



Nevada Public Employees' Benefits Program

EPO and HMO Considerations

January 23, 2025

Current Plan Designs and Premiums

Below is a summary of the in-network benefits for each plan currently offered by PEBP:

	Consumer Driven Health Plan (CDHP)	Low Deductible (LDPPO)	Premier Plan (EPO)	Health Plan of Nevada (HMO)
Actuarial Value*	76.7%	85.2%	88.3%	91.4%
Service Area	Global	Global	Northern Nevada	Southern Nevada
Annual Deductible (medical and prescription combined)	\$1,600 Individual \$3,200 Family \$3,200 Individual Family Member Deductible	\$0	\$100 Individual \$200 Family \$100 Individual Family Member Deductible	N/A With exception of Tier 4 prescription drug coverage
Medical Coinsurance	20% after deductible	20% after deductible	20% after deductible	N/A
Out-of-Pocket Maximum	\$4,000 Individual \$8,000 Family	\$4,000 Individual \$8,000 Family	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family
Primary Care/ Specialist Office Visit	20% after deductible	\$30/ \$50 copay per visit	\$20/ \$40 copay per visit	\$25/ \$40 (\$25 with referral) copay per visit
Urgent Care Visit	20% after deductible	\$80 copay per visit	\$50 copay per visit	\$50 copay per visit
Emergency Room Visit	20% after deductible	\$750 copay per visit	\$600 copay per visit	\$600 copay per visit
In-Patient Hospital	20% after deductible	20% after deductible	\$600 copay per visit	\$600 copay per visit
Outpatient Surgery	20% after deductible	\$500 copay per visit	\$350 copay per visit	Ambulatory Facility \$50 copay Hospital \$350 copay
Rx 30-days**	20% / 20% / 100% / 20%	\$10 / \$40 / \$75 / 30% (mail only)	\$10 / \$40 / \$75 / 20% (mail only)	\$10 / \$40 / \$75 / 20%***
Employee Only Premium	\$55.26	\$85.26	\$181.24	\$181.24

* Actuarial Value based on FY22 and FY23 data.

** 30-day supply Tier 1 / Tier 2 / Tier 3 / Tier 4

***Deductible: \$100 Individual, \$200 Family

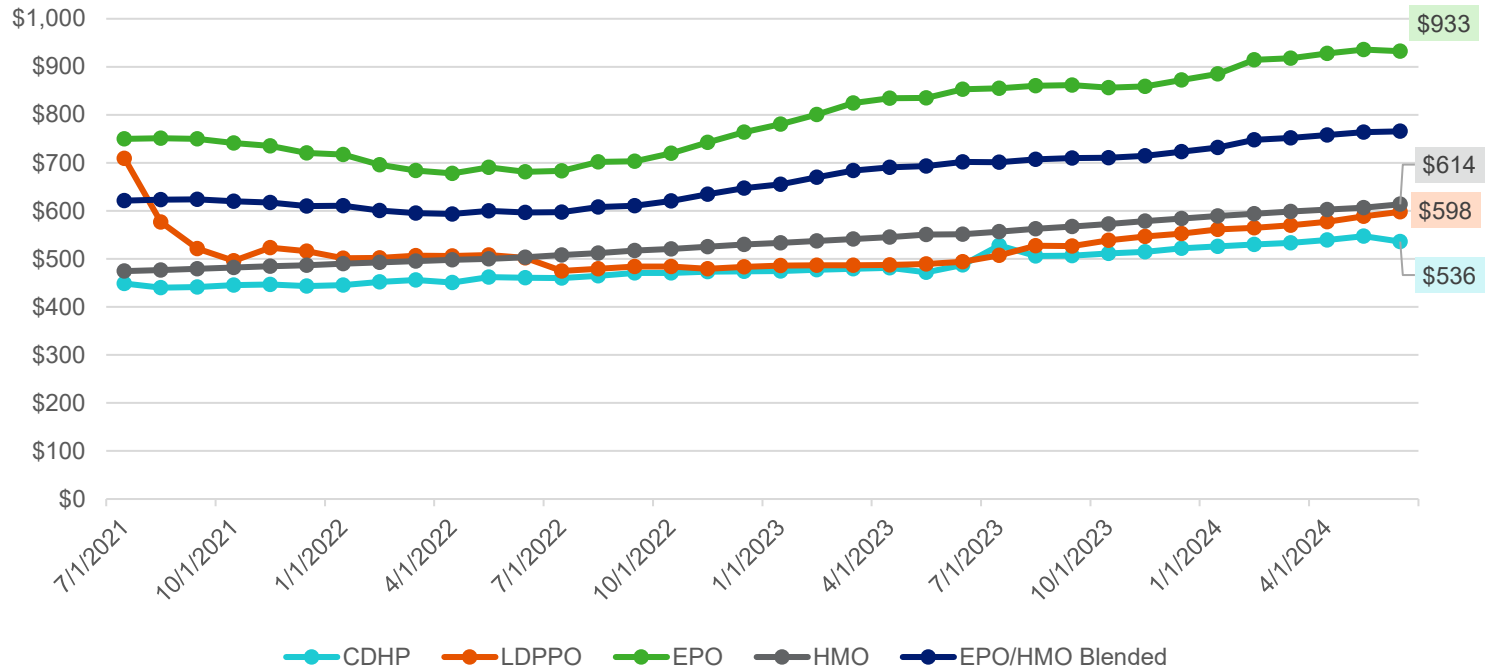
Summary

- EPO/HMO is the highest cost option
 - Driven primarily by EPO
 - EPO PMPM is ~50% higher than the LDPPO
 - HMO premiums have been contractually suppressed
 - Current blended EPO/PPO is ~30% higher than LDPPO
 - Future increases in both plans expected to result in blended EPO/HMO PEPM to be ~60% higher than LDPPO
- EPO/HMO premiums are ~2x the LDPPO premiums and ~3x the CDHP premiums
- Ongoing migration from EPO/HMO to LDPPO
 - EPO down from ~4,100 in PY21 to ~3,000 currently
- The LDPPO is the most efficient plan, and the EPO is the least efficient plan

