we are going to have to monitor it.
3 Because we are not pulling them out of this year but we will
4 likely not be able to fund them for plan year '25 and that
5 will be part of what the board will look at when we talk plan
6 design. Where do we go from here?

7 MEMBER KELLEY: Thank you.

8 MEMBER WOODWARD: Janell Woodward for the record.
9 This may be a bit of an elementary question. But is there a
10 way to show the excess funds and where the movement is and
11 that a little clearer to us as the board? Because sometimes
12 it's really hard to follow where you got -- you know, how we
13 went from one number to zero and not, you know, kind of
14 understanding that full other than a lot of the costs.

15 MS. GLOVER: This is Celestena Glover for the
16 record. I'll work with Michelle Weyland to see if -- and
17 we'll see if we can't create maybe a table that kind of shows
18 how we got from here to here and bring it to the next board
19 meeting.

20 MEMBER WOODWARD: Great. Thanks.

21 CHAIRMAN ROBB: Any further questions?

22 MEMBER AIELLO: I just want to clarify what I
23 think I'm hearing then. So those are fine. We're starting a
24 new budget or we started a new budget cycle, which is two

1 years. So we're going to watch what we're doing with the
2 plan we have in place. And if, like this time, the claims
3 experience is not as favorable, so more claims are coming in
4 that we have to pay, we're going to have to look for a next
5 year because that's when people will choose what plan and how
6 much it cost, and it may go in to either increased rate
7 spending or increased cost to the employee or decreased
8 benefits, so that at the end of the biennium we come out
9 even, if that. And, if we're lucky and the claims experience
10 isn't as to the level that it was last year, we may be lucky
11 and be fine. But that's what we're going to have to do. So
12 we need to be aware that even though we're wanting to add
13 back things -- Is that what I'm hearing?

14 MS. GLOVER: Celestena Glover for the record.
15 That is correct.

16 CHAIRMAN ROBB: Do we have any further questions
17 on 7.2.1? This is an item on the consent agenda, but I don't
18 think any action is required. Okay. Let's --

19 MS. GLOVER: It still requires a vote.

20 CHAIRMAN ROBB: Is there a motion?

21 MEMBER BITTLESTON: Leslie Bittleston. Move to
22 approve Item Number 7 on the agenda.

23 MEMBER STRASBURG: Betsy Strasburg. Second.

24 CHAIRMAN ROBB: We have a motion and second. Any

1 further discussion? Seeing none, I'll call for the vote.
2 All of those in favor, signify by saying aye.

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

4 CHAIRMAN ROBB: Any opposed? The motion passes
5 unanimous.

6 We'll move on to Agenda Item Number 8, executive
7 officer report. Celestena Glover is no longer interim
8 executive officer. We can scratch that out. Information,
9 discussion.

10 MS. GLOVER: Celestena Glover for the record. We
11 had a couple of things go on this since the last board
12 meeting. We talked about voluntary benefits, specifically
13 for disability. The issue we had where the premiums were
14 calculated in directly for those members that have enrolled
15 in that benefit. We basically got word from Corestream that
16 the standard had agreed to essentially waive or -- What's a
17 nice way to say this -- eat the hundred thousand dollars it
18 was going to cost if they didn't recoup those under-collected
19 premiums.

20 So, as of the date that we received this, we had
21 not heard back from Division of Insurance. But they did make
22 the notifications to DOI to explain what they were going to
23 do. They had not taken any action at that point to recoup
24 any of those premiums. So nobody was affected by that.

1 They've also agreed that if somebody did cancel
2 their coverage because they didn't want to pay those back
3 premiums, if those individuals contacted them, they would let
4 them re-enroll. And notifications are going out. If they
5 haven't gone out already, they will be going out in the next
6 few days to notify people that, you know, back premiums
7 aren't being collected. And so that, finally, is something,
8 which is the direction we wanted them to go, but we kind of
9 have a whole new pattern in waiting and having things go our
10 way.

11 Customer service tolls. So this came up during
12 public comment and also interim discussion to get somebody in
13 from both UMR and Villa Benefits as a contact so that we can
14 have some face-to-face meetings. We have managed to get
15 those scheduled. We have UMR in the office. Jesse was with
16 us for a couple of days in September to talk in the efforts
17 of who wanted to schedule appointments. We just recently had
18 Stacy from Villa and she actually did not have anybody
19 contact her during her two days in the office. She was here
20 yesterday and the day before. I think on the Medicare
21 Exchange maybe a lot of individuals already, they're used to
22 how their HRA works and she's the specialist in that area.

23 But we will continue to schedule those meetings.
24 And, if it looks like they're not being used, then we'll look

1 and see if we need to adjust how often they come in the
2 office. But it is there for those individuals who would like
3 to take advantage of it.

4 And then the call center phone tree working with
5 QC and our other staff trying to figure out what was going on
6 with the phones. It looks like, you know, with a lot of call
7 centers, you hit zero and you get a live person. That
8 doesn't work in our call tree. So we're trying to see if we
9 can't -- It would hang up on them essentially. It tells them
10 we're not open and hang up and call back during business
11 hours, even though it was business hours. So they're working
12 toward getting that to route them back through the options so
13 that the person can pick the correct option for whatever it
14 is they're trying to address, rather than saying, you know,
15 please call during business hours.

16 And then, finally, staffing, like everybody
17 already knows, staffing has been an issue. We did fill a
18 couple of positions in the county. But, as soon as we fill
19 positions, we lose people. They move to other agencies for
20 whatever reason and they move on. So we're still sitting in
21 that 25-ish percent vacancy rate. Now, apparently, the
22 executive officer position is filled.

23 So we have on the executive team with this
24 position filled we now have hundred percent. All the

1 positions are filled. We just need to get staffing in our
2 other areas.

3 And that's all for the executive officer report.
4 And I will answer any questions you may have.

5 MEMBER CAUGHRON: April Caughron for the record.
6 Just a quick question going back to the long-term disability.
7 Is there a way for a Corestream to identify, perhaps, some of
8 those members that terminated their coverage because of this
9 issue and then proactively reach out to them, explaining
10 where we're at with that situation and helping them to
11 perhaps, you know, re-enroll or just help them along the way?

12 MS. GLOVER: So we did ask that question. This
13 is Celestena Glover for the record. We did ask that
14 question. And, they said they didn't have a way of
15 identifying those individuals who may have canceled their
16 coverage because of this issue, who may have canceled for
17 other reasons. We can certainly go back and see if they
18 could look at the number of people that were affected and
19 maybe, you know, reach out to some of the ones that may have
20 canceled coverage. We don't have a number as to how many may
21 have canceled their coverage and provided coverage to this.

22 CHAIRMAN ROBB: Member Kelley.

23 MEMBER KELLEY: Thank you. Michelle Kelley for
24 the record. Executive Officer Glover, firstly, I want to

1 thank you and staff. You know, I was particularly outraged
2 by Corestream and the standard charging these back fees. So
3 I'm very grateful to both the standard and Corestream and
4 staff for negotiating this. I think this is a great outcome.
5 So thank you very much. I did have on my list of questions
6 how many people dropped the insurance. A follow-up on that
7 one would be great.

