

**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

Video conferenced to:
University of Nevada Las Vegas
Systems Computing Services Building
4505 South Maryland Parkway Room 102
Las Vegas, Nevada 89154

ACTION MINUTES (Subject to Board Approval)

June 17, 2016

MEMBERS PRESENT

IN CARSON CITY:

Mr. Leo Drozdoff, Board Chair (joined at 9:17 a.m.)
Ms. Jacque Ewing-Taylor, Vice-Chair
Ms. Ana Andrews, Member
Mr. Don Bailey, Member
Mr. Tom Verducci, Member
Mr. James Wells, Member (joined at 9:31 a.m.)

MEMBERS PRESENT

IN LAS VEGAS:

Mr. Chris Cochran, Member (joined at 9:26 a.m.)
Ms. Rosalie Garcia, Member
Ms. Christine Zack, Member

MEMBERS EXCUSED:

Ms. Judy Saiz, 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. Nancy Spinelli, Public Information Officer
Ms. Kari Pedroza, Executive Assistant

1. Open Meeting; Roll Call

Vice-Chair Ewing-Taylor opened the meeting at 9:01 a.m. Vice-Chair Ewing-Taylor outlined that Public Comment would be taken as indicated in the Agenda and another opportunity for Public Comment would also be taken specifically about the HMO RFP, Agenda Item 5 under that item.

2. Public Comment

Public Comment in Carson City:

- Peggy Lear Bowen- Retiree Participant (see attached for comments)
- Marlene Lockard- Retired Public Employees of Nevada (RPEN)

Public Comment in Las Vegas:

- Conrad Wilson- Past chair of the classified staff counsel in LV

3. Action Item-

Public Hearing to receive comment and take possible action on the proposed adoption, amendment, and repeal of regulation (LCB File No. R028-16), including but not limited to, revising the date that certain participants are eligible to participate in the Program.

Executive Officer Damon Haycock went over the proposed adoption, amendment and repeal of regulation LCB File No. R028-16.

Public Comment in Carson City:

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

Public Comment in Las Vegas:

There were none.

Board Action-

MOTION: Move to approve the motion for the R028-16 to be approved by the Board.
BY: Member Bailey
SECOND: Member Verducci
VOTE: Unanimous; the motion carried.

4. Action Item-

Consent Agenda

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 the Action Minutes from the May 19, 2016 PEBP Board Meeting.
- 4.2. Approval of changes discussed at the May 19, 2016 PEBP Board Meeting to the PEBP Plan Year 2017 Master Plan Documents.
- 4.3. Receipt of quarterly vendor reports for the period ending March 31, 2016.
 - 4.3.1. HealthSCOPE Benefits – Obesity Care Management Program
 - 4.3.2. Hometown Health Providers – Utilization and Large Case Management
 - 4.3.3. Carson Tahoe Health – Diabetes Care Management Program
 - 4.3.4. The Standard Insurance – Basic Life and Long Term Disability Insurance
 - 4.3.5. Towers Watson's One Exchange – Medicare Exchange

Board Action on Items 4.1, 4.3.4 & 4.3.5.-

MOTION: Move to approve Items 4.1, with the one-word change (board members **absent** be changed to **excused**), 4.3.4 and 4.3.5.
BY: Vice-Chair Ewing-Taylor
SECOND: Member Bailey
VOTE: Unanimous; the motion carried.

Board Action on Item 4.2.-

MOTION: Move to approve Item 4.2., with inclusion of the Center for Disease Control guidelines in the definition for Reasonable and/or Reasonableness as another entity that the plan administrator will consider.

BY: Member Andrews
SECOND: Vice-Chair Ewing-Taylor
VOTE: Unanimous; the motion carried.

Board Action on Item 4.3.1.-

MOTION: Move to approve Item 4.3.1., with one change on plan year 2016 on page 7.
BY: Member Andrews
SECOND: Member Garcia
VOTE: Unanimous; the motion carried.

Board Action on Item 4.3.2.-

MOTION: Move to approve the report as provided with additional information pending.
BY: Member Cochran
SECOND: Member Zack
VOTE: Unanimous; the motion carried.

Board Action on Item 4.3.3.-

MOTION: Move to approve Item 4.3.3.
BY: Member Andrews
SECOND: Member Bailey
VOTE: Unanimous; the motion carried.

BOARD DIRECTION: The Board asked Pam Puckett of Carson Tahoe Health (CTH) to provide an A1C progress break-down for each of the nine individuals who had an average reduction of their A1C. The Board would like A1C information for each individual showing where they were when they began the program and where they are currently. CTH will provide the information to PEBP staff and PEBP staff will share this information with the Board.

5. Action Item-

Health Claim Auditors, Inc. quarterly audit of HealthSCOPE Benefits (HSB) for the timeframe January 1, 2016 – March 31, 2016.

