STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
BOARD MEETING AND PUBLIC HEARING
The Richard H. Bryan Building
901 South Stewart Street Suite 1002
Carson City, Nevada 89701

ACTION MINUTES (Subject to Board Approval)
May 19, 2016

MEMBERS PRESENT IN CARSON CITY:	Mr. Leo Drozdoff, Board Chair Ms. Jacque Ewing-Taylor, Vice-Chair Ms. Ana Andrews, Member Mr. Don Bailey, Member Mr. James Wells, Member
MEMBERS PRESENT VIA TELEPHONE:	Mr. Chris Cochran, Member Ms. Rosalie Garcia, Member Ms. Christine Zack, Member
MEMBERS EXCUSED:	Ms. Judy Saiz, Member Mr. Tom Verducci, Member
FOR THE BOARD:	Mr. Dennis Belcourt, Deputy Attorney General
FOR STAFF:	Mr. Damon Haycock, Executive Officer Ms. Laura Rich, Operations Officer Ms. Celestena Glover, Chief Financial Officer Ms. Kari Pedroza, Executive Assistant

1. Open Meeting; Roll Call

   Chair Drozdoff opened the meeting at 9:01 a.m.

2. Public Comment
   - Peggy Lear Bowen- Retiree Participant (see attached for comments)
   - Susan Dyke- Participant

3. **Action Item-**

   Approval of the Action Minutes from the April 21, 2016 PEBP Board Meeting.

   Board Action-

MOTION:	Move to approve the April 21st Board Meeting Action Minutes.
BY:	Member Wells
SECOND:	Member Bailey
VOTE:	The motion carried; Member Garcia abstained.

4. **Action Item-**

   Approval of the proposed changes to the Master Plan Documents for Plan Year 2017 (July 1, 2016 – June 30, 2017) to reflect previously approved plan design modifications, changes in legislative or regulatory requirements; a change in the vision benefits, and technical corrections or updates.

4.1. Medical and Prescription Drug Master Plan Document
4.2. Dental, Life and Long Term Disability Master Plan Document
4.3. Enrollment and Eligibility Master Plan Document
4.4. HIPAA Privacy and Security Requirements Master Plan Document

PEBP Operations Officer Laura Rich presented the proposed changes to the Plan Documents to the Board.

DISCUSSION ON ITEM 4.1: Vice Chair Ewing-Taylor had questions regarding revisions listed in the Item 4 Report, specifically 4.1. Section B, subsections m, q, r, t and u for HealthSCOPE Benefits recommendations. Mary Catherine Person provided clarification on the HealthSCOPE Benefits recommended changes questioned by Vice Chair Ewing-Taylor.

There was discussion regarding tabling the change to the Medical and Prescription Drug MPD identified as 4.1. Section B, subsection n.

Member Cochran asked that 4.1. Section B, subsection f proposed language be revised to provide further clarification that it pertains to non-emergent ambulance and air transportation services. It was decided that Member Cochran would meet with Executive Officer Haycock and Mary Catherine Person to work on the revised language to bring back at the next board meeting.

Member Wells wanted to make sure that the word "not" was placed before "reasonable" in 4.1., Section B, subsection t and to clarify in 4.1., Section B, subsection g, add, "Not to apply to Medicare primary"

Marlene Lockard from RPEN asked about 4.1. Section B, subsection r in regards to the proposed documented improvement timeframe of 2 weeks for chiropractic services.

Mary Catherine Person from HealthSCOPE Benefits suggested that Section B, subsection r (3) language be removed.

Board Action on Item 4.1.-

MOTION: Move that the Board pull 4.1 B (f) (n), clarifying in 4.1. B (g) that it should not apply to Medicare Primary, that 4.1 B r (3) be deleted and under 4.1. B t, the word 'not', pending staff review, is added in advance of 'considered not reasonable.'
BY: Member Andrews
SECOND: Vice Chair Ewing-Taylor
DISCUSSION: Chair Drozdoff would like staff to clear up the intent of 4.1. B, t, but the core value of 'it is not to be considered reasonable' be included.
VOTE: Unanimous; the motion carried.

Board Action on Item 4.2.-

MOTION: Move that we approve Item 4.2. as outlined with one additional clarification that staff capitalize the definitions as they did in the Medical MPD.
BY: Member Wells

SECOND: Member Andrews
VOTE: Unanimous; the motion carried.