8 And then just a last question on that matter.
9 Will the Commission of Insurance continue to review for
10 future, like, to have an answer for future issues that may
11 arise? Or have they dropped it since it's null and void now?

12 MS. GLOVER: This is Celestena Glover for the
13 record. I haven't got word that they dropped their
14 investigation in to the issue that happened with this. We
15 can reach back out to them and make sure that we've got, you
16 know, as to what they see happening, in the event something
17 of this nature happens again, so that we have -- we can use
18 that to address that issue.

19 MEMBER KELLEY: Thank you.

20 CHAIRMAN ROBB: Board Member Aiello.

21 MEMBER AIELLO: This is a follow-up again on that
22 same question. My belief would be it's a fairly new benefit,
23 and if people enrolled in it, those that dropped it are more
24 likely to be because of this issue than just I had the

1 benefit for a very short period and I'm tired of it. So, my
2 thought would be that if people cancel, so it might be worth
3 them getting the call.

4 And then a second thing, on the call center phone
5 tree -- And I should probably listen. But, in your phone
6 tree, is there a way a person can get to a person without
7 pushing zero or do you only get two responses?

8 MR. LINDLEY: Yes. Tim Lindley for the record,
9 quality control. Prior public comment and information
10 complaints we've received from members was I'm calling and
11 it's hanging up on me or saying call back during normal
12 business hours.

13 The phone tree, as listed in the report, is
14 designed to direct members to the appropriate people. For
15 example, if someone called in for HRA and they're on Villa
16 Benefits, there is an option to select that, or they also
17 provide an option three for voluntary benefits. If they are
18 calling for voluntary benefits, they press that option three,
19 and it routes them to Corestream in that example.

20 If they want to call and talk about a call center
21 for enrollment and eligibility, they press option two, and it
22 goes straight to our eligibility cue and it's answered in the
23 order it's received. So, if they want to talk to someone
24 directly at PEBP, option two would be their option.

1 As we've experienced and people have experienced
2 in general, pressing option zero tends to bypass that.

3 MEMBER AIELLO: I was just curious. So, within
4 the cue they choose, there should be an option to get to a
5 person?

6 MR. LINDLEY: Well, you always get to a person if
7 you follow the cue. For example, if you press option I think
8 one or four goes to claims processing and UMR has their own
9 tree in claims processing. So you will get to a person if
10 you click the appropriate key.

11 CHAIRMAN ROBB: Any further questions?

12 MEMBER STRASBURG: Bepsy Strasburg. I'm kind of
13 new to this process. There were several public comments that
14 had concerns on dental code and vaccination clinic, et
15 cetera. Will those issues be addressed privately from the
16 PEBP organization and reach out to those people or how does
17 the process work?

18 MS. GLOVER: So this is Celestena Glover for the
19 record. Typically, those inquiries go through QC. So,
20 depending on what the inquiry is, what the feedback is,
21 public comment, in general, while we here at the board, we
22 take that in internally, but we don't always -- Generally,
23 it's information given to us. It's not something we
24 typically call everybody and talk to those individuals. So

1 it depends on the situation.

2 But, for the most part, if there is an issue,
3 they're typically directed to go through our QC or contact.
4 In this case, you know, maybe it's UMR, maybe it's
5 Corestream, to talk directly to those individuals first.
6 That's their first level. And then if they don't get the
7 satisfaction that they want, then they can appeal it, and
8 that's when we start sending them to QC.

9 MEMBER STRASBURG: Thank you.

10 MEMBER KELLEY: Michelle Kelley for the record.
11 So just following up on the vaccine clinics. I know it's not
12 in your executive report. There were some very
13 strongly-worded public comments about something. I'm just
14 wondering if you could add some -- provide some information
15 to the board about what actually occurred at these clinics.

16 CHAIRMAN ROBB: I wonder if the DAG is listening.

17 MS. GLOVER: This is Celestena Glover. Radhika,
18 are you there?

19 MS. KUNNEL: What's the question again? Can you
20 repeat that?

21 MS. GLOVER: So the question is about the vaccine
22 clinics, because this information came in on public comment,
23 but it is not in my report or on the agenda.

24 MS. KUNNEL: And are you asking -- Are you being

1 asked to respond to that?

2 MS. GLOVER: Yes.

3 MS. KUNNEL: I don't believe you need to. But
4 it's up to you though. If you wish to or if the board
5 requires you to make it, that's fine. But, if you're not
6 comfortable, that's an appropriate response.

7 CHAIRMAN ROBB: I think we're agendaized for
8 discussion on the action from the point forward and this
9 wasn't included on the actual report. So this is discussion
10 deliberation outside of the formal action.

11 MEMBER KELLEY: Okay. Thank you.

12 CHAIRMAN ROBB: Okay. Thank you.

13 Any further discussion on Agenda Item Number 8?

14 Okay. Agenda Item Number 9, discussion and
15 possible direction from the board to staff on potential
16 program design changes for plan year 2025, July 1st, 2024, to
17 June 30th, 2025, for which the board requests additional
18 information and cost to be presented for the November 16th,
19 2023, meeting.

20 MEMBER AIELLO: Chair, is it possible if we have
21 a five-minute break?

22 CHAIRMAN ROBB: We can. We will take a -- Let's
23 make it a ten-minute break. It's 10:27. We'll come back at
24 10:37.

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(Recess was taken)

CHAIRMAN ROBB: Agenda Item Number 9, possible direction from the board to the staff on potential changes to plan year 2025.

MS. GLOVER: Celestena Glover for the record. Today what we're looking at, my report essentially does a very high level here's what we're considering initially and whatever else the board would like us to look at. So, as we've already said several times, the excess reserves are at zero. So, any plan design changes that result in an enhancement benefit, we have to look at the fact that this can ultimately increase rates depending on where we plan when we're getting close to that point, which is just a couple of months away.

So, the key things we are looking at, we were looking at the possibility of expanded the pharmacy and what would that do, what are the pluses and minuses there. And then plan alternatives to include the viability of the EPO HMO. We know that the rate setting in those areas are increasing over time and is there something else we can do. Do we go with status quo? Are we willing for at least in the year coming up do those go up?

So I've asked Segal, our consultants, to look at these options, give us some basic information that the board

1 can consider as far as do we do a deeper dive in to this and
2 is there something else you would like to see. And, with
3 that, we have Richard Ward from Segal.

4 MR. WARD: Thank you. First of all,
5 congratulations to Executive Officer Glover. And I want to
6 commend the board on approving a quality candidate. We look
7 forward to working with Ms. Glover and staff going forward.

8 Some materials that are in the board packets that
9 begin on page 135 of the board packets in the PDF. And, I
10 don't think I said so, this is Richard Ward with Segal, for
11 the record.

12 We have a couple of items here just to provide
13 for consideration and perhaps discussion to move forward and
14 then come back at future meetings with specific proposals.

15 On page two of our materials, which is page 137,
16 just as a reminder, I heard some discussion earlier where
17 there were a lot of plan changes that were approved and --
18 considered and approved and are being implemented or have
19 been implemented for the current plan year. So just a
20 review. There are eight categories of changes that were
21 considered last year. There are about 12 distinct options or
22 multiple options, for example, for increasing the dental
23 annual benefit limits and a number of options for spending
24 down reserves through HRA credits. And there were seven of

1 these. So it's a lot of activity for the current plan year.

