In The Matter Of:

PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD
LEGISLATIVE UPDATE MEETING

April 6, 2017

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PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD

TRANSCRIPT OF PROCEEDINGS

LEGISLATIVE UPDATE MEETING

THURSDAY, APRIL 6, 2017

CARSON CITY AND LAS VEGAS, NEVADA

The Board:	PATRICK CATES, Chairman ANA ANDREWS, Member LEAH LAMBORN, Member TOM VERDUCCI, Member CHRISTINE ZACK, Member ROSALIE GARCIA, Member CHRIS COCHRAN, Member
For the Board:	DENNIS BELCOURT, Deputy Attorney General
For Staff:	DAMON HAYCOCK Executive Officer LAURA RICH Operations Officer CELESTENA GLOVER Chief Financial Officer NANCY SPINELLI Quality Control Officer KARI PEDROZA Executive Assistant
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I N D E X

THURSDAY, APRIL 6, 2017, 10:00 A.M.

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CHAIRMAN CATES: This is the time and the place of the Public Employees Benefits Program, Agenda Item Number 1, roll call.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Here.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Here.

MS. PEDROZA: Rosalie Garcia. Rosalie.

MEMBER GARCIA: Can you hear me? Here.

MS. PEDROZA: Thank you, Rosalie.

Leah Lamborn.

MEMBER LAMBORN: Here.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Here.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Here.

MS. PEDROZA: Chair Cates.

CHAIRMAN CATES: Here.

MS. PEDROZA: And Members Bailey and Wells have been excused. We have a quorum.

CHAIRMAN CATES: Thank you.

All right. I'll move on to the next agenda item, public comment. We only really have one substantive agenda

item in this meeting and that's to discuss legislation. For the sake of time we will have the public comment at the beginning of the meeting on Agenda Item Number 2 and then at the conclusion of the meeting since we're really only discussing one item. And that should give the public ample time to express their opinions on anything on this agenda or otherwise.

So, with that, I'll open up public comment. Is there anybody in Carson City who would like to make public comment? No? Okay. Well, seeing none -- Are you sure? Last call.

UNIDENTIFIED SPEAKER: I'll wait until the end.

CHAIRMAN CATES: Okay. We'll close Agenda Item Number 2 and we'll open Agenda Item Number 3, approval of the March 9, 2017 legislative update teleconference meeting action minutes.

MEMBER ANDREWS: Chairman, Ana Andrews for the record. I have a correction on page two, board action, Assembly Bill 139 should be Senate Bill 139.

CHAIRMAN CATES: Okay. Any other comments? Any motion to approve?

MEMBER ANDREWS: So moved. Ana Andrews.

CHAIRMAN CATES: Approved with your correction?

MEMBER ANDREWS: Correction. Correct, yes.

CHAIRMAN CATES: Do we have a second on the

motion?

MEMBER LAMBORN: Leah Lamborn. I'll second that.

CHAIRMAN CATES: We have a first and a second. Any discussion on the motion? Hearing none, I'll call for a vote. All in favor of approving the action minutes with the one revision from Ana, please signify approval by saying aye.

(The vote was unanimously in favor of the motion)

CHAIRMAN CATES: Any opposed? I'm going to say that was unanimous. I will point out the next time I call for a vote we'll do a roll call vote just so we can be clear on who's voting which way. It's a little difficult with the phone.

Okay. So now we will close that item and move on to Agenda Item 4, discussion and possible action regarding 2017 legislative bills that may impact the Public Employees' Benefits Program. Damon.

MR. HAYCOCK: Thank you, Mr. Chairman. Damon Haycock for the record. We have revised the format of the bill tracking to hopefully be more easily read and address some of the questions that were at the last two meetings. You'll see that we have added a board position section and a fiscal note section to the tables to help address any of the questions and concerns. The fiscal note is -- or if there is a fiscal note on the bill, it is the total amount. And if you have specific questions as to how PEBP got to that level,

we can answer those. Tina is here to go in to detail if need be. But to ensure that we don't have voting on multiple bills at once and that issue that happened last time, I'm just going to take these one at a time, give you all an update, and then see if the chair wants to, of course, entertain a motion. And then we'll move through these pretty quickly.

Please recognize that April 14th, a week from tomorrow, is the last day that bills have to exist to get out of the committee and be approved unless they are exempt. And so hopefully we'll see what happens to some of these bills and the amount of bills will be reduced.

There are some new bills that I will go over since the last board meeting. But I'm going to take these from the top. Starting on the first page, we're going to go with Assembly Bill 249. This is the bill that discussed 12-month supply of the contraceptives, covering male sterilization, and eliminating co-insurance requirements for multi-source contraceptives.

There has been no real update to this bill. There hasn't been an additional hearing or any work session. However, this bill was approved for an eligibility for exemption on April 3rd, which means that it is exempt from the time requirements for this bill to continue to exist. So I have no additional update. You guys were neutral on March

23rd. You were previously opposed to this on March 9th. I don't have any recommended change to this bill. If you would like to, we can change the position. We do not have a fiscal note because we're not quite sure exactly how this will affect PEBP or if it will affect truly negatively.

And with that I'll turn it over to the chairman.

CHAIRMAN CATES: Thank you, Damon. Any discussion on this bill? We currently have a neutral position on this. So if there are any questions for Damon or if anybody would like to discuss changing that position.

MEMBER VERDUCCI: Mr. Chair, Tom Verducci for the record.

CHAIRMAN CATES: Go ahead.

MEMBER VERDUCCI: What I'm not clear on is what the cost would be to PEBP on this. Would it be minimal or massive? And if there was cost associated would this be an unfunded liability that we would have to take in to consideration in the future with increased premiums and perhaps increased subsidies? Do we have any vision on this?

MR. HAYCOCK: For the record Damon Haycock. Thank you, Tom, or Mr. Verducci. The fiscal note we feel is going to be minimal, and the reason is that we currently cover contraceptives at least for females at a hundred percent anyway through the Affordable Care Act. There are bills going through the legislature right now to continue to

preserve portions of that Affordable Care Act if the federal government does repeal it and replace it. The only concern, like I said, is minimal, is the idea that we may have to on this specific bill reissue 12 months supplies as members may lose it or if we issue a 12-month supply and someone leaves the plan, technically we never would have had to assume that cost. But at this point we don't feel it's worth fighting. It's not that big -- I don't want to say it's not that big a deal because it's truly important to the members. But to PEBP's finances we don't feel it's going to be impactful enough to have to raise rates or increase subsidies.

MEMBER VERDUCCI: Okay, Damon, thank you very much. Tom Verducci for the record. With the update here that it's minimal, would there be any feeling in terms of the board taking a no position based on how popular this bill is? That's just an item for discussion.

CHAIRMAN CATES: For the record, this is Patrick. I think neutral is sort of the -- If we take no position at all then Damon has nothing to say on this bill. Whereas neutral we're not taking a position either way and it gives him some liberty to discuss it.

MEMBER VERDUCCI: Thank you very much, Mr. Chairman. I'm very comfortable with our neutral position. And with that I'll turn it over to the board for further discussion.

CHAIRMAN CATES: Thank you.

Any other discussion on this item? I don't hear anything. I think we're moving on and keeping our neutral position.

MR. HAYCOCK: Thank you, Mr. Chairman. On page two you'll see Assembly Bill 331. This creates the Nevada System of Community Colleges. It is a bill that really only affects PEBP in the manner that part of the bill includes increasing the PEBP board by one member to have a representative of a new Nevada System of Community Colleges, similar to the Nevada System of Higher Education. This was heard on April 3rd by the Assembly Committee on Education. It's interesting to note that if you go out to NELIS you'll see there are multiple exhibits. Many folks are in opposition to this bill. And ironically all four of the community colleges are.

But we don't have any other update and we don't recommend taking a position on this specific bill unless you wish for me to go up there and speak on half of adding a board member.

CHAIRMAN CATES: Any discussion on AB 331? It sounds like no discussion on that one.

Let's move on to the next bill.

MR. HAYCOCK: On page three, you'll see AB 352, this is a bill designed to assist those folks with

metastatic -- I can say that word now. Metastatic -- Excuse me. For preauthorization. I'm sorry. I mixed this bill up with another one. I was so excited to say that word. This bill has already been changed. There was a concept amendment discussed by the sponsor. Initially it was designed that we at PEBP would have to accept the decisions on pre-authorizations or other pre-conditions of coverage from another insurer. So if another insurance plan approved it, the treatment of care, that once that person came to our plan we would be forced to continue that treatment of care. And even if we didn't even cover those benefits. And so by the time I got a chance to go up there and talk, they had already come up with a concept amendment to find a way to ensure that basically they're frustrated, the sponsor is frustrated with the length of time a pre-authorization takes, especially for folks that have chronic conditions and need care. They need mostly prescriptions.

And so I'm actually -- I've been invited to speak at a round table this afternoon and we're going to talk about some friendly amendments to this bill. My suggestion, and if the board wishes for me to change, I will, I think instead of mandating that we don't have the ability to do pre-authorizations for chronic conditions, which is what the crux of this bill is, that we put a time frame on how long those pre-authorizations take. I reached out to both our

utilization management company who does pre-authorizations on the medical side and our third party administrator, Express Scripts, on the pharmacy side. And I said, worst case, what's the length of time it usually takes to get a pre-authorization. And, of course, it's up to the provider or the doctor to meet the requirements, fill out the forms, and justify. But Express Scripts said in general it takes about 24 hours. And our utilization management vendor, Hometown Health, said it's about five days tops.