Historical PMPMs

- Lower HMO premiums have subsidized the higher total costs for the EPO
- CDHP is the lowest cost plan on a PMPM basis

PMPM Cost History by Plan
Rolling 12-month basis

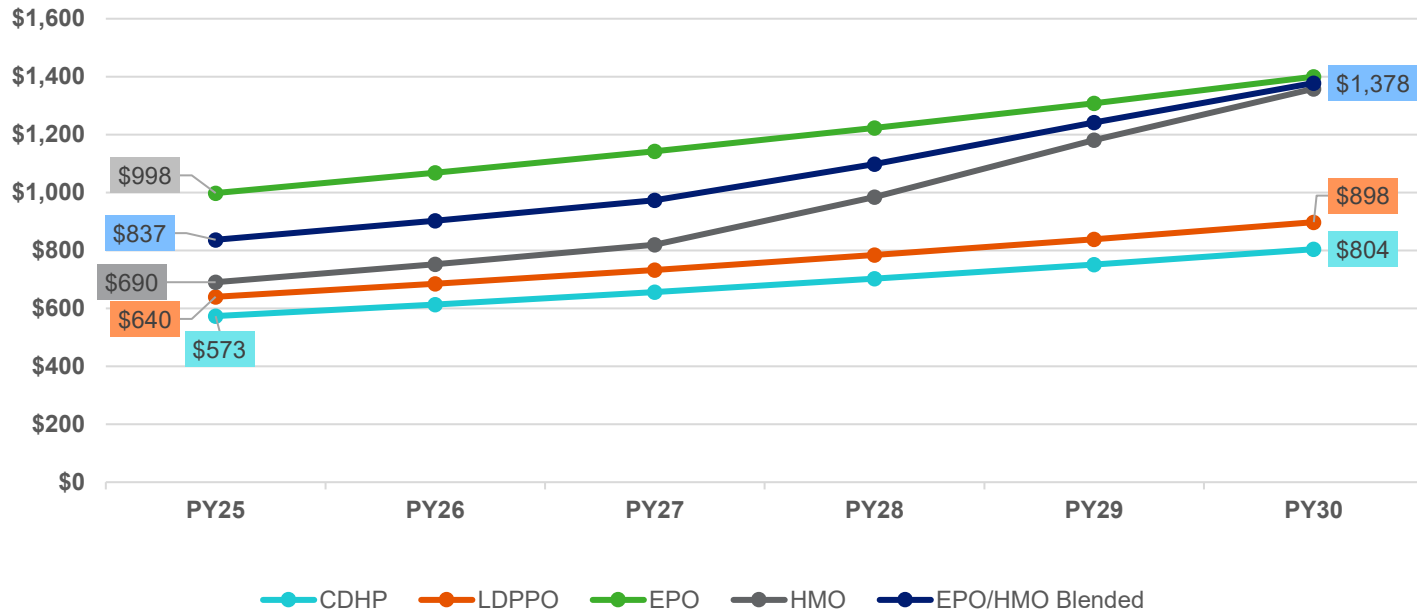


1. Self-insured plan costs include medical and Rx claims net of rebates, ASO fees, HRA claims and HSA funding.
2. Fully insured HMO costs include premiums and HRA claims.
3. Prior to 7/1/2023, only the CDHP plan included HSA funding and HRA claims. In PY2024, all participants in all four plans received additional HRA funding.

Projected PMPMs

- HMO premiums expected to trend at higher rate to catch up to claims
- Blended EPO/HMO costs expected to increase at higher rate, widening the gap in costs
- Benefit difference between EPO/HMO and LDPPO remains at 3% (EPO) and 6% (HMO)

PMPM Cost Projection by Plan



1. Self-insured plan costs include medical and Rx claims net of rebates, ASO fees, HRA claims and HSA funding.
2. Fully insured HMO costs include premiums and HRA claims.
3. Prior to 7/1/2023, only the CDHP plan included HSA funding and HRA claims. In PY2024, all participants in all four plans received additional HRA funding.
4. Trend assumptions: 7% for EPO, CDHP and LDPPO; 20% and graded down to 10% for the HMO

Provider Disruption and Access

- CDHP, LDPPO and EPO currently utilize the United Health Care Network (also referred to as SHO in the South)
- No disruption for EPO – same network as for the LDPPO and CDHP
- Virtually no disruption for HMO: HPN network is a subset of the United Network –Both include Southwest Medical

	In Both	In HPN Only	In UHC Only
Hospitals	21	0	0
PCPs	584	3	15
Specialists	1,622	10	75

- No impact to access since United network includes HPN providers

	HPN Network	UHC Network
Hospitals (1 in 15 mi)	6,015 (99.0%)	6,015 (99.0%)
PCPs (2 in 10 mi)	6,040 (99.4%)	6,047 (99.6%)
Specialists (2 in 15 mi)	6,030 (99.3%)	6,026 (99.2%)

Provider Disruption and Access

- Out of the 10 patients who utilized HPN PCPs not in the UHC network, five (5) are still enrolled in the plan.

	In HPN Only	# Utilized Providers	# Distinct Patients	# Claims	# Patients Enrolled on 11/1/2024
Family Medicine	2	1	1	2	0
Pediatrician	1	1	9	52	5
Total PCPs	3	2	10	54	5

- All of the patients who utilized HPN Specialists not in the UHC network have remained enrolled in the plan. 30% of their claims were related to sleep studies.