- 5.1. Report from Health Claim Auditors. (Robert Carr III, Health Claim Auditors)
- 5.2. HealthSCOPE Benefits response to audit report. (Mary Catherine Person, HSB)
- 5.3. Accept audit report findings and assess penalties, if applicable, in accordance with the performance guarantees included in the contract pursuant to the recommendation of Health Claim Auditors.

Board Action-

MOTION: Move to accept the audit report and access the penalties as outlined in Health Claim Auditors' report.
BY: Member Wells
SECOND: Member Verducci
VOTE: Unanimous; the motion carried.

6. Action Item-

Discussion and possible action regarding the following opportunities for Plan Year 2017 beginning July 1, 2016

- 6.1. New reduced cost CDHP national network access for members living outside of Nevada;
- 6.2 Utilizing existing Third Party Administrator (HealthSCOPE Benefits), contract with a telemedicine vendor for virtual visits.

Board Action on Item 6.1.-

MOTION: Move to allow Mary Catherine Person with HealthSCOPE Benefits to make a selection relative to a network administrator for participants residing outside of Nevada and allow her to make that decision based on her analysis and taking into consideration Board concerns about the sharing of protected information.

BY: Vice-Chair Ewing-Taylor

SECOND: Member Bailey

VOTE: Unanimous; the motion carried.

Board Action on Item 6.2.-

MOTION: Move that the Board authorize the third party administrator, HealthSCOPE Benefits to contract with the telemedicine vendor for virtual visits effective July 1, 2016.

BY: Vice-Chair Ewing-Taylor

SECOND: Member Andrews

VOTE: Unanimous; the motion carried.

As Member Wells was not present at the meeting during the time that Item 3 was discussed, he requested that the Board revisit the Item briefly.

3. Action Item-

Public Hearing to receive comment and take possible action on the proposed adoption, amendment, and repeal of regulation (LCB File No. R028-16), including but not limited to, revising the date that certain participants are eligible to participate in the Program.

Member Wells shared his concern that the proposed regulation language in Section 1, subsection 3 (Page 2) in regards to when an employee who got approved leave without pay, elected not to pay premium and then returns to work is eligible for coverage, is not consistent with the other language in this regulation outlining eligible dates of coverage.

Executive Officer Haycock agreed with Member Wells that the language is not consistent and stated that the language would be changed to provide consistency.

Board Action-

MOTION: Move that we amend Regulation R028-16 to incorporate language in to Section 1, subsection 3, regarding coverage being effective of the 1st of the month on or after the date that they come back from leave without pay.

BY: Member Wells

SECOND: Member Andrews

VOTE: The motion carried with Member Garcia opposed.

7. Action Item-

Discussion and possible action regarding Board approval of a PEBP sponsored Statewide Survey to participants about Plan Year 2018 benefits.

Board Action-

MOTION: Move to proceed with the survey as presented with suggested inclusions from the Board (identify what the enhanced benefits are, add two questions regarding current plan and premium and acceptable premium increase range, add general health questions, and general demographic questions).

BY: Member Verducci

SECOND: Member Garcia

VOTE: Unanimous; the motion carried

8. Information/Discussion Item-

Discussion regarding the results of the PEBP Board survey provided to PEBP staff.

Vice-Chair Ewing-Taylor presented the PEBP Staff survey results to the Board. She explained that it had been her intention to analyze all of the qualitative data that was collected in the written comments so that the results would reflect general themes as opposed to verbatim responses but she ran out of time.

The Board discussed the option of Vice-Chair Ewing-Taylor bringing the results of the written comments after they were analyzed and summarized back to the Board. She stated that she could do that but would have to bring back the results in August or September. Board Chair Drozdoff offered to meet with any PEBP staff who wanted to provide feedback or expand on their comments to the survey one-on-one.

9. Action Item-

Discussion and possible action including approval of the Draft Overview of the Scope of Work and Scoring Criteria for Request for Proposals.

- 9.1. Health Maintenance Organization (HMO) services; and/or
- 9.2. Exclusive Provider Organization (EPO) services.

Board Action-

MOTION: Move that we accept the HMO RFP overview as outlined on slide ten, the scope of work as outlined on slide 11, and the criteria as outlined on slide 14 with the preferences for the meeting exceeding statewide, open access, out of area services and that we continue to evaluate the feasibility of an EPO option for some future date.

BY: Member Wells

SECOND: Member Verducci

VOTE: Unanimous; the motion carried.

10. Action Item-

Discussion and possible action for contracts terminating on June 30, 2017.

- 10.1. Ratification of a four year contract extension for Self-funded PPO Dental Network to Diversified Dental Services Inc.;
- 10.2. Ratification of a five year contract extension for health plan auditing services to Health Claim Auditors, Inc.; and
- 10.3. Ratification of a two year contract extension for voluntary home, auto, and property insurance to Liberty Mutual Insurance.