2 I have a couple to walk through for consideration
3 for plan year '25. All right. As Ms. Glover mentioned,
4 there's a consideration to review open access for the
5 pharmacy plan. So there are COVID-related changes that
6 brought savings going back in 2020 where the networks were
7 tightened. And tighter networks generally bring better
8 discounts and lower cost. And that certainly has been the
9 case. But, now there's a consideration to review, expanding
10 those networks and then comparing the value of that
11 additional access and weighing that against perhaps costs
12 that may come with that additional access. So that would be
13 for the retail networks as well as the Smart 90 network.

14 And, currently, members are required to use a
15 more narrow pharmacy network than the broadest networks that
16 are available to get the lowest cost, the lowest co-pays
17 available. And so we want to compare the access that would
18 be available under the broader networks to the access that
19 members have now. And we'll coordinate with Express Scripts
20 on the details of how that might look.

21 MEMBER KELLEY: Michelle Kelley for the record.
22 I'm just wondering, regarding the pharmacy, obviously there's
23 been a lot of news coverage on the Albertsons/Kroger merger.
24 And, earlier this year, Kroger dropped Express Scripts. And

1 I'm not sure if that still sticks, but, you know, it was a
2 big deal I think it was January 1st. So, under the current
3 network, are we going to run in to issues if we don't expand
4 it? Because I think Kroger is the lead acquirer of
5 Albertsons if that merger is allowed to take place.

6 MR. WARD: That is something that we would want
7 to consider in this review, what does access look like
8 currently without those pharmacies and then what are -- and
9 then what additional access would be provided by the addition
10 of the pharmacies that are currently not covered in that most
11 narrow preferred network.

12 MEMBER KELLEY: And just a follow-up. So is it a
13 situation where it's kind of all or very narrow or are they
14 kind of like bans, if you will? Does that question make
15 sense?

16 MR. WARD: I believe that there are primarily two
17 options. But what we would want to review is the impact of
18 the differential between those two. Because we've seen
19 sometimes when you have a narrow network and that broader
20 network, the additional access for that broader network is
21 not that substantial, it's not that meaningful. But the cost
22 differential that has been negotiated with the pharmacies can
23 be fairly substantial.

24 So, we want to weigh -- we want to help you

1 understand the balance and weigh the additional access,
2 whether it's substantial or fairly minimal, against the
3 potential cost impact.

4 And I will say that, especially with pharmacies,
5 setting aside the Kroger and Albertsons situation, that this
6 may not lead to people changing their habits. If they're
7 currently using a particular pharmacy and then they're
8 provided access to another pharmacy that's across the street
9 or nearby that is currently not in the preferred network,
10 they're not necessarily going to change to that other
11 pharmacy. They may, if they're currently driving to another
12 town to access a network pharmacy and then a pharmacy that is
13 much closer, they may change their behavior. So we may not
14 see -- we may not see the change in -- I keep saying
15 behavior. But we may not see the movement from pharmacy to
16 pharmacy that you might expect with that kind of access.

17 MEMBER AIELLO: This is Betsy Aiello. Now, I'm
18 just wondering what triggered us looking at this? Was it
19 because COVID now is officially not a thing so we're looking
20 back at where we were? Or are members calling us and saying
21 we don't have access to get our meds? Or why are we looking
22 at this?

23 MR. WARD: I would defer to staff, especially
24 regarding member inquiries.

1 MS. GLOVER: So this is Celestena Glover for the
2 record. We often get asked -- We haven't been asked
3 specifically on pharmacy. But we often get asked about being
4 able to use different medical providers or pharmacies or
5 whatever. So we thought, okay, we have a very narrow
6 network. It provides cost savings to the plan and the
7 member. If we look at that to expand it to give individuals
8 who may live somewhere where there isn't a pharmacy,
9 geographically, they're probably in the range. But, if
10 there's not a pharmacy close by that they can use, does this
11 benefit them? Are we helping them?

12 So this is another one of those let's look at
13 what we've got going on in the plan, is it what the members
14 need. So it wasn't a specific request. It was just one of
15 those things, can we see does this make a difference. And
16 then kind of, as Mr. Ward said, that there's a possibility
17 that people won't change the pharmacies they're currently
18 looking at, but we felt like it was worth at least
19 considering and analyzing. It was a path we should look at.

20 CHAIRMAN ROBB: Okay. Thank you.

21 MR. WARD: Moving on to the next one, on page 139
22 of the PDF, regarding specialty co-pay. The specialty
23 co-pays, the co-pays required, cautionary required, for
24 members that have specialty medication, it's pretty

1 substantial. There's a table that shows that members are
2 required to pay 20 or 30 percent after deductible in most --
3 in all cases of the medication, and a number of these
4 medications are high cost.

5 And, an example is if there's a medication that
6 cost \$10,000, then it will load it up in to the health plan,
7 even if they've already met the deductible, then their cost
8 share is \$3,000 of that \$10,000. And that provides an
9 incentive for members to -- where there's a manufacturer
10 coupon that's available through the SaveOnSP program to
11 enroll in that program and then have a much lower cost share,
12 have a much lower co-pay. And then the plan benefits from
13 the value of that manufacturer coupon. And so that saves the
14 plan money. And the member then has a lower cost share.

15 That's only for members that have a medication
16 where there is a coupon available, which is not the case for
17 all specialty medications. So there a number of members that
18 are in a situation where they have this 30 or 20 percent
19 obligation and they don't have that avenue to have it reduced
20 by enrolling in the SaveOnSP RX program.

21 And so the consideration here is to change the
22 cost share for special -- for members that have specialty
23 medications so that not all members are exposed to that
24 higher cost share.

1 And we've done a little bit of preliminary
2 analysis and we think -- And I'll caveat this and say we want
3 to come back with final numbers. But we think that this can
4 be done without there being substantial cost impact to the
5 plan, because a number of these members are already
6 hitting -- are hitting their maximum out of pocket, their
7 annual maximum out of pocket.

8 And what this change would do for these members
9 is provide, I'd say, more cash flow relief. So, if they're
10 going to hit the maximum out of pocket anyway, then with the
11 plan design, if they're paying, let's say in this example,
12 \$3,000 in July or August early in the plan year, they're
13 going to hit their max out of pocket earlier in the plan
14 year, whereas if they don't have as high a cost share for
15 their specialty medications and they hit the max out of
16 pocket regardless, that's the same cost to the plan overall.
17 But, their cost, they hit it later in the year. So their
18 cash flow -- there's an impact to their cash flow.

19 And that's something that we're coordinating --
20 we're coordinating with Express Scripts and with UMR on to
21 measure and review how those people are hitting the max out
22 of pocket during the year.

23 MEMBER CAUGHYRON: April Caughron for the record.
24 Just a real quick question about that. Are you looking at

1 utilization and what specialty drugs the members are filling
2 at the pharmacy to see if they would even qualify for those
3 coupons?