DISCUSSION ON ITEM 4.3: Vice Chair Ewing-Taylor had questions about proposed revisions 4.3. Section B, subsections f and j. Operations Officer Rich explained the reasons for these changes.
Member Wells had an issue with adding the proposed language in 4.3 Section B, subsections k and l regarding the update of qualifying events for participants who become eligible for Medicaid or Nevada Check Up. He voiced his concern about the primary participant being able to decline coverage to enroll in Medicaid and/or Nevada Check Up after receiving HSA contributions from PEBP. Vice Chair Ewing-Taylor asked that a financial impact analysis of the proposed changes be done by Aon.

Board Action on Item 4.3.-

MOTION: Motion that the Board table k and l, and get further information particularly in-depth information on the financial impact to the system and the correct number of employees that this affects to re-discuss these two changes and approve the balance of 4.3.
BY: Member Bailey
SECOND: Member Cochran
DISCUSSION: Member Wells asked that the maker of the motion add the provision for capitalizing the definitions as was done in 4.2.

Members Baily and Cochran agreed to this addition to the motion.

DISCUSSION: Member Garcia asked if 4.3. Section B subsection h needs to be voted on by the Board since it pertains to subsidy changes.
Chief Financial Officer Glover explained PEBP's process for providing subsidies to retirees when PEBP receives the Years of Service document from Public Employees Retirement Services (PERS).
Member Wells was concerned that participants won't receive their subsidy prior to PERS submitting the Years of Service document to PEBP.

Members Bailey and Cochran agreed to withdraw the motion.

Member Wells proposed the following revised language for 4.3. Section B, subsection h, "**Years of Service Premium Subsidy and Years of Service Exchange HRA Contributions are effective upon the date of retirement based on the audit from either the Public Employees' Retirement System (PERS) or the Nevada System of Higher Education (NSHE).** *Changes to the Years of Service Premium Subsidy and Years of Service Exchange HRA Contribution* **resulting from a future audit** *will occur on the first of day of the month concurrent with or following the date PEBP receives the audit results from the PERS or the NSHE.*

Board Action on Item 4.3.-

MOTION: Motion that the Board approve 4.3., tabling k and l to be brought back at a later date for additional discussion on the fiscal impact and potential alternatives as well as the capitalization of the definitions throughout the document and adding the language that we just described under h.
BY: Member Wells

SECOND: Member Bailey
VOTE: Unanimous; the motion carried.

Board Action on Item 4.4.-
MOTION: Motion that the Board approve Item 4.4.
BY: Member Andrews
SECOND: Member Wells
DISCUSSION: Member Wells asked that the maker of the motion add the provision for capitalizing the definitions as was done in the previous items.
Member Andrews agreed to the addition to the motion.
DISCUSSION: Vice Chair Ewing-Taylor voiced her concerns about Item 4.4, Section B, subsection b, and suggested that the Board wait until the Quality Control Officer position has been filled to have this discussion.
Member Garcia commented that she would find it difficult to make a decision with regard to B, b, because she does not have the job descriptions for either position to appropriately place the responsibility and she would like to see those before making a decision.
Member Wells stated that the way he read this change was that it was about appeals and requests for the review of appeals. His concern was that when we move to a true Quality Control Officer role, the QC Officer should not making operational decisions and then reviewing those same operational decisions. It would be an operations person that would make a decision and then the Quality Control Officer would confirm that that operational decision was in accordance with laws and the plan documents. If it is a true complaint then it should go to the Quality Control Officer but if it is an appeal, that is an operational decision that the QC Officer would be responsible for reviewing.
Executive Officer Haycock explained that this change was made so that participants would know who to address their complaints to at PEBP during this time.
AMENDED MOTION: Motion that the Board approve Item 4.4. with the removal of Item 4.4. Section B, subsection b and the capitalizing the definitions as was done in the previous items.
BY: Member Andrews
SECOND: Member Bailey
VOTE: Unanimous; the motion carried.

A fifteen minute break was taken. After the break, roll call was taken. All Members in Carson City were present. Members Cochran and Garcia were present via telephone and Member Zack was unable to return to meeting. Chair Drozdoff allowed a brief Public Comment period prior to Agenda Item 5. Public Comment regarding Item 5:

- Peggy Lear Bowen- Retiree Participant (see attached for comments)

5. **Action Item-**

Approval of the federally mandated Summaries of Benefits and Coverage documents effective July 1, 2016.