	In HPN Only	# Utilized Providers	# Distinct Patients	# Claims	# Patients Enrolled on 11/1/2024
Sleep Studies	1	1	20	28	20
Neuropsychology	2	2	11	11	11
Substance Abuse Counselor	1	1	8	16	8
Counselor	2	2	8	33	8
Social Worker	1	1	2	6	2
Total Specialists	10	7	49	94	49

Member Out-of-Pocket Comparison

Case 1: Low Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,023	\$2,174
Member Cost Share**	\$0	\$0	\$0
Total Spend	\$663	\$1,023	\$2,174

Family Coverage

- Two (2) annual physicals
- Two (2) Well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,227	\$5,082	\$7,818
Member Cost Share**	\$0	\$0	\$0
Total Spend	\$4,227	\$5,082	\$7,818

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 2: Low-Moderate Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) maintenance medications (brand and generic)
- One (1) ER visit

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,023	\$2,175
Member Cost Share**	\$4,000	\$1,025	\$975
Total Spend	\$4,663	\$2,048	\$3,150

Family Coverage

- Two (2) annual physicals
- Two (2) well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) ER visits
- Two (2) Urgent Care visits
- One (1) Outpatient surgery
- Multiple medications

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,227	\$5,082	\$7,818
Member Cost Share**	\$7,569	\$3,571	\$3,173
Total Spend	\$11,797	\$8,654	\$10,991

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 3: High-Moderate Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) maintenance medications (brand and generic)
- One (1) ER visit
- One (1) Inpatient stay (LOS = 6 days)

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,023	\$2,175
Member Cost Share**	\$3,864	\$2,349	\$1,393
Total Spend	\$4,527	\$3,373	\$3,568

Note that Family meets OOPMax in CDHP

Family Coverage

- Two (2) annual physicals
- Two (2) well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)
- Normal maternity and newborn delivery
- Two (2) ER visits
- Two (2) Urgent Care visits
- Multiple generic medications

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,227	\$5,082	\$7,818
Member Cost Share**	\$8,000	\$5,794	\$3,328
Total Spend	\$12,227	\$10,877	\$11,146

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 4: High Utilization

Employee Only

- Cancer patient

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,023	\$2,174
Member Cost Share**	\$4,000	\$4,000	\$5,000
Total Spend	\$4,633	\$5,023	\$7,175

All meet OOPMax in all plans

Family Coverage

- High risk pregnancy with NICU stay

Employee & Family Coverage

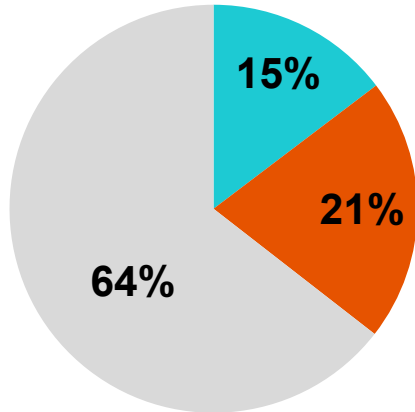
	CDHP	LDPPO	EPO
Annual Premium*	\$4,227	\$5,082	\$7,818
Member Cost Share**	\$8,000	\$8,000	\$10,000
Total Spend	\$12,227	\$13,082	\$17,818

* 2025 annual premiums are shown for State Active employees.

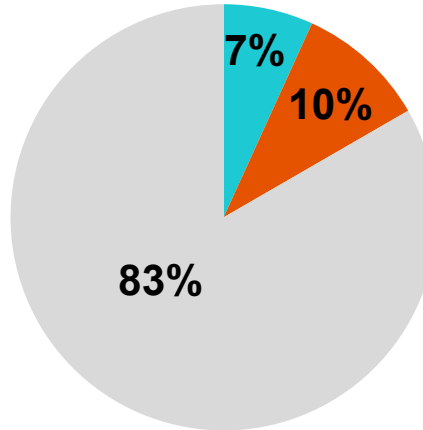
** Member cost share does not reflect potential HSA, HRA or FSA funding.

Members Reaching OOPMax

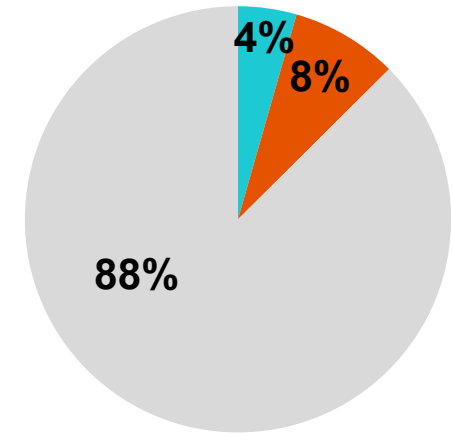
CDHP



LDPPO



EPO

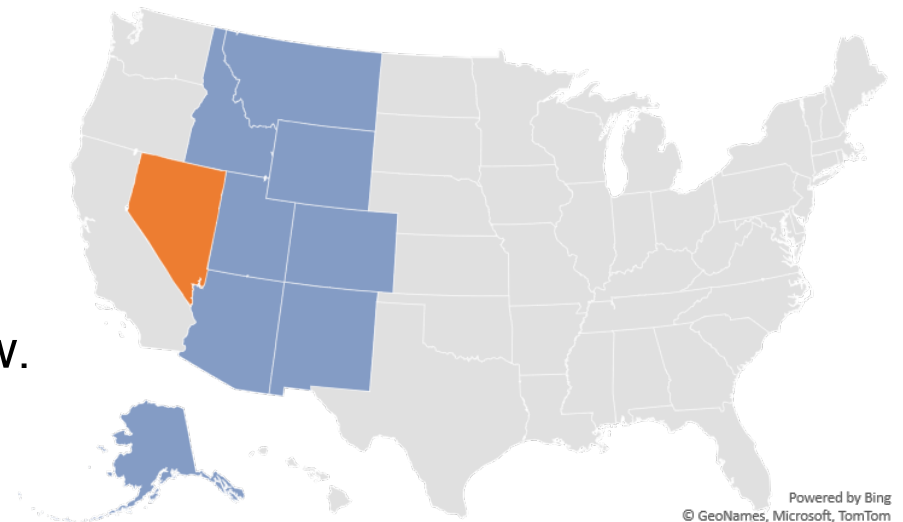


■ EE Only Coverage meeting OOPMax
 ■ EE+Deps Coverage meeting OOPMax
 ■ EEs Not Meeting Max