So I'm thinking about recommending maybe something along the lines of a requirement for 30 days for pre-authorization with a five-day or ten-day expedited pre-authorization if it works for chronic conditions. Similar to what you see in the Affordable Care Act, they have appeals, they have a regular appeals process and an expedited appeals process for those that have medical conditions that need an answer immediately. And I think if we address the time frame then we don't have to eliminate our ability to apply these very important cost controls and patient safety programs to our care for chronic disease.

But I would love to hear from the board to see any other suggestions or if you have any concerns about that -- that direction.

CHAIRMAN CATES: Thank you, Damon. I have a question. If the bill were amended in the manner that you

just described what would that do to the fiscal note? Would that eliminate it?

MR. HAYCOCK: For the record, Damon Haycock. Mr. Chairman, I believe that it would, because we continue to do our pre-authorization and the time frame doesn't incur any additional administrative burden on the processes that we have today. So we would just ditch the fiscal note.

CHAIRMAN CATES: And has the sponsor of this bill been receptive to that?

MR. HAYCOCK: For the record, Damon Haycock. Mr. Chairman, the sponsor has been receptive to a lot of different lobbyists right now and different agencies. I think -- I'm not sure what the other agencies are going to do. That's why we're having this meeting today, holding this round table. He was very amenable to just making this only prescription too and getting rid of any other additional care or equipment or anything else. So I think he just really wants to deal with the pre-authorization problem and I'm hoping I can present him a solution that works for everybody where we can continue to manage our plan. So I'm hopeful, but I'll know more this afternoon.

CHAIRMAN CATES: Okay. Thank you. Any other discussion on this bill?

MEMBER COCHRAN: Mr. Chair.

CHAIRMAN CATES: Go ahead.

MEMBER COCHRAN: This is Chris Cochran. Just in terms of the length of time and a little bit more clarification on the pre-authorization process. So we're assuming that someone who came in from another plan has, say, a prescription or has a pre-existing condition and has certain treatment protocols in place and wants to have those maintained under the PEBP plan, would that require that individual in order to deal with the pre-authorization giving that person the time to get it done, would that require that individual to have to go back to their provider or -- and if that provider is not on our plan to go to a new provider in order to get that pre-authorization?

And my reason for raising this question is because if the -- if the provider of, say, a prescription drug that the provider who wrote the prescription is not a member of our plan, I worry that the pre-authorization may take more time. And so if we're going to support that, I think it needs to be thoroughly researched to make sure that, you know, that pre-authorization can be done in the amount of time. If they have to get another provider's opinion and another -- a prescription from a plan provider, I'm concerned that that pre-authorization would take longer.

MR. HAYCOCK: For the record, Damon Haycock. Thank you, Dr. Cochran. That's a definite concern. Of course we always want to be member-friendly here and we don't

want them to have to jump through hoops to receive the care they've already been approved for. We also don't want to provide benefits that our plan just doesn't support like investigational or experimental services.

We have -- We don't leave people out in the lurch. I'll be honest with you. I can't remember a time when I heard of any person saying that their pre-authorization wasn't approved timely and that they had to go without care. When we switched from Pharmacy Benefits Managers Optum to Express Scripts, Express Scripts honored the pre-authorizations from Optum from all of those providers for all of those drugs and we were able to have continuum of care for those members.

And so if it takes longer -- And I don't have a problem with putting in, you know, how long -- that it can take longer. The idea and the real concern was when the senator who -- the assemblyman, excuse me, who sponsored this bill sat up at the table and shared a personal story that he had to wait more than 90 days for his pre-authorization and had to -- I'm surprised he said this, really, on the record, but had to use friends he knew out in the medical community to help him get his prescriptions in the meantime before his health insurance plan covered him.

These issues -- And a lot of the things that I'm tackling at the legislature are issues of plans that really

aren't PEBP. I mean, we run -- I don't way to say we run better, but we don't have these types of issues. We're not having a whole lot of balance billing issues. And we'll talk about that later. But for this specific scenario, we always side with the member and we always continue care.

And I personally am negotiating with out-of-state networks right now to ensure that no matter what we do we don't stop the care for somebody with chronic disease and that they get the prescriptions and the treatment that they need while we are deciding in the background if it's appropriate cost-wise or if the provider is being difficult.

So I don't know if that answers your question, Dr. Cochran, to the level that I hope it will. But the idea of putting a 30-day limit or a ten-day limit is to hold us accountable, not to make it for difficult for the member to receive it. We just don't want to have it out there with no time limit and then the sponsor of the bill says, well, this is the problem I've been trying to solve.

MEMBER COCHRAN: Okay. I mean, I get that. I guess one of the things that I think about is if a patient has -- if one of our members has a -- is a new member, has a prescription for a specific drug, and that prescription has, say, when his current physician -- his or her current physician prescribed the drug, gave them a prescription for, say, one year. And within that one year, let's say three

months the person changes plans and still has nine months of that prescription left and they take that drug to the pharmacy, they're just assuming the pharmacy is going to refill the drug, which they likely will do. And then they will ask them for their insurance information if it needs to be updated.

And I think so where I get a little worried is that it may not be a month. It may be two months or so before somebody comes in and all of a sudden says we don't have this member -- this physician is not a member of our plan so we have to get pre-authorized. So I don't want it to be -- In other words, I just want to make sure that we're protecting our members for the sake of continuity that they won't be able to not get a drug at least until this issue -- until their individual issue has been resolved.

This may be a minor thing. It may not happen on occasion. But I can see situations where that's a possibility.

MR. HAYCOCK: For the record, Damon Haycock. Thank you, Dr. Cochran. I think the issue that you just illustrated will exist or has the potential to exist whether or not this bill moves forward. There are plans that have to deal with changing providers, changing drugs, drugs that may not be on formularies. And so I think we're handling that problem very well today.

I will let you know that as far as prescriptions go that PEBP through our contracting has been provided the ultimate authority over a drug when it's to be issued to an individual. So if someone -- And this has happened. Someone is at a pharmacy at 4:45 on Friday afternoon and can't get their drugs, we can call somebody and get that drug released so that they can have it while we figure out what we need to do after that problem has surfaced.

And so we are very dedicated to take care of our membership. We have built in safety nets to ensure that even though we have certain processes to protect the plan that we protect the membership first. And so we are here to help them. And I think regardless of this bill we're still going to do that service even if we put a smaller time frame on ourselves. There's always exceptions. And if there's an exception that's taking two months because we have to reach out to another doctor who's being difficult, it's not like we're going to stop treatment. We're not that type of health plan.

So the only thing that we may do would be for patient safety is if the clinical team at Express Scripts determined that a prescription that a member was prescribed is causing a problem with another prescription that they were prescribed and there's a safety concern. And so outside of those types of things, we pride ourselves on continuum of

care and we will continue to do that regardless of this bill.

MEMBER COCHRAN: Okay. I'm just wondering if we need to mention that the Express Scripts they said it takes 24 hours and the other provider says it takes five days, I'm just more concerned that it might be a month that goes by before someone -- before someone actually does refill a prescription. So I'd like to make sure that we've got enough time frame for them to get that pre-authorization if it's necessary. So I'm not sure that 30 days is enough. I might at least want to make it three months just for the sake of safety so that the patient can be informed that we're going to need to get another pre-authorization, you may need to get another physician. But that's just my own personal opinion on it.

CHAIRMAN CATES: Thank you, Doctor.

Any other comments on this bill?

MEMBER GARCIA: Yes. This is Rosalie Garcia.

CHAIRMAN CATES: Go ahead.

MEMBER GARCIA: In addition to Dr. Cochran, I have the same concern that 30 days may not be enough. And my question, Damon, is what if -- I know we don't want to play on what-ifs, but that's kind of what we do -- is there words -- wording in the bill that we could extend beyond the 30 days? For instance, if on the 29th day there is a safety concern with regard to that prescription, what would happen

then?

MR. HAYCOCK: So for the record, Damon Haycock. Thank you, Ms. Garcia. I think I want to take a step back and then I think by going through what I'm about to say it will answer that question as well as Dr. Cochran's. First of all, our pre-authorization program is managed by Hometown Health through our -- on our medical side and by Express Scripts on our pharmacy side. That pre-authorization process doesn't start when a person hits the pharmacy and they're on their last refill. That process starts when -- Express Scripts knows that someone is coming due for their pre-authorization. And often, I know at least with my personal experience is with my own pharmacy, we're told you only have two more refills left, you need a pre-authorization, that there's communication that's sent out to members to remind them that they need to renew this.

This 30 days isn't that if they don't get in 30 days they're out. The 30-day suggested time frame was how long we could sit on having all of this information before we issue it. So it's not to hold the participant accountable. It's to hold ourselves accountable. Because I think the concern at the legislature from the sponsor is that health plans aren't efficient with pre-authorizations. It's not that people don't need them or that doctors aren't asking for them. But if a doctor needs more time or you have to

coordinate between providers, that doesn't necessarily stop the clock and say you can't issue that drug. We will continue to provide, you know, services to our membership even if we have a 30-day pre-authorization requirement. It's just that we have to justify why we went beyond 30 days, which would be my suggestion. And that can be anything from provider difficulty to lack of appropriate records to lack of access in to a provider where maybe the provider wants to reassess the situation and see if this drug is actually working and so they want more time.