5.1. PEBP Consumer Driven Health Plan
5.1.1. Individual coverage effective July 1, 2016
5.1.2. Family coverage effective July 1, 2016

5.2. Health Plan of Nevada HMO effective July 1, 2016

5.3. Hometown Health Plans effective July 1, 2016

PEBP Operations Officer Laura Rich presented the proposed changes to the Summaries of Benefits and Coverage documents to the Board.

Board Action on 5.1.-

MOTION:	Move for staff recommendation.
BY:	Member Wells
SECOND:	Member Andrews
VOTE:	Unanimous; the motion carried.

Board Action was not taken on Items 5.2. and 5.3.

6. **Action Item-**

Discussion and possible action regarding the Board's approval of the Master Plan Documents and Summaries of Benefits and Coverage documents for future plan years.

Executive Officer Haycock explained that this item was included so that staff could get an idea of which documents the Board would like to approve in the future.

DISCUSSION ON ITEM 6: Member Cochran stated that he thought the current process was fine and changes made to documents could be included in a consent agenda item with a report outlining the changes.

Member Garcia commented that the current process works and she doesn't see any reason to change it.

Vice Chair Ewing-Taylor said that because the MPD is the governing document it is critical that the Board understand the proposed changes and suggested that any housekeeping items changed in the documents could be kept on a log. She shared her view that this discussion should include the new Board Members and be their decision to weigh in on during a Strategic Planning Session.

Member Wells agreed with Vice Chair Ewing-Taylor that this discussion may be a little premature as new Board Members have been appointed and that the MPD is the governing document for the participants and the plan. Member Wells voiced his concern that if the Board does not have a chance to see the proposed changes, some changes could affect policy and benefits. He also stated that it would be good to see the changes to the SBCs, but the Board does not need to approve them as they are federally mandated.

7. Public Comment

- Peggy Lear Bowen- Retiree Participant (see attached for comments)
- Judith Maus- Retiree Participant

8. Adjournment

Chair Drozdoff adjourned the meeting at 11:48 a.m.

Public Comment under Item 2:
Peggy Lear Bowen: Good morning. My name and my words for the record. P-e-g-g-y, L-e-a-r, B-o-w-e-n. I speak quickly because of points of concern. Went to a Hometown, a Senior Care Plus Meeting to discuss our insurance for this coming year, CJ was the representative at the Senior Care Plus Meeting and explained to us very thoroughly that the A and B Medicare folk, through which people are working and had been a part of the group was sent to Utah as an encapsulated group had been sold to the Utah group. I thought slavery went out with Lincoln and the selling of human beings was not something that we legally did anymore and that it made some sense when asked years ago, Mr. Wells was asked that if this program of the exchange did not work out, could we retrieve back those participants that had been put in this capsule lance and now I know the word to use is sold, would they be retrievable and his answer was maybe, it was not a yes or a no, it was maybe and maybe you can retrieve that which you've sold to somebody and do away with contracts of that selling if in fact that's what happened. The concern that we have here that those people have hit a donut hole and it was explained to CJ at the Senior Care Plus Meeting that because of the donut hole and the expense of diabetic medicines that are now being handled differently by Senior Care Plus, at least and others that they would just simply have to go home and not have the medicine because they couldn't afford it and they could just die. I'm told that at an early meeting on after these changes were made to our insurance program back in about 2011, that even in an obituary and it was read here at this board, but probably not for the record, that the death was hastened of that person who actually trusted and trusted within the State of Nevada and their insurance benefits. That their death was hastened by the change in that program and that which they could no longer afford to do. I am very concerned about that. I am concerned that the hospitalists with Renown and the concept that you will not see or deal with any physicians or people that were known to you unless they are, will not be known to you unless they are the actual hospitalists in the hospital at the time extends to rehab and extended care. *Peggy then discussed another person's personal health information and poor medical care experienced at Renown.*

The hold that your insurance companies are having on your Southern HMOs down in Southern Nevada. A type of, you can't see our doctors if you don't do this. Well let me tell you, you can't see your doctors on the high deductible plan or on other plans that are involved. It is a hold, strangle hold, where they determine what they want to do with you. *Peggy then again discussed another person's personal health information and her poor medical care experienced at Renown.*

Thank you very much and I know that was a lot to cover. Don't let people die because of following the dollar and them getting paid what the insurance will pay and then kicking them out. It is so important that you keep everyone on this Board working hard to save and protect the lives of the state workers, non-workers and others. Please, please, please, be vigilant as you have and thank you for all your hard work.