Plan	Unique Employee/Retiree Count	EE Only Coverage meeting OOPMax	EE+Deps Coverage meeting OOPMax	Total Meeting OOPMax	Total % Meeting OOPMax
CDHP	8,565	1,257	528	1,785	20.8%
LDPPO	14,304	973	437	1,410	9.9%
EPO	3,179	141	117	258	8.1%
Total	26,048	2,321	853	3,174	12.2%

Benchmarking Overview

- Segal conducted a benchmarking review of the current medical and pharmacy benefits provided by plans of comparable size to Nevada PEBP.
- Segal analyzed the richest PPO plan offered for the following states:
 - Alaska
 - Arizona
 - Colorado
 - Idaho
 - Montana
 - New Mexico
 - Utah
 - Wyoming
- Peer data from 2024
- No HMOs were included in the review.



Monthly Premiums

PEBP premiums for EE Only are below average, but higher/comparable for dependent tiers.

Monthly Premiums

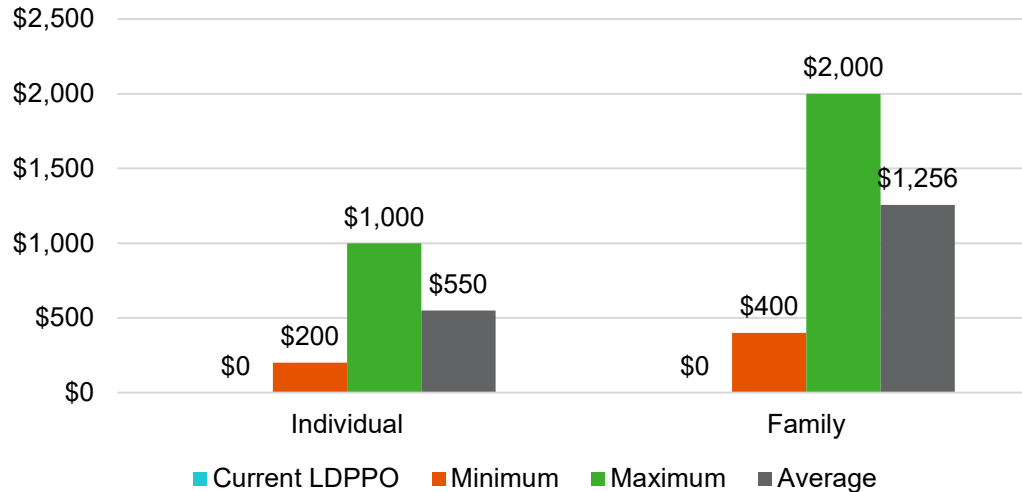


	Current LDPPO	Minimum	Maximum	Average
Employee Only	\$85	\$30	\$152	\$94
Employee + Spouse	\$331	\$124	\$309	\$234
Employee + Child(ren)	\$178	\$101	\$321	\$180
Employee + Family	\$424	\$166	\$465	\$331

Current Deductibles and Coinsurances

- PEBP is the only State among this group with a \$0 deductible
- New Mexico provides a separate Rx Deductible (only one)

Medical Deductibles

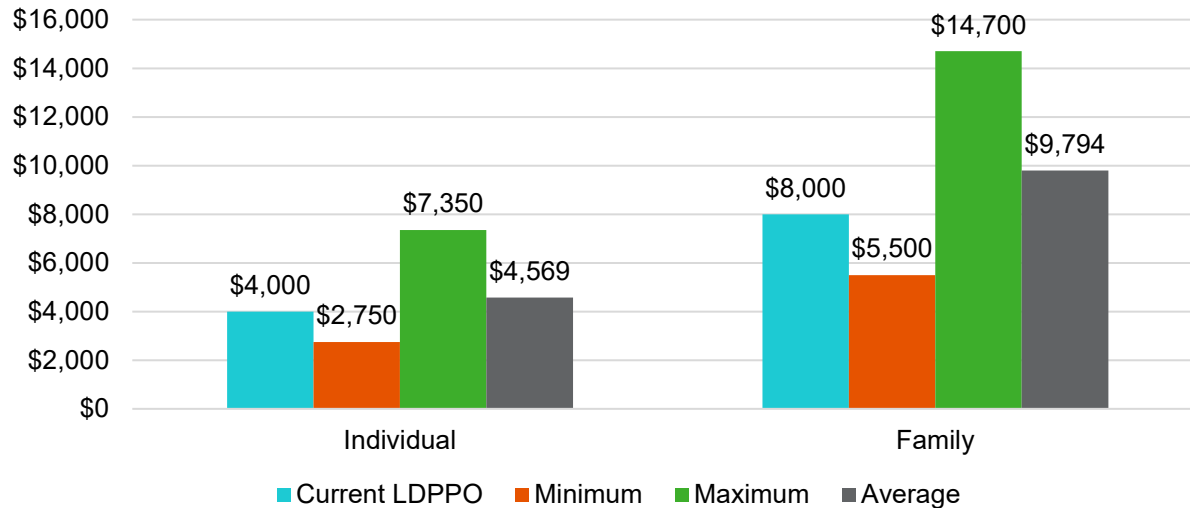


		Current LDPPO	Minimum	Maximum	Average
Medical Deductible	Individual	\$0	\$200	\$1,000	\$544
	Family	\$0	\$400	\$2,000	\$1,244
Prescription Drug Deductible	Individual	\$0	\$0	\$50	\$6
	Family	\$0	\$0	\$100	\$13
Medical + Prescription Drug Combined Deductible	Individual	\$0	\$200	\$1,000	\$550
	Family	\$0	\$400	\$2,000	\$1,256
Coinsurance		20%	15%	25%	21%

