



CELESTENA GLOVER
Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
3427 Goni Road, Suite 109, Carson City, Nevada 89706
Telephone 775-684-7000 | 702-486-3100 | 1-800-326-5496
<https://pebp.nv.gov>

JACK ROBB
Board Chair

MEETING NOTICE AND AGENDA

Name of Organization: Public Employees' Benefits Program

Date and Time of Meeting: March 28, 2024 9:00 a.m.

Place of Meeting: 3427 Goni Rd Ste. 117 Carson City, NV 89706

Video Conferencing: This meeting will be available by means of a remote technology system pursuant to NRS 241.023 using video- and tele-conference. Instructions for both options are below. This meeting can be viewed live over the Internet on the PEBP YouTube channel at <https://youtube.com/live/Kr6tPQZymRQ>

To submit written public comment, please upload your document to the *Public Comment Upload Form* located under *Contact Us* on the PEBP website, <https://pebp.nv.gov>, no later than two business days prior to the meeting.

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There are two agenda items designated for public comment. If you wish to provide verbal public comment during those agenda items, please follow the instructions below:

Option #1 Join the webinar as an attendee <https://us06web.zoom.us/j/87928050801>
This link is only for those who want to make public comment. If you are just listening to the webinar, please use the YouTube Link located in the "Video Conferencing" field above.

Option #2 Dial: (669) 900-6833. When prompted to provide your Meeting ID, please enter: 879 2805 0801 then press #. When prompted for a Participant ID, please enter #.

Participants that call in will be muted until it is time for public comment. A moderator will then unmute callers one at a time for public comment.

To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-7016 or email jcrane@peb.nv.gov

Meeting materials can be accessed here: <https://pebp.nv.gov/Meetings/current-board-meetings/>

AGENDA

1. Open Meeting; Roll Call

2. Public Comment

Public comment will be taken during this agenda item. No action may be taken on any matter raised under this item unless the matter is included on a future agenda as an item on which action may be taken. Public comments to the Board will be taken under advisement but will not be answered during the meeting. Comments may be limited to three minutes per person at the discretion of the chairperson. Additional three-minute comment periods may be allowed on individual agenda items at the discretion of the chairperson. These additional comment periods shall be limited to comments relevant to the agenda item under consideration by the Board. The total time allotted to public comment may be limited to one hour at the discretion of the chairperson. As noted above, members of the public may make public comment by using the call-in number provided above. Persons unable to attend the meeting in person or by telephone and persons whose comments may extend past the three-minute time limit may submit their public comment in writing by uploading your document to the [Public Comment Upload Form](#) located under [Contact Us](#) on the PEBP website, <https://pebp.nv.gov>, no later than two business days prior to the meeting. Persons making public comment need to state and spell their name for the record at the beginning of their testimony.

3. PEBP Board disclosures for applicable Board meeting agenda items. (Radhika Kunnel, Deputy Attorney General) (Information/Discussion)

4. Consent Agenda (Jack Robb, Board Chair) (**All Items for Possible Action**)

Consent items will be considered together and acted on in one motion unless an item is removed to be considered separately by the Board.

4.1 Approval of Action Minutes from the January 26, 2024 PEBP Board Meeting

4.2 Receipt of quarterly staff reports for the period ending December 31, 2023

4.2.1 Q2 Budget Report

4.3 Receipt of quarterly vendor reports for the period ending December 31, 2023

4.3.1 Q2 Sierra Healthcare Options and UnitedHealthcare Plus Network – PPO Network

4.3.2 Q2 UnitedHealthcare – Basic Life Insurance

4.3.3 Q2 Express Scripts – Summary Report

5. Discussion and possible action regarding a proposed contract with Carrum Health – Oncology Concierge to maintain a network of National Centers of Excellence. A portion of this item may be conducted in closed session to allow review of the results of the evaluation of proposals for the contract, in accordance with NRS 287.04345(4). Any action on the contract will occur in open session, in accordance with NRS 287.04345(5) (Michelle Weyland, Chief Financial Officer) (**For Possible Action**)

6. Executive Officer Report (Celestena Glover, Executive Officer) (Information/Discussion)
 - 6.1 Wrap document – Centers of Excellence Benefit

7. Discussion and possible action to include approving Plan Year 2025 Rates for State and Non- State employees, retirees, and their dependents for the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), and Health Maintenance Organization Plan (HMO) (Celestena Glover, Executive Officer) (**For Possible Action**)
 - A. Plan Year 2025 Rates Table
 - B. Plan Year 2025 Comparison Table
 - 7.1 Segal PY24 Trend Report

8. Discussion and possible action of UMR's Medical RX Coupon Program (Celestena Glover, Executive Officer) (**For Possible Action**)

9. Appeals Process (Celestena Glover, Executive Officer) (Information/Discussion)

10. Public Comment

Public comment will be taken during this agenda item. Comments may be limited to three minutes per person at the discretion of the chairperson. Persons making public comment need to state and spell their name for the record at the beginning of their testimony.

11. Adjournment

The supporting material to this agenda, also known as the Board Packet, is available, at no charge, on the PEBP website at <https://pebp.nv.gov/Meetings/current-board-meetings/> (under the Board Meeting date referenced above). Contact Jessica Crane at PEBP, 3427 Goni Rd, Suite 109, Carson City NV 89706 (775) 684-7020 or (800) 326-5496

An item raised during a report or public comment may be discussed but may not be deliberated or acted upon unless it is on the agenda as an action item.

All times are approximate. The Board reserves the right to take items in a different order or to combine two or more agenda items for consideration to accomplish business in the most efficient manner. The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

We are pleased to make reasonable efforts to assist and accommodate persons with physical disabilities who wish to participate in the meeting. If special arrangements for the meeting are necessary, please notify the PEBP in writing, at 3427 Goni Rd, Suite 109, Carson City, NV 89706, or call Jessica Crane at (775) 684-7020 or (800) 326-5496, as soon as possible so that reasonable efforts can be made to accommodate the request.

Copies of both the PEBP Meeting Action Minutes and Meeting Transcripts, if such transcripts are prepared, are available for inspection, at no charge, at the PEBP Office, 3427 Goni Rd, Suite 109, Carson City, Nevada, 89706 or on the PEBP website at <https://pebp.nv.gov>. For additional information, contact Jessica Crane at (775) 684-7020 or (800) 326-5496.

Notice of this meeting was posted on or before 9:00 a.m. on the third working day before the meeting on the PEBP website at <https://pebp.nv.gov> at the office of the public body and to the public notice website for meetings at <https://notice.nv.gov>. In addition, the agenda was mailed to groups and individuals as requested.

1.

1. Open Meeting; Roll Call

2.

2. Public Comment

3.

3. PEBP Board disclosures for applicable Board meeting agenda items. (Radhika Kunnel, Deputy Attorney General) (Information/Discussion)

4.

4. Consent Agenda (Jack Robb, Board Chair) (**All items for possible action**)

4.1 Approval of Action Minutes from the January 26, 2024 PEBP Board Meeting

4.2 Receipt of quarterly staff reports for the period ending December 31, 2023:

4.2.1 Q2 Budget Report

4.3 Receipt of quarterly vendor reports for the period ending December 31, 2023:

4.3.1 Q2 Sierra Healthcare Options and UnitedHealthcare Plus Network -
PPO Network

4.3.2 Q2 UnitedHealthcare – Basic Life Insurance

4.3.3 Q2 Express Scripts – Summary Report

4.1

4. Consent Agenda (Jack Robb, Board Chair) **(All Items for Possible Action)**

4.1 Approval of Action Minutes from the January 26, 2024 PEBP Board Meeting

**STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
BOARD MEETING**

3427 Goni Road, Suite 117
Carson City, NV 89706

ACTION MINUTES (Subject to Board Approval)

January 26, 2024

MEMBERS PRESENT

Mr. Jack Robb, Board Chair

IN PERSON:

Ms. Michelle Kelley, Vice Chair

Dr. Jennifer McClendon, Member

Ms. April Caughron, Member

Mr. Jim Barnes, Member

Ms. Betsy Strasburg, Member

Ms. Stacie Weeks, Member

Mr. Jack Robb, Board Chair

Ms. Janell Woodward, Member

MEMBERS EXCUSED:

Ms. Betsy Aiello, Member

Ms. Leslie Bittleston, Member

FOR THE BOARD:

Ms. Radhika Kunnel, Deputy Attorney General

FOR STAFF:

Ms. Celestena Glover, Executive Officer

Mr. Nik Proper, Operations Officer

Ms. Michelle Weyland, Chief Financial Officer

Mr. Tim Lindley, Quality Control Officer

Ms. Brandee Mooneyhan, Lead Insurance Counsel

Ms. Jessica Crane, Executive Assistant

OTHER PRESENTERS:

Richard Ward, Segal

Amy Dunn, Segal

Joni Amato, Claim Technologies Inc.

Helmut Braun, UMR

Darren Ashby, UMR

Nathan Maier, UMR

1. Open Meeting; Roll Call

- Board Chair Robb opened the meeting at 9:00 a.m.

2. Public Comment

- Kent Ervin – Nevada Faculty Alliance
- Leanne Boner Welch – Member
- Bill Welch – Member
- Margaret Kelly Osborne – Member
- Doug Unger – Nevada Faculty Alliance

3. PEBP Board disclosures for applicable Board meeting agenda items. (Radhika Kunnel, Deputy Attorney General) (Information/Discussion)

4. Consent Agenda (Jack Robb, Board Chair) (**All Items for Possible Action**)

Consent items will be considered together and acted on in one motion unless an item is removed to be considered separately by the Board.

- 4.1 Approval of Action Minutes from the December 7, 2023 PEBP Board Meeting
- 4.2 Receipt of Quarterly Staff Reports for the period ending September 30 and December 31, 2023
 - 4.2.1 Q1 Utilization Report
- 4.3 Receipt of Quarterly vendor reports for the period ending September 30, 2023
 - 4.3.1 Q1 UMR – Obesity Care Management Program
 - 4.3.2 Q1 UMR – Diabetes Care Management Program
 - 4.3.3 Q1 Sierra Healthcare Options – Utilization and Large Case Management
 - 4.3.4 Q1 Sierra Healthcare Options and UnitedHealthcare Plus Network – PPO Network
 - 4.3.5 Q1 UnitedHealthcare – Basic Life Insurance
 - 4.3.6 Q1 Express Scripts – Summary Report
 - 4.3.7 Q1 Express Scripts – Utilization Report
 - 4.3.8 Q1 2nd MD – Utilization Report
 - 4.3.9 Doctor on Demand Utilization Report

BOARD ACTION ON ITEM 4

MOTION: Motion to approve the consent agenda as listed.

BY: Vice Chair Michelle Kelley

SECOND: Member Betsy Strasburg

VOTE: Unanimous; the motion carried

5. Presentation and possible action on the status and approval of PEBP contracts, contract amendments and solicitations. With respect to a new proposed contract with Carrum Health to maintain a network of National Centers of Excellence, the Board previously reviewed the results of the evaluation of proposals for the contract in closed session pursuant to NRS 287.04345(4) in its December 7, 2023 meeting. To the extent that additional consideration of the proposed contract requires the Board's discussion of confidential material related to the contract prior to any Notice of Award being issued, *see* NRS 333.335(7), such portion of this meeting may be conducted in closed session pursuant to NRS 287.04345(4). All action on contracts will occur in open session pursuant to NRS 287.04345(5). (Michelle Weyland, Chief Financial Officer) **(For Possible Action)**

BOARD ACTION ON ITEM 5

MOTION: Motion to approve the contract for Carrum Health for the Centers of Excellence travel concierge program.

BY: Vice Chair Michelle Kelley

SECOND: Member April Caughron

VOTE: Unanimous, the motion carried

6. Executive Officer Report (Celestena Glover, Executive Officer) (Information/Discussion)
7. Acceptance of Claims Technologies Incorporated audit findings for State of Nevada Public Employees' Benefits Program Third Party Administrator, UMR, for FY2024 Q1 covering the period of July 1, 2023 – September 30, 2023. (Tim Lindley, Quality Control Officer) **(For Possible Action)**

7.1 UMR Remediation Plan

BOARD ACTION ON ITEM 7

MOTION: Motion to accept the audit findings by Claims Technologies for Q2-Q1.

BY: Vice Chair Michelle Kelley

SECOND: Member Betsy Strasburg

VOTE: Unanimous; the motion carried

BOARD ACTION ON ITEM 7.1

MOTION: Motion to accept the UMR remediation plan as presented.

BY: Vice Chair Michelle Kelley

Amended Motion: Motion to accept the remediation plan with the inclusion of the additional metrics requested by member Stacie Weeks

By: Vice Chair Michelle Kelley

SECOND: Member Stacie Weeks

VOTE: Unanimous; the motion carried

8. Acceptance of Mental Health Parity and Addiction Equity Act Report including possible action on, but not limited to, the following items (Celestena Glover, Executive Officer) (Information/Discussion)

- 8.1 Mental Health Parity and Addiction Equity Act Executive Summary

9. Discussion and possible action on potential plan design changes for Plan Year 2025 (July 1, 2024 to June 30, 2025) (Celestena Glover, Executive Officer) (**For Possible Action**)

BOARD ACTION ON ITEM 9

MOTION: Motion to approve recommendations one, two, three, four, as stated in the document.

BY: Vice Chair Michelle Kelley

SECOND: Member Betsy Strasburg

VOTE: Unanimous; the motion carried

BOARD ACTION ON ITEM 9

MOTION: Motion to approve the recommendation of Executive Officer Glover to use the GSA rates for reimbursement of allowed travel expenses. Move to include medically required pre-transplant appointments and counseling as a covered item for the reimbursement of travel.

BY: Vice Chair Michelle Kelley

SECOND: Member Betsy Strasburg

VOTE: Unanimous; the motion carried

10. Discussion and possible action on recommended changes and updates to the Master Plan Documents for Plan 2025 (July 1, 2024 to June 30, 2025) (Tim Lindley, Quality Control Officer) (**For Possible Action**)

BOARD ACTION ON ITEM 10

MOTION: Motion to accept as presented, all changes except for number 83 today and technical adjustments going forward.

BY: Vice Chair Michelle Kelley

SECOND: Member Betsy Strasburg

VOTE: Unanimous; the motion carried

11. Public Comment

- Bill Welch - Member
- Kent Ervin – Nevada Faculty Alliance
- Doug Unger – Nevada Faculty Alliance

12. Adjournment

- Board Chair Robb adjourned the meeting at 11:57 a.m.

4.2

4. Consent Agenda (Jack Robb, Board Chair) **(All Items for Possible Action)**

- 4.1 Approval of Action Minutes from the
January 26, 2024 PEBP Board Meetings
- 4.2 Receipt of quarterly staff reports for the
period ending December 31, 2023**

4.2.1

4. Consent Agenda (Jack Robb, Board Chair) **(All Items for Possible Action)**

4.2 Receipt of quarterly staff reports for the period ending December 31, 2023:

4.2.1 Q2 Budget Report



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JACK ROBB
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024
Item Number: 4.2.1
Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of December 31, 2023 to include:

- 1. Budget Status
- 2. Budget Totals
- 3. Claims Summary

Budget Account 1338 – Operational Budget – Shown below is a summary of the operational budget account status as of December 31, 2023, with comparisons to the same period in Fiscal Year 2023. The budget status is reported on a cash basis and does not include incurred expenses and income owed to the fund.

The budget status report reflects actual income of \$198.2 million as of December 31, 2023, compared to \$167.6 million as of December 31, 2022, or an increase of 18.2%. Total expenses for the period have increased by \$10.7 million or 5.5% for the same period.

The budget status report shows Realized Funding Available (cash) at \$7.4 million. This compares to \$13.5million for last year. The table below reflects the actual revenue and expenditure for the period.