4 MR. WARD: Yes, yeah. And, something that I
5 didn't mention is that with specialty medications, it is
6 often not the case that people don't have a choice. So, with
7 non-specialty medications, if someone is on a brand
8 medication, there could be a generic equivalent. And you can
9 incentivize their considering taking the generic equivalents
10 through plan design. A lot of these people don't have that
11 same option. They're prescribed the drug that they need to
12 maintain their health and it's a high cost medication and
13 they don't have -- if there's not a coupon available, then
14 they don't have another option. And so they're obligated
15 with this cost share structure that the plan currently has.

16 So, one of the side effects of this or one of the
17 effects of this would be that there be some cost shifted
18 between medical and drug because the max out of pocket covers
19 both and there would be some shift with this medical and
20 pharmacy within the plan cost. But, overall, we think the
21 cost impact would be minimal. So I think the request is for
22 us to -- for the board to approve for your consideration an
23 investigation and analysis between now and November. And
24 then once we've completed that then we can have any further

1 consideration with specific information. But that's the
2 concept.

3 MEMBER WOODWARD: Janelle Woodward for the record.
4 Just a quick question. Is SaveOnSP different than what the
5 drug companies are giving for specific drugs where, you know,
6 okay, for a year you can pay whatever the co-pay is, where
7 they kind of changed how you have to go through Express
8 Scripts now separate, you can't just go to the pharmacy?

9 MR. WARD: SaveOnSP is a conduit to the access --
10 to help the members access the coupons that are available
11 from specific drug manufacturers for specific medication.
12 It's not all specialty. So it's a program that provides
13 access to the coupons. It doesn't generate coupons all the
14 time.

15 While we're talking about pharmacy coupon
16 programs, we've learned that UMR has a new program that works
17 similarly but for medications, select medications, that are
18 what we might call medical pharmacy. So it's drugs that
19 are -- treatments that are provided, say, infusions within a
20 clinical setting. So they're provided -- they're
21 administered by a provider or by a clinician in a medical
22 setting. And, the claims for these medications flow through
23 the medical program, not through the outpatient pharmacy
24 program.

1 The Express Scripts SaveOnSP program is
2 applicable only to the drugs that flow through the Express
3 Scripts outpatient part of the program. And there are things
4 available for medical pharmacy drugs. And UMR has a program
5 that in a similar way will access those coupons for plan
6 savings and member savings. And this is fairly new in the
7 industry. And so at this point our thought is that it's
8 worth investigating to understand the member impact, plan
9 savings. And, by member impact, what would be the members'
10 obligation to participate in the program and what might the
11 cost savings be for the members as well.

12 There are only four items here, but this last one
13 can be fairly substantial. This is the EPO and the HMO. And
14 this is to review the viability of the HMO and the EPO and
15 consider alternatives.

16 Currently, the HMO contract has had an annual
17 maximum increase for annual renewals at nine and a half
18 percent. And the loss ratio and the experience has
19 consistently run to the point that it's -- that's been the
20 renewal. And that maximum increase is going to change to 20
21 percent for the next renewal. And, with the -- And
22 experience is running such that that's a reasonable
23 expectation that the renewal would be at 20 percent.

24 And the EPO and the HMO are currently blended

1 together for rating and for premiums. And so not only would
2 there be, with the current structure, would there be an
3 impact on the HMO, but by default there would be an impact on
4 the EPO as well, because some of that 20 percent would be --
5 would be incorporated in to the rates for the EPO and then
6 that would flow down to member cost. Members would have
7 higher premiums. And just roughly a 20 percent increase in
8 the HMO would translate to a five to seven percent increase
9 in rates for the overall group. It would cascade down to
10 about a 15 to 20 percent increase in member premiums. So
11 which would be -- which could be, depending on the tier, 40
12 to a hundred dollars. So it could be fairly substantial.

13 MEMBER KELLEY: Just a follow-up. Obviously,
14 you've got the bullet point about HMO which is fully insured,
15 if I'm correct. And I believe the HMO has always been
16 cheaper than running the EPO, even though it's self-funded;
17 right? So I guess what has the experience been like in the
18 EPO? Are we in a similar situation there where it's kind of
19 running at a loss ratio?

20 MR. WARD: Differential is more moderate. One of
21 the reasons that we're expecting this substantial step-up
22 with the HMO is that the rates have been suppressed for a
23 period of years below the experience. The EPO has been
24 running -- The rates have kept -- have tracked with

1 experience. And, even if there had been a significant
2 increase, that's already in the past. Whereas, with the HMO,
3 there's a catch-up component to it that's coming, because the
4 experience has been running higher than the maximum renewal
5 increases have permitted. So it's not that costs are going
6 to increase by -- It's not that claims costs are going to
7 increase by 20 or 25 percent. It's that there's this
8 catch-up that is going to occur by increasing the max -- the
9 cap from nine and a half to 20 percent.

10 MEMBER KELLEY: Thank you.

11 MEMBER AIELLO: So, if I'm understanding you
12 correctly, our costs in the HMO have been going up rapidly
13 but we've been capping it at only 9.5 percent. Is there a
14 reason why the HMO cost would be going up so much more
15 rapidly than the other programs? The EPO you said also is
16 going up, we're just realizing it. Has everything been going
17 up but we've been realizing everything and over here was
18 artificially capped so it's been a good deal for a while and
19 now we're going to lose it? Or why is that one so high going
20 up?

21 MR. WARD: I would say it's been a good deal.

22 MEMBER AIELLO: Just trying to be blunt.

23 UNIDENTIFIED SPEAKER: Hey, call it what it is.

24 MEMBER WEEKS: Stacie Weeks for the record. So I

1 feel like some of these are bells and whistles. And I'm not
2 saying -- I guess I'm having a hard time understanding the
3 process and I'm new to this process. But when I think of
4 adding things to a plan, I think about, do I have the money
5 to spend. And what I hear you saying is doing some of these
6 things may impact member premiums.

7 And then, also, like, I guess what I'm trying to
8 understand is what is the budget impact? Are we adding
9 things without understanding our budget? Right now it feels
10 like we're in a hole or at that point. Should we be looking
11 at efficiencies? And maybe that's what you're talking about
12 here. But it seems like it's shifting the cost to the
13 employee a little bit. I'm just trying to understand.

14 MR. WARD: Which one are you --

15 MEMBER WEEKS: EPO, HMO. Are you trying to avoid
16 shifting cost?

17 MR. WARD: I'm really saying -- I'm sorry.

18 MEMBER WEEKS: I mean, who is picking up the
19 cost? Is the state? Are we going to the legislature? I'm
20 trying to understand the budget impact of all of these.
21 Like, some of these sound great, but I don't understand,
22 like, how much is that going to cost us? Do you see where
23 I'm going?

24 MS. GLOVER: So this is Celestena Glover for the

1 record. We are looking at what options we can consider for
2 plan year '25, so July 1st. Do we need to make
3 modifications? Do we need to make changes? Do we need to
4 eliminate things? Can we add things? So part of that is
5 looking at our plan design, the plans we offer, do we need to
6 reconsider the offerings? So it's not -- Today's purpose is
7 not to say what it costs. That will come in November.
8 Today's purpose is here's some things to consider and do you
9 want us to do a further analysis and bring that back and then
10 we would have more information regarding the cost. We
11 don't -- We typically don't want to bring a bunch of cost
12 back if the board isn't interested in looking at them.