Board Action on Items 10.1., 10.2. & 10.3.-

MOTION: Motion that the state have the authority to go forward extending the current contracts and the dental service, Liberty Mutual and Health Claim Auditors for the time frames specified.
BY: Member Bailey
SECOND: Member Andrews
VOTE: The motion carried with Member Cochran abstained.

11. Action Item-

Discussion and possible action regarding the portability of Health Reimbursement Arrangement (HRA) Account authority from the Consumer Driven Health Plan to the Medicare Exchange HRA.

Board Action-

MOTION: Move that the Board reject the Staff recommendation and move forward with allowing portability of the HRAs for retiring people and have HealthSCOPE work with Towers Watson to make that happen.
BY: Vice-Chair Ewing-Taylor
SECOND: Member Garcia

Vice-Chair Ewing-Taylor and Member Garcia withdrew the motion.

MOTION: Move that the Board ask staff to conduct financial analysis to include OPEB liability, rates, the Medicare Exchange cost that is currently absorbed by the CDHP and HMO participants and a formal position from RPEN and bring this back to the next Board meeting.
BY: Vice-Chair Ewing-Taylor
SECOND: Member Bailey
VOTE: Unanimous; the motion carried.

13. Information/Discussion Item-

Executive Officer Report.

Damon Haycock presented his report to the Board regarding the overall activities of PEBP.

12. Action Item-

Discussion and possible action regarding Towers Watson's OneExchange's Service Improvement Plan.

Board Action-

There was no action taken on this Item. This Item will be added to the next Board meeting agenda.

14. Public Comment

Public Comment in Carson City:

- Marlene Lockard- Retired Public Employees of Nevada (RPEN)
- Peggy Lear Bowen- Retiree Participant (see attached for comments)

Public Comment in Las Vegas:

- There were none.

15. Adjournment

Chair Drozdoff adjourned the meeting at 3:29 p.m.

Public Comment under Item 2:

Peggy Lear Bowen: Good morning. My name and words for the record, P-e-g-g-y, space, L-e-a-r, space, Bowen, space, B-o-w-e-n, Lear is L-e-a-r. I want to thank you very much for all the work you're doing and how hard you are to protect the state insurance program for the present day workers and for those who have retired and their spouses and significant others. I want to thank you very much. I also want to thank you for the work you've done regarding those who I nicknamed the orphans a few years ago during the legislative sessions who came from other entities to become part of PEBP at that juncture.

And when we were brought forward, we were brought forward with the idea that if you have the retirees from other agencies within the state government and things like that, such as teachers, that you would maybe someday have your actives also in making a stronger program simply by the numbers.

Well, at the end of last meeting -- I've learned a few lessons in the years that I've been around. And the lesson that I've learned most recently is never make assumptions. Find out why people have the passion they have and the direction they're going because it's based on their background and never take anything personally.

Well, in the conversation with Mr. Wells after the last meeting, it was done in a public setting with other people hearing, I understood why we worked so hard regarding those who were not part of the state workers and such and related to the state workers as such, that Mr. Wells said very clearly, and he has substantiated this year after year by his actions, that he never wanted the retirees that were brought about in to the program because he felt, I'm going to say, and now I'm making an assumption, it would harm the program, that it would take the program's financial background down.

I want to suggest to you in the last motion that was passed for what you would be discussing and working on maybe at this meeting, probably at this meeting, of the idea of bringing back that legislative packet that failed in the legislature last legislature about sending the workers back to where they came from, regardless of what that impact would be on those workers who joined the state after being enticed to join the state who were not state workers. He felt it was -- it harms the program, from his point of view, it makes other people in the program pay for people that didn't pay in to the system when they were working as such as teachers in Clark County, teachers across the state, and other entities that were brought in.

I'm going to suggest to you that this program as a whole made some commitments that I would hope that you would not put in your RFP. The idea of bringing back the concepts of sending people away and making the system stronger by, in fact, weakening it because you didn't keep the promises that brought people in in the first place. And it is very important that the privatization of your insurance company gets the State of the Nevada out of the retiree system. All of those people who work for the State of Nevada, the A and B folk that were sent across the lines to Utah, we heard were sold. And I made a comment last time of they were sold to a company. And I made a comment last time, well, what about are the role that is going to be there.

Mr. Wells' response to me quite some time ago was it depends on who the insurance company is, which makes me believe that the monies that the State of Nevada through their PEBP program provides to those people who work for the State of Nevada and earn this insurance as state employees that that money has been convoluted or transferred and that you are only the conduit

of the money regarding your A and B Medicare folk. And you have other entities paying for their insurance in terms of handling what their benefits are, who they can do, what they can see, and how it's done. And it didn't come to light until we started looking at maybe not having Hometown Health being your carrier.