Current Medical and Rx Out-of-Pocket (OOP) Max

PEBP OOPMax is lower than average for Single and Family

Combined Medical and Prescription Drug OOP Max



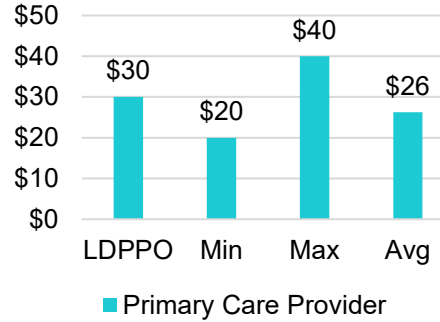
		Current LDPPO	Minimum	Maximum	Average
Medical OOP Max	Individual	\$4,000	\$1,750	\$7,350	\$3,719
	Family	\$8,000	\$3,500	\$14,700	\$8,344
Prescription Drug OOP Max	Individual	integrated with medical	\$1,000	\$2,000	\$1,700
	Family	\$0	\$2,000	\$4,000	\$2,900
Medical + Prescription Drug Combined OOP Max	Individual	\$4,000	\$2,750	\$7,350	\$4,569
	Family	\$8,000	\$5,500	\$14,700	\$9,794

Current Copays

- PEBP Office Visit copays are in line with peers
- Urgent and Emergency Care copays are higher than peers

	Current LDPPO	Minimum	Maximum	Average
Primary Care Provider	\$30	\$20	\$40	\$26
Specialist	\$50	\$35	\$60	\$44
Urgent Care	\$80	\$0	\$75	\$48
Emergency Room Visit	\$750	\$0	\$1,000	\$381

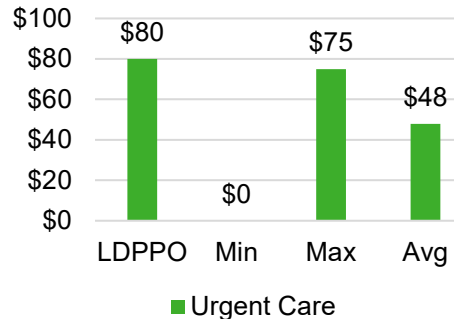
PCP Copays



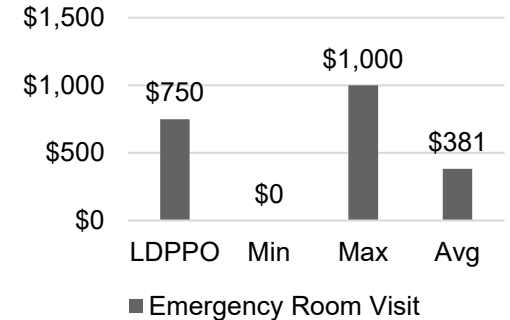
Specialist Copays



Urgent Care Copays



ER Copays

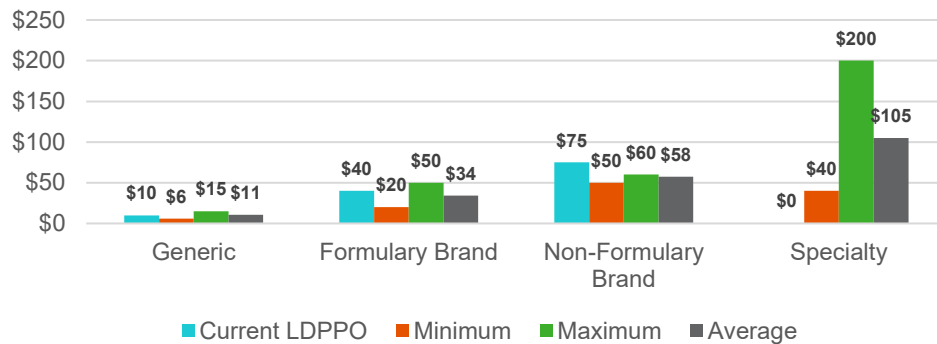


Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.

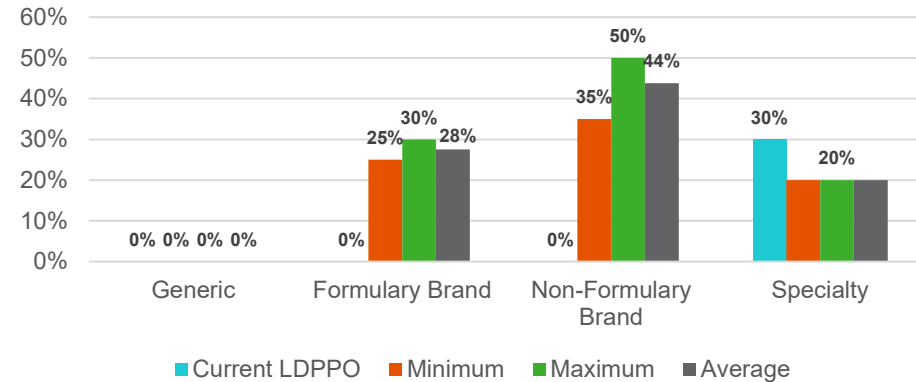
Current Rx Cost Share

- PEBP Generic and Specialty copays are in line with peers
- PEBP Brand copays are higher than peers
- Multiple peer states utilize coinsurance for brand and specialty

Rx Copays



Rx Coinsurances



■ Generic ■ Formulary Brand ■ Non-Formulary Brand ■ Specialty

Copays	Current LDPPO	Minimum	Maximum	Average
Generic	\$10	\$10	\$15	\$11
Formulary Brand	\$40	\$20	\$50	\$34
Non-Formulary Brand	\$75	\$50	\$60	\$58
Specialty	\$100	\$80	\$200	\$127