13 MEMBER WEEKS: Stacie Weeks for the record. I
14 guess my question, I feel like maybe -- I'm new, again. But
15 I would like to know what efficiencies we're trying to get so
16 we can spend? I mean, I feel like it's kind of
17 irresponsible, in my opinion, to add things that we know are
18 going to cost more money that we don't have the money to
19 spend and then end up shifting more of that burden on to an
20 employee.

21 So I guess for me I would rather us look at what
22 things can we do to control costs, and maybe that last option
23 is that, before we look at -- to know how much we have to
24 spend, to know what is reasonable before we go in and have

1 you look at all of these things. I mean, at least that's the
2 process I'm used to coming from Medicaid is that we wouldn't
3 add something to our budget unless we knew we had the money.
4 And, if we needed to come up with money, we would first look
5 at what do we need to reduce and what efficiencies do we need
6 to find first. Does that make sense where I'm going?

7 MS. GLOVER: Celestena Glover for the record. It
8 does make sense. But what PEBP needs and all our vendors,
9 because we don't want to point them in directions that we
10 have no intention of going, we need direction essentially
11 from the board that says, okay, here's some suggestions that
12 we can look at, so potential of the effect of keeping this
13 plan versus not, what is that really going to cost. Does it
14 require shifting that cost to the member? Can the budget
15 absorb some of those costs? Because, if the cost goes up,
16 it's a cost to the budget and it's a cost to the member. Can
17 we absorb it? Can we not?

18 But, without knowing for sure which way the board
19 would like to go, I don't want to send all of these people
20 down the rabbit hole of trying to do a full analysis of
21 things that are outside of where the board is comfortable
22 going.

23 So because we bring this up does not mean you
24 have to go with it. It's a suggestion. It's a couple of

1 areas we're looking at. If there is something else -- And we
2 wrote the agenda item that way. If there's something else,
3 particularly, you want us to look at, then we will
4 incorporate that with anything else that may be suggested.

5 MEMBER AIELLO: This is Betsy. What I think
6 you're asking is do we want you to review whether we can
7 still afford the EPO and the HMO. Maybe we can't afford it.
8 Or do we want to offer it but go out to members and say
9 you're going to see a significant jump because the cost went
10 up that much. So I don't think it's adding something. I
11 think the question is do we want to evaluate whether we can
12 even afford this coverage option; is that correct?

13 MS. GLOVER: Celestena Glover for the record.
14 That's correct.

15 MEMBER AIELLO: And, just as a statement, that
16 option -- I wasn't on it, so I don't know. But I think that
17 option has been an option for 20 years, 30 years. I don't
18 know. But for a significant amount of time it has been part
19 of the program.

20 MEMBER KELLEY: The HMO has. Not the EPO.

21 MR. WARD: There was a change up there.

22 CHAIRMAN ROBB: Jack Robb for the record. In
23 prior discussion and discussion on here today with the HMO
24 and the EPO, they're looked at together, aggregate. But we

1 had a cap of 9.5 percent on the HMO. So, by having that cap,
2 you still had to cover those costs. So people not having the
3 benefit of the HMO but were on the EPO, they were subsidizing
4 people on the HMO? Am I off?

5 MR. WARD: I would say that the funding still --
6 Richard Ward, for the record, with Segal. I would say it's
7 slightly differently in that the funding for the EPO from
8 both the state and the members was subsidizing -- is
9 subsidizing the funding for the HMO.

10 CHAIRMAN ROBB: So I'm not off?

11 MR. WARD: But it's not solely on the members.

12 CHAIRMAN ROBB: It's both.

13 MR. WARD: Yeah. Because you have one plan that
14 is lower cost than the other. And then I need a third hand
15 here. But then it's rated at an average in the middle. So
16 the higher cost plan is subsidizing the lower cost.

17 MEMBER KELLEY: And what is the higher cost plan?

18 MR. WARD: Is the EPO.

19 MEMBER KELLEY: I'm sorry. I thought I heard
20 Chair Robb say that the EPOs were subsidizing the HMOs.

21 MR. WARD: Yeah. And I'm just saying it slightly
22 differently in that it's not just the members. It's the
23 state's contribution. It's the funding, which comes from
24 more than just the members.

1 MEMBER KELLEY: Sorry. But you're saying the EPO
2 currently costs more than the HMO --

3 MR. WARD: Uh-huh.

4 MEMBER KELLEY: -- because of -- basically
5 because of that 9.5 percent cap on --

6 MR. WARD: Not solely. But that is a
7 contributor. But it's not necessarily --

8 MEMBER KELLEY: But so up until present -- I'm
9 sorry. I just need to clarify this in my own head. So up
10 until -- Well, through this plan year that we're currently
11 in, the rates, the EPO has cost more per month all in, so,
12 you know, are participants selecting it, whether it's
13 employee or employee and family, whoever, between their
14 premium and the state's premium, it was a higher cost than
15 the HMO. And, now the HMO, their rates are going to increase
16 by 20 percent because they haven't been out to realize the
17 full cost in the previous years. And then the way the rate
18 setting has happened is you basically take the cost of this
19 plan and the cost of this plan and set the rate in the
20 middle.

21 So, the HMO, to me, then has been in some way
22 subsidizing the EPO, right, because we've been charging them
23 more than the actual cost so that we could offer the EPO.

24 CHAIRMAN ROBB: Opposite of that. The EPO has

1 been subsidizing HMO low rate.

2 MEMBER STRASBURG: Bepsy Strasburg. We said that
3 the rate was in the middle. So, therefore, some contribution
4 coming from the top and some contribution is coming from the
5 bottom.

6 MEMBER KELLEY: That's what I'm hearing. So I
7 don't understand then how HMO participants are subsidizing
8 EPO participants.

9 UNIDENTIFIED SPEAKER: They're not. EPO is
10 subsidizing HMO.

11 MEMBER KELLEY: Right. Okay. Thank you.

12 MR. WARD: May I say something? The opening
13 comments here for this section are really to provide context
14 and to, I think, hopefully lay the groundwork for the
15 understanding that it is worthwhile to investigate options to
16 proactively address what we think is coming. And that can
17 take the shape in a number of potential options.

18 MEMBER BITTLESTON: And this is Leslie Bittleston
19 for the record. I think to add some context. So, the
20 subsidy from the state is already set, and it's set for next
21 year because we do not have a legislative session before July
22 1st of 2025, the fiscal year, yeah. So what I'm hearing is
23 our plans are going up, our subsidy is staying the same.

24 MR. WARD: No, it's actually going up. The

1 subsidy is increasing. So that's a very nice feature of this
2 most recent biennial budget is that the AEGIS and the REGI,
3 the funding from the state, is increasing from one year to
4 the next.

5 MEMBER BITTLESTON: Oh, okay.

6 MR. WARD: So that -- But that step-up is already
7 set and so the increases in plan costs relative to that
8 increase in funding is the important -- is important.

9 MEMBER WEEKS: Stacie Weeks for the record. What
10 is that trend for the biennium? Is it based, like, on the
11 Medicare index? Like, what is that trend in the budget based
12 on? Do you know what it is?