But we're not trying to create a black and white time frame. I just wanted to come up with something to still allow us to have pre-authorization because the bill as written today takes that away from us and says if someone has a chronic condition we can't do pre-authorization if they were already approved for something in the past and that can be kind of scary.

And so I'm willing to go with whatever time frame that we want but recognize that the time frame that the assemblyman said personally at 90 days is the impetus of this bill, and I think we would have to come up with something shorter than that.

CHAIRMAN CATES: Any further comment on this bill? We currently have a neutral position. Any desire to change our position?

MEMBER VERDUCCI: Tom Verducci for the record.

CHAIRMAN CATES: Go ahead, Tom.

MEMBER VERDUCCI: It would be my opinion that we continue the neutral position, which will allow Damon the ability to have some dialogue with the legislators.

CHAIRMAN CATES: Perfect. Thank you.

Okay, if there's no other comment, we'll move on to the next bill.

MR. HAYCOCK: For the record, Damon Haycock. And I want to make sure that I state this on the record. Dr. Cochran, you and Ms. Garcia, I'm not dismissing anything you said and your concerns will be brought up today. I'm going to share with them that we talked about this bill here today at our board meeting and that there was concerns about the time frames for those situations that we just can't imagine or we can't necessarily control. So I'm not showing up there with my idea alone. I'm definitely going to share your opinion. So I wanted to make sure that you guys know that.

And moving on to page four, AB 381, that's not being allowed to change tiers mid-year for a drug. So if you have a drug that is currently on the preferred tier and then all of a sudden a generic comes out and you want to move the drug off of the preferred tier to the non-preferred tier so you could realize savings with that generic, this bill

prevents that from happening mid-year and makes it where it has to happen at the end of a year or when a policy is renewed. Previously the board took a position of neutrality. We have a fiscal note on there. That's the -- reflects the cost of brand drugs that we know are losing patent protections by 2021. And so we get a report from Express Scripts that says that they anticipate certain brand name drugs will be off patent and generics will be available. We don't know if that will occur mid-year or at the end of the year. But at this time we have no future meetings scheduled that we can see, and so I don't have another update for you. If you guys want to remain neutral, I can continue to work with the sponsors or the sponsor of this bill and be able to testify our concern about this process mid-year.

CHAIRMAN CATES: Thank you, Damon. Okay. So we're neutral on AB 381. Any discussion on this bill? Hearing none, we'll move on.

MR. HAYCOCK: On page five is Assembly Bill 382. This bill requires payments to be accepted for emergency services for out-of-network hospitals and their physicians at the greater of in-network negotiated rates or 125 percent of Medicare. You guys previously took no position on this. We have not been asked to develop a fiscal note. Although if we were, we would actually develop a negative fiscal note because this actually helps us, this helps PEBP. It ensures

that we can take some of the exorbitant price gouging that often gets balance billed to members who have emergencies. And they run to the emergency room and they go to even an in-network hospital and then an out-of-network physician is on call, gets called in, and then charges the plan the out-of-network rate and we pay usual and customary and the rest gets balance billed to the participant as a surprise bill.

So this is one of those bills in the legislature that's trying to solve this problem. And we believe that if you don't want to be for it necessarily but if you could take a neutral position I would love to be able to go to the table and say how much we feel this can help our plan and controlling costs of out-of-network physicians and out-of-network hospitals.

There is a hearing Monday on this. And, again, I would like to, with your permission, be able to go address PEBP -- how this affects PEBP in a positive manner at that hearing.

CHAIRMAN CATES: Thank you, Damon. It sounds like this is an important one for us to take a position on. Any discussion on the bill?

MEMBER VERDUCCI: Tom Verducci for the record.

CHAIRMAN CATES: Go ahead.

MEMBER VERDUCCI: I believe that's a very

reasonable request and I would be very supportive in taking a neutral position to allow Damon the ability to go in and testify on Monday.

CHAIRMAN CATES: Okay. Any other comments? Is that a motion?

MEMBER VERDUCCI: Yes, sir, Mr. Chairman. Tom Verducci for the record. I would like to suggest a motion on AB 382 that the board take the neutral position.

CHAIRMAN CATES: Okay.

MEMBER GARCIA: Rosalie Garcia. Second.

CHAIRMAN CATES: Okay. We have a first and a second to be neutral on AB 382. Any discussion on the motion? Hearing none, I'll call for a roll call vote.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: And the ayes have it.

CHAIRMAN CATES: Very good. Thank you.

MEMBER VERDUCCI: Tom Verducci for the record. I'm also an aye.

CHAIRMAN CATES: Okay. Thank you.

Okay. So now we're now neutral on that bill.

Let's move on to AB 408.

MR. HAYCOCK: Thank you, Mr. Chairman. Damon Haycock, for the record. AB 408 is a bill that is attempting to replicate many of the Affordable Care Act requirements that the federal government has in place for the nation if it is to be repealed and replaced. They're trying to save a lot of those types of benefits, the allowing children to be on a health insurance plan when they're adults up to the age of 26, that we cover maternity and newborn care, that we cover preventive services at a hundred percent and so on and so on.

I have no real update. This bill is actually going to be heard tomorrow. But right now you have a position of neutral. And I'm not a hundred percent sure after our last meeting what I could say. Normally I could go up there and say we're in support, I'm testifying neutral. We support the idea of this or I'm testifying neutral and we have some concerns about this language. So if you want to remain with the same neutrality, I can testify tomorrow and I just need to know what you would like me to specifically talk about.

CHAIRMAN CATES: Thank you, Damon.

Discussion on this bill? Go ahead, Ana.

MEMBER ANDREWS: Ana Andrews for the record. So,

Damon, let's say that the Affordable Care Act and this bill is passed here in Nevada, does that mean that we will have to entertain a health plan that mirrors all of these recommendations, meaning the board will have to discuss it at whatever -- a certain given time to make sure to provide all of these benefits.

MR. HAYCOCK: For the record, Damon Haycock. That is correct. This would be a state mandated basically essential health benefits. I will say that there are some concerns right now from other health plans and lobbyists that I've heard that one of the things they don't like about this bill is that the determining factor of essential health benefits would be the Department of Health and Human Services and their director, whereas today even though CMS or the Centers for Medicare and Medicaid Services determine essential health benefits, they do it through CCIIO. And I know I'm acronym crazy today. But that's the Centers for Consumer Information Oversight. I forget what the other I is. But basically it's an insurance group that is determining enhanced benefits and not a health group. And so I believe they're looking to present some amendments to this bill -- I've heard talk of it -- where they shift that responsibility away from the Department of Health and Human Services and move it to the Division of Insurance.

But other than that, the rest of this looks to be

very similar, if not completely what we do today.

And so if the board -- What this would do is it would prevent the board from not providing these benefits in the future, if that answers your question.

MEMBER ANDREWS: Ana Andrews for the record. Yes, that does. And then I would support to stay neutral and see what happens. Thank you.

CHAIRMAN CATES: Any further comments?

MEMBER COCHRAN: Mr. Chair.

CHAIRMAN CATES: Go ahead.

MEMBER COCHRAN: This is Chris Cochran. So I want to be clear, this bill has not yet been assigned to a committee; correct?

MR. HAYCOCK: For the record, Damon Haycock. There's a hearing on it Friday. And, I'm sorry, I didn't announce where it's actually going to be heard by. But let's see real quick. It is going to be at the Assembly Health and Human Services Committee this Friday at 12:30. So it's been assigned.

MEMBER COCHRAN: Okay. All right. So that was my concern. If it hadn't been assigned to a committee typically that means if it doesn't make it to a committee it's not going to be passed anyway. But I would just wanting an update on that. Okay. Thank you.

CHAIRMAN CATES: Thank you. Any other comments

on AB 408? Hearing none, it sounds like we're still neutral.

Move on to the next item. SB 80 is my bill. I will just say that I am not seeking a hearing on this bill. We talked about it before. There's no change on it. It's been replaced by SB 502, which is at the end of this agenda item that I'll talk about.

So we'll skip to SB 139.

MR. HAYCOCK: Thank you, Mr. Chairman. Damon Haycock for the record. SB 139 is that incentivized process for patient-centered medical homes. It was heard back on the 27th by the senate committee on health and human services and they amended and did pass it. And with that amendment they took out the requirement to provide incentives and allowed the option to. And so basically we don't feel that this bill has any negative impacts to PEBP as it currently stands. We would like to continue to watch it. We would like you to continue to be neutral on it in case they throw us a curve ball. But at this point in time it's just appearing to promote the utilization of and the development of patient-centered medical homes, which I think, Dr. Cochran, you and I had a conversation about the benefits, where we can use our good models but not being required to incentivize gives us the ability to continue to be good fiduciaries of state funds.

And so I don't have an update to this unless you

would all like to take a different position. But we had a fiscal note in there when it was for mandatory incentives. The actual amended, you know, when you go to NELIS and it says as introduced and then it shows as amended, that amended version hasn't been developed yet. I don't know why it hasn't, to be honest. Once it does then I will be able to readdress the fiscal note and most likely take it off. So if there's any questions, I'll entertain them.

CHAIRMAN CATES: Any questions or comments on SB 139?