Operational Budget 1338

	FISCAL YEAR 2024			FISCAL YEAR 2023		
	Actual as of 12/31/2023	Work Program	Percent	Actual as of 12/31/2022	Fiscal Year 2023 Close	Percent
Beginning Cash	130,528,262	130,528,262	100%	154,864,235	154,864,235	100%
Premium Income	184,311,940	419,156,515	44%	152,267,289	353,380,971	43%
All Other Income	13,860,604	23,770,377	58%	15,344,269	29,506,976	52%
Total Income	198,172,544	442,926,892	45%	167,611,559	382,887,947	44%
Personnel Services	1,094,964	2,938,164	37%	1,005,160	2,320,130	43%
Operating - Other than Personnel	1,153,666	2,926,863	39%	1,554,378	3,355,710	46%
Insurance Program Expenses	205,100,557	465,476,160	44%	194,012,408	406,744,756	48%
All Other Expenses	97,529	187,157	52%	150,173	395,599	38%
Total Expenses	207,446,716	471,528,344	44%	196,722,119	412,816,195	48%
Change in Cash	(9,274,171)	(28,601,452)		(29,110,561)	(29,928,248)	
REALIZED FUNDING AVAILABLE	121,254,091	101,926,810	119%	125,753,674	124,935,987	101%
Incurring But Not Reported Liability	(52,874,000)	(52,874,000)		(51,030,000)	(51,030,000)	
Catastrophic Reserve	(41,762,000)	(41,762,000)		(38,426,000)	(38,426,000)	
HRA Reserve	(19,242,892)	(19,242,892)		(22,800,889)	(22,800,889)	
NET REALIZED FUNDING AVAILABLE	7,375,199	(11,952,082)		13,496,785	12,679,098	

Current Budget Projections

The following table represents projections for FY 2024. The projection reflects total income to be less than budgeted by 7.9% (\$538.5.1 million vs \$573.5 million), total expenditures are projected to be less than budgeted by 4.2% (\$442.4 million vs \$461.7 million); total reserves are projected to be less than budgeted by 19.4% (\$91.8 million vs \$113.9 million).

State Subsidies are projected to be less than the budgeted amount by \$24.6 million (7.7%), Non-State Subsidies are projected to be more than budgeted by \$.6 million (2.9%), and Premium Income is projected to be less than budgeted by \$14.0 million (17.7%). This overall decrease in budgeted revenue is due in large part to a reduction in State Subsidies and participant premiums as a result of average enrollment as compared to budgeted enrollment and a change in the mix of plan tiers. The mix of participants is as follows:

- .9% fewer state actives,
- 3.5% fewer state non-Medicare retirees,
- 11.1% more non-state actives,
- 3.66% fewer non-state, non-Medicare retirees
- 1.9% fewer state Medicare retirees, and
- 3.5% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)						
Code	Description	Budget	Actual 12/31/23	Projected	Difference	
3817	Medicare Part D Subsidy	271,854	446,191	446,191	174,337	64.1%
4218	PPO Rx Rebates	22,401,637	11,166,125	20,883,455	(1,518,182)	-6.8%
4254	Miscellaneous Revenue	21,183	842	11,683	(9,500)	-44.8%
4319	Non-State Premium	4,584,990	1,323,533	2,687,545	(1,897,445)	-41.4%
4321	Non-State Subsidy	20,164,091	10,221,514	20,755,648	591,557	2.9%
4323	State Premium	74,425,047	31,286,228	62,312,804	(12,112,243)	-16.3%
4325	State Subsidies	319,982,387	141,480,665	295,409,883	(24,572,504)	-7.7%
4326	Treasurers Interest Distrib	1,075,703	2,247,447	5,437,719	4,362,016	405.5%
	Total	442,926,892	198,172,544	407,944,928	(34,981,964)	-7.9%
	Appropriations	9,813,825	9,813,825	9,813,825	0	0.0%
47	Beginning Cash	120,714,437	120,714,437	120,714,437	0	0.0%
	Total	573,455,154	328,700,806	538,473,190	(34,981,964)	-7.9%
Budgeted and Projected Expenses (Budget Account 1338)						
Category	Description	Budget	Actual 12/31/23	Projected	Difference	
01	Personnel Services	2,938,164	1,094,964	2,642,932	295,232	-10.0%
02	Out of State Travel	1,670	0	1,670	0	0.0%
03	In State Travel	12,044	284	12,044	0	0.0%
04	Operating	2,926,863	1,153,666	3,161,390	(234,527)	8.0%
26	Information Services	88,510	56,788	88,510	0	0.0%
30	Training	4,021	0	4,021	0	0.0%
40	State Insurance Costs	396,437,575	183,909,388	388,747,846	7,689,729	-1.9%
42	Non-State Insurance Costs	9,813,825	2,996,321	7,567,233	2,246,592	-22.9%
44	Medicare Retiree Insurance Costs	49,429,501	18,194,849	40,052,600	9,376,901	-19.0%
80	DHRM Cost Allocation	9,897	4,949	9,897	0	0.0%
87	Purchasing Assessment	5,892	2,946	5,892	0	0.0%
88	St Cost Plan Recovery	62,230	31,115	62,230	0	0.0%
89	AG Cost Allocation	2,893	1,447	2,893	0	0.0%
93	Reserve for Reversion	0	0	0	0	0.0%
	Total	461,733,085	207,446,716	442,359,159	19,373,926	-4.2%
82	HRA Reserve	19,242,892	19,242,892	19,242,892	0	0.0%
84	IBNR Reserve	52,874,000	52,874,000	52,874,000	0	0.0%
85	Reserve Rate Stabilization	41,762,000	41,762,000	41,762,000	0	0.0%
86	Reserve	0	7,375,199	(17,764,860)	17,764,860	
	Total	575,611,977	328,700,806	538,473,190	37,138,787	-6.5%

Expenses for Fiscal Year 2024 are projected to be \$19.4 million (4.2%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be more than budgeted by \$0.2 million (8.0%). Employee and Retiree insurances costs are projected to be less than budgeted by \$19.3 million (4.2%) when taken in total (see table above for specific information).

Recommendations

None.

4.3

4. Consent Agenda (Jack Robb, Board Chair) (All Items for Possible Action)

4.3 Receipt of quarterly vendor reports for the period ending December 31, 2023:

- 4.3.1 Q2 Sierra Healthcare Options and UnitedHealthcare Plus Network – PPO Network
- 4.3.2 Q2 UnitedHealthcare – Basic Life Insurance
- 4.3.3 Q2 Express Scripts – Summary Report

4.3.1

4. Consent Agenda (Jack Robb, Board Chair) **(All Items for Possible Action)**

4.3 Receipt of quarterly vendor reports for the period ending December 31, 2023:

**4.3.1 Q2 Sierra Healthcare Options and
UnitedHealthcare Plus Network – PPO Network**

Network Repricing Quality - UMR		
PEBP PG Target	97%	
Q1 Results	98.3%	
Q2 Results	97.9%	
Q3 Results		
Q4 Results		

Network Repricing Turnaround Time - UMR		
PEBP PG Target	Returned 97% in 3 Days	Returned 99% in 5 days
Q1 Results	98%	100%
Q2 Results	99.5%	99.5%
Q3 Results		
Q4 Results		

Network Provider Directory Disputes - UMR		
PEBP PG Target	Total Directory Disputes	TAT - Within 10 Business Days
Q1 Results	0	N/A
Q2 Results	0	N/A
Q3 Results		
Q4 Results		

4.3.2

4. Consent Agenda (Jack Robb, Board Chair) **(All Items for Possible Action)**

4.3 Receipt of quarterly vendor reports for the period ending December 31, 2023:

4.3.1 Q2 Sierra Healthcare Options and
UnitedHealthcare Plus Network – PPO Network

4.3.2 **Q2 UnitedHealthcare – Basic Life Insurance**

370074 State of Nevada Public Employees' Benefits Program

Life Performance Guarantees

Service	Metric	Measurement	How Measured	Fee at Risk	Owner	Due to Internal account management team by	Results Details (Q4)	Guarantee Achieved?
Client Implementation	Enrollment materials	Enrollment materials completed/shipped within agreed upon timeframe	Implementation Tracking	.3% of premium			N/A	Yes
	Draft certificate issued	30 days from receipt of set up information	Implementation Tracking	.3% of premium			N/A	Yes
	System Readiness	Systems ready for claims/customer service within the following days from receipt of complete set up information: 45 days list billed groups (excludes EDI) 30 days for self billed groups	Implementation Tracking	.3% of premium			N/A	Yes
Claim Processing	Life Insurance - Complete Life Claim - Decision	97% of claims processed within 10 days of receipt of complete information	Claim Turn Around Reports	.3% of premium	Karen Bogdan	3/15/2024	89.0%	No
	Life Insurance - Timeliness of claim payments	97% of claims approved and payment issued, or claims denied and letter mailed in five business days following receipt of all information necessary to make a claim decision.	Quarterly claim decision report	.3% of premium	Karen Bogdan	3/15/2024	96.3%	No
	Life Insurance - Accuracy of claim payment	98% of claims processed accurately	Internal Claims Audit	.3% of premium	Karen Bogdan	3/15/2024	100.0%	Yes
Employer Reporting	Accurate reporting provided 45 days after the end of the quarter	Claim reporting sent out to employer	Reporting Send Date	.3% of premium	Account managment	3/15/2024		
Claim Customer Service	Average speed of answer	80% in less than 30 seconds	Call Center Statistics	.3% of premium	Karen Bogdan	3/15/2024	80.6%	Yes
	Abandonment Rate	<5% abandonment rate	Call Center Statistics	.3% of premium	Karen Bogdan	3/15/2024	2.3%	Yes
Account Management	Client Satisfaction	UHCSB performs satisfactory ongoing, day-to-day account management in the opinion of the client's HR and/or benefits staff.	Based on average score of 5 out of 10 on the standard client loyalty survey.	.3% of premium	Account managment			
Total at Risk				The lesser of 3% or \$50,000				

4.3.3

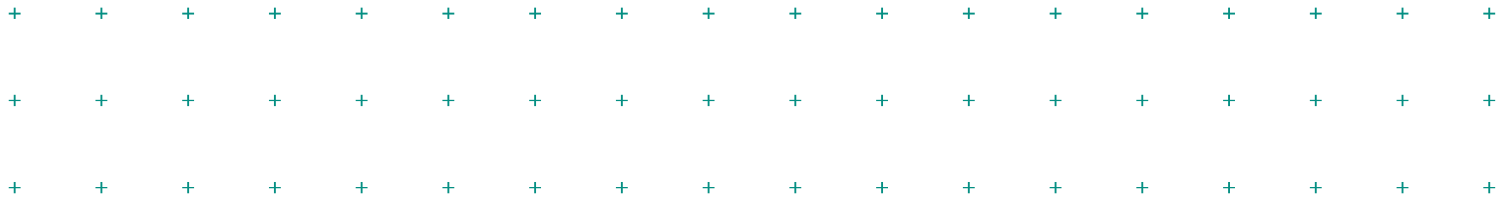
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4.3.3 Q2 Express Scripts – Summary Report



Nevada PEBP

Q2 FY2024

Prepared by Client Analytics

Cynthia Eaton (cynthia.eaton@express-scripts.com)

3/15/2024



**The data contained herein is pulled from a specific point-in-time and is subject to change at any time without notice due to a variety of factors, including but not limited to changes related to Member behavior, population demographics, system updates, and product availability. The data does not represent a guarantee and should not be used for audit purposes.*

Hello PEBP Team,

This is the Q2 FY24 Summary File for the three State of Nevada PEBP plans (CDHP, EPO, and PPO). The summary contains Trend breakouts for each plan (Utilization, Unit Cost, and Cost Share). Along with the most notable changes of drugs within the top moving indications. Each plan breakout has a peer comparison of Trend. The file concludes with several Key Statistics of the three plans in aggregate.

CDHP Overall Trend Summaries:

CDHP Overall Trend		% Change
Current Period - Plan Cost Net PMPM	\$73.39	
Utilization	\$2.15	3.2%
Unit Cost	\$3.83	5.7%
Member Share	\$0.12	0.2%
Total Change in Plan Cost Net PMPM	\$6.10	9.1%
Previous Period - Plan Cost Net PMPM	\$67.29	

Top moving indications and most notable drug changes within the indications are as follows:

- **Cancer:**
 - Previous ranked 2nd, currently ranked 2nd by Plan Cost Net.
 - Plan Cost Net ↓ \$539k (-24.1%) to current \$1.7m.
 - Plan Cost Net PMPM ↓ \$1.66 (-12.5%) to current \$11.66.
 - Patient Count ↓ 4 to current count of 196.
 - Adjusted Rxs ↓ 73 to current count of 922.

- **Notable Drug Changes within Indication:**
 - **Lenalidomide (Generic for Revlimid)**
 - Previous ranked 15th, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$203k (785.5%) to current \$229k.
 - Plan Cost Net PMPM ↑ \$1.42 (920.8%) to current \$1.57.
 - Patient Count ↑ 2 to current count of 3.
 - Adjusted Rxs ↑ 16 to current count of 18.

 - **Ibrance**
 - Previous ranked 2nd, currently ranked 4th by Plan Cost Net.
 - Plan Cost Net ↓ \$176k (-60.2%) to current \$116k.
 - Plan Cost Net PMPM ↓ \$.94 (-54.2%) to current \$.80.
 - Patient Count ↓ 2 to current count of 2.
 - Adjusted Rxs ↓ 14 to current count of 8.

 - **Revlimid**
 - Previous ranked 1st, currently ranked 9th by Plan Cost Net.
 - Plan Cost Net ↓ \$284k (-77.8%) to current \$81k.
 - Plan Cost Net PMPM ↓ \$1.62 (-74.4%) to current \$.55.
 - Patient Count ↓ 2 to current count of 2.
 - Adjusted Rxs ↓ 16 to current count of 7.

- **Ophthalmic Conditions:**
 - Previous ranked 20th, currently ranked 6th by Plan Cost Net.
 - Plan Cost Net ↑ \$385k (311.4%) to current \$508k.
 - Plan Cost Net PMPM ↑ \$2.75 (374.3%) to current \$3.49.
 - Patient Count ↑ 17 to current count of 218.
 - Adjusted Rxs ↑ 6 to current count of 449.

- **Notable Drug Changes within Indication:**
 - **Tepezza**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$350k (608%) to current \$58k.
 - Plan Cost Net PMPM ↑ \$2.46 (716.2%) to current \$2.80.
 - Patient Count: Remains at 1.
 - Adjusted Rxs ↑ 6 to current count of 7.

 - **Eylea**
 - Previous ranked 2nd, currently ranked 2nd by Plan Cost Net.
 - Plan Cost Net ↑ \$56k (148.3%) to current \$94k.
 - Plan Cost Net PMPM ↑ \$.42 (186.2%) to current \$.64.
 - Patient Count ↑ 3 to current count of 13.
 - Adjusted Rxs ↑ 30 to current count of 53.

 - **Other drug changes in this indication were not notable.**

- **Vaccinations:**
 - Previous ranked 5th, currently ranked 4th by Plan Cost Net.
 - Plan Cost Net ↑ \$335k (54.1%) to current \$953k.
 - Plan Cost Net PMPM ↑ \$2.86 (77.6%) to current \$6.54.
 - Patient Count ↓ 1,852 to current count of 4,814.
 - Adjusted Rxs ↓ 2,418 to current count of 8,770.

- **Notable Drug Changes within Indication:**
 - **Comirnaty 2023-2024 (COVID):**
 - New, currently ranked 1st.
 - Plan Cost Net: New, current \$239k.
 - Plan Cost Net PMPM: New, current \$1.64.
 - Patient Count: New, current count of 1,701.
 - Adjusted Rxs: New, current count of 1,697.

 - **Spikevax 2023-2024 (COVID):**
 - New, currently ranked 2nd.
 - Plan Cost Net: New, current \$179k.
 - Plan Cost Net PMPM: New, current \$1.23.
 - Patient Count: New, current count of 1,193.
 - Adjusted Rxs: New, current count of 1,189.

 - **Arexvy (RSV):**
 - New, currently ranked 3rd.
 - Plan Cost Net: New, current \$132k.

- Plan Cost Net PMPM: New, current \$.91.
- Patient Count: New, current count of 493.
- Adjusted Rxs: New, current count of 490.