13 MR. WARD: I believe in the -- Oh, gosh. Just an
14 increase in the funding.

15 MEMBER WEEKS: What's it based on, the trend?

16 MR. WARD: I don't think it was based on a
17 benchmark.

18 MEMBER WEEKS: It was just meeting a need, okay.

19 MR. WARD: Right. But the analysis was based
20 off, I believe, a three percent trend that at that budget
21 folks thought was reasonable. Claims cost generally increase
22 more than three percent from one year to the next in a group
23 plan.

24 MEMBER WEEKS: Uh-huh.

1 MEMBER STRASBURG: Bepsy Strasburg. So these
2 suggestions, whether it's the pharmacy or the cost
3 discussion, is this because of concerns from our members or
4 is this what we think is the best practices or what generated
5 these recommendations? Can somebody help me with that?

6 MS. GLOVER: Celestena Glover for the record. So
7 the EPO HMO, that was driven because we know that the
8 potential for the increase is significant and how will that
9 affect the viability of the plans, the sustainability, can
10 the members afford it, can the plan afford it. So we
11 definitely wanted to look at that.

12 But I understand that in the past there's been
13 reluctance to eliminate the HMO. We had two HMOs and then we
14 went to the self-funding EPO. And those rates are blended
15 with the HMO so that the members in the south on the HMO and
16 the members in the north on the EPO are both paying the same
17 premium for the same year.

18 So, that was -- This is something we're concerned
19 about and we feel the need to investigate further. What
20 actions happen, obviously, we've discussed it with the board.
21 The pharmacy, because we hear from members that, you know, we
22 want more benefits, we need to add this, we need to add the
23 other, the pharmacy was the one thing we thought we might be
24 able to do depending on the result of the analysis. It might

1 not be an option that we can bring. And, if the board
2 chooses to say yes, give an analysis, that's what we'll do,
3 work with our vendors and with the team to determine what
4 that's going look like and we'll make that recommendation.
5 When we bring it back, we would say, yes, we looked at it,
6 this is the result, do we recommend it or not. And, you may
7 say no, it looks like it's going to cost the members in the
8 plan more than we can afford at this point. It doesn't mean
9 you can't look at it again in the future year.

10 MEMBER KELLEY: Can I ask a timing question?
11 Michelle Kelley for the record. So, obviously, the pharmacy
12 stuff is more of a pivot if the board chose to do that.
13 Whereas EPO HMO discussion is about a bigger discussion. And
14 any change to me requires a much longer implementation. So
15 can you perhaps just say for the record and for people
16 listening, we're talking about changes to the EPO HMO,
17 whatever is decided, kind of what's the timeline on that?

18 MS. GLOVER: So this is Celestena Glover for the
19 record. We haven't set an exact timeline. We're not looking
20 to necessarily, unless some critical information comes out
21 that on the 1st of July the plan goes away because that's
22 what the analysis shows. It could be years from now. Do we
23 really need to look and see what is it now, what does it look
24 like today, which we already know, where is it headed, what

1 is it going to look like on the 1st of July. Can we within
2 the resources we currently have, can we keep the plan and
3 live within our means? Maybe. Maybe not.

4 So is this something that we have to implement
5 fairly quickly or can we make it another year knowing that
6 the following year there's potential that it gets eliminated
7 or drastically changed so that it is viable, at that point it
8 would be through the legislature and we would go through that
9 whole process again.

10 MEMBER WOODWARD: Janell Woodward for the record.
11 So we know that with the PPO or the CDHP you're paying up
12 front. EPO HMO you're paying as you go. And more people
13 take the EPO HMO because they have medical problems or on the
14 flip side they don't have the money to pay up front. So you
15 have that difference in how people are making their choices.

16 But, are there other programs that are, like,
17 maybe somewhere in the middle of, you know, lesser than any
18 HMO EPO but still gives that comfort to an employee that
19 doesn't have the money to pay up front?

20 MR. WARD: That's something that we would look at
21 during this analysis. One of the things that might be worth
22 noting is that the plan, the value of the plan design between
23 the EPO and the health plan, the plan values are very close.
24 They're within two percent of actuarial value. So the value

1 to the member in aggregate is comparable between the two
2 plans already. And so there is -- And so there's a
3 difference in cost but not much of a difference in plan
4 value.

5 MEMBER WEEKS: Stacie Weeks for the record. What
6 is the actuarial value of the plans?

7 MR. WARD: I believe it's about eight percent.

8 MEMBER AIELLO: I was just wondering -- And this
9 probably has occurred. But this is something, I'm sure, we
10 kind of have been aware has been going a little bit on and on
11 and I'm guessing we probably met with our vendor for
12 suggestions on what can be done within the plan itself to
13 fight some of this so that -- or is that part of the analysis
14 that's going to occur? So versus the idea of eliminating the
15 plan altogether, changing within the plan.

16 MS. GLOVER: This is Celestena Glover for the
17 record. So I've had some informal conversations with some of
18 our vendors regarding plan design, you know, what are the
19 options, we haven't formalized any of that. That will come
20 with the analysis. So, if the board wishes to keep the HMO
21 and EPO, which in the past there has been a reluctance to
22 eliminate the plans of any type, any of our plans. Once they
23 are here, they kind of stay.

24 And so it might require reducing benefits if

1 we're going to keep the cost to the members at a certain
2 level. If we don't want to exceed cost to the member by,
3 say, five percent, then what benefits do we have to reduce?
4 Is that increase in co-pays? That could be, you know,
5 pulling certain things out of the plan altogether. So it
6 just depends on where we land and what is the pleasure of the
7 board as far as what this would look like to us, kind of
8 continue to offer, and would members be willing to pay.

9 There are members who would be willing to pay
10 additional money to keep certain benefits. There are other
11 members who would like to do that but can't afford it. And
12 so we need to consider them both. I'm not suggesting we
13 eliminate plans altogether. But I'm definitely suggesting
14 that is something that we need to analyze and see really
15 where we want to land. Because at some point --

16 MEMBER AIELLO: I'm totally -- I'm on board
17 myself with doing an analysis. And it's because we probably
18 have to know more to make some real decisions.

19 But, the other thing that's been hard for my
20 brain is that over the years I've been trained to think that
21 HMOs were a cost-saving, cost-measurement process, as opposed
22 to AV for service, people self managing themselves type of
23 entity. And what I'm hearing now is that it's just almost
24 the opposite. Or is it just because of that artificial 9.5?

1 MR. WARD: It's due in large part to the contract
2 terms with the nine and a half percent cap.

3 MEMBER KELLEY: Michelle Kelley for the record.
4 So, I think our HMO EPO, I'm not sure the difference between
5 the two. But I think there are some unique features where
6 you don't need a gatekeeper to see a specialist, for example.
7 And that comes at a cost. So maybe with control you're
8 talking about kind of isn't necessarily there in the current
9 structure. So, I don't know if that's part of the process,
10 but I just -- every feature has a cost to it. If that's part
11 of the cost.

12 MEMBER STRASBURG: One last question.

13 CHAIRMAN ROBB: Yes.

14 MEMBER STRASBURG: Betsy Strasburg. I read a lot
15 of the comments here as well as people who have approached me
16 outside about restoration of benefits pre-pandemic level.
17 Some of these recommendations will did that or is that a
18 separate exercise?

