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AGENDA ITEM

Action Item

Information Only

Date: January 26, 2024
Item Number: 9
Title: Proposed Plan Design Changes for Plan Year 2025

SUMMARY

This report provides options for the Plan Year 2025 plan design changes beginning July 1, 2024.

BACKGROUND

At the December 2023 PEBP Board Meeting recommendations were discussed for potential plan design changes. All were approved except the UMR Prescription Copay Maximizer. Since that time additional reviews of the plan design and the requirement to comply with the provisions of the Mental Health Parity and Addiction Equity Act resulted in additional recommendations for plan design and benefit changes.

REPORT

PLAN DESIGN CHANGES

UMR Prescription Copay Maximizer

This recommendation was brought to the board in our December 2023 board meeting. This is a voluntary program that provides copay assistance to members via a coupon program. During that discussion the Board asked staff to renegotiate the terms for further consideration. An agreement has been reached with UMR, however, since the negotiated rate is confidential that specific information has been provided to the Board under separate cover.

The "UMR Prescription Copay Maximizer Benefit" is a voluntary program that provides copay assistance to members via a coupon program. A UMR patient advocate will conduct outreach to members and introduce the UMR Prescription Copay Maximizer Program.

Mental Health Parity and Addiction Equity Act (MHPAEA)

Segal's Non-Qualitative Treatment Analysis has revealed the need for updates to bring PEBP plans in compliance with the MHPAEA. The majority of which are clarification to plan document language rather than plan design changes. However, to ensure no potential plan design changes are missed in the approval process PEBP staff included this item as a general plan design change. Details were provided in Segal's report provided in agenda item 8.

Elimination of Prior Authorization Requirements for Certain Services

Ambulatory Surgery Centers

The Utilization Management Company, SHO, reports outpatient and physician surgery performed at ambulatory surgical centers (ASC) cost significantly less to the member and the Plan. By removing prior authorizations for services performed at an ASC, there will be steerage to In-Network facilities and will reduce PEBP member's administrative barriers to services. If services are not performed at an In-Network ASC, the prior authorization requirement will apply.

Dialysis

SHO reported to PEBP that requiring a prior authorization for dialysis is redundant when performed at an In-Network facility. It is recommended to remove Dialysis from requiring a prior authorization.

GSA Rates for Travel Benefits

During the 2022 biennial compliance review, it was determined that travel reimbursements were subject to cost share and reimbursements in excess of IRS limitations were subject to federal tax assessments. At that time PEBP did not have the ability to report taxable income to the IRS, therefore travel benefit rates were reduced.

UMR has reported they are able to issue payment for travel reimbursements without utilizing cost-share. Due to this, PEBP will be able to manually report taxable income to the IRS and the members.

This change will allow reimbursement for meals, travel, and lodging for the member and one companion. This benefit would apply to these specific medically approved services:

- Bariatric
- Hip/Knee
- Organ/Tissue Transplant
- Abortion

RECOMMENDATIONS

1. Approve UMR's Prescription Copay Maximizer Program at the proposed terms.
2. Approve the required changes to bring all plans in compliance with the Mental Health Parity and Addiction Equity Act.

3. Approve removing prior authorization requirements for services provided at In-Network Ambulatory Surgery Centers by In-Network providers.
4. Approve removing prior authorization requirements for dialysis.
5. Approve the use of GSA rates for reimbursement of allowed travel expenses, for medically approved services to include reporting to the IRS.