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Governor

NEVADA HEALTH AUTHORITY PUBLIC EMPLOYEES' BENEFITS PROGRAM

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Stacie Weeks
Director

Theresa Carsten
Executive Officer

AGENDA ITEM

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Action Item

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Information Only

Date: December 12, 2025

Item Number: 15

Title: Executive Officer Report

SUMMARY

This report provides the Board, PEBP members and other stakeholders with information on agency operations.

REPORT

FOR INFORMATION ONLY:

1. CARSON TAHOE HOSPITAL/UMR UPDATE
Carson Tahoe and UMR have finalized a contract amendment to extend participation in the PEBP network through June 30, 2027. The amendment was signed October 24, 2025.
2. INTERIM RETIREMENT AND BENEFITS COMMITTEE
PEBP has been notified that IRBC will likely be scheduled in January or February 2026. In accordance with NRS 287.0425, PEBP will be presenting information relating to PY 25 utilization and PY 27 benefit plan design. The fiscal year 24 Financial Statements from Eide Bailey have been presented here today, and the OPEB report was provided at the October 2025 board meeting. This information will be included in the IRBC packet submission.
3. HPN LARGE GROUP MEDICAL LOSS RATIO PREMIUM REBATE
Staff provided Segal a file of members enrolled in Health Plan of Nevada's HMO plan for November 2025 so they could determine the final amount of the one-time premium reduction. Attached in Segal's memo it notes the calculated amount to be \$72.77 per subscriber. PEBP's accounting staff have worked with TELUS to apply the reduction of \$72.77 to the 3,213 members enrolled in HPN the month of November applied in the month of December 2025. Letters to non-state employers will be sent, as they relate to

the premium reductions made by TELUS, as well as email notifications PEBP staff will distribute to impacted state members.



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Memorandum

To: Theresa Carsten, Executive Officer
Nevada Public Employees' Benefits Program (PEBP)

From: Richard Ward, FSA, FCA, MAAA

Date: November 25, 2025

Re: Medical Loss Ratio Rebate from Health Plan of Nevada (HPN)

The Affordable Care Act requires that health insurance issuers provide rebates to policyholders and subscribers in large group health plans when the issuer's Medical Loss Ratio (MLR) is below 85% for the large group market in the state in which the policy is located. Issuers must also send notices concerning the rebate directly to both the policyholder and the individual subscribers. This memo provides an analysis on the suggested base rebate amount for consideration to the plan members. The decision regarding how to disburse the rebates involves fiduciary considerations; therefore, legal counsel should be consulted before finalizing any decisions regarding payment of funds.

On September 17, 2025, HPN notified PEBP staff that it would be issuing a rebate of \$891,657.35 for the 2024 benefit plan year (i.e., calendar year 2024) and this would be paid directly to PEBP as the policyholder. The calendar year measurement period differs from PEBP's July-June plan year cycle, but this does not affect how the rebate should be calculated.

The portion required to be refunded to plan participants is to be based on enrollment and cost share provisions during the period the refund was earned. Using calendar year 2024 enrollments and premium rates, the portion to be allocated to reducing member costs is \$233,811.77, based on a 26.2% member cost share of the full premium rates in CY2024 for the HMO.¹

PEBP has the discretion to vary the subsidy by such factors as coverage tier election. But the administrative effort required to operationalize that may outweigh the intended additional precision. Therefore, our recommendation is to provide a uniform rebate to all eligible members, and PEBP has opted to provide a one-time payment as soon as administratively possible. Using the PEBP provided plan census showing 3,213 subscribers electing the HMO option in November 2025, the rebate equates to \$72.77 per subscriber.

For Non-State members, the employer collects the premium and provides PEBP the full cost for both the employer and the subscriber. Federal regulations require the rebate reduce costs for the subscribers. Therefore, PEBP should provide this same amount to the Non-State employers and instruct these employers to reduce their current subscribers' HMO premiums by the appropriate amount or provide a similar payment to appropriately disperse the refund.

¹ The allocated premium calculation has been refined from the illustrative figure provided in the October 24, 2025 memo. The refinement reflects actual monthly calendar year 2024 enrollment and cost split.