Peer Comparison:

- Peer: ESI CDH Program
- PEBP CDHP is outperforming the peer.
- Peer experienced Plan Cost Net PMPM of \$89.92 compared to CDHP PEBP of \$73.39.
- Peer experienced Trend of 13.0%, compared to CDHP PEBP Trend of 9.1%

EPO Overall Trend Summaries:

EPO Overall Trend	% Change	
Current Period - Plan Cost Net PMPM	\$168.02	
Utilization	\$6.11	4.1%
Unit Cost	\$9.58	6.4%
Member Share	\$2.99	2.0%
Total Change in Plan Cost Net PMPM	\$18.68	12.5%
Previous Period - Plan Cost Net PMPM	\$149.33	

Top moving indications and most notable drug changes within the indications are as follows:

- **Endocrine Disorders:**
 - Previous ranked 3rd, currently ranked 3rd by Plan Cost Net.
 - Plan Cost Net ↑ \$190k (34.3%) to current \$742k.
 - Plan Cost Net PMPM ↑ \$7.29 (52.0%) to current \$21.33.
 - Patient Count ↓ 3 to current count of 25.
 - Adjusted Rxs ↓ 14 to current count of 107.
- **Notable Drug Changes within Indication:**
 - **Korlym:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$201k (40.2%) to current \$702k.
 - Plan Cost Net PMPM ↑ \$7.46 (40.2%) to current \$20.19.
 - Patient Count ↑ 1 to current count of 2.
 - Adjusted Rxs ↑ 5 to current count of 12.
 - **Other drug changes in this indication were not notable.**
- **Vaccinations:**
 - Previous ranked 5th, currently ranked 11th by Plan Cost Net.
 - Plan Cost Net ↑ \$97k (73.1%) to current \$231k.
 - Plan Cost Net PMPM ↑ \$3.25 (95.9%) to current \$6.63.
 - Patient Count ↓ 303 to current count of 1,201.
 - Adjusted Rxs ↓ 347 to current count of 2,158.

- **Notable Drug Changes within Indication:**
 - **Comirnaty 2023-2024 (COVID):**
 - New, currently ranked 1st.
 - Plan Cost Net: New, current \$60k.
 - Plan Cost Net PMPM: New, current \$1.73.
 - Patient Count: New, current count of 423.
 - Adjusted Rxs: New, current count of 423.
 - **Spikevax 2023-2024 (COVID):**
 - New, currently ranked 2nd.
 - Plan Cost Net: New, current \$46k.
 - Plan Cost Net PMPM: New, current \$1.31.
 - Patient Count: New, current count of 305.
 - Adjusted Rxs: New, current count of 305.
 - **Arexvy (RSV):**
 - New, currently ranked 3rd.
 - Plan Cost Net: New, current \$29k.
 - Plan Cost Net PMPM: New, current \$.82.
 - Patient Count: New, current count of 105.
 - Adjusted Rxs: New, current count of 105.
- **Skin Conditions:**
 - Previous ranked 7th, currently ranked 14th by Plan Cost Net.
 - Plan Cost Net ↓ \$73k (-39.3%) to current \$113k.
 - Plan Cost Net PMPM ↓ \$1.48 (-31.3%) to current \$3.26.
 - Patient Count ↓ 47 to current count of 287.
 - Adjusted Rxs ↓ 111 to current count of 455.
- **Notable Drug Changes within Indication:**
 - **Dupixent Pen:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↓ \$31k (-26.4%) to current \$86k.
 - Plan Cost Net PMPM ↓ \$.49 (-16.7%) to current \$2.46.
 - Patient Count ↓ 1 to current count of 9.
 - Adjusted Rxs ↓ 12 to current count of 40.
 - **Dupixent Syringe:**
 - Previous ranked 2nd, currently ranked 2nd by Plan Cost Net.
 - Plan Cost Net ↓ \$22k (-61.7%) to current \$14k.
 - Plan Cost Net PMPM ↓ \$.51 (-56.7%) to current \$.39.
 - Patient Count ↓ 1 to current count of 2.
 - Adjusted Rxs ↓ 9 to current count of 7.
 - **Other drug changes in this indication were not notable.**

Peer Comparison:

- Government – West Region/SaveOn (custom peer created for PEBP EPO plan)
- The peer is outperforming PEBP EPO.
- Peer experienced Plan Cost Net PMPM of \$107.75 compared to PEBP EPO of \$168.02
- Peer experienced Trend of 10.3%, compared to PEBP EPO of 12.5%

PPO Overall Trend Summaries:

PPO Overall Trend		% Change
Current Period - Plan Cost Net PMPM	\$100.05	
Utilization	\$1.87	2.2%
Unit Cost	\$13.10	15.6%
Member Share	\$1.10	1.3%
Total Change in Plan Cost Net PMPM	\$16.07	19.1%

Previous Period - Plan Cost Net PMPM **\$83.98**

Top moving indications and most notable drug changes within the indications are as follows:

- **Inflammatory Conditions:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$826k (54.9%) to current \$2.3m.
 - Plan Cost Net PMPM ↑ \$2.90 (16.1%) to current \$20.93.
 - Patient Count ↑ 59 to current count of 222.
 - Adjusted Rxs ↑ 404 to current count of 1,264.
- **Humira(CF) Pen:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$162k (34.0%) to current \$639k.
 - Plan Cost Net PMPM ↑ \$.02 (0.4%) to current \$5.74.
 - Patient Count ↑ 7 to current count of 31.
 - Adjusted Rxs ↑ 54 to current count of 163.
- **Stelara:**
 - Previous ranked 3rd, currently ranked 2nd by Plan Cost Net.
 - Plan Cost Net ↑ \$169k (124.7%) to current \$304k.
 - Plan Cost Net PMPM ↑ \$1.11 (2.73%) to current \$2.73.
 - Patient Count ↑ 5 to current count of 11.
 - Adjusted Rxs ↑ 27 to current count of 62.
- **Rinvoq:**
 - Previous ranked 10th, currently ranked 5th by Plan Cost Net.
 - Plan Cost Net ↑ \$113k (211.1%) to current \$167k.
 - Plan Cost Net PMPM ↑ \$0.86 (133.1%) to current \$1.50.
 - Patient Count ↑ 8 to current count of 11.
 - Adjusted Rxs ↑ 37 to current count of 52.

- **Diabetes:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$750k (84.4%) to current \$1.6m.
 - Plan Cost Net PMPM ↑ \$4.07 (38.2%) to current \$14.71.
 - Patient Count ↑ 441 to current count of 1,222.
 - Adjusted Rxs ↑ 4,010 to current count of 11,098.
 - **Ozempic:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$263k (118.8%) to current \$485k.
 - Plan Cost Net PMPM ↑ \$1.70 (63.9%) to current \$4.35.
 - Patient Count ↑ 116 to current count of 240.
 - Adjusted Rxs ↑ 572 to current count of 1,107.
 - **Mounjaro:**
 - Previous ranked 5th, currently ranked 2nd by Plan Cost Net.
 - Plan Cost Net ↑ \$311k (776.5%) to current \$351k.
 - Plan Cost Net PMPM ↑ \$2.67 (556.9%) to current \$3.15.
 - Patient Count ↑ 105 to current count of 145.
 - Adjusted Rxs ↑ 648 to current count of 730.
 - **Other drug changes in this indication were not notable.**
- **Enzyme Deficiencies:**
 - Previous ranked 1st, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net ↑ \$529k (228.3%) to current \$761k.
 - Plan Cost Net PMPM ↑ \$4.06 (146.0%) to current \$6.84.
 - Patient Count ↑ 3 to current count of 5.
 - Adjusted Rxs ↑ 13 to current count of 22.
- **Notable Drug Changes within Indication:**
 - **Nexviazyme:**
 - New, currently ranked 1st by Plan Cost Net.
 - Plan Cost Net: New, current \$417k.
 - Plan Cost Net PMPM: New, current \$3.74.
 - Patient Count: New, current count of 1.
 - Adjusted Rxs: New, current count of 6.
 - **Palynziq:**
 - New, currently ranked 3rd by Plan Cost Net.
 - Plan Cost Net: New, current \$73k.
 - Plan Cost Net PMPM: New, current \$0.65.
 - Patient Count: New, current count of 1.
 - Adjusted Rxs: New, current count of 5.
 - **Galafold:**
 - New, currently ranked 4th by Plan Cost Net.
 - Plan Cost Net: New, current \$58k.
 - Plan Cost Net PMPM: New, current \$0.52.

- Patient Count: New, current count of 1.
- Adjusted Rx's: New, current count of 2.

Peer Comparison:

- Government – West Region/SaveOn (custom peer created for PEBP PPO plan)
- PEBP PPO is outperforming the peer in Plan Cost Net, however PEBP PPO experienced a higher Trend.
- PEBP PPO experienced Plan Cost Net PMPM of \$91.51 compared to peer of \$99.80.
- Peer experienced Trend of 6.2%, compared to PEBP PPO of 12.9%.

Total Overall Trend	% Change	
Current Period - Plan Cost Net PMPM	\$94.84	
Utilization	\$1.98	2.4%
Unit Cost	\$7.82	9.4%
Member Share	\$1.86	2.2%
Total Change in Plan Cost Net PMPM	\$11.66	14.0%

Previous Period - Plan Cost Net PMPM **\$83.18**

Summary of Total – Overall the main driver of Trend was Specialty Utilization driven by an increase of 15% in Specialty patients. This resulted in an 17.6% increase in Specialty Days of Therapy.

Trend was mitigated by increased rebates of 38.1%. This produced a negative Unit Cost Trend of (-5.5%) on Specialty drugs and reduced NonSpecialty Unit Cost Trend to 9.7%, combined is 9.4%.

Member Cost contributed to Trend on both Specialty and NonSpecialty drugs. This is due to increased Utilization on Specialty drugs and Drug Mix on NonSpecialty drugs. Primary driven by utilization of more expensive brand drugs.

Key Statistics:

Nevada PEBP Total			
Description	Q2 FY24	Q2 FY23	Change
Average Members per Month	48,640	48,466	0.4%
Number of Unique patients	31,239	32,695	-4.5%
Members Utilizing the Benefit	64.2%	67.5%	-3.2
Gross Cost/Adjusted Rx	\$138.66	\$118.67	16.8%
Plan Spend	\$42,345,378	\$34,810,187	21.6%
Rebates (estimated)	\$14,667,722	\$10,620,859	38.1%
Plan Cost Net	\$27,677,656	\$24,189,328	14.4%
Plan Cost Net PMPM	\$94.84	\$83.18	14.0%
Non-Specialty Plan Cost Net PMPM	\$42.82	\$36.85	16.2%
Specialty Plan Cost Net PMPM	\$52.02	\$46.34	12.3%
Generic Fill Rate	85.1%	84.1%	1.0
90 Day Utilization	60.8%	61.7%	-0.9
Retail - Maintenance 90 Utilization	28.4%	30.0%	-1.6
Home Delivery Utilization	32.4%	31.7%	0.7
Member Cost Net %	24.2%	25.7%	-1.5

END OF REPORT

5.

5. Discussion and possible action regarding a proposed contract with Carrum Health – Oncology Concierge to maintain a network of National Centers of Excellence. A portion of this item may be conducted in closed session to allow review of the results of the evaluation of proposals for the contract, in accordance with NRS 287.04345(4). Any action on the contract will occur in open session, in accordance with NRS 287.04345(5).

(Michelle Weyland, Chief Financial Officer)

(For Possible Action)



CELESTENA GLOVER
Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
3427 Goni Road, Suite 109, Carson City, Nevada 89706
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<https://pebp.nv.gov>

JACK ROBB
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024
Item Number: 5
Title: Contract Status Report

Summary

This report addresses the status of PEBP contracts to include:

1. Contract Overview
2. New Contracts for approval
3. Contract Amendments for approval
4. Contract Solicitations for approval
5. Status of Current Solicitations

5.1 Contracts Overview

Below is a listing of the active PEBP contracts as of February 28, 2024.

PEBP Active Contracts Summary							
Vendor	Service	Contract #	Effective Date	Termination Date	Contract Max	Current Expenditures	Amount Remaining
Eide Bailly	Financial Auditor	27703	7/11/2023	12/31/2026	\$ 386,500.00	\$ 61,875.00	\$ 324,625.00
Health Plan of Nevada Inc	Southern Nevada HMO	23802	7/1/2021	6/30/2025	\$ 192,093,848.00	\$ 107,973,914.64	\$ 84,119,933.36
Diversified Dental Services Inc.	Dental PPO	23810	7/1/2021	6/30/2026	\$ 1,601,613.00	\$ 845,958.72	\$ 755,654.28
Lifeworks	Benefits Management System	25935	5/10/2022	12/31/2026	\$ 6,145,600.00	\$ 2,756,873.18	\$ 3,388,726.82
Express Scripts, Inc.	Pharmacy Benefit Manager	25582	5/10/2022	6/30/2026	\$ 332,109,496.00	\$ 137,399,481.35	\$ 194,710,014.65
*Willis Towers Watson (VIA)	Medicare Exchange	16468	7/1/2015	6/30/2025	\$ 1,546,000.00	\$ 1,233,741.92	\$ 312,258.08
United Healthcare Insurance	Group Basic Life Insurance	25607	7/1/2022	6/30/2026	\$ 12,824,248.00	\$ 6,872,610.21	\$ 5,951,637.79
Brown & Brown of Massachusetts	Health Plan Auditor	24030	4/13/2021	6/30/2027	\$ 1,581,662.00	\$ 531,859.00	\$ 1,049,803.00
Segal Company, Inc.	Consulting Services	25557	7/1/2022	6/30/2027	\$ 4,285,410.00	\$ 1,212,517.50	\$ 3,072,892.50
HAT LTD, DBA Manpower	Temporary Employment	23928	1/1/2023	12/31/2023	\$ 189,500.00	\$ 153,289.57	\$ 36,210.43
Capitol Reporters	Court Reporting	27029	2/1/2023	6/30/2025	\$ 31,932.00	\$ 7,958.00	\$ 23,974.00
Carrum Health	Centers of Excellence	28745	2/12/2024	6/30/2028	\$ 4,000,000.00	\$ -	\$ 4,000,000.00
UMR, Inc.	TPA and Other Services	25155	7/1/2022	6/30/2028	\$ 65,413,106.00	\$ 9,345,082.04	\$ 56,068,023.96

*Willis Towers Watson (VIA) As of July 1, 2019 Willis Towers Watson no longer charges PEBP an administrative fee.

5.2 New Contracts

Carrum Health - Oncology Concierge pending discussion and action resulting from closed session.

5.3 Contract Amendment Ratifications

No contract amendments.

5.4 Contract Solicitation Ratifications

No Contract Solicitation Ratifications.

5.5 Status of Current Solicitations

The chart below provides information on the status of PEBP’s in-progress solicitations:

Service	Anticipated/ Actual RFP release date	Anticipated/ Actual NOI	Winning Vendor	Anticipated Board Approval
Oncology Management Program	08/01/23	11/28/23	Carrum Health	Mar. 2024

Recommendation

Approve the contract for Carrum Health - Oncology Concierge.

6.

6. Executive Officer Report (Celestena Glover, Executive Officer) (Information/Discussion)

6.1 Wrap Document – Centers of Excellence Benefit



CELESTENA GLOVER
Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
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<https://pebp.nv.gov>

JACK ROBB
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024
Item Number: 6
Title: Executive Officer Report

SUMMARY

This report provides the Board and members of the public with updates on agency operations.

REPORT

BUDGET KICK-OFF

PEBP staff attended the Budget Kick-Off and the Budget Kick-Off Directors' meeting on March 6, 2023. The budget kick-off meeting was intended to provide information regarding the more technical aspects of the budget process for the upcoming budget building cycle. The Directors' meeting was intended to provide a more high-level overview of the budget building cycle. This was new to the meetings provided in the past. Upcoming deadlines were provided. The below table provides a listing of some but not all deadlines that may affect PEBP's budget submission.

TASK	DEADLINE
Governor meeting to review and approve concept BDRs	4/1/24-5/31/24
Technology Investment Notifications (TIN)	4/1/2024
Final BDR concept presentations	6/3/24-6/14/24
Governor approved non-budgetary BDRs in NEBS	7/29/24
Non-budgetary BDRs due to LCB	8/1/24
Submittal of Agency Request Budget and budgetary BDRs by 4:00 pm	8/30/24
Agency Budget Hearings (GFO and Governor's Office)	10/1/24
Governor Recommends budget submitted to Legislature	Mid to Late Jan 25
Start of the 2025 Legislative Session	2/3/25
Budgetary BDRs to LCB	2/21/25
Last day of the 2025 Legislative Session	6/2/25

PEBP staff have begun working on the agency request budget and will be providing updates to the Board as appropriate and available. The Governor's Recommended Budget (GovRec) is confidential until released by the Governor's office.