You must, must realize that if you indeed fact quoting Senior Care Plus in talking about their insurees with the state sold A and B Medicare folk, and that's beyond Hometown Health. I believe you have other entities that are covered by those people, sold those people to a company, and all you're doing is being a conduit. And the fact that the state provides other monies to help assist, those people are dying in the Medicare hold because the state is unable to -- After you've sold something I guess you can't affect the contract or maybe you can through whatever you negotiate or do. But it's only fair to those thousands of people that you have on A and B Medicare that the state has some responsibility for their insurance, for what their coverage is, what their benefits are. And you don't have people dying because they can't afford their medication, they can't afford -- And diabetic medication is the one that has hit the level. As soon as something becomes very expensive, they cut the insurance coverage, but they get more payback from the Medicare, from Medicare for how sick their people are. You cut their medication, ability to pay for their medication, they get sicker, the insurance companies get more money.

And so I need you to maybe look at it in a little different perspective about what your responsibilities are for your A and B folk who other jobs are paying for their insurance basically by virtue of their Medicare coverage which with you -- the state does not offer. And I got a little wrapped up. But it is so important that you take back your folk either financially, fiscally, covering the doughnut hole, however possible, that you -- you may have sold them but you didn't sell the fact they worked for you for 27, 29, 35, 40 years. You didn't sell that. That commitment was to the State of Nevada and that responsibility still stands. If you want to have coverage for them through the A and B and the people you sold them to, fine. But you can't as an entity work on a benefit for them from the State of Nevada for their service that covers what is killing them right now.

Public Comment under Item 3:

Peggy Lear Bowen: My name and words for the record, P-e-g-g-y Lear, L-e-a-r, Bowen, B-o-w-e-n. And it's only that included under repeal sections under section four on page four, because it was included as a person or critical labor shortage, are we -- do we have an addressed critical labor shortage person coming back in after being retired and receiving both? Are we eliminating whether a person with critical labor shortage needs to be defined, or is the fact that they're still retired and receiving the other retirement. In other words, if I go back to work and in a critical labor shortage area, will I still be able to be covered by insurance?

Executive Officer Haycock answered Ms. Bowen's question.

Public Comment under Item 14:

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. A few things that came up today. The discussion you had about people who are coming back from work after they were off work without pay. Much discussion in the lunch room, the concern is that if they start up on the 14th of the month, they haven't paid the premium from one to 13 of that month, and therefore they would be getting a gift, so to speak.

I would hope and pray that you would reconsider having an option available for them if they want to pay the premium beginning that month of when they were brought back to work or when they went back to work that they'd have the option for paying the premium that would have been due had they been a working person at that time instead of out of work without pay, that sort of thing. At least give them an option so that they have their insurance. That's number one.

Your teled, I'm concerned that it is only for face time through technology with a doctor with teled. For those of us who are not going to get sick between eight to five on a weekday and who are not -- who are not connected that they don't get a bonus for using teled because that would be a fine for others who don't telephonically or computer wise electronically connected, that it's kept as an equal basis. It's just another option for people to get help with their doctors.

For a lot of people this is the situation. We call the nurse. The nurse says you got to go to urgent care. You go to urgent care and they tell you have to go to the hospital. And you get to the hospital and the hospital says, we don't have any reason to admit you. There are lots of bills that have been incurred because you followed direction. And I don't want them ever to be deemed as not payable and covered by our insurance because it wasn't determined as being urgent or an emergency by when you finally got to the hospital.

And so we need to word craft and work with that situation so that nobody is penalized for utilizing the options that they have available for them to use and not to assume that everybody is going to get the smart phone and all of that other stuff. Okay. Cancel that one.

And I've heard a lot of things about the reserves being used up. But I remember Ms. Marlene's comment a few meetings ago about, well, what about the new reserves. It's like the piggy bank is empty but in fact from what I'm hearing that money is being built up in the accounts as we speak. And you're saying no. If that's not the case, then we need to put it by this board on the record what's happening with potential new reserves or any other reserves, not just the old ones.

Then the survey, again, pertaining to the technical part, I would hope that everyone would receive a survey. And I want it in writing, in print, and electronically so that people can do them. But I want -- I would hope and pray -- God, that was rude. I apologize. I would hope and pray that you would consider your survey so valuable that every single person receives it in a capacity that they can fill it out and return it to you and have it set up so that if, oh, if you're on the HMO, answer this part of the survey, and what if you're considering going to the high deductible. Well, what would your answers be over there and vice versa. So that you get a whole picture of a person who has options and that it is in writing and not just electronically done. Do both. Do a blend. Because you truly want your survey back and not necessarily the means by which it was sent.

And I love you all and I hope all is well. And I don't want anybody left behind. Everything is done and thank you for all your hard work.