Coinsurance	Current LDPPO	Minimum	Maximum	Average
Generic	N/A	N/A	N/A	N/A
Formulary Brand	N/A	25%	30%	28%
Non-Formulary Brand	N/A	35%	50%	44%
Specialty	30%	20%	20%	20%

Summary of Network Plan Designs and Premiums

PPO Comparison

	Current LDPPO	Benchmarking Data		
		Minimum	Maximum	Average
Annual Deductible	\$0 / \$0	\$200 / \$400	\$1,000 / \$2,000	\$550 / \$1,256
Coinsurance	20%	15%	25%	21%
Out-of-Pocket Maximum	\$4,000 / \$8,000	\$1,750 / \$3,500	\$7,350 / \$14,700	\$4,569 / \$9,794
PCP / Specialist	\$30 / \$50	\$20 / \$35	\$40 / \$60	\$26 / \$44
Urgent Care Visit	\$80	\$35	\$75	\$48
Emergency Room Visit	\$750	\$200	\$1,000	\$381
Prescription Drug	\$10 / \$40 / \$75 / 30%	\$10 / \$20 / \$50 / \$80	\$15 / \$50 / \$60 / \$200	\$11 / \$34 / \$58 / \$127
Employee-Only Premium	\$85	\$30	\$152	\$94

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.
Plan designs and contributions effective on January 1, 2024.

Summary of Current Plan Designs and Premiums

CDHP Comparison

	Current CDHP	Benchmarking Data		
		Minimum	Maximum	Average
Annual Deductible	\$1,600 / \$3,200	\$1,500 / \$3,000	\$2,400 / \$4,800	\$1,808 / \$3,617
Base HSA/HRA	\$600	\$0	\$909	\$597
Coinsurance	20%	10%	30%	20%
Out-of-Pocket Maximum	\$4,000 / \$8,000	\$2,500 / \$7,500	\$5,400 / \$10,800	\$4,167 / \$8,750
PCP / Specialist	20% / 20%	10% / 10%	30% / 30%	20% / 20%
Urgent Care Visit	20%	10%	30%	20%
Emergency Room Visit	20%	10%	30%	20%
Prescription Drug	20% / 20% / 100% / 20%	\$5 / \$10 / \$35 / 20%	\$15 / \$50 / \$60 / \$200	\$11 / 21% / 30% / 25%
Employee-Only Premium	\$55	\$0	\$80	\$30

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.
Plan designs and contributions effective on January 1, 2024.

Current Plan Designs and Premiums

Below is a summary of the in-network CDHP and PPO benefits: (proposed changes highlighted in yellow)

	Current		Prospective		
	Consumer Driven Health Plan (CDHP)	Low Deductible (LDPPO)	Consumer Driven Health Plan (CDHP)	PPO Option 1	PPO Option 2
Actuarial Value*	76.7%	85.2%	76.4%	87.1%	82.8%
Service Area	Global	Global	Global	Global	Global
Annual Deductible (medical and prescription combined)	\$1,600 Individual \$3,200 Family \$3,200 Individual Family Member Deductible	\$0	\$1,650 Individual \$3,300 Family \$3,300 Individual Family Member Deductible	\$0 Individual \$0 Family	\$500 Individual \$1,000 Family
Medical Coinsurance	20% after deductible	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Out-of-Pocket Maximum	\$4,000 Individual \$8,000 Family	\$4,000 Individual \$8,000 Family	\$4,000 Individual \$8,000 Family	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family
Primary Care/ Specialist Office Visit	20% after deductible	\$30/ \$50 copay per visit	20% after deductible	\$30/ \$60 copay per visit (includes associated testing, labs, scans, etc)	\$30/ \$60 copay per visit
Urgent Care Visit	20% after deductible	\$80 copay per visit	20% after deductible	\$80 copay per visit	\$80 copay per visit
Emergency Room Visit	20% after deductible	\$750 copay per visit	20% after deductible	\$750 copay per visit	\$750 copay per visit
In-Patient Hospital	20% after deductible	20% after deductible	20% after deductible	\$750 copay per admit	\$750 copay per admit
Outpatient Surgery	20% after deductible	\$500 copay per visit	20% after deductible	Ambulatory Facility \$100 copay Hospital \$500 copay	Ambulatory Facility \$100 copay Hospital \$500 copay
Rx 30-days**	20% / 20% / 100% Specialty: 20%, min \$100/max of \$250	\$10 / \$40 / \$75 / Specialty: 30%, min \$100/max of \$250	20% / 20% / 100% Specialty: 20%, min \$100/max of \$250	\$10 / \$40 / \$75 Specialty: 30%, min \$100/max of \$250	\$10 / \$40 / \$75 Specialty: 30%, min \$100/max of \$250

* Actuarial Value based on FY22 and FY23 data.

** 30-day supply Tier 1 / Tier 2 / Tier 3 / Tier 4

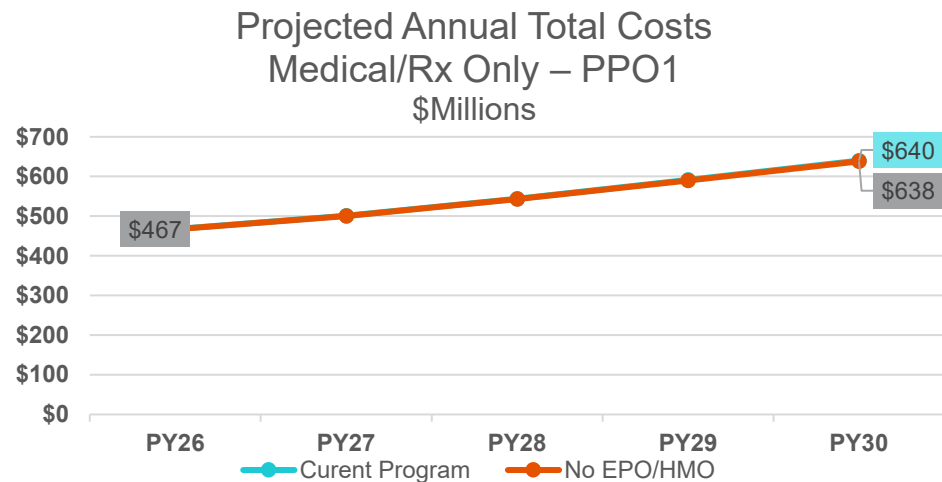
*** Recommend increasing deductibles and maximum Out-of-Pocket limits for out-of-network for both plans