Hearing none, I guess we're staying neutral.

Move on to SB 233.

MR. HAYCOCK: Thank you, Mr. Chairman. Damon Haycock for the record. SB 233 is a very similar bill to the other contraceptive bill and it would require us to again provide that 12-month supply of contraceptives, cover voluntary male sterilization, and eliminate co-insurance requirements for those multi-source contraceptives.

Additionally, this one has a requirement that we cover hormone replacement therapy but eliminate the step therapy and prior authorization. If you recall back in I think at the last board meeting we had -- or the last telephonic meeting we had folks from Hometown Health come up and talk about some of the concerns of not having step therapy or pre-authorization mostly for the abusive hormones

like anabolic steroids where we want to control and ensure they don't go out for patient safety and folks would be able to potentially get these drugs through a prescription from a friendly doctor and we would have no ability to stop them.

Interestingly enough, you guys were opposed to this on March 9th. And we went back and looked at all the motions and I didn't see that you guys fixed it to a neutral position. Not to say that you needed to, but I thought at the last meeting the idea was to go neutral on bills that we didn't quite like so we could at least talk about them.

But we will definitely entertain -- You know, my suggestion is to be neutral. If you're going to be neutral on the first one, you might as well be neutral on the second. I can still go up there and share the same concerns on Senate Bill 233, but I haven't seen any updates for any new meetings or anything else coming up. They did meet on it back in early March but I haven't seen anything else since. I assume this one may get a notice of exemption as well.

CHAIRMAN CATES: Okay. Thank you, Damon. So we're currently opposed on SB 233. Any discussion? Questions?

MEMBER VERDUCCI: Mr. Chair, Tom Verducci for the record.

CHAIRMAN CATES: Go ahead.

MEMBER VERDUCCI: That was quite compelling

testimony from Hometown Health and I think that's why we decided to take an opposition to this bill. And, you know, based on Damon putting forward the additional information here and not a huge fiscal note, I would be very supportive of taking a neutral position.

CHAIRMAN CATES: Okay. Is that in the form of a motion?

MEMBER VERDUCCI: Yes, sir, Mr. Chair. I would like to make a motion for SB 233 that we go from opposed to neutral.

CHAIRMAN CATES: Okay. Very good. Do we have a second?

MEMBER ANDREWS: Ana Andrews. Second.

CHAIRMAN CATES: Okay. We have a first and a second to go neutral on SB 233. Any discussion on the motion? Hearing none, we'll call for a roll call vote.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Rosalie Garcia.

MEMBER GARCIA: No.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: No.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: And the ayes have it.

CHAIRMAN CATES: Okay. So we're now neutral on SB 233.

Let's move on to SB 265.

MR. HAYCOCK: Thank you, Mr. Chairman. Damon Haycock for the record. SB 265 requires posting of formulary changes on diabetes no later than 30 days before open enrollment and that if we received a manufacturer rebate that we may have to share that rebate back to the participant.

I'm going to go in to a little more detail on this because I had a long conversation with the sponsor. And the intent and the language in this bill appear to show that when a manufacturer increases the costs of insulin that if it is increased past a certain threshold as announced in this bill that the manufacturer is supposed to provide a rebate to the person who got the insulin. And often as we do as PEBP we will be an advocate for that member and we will ask on their behalf. And so we were included in this bill so we would have the same opportunity as any other health insurance plan to go after basically the price-gouging practices of manufacturers who raise the cost of insulin. It was not designed and it will not be designed to force us to provide

our normal manufacturer rebates back to participants.

And it's not that we don't want to share the cost with them. We actually do. On our diabetes care management program, we only charge $25 a month for insulin, which is one of the lowest in any health plans that I've talked to ever. And we have not increased that for years. And we as a plan absorb the remainder of that. So when insulin is running at $400 a month, we're paying 375 and the participant is paying $25. And so we get rebates back through our pharmacy benefits manager and we're able to use those rebates to offset that cost that the plan takes. And so we feel very proud of our low co-pay diabetes insulin process through our program that we offer to anybody that wants to participate that has type one or type two diabetes.

So we feel at this point or I do after talking with the sponsor that this isn't going to impact us financially and that she is also developing an amendment right now with other lobbyists and other interested parties and she's vowed to ensure that PEBP gets to keep all of our rebates. And so I will continue to work with her.

You guys have taken no position on this bill. However, I was able to have this conversation off line. And I think that if you want to take a neutral position I can go up to the table and talk or I can keep trying to work behind the scenes. It is up to the board.

CHAIRMAN CATES: Thank you, Damon. So we have no position on this bill currently. Any discussion on this bill?

MEMBER LAMBORN: This is Leah Lamborn. Can you walk me through the fiscal note on here, please? So is this -- We have a fiscal note saying that there will be a loss in three days.

MR. HAYCOCK: For the record, Damon Haycock. Yeah, when we initially responded to this bill, we developed a fiscal note concerned that we may have to lose our pharmacy rebates. And so this is actually a little low. We got information from Express Scripts that we get somewhere in the vicinity of I think it was $800,000 in rebates just on diabetes for the first half of the year. So this is a little low.

But after discussing with the sponsor and rereading exactly where the rebates they're trying to push back to the participants our normal manufacturer rebates are not applicable. And so I'm waiting to see what the amendment looks like to this bill because they're changing some other portions of it. And if they specifically do what they told me they were going to do, we can pull the fiscal note. And I'm going to have Tena add a few things to that. Thank you.

MS. GLOVER: This is Celestena Glover for the record. So I just wanted to clarify on what Damon just said.

The fiscal note is an assumption that we have a reduction in revenues because that's where our rebates go. They're not an offset to expenditures. It's truly a reduction in revenues.

MR. HAYCOCK: So, for the record, Damon Haycock. Thank you, Tena. Maybe that was the question Leah really asked, why is there parenthesis around these dollars. So I apologize if I went long-winded.

MEMBER LAMBORN: No. That's okay. Thank you.

CHAIRMAN CATES: Any more discussion on this bill? We have no position currently. Are you looking for us to be neutral on this?

MR. HAYCOCK: For the record, Damon Haycock. I think it would be give me a little more leeway as this continues to move forward. I think it's important that the board's feelings or thoughts on all of these bills that affect PEBP be discussed openly and publically. And I think at this point -- I think PEBP wants to keep our rebates but PEBP can get behind posting formulary changes. We do anyway. And if it turns out that a member is getting gouged and we want to go back to a manufacturer and try to get back some of that money for them, then I think we should. And those are the folks that aren't on our diabetes care management program because the way that the rebates would be refunded to the participant is if the participant paid a deductible or co-insurance, whereas our current program you just pay the

co-pay and you don't have to pay that. But if folks aren't on our program they do. So this would give them an avenue to recoup some of the high costs of insulin. And I'm not against that process. Or we can assist the member do it themselves. And I think having the member do it themselves is what the health plan lobbyists have presented to the sponsor. They want to kind of get out of the manufacturer/member relationship, similar to patient assistant programs, where the member gets a patient assistance card and then they pay for it at the pharmacy and then they get their drugs and the plan doesn't get involved in that relationship.

And so, you know, at this point we can go along with no position. Neutrality would give me an ability to especially answer an amendment that comes out quick and another hearing that comes out quick before we can talk. But I'll find a way either way, sir.

CHAIRMAN CATES: Okay. Thank you.

MEMBER VERDUCCI: On the fiscal note and giving Damon the --

CHAIRMAN CATES: Hey, Tom, we're losing you.

MEMBER VERDUCCI: Let me try this again. Can you hear me okay?

CHAIRMAN CATES: Yeah, that sounds a little better.

MEMBER VERDUCCI: Okay. I do apologize. If for some reason the call drops, I will call right back on. But I would like to make a motion that we take a neutral position on the fiscal note and also allow Damon the ability to be able to testify on this bill.

CHAIRMAN CATES: Okay. So that's a motion to be neutral on SB 265. Do we have a second to the motion?

MEMBER GARCIA: Rosalie Garcia. Second.

CHAIRMAN CATES: All right. We have a motion and a second. Any discussion on the motion? Hearing none, I'll call for a roll call vote.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: And Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: It's unanimous.

CHAIRMAN CATES: Motion carries.

SB 366.

MR. HAYCOCK: So we're going to go to SB 289 first. Damon Haycock for the record. This requires that -- This bill requires health plans and PEBP to reimburse out-of-network physicians at an 80th percentile of a database of billed charges. We have a pretty sizeable fiscal note on here because we pay significantly less than the 80th percentile when we reimburse out-of-network physicians.

This was heard on April 3rd and you had given me a neutral position. I went up and testified. This is one of those bills that I was ready to testify and five minutes before the amendment dropped and it changed some of the bill. But it was more of a conceptual amendment and it actually described the specifics for the database to be used. The fair health database. And it also shifted some of the requirements from the department -- Excuse me -- from the commissioner of insurance over to the Department of Health and Human Services.

But as it applies to PEBP, this right here would basically guarantee that out-of-network physicians get paid better than what we're paying them today and they get paid way better than what we're paying in-network.