Public Comment under Item 5:
Peggy Lear Bowen: My name and words, for the record: Peggy, P-e-g-g-y, Lear, L-e-a-r, Bowen, B-o-w-e-n. My concern regarding the benefits and coverage documents involved and for item number five and the fact that we do not have two public access to make public comment throughout. In the future, that it would behoove us for transparency purposes, not what's necessarily required by law, but what is the proper and appropriate thing when discussing any benefits, whether they be, by the phone. Board meetings need to be how you have them, not necessarily in any other way, but public access to make public comments for the record. In the future I would hope that this Board, because this Board has in the past whenever it came to benefits or whenever it came to evaluation of the Executive Director that the meetings were shut down and comments were made, "if I could figure out how to shut them down more, I would" and that when the last meeting of this nature was held in Las Vegas, Nevada, and Board vote was going to be

taken there and even the Governor couldn't access the meeting because he couldn't be present in the room at the time, that they were called and it was suggested to the chair not to take a vote until after it's brought back to the Board where that accesses of public comment and other accesses were available and we didn't get it always in the rurals but we at least got it in the North and South and we need that precedent to be re-established and kept in place as what you do and how you do so that the members actually have that access. I am not asking for it to be today because I know of the legal ramifications of if the documents are not, and it kills me to say this, because I was going to ask for it for today that we will be out of compliance with what we have to do legally. I said it would make us if I asked for a delay until the next Board meeting for this vote that it would get you out of certain time structures that you have to have, so I am asking for future meetings that it's always available with placement so people can go to the table and make their public comment. It's not a legal requirement, it's a moral requirement. Thank you very much.

Public Comment under Item 7:
Peggy Lear Bowen: My name and words, for the record: Peggy Lear Bowen, P-e-g-g-y, L-e-a-r, B-o-w-e-n. Thank you and thank you Mr. Wells for eloquently stating why it needs to come back before the Board and in public and especially with the Board being able to act and hear and being directly involved in the master plan. Thank you very much. It was a well stated comment that you made.

I would like to discuss one thing that has taken place and that is inequity of benefit. And that is that I, as a member of the orphan group, do not hit a donut hole involved in my insurance for paying for medical care or prescriptions or any of those things. It has now been very very made apparent by those who are participants in the A and B Medicare Exchange that they hit the donut hole and if they can't afford their medications they literally don't have the wherewithal to get a specially and I don't want to put one over the other because any medication that keeps you alive is of equal value and diabetic benefits being provided by our group and when I was told that the group had been sold to the Exchange and that Nevada actually benefited from the group that is handling our A and B Medicare folk and that the umbrella of PEBP over the A and B Exchange was merely that an umbrella to facilitate the handling of payments for process and the Nevada money going into and being made to the company that is taking care of our A and B Medicare people. That the PEBP umbrella is merely to facilitate payment and not to present anything with benefit. If these people's insurance is literally being maintained by jobs that they held other than that for the state of Nevada and that their benefits are in reality not the benefits that PEBP is offering to those who are still within the state and in particular the donut hole people, the orphan people, that you have in reality an inequitable benefit. They aren't receiving the benefits they should have for working for the state of Nevada and that needs to be corrected and it's not in addition to their paycheck and it's not an additional taxable thing and it should be, because they worked for the state of Nevada and their lives and the extension of their lives and their comfort through insurance benefits should be there and that's important to me.

When I came and went to an urgent care and this is the second topic, for an injury that I received and I went to the Reno Orthopedic Clinic which is part of the, our benefits in Reno that we can go to for our doctors and things like that and it was a sense of urgency because of my pain. I am now receiving letters from PEBP not from Medicare or anybody else, but from PEBP, denial of those benefits for attending the Urgent Care and wanting more information and wanting medical necessity for going to Urgent Care and everybody was perfectly fine with Medicare paying that portion of the benefit, but when it came to the 20% for PEBP to pay all a sudden I'm getting a denial of claim. When I came down and asked to speak to someone I was told there was no one available, just call the insurance company and my point to you is, prior to this moment, that had

been a seamless situation and it has all handed from within house by the insurance company talking to whomever and I am concerned that it is no longer that way. I would appreciate it and if it's not that way for me and I speak to you, think about how many people it's not that way and they don't come and make the effort here and let you know. Thank you very much. One final comment, when asked will the HRA or HSA money rollover, Mr. Wells within the 2011 to present day response was it depends on who the insurance company is, so when you delve into the way things are set up and whose handling the money and the appearance of the money and you can't spend it if your claim is over a year old, that we need to go back. If my money is in my account and I need my money to spend, then I can't. Thank you very much.