CARSON TAHOE HOSPITAL

Carson Tahoe Hospital (CTH) recently sent a letter to PEBP members indicating that they intend to terminate the contract with UMR. The letter did not specify a contract termination date. UMR continues to work with CTH to address their concerns and resolve the issues. Until such time as CTH terminates their contract with UMR and specifies a date for that termination, PEBP members can continue to access CTH facilities and providers that are currently in-network. Claims associated with those visits will continue to be paid at the in-network rate. However, should the negotiations between the two organizations result in an impasse - that could result in the termination of the contract by CTH leadership and would mean they become an out-of-network provider.

CARRUM HEALTH BENEFITS WRAP DOCUMENT

At the January 26, 2024, meeting the PEBP Board approved the contract with Carrum Health Benefits to provide certain services through their Centers of Excellence network. During that discussion I indicated that a wrap document was being written to encompass the services they will provide and how it relates to the requirements of the Master Plan Documents. The document is provided in 6.1 of this agenda item for the Board's review.

STAFFING

PEBP staffing levels have improved in recent weeks. However, there are still 7 vacancies, which is a rate of approximately 20%. PEBP's vacancies include the Quality Control Officer, 5 in the Member Services Unit, and 1 in the Communications Unit. PEBP continues to work with the Division of Human Resource Management to fill vacant positions.

6.1

6. Executive Officer Report
(Celestena Glover, Executive Officer)
(Information/Discussion)

6.1 Wrap Document – Centers of Excellence Benefit



**CENTERS OF EXCELLENCE
WRAP PLAN DOCUMENT**
PLAN YEAR 2025
(EFFECTIVE JULY 1, 2024 – JUNE 30, 2025)



Public Employees' Benefits Program

775-684-7000
702-486-3100
or **1-800-326-5496**
<https://pebp.nv.gov>



Public Employees' Benefits Program
3427 Goni Road, Suite 109
Carson City, NV 89706

Special Benefit for Select Surgeries – Centers of Excellence

Participants enrolled in PEBP’s Consumer Driven Health Plan (CDHP), Low Deductible Preferred Provider Organization (LD-PPO), or the Exclusive Provider Organization Plan (EPO) have a special surgery benefit, referred to as the Center of Excellence benefit. This benefit provides access to Centers of Excellence and concierge services, through PEBP’s vendor Carrum Health.

This is a voluntary program which provides access to specialized providers and facilities selected for their expertise in selected procedures, as well as assistance with travel, communication, and other non-medical matters relating to those procedures. This document describes the Center of Excellence benefit, including important conditions and restrictions.

The Center of Excellence benefit is available for the following procedures:

- Total, partial, and revision hip and knee replacement surgery
- Spinal fusion surgery
- Bariatric (weight loss) surgery
- Other orthopedic and spine procedures (e.g., hand, wrist, elbow, shoulder, ankle, foot)
- Cardiac (heart) surgery

The table below summarizes coverage under the Center of Excellence benefit compared to using a PEBP plan directly. As shown in the table, certain services provided under the benefit are covered at 100%, meaning there is no out-of-pocket cost for the participant, such as copays or coinsurance, except that participants in an HSA-eligible plan must meet their annual deductible.

Summary of Benefits Coverage

	Carrum Health Benefit	CDHP	LD-PPO	EPO
Hip and Knee replacement	100% covered for LD-PPO and EPO. CDHP subject to deductible	In-Network, plan pays 80% after deductible, 100% after out-of-pocket max met	In-Network, \$500 Copay Ambulatory Surgery Center (out-patient), plan pays 80% or in-patient surgeries	In-Network, \$350 Copay Ambulatory Surgery Center (out-patient), plan pays 80% or in-patient surgeries
Spinal fusion surgery	100% covered for LD-PPO and EPO, CDHP subject to deductible	In-Network, plan pays 80% after deductible, 100% after out-of-pocket max met	In-Network, \$500 Copay Ambulatory Surgery Center (out-patient), plan pays 80% for in-patient services	In-Network, \$350 Copay Ambulatory Surgery Center (out-patient), plan pays 80% or in-patient surgeries

Bariatric (weight loss) surgery	100% covered for LD-PPO and EPO, CDHP subject to deductible	In-Network, plan pays 80% after deductible, 100% after out-of-pocket max met	In-Network, \$500 Copay Ambulatory Surgery Center (out-patient), plan pays 80% for in-patient surgeries	In-Network, \$350 Copay Ambulatory Surgery Center (out-patient), plan pays 80% or in-patient surgeries
Other orthopedic procedures (e.g., hand, wrist, elbow, shoulder, ankle, foot)	100% covered for LD-PPO and EPO, CDHP subject to deductible	In-Network, plan pays 80% after deductible, 100% after out-of-pocket max met	In-Network, \$500 Copay Ambulatory Surgery Center (out-patient), plan pays 80% for in-patient surgeries	In-Network, \$350 Copay Ambulatory Surgery Center (out-patient), plan pays 80% or in-patient surgeries

Note: For additional information about benefits provided in the CDHP, LD-PPO or EPO plans, please refer to the appropriate Master Plan Document.

How It Works

The vendor currently coordinating PEBP’s Center of Excellence benefit is Carrum Health. Participants wishing to use the Center of Excellence benefit can contact Carrum Health at 1-888-855-7806, Monday through Friday from 9 a.m. to 8 p.m. EST; online at carrum.me/PEBP; or by downloading the ‘Carrum Health’ app on iPhone and Android devices to search for and compare participating hospitals and physicians. Neither PEBP nor Carrum renders any medical care or advice, nor do they recommend any particular medical providers or course of treatment.

After contacting Carrum Health, a participant is assigned a Care Specialist, who will determine if the participant is eligible to participate in the Center of Excellence benefit and provide non-medical coordination throughout the entire episode of care. Care Specialist services can include assistance with hospital and physician selection, medical records collection, appointment scheduling, travel reservations, and logistics management.

Participants must agree to provide their medical records and any other relevant information to their selected hospital and physicians to facilitate a consultative evaluation to determine if the procedure is appropriate and medically necessary. Medical records and images are collected on behalf of participants by their assigned Care Specialists. Receiving this evaluation does not commit a participant to proceed with the procedure or to use the Center of Excellence benefit.

In order to receive coverage under the Center of Excellence benefit, a Center of Excellence must determine that the covered procedure is medically necessary, and the procedure must not otherwise be excluded under the terms of the applicable PEBP plan.

To receive coverage under the Center of Excellence benefit, services MUST be scheduled and authorized by Carrum Health. If the participant has a procedure at a facility deemed a Center of Excellence but does not make the arrangements for that procedure through Carrum Health, their care will be covered as set forth in the CDHP, LD-PPO, or EPO, as applicable.

The Center of Excellence benefit applies toward any benefit maximums on the covered procedures under the applicable plan. Any cost-sharing paid by the participant will count towards the annual deductible and out-of-pocket maximum.

If PEBP would pay secondary in accordance with its coordination of benefits provisions, such secondary coverage will be determined in accordance with the PEBP's standard terms and cost-sharing provisions and not under the Center of Excellence benefit.

Carrum Health will provide appropriate documentation for any non-medical benefits paid under the program, which may be subject to taxation as income to the participant, in particular, the allowance paid for meals and incidentals.

Covered Expenses

Medical Costs

If a participant proceeds with a procedure arranged by Carrum Health pursuant to the Center of Excellence benefit, all medical costs charged by the Center of Excellence related to the covered procedure will be covered, with no copay or coinsurance (except those enrolled in an HSA-eligible plan will still be subject to the annual deductible).

Travel Costs

If travel arrangements are scheduled and reserved through Carrum Health, the following expenses incurred for transportation, lodging, meals, and incidentals are covered for the participant and one adult companion. The daily allowance will be paid to the participant prior to travel to the Center of Excellence location and is to be used at the discretion of the participant and companion.

- Participants traveling for inpatient (overnight stay) surgeries that live within 60 miles of the Center of Excellence where the procedure is to be performed, or for outpatient (same day) surgeries, will receive a stipend to cover gas, parking, and meals.
- Participants that travel over 60 miles for any inpatient surgery or for outpatient total joint replacement/spine surgery will receive coverage for travel as follows:
 - The primary mode of round-trip transportation, e.g. flight or rental car, for the participant and one adult companion between the participant's home location

and the location of the Center of Excellence where the procedure is to be performed;

- Hotel accommodations near the Center of Excellence, limited to one room with two queen beds, to be shared by the participant and one adult companion; and
 - A daily allowance for the participant and companion intended to cover meals, incidentals, and other out-of-pocket expenses related to traveling for the procedure. The daily allowance for the participant will be provided for days before and after, but not during, the inpatient stay.
- If an in-person consultation is required by the Center of Excellence physician, a round trip solely for the participant will be arranged and covered.

Coverage Limitations and Disclosures

If the participant changes plans after travel arrangements have been made to receive a covered procedure at a Center of Excellence, the participant will be responsible for any cost-sharing and travel costs for services received prior to the change in plans, as required under the CDHP, LD-PPO, or EPO, as applicable.

Emergency or lifesaving medical services that occur as the result of the planned procedures under the Center of Excellence benefit are not covered under the benefit and are subject to the coverage limits, cost-sharing, and other terms of the CDHP, LD-PPO or EPO, as applicable.

Certain examinations, tests, or other medical services may be required before or after the participant visits the chosen Center of Excellence under the benefit. Any medical services not performed by a participating Center of Excellence facility or physician, including necessary pre- and post-acute care, are not covered under the Center of Excellence benefit, and are subject to the coverage limits, cost-sharing, and other terms of the CDHP, LD-PPO or EPO, as applicable.

Coverage under the Center of Excellence benefit may be denied by Carrum Health if:

- The participant does not provide any documentation required by Carrum to facilitate a referral to a Center of Excellence;
- The Center of Excellence facility/provider has declined to treat the participant due to a medical condition that will not change;
- A patient is referred first to an outpatient facility or ambulatory surgical center and denied treatment or care because their condition was too complex, and, after seeking an additional consult at an acute care Center of Excellence or hospital, the second Center of Excellence still cannot treat this member; or
- The participant commits an act of physical or verbal abuse or other threatening behavior to the staff of Carrum Health or a Center of Excellence.

A Center of Excellence may decline to treat a participant at its discretion, including for:

- Failure to identify a designated adult companion who is willing and able to meet caregiver requirements;
- Inability to safely travel to the Center of Excellence for medical care or requiring emergency care at the time of travel;
- Failure to follow preoperative and postoperative instructions;
- Failure to provide all required medical history, labs, and diagnostic tests;
- Failure to make lifestyle changes required by the Center of Excellence as a condition of obtaining the covered procedure (e.g., stop smoking or lose weight); or
- Committing an act of physical or verbal abuse or other threatening behavior to the staff of the Center of Excellence.

Definitions

Ambulatory Surgery Center: A specialized facility that is established, equipped, operated, and staffed primarily for performing surgical procedures and which fully meets one of the following two tests:

- It is licensed as an ambulatory surgical facility/center by the regulatory authority responsible for the licensing under the laws of the jurisdiction in which it is located; or

Where licensing is not required, it meets all the following requirements:

- It is operated under the supervision of a licensed physician who is devoting full time to supervision and permits a surgical procedure to be performed only by a duly qualified physician who, at the time the procedure is performed, is privileged to perform the procedure in at least one hospital in the area.
- It requires in all cases, except those requiring only local infiltration anesthetics, that a licensed anesthesiologist administer the anesthetic or supervise an anesthetist who is administering the anesthetic, and that the anesthesiologist or anesthetist remain present throughout the surgical procedure.
- It provides at least one operating room and at least one post-anesthesia recovery room
- It is equipped to perform diagnostic x-ray and laboratory examinations or has an arrangement to obtain these services.
- It has trained personnel and necessary equipment to handle emergency situations.
- It has immediate access to a blood bank or blood supplies.
- It provides the full-time services of one or more registered graduate nurses (RNs) for patient care in the operating rooms and in the post-anesthesia recovery room; and
- It maintains an adequate medical record for each patient, which contains an admitting diagnosis (including, for all patients except those undergoing a procedure under local anesthesia, a preoperative examination report, medical history, and laboratory tests and/or x-rays), an operative report and a discharge summary.

An ambulatory surgical facility/center that is part of a hospital, as defined in this section, will be considered an ambulatory surgical facility/center for the purposes of this Plan.

Centers of Excellence: Specialized providers that have assembled experts and resources focused on particular medical procedures to deliver high-quality treatment in a comprehensive fashion.

Coinsurance: That portion of Eligible Medical Expenses for which the covered person has financial responsibility. In most instances, the covered individual is responsible for paying a percentage of covered medical expenses more than the Plan's Deductible. The Coinsurance varies depending on whether In-Network or Out-of-Network providers are used.

Coordination of Benefits (COB): The rules and procedures applicable to the determination of how Plan benefits are payable when a person is covered by two or more health care plans.

Copayment, Copay: The fixed dollar amount you are responsible for paying when you incur an eligible medical expense for certain services, generally those provided by network health care practitioners, hospitals (or emergency rooms of hospitals), or health care facilities. This can be in addition to Coinsurance amounts due on the same incurred charges. Copayments are limited to certain benefits under this program.

Cost Sharing: The amount a participant or beneficiary is responsible for paying for a covered item or service under the terms of the plan. Cost sharing generally includes copayments, coinsurance, and amounts paid towards deductibles, but does not include amounts paid towards premiums, balance billing by non-PPO providers, or the cost of items or services that are not covered under the plan.

Deductible: The amount of eligible medical, prescription drug and dental expenses you are responsible for paying before the Plan begins to pay benefits. The dental Deductibles are discussed in the separate PPO Dental Master Plan Document.

Out-of-Pocket Maximum: The maximum amount of Coinsurance each covered person or family is responsible for paying during a Plan Year before the Coinsurance required by the Plan ceases to apply. When the Out-of-Pocket Maximum is reached, the Plan will pay 100% of eligible covered expenses for the remainder of the Plan Year. See the section on Out-of-Pocket Maximum in the Medical Expense Coverage section for details about what expenses do not count toward the Out-of-Pocket Maximum

7.

7. Discussion and possible action to include approving Plan Year 2025 Rates for State and Non- State employees, retirees, and their dependents for the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), and Health Maintenance Organization Plan (HMO) (Celestena Glover, Executive Officer)
(For Possible Action)

A. Plan Year 2025 Rates Table

B. Plan Year 2025 Comparison Table

7.1 Segal PY24 Trend Report



CELESTENA GLOVER
Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
3427 Goni Road, Suite 109, Carson City, Nevada 89706
Telephone 775-684-7000 | 702-486-3100 | 1-800-326-5496
<https://pebp.nv.gov>

JACK ROBB
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024

Item Number: 7

Title: Plan Year 2025 (PY25) Proposed Rates

SUMMARY

This report provides the Board and members of the public with information on PY25 proposed rates.

BACKGROUND

RATES DEVELOPMENT

Step 1: Underwriting

PEBP Board policy requires its actuary, Segal, to set rates/trend aggressively – a 50% chance rates will be sufficient to cover expected claims costs and a 50% chance they will be short.

1. Segal gathers claims data (medical/Rx/dental) for the previous 12-24 months.
2. Claims are completed based on prior seasonality and claims lag and trended forward to PY25.
3. Plan design changes, changes to contracts, PBM market checks and any other projected savings are applied.
4. Enrollment expectations by tier and plan are applied along with utilization assumptions and actuarial values.
5. Base Rates Per Participant Per Month (PPPM) are then established for the three plan offerings (CDHP, LD, and EPO) separated by Medical, Pharmacy, and Dental expected Claims. EPO and HMO rates are blended.

Step 2: Enrollment weighting

Assumptions such as overall growth or decline, plan enrollment, assumed workforce changes or retirement influxes.

Step 3: Admin loads applied

Administrative loads such as administrative fees, HSA/HRA funding for the CHDP, and PEBP operating costs are applied appropriately.

Step 4: Tiering

The base rate is weighted by projected enrollment by tier. Per PEBP Board policy the following tiering methodology is then applied:

Participant = X
Participant + Spouse = 2X
Participant + children = X+Y
Participant + family = 2X + Y

X is the average cost of an adult and Y is the average cost of a child(ren).

Step 5: Addition of Life Insurance

PPPM Life insurance costs are then added to each tier of the three plans to arrive at final overall rates. Life insurance costs differ for actives and retirees and life insurance costs for those on the Exchange are absorbed entirely by members on the self-funded plans.