And so I had a long conversation with the sponsor the other day and he asked for, you know, so give me an alternative. Because his concern is that someone goes to,

you know, the hospital, and there again, like I mentioned earlier, an out-of-network physician is called in unbeknownst to the member, provides services, and then sends a bill to the insurance plan. The insurance plan, us, PEBP, pays usual and customary, and then the remainder of that bill gets sent to the member as a balance bill, as a surprise bill. And that member would then have to, you know, do some pretty negative things to try to pay that bill. There has been stories outside of PEBP, not within, where people have had to do medical bankruptcy and people have had to ask friends and family for money, take out loans, max out credits cards, what have you.

And so the intent of this bill by the sponsor is to eliminate balanced billing, but it also directly increases out-of-network physician reimbursements. And so we -- I went and spoke with him. And my alternative that we -- I've pitched to him so far is instead of using the fair health 80th percentile for billed charges, which, by the way, folks, physicians can bill whatever they want. We actually pay them what we pay them, but they can continue to increase bill charges knowing they're not going to get them.

So the billed charge is an unfair starting point that we do it off of Medicare, that we do a Medicare plus model. And we ran our entire physician network through a Medicare model a while ago to see what level would be

appropriate at what percentage of Medicare and then we separated it out based on the four rating areas determined by the Division of Insurance from the individual marketplace because we all know it costs more to receive care in rural Nevada than it does in southern Nevada or in northern Nevada than it does in southern Nevada. So we didn't want to incentive folks in more competitive cheaper locations to pay receive more than they already are while paying people drastically less out in the rurals or out in northern Nevada.

So we separated it out in to four rating areas that are aligned with the Division of Insurance. I spoke with them yesterday and they were not against this process. And we sent over a suggested percentage to the sponsor. I'm waiting to hear back on what his thoughts are.

But there's a lot of plans out there right now fighting this because basically it guarantees a higher percentage. And to give you an example, a physician on our plan today that I won't name names is on our network. And if we were to have -- we took the last five of his claims, basic office visits, okay, we're talking new patient office visits. I think there was as electrocardiogram code in there and a new office visit for a new patient, and if we were to have paid that person at the 80th percentile, we would have paid him 372 percent more.

So we have an issue with this bill. We're

talking with the sponsors. I'm hoping that we can come to something a little better and that if he just wants to outlaw balanced billing that we just do that. But I sent that off to him yesterday and I think we should still remain neutral. The fiscal notes stand until they change it. And I would like to be able to continue to testify with major concerns to this bill on behalf of the PEBP board.

CHAIRMAN CATES: Thank you, Damon.

Any discussion on SB 289?

MEMBER LAMBORN: This is Leah Lamborn. And I'm just trying to remember why we went neutral with this bill with so many concerns and such a large fiscal impact.

MR. HAYCOCK: For the record, Damon Haycock. Ms. Lamborn, I think, if I remember correctly, there was some discussion about should we go for bills or should you, excuse me, as the board go for bills, go against bills, remain neutral. There were some comments made by Director Wells where he had stated that, you know, his information with the governor's office is that directors of agencies needed to always be neutral. They couldn't be for or against. And so I don't know if it's a political reason. But every time I go to the table in a neutral position even when I know we want to be against it, I'm sitting next to Medicaid or I'm sitting next to DHHS but they're coming up at the same point. And I don't know if it's just how things have always been done, but

I have no problems going up there in opposition to this bill. I've already testified for the board in neutral per the last board meeting.

MEMBER LAMBORN: Leah Lamborn.

CHAIRMAN CATES: Go ahead.

MEMBER LAMBORN: I just want to make a motion that we change our neutral position to opposed for SB -- I just lost it. Sorry. For the bill we were just discussing.

CHAIRMAN CATES: SB 289. So your motion is to go opposed on SB 289. Do we have a second on the motion?

MEMBER GARCIA: Rosalie Garcia. Second.

CHAIRMAN CATES: Okay. We have a motion and a second. Any discussion on the motion?

MEMBER ZACK: This is Christine Zack for the record. May I proceed?

CHAIRMAN CATES: Yes.

MEMBER ZACK: But I thought that even if we maintained a neutral position that Damon could still say we were neutral by demonstrating how we were opposed without putting him in an awkward position. I thought that was the point of doing that this way as neutral. Isn't that what you just said, Damon?

MR. HAYCOCK: For the record, Damon Haycock. That is correct. I haven't seen another state agency come up to the table in a for or against unless it's their own bill.

And then they're actually for it with a sponsor if they got a legislator to announce it. It's just not usually done that agencies come out against bills even though there could be significant cost. Because at the end of the day agencies are funded by the state or by federal funds or some mix -- or fees or some mix of all three. And if the legislature really wants something to happen, it happens. And then fees go up, rates go up, or they generate more general fund for us.

So I think traditionally at the legislature agencies don't take a super strong position because we are stewards of public funds, right. I mean, if the legislature wants it and they pass a law, who are we to say no? So I'm putting a lot of assumptions in there and hopefully I don't get in trouble for it. But I think that's the reason why we all come up to the table in the neutral position. But we come up pretty hard with some facts and figures. There's no doubt in anyone's mind how we feel about these bills.

MEMBER ZACK: Okay. Well, I'm going to vote to remain neutral then and against the motion. Thank you, again.

MEMBER LAMBORN: So this is Leah Lamborn again. I'm sorry. I see that SB 233 we were opposed and then there's another bill that we were in support of. So I guess I'm just confused again about the process. Because I know we've gone back and forth a lot on these issues.

CHAIRMAN CATES: For the record, Patrick Cates. Just my comment is that what Damon described is generally accurate. The governor's office doesn't want agencies to take positions on bills. Just kind of state the facts. And you can state the facts if there's negative impacts and still be neutral. However, the board does have some authority to weigh in on legislation and I think the board needs to take whatever position they feel is best. I personally think speaking from a neutral position gives you a lot of flexibility. But that's my personal opinion. I think the board is bound by their own conscience and how they want to pursue positions on these bills.

MEMBER VERDUCCI: Tom Verducci for the record. I think that a neutral position would be the appropriate one.

CHAIRMAN CATES: Thank you. Any other discussion on the motion?

MEMBER COCHRAN: Mr. Chair, this is Chris Cochran. I was just thinking, and maybe this is a question for Damon since we're having discussion right now, could this conceivably knowing that some positions are going to get paid if this were to pass at a higher rate cause more of our members to go out of network?

MR. HAYCOCK: For the record, Damon Haycock. Dr. Cochran, that's an excellent question. What our biggest concern is that physicians will leave our network to be paid

higher and that's the crux of the fiscal note is we actually presented the lower amount of the ratio of physicians so we anticipated if 25 percent left that it would be about a 13 million to 13.5 million dollar note and that we have some significant concerns. Not only on the cost to our plan but the destabilization of the marketplace across Nevada. It basically nullifies the need to have networks when an out-of-network you get paid better and there's no penalty for doing so.

So we have some concerns. I've spoken at length with a sponsor. We'll continue to speak at length. I don't know if every other lobbyist is going to come out as hard as we want to and they have so far and we'll see what changes happen to this bill. But hopefully what we sent over is appropriate.

And, yeah, you know, our members may -- You know, to be honest with you, Dr. Cochran, members may want to go out of network as well. The issue though is even though they go out of network because they have a favorite doctor that's not in the network, they still have to have their accumulator separate, so their out-of-pocket maximum is separate, their deductibles are separate. So it doesn't really help as far as trying to pay down in to that point where you're paying co-insurance and then eventually paying nothing. So they have to make a conscious decision to have two sets of

basically accumulators. I think it more incentivizes the doctors to not negotiate contracts with networks.

MEMBER COCHRAN: And I get that. I mean, because I know it's still going to cost a significant, you know, 50 percent right to the member if they go out of network. But I guess one of the things that I would be thinking about on the provider side, if they go -- if they leave the network because they can get paid more by going out of network, that's not going to necessarily help them keep their patients. Because if they leave the network and the patients know they got to pay for 50 percent of that and that reimbursement could actually go up if they're having to pay them more, then that 50 percent could actually, you know -- 50 percent of, you know, a hundred dollars now becomes 50 percent of $200. You know, the patient may not necessarily go with the physician if they're not in the network. So it could potentially create a problem for us to have the providers within our network.

But I -- So I'm probably going to remain neutral on this as well. But I -- But I do share those concerns and I would encourage you in any testimony that you, you know, just make it clear on what some of the potential ramifications are. Many of the legislators may not really understand this from a payor perspective. And I'm sure that the other payors in -- licensed insurers in Nevada are going

to be making those kinds of patients to the -- statements to the committee.

CHAIRMAN CATES: Okay. Thank you, Doctor.

MEMBER GARCIA: Mr. Chair, this is Rosalie Garcia.

CHAIRMAN CATES: Go ahead.

MEMBER GARCIA: I just wanted to say that I understand the whole reasoning behind wanting to go forward with a neutral standing. But although PEBP is an agency, the board is a voice for the participants within that agency. And as a board I feel it very important that we voice our recommendation. And that's why I would prefer that we take a stronger stand on this particular bill. That's all I have.

CHAIRMAN CATES: Okay. Thank you.

MEMBER LAMBORN: Mr. Chair. This is Leah Lamborn. I just have one more statement. Rosalie, I wholeheartedly agree with that. I think that we should be neutral on -- a neutral position on as many as possible, but every now and then we're going to have something that we need to take a stronger stance on. Using that sparingly, but I do feel that this is a very -- I have a lot of concerns with this bill for all the reasons Dr. Cochran had just mentioned and some. So my motion to change from a neutral to opposed position on this bill stands.