19 MS. GLOVER: Celestena Glover for the record. It
20 could be both. It depends on, specifically, what they're
21 asking for. A lot of times, like, we've heard long-term
22 disability right now is a voluntary benefit. Years ago it
23 used to be a standard offering within the plan. But, again,
24 that comes at a cost and we absorb those costs and we sustain

1 it. I don't know at this point.

2 So, yeah, so it depends on what additional things
3 the board would like us to analyze besides the two items that
4 we put in to this report.

5 CHAIRMAN ROBB: Okay.

6 MR. WARD: I think we had the discussion I was
7 hoping to generate here. But let me just search through my
8 notes to see if there's anything that is worth commenting on
9 further.

10 In discussions with UMR, the networks between the
11 HMO and the EPO are very comparable. They're not exactly the
12 same. But, from their view between the HPN network from the
13 HMO, there's a lot of overlap from the provider. So there
14 wouldn't be -- it would not be the expectation, it would be
15 substantial disruption if the HMO no longer existed.

16 MEMBER KELLEY: I have follow-up on that one
17 specifically. Michelle Kelley for the record. So right now
18 the HMO is open in southern Nevada, the EPO is in northern
19 Nevada?

20 MR. WARD: Correct.

21 MEMBER KELLEY: And there's significant overlap?

22 MR. WARD: The EPO utilizes the same network as a
23 low deductible health plan, which is statewide. So it's just
24 that the members in southern Nevada are not able to enroll in

1 the EPO. But the same providers would be available generally
2 if the HMO was replaced by the EPO, for example.

3 MEMBER KELLEY: Thank you.

4 MR. WARD: Or if they enrolled in the low
5 deductible health plan. That helps.

6 MEMBER KELLEY: I'm sorry, Chair Robb. I just
7 wondered if we could have a discussion about the data that
8 the board might like to see for the November meeting.

9 CHAIRMAN ROBB: That's what I was going to do. I
10 was going to bring it back and read the agenda item again so
11 we know what we're talking about. We've had a lot of
12 discussion.

13 So, we're on Agenda Item Number 9, discussion and
14 possible direction from the board to staff for potential
15 program design changes for plan year 2025. And that's the
16 discussion we're going to have. I just wanted to make sure
17 we're all back on the same page.

18 MEMBER KELLEY: Let's focus. Michelle Kelley for
19 the record. So, I guess, regarding the pharmacy, I guess, is
20 the first area I had a note on. I'm wondering, specifically
21 the specialty pharmacy, what resonated in your discussion
22 about that was spreading the financial load for our
23 participants over a longer period, potentially a year,
24 instead of kind of that first two or three months where

1 they're forced to hit their number or until they do hit their
2 number.

3 So I wonder -- But I'm also kind of curious about
4 the specialty meds, the conditions they treat, and kind of
5 the spin on that. And so I'm just wondering if it would be
6 possible to get the top eight to ten -- I'm not sure how many
7 thousands of specialty meds there are. But, if we could kind
8 of get the top number of them, you know, what we spend on
9 them, what they treat, just so that we can kind of -- For me,
10 it's about me understanding exactly what we're spending those
11 huge co-payments on, what our members are spending their huge
12 co-payments on. Thank you.

13 CHAIRMAN ROBB: Any further discussion?

14 MEMBER WEEKS: Stacie Weeks for the record. I
15 think I -- I mean, I know you have on here cost savings. But
16 I would like to see sort of generally the impact to the rates
17 if we do this, so we --

18 MR. WARD: Yes.

19 MEMBER WEEKS: I mean, everything is great and
20 sounds nice, but, if it's going to cost us more money, I
21 think we should focus on the efficiencies first so we can
22 kind of stabilize where we're at. So that's just my thoughts
23 and what I want to see first.

24 MR. WARD: And, last year at that meeting, each

1 of the specific proposals had a specific estimated budget
2 impact associated with it.

3 MEMBER WEEKS: Thank you.

4 MR. WARD: And that will certainly be part of the
5 analysis this year.

6 CHAIRMAN ROBB: Board Member Aiello.

7 MEMBER AIELLO: Just a quick question. That
8 specialty meds, again, that's outside of the HMO. The HMO
9 has the pharmacy within it; correct?

10 MR. WARD: Correct.

11 MEMBER KELLEY: Michelle Kelley for the record.
12 So I'm just wondering regarding the discussion for EPO HMO, I
13 guess I would like to see a couple of things. It's a
14 conversation I know we need to have because, you know, I
15 think the former executive officer was warming us up for it
16 as well. So I'm wondering can we get the fiscal year '22 and
17 '23 and whatever year to date you can provide as far as
18 training and experience of the -- I think -- Can we get that
19 for the HMO since it's a fully-insured product?

20 MR. WARD: Uh-huh.

21 MEMBER KELLEY: We can? If we can get it for
22 kind of the EPO and the HMO and then our PPO as well, because
23 I think it's relevant if we're talking about looking at all
24 of the plans together. So the experience.

1 And then -- And then one of the comments during
2 public comment that kind of isn't in your packet, but I think
3 it's probably part of the due diligence anyway, it was with
4 reference to the low deductible, having the deductible taken
5 to zero, and I think it might have been a legislative action,
6 actually, that did that with the enhancements. So I wonder
7 if it wouldn't behoove us to actually look at the parody
8 along the deductible level and max out-of-pocket level to see
9 if the plans actually do make sense and continue to kind of
10 track where the board wanted them to see it, especially if
11 the low deductible PPO and the HMO, if the ratings are around
12 the same. I think you said within two percent.

13 UNIDENTIFIED SPEAKER: The EPO.

14 MEMBER KELLEY: EPO and HMO. Sorry.

15 And, then, my last request -- I'm sorry -- and
16 then I'll be quiet, is if we're looking at doing the EPO HMO
17 potentially in two steps, I'm thinking what can we do for
18 fiscal year '25 to perhaps keep the plan in place. What are
19 the options as far as changing deductibles, you know, or what
20 would the premium end up being if we don't change deductible
21 and maybe there's a happy medium and then the longer term
22 discussion about viability and whether we need to merge,
23 eliminate, or whatever. And I appreciate your patience. And
24 now I'll let someone else have a chance.

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CHAIRMAN ROBB: Any other discussion?

MEMBER STRASBURG: Betsy Strasburg. So, if we are going to consider merging some programs, and you mentioned there would be a budget impact also stated for each of the alternatives, will it also take in to account our sort of efficiencies, whether it's with the people providing -- our service providers or within the states, et cetera, within the budget impact evaluation.

MR. WARD: We would consider all of those.

MEMBER STRASBURG: Okay.

MEMBER WOODWARD: Janell Woodward for the record. This last page that you have, are these things that were already -- that they're going to do or are those suggestions where it says next steps?

MR. WARD: I consider them suggestions because we would operate at the board's direction. We would operate at staff's direction. And they would operate at board's direction.

MEMBER WOODWARD: I would like to see them do all of those things, which is a good overall look at the EPO and HMO.

CHAIRMAN ROBB: Board Member Weeks.