REPORT

For several years PEBP has had claims that were overall favorable. However, there have also been discussions that we must consider the possibility of higher than budgeted trends. If that happens when there are no excess reserves the shortfall between available employer contributions and employee premium would be funded entirely through an increase in employee premiums as there is no mechanism to adjust the subsidy levels outside of a legislative session. During the December 2022 PEBP Board meeting, the board at that time approved the use of excess reserves to mitigate rate increases over a 3-year period to include Plan Year 2023, 2024 and 2025. In September 2023, PEBP staff reported the excess reserves had been fully exhausted. Therefore, the decision made by the PEBP Board at that time can no longer be supported.

The Governor's Recommended Budget includes a trend of 3.91% for medical, 3.67% for pharmacy, and 2% for dental; however, Segal has provided different trend projections for Plan Year 2024 of 4% for medical, 19.2% for pharmacy (10.8% adjusted for RX rebates), and 2% for dental. Projected trend for Plan Year 2025 is 3%, 10% and 2% respectively (see Segal's presentation for detail).

At the December 7, 2023, meeting the PEBP board voted to accept the renewal provided by Health Plan of Nevada for the HMO plan. That renewal resulted in an increase of just over 12%.

The standard rate development methodology along with consideration of claims experience, projected trend was utilized to develop the rate tables provided in Attachment 7A.

RECOMMENDATION:

Staff recommends the Board approve Plan Year 2025 rates as proposed with the ability to make technical adjustments as necessary.

Premium Comparison Tables

State Employees and Retirees

	PY2024			PY2025			Difference			State Employee Premium Mitigation From PY24			PY2025 Premium		
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO
Active Rates															
Participant	\$46.96	\$68.14	\$161.00	\$63.56	\$102.38	\$201.48	\$16.60	\$34.24	\$40.48	7.22	22.35	22.43	\$56.34	\$80.03	\$179.05
Participant + Spouse	\$251.00	\$293.36	\$479.10	\$291.54	\$369.20	\$567.40	\$40.54	\$75.84	\$88.30	12.64	42.91	43.06	\$278.90	\$326.29	\$524.34
Participant + Children	\$123.46	\$152.60	\$280.30	\$149.05	\$202.44	\$338.70	\$25.59	\$49.84	\$58.40	9.28	30.06	30.14	\$139.77	\$172.38	\$308.56
Participant + Family	\$327.53	\$377.82	\$598.40	\$377.04	\$469.26	\$704.62	\$49.51	\$91.44	\$106.22	14.68	50.64	50.79	\$362.36	\$418.62	\$653.83
Retiree Rates															
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74	7.22	22.35	22.43	\$264.90	\$288.59	\$387.61
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78	12.64	42.91	43.06	\$643.36	\$690.73	\$888.78
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24	9.28	30.06	30.14	\$406.78	\$439.38	\$575.58
Participant + Family	\$719.36	\$769.66	\$990.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$137.28	14.68	50.64	50.79	\$785.26	\$841.52	\$1,076.73
Surviving Spouse	\$648.62	\$681.60	\$786.84	\$708.40	\$747.22	\$846.32	\$59.78	\$65.62	\$59.48						
Survivor + Children	\$889.78	\$935.10	\$1,079.82	\$970.98	\$1,024.36	\$1,160.62	\$81.20	\$89.26	\$80.80						

Non-State Employees and Retirees

	PY2024			PY2025			Difference								
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO
Active Rates															
Participant	\$914.11	\$973.25	\$971.19	\$997.33	\$1,063.39	\$1,075.11	\$83.22	\$90.14	\$103.92						
Participant + Spouse	\$1,818.84	\$1,937.12	\$1,933.01	\$1,979.98	\$2,112.10	\$2,135.54	\$161.14	\$174.98	\$202.53						
Participant + Children	\$1,253.38	\$1,334.70	\$1,331.88	\$1,365.83	\$1,456.66	\$1,472.77	\$112.45	\$121.96	\$140.89						
Participant + Family	\$2,158.11	\$2,298.57	\$2,293.69	\$2,348.47	\$2,505.37	\$2,533.20	\$190.36	\$206.80	\$239.51						
Retiree Rates															
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74	7.22	22.35	22.43	\$264.90	\$288.59	\$387.61
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78	12.64	42.91	43.06	\$643.36	\$690.73	\$888.78
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24	9.28	30.06	30.14	\$406.78	\$439.38	\$575.58
Participant + Family	\$719.36	\$769.66	\$990.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$227.28	14.68	50.64	50.79	\$785.26	\$841.52	\$1,076.73
Surviving Spouse	\$910.28	\$969.42	\$967.36	\$990.86	\$1,056.92	\$1,068.64	\$80.58	\$87.50	\$101.28						
Survivor + Children	\$1,249.54	\$1,330.86	\$1,328.04	\$1,359.36	\$1,450.18	\$1,466.30	\$109.82	\$119.32	\$138.26						

Projected Enrollment

Monthly Reserve Cost

Annual Reserve Cost

	Projected Enrollment			Monthly Reserve Cost			Annual Reserve Cost			
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	
Active Rates										
Participant	7,880	4,846	3,197	\$ 56,889.99	\$ 108,308.55	\$ 71,701.53	\$ 682,679.88	\$ 1,299,702.56	\$ 860,418.39	
Participant + Spouse	877	807	480	\$ 11,087.81	\$ 34,620.65	\$ 20,686.89	\$ 133,053.70	\$ 415,447.75	\$ 248,242.62	
Participant + Children	2,119	2,091	1,496	\$ 19,660.05	\$ 62,855.46	\$ 45,099.69	\$ 235,920.61	\$ 754,265.52	\$ 541,196.25	
Participant + Family	1,271	1,372	579	\$ 18,657.11	\$ 69,473.02	\$ 29,425.69	\$ 223,885.27	\$ 833,676.19	\$ 353,108.33	
				\$ 106,294.95	\$ 275,257.67	\$ 166,913.80	\$ 1,275,539.46	\$ 3,303,092.03	\$ 2,002,965.60	\$ 6,581,597.08
Retiree Rates										
Participant	1,590	445	581	\$ 11,479.80	\$ 9,945.75	\$ 13,031.83	\$ 137,757.60	\$ 119,349.00	\$ 156,381.96	
Participant + Spouse	481	180	84	\$ 6,079.84	\$ 7,723.80	\$ 3,617.04	\$ 72,958.08	\$ 92,685.60	\$ 43,404.48	
Participant + Children	206	109	82	\$ 1,911.68	\$ 3,276.54	\$ 2,471.48	\$ 22,940.16	\$ 39,318.48	\$ 29,657.76	
Participant + Family	149	79	36	\$ 2,187.32	\$ 4,000.56	\$ 1,828.44	\$ 26,247.84	\$ 48,006.72	\$ 21,941.28	
				\$ 21,658.64	\$ 24,946.65	\$ 20,948.79	\$ 259,903.68	\$ 299,359.80	\$ 251,385.48	\$ 810,648.96

\$ 7,392,246.04

	Non-State									
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	
Retiree Rates										
Participant	280	16	148	\$ 2,021.60	\$ 357.60	\$ 3,319.64	\$ 24,259.20	\$ 4,291.20	\$ 39,835.68	
Participant + Spouse	31	13	25	\$ 391.84	\$ 557.83	\$ 1,076.50	\$ 4,702.08	\$ 6,693.96	\$ 12,918.00	
Participant + Children	5	1	11	\$ 46.40	\$ 30.06	\$ 331.54	\$ 556.80	\$ 360.72	\$ 3,978.48	
Participant + Family	5	0	4	\$ 73.40	\$ 0.00	\$ 203.16	\$ 880.80	\$ 0.00	\$ 2,437.92	
				\$ 2,533.24	\$ 945.49	\$ 4,930.84	\$ 30,398.88	\$ 11,345.88	\$ 59,170.08	\$ 100,914.84

Total Reserve Cost \$ 7,493,160.88

Premium Comparison Tables

State Employees and Retirees

	PY2024			PY2025			Difference			Premium Mitigation 50% of State Premium			PY2025 Premium		
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO
Active Rates															
Participant	\$46.96	\$68.14	\$161.00	\$63.56	\$102.38	\$201.48	\$16.60	\$34.24	\$40.48	\$8.30	\$17.12	\$20.24	\$55.26	\$85.26	\$181.24
Participant + Spouse	\$251.00	\$293.36	\$479.10	\$291.54	\$369.20	\$567.40	\$40.54	\$75.84	\$88.30	\$20.27	\$37.92	\$44.15	\$271.27	\$331.28	\$523.25
Participant + Children	\$123.46	\$152.60	\$280.30	\$149.05	\$202.44	\$338.70	\$25.59	\$49.84	\$58.40	\$12.80	\$24.92	\$29.20	\$136.26	\$177.52	\$309.50
Participant + Family	\$327.53	\$377.82	\$598.40	\$377.04	\$469.26	\$704.62	\$49.51	\$91.44	\$106.22	\$24.76	\$45.72	\$53.11	\$352.29	\$423.54	\$651.51
Retiree Rates															
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74	\$8.30	\$17.12	\$20.24	\$263.82	\$293.82	\$389.80
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78	\$20.27	\$37.92	\$44.15	\$635.73	\$695.72	\$887.69
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24	\$12.80	\$24.92	\$29.20	\$403.27	\$444.52	\$576.52
Participant + Family	\$719.36	\$769.66	\$990.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$137.28	\$24.76	\$45.72	\$53.11	\$775.19	\$846.44	\$1,074.41
Surviving Spouse	\$648.62	\$681.60	\$786.84	\$708.40	\$747.22	\$846.32	\$59.78	\$65.62	\$59.48						
Survivor + Children	\$889.78	\$935.10	\$1,079.82	\$970.98	\$1,024.36	\$1,160.62	\$81.20	\$89.26	\$80.80						

Non-State Employees and Retirees

	PY2024			PY2025			Difference								
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO
Active Rates															
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Participant + Spouse	\$1,818.84	\$1,937.12	\$1,933.01	\$1,979.98	\$2,112.10	\$2,135.54	\$161.14	\$174.98	\$202.53						
Participant + Children	\$1,253.38	\$1,334.70	\$1,331.88	\$1,365.83	\$1,456.66	\$1,472.77	\$112.45	\$121.96	\$140.89						
Participant + Family	\$2,158.11	\$2,298.57	\$2,293.69	\$2,348.47	\$2,505.37	\$2,533.20	\$190.36	\$206.80	\$239.51						
Retiree Rates															
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74	\$8.30	\$17.12	\$20.24	\$263.82	\$293.82	\$389.80
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78	\$20.27	\$37.92	\$44.15	\$635.73	\$695.72	\$887.69
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24	\$12.80	\$24.92	\$29.20	\$403.27	\$444.52	\$576.52
Participant + Family	\$719.36	\$769.66	\$990.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$227.28	\$24.76	\$45.72	\$53.11	\$775.19	\$846.44	\$1,074.41
Surviving Spouse	\$910.28	\$969.42	\$967.36	\$990.86	\$1,056.92	\$1,068.64	\$80.58	\$87.50	\$101.28						
Survivor + Children	\$1,249.54	\$1,330.86	\$1,328.04	\$1,359.36	\$1,450.18	\$1,466.30	\$109.82	\$119.32	\$138.26						

Projected Enrollment

Monthly Reserve Cost

Annual Reserve Cost

	Projected Enrollment			Monthly Reserve Cost			Annual Reserve Cost			
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	
Active Rates										
Participant	7,880	4,846	3,197	\$ 65,399.85	\$ 82,963.86	\$ 64,700.80	\$ 784,798.20	\$ 995,566.35	\$ 776,409.64	
Participant + Spouse	877	807	480	\$ 17,780.84	\$ 30,594.61	\$ 21,210.54	\$ 213,370.13	\$ 367,135.37	\$ 254,526.52	
Participant + Children	2,119	2,091	1,496	\$ 27,106.72	\$ 52,107.72	\$ 43,693.13	\$ 325,280.63	\$ 625,292.64	\$ 524,317.54	
Participant + Family	1,271	1,372	579	\$ 31,461.62	\$ 62,723.27	\$ 30,769.81	\$ 377,539.50	\$ 752,679.22	\$ 369,237.72	
				\$ 141,749.04	\$ 228,389.46	\$ 160,374.28	\$ 1,700,988.45	\$ 2,740,673.58	\$ 1,924,491.41	\$ 6,366,153.44
Retiree Rates										
Participant	1,590	445	581	\$ 13,197.00	\$ 7,618.40	\$ 11,759.44	\$ 158,364.00	\$ 91,420.80	\$ 141,113.28	
Participant + Spouse	481	180	84	\$ 9,749.87	\$ 6,825.60	\$ 3,708.60	\$ 116,998.44	\$ 81,907.20	\$ 44,503.20	
Participant + Children	206	109	82	\$ 2,635.77	\$ 2,716.28	\$ 2,394.40	\$ 31,629.24	\$ 32,595.36	\$ 28,732.80	
Participant + Family	149	79	36	\$ 3,688.50	\$ 3,611.88	\$ 1,911.96	\$ 44,261.94	\$ 43,342.56	\$ 22,943.52	
				\$ 29,271.14	\$ 20,772.16	\$ 19,774.40	\$ 351,253.62	\$ 249,265.92	\$ 237,292.80	\$ 837,812.34
										\$ 7,203,965.78

	Non-State									
	CDHP	Copay	EPO	CDHP	Copay	EPO	CDHP	Copay	EPO	
Retiree Rates										
Participant	280	16	148	\$2,324.00	\$273.92	\$2,995.52	\$27,888.00	\$3,287.04	\$35,946.24	
Participant + Spouse	31	13	25	\$628.37	\$492.96	\$1,103.75	\$7,540.44	\$5,915.52	\$13,245.00	
Participant + Children	5	1	11	\$63.98	\$24.92	\$321.20	\$767.70	\$299.04	\$3,854.40	
Participant + Family	5	0	4	\$123.78	\$0.00	\$212.44	\$1,485.30	\$0.00	\$2,549.28	
				\$3,140.12	\$791.80	\$4,632.91	\$37,681.44	\$9,501.60	\$55,594.92	\$ 102,777.96

Total Reserve Cost \$ 7,306,743.74

7.

7. Discussion and possible action to include approving Plan Year 2025 Rates for State and Non- State employees, retirees, and their dependents for the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), and Health Maintenance Organization Plan (HMO) (Celestena Glover, Executive Officer)
(For Possible Action)

A. Plan Year 2025 Rates Table

Plan Year 2025 State Rates - Active Employees

State Active Employees	Statewide CDHP			Copay PPO			EPO/HMO		
	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium
Employee Only	714.88	651.32	63.56	753.70	651.32	102.38	852.80	651.32	201.48
Employee + Spouse	1,415.07	1,123.53	291.54	1,492.73	1,123.53	369.20	1,690.93	1,123.53	567.40
Employee + Child(ren)	977.46	828.40	149.06	1,030.84	828.40	202.44	1,167.10	828.40	338.70
Employee + Family	1,677.64	1,300.60	377.04	1,769.86	1,300.60	469.26	2,005.22	1,300.60	704.62

Plan Year 2025 State Rates - Retirees

State Retirees Non-Medicare	Statewide CDHP			Copay PPO			EPO/HMO		
	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium
Retiree only	708.41	436.29	272.12	747.23	436.29	310.94	846.33	436.29	410.04
Retiree + Spouse	1,408.60	752.60	656.00	1,486.24	752.60	733.64	1,684.44	752.60	931.84
Retiree + Child(ren)	970.97	554.91	416.06	1,024.35	554.91	469.44	1,160.63	554.91	605.72
Retiree + Family	1,671.16	871.22	799.94	1,763.38	871.22	892.16	1,998.74	871.22	1,127.52
Surviving/Unsubsidized Dependent	708.40	-	708.40	747.22	-	747.22	846.32	-	846.32
Surviving/Unsubsidized Spouse + Child(ren)	970.98	-	970.98	1,024.36	-	1,024.36	1,160.62	-	1,160.62

Plan Year 2025 Non-State Rates - Active Employees

Non-State Active Employees	Statewide CDHP			Copay PPO			EPO/HMO		
	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium
Employee Only	997.33	-	997.33	1,063.39	-	1,063.39	1,075.11	-	1,075.11
Employee + Spouse/DP	1,979.98	-	1,979.98	2,112.10	-	2,112.10	2,135.54	-	2,135.54
Employee + Child(ren)	1,365.83	-	1,365.83	1,456.66	-	1,456.66	1,472.77	-	1,472.77
Employee + Family	2,348.47	-	2,348.47	2,505.37	-	2,505.37	2,533.20	-	2,533.20

Plan Year 2025 Non-State Rates - Retirees

Non-State Retirees Non-Medicare	Statewide CDHP			Copay PPO			EPO/HMO		
	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium	Rate	Base Subsidy	Participant Premium
Retiree only	990.86	718.74	272.12	1,056.92	745.98	310.94	1,068.64	658.60	410.04
Retiree + Spouse/DP	1,973.51	1,317.51	656.00	2,105.62	1,371.98	733.64	2,129.06	1,197.22	931.84
Retiree + Child(ren)	1,359.35	943.29	416.06	1,450.18	980.74	469.44	1,466.30	860.58	605.72
Retiree + Family	2,341.99	1,542.05	799.94	2,498.90	1,606.74	892.16	2,526.72	1,399.20	1,127.52
Surviving/Unsubsidized	990.86	-	990.86	1,056.92	-	1,056.92	1,068.64	-	1,068.64
Surviving/Unsubsidized	1,359.36	-	1,359.36	1,450.18	-	1,450.18	1,466.30	-	1,466.30

7.