CHAIRMAN CATES: Okay. Thank you. Any further

discussion on the motion? Hearing none, we'll have a roll call vote. All of those in favor of SB 289 of changing our position to opposed. That's the motion. Go ahead.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Nay.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Well, Leah and Rosalie changed my mind, so I'm going to vote -- If I'm voting for, I'm saying we're taking the -- we're opposing the bill; correct?

CHAIRMAN CATES: Correct.

MEMBER COCHRAN: Clear. All right. So I'm going to say aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Nay.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Nay.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Rosalie Garcia. Rosalie Garcia.

MEMBER GARCIA: One more time. Aye.

MS. PEDROZA: All right. We heard you that time. And Chair Cates.

CHAIRMAN CATES: Oh, I have to break the tie? I didn't think I was going to make a decision on this one. Aye. I broke my own rule. I work for the governor and I

voted to oppose a bill. Okay. Thank you.

Next bill.

MR. HAYCOCK: Page 12, SB 366. Again, Damon Haycock for the record. This bill would require PEBP contracts to -- Excuse me -- PEBP contracts with other fully insured products that we have to give us the reporting requirements that we have often not received. That's reporting requirements due to utilization, claims, what have you. Previously you all voted in support because you thought transparency or at least you stated transparency and reporting is always a good thing. And I took that message, I took it yesterday, and sat up there in the in-support position, even though about a minute and a half before the hearing started, the sponsor changed the bill and eliminated PEBP from it.

So we were for it. We stated we liked the idea. But they decided that the sponsor amended our section out of it. Really what they were trying to concentrate on more so than the reporting to PEBP was getting some information and data on Medicaid. What they wanted to ensure with this bill is that they wanted to be able to rank employers across the state on how many of their employees are enrolled in Medicaid to determine if the state is subsidizing employers' health care through use of Medicaid. So that was really the intent of this bill.

I had talked with the sponsor of this bill before she amended it. And she said she was going to amend it and she thought she was going to take us out. And I said, you know, my board really liked this bill. This is the only bill that we came out for in our meetings that I have a statutory requirement to report on the program utilization and financial status of the program to the legislature, to the interim retirement benefits committee, to the board, to the director of the governor's office and -- on finance. And this would ensure that I always have that information and she still amended it out.

So I would suggest we at this point, you know, you're in support but now that the sponsor is amending it, that you either take a neutral or no position because it no longer affects PEBP.

CHAIRMAN CATES: Okay. Thank you, Damon. Maybe we should be opposed for taking us out of it. Any discussion on SB 366? Go ahead.

MEMBER ANDREWS: Ana Andrews for the record. Mr. Chair, I would make a motion that we change our position to neutral to bill -- Senate Bill 366, since PEBP has been removed from the bill.

CHAIRMAN CATES: Okay. We have a motion. Is there a second to the motion?

MEMBER ZACK: Mr. Chair. Christine Zack for the

record. I'll second the motion.

CHAIRMAN CATES: Okay. We have a motion and a second to change our position to neutral on SB 366. Any discussion on the motion? Hearing none, we'll do a roll call vote.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

CHAIRMAN CATES: And Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: Unanimous.

CHAIRMAN CATES: Okay. Motion carries.

Next bill.

MR. HAYCOCK: For the record, Damon Haycock. On page 13, Senate Bill 394, this is the senate side of the Affordable Care Act information, again, requiring insurers offer coverage, not discriminate, provide all the same types of services. This is the senate version of that Assembly

Bill that we talked about earlier.

It was heard on the 5th by the senate committee on health and human services. There was a proposed amendment. But it basically added data reporting for HMO plans for Medicaid managed care organization. So nothing that really affects PEBP. We believe we already support the provisions of this bill. We don't see any additional impact. You guys actually didn't take a position on this bill at the last meeting. You can if you want take a neutral position. I will continue to watch this bill anyway. But it may be beneficial for us to be able to have that leeway and flexibility to go up to the table if somebody throws a curve ball and does something that will affect PEBP.

And with that, I'll take any questions.

CHAIRMAN CATES: Any discussion on SB 39 four?

MEMBER COCHRAN: Mr. Chair, this is Chris Cochran.

CHAIRMAN CATES: Go ahead.

MEMBER COCHRAN: It shows here the bill status that it was heard yesterday. Do we know any progress on that? I mean, so is it worth it for us to do it? Do we know is there going to be any more discussion on this or was a vote taken?

MR. HAYCOCK: For the record, Damon Haycock. This was up late last evening. And I was looking at it again

this morning. I don't believe a vote was taken. It was just the initial hearing. My assumption is there will be a working session on this probably next week along with every other bill in the legislature and then they'll hash it out there.

MEMBER COCHRAN: Okay. All right. Thanks.

CHAIRMAN CATES: Any other comments? We currently have no position on this bill.

MEMBER VERDUCCI: Mr. Chairman, Tom Verducci.

CHAIRMAN CATES: Go ahead.

MEMBER VERDUCCI: Yes. It would appear to me that we should be taking a neutral stance on this bill just in case it does come up for discussion to allow Damon the ability to testify. And I think I would like to make a motion for SB 394 that we do take a neutral stance.

CHAIRMAN CATES: Okay. We have a motion. Do we have a second to the motion?

MEMBER GARCIA: Rosalie Garcia. Second.

CHAIRMAN CATES: Okay. We have a motion and a second to take a neutral position on SB 394. Any discussion on the motion?

MEMBER COCHRAN: This is Chris Cochran again. Sorry to belabor this, but -- So let's assume that on this bill unless we feel like we don't really have any -- necessarily have any feel in the game at this point, if Damon

was to testify, what would you testify on particularly, Damon?

MR. HAYCOCK: For the record, Damon Haycock. Good question, Dr. Cochran. Honestly at this point I probably wouldn't go to the table. I would watch it, monitor it, and see what other proposed amendments are and then maybe talk with the sponsor off line. If the bill remains as it is introduced I don't think there's too much of an issue for us. I don't think there's any issue for us. But this way if they present, you know, that last second amendment again. If for whatever reason it passes through the senate and moves over or goes to the floor of the senate for final vote, then if I don't have a position from the board I really shouldn't be going up to the table. And so I think the neutrality just gives me that flexibility to be light on my feet.

But at this point this one and the other Assembly Bill on the Affordable Care Act stuff, I won't go to the table because I don't think we don't need to, unless you all want me to.

MEMBER COCHRAN: Okay. Thank you.

CHAIRMAN CATES: Any further discussion on the motion? Hearing none, we'll take a roll call vote.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: No.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: And Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: The motion passes.

CHAIRMAN CATES: Okay. The motion carries.

Next bill.

MR. HAYCOCK: On page 14, this is Senate Bill 404. This is a bill that disregards step therapy for the metastatic cancer -- There we go. I get to say the word right -- for folks that are basically in their last stages of cancer treatment. The concern of the sponsor is that these members or these patients would have to go through these hoops to jump through to receive the type of drugs that they need when the doctor prescribes it for them and they don't want to have to go through your typical step therapy or pre-authorization process.

It was heard Wednesday at the senate commerce and labor committee. There was a clarifying concept amendment, which, interestingly enough, was looking at exempting local

employers and not PEBP and the State. I don't know if they basically got to the sponsor before we could.

But, you know, this bill, the health plan came out really hard in opposition against it for all the reasons that we talked about the impact to PEBP. And it's not that we want to harm patients and members by providing step therapy or any other pre-authorization process. It's that we truly want to ensure that our members are getting exactly what they need. And let's not forget that doctors are people too. Doctors are not 100 percent accurate all the time every day for their entire careers. And so we have these certain things in place to ensure that we take care of the patient and protect the plan.

There was some other issues with, you know, the effective date because they wanted this to come out July 1st. I think it was the Association of Health Insurance Plans, they just came out and said there's no way for plans to fix this in time. So there's some definite issues. I would assume there will be an amendment, but people are coming out hard against this.

You guys have taken no position. But we're continuing to work with sponsors on it as well as our pharmacy benefits manager is talking to the sponsor as well. So I can take any questions or if you would like to take a position right now. You've taken none.

And this -- This really -- Another big issue -- And I'm sorry, I glossed over it earlier. A doctor could write a prescription for something that's experimental or investigational. Our plan prohibits that and it prohibits that for patient safety. And so, just because there's, you know, something new out on the market place doesn't mean that it's going to truly assist somebody at the stage four of cancer. And so, again, we just want to make sure that we take care of the membership and that these programs aren't designed to make their lives difficult while they seek treatment designed to protect them.

And so my recommendation is that we take a neutral position and that if it's heard again I can get up there and talk about it.

CHAIRMAN CATES: Okay. Thank you, Damon.

Any discussion on SB 404?

MEMBER VERDUCCI: Tom Verducci for the record. You know, I do believe that if experimental drugs are prohibited by PEBP that definitely Damon should have the ability of getting up and expressing that fact. So I would be in support of taking a neutral position on SB 404.

CHAIRMAN CATES: Is that a motion?

MEMBER VERDUCCI: Yes, sir, Mr. Chair. I would like to make that a motion that we do take a neutral position on SB 404. Tom Verducci for the record.

CHAIRMAN CATES: Thank you, sir.

Do we have a second to the motion?

