Nevada PUBLIC EMPLOYEES' BENEFITS PROGRAM
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Plan Year 2017 Benefits Update

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PEBP Executive Officer

At the March 11, 2016 PEBP Board Meeting, the Board approved the rates for the upcoming year beginning July 1, 2016. These rates included both the Consumer Driven Health Plan (CDHP) and Health Maintenance Organization (HMO) plans. Many things were considered in developing the rates. The CDHP has experienced increased costs of 9.8% combined across medical, pharmacy, and dental claims. Usually this would mean that rates must increase accordingly. However, with good decision-making in selecting and negotiating a new Pharmacy Benefits Manager, the CDHP rates employees and retirees will experience beginning July 1, 2016 are exactly the same as today. There is NO increase to the CDHP premiums.

The negotiations for a statewide HMO plan with the Board's initial selected vendor, Anthem, were unsuccessful. The Board then approved one-year contract extensions with the current HMO plans (Hometown Health Plan in Northern Nevada and Health Plan of Nevada in Southern Nevada). Many things were considered in developing those rates. The HMO plans have experienced increased costs as well. Although rates will not be the same for HMO participants starting July 1, 2016 as they are today, the amount of increase was lessened by successfully negotiating the contract extensions with PEBP's current vendors.

The plan benefit designs for all plans (CDHP and HMOs) will be exactly the same starting July 1, 2016 as they are today. Participants on the CDHP will receive the same base HSA/HRA contribution of $700 for the primary participant and $200 for each covered dependent (maximum 3 dependents). In addition, CDHP participants covered on the plan on July 1, 2016, will receive a one-time supplemental HSA/HRA contribution of $400 for the primary participant and $100 for each covered dependent (maximum 3 dependents). HMO participants will pay the same copayments for healthcare services in Plan Year 2017.

The rates shown on page 2 are the total increases participants will see from this year (Plan Year 2016) to next year (Plan Year 2017) per tier on the HMO plans.

State Employees on either Hometown Health Plan or Health Plan of Nevada effective July 1, 2016

State Active Employees	2016 Rates	2017 Rates	Increase Per Month	% Change
Employee Only	$164.61	$168.09	$3.48	2.1%
Employee + Spouse	$458.21	$469.75	$11.54	2.5%
Employee + Child(ren)	$299.99	$308.24	$8.25	2.8%
Employee + Family	$593.60	$609.91	$16.31	2.7%

State Retirees on either Hometown Health Plan or Health Plan of Nevada with 15 Years of Service (Base Subsidy)

State Retirees Non-Medicare	2016 Rates	2017 Rates	Increase Per Month	% Change
Retiree Only	$372.45	$380.52	$8.07	2.2%
Retiree + Spouse	$868.79	$890.48	$21.69	2.5%
Retiree + Child(ren)	$601.32	$617.46	$16.14	2.7%
Retiree + Family	$1,097.65	$1,127.41	$29.76	2.7%
Surviving/Unsubsidized Spouse	$730.30	$746.12	$15.82	2.2%
Surviving/Unsubsidized Spouse + Child(ren)	$1,052.65	$1,079.83	$27.18	2.6%

Note: These rates may increase/decrease based on the retiree's years of service.

Non-State Retirees on either Hometown Health Plan or Health Plan of Nevada with 15 Years of Service (Base Subsidy)

Non-State Retirees Non-Medicare	2016 Rates	2017 Rates	Increase Per Month	% Change
Retiree Only	$396.63	$403.84	$7.21	1.8%
Retiree + Spouse	$926.61	$946.26	$19.65	2.1%
Retiree + Child(ren)	$662.75	$688.67	$25.92	3.9%
Retiree + Family	$1,192.74	$1,231.09	$38.35	3.2%
Surviving/Unsubsidized Spouse	$777.70	$791.84	$14.14	1.8%
Surviving/Unsubsidized Spouse + Child(ren)	$1,152.52	$1,193.01	$40.49	3.5%

Note: These rates may increase/decrease based on the retiree's years of service.

Although some participants will not experience rate increases this year and others will, PEBP recognizes that costs continue to rise and participants may have to absorb increased rates again next year. The high costs of healthcare are felt by everyone. We will continue to do our best to lessen the increases moving forward. The alternative to increasing rates is to decrease benefits. Difficult decisions are on the horizon.

View all Plan Year 2017 Rates and Years of Service Subsidy at www.pebp.state.nv.us/rates/2017Rates.pdf