MEMBER WEEKS: Thank you, Chair. I would just -- I like the idea of having the short term plan to get us

1 through. I would like to see what we would want eventually
2 from the legislature and then a back-up oh crap plan, right,
3 contingency plan for if the legislature doesn't approve so we
4 have a game plan. And, maybe that takes longer time, but we
5 all know reality of getting funding is hard and really making
6 sure we can make that case to the legislature when they see
7 if they don't approve what does that mean. So I think it
8 will behoove us to look at that contingency plan because then
9 we can show law makers this is what it means for consumer
10 premiums and this is what it means for benefits, so I think
11 we should have some of that discussion.

12 CHAIRMAN ROBB: Any further discussion?

13 Thank you very much for your time.

14 MEMBER BITTLESTON: Leslie Bittleston. I move
15 to -- I move to accept the recommendations of Segal for
16 analysis and include the additional recommendation. And I
17 don't know how to say all of those.

18 CHAIRMAN ROBB: That were brought forward.

19 MEMBER BITTLESTON: That were brought forward for
20 Segal.

21 MEMBER KELLEY: Second. Michelle Kelley.

22 CHAIRMAN ROBB: We have a motion and a second.
23 Any further discussion? Seeing none, I'll call for the vote.
24 All of those in favor say aye.

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

2 CHAIRMAN ROBB: All of those opposed? Motion
3 passes. Thank you.

4 We'll move on to Agenda Item Number 10,
5 presentation and possible action on the status and approval
6 of the new PEBP contract, contract amendments and
7 solicitations. Michelle.

8 MS. WEYLAND: Michelle Weyland for the record.
9 Before you is the contracts overview, 10.1. Nothing has
10 changed there. I have no new contracts to mention. And we
11 are working with Express Scripts on an amendment to
12 incorporate rebate change agreements for various insulin
13 products due to cost reductions made by federal guidelines.
14 And we will be bringing that amendment to the board meeting
15 in November. We don't currently have any contract
16 solicitations. And our ongoing RFPs for Centers of
17 Excellence, we are close to negotiating a contract and moving
18 forward with that process. And, the oncology management
19 program, we have just received the proposals from four
20 vendors and we will be meeting with the evaluation team to
21 select the vendor that we would like to negotiate with.

22 CHAIRMAN ROBB: Okay.

23 MEMBER KELLEY: So just one question. In the
24 agenda packet there has been reference to Villa Benefits

1 several times at this meeting but they're not on our contract
2 list.

3 MS. WEYLAND: That's a zero dollar contract.
4 We're going to get it added back on just for visibility. But
5 that's why there was no cost associated to it currently. But
6 we'll put it back on. But that came up after the packets
7 went out.

8 MEMBER KELLEY: Thank you.

9 CHAIRMAN ROBB: Okay. Any further questions?
10 Seeing none, we'll close Agenda Item Number 10 and move on to
11 Agenda Item 11, public comment.

12 MR. ERVIN: Thank you. Kent Ervin, E-r-v-i-n,
13 for the record, past president and director of government
14 relations for the Nevada Faculty Alliance.

15 Thank you, Board Members, for your service and
16 consideration on behalf of state employees and retirees. And
17 our hearty congratulations to Executive Officer Celestena
18 Glover on your appointment. We look forward to working with
19 you.

20 Just a few things that have been mentioned.
21 Regarding the contract for Villa Benefits, the current
22 contract has never gone out for competitive bid. It was a
23 sole source in 2010 after several name changes to Extend
24 Health. After several name changes, it was extended back in

1 2019 for six whole years. So that will be 14 years with no
2 competitive bid ever. The legislative audit called out PEBP
3 for that. Although, I'll note that the state purchasing
4 offices encouraged such extensions at the time. But, you
5 know, it's time.

6 It may be zero dollars, but Villa Benefits makes
7 money on this through commissions. That means that costs are
8 hidden and the RFP really needs to ensure that the future
9 provider is fully transparent, try to get to a per
10 participant, per retiree fee, with all of the commission
11 somehow coming back to the program. Some folks on this board
12 have done that in the retirement arena with what they call
13 revenue sharing. I could call it something else. But, you
14 know, if that's not going on in this industry, PEBP should
15 take the lead on that.

16 Regarding the EPO HMO discussion, let's not make
17 any rash changes. We got to this three tier, three plan
18 structure, yes, they probably need to be differentiated
19 better. The single employee monthly premium for the HMO EPO
20 is now actually \$12 per month lower than it was in fiscal
21 year 2018. So the costs for the employee have gone down
22 based on some other changes in the subsidy structure. The
23 demand for it might be more elastic than we think. And any
24 analysis from the actuaries need to include, okay, if the

1 costs go up, then those will go to the employee because
2 subsidies or your contributions are flat across tiers. How
3 would that affect these shifts in enrollment?

4 But, ultimately, employees are paying for that
5 higher plan up front in order to have co-pays that are
6 predictable for them. And that's a feature of that plan that
7 has been valued by members and there's a willingness to pay
8 for it by members. It should just be a fair value for how
9 they are charged.

10 The state's contribution towards PEBP came up.
11 It is going up four percent between this fiscal year and
12 fiscal year '25. But the '25 legislative value is only .5
13 percent above fiscal year 2023. So it's actually pretty darn
14 flat from biennium to biennium. However, the legislature did
15 adopt the current benefits during its budget process. So we
16 should be reticent to change those benefits. Yes, fine tune,
17 do efficiencies.

18 And, finally, a word on reserves. The
19 catastrophic reserve category used to be called the rate
20 stabilization reserve. If experience exceeds expectations
21 and projections, PEBP should not be afraid to temporarily dip
22 in to the reserves to maintain benefits as approved by the
23 legislature and then ask the governor and legislature to make
24 it up in the next budget. Otherwise, if you're always

1 cutting benefits to keep that constant, it's not a reserve.
2 It's a set-aside. You know, if you never use the reserve,
3 what good is the reserve as far as smoothing out what happens
4 in a volatile kind of plan.

5 So I applaud the executive offer for thinking
6 about how to revise the legislative budget process and the
7 timeline to be more forward-looking. And, let's work
8 together to bring that to the legislature, perhaps starting
9 with the interim retirement and benefits committee. Thank
10 you.

11 CHAIRMAN ROBB: Thank you.

12 Any further public comment in Carson City?
13 Seeing none, any other public comment on line?

14 MR. HOPKINS: Chair Robb, I will bring the public
15 slide up.

16 CHAIRMAN ROBB: Thank you.

17 MR. HOPKINS: For those who have joined for
18 public comment, your name and the last four digits of your
19 phone number will be announced and you'll be advised you have
20 been unmuted. Please slowly state and spell your name for
21 the record and then proceed with your comments. This is a
22 reminder for those on the phone, please press star six to
23 unmute. Due to time considerations, each caller will be
24 limited to three minutes.

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CHAIRMAN ROBB: Please proceed.

MR. HOPKINS: You want me to hold it up for a minute? We don't have anyone in the lobby.

CHAIRMAN ROBB: Yes.

Seeing no comments, we'll move past Agenda Item Number 11 on to Agenda Item Number 12 and we will adjourn. Thank you, everybody.

(Hearing concluded at 11:40 a.m.)

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STATE OF NEVADA)
) ss.
CARSON CITY)

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

That on Thursday, the 28th day of September, 2023, I was present, via Zoom, for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 99, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 20th day of October, 2023.

CHRISTY Y. JOYCE, CCR
Nevada CCR #625

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