MEMBER ZACK: Mr. Chair, Christine Zack for the record. I'll second the motion.

CHAIRMAN CATES: Okay. So we have a first and a second on the motion to take a neutral position on SB 404. Any discussion on the motion?

MEMBER GARCIA: Mr. Chair, this is Rosalie Garcia.

CHAIRMAN CATES: Go ahead.

MEMBER GARCIA: My question to Damon is are you aware of PEBP ever considering allowing an experimental drug? Have we ever done that? And would there be a situation where we might?

MR. HAYCOCK: So for the record, Damon Haycock. It's not to my knowledge that we've ever done anything experimental or investigational. We do offer the opportunity in certain circumstances for genetic testing as kind of a pre-authorization for certain types of treatment. But our plan has prohibited this as far as I know since we were with the CDHP. I can't really speak about before then. But looking over at my staff, who has been here for 15 years, she can't remember either any time that we've authorized that type of treatment.

This doesn't prevent doctors from writing

dispense as written for certain types of drugs that are on our formulary that meet the requirements. So it's not like we're tying the hands of the providers. It's that we're just ensuring that everything kind of goes the way it's going now.

And from a PEBP standpoint, if it's not broken, what are we trying to fix; right? Is this solution looking for a problem for PEBP? And I don't think we've had any issues where folks with stage four cancer are not getting the treatment that they need to try to combat the disease and recover.

So to my knowledge I haven't seen any appeals. I haven't seen any issues. I haven't had anyone calling me up saying I'm a horrible human being because, you know, their dependant or their spouse or someone passed away because I didn't, you know, provide them the drug their doctor prescribed. So I don't know if this is an attempt again to wrangle in some other health plan practices. But as far as PEBP is concerned, I don't believe that we are the culprit that would have been the catalyst to this bill.

MEMBER GARCIA: Okay. Thank you. I just wanted to make sure that we wouldn't be ever contradicting ourselves. I appreciate it.

MEMBER LAMBORN: Mr. Chair, this is Leah Lamborn. I have a question for Damon.

CHAIRMAN CATES: Go ahead.

MEMBER LAMBORN: Damon, so even though you haven't approved anything that you can recall, you do have a process in place that would allow, like, an administrative override on a case by case for experimental or different kind of drugs that plan may cover; is that correct?

MR. HAYCOCK: For the record, Damon Haycock. I want to say yes and no. And I'll try to answer it succinctly. Yes, we have the ability to contact at least with our pharmacy benefits manager and say we'd like a certain thing covered. But we traditionally don't go against the master document plan that you all approved unless it's some really special case. And I haven't come across one of those yet, so I can't speak from experience. But do we have the ability to pick up the phone and say, you know, we want this member to have this treatment? Yes. Is it something that we do? Very few and far between. And I haven't seen it done on investigational or experimental services yet.

CHAIRMAN CATES: Any further comment on the motion, or discussion, I should say, on the motion? Hearing none, I'll call for roll call vote on taking a neutral position on SB 404.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Aye.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: And Christine Zack.

MEMBER ZACK: Aye.

CHAIRMAN CATES: The motion carries.

MR. HAYCOCK: Damon Haycock for the record. We're at the home stretch, two last bills, two of my favorites.

On page 15, Senate Bill 436. This came out after the board had met and deliberated on the other bills that have been presented. This one is new, as well as SB 502 we'll talk about afterwards.

This bill requires health plans to offer at a minimum 25 percent of their policies with a pharmacy co-pay process. And it also requires that you cannot put all of the types of pharmacy drugs in to one specific tier. The most expensive tier is what they were trying to intend with this bill.

So what does that do to PEBP? In conversations with the attorney general's office and in our own interpretations of the bill, we can't claim our health

maintenance organization plans as our policies because we didn't design them. And so even though those policies have pharmacy co-pays, PEBP's one singular self-insured consumer driven health plan is not. And in order for us to make it a co-pay, we would have to get rid of our health savings account option, which 30,000 members have access to of the 40,000 folks that are on this plan. And so we feel that if we were required to turn our plan in to a co-pay plan for pharmacy that it would nullify the HSA and then people wouldn't want to participate in this plan. So we would have to change our plan back to a standard PPO plan, which we had back in 2010.

And that sizeable fiscal note, thanks to Ms. Glover over here, she took the cost of that plan and trended them forward. And, yes, it is significant. We're talking in the 40 million -- 40th millions of dollars. And it's sizeable.

I spoke with the sponsor. And their whole intent is they don't like that members have to pay more for their -- they don't like members having to pay a deductible or co-insurance for these high cost specialty drugs and instead they want to basically shift it to the plan, assuming that that would motivate us to contract better with pharmacy manufacturers, which couldn't be further from the truth.

And so in this instance I was terrified that this

bill would only be heard once. And it was heard on April 3rd. And I know you all didn't give me a position. So I came up to the table and I said the board has not provided me a motion, however, this is what it does to PEBP. And I was able to at least discuss what I've just shared with you here today.

As far as PEBP is concerned, this is a CDHP killer and it is a PEBP killer. And we have major concerns with this bill. And it basically resets our ability to be as successful as we have for the last six years running our program. And so if there's a bill that I could illustrate that I would want us to be so against that it goes away, this is the bill that I would be against. And with that I'll take questions.

CHAIRMAN CATES: Thank you, Damon.

Questions from the board?

MEMBER VERDUCCI: Tom Verducci for the record. This seems just, you know, like Damon said, a PEBP killer. This looks this would turn upside-down our CDHP plan and we would be forced to put in a PPO plan and it's got a huge impact of the 40-plus million dollar range for a year without any way of funding it. It's going to result in higher costs for both the employer and the employee. And I just don't see how that benefits our membership.

CHAIRMAN CATES: Thank you. I would agree.

Any other comments?

MEMBER ZACK: Mr. Chair, Christine Zack for the record.

Damon, I just want to be clear, you're asking us or your preference is that we oppose it and not take a neutral position?

MR. HAYCOCK: For the record, Damon Haycock. Either position will work. I'll still continue to go up to the table per your instructions and beat on this bill with everything I have. We can be opposed. We can be neutral. But this one is bad. And this one is not going to help any health plan and ultimately any member. It will be a temporary relief for prescription costs and then health plan rates are going to explode. And so we are -- I have been working with the sponsors sponsored by -- I can't remember if it's a non-profit. But it was not sponsored by a specific legislator at the table at the time that I testified. And I sent over a request that they just cut PEBP out of this, that we need to be removed. And they said they're looking at developing an amendment to either exempt high deductible health plans or even exempt PEBP.

So I have some hope that we are going to be okay in this. But I think we need to be strong, either strong neutral or opposed. And I have no problems going up to the table on either of those positions.

CHAIRMAN CATES: Further discussion?

MEMBER ANDREWS: Ana Andrews for the record.

MEMBER COCHRAN: Mr. Chair.

CHAIRMAN CATES: Hang on. Let's let Ana go first.

MEMBER ANDREWS: Mr. Chair and members of the board, what I wanted to say is that even if we give Damon direction to go neutral, he still has the ability to submit the fiscal bills and make all the arguments that he can about PEBP. And the fact that there might be an amendment to exempt PEBP I also think is helpful. So I would be willing to move to be neutral on this bill. Thank you.

CHAIRMAN CATES: Go ahead, Dr. Cochran.

MEMBER COCHRAN: Thank you. Yeah. I guess what I'm looking at here is, you know, we've had a lot of discussion over the last few years about whether or not PEBP should be offering a lower -- what we would refer to as a lower deductible plan as opposed to just the high deductible plan and the HMO plan. And that under those circumstances the assumption would be that if the state -- if the state passed this plan, this bill, that the cost of the plan would increase significantly, that those costs -- Are we assuming or do we know that those costs would be passed along to, say, our members in the form of higher premiums?

Because I guess what I'm wondering is if the

state in this condition would have to say, well, listen, if we're going to do this in order to make these plans affordable for our employees, we're going to have to contribute -- we're going to have to fund PEBP at a higher rate than we currently fund them. So, you know, putting them all back in their court if this were to pass.

At the same time, the other concern that I would have just from an equity perspective is that if there is an amendment that excludes PEBP -- So what we're saying is -- What the legislation would be saying is, well, all the private plans, all the private businesses that have these plans, you have to do this, but the State does not, which I think would be the death of the plan -- the death of the bill anyway because I think that people would look at that and say, you know, I'm not -- I can't support this because, you know, if it's not good enough -- if it's -- if it's good enough for the private sector, it should be good enough for the public sector.

So in any event, you know, my recommendation would be I do think Damon needs to take a position on this. But I guess where I'm coming from is we don't really know the details in terms of if this would mean, well, the State would have to come back and pony up more money so that members could have an affordable lower tier plan. So I would support taking a neutral position for the ability to comment, but I'm

not necessarily sure I'm ready to go a no or yes on this particular bill.

CHAIRMAN CATES: Okay. Thank you.

Any other discussion on this bill? Or a motion?

I'm sorry. Did Tom make a motion to oppose?

MEMBER VERDUCCI: No. Tom Verducci for the record. I didn't want to be so aggressive on my motions. But I'm going to take a motion that we do take a neutral position. This does have a huge impact on PEBP. And Damon needs to get out there and make our concerns known to the law makers. So my motion for SB 436 is to take a neutral position.