Projected Annual Costs (State EEs)

PPO 1 Option (\$0 Deductible)

- Eliminating the EPO and HMO reduces PEBP costs
- Initial savings (\$0.6M in PY26) increase annually (\$2.0M in PY30)
- PEPM savings approximately \$3 in PY30
- Savings from:
 - Plan Design
 - Retention/Admin
 - Rx Rebates
 - Reduced trend for HMO
- Some Cost Increases:
 - Change in Managed Care
 - Network contracts

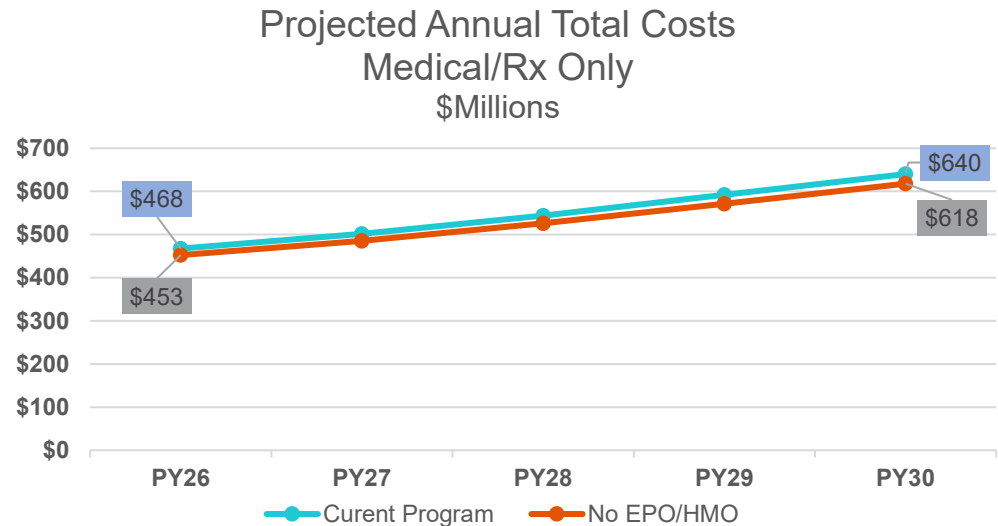
\$Millions (PPO 1)			
	Current	No EPO/HMO	Annual Savings
PY26	\$467.5	\$467.0	\$0.6
PY27	\$501.4	\$500.7	\$0.7
PY28	\$544.3	\$543.2	\$1.1
PY29	\$591.8	\$590.2	\$1.6
PY30	\$640.2	\$638.1	\$2.0



Projected Annual Costs (State EEs) PPO 2 Option (\$500 Deductible)

- Eliminating the EPO and HMO reduces PEBP costs
- Initial savings (\$15.0M in PY26) increase annually (\$22.2M in PY30)
- PEPM savings approximately \$32 in PY30
- Savings from:
 - Plan Design
 - Retention/Admin
 - Rx Rebates
 - Reduced trend for HMO
- Some Cost Increases:
 - Change in Managed Care
 - Network contracts

\$Millions (PPO 2)			
	Current	No EPO/HMO	Annual Savings
PY26	\$467.5	\$452.5	\$15.0
PY27	\$501.4	\$485.2	\$16.2
PY28	\$544.3	\$526.3	\$18.0
PY29	\$591.8	\$571.6	\$21.2
PY30	\$640.2	\$617.9	\$22.2



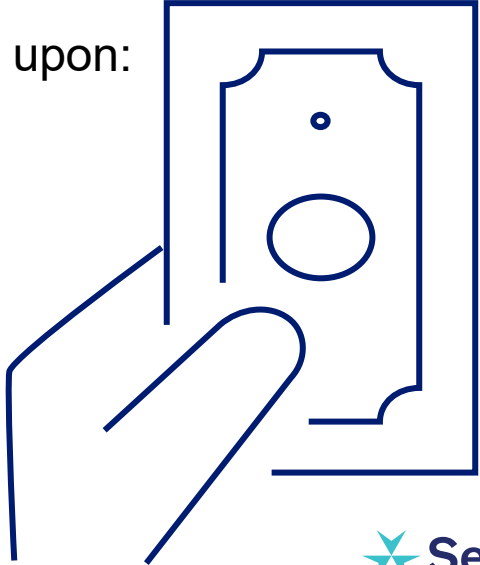
Employee Premium Impact and Next Steps

- Higher Cost EPO/HMO members moving into CDHP and LDPPO will likely increase premiums for those plans

State Active Employees
PY2025 Employee Only Contributions

	CDHP	LDPPO	EPO/HMO
Current	\$55.26	\$85.26	\$181.24
No EPO/HMO	\$55-65	\$90-\$120	N/A
Peer Group	\$0-\$80	\$30-\$152	N/A

- Final Employee Premiums for PY2026 will be dependent upon:
 - AEGIS/REGI for PY2026-27 biennium
 - Final plan design
 - Anticipated migration/enrollment elections



Member Out-of-Pocket Comparison

Case 3: High-Moderate Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) maintenance medications (brand and generic)
- One (1) ER visit
- One (1) Inpatient stay (LOS = 6 days)