7. Discussion and possible action to include approving Plan Year 2025 Rates for State and Non- State employees, retirees, and their dependents for the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), and Health Maintenance Organization Plan (HMO) (Celestena Glover, Executive Officer)
(For Possible Action)

A. Plan Year 2025 Rates Table

B. Plan Year 2025 Comparison Table

Premium Comparison Tables

State Employees and Retirees

	PY2024			PY2025			Difference		
	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>
Active Rates									
Participant	\$46.96	\$68.14	\$161.00	\$63.56	\$102.38	\$201.48	\$16.60	\$34.24	\$40.48
Participant + Spouse	\$251.00	\$293.36	\$479.10	\$291.54	\$369.20	\$567.40	\$40.54	\$75.84	\$88.30
Participant + Children	\$123.46	\$152.60	\$280.30	\$149.05	\$202.44	\$338.70	\$25.59	\$49.84	\$58.40
Participant + Family	<u>\$327.53</u>	<u>\$377.82</u>	<u>\$598.40</u>	<u>\$377.04</u>	<u>\$469.26</u>	<u>\$704.62</u>	<u>\$49.51</u>	<u>\$91.44</u>	<u>\$106.22</u>
Retiree Rates									
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24
Participant + Family	\$719.36	\$769.66	\$990.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$137.28
Surviving Spouse	\$648.62	\$681.60	\$786.84	\$708.40	\$747.22	\$846.32	\$59.78	\$65.62	\$59.48
Survivor + Children	<u>\$889.78</u>	<u>\$935.10</u>	<u>\$1,079.82</u>	<u>\$970.98</u>	<u>\$1,024.36</u>	<u>\$1,160.62</u>	<u>\$81.20</u>	<u>\$89.26</u>	<u>\$80.80</u>

Non-State Employees and Retirees

	PY2024			PY2025			Difference		
	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>	<u>CDHP</u>	<u>Copay</u>	<u>EPO</u>
Active Rates									
Participant	\$914.11	\$973.25	\$971.19	\$997.33	\$1,063.39	\$1,075.11	\$83.22	\$90.14	\$103.92
Participant + Spouse	\$1,818.84	\$1,937.12	\$1,933.01	\$1,979.98	\$2,112.10	\$2,135.54	\$161.14	\$174.98	\$202.53
Participant + Children	\$1,253.38	\$1,334.70	\$1,331.88	\$1,365.83	\$1,456.66	\$1,472.77	\$112.45	\$121.96	\$140.89
Participant + Family	<u>\$2,158.11</u>	<u>\$2,298.57</u>	<u>\$2,293.69</u>	<u>\$2,348.47</u>	<u>\$2,505.37</u>	<u>\$2,533.20</u>	<u>\$190.36</u>	<u>\$206.80</u>	<u>\$239.51</u>
Retiree Rates									
Participant	\$241.26	\$262.44	\$355.30	\$272.12	\$310.94	\$410.04	\$30.86	\$48.50	\$54.74
Participant + Spouse	\$588.96	\$631.34	\$817.06	\$656.00	\$733.64	\$931.84	\$67.04	\$102.30	\$114.78
Participant + Children	\$371.64	\$400.78	\$528.48	\$416.06	\$469.44	\$605.72	\$44.42	\$68.66	\$77.24
Participant + Family	\$719.36	\$769.66	\$900.24	\$799.94	\$892.16	\$1,127.52	\$80.58	\$122.50	\$227.28
Surviving Spouse	\$910.28	\$969.42	\$967.36	\$990.86	\$1,056.92	\$1,068.64	\$80.58	\$87.50	\$101.28
Survivor + Children	<u>\$1,249.54</u>	<u>\$1,330.86</u>	<u>\$1,328.04</u>	<u>\$1,359.36</u>	<u>\$1,450.18</u>	<u>\$1,466.30</u>	<u>\$109.82</u>	<u>\$119.32</u>	<u>\$138.26</u>

7.1

7. Discussion and possible action to include approving Plan Year 2025 Rates for State and Non- State employees, retirees, and their dependents for the Consumer Driven Health Plan (CDHP), Low Deductible Plan (LD), Exclusive Provider Organization Plan (EPO), and Health Maintenance Organization Plan (HMO) (Celestena Glover, Executive Officer)
(For Possible Action)

- A. Plan Year 2025 Rates Table

- B. Plan Year 2025 Comparison Table

7.1 Segal PY24 Trend Report



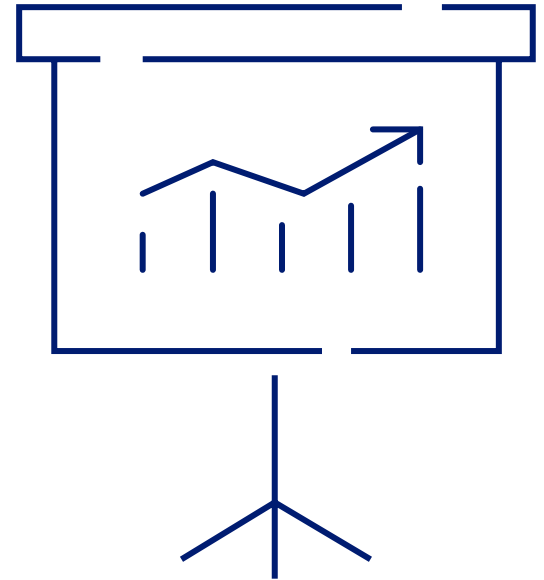
State of Nevada – Public Employees’ Benefit Program

Trend Presentation

March 28, 2024

Agenda

- Historical plan cost trends
- Results of 2024 *Segal Health Plan Cost Trend Survey*
- PY2025 Pricing methodology and assumptions
- Questions



Executive Summary

- For plan years 2021-2023, PEBP’s pharmacy and dental trends are running above industry, whereas medical trend is roughly consistent with industry
- Segal is projecting moderate medical claims trend, higher Rx claims trend and low dental claims trend. These are on par or lower than industry expectations.
 - Medical claims trend is running higher than last year’s 3.3%, projected to be 4.0% for PY24
 - Pharmacy claims trend is running at higher levels than in the past, projected to be 19.2% for PY24
 - Gross pharmacy trend has exceeded 10% since PY2022
 - Net Rx trend is reduced to 10.8% after rebates are applied
 - Dental claims trend ran low post-COVID, -2.0% in PY23, but is projected to increase to 9.4% for PY24
 - This is an increase of about \$5 PEPM over PY2023 costs
- These trends assume no plan design changes. PEBP is implementing several initiatives to reduce costs, which reduces budgeting trend expectations.

2021-2023 Actual ¹		
	PEBP	Industry ²
Medical	6.1%	6.4%
Pharmacy	10.3%	9.4%
Dental	3.5%	2.9%

Plan Year 2024 Projected		
	PEBP	Industry
Medical	4.0%	7.1%
Pharmacy	19.2%	9.9%
Dental	9.4%	4.0%

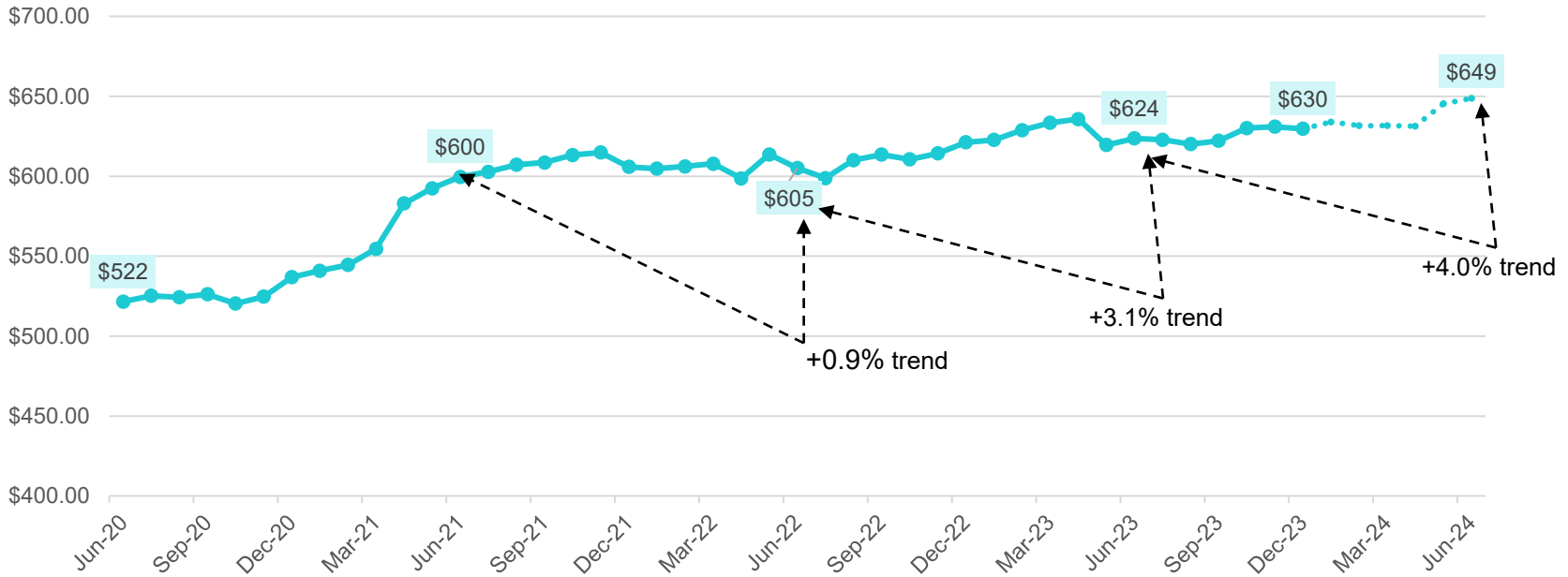
Plan Year 2025 Projected		
	PEBP	Industry
Medical	3.0%	6.8%
Pharmacy	10.0%	9.9%
Dental	2.0%	4.0%

¹ Average annualized trend.

² 2023 industry trends use a projected component.

Historical Trend - Medical

Medical PEPM Cost History
Rolling 12-month incurred basis



Plan Year	Governor's Budget Trend	Pricing Trend ¹	Actual ²
2021	5.33%	5.0 – 7.0%	14.9%
2022	3.52%	3.0%	0.9%
2023	3.52%	5.4%	3.1%
2024 ³	3.91%	4.0%	4.0%
2025	3.91%	3.0%	TBD

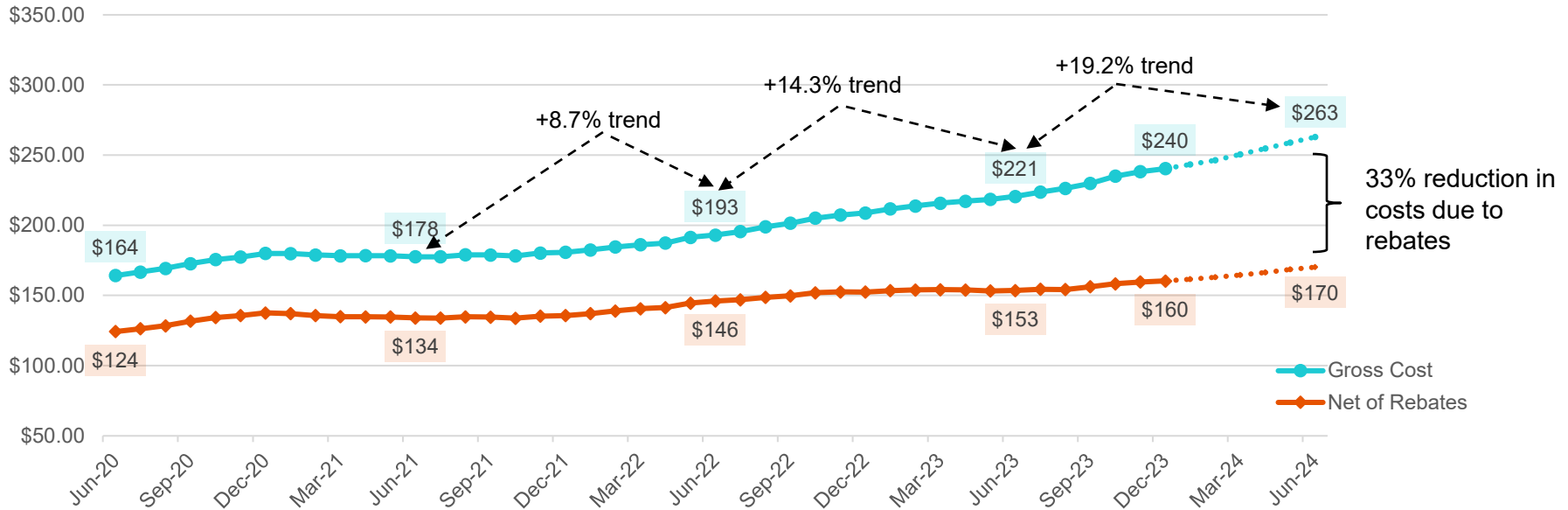
¹ Expected trends are based on the pricing trend assumed when setting each Plan Year's rates

² Actual trends are based on incurred claims data as reported by HealthScope and/or UMR with runout paid through December 31, 2023

³ The actual trend shown for PY2024 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2024 trends may change as experience develops.