CHAIRMAN CATES: Okay. Do we have a second to the motion?

MEMBER ANDREWS: Ana Andrews. Second.

CHAIRMAN CATES: Okay. So we have a motion and a second to take a neutral position on SB 436. Any discussion on the motion? Hearing none, we'll do a roll call vote.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MS. PEDROZA: Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: Leah Lamborn. Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Christine Zack.

MEMBER ZACK: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: And Ana Andrews.

MEMBER ANDREWS: Aye.

CHAIRMAN CATES: Motion carries.

MS. PEDROZA: Motion carries.

CHAIRMAN CATES: Okay. Next bill, SB 502.

MR. HAYCOCK: For the record, Damon Haycock. I'll tee it up and hand it back to the Chair since it's his bill. But basically this is the revised language in a new bill format that started from SB 80 and now it's SB 502 that we again transition to the Department of Administration, that the PEBP board would transition from governing to advisory. And, however, this version of the bill reduces the total number of board members from ten to seven. It eliminates the continuing education requirements not only for the board but also for myself and that I would report to directly to and serve at the pleasure of Chair Cates as the director of the Department of the Administration. What this does is it doesn't make us in to one division, which was SB 80. With deferred comp, it keeps us separate, reporting as separate programs.

And with that, I'll turn it over to the Chair.

CHAIRMAN CATES: Thank you, Damon. So I'll kind

of go through the provisions of the bill. So SB 502 it says it's sponsored by the governor's office of finance. It actually is my bill. It's a fiscal bill. SB 80 was a Department of Administration bill. But because this came out as a fiscal bill, all fiscal bills come from the governor's office of finance. But just make no mistake, I'm the sponsor of this bill.

I'll just briefly go through the provisions. It's a lengthy bill, but I'll just kind of point out where some important pieces of it. The first few sections of the bill really deal with Department of Administration staff, NRS 232, and basically calls out the Public Employees Benefit Program and the Public Employees Deferred Compensation Program as being part of the department and it has cross-references for that. That runs through the first four sections.

And then we get to section five, which is NRS 233B, which is Administrative Procedures Act. And this deals with agencies passing regulations. And it changes a reference to the board of PEBP and changes that to the executive officer of PEBP. So with the board being advisory it would be the executive officer that would promulgate regulations rather than the board.

And then the next really several sections deal in various places and statutes. Section six deals with the

Interim Retirement and Benefits Committee of the legislature and it makes recommendations to PEBP. Again, it changes the reference from board to executive officer.

I won't go through all of these because they're for the most part references to other sections. I should have marked this up better.

Section seven, NRS 377, deals with cooperative agreements among political subdivisions of the state, state and local government. And, again, it's changing the reference from board to executive officers as the authority that can enter in to those agreements.

So section eight starts the revisions to NRS 287, which is public employees -- programs for public employees. Defines executive officer, gives two definitions. One is the executive officer of -- I'm sorry. This section defines executive officer of the Public Employees Benefit Program and then provides another definition for deferred compensation programs. So they're both referred to as executive officers. Unlike the old bill it doesn't put an administrator in charge of both programs. It just keeps them separate with one executive officer for each.

The rest of the bill really goes through the duties of the program, which generally refers to the board. That's changed to executive officer.

If you get to section 14 that's where it changes

the PEBP board to advisory. 14, 15. And then it does change the composition of the board. Currently there's ten members of the board. This would change it to seven. It basically would add a Nevada System of Higher Education representative so there would be two. It would reduce one of the retiree members. It would reduce one of the state members. Eliminates local government. And has -- And reduces the one member that has a background in risk management, portfolio investment strategies for employee benefits program.

So that means that the board as constituted under this law would have two NSHE representatives, one north and south, one retiree, one state employee, one state manager, one director of finance or designee, and one person with a background in risk management investment for employee benefit programs. And, like I said, the local government rep was eliminated.

I would point out that for the Nevada System of Higher Education that would substantially increase their representation on the board proportionally. For the ten-member board the representation is about ten percent of the board. With these changes, that would boost set-up to 29 percent. I know that we have had some people that are members of NSHE or from NSHE that have spoken out against this bill. And I think that's something they should really take in to consideration because that was not in the original

version of SB 80. It would really give NSHE a stronger voice on this board.

Moving on to -- So if we go to section 16, it talks about duties of the board, how they transact business, and it talks about discussion matters related to personnel. That's been stricken. When they have discussions about investments, legal counsel, these are kind of the closed-door meetings that they have, it states that that is with the executive officer, not without the executive officer.

And, again, there's some illumination of reference to HR-type duties, evaluating the executive officer.

And item or subparagraph seven under section 16 clearly spells out, it says the advisory board shall advise the executive officer concerning the administration of the program, including without limitation, the adoption and implementation of policies concerning the program. So the board would continue to have a prominent role in defining the program, its benefits. And instead of it being authoritative, it would be making recommendations to the executive officer.

So moving on to section 18, it removes a lot of language that talks about who the board will employ, because that would then become just part of the department.

So going to Section 20, it removes the references

to the quality control officer. That was one of the main things that I was interested in achieving with this bill is not have the employees of this program or deferred comp be reporting directly to the board, be evaluated by the board and need board consent to handle personnel matters. These are things that in my opinion are properly handled by administrative authorities and not public bodies. I think it's very awkward when public bodies try to deal with human resource issues.

I can just tell you philosophically, I think in the case of a county commission, a city council, where you have elected officials that have broad powers over broad program, I think it's appropriate to have an executive director or somebody that reports directly to that board. I see that as being very limited circumstances. Perhaps, if you have something where a specific industry is being regulated and that board is constituted with people that have expertise in that industry, it may make sense for the executive officer to report to that board.

However, in the case of the Public Employees' Benefits Program, it really is part of the total compensation package that the employer is offering to employees. And I just do not think that rises to the level that an appointed board with a fairly narrow focus should be handling HR matters and day-to-day running of a program.

And most of this is just cross-reference, anywhere else in the statutes where it mentions the PEBP program. I won't go through all of that.

The ability to contract. It's referred to as executive officer and not the board. Same with accounting, expenses. There's a whole bunch of statutes that just address the kind of day-to-day functioning of the program. Which, you know, it can say in the statute that the board is responsible for that. But really the executive officer and the employees of the program are really doing most of those day-to-day operational things anyway without day-to-day direction from the board. So even when it says in the statute is the board's authorities is probably in fact not how they function on a daily basis.

So let me -- Again, I don't want to go through every single section because it's a big bill. So let me point out -- So section 38, that starts the discussion of deferred comp. That's their section of NRS 287. Again, same thing. It makes the committee advisory. It does not make any changes to the composition of the committee at all. And it goes through a lot of the same exercises about how the duties of the program rather than being referred to as the duties of the committee refer to as the duties of the executive officer.

They do some rearranging of language and some of

the things that LCB legal always does to try to tidy up legislation.

And then last but not least, section 47 deals with purchasing, NRS 333. That section really removes all of the language particular to PEBP from NRS 333. So it had language in there how the executive officer could observe the activities of the committee when they're doing RFP processes. Strikes that. And then there is language in here that allows the Public Employees' Benefits Program to essentially disregard the recommendations of purchasing. Really brings that -- the activities of the program in to full compliance with NRS 333.

And that really was one of my big issues in regard to this board that got us on this track in doing this bill was the actions of the board last year during the HMO RFP that talked about this before. The board I think was far too involved in that RFP process and they disregarded their own rules that they established for that process. They disregarded the scores of the technical committee. They disregarded their own scores. They disregarded what they said they would use as their criteria, set that all aside and attempted to award to another vendor against the advice of the state personnel, state purchasing administrator, against the advice of the executive officer.

Thankfully that process all took so long that it

became logistically impossible to award that contract in that manner. But had it been awarded, it would have resulted in substantial cost increase to the members of the program.

I think that's a very irregular way for a public body to function. I do not think public bodies should be heavily involved in the procurement process. So that was one of the big important things I wanted to achieve in this bill.

And then again just to point out the continuing education requirements for board members is eliminated. That was, I think, more of a discussion in terms of budget initiatives is that this is not going to be a governing board and only advisory doesn't need the continuing education. And we had a lot of discussions about how most boards and commissions don't have continuing education requirements in statute. It doesn't mean continuing education isn't valuable or important. But just having the requirement in the statute seemed a little irregular compared to most boards and commissions. So that's why that is removed.

So those are all the provisions of the bill. Just to make sure I hit all of my points here. So the justification for this, as I've said before, this is part of a broader initiative on behalf of the governor for board and commission reform. We have other areas of state government where they're doing similar types of things, bringing boards under agencies for better oversight. It ensures consistency

and compliance with state financial and HR administration.

Let's see. I talked about my philosophical issues with the governing board.

Oh, so a governing board for a state employee health insurance program if you look at all the states, this model that we have here is a minority of states. Most states either don't have a governing board where it's integrated with a larger agency like a human resources agency. And part of our goal, what we're trying to achieve here is be able to have a collective effort to develop the total compensation package that the state offers to employees and by extension to retirees. Because it's part of that contract that we make that attracts people to come and work for the state, how we treat our current employees and our retirees. Very important to the state as an employer.

There is an inherent conflict between the public body being a decision maker in that process and the governor's budget, which is confidential under NRS 353.205. So the board will make decisions, definitive decisions, about the plan