Employee Only Coverage

	CDHP	LDPPO	EPO	PPO Opt 1 (\$0 Ded)	PPO Opt 2 (\$500)
Annual Premium*	\$663	\$1,023	\$2,175	\$1,318	\$913
Member Cost Share**	\$3,864	\$2,349	\$1,393	\$1,593	\$2,093
Total Spend	\$4,527	\$3,373	\$3,568	\$2,911	\$3,006

Family Coverage

- Two (2) annual physicals
- Two (2) well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)
- Normal maternity and newborn delivery
- Two (2) ER visits
- Two (2) Urgent Care visits
- Multiple generic medications

Employee & Family Coverage

	CDHP	LDPPO	EPO	PPO Opt 1 (\$0 Ded)	PPO Opt 2 (\$500)
Annual Premium*	\$4,227	\$5,082	\$7,818	\$5,782	\$4,821
Member Cost Share**	\$8,000	\$5,804	\$3,238	\$3,634	\$4,941
Total Spend	\$12,227	\$10,887	\$11,056	\$9,416	\$9,762

* 2025 annual premiums are shown for State Active employees. New PPO Opt 1 and New PPO Opt 2 premiums are illustrative.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Questions



| Appendix

Plan Efficiency

- Plan Efficiency is a metric that measures health risk management
- Efficiency normalizes for differences in plan design and member risk
- Lower adjusted PMPMs indicate better risk management
- The LDPPO is the most efficient plan, and the EPO is the least efficient plan

	CDHP	LDPPO	EPO
PMPM (a)	\$535.97	\$598.16	\$932.82
AV (b)	76.7%	85.2%	88.3%
Risk Score* (c)	0.92	1.01	1.28
Efficiency** (d) = (a÷b)÷c	\$758.67	\$692.13	\$822.95

* Risk scores are normalized for the average risk score each plan year.

** Allowed amount per unit of risk.

Historical Employee-Only Premiums

- EPO/HMO premiums are ~2x the LDPPPO premiums and ~3x the CDHP premiums

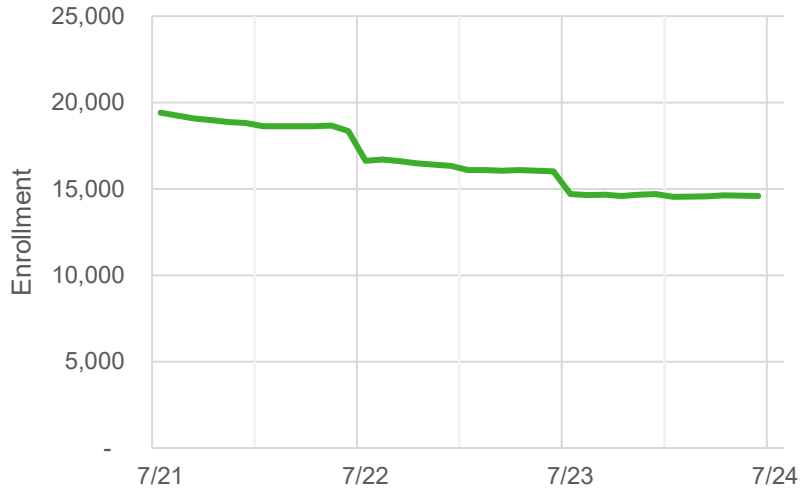
Employee-Only Premiums By Plan



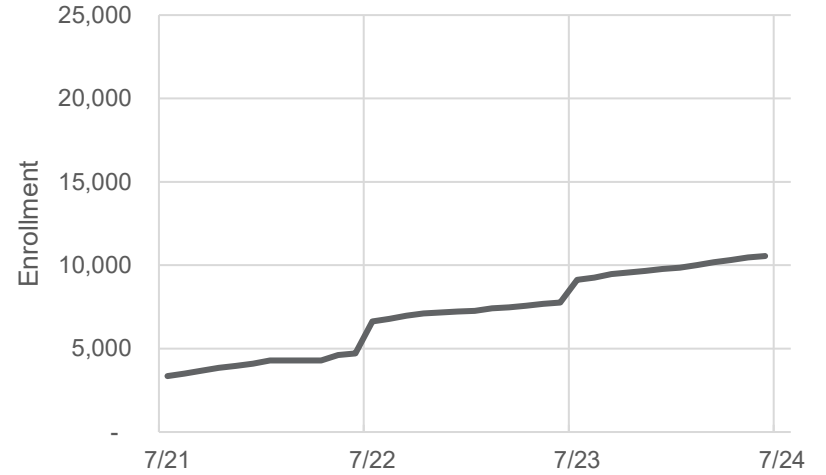
Migration to the LDPPO

Members are migrating to the LDPPO from both the EPO/HMO and the CDHP

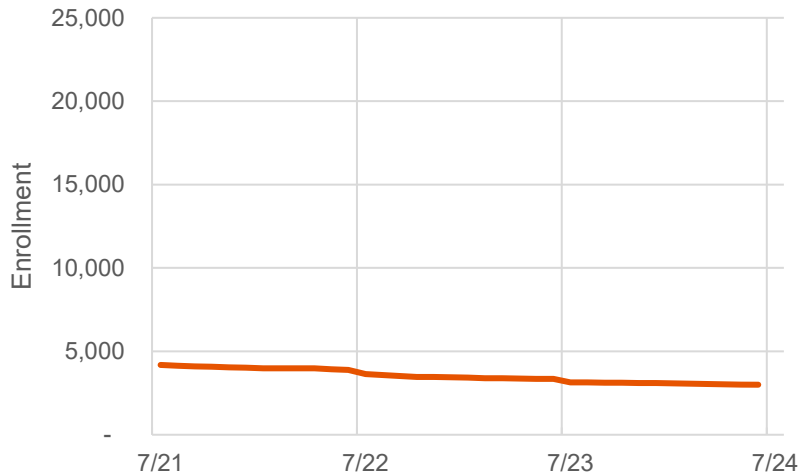
CDHP



LDPPO



EPO



HMO