Historical Trend – Rx

Prescription Drug PEPM Cost History
Rolling 12-month Incurred Basis



Plan Year	Governor's Budget Trend	Pricing Trend ¹	Actual ² (Gross)	Actual ² (Net)
2021	20.61%	5.0 – 7.0%	8.1%	7.8%
2022	4.00%	7.0%	8.7%	9.0%
2023	4.00%	6.7%	14.3%	5.1%
2024 ³	3.67%	8.0%	19.2%	10.8%
2025	3.67%	10.0%	TBD	TBD

¹ Expected trends are based on the pricing trend assumed when setting each Plan Year's rates

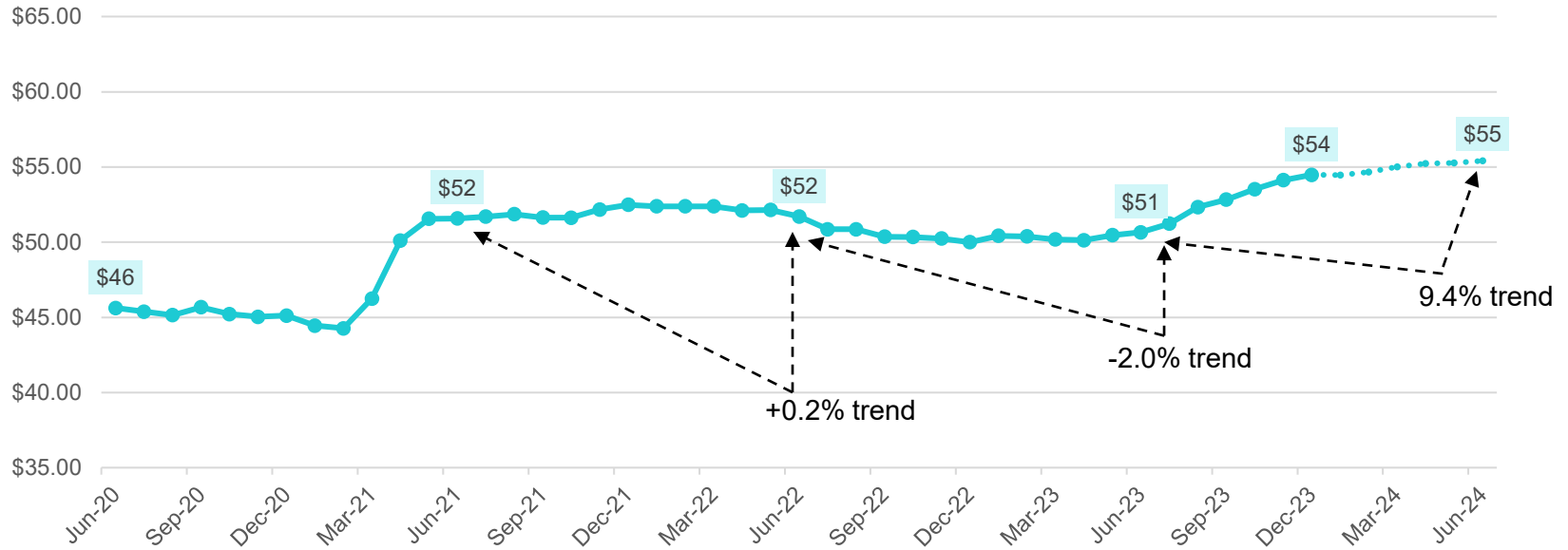
² Actual trends are based on incurred claims data as reported by ESI with runout paid through December 31, 2023

³ The actual trend shown for PY2024 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2024 trends may change as experience develops.

⁴ Pharmacy trends are shown on both a gross and net plan cost basis (i.e., before and after the application of manufacturer rebates).

Historical Trend - Dental

Dental PEPM Cost History
Rolling 12-month incurred basis



Plan Year	Governor's Budget Trend	Pricing Trend ¹	Actual ²
2021	3.13%	2.0 – 4.0%	13.0%
2022	1.75%	1.8%	0.2%
2023	1.75%	3.0%	-2.0%
2024 ³	2.00%	1.0%	9.4%
2025	2.00%	2.0%	TBD

¹ Expected trends are based on the pricing trend assumed when setting each Plan Year's rates

² Actual trends are based on incurred claims data as reported by HealthScope and/or UMR with runout paid through December 31, 2023

³ The actual trend shown for PY2024 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2024 trends may change as experience develops.

About the Segal Health Plan Cost Trend Survey

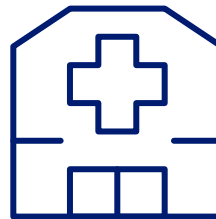
- The 2024 Segal Health Plan Cost Trend Survey is our 27th annual survey of managed care organizations, health insurers, PBMs and TPAs. We conducted the survey during the summer of 2023.
- Respondents reported 2024 trend forecasts for medical, prescription drug, dental and vision coverage. In addition, the survey respondents reported actual allowed health cost trends for 2022 based on their group health plan experience.
- Respondents include approximately 70 national and regional insurance carriers, administrators and pharmacy benefit managers.
 - Collectively, the survey respondents represent more than 80 percent of the commercially insured and self-insured market.
- Four categories of active and early retiree coverage are tracked in the survey:



**Open Access
PPO/POS Plans**



**PPO/POS Plans with
PCP gatekeepers**

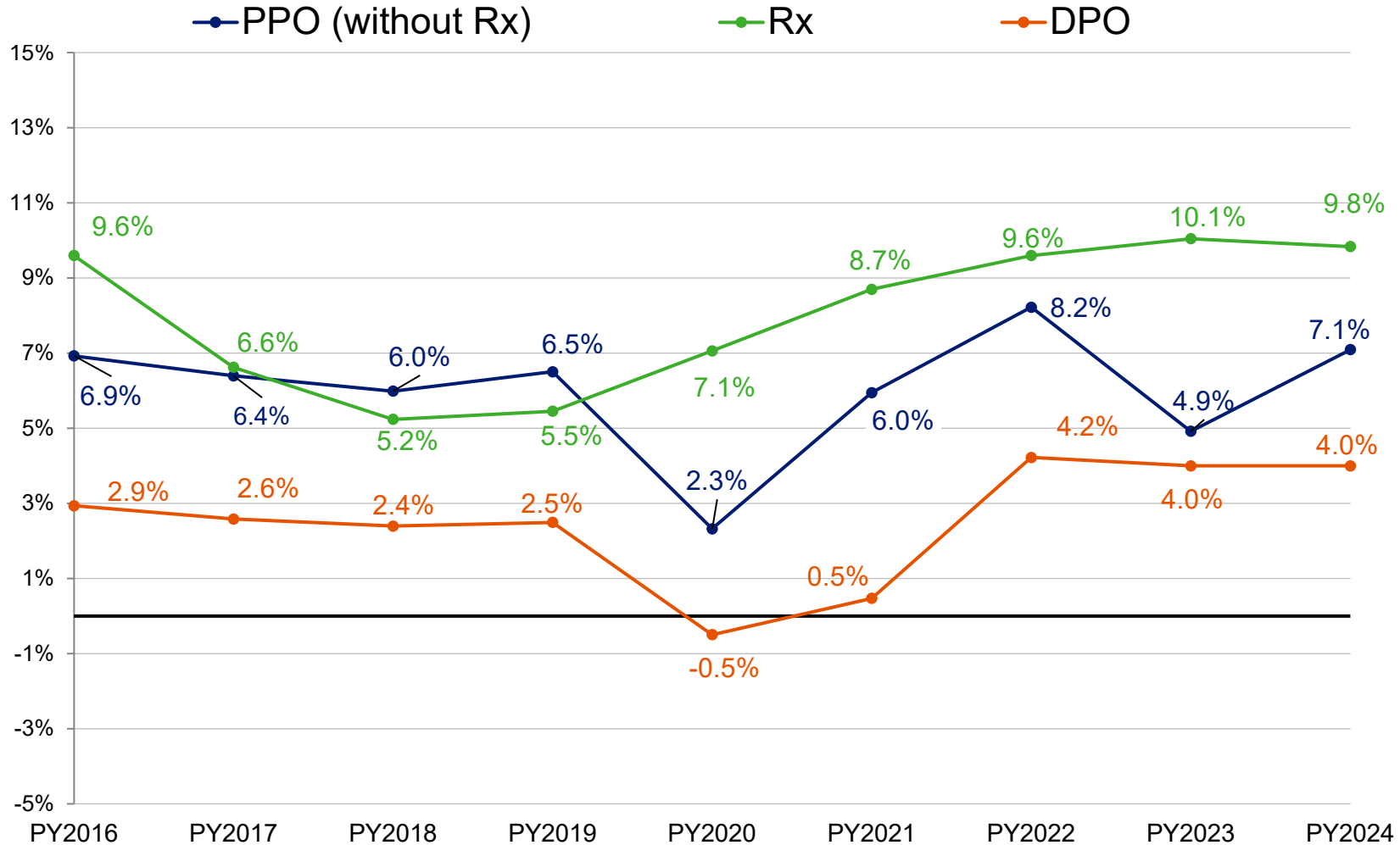


HMO/EPO Plans



HSA-Qualified HDHPs

Ten-Year Summary of Selected Medical, Prescription Drug Carve-Out and Dental Trends: 2015–2022 Actual and 2023 and 2024 Projected¹



Source: 2024 Segal Health Plan Cost Trend Survey

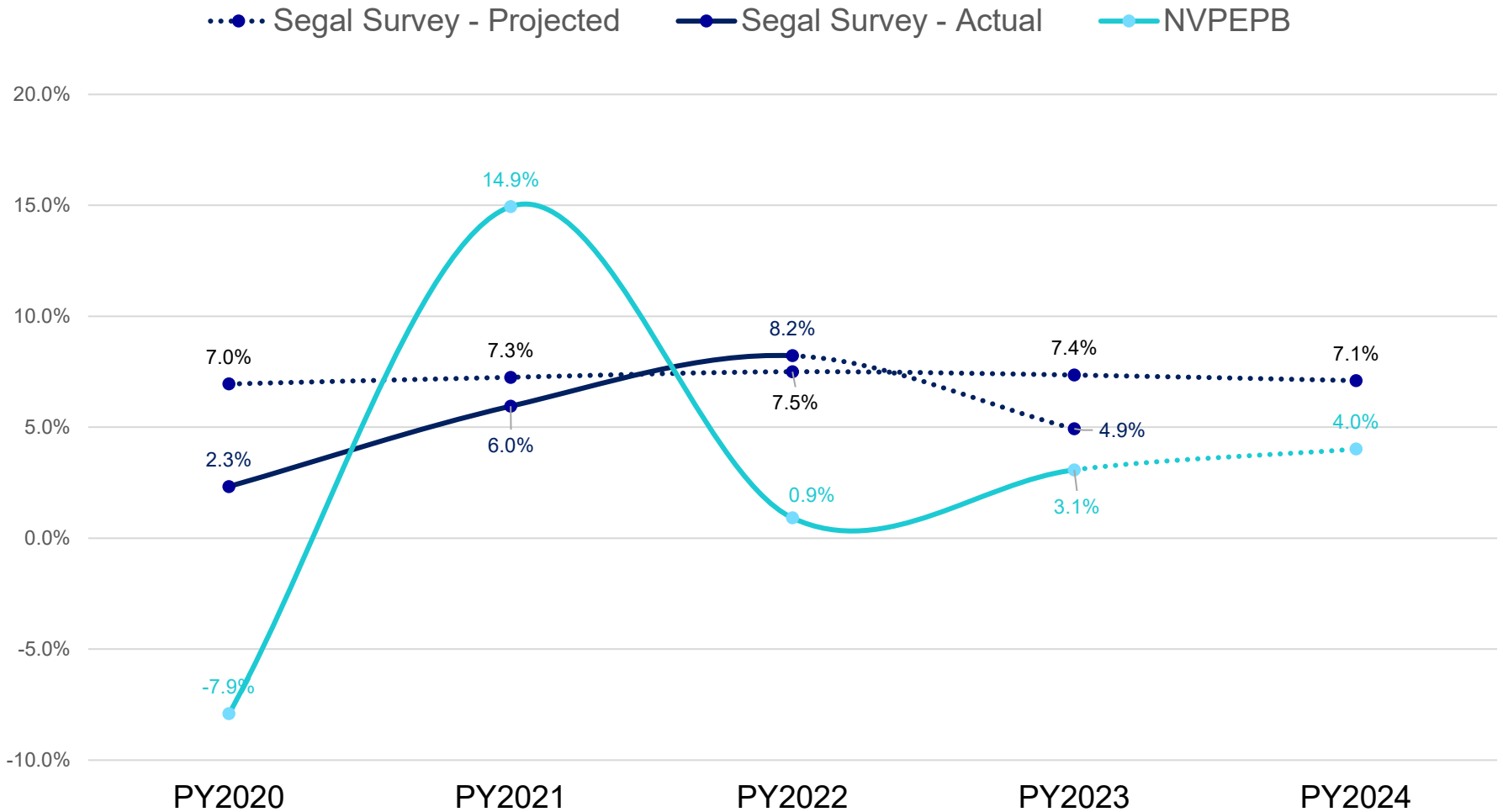
¹ All trends are illustrated for actives and retirees under age 65, except for MA HMOs.

² Prescription drug trend is combined for retail and mail order delivery channels.

³ The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year.

Five-Year Summary of Selected Medical Trends

Plan Year 2020–2022 Actual and 2023 and 2024 Projected



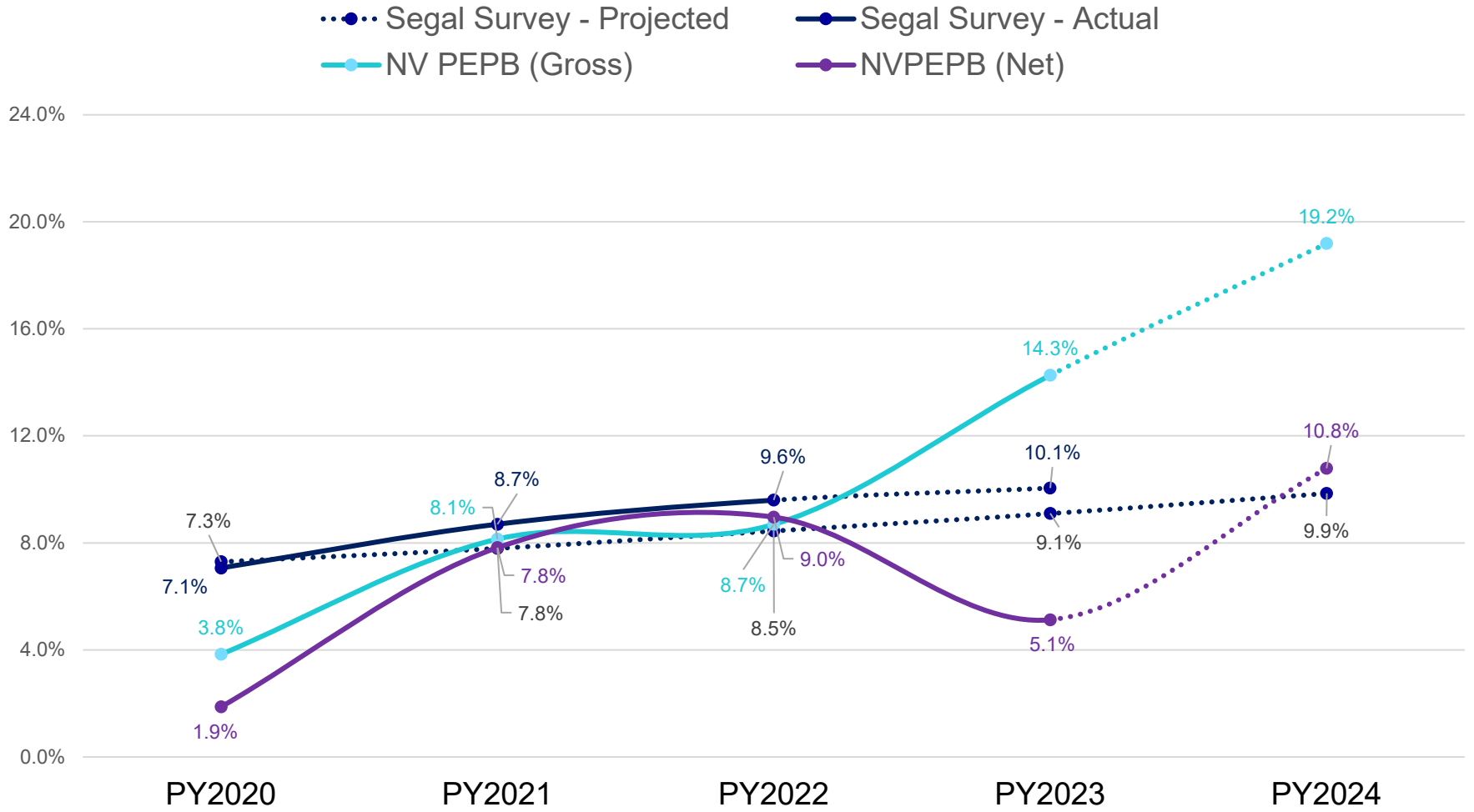
¹ Source: 2024 Segal Health Plan Cost Trend Survey. All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey.

² The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year.

³ The PY2023 Segal Survey Actual figure includes a projected component.

Five-Year Summary of Selected Prescription Drug Carve-Out Trends

Plan Year 2020–2022 Actual and 2023 and 2024 Projected



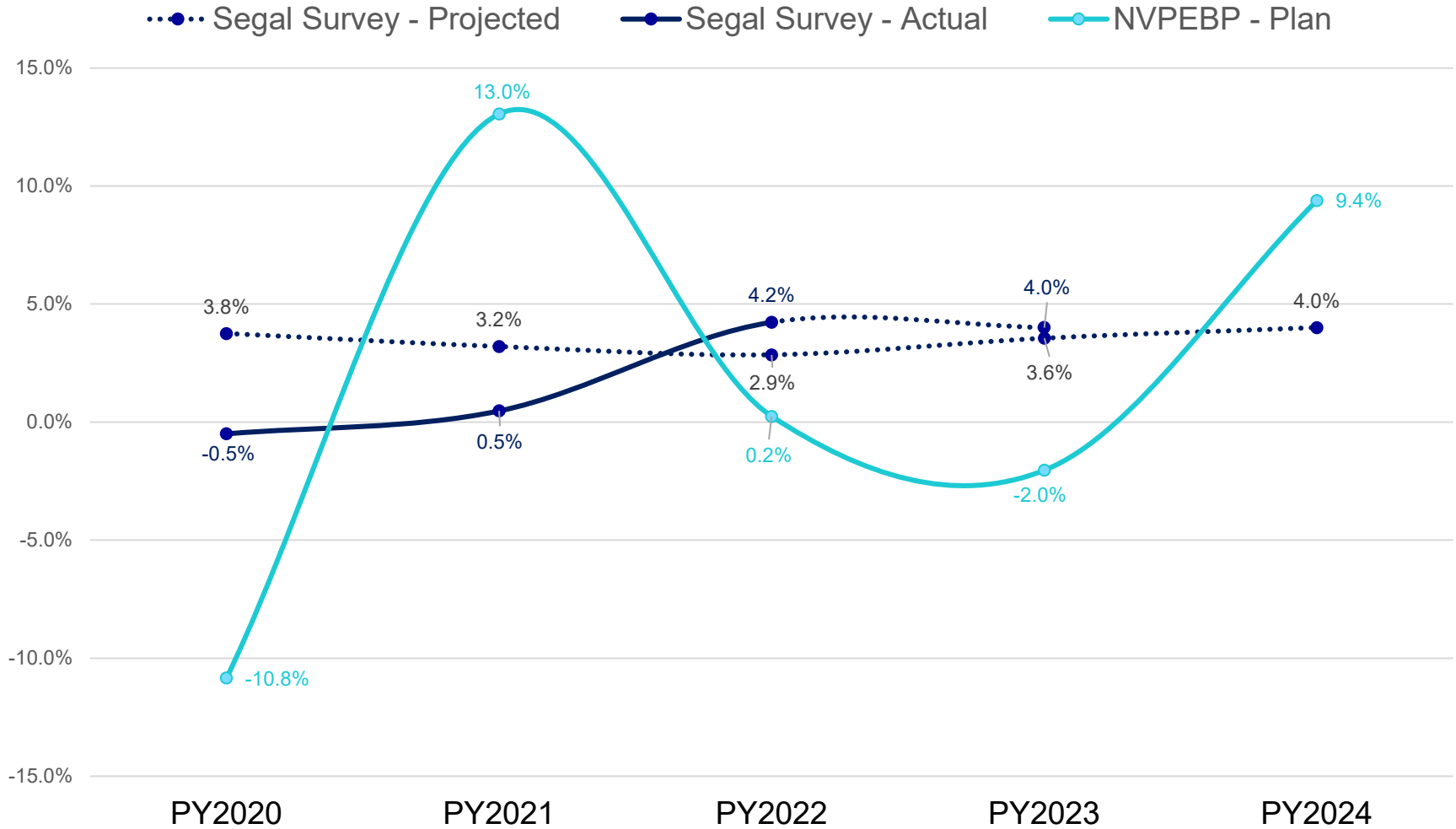
¹ Source: 2024 Segal Health Plan Cost Trend Survey. All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey.

² The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year.

³ The PY2023 Segal Survey Actual figure includes a projected component.

Five-Year Summary of Selected Dental Trends

Plan Year 2020–2022 Actual and 2023 and 2024 Projected



¹ Source: 2024 Segal Health Plan Cost Trend Survey. All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey.

² The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year.

³ The PY2023 Segal Survey Actual figure includes a projected component.

What's Behind the Numbers

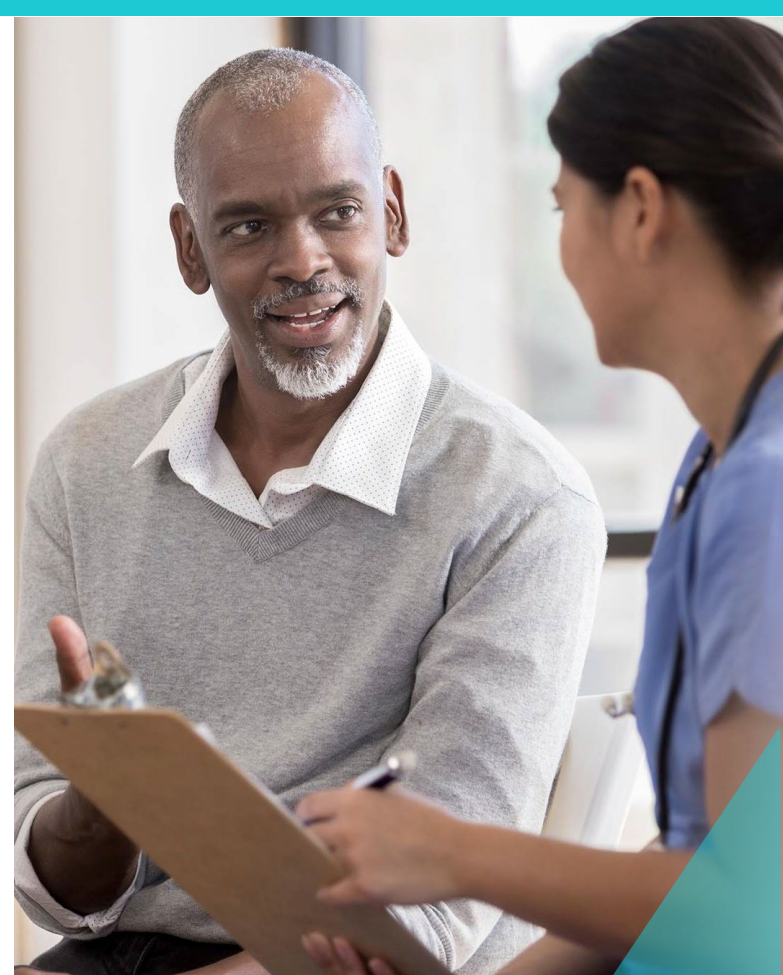
1. Our latest claims analysis show per employee per month medical claim costs increases at a rate of 7% to 8%
2. Price inflation is the primary component of health plan cost increases, driven by:
 - Inpatient cost increases as hospital systems look to recoup losses
 - Supply challenges and labor shortages
 - Provider group consolidation
3. Specialty drug trend remains in the double-digits, driven by:
 - Utilization of high-cost new specialty drugs, replacing current drug therapies that have lower prices. In some cases, without strong evidence of superior outcomes.
 - Utilization changes accounts for almost 60 percent of the gross cost trend increase before rebates
 - High list price increases



What Drives Trend?

- New treatments, therapies and technology
- Greater emphasis on detection and diagnostics
- Medical inflation, impacting the cost of care delivery
- Provider price increases
- Increased demand from increased health risks due to aging populations or rise in obesity
- Increased treatment burden due to the aging population and rise in obesity
- Social and economic factors, which can influence utilization or care decisions
- Provider cost shifting from reduced payment by Medicare and Medicaid
- Erosion effect of fixed deductibles and copayments¹

¹ This is a driver of net paid claim cost trends, not gross per capita claims cost increases.



Pricing Methodology Overview

- 1 Historical Claims and Enrollment**
Medical, pharmacy and dental claims + shared savings fees + capitation fees, less pharmacy rebates
- 2 Project to Experience Period**
Pricing trend assumptions, plan design changes, demographic and seasonality adjustments
- 3 Administrative Fees**
Medical, pharmacy, dental ASO fees and other applicable fees or credits
- 4 Rates & Contributions**
Develop budget rates by coverage tier as the basis for setting employee and retiree contributions

Pricing Methodology and Assumptions

1 | Historical Claims and Enrollment¹

- Historical claims and enrollment from November 2021 through October 2023 were used as the basis of the projection. Data was provided by the NV PEBP vendors: HealthScope, UMR, ESI, and LifeWorks.

2 | Project to Experience Period

- Claims costs are projected on an incurred basis with 70% weighting to the most recent 12-month experience period.
- Trend assumptions
 - Assumptions are based on a combination of factors: actual PEPM NV PEBP cost changes, Segal's Book of Business trend norms and expected unit cost changes in the Nevada marketplace
 - Annual claims trend assumption rates are market expectations for per capita increases assuming no plan changes and do not necessarily equal net NV PEBP trend rates
 - These are trend rates prior to any actions employed to mitigate trend, such as plan migration, plan design changes and mix of services
- Costs/savings projections for the following programs and plan design changes were included in the projection:
 - Increase in Deductible for HDHP plan
 - Copay changes for EPO/Copay plan²
 - Oncology and MSK Network
 - MSK Surgical COE RFP Vendor
 - Specialty Min/Max Copay Structure
- Pharmacy rebates are modeled based on the anticipated minimum guarantees for PY2025 in the current ESI contract.

Medical	3%
Rx	10%
Dental	2%

¹ In conducting our analysis, we have relied on data provided by NV PEBP's vendors. We have accepted the data without audit and relied upon the sources for the accuracy of the data.

² Copay changes are a result of the MHPAEA Compliance study

Pricing Methodology and Assumptions

3

Administrative Fees

- Administrative Fees
 - Medical ASO
 - Rx ASO
 - Dental ASO
 - General Administration fees
 - Life premiums
- Fully Insured HMO premiums for PY2025, which included a 12% increase over current rates, were provided by UHC

4

Rates & Contributions

- AEGIS and REGI amounts set forth in the Governor's Budget, January 2023

Thank
You

8.

8. Discussion and possible action of UMR's Medical RX Coupon Program
(Celestena Glover, Executive Officer)
(For Possible Action)



CELESTENA GLOVER
Executive Officer

JOE LOMBARDO
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
3427 Goni Road, Suite 109, Carson City, Nevada 89706
Telephone 775-684-7000 | 702-486-3100 | 1-800-326-5496
<https://pebp.nv.gov>

JACK ROBB
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024

Item Number: 8

Title: Medical RX Coupon Program

SUMMARY

This report provides information regarding the Medical RX Coupon approved for implementation in Plan Year 2025.

REPORT

At the December 2023 PEBP Board Meetings recommendations for plan design changes were discussed. Included in that meeting was a discussion of UMR's Medical RX Coupon program. In January 2024 this program was presented for further consideration and ultimately approved by the PEBP Board for Plan Year 2025.

Since then, it has been brought to PEBP's attention that the Medical RX Coupon (also called Medical RX Advisor) program was offered to a group of UMR customers on January 1, 2024, as a pilot. UMR was notified of operational challenges as well as issues with compliance with IRS regulations. For this reason, UMR is unable to make this program available for participants on the Consumer Driven Health Plan (CDHP).

The Board has 2 options available at this time:

1. Eliminate the coupon program benefit from the PEBP plan offerings.
2. Eliminate the coupon program benefit from the CDHP only.

RECOMMENDATIONS

Eliminate the UMR Medical RX Coupon Program from all self-funded plans sponsored by PEBP.

9.

9. Appeals Process
(Celestena Glover, Executive Officer)
(Information/Discussion)



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JACK ROBB
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AGENDA ITEM

Action Item

Information Only

Date: March 28, 2024

Item Number: 9

Title: Claims Appeal Process Report

SUMMARY

This report provides the PEBP Board and members of the public with information regarding the process a member may pursue to appeal an adverse medical claim determination. The same process largely applies to adverse dental, utilization management, rescission of coverage, and Health Reimbursement Arrangement (HRA) claim determinations.

REPORT

CLAIMS PROCESS

When a member receives health care services, the provider typically submits a claim to UMR for processing. Claims include information necessary to process the claim, such as identification information, dates of service, service codes (also known as CPT, CDT, HCPCS, etc.), and diagnosis codes.

UMR notifies the member in writing of how the claim is processed, including the reason for any adverse determination and the plan provision on which such adverse determination is based. If the adverse determination is based on a lack of information, UMR requests additional information that may support reversal of the adverse determination. UMR's explanation also explains the process for initiating a formal appeal of the decision.

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If a member believes a claim has been processed incorrectly, the member will often call UMR, and UMR may reprocess the claim. Such reprocessing is not part of the formal appeal process, and often resolves the member's concerns.

If a member is dissatisfied with reprocessing or chooses not to seek it in the first instance, the member may proceed directly to the formal appeal process, the details of which are set forth in Chapter 287 of the Nevada Administrative Code (NAC), *see* [NAC 287.600-.695](#), and are discussed below.

APPEALS

There are three levels of claim appeals, which PEBP refers to as Level 1 Claim Appeals, Level 2 Claim Appeals, and Requests for External Review.

Level 1 Claim Appeal - UMR

Level 1 Claim Appeals are handled in compliance with NAC 287.670. To initiate a formal appeal of an adverse determination, a member must submit a written request to UMR within 180 days of receiving notice of the determination. Members may submit such appeals online through UMR's portal.

Within 20 days of receiving the appeal, a UMR appeals manager reviews it and determines if the claim was resolved consistent with the terms and conditions of the applicable governing documents and informs the member in writing of the decision. The decision must include the reasons for the decision, the provision of the plan on which the decision is based, and how the member may appeal the decision to PEBP.

UMR sends PEBP a monthly report of Level 1 Claim Appeals, which Quality Control staff reviews and discusses with UMR, including how the process may be improved.

In 2023, members filed 163 Level 1 Claim Appeals with UMR; the initial adverse determination was overturned in 47 of those appeals.

Level 2 Claim Appeal - PEBP

Level 2 Claim Appeals are resolved pursuant to the procedure set forth in NAC 287.680. If a member is dissatisfied with the decision of the UMR appeals manager at the Level 1 Claim Appeal level, the member may, within 35 days of receiving that decision, file a written appeal with PEBP, which may be completed via PEBP's website.

Within 30 days of receiving a Level 2 appeal, PEBP's Quality Control staff reviews the appeal to determine if the claim was resolved consistent with the terms and conditions of the applicable governing documents and informs the member in writing of the decision. The decision must include the reasons for the decision, the provision of the plan on which the decision is based, and how the member may seek external review of PEBP's decision.

While Quality Control staff always provides a written decision on a Level 2 appeal, they will also often call a member to discuss the forthcoming written decision, especially if the matter is

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especially complex or sensitive. Quality Control staff is currently focusing on revisiting its procedures to ensure that the written decisions for Level 2 Claim Appeals are thoroughly explanatory, professional, and concise, and is working closely with the Executive Officer to improve the member experience of the process as much as possible.

In 2023, members filed 36 Level 2 Claim Appeals, of which 7 were overturned. PEBP shares with UMR the outcomes of these appeals and works with UMR to improve application of the plan rules going forward.

Requests for External Review

If a member is not satisfied with PEBP's decision on a Level 2 Claim Appeal, and PEBP's decision "involved making a judgment as to the medical necessity, appropriateness, health care setting, level of care or effectiveness of the health care service or treatment" the member requested, the member may request an external review conducted by an independent review organization pursuant to [NRS 695G.241-310](#).

When claims go to external review, PEBP works with the Nevada Office for Consumer Health Assistance (OCHA) and its vendors to submit relevant records to the OCHA-assigned external review organization.

In 2023, members filed 13 Requests for External Review, of which 4 were overturned.

EXCEPTIONS TO PLAN RULES

In addition to the appeals process, members may request an exception to plan rules. As set forth in the plan documents, PEBP has discretionary authority to interpret and make determinations regarding benefits in accordance with the terms of the plan.

One of the primary requests for exception addresses gaps in coverage. For example, the Exclusive Provider Organization plan is regionally restricted with no out-of-network benefits. When there are no local providers for a specific service, the plan allows the Utilization Management company to give prior authorization for a "gap exception," which allows members to visit out-of-network providers near their homes.

Members also request other exceptions to the application of plan rules. When a member requests an exception to allow coverage for a medical procedure, Quality Control staff reviews the request and supporting information, as well as publicly available industry standards, such as clinical policy from Medicare, Medicaid, or commercial health insurance providers. Another category of exception requests involve eligibility, for example, to add a dependent. After their review, Quality Control staff will share findings and make a recommendation to the Executive Officer, who has the sole authority to make such exceptions.

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10. Public Comment

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11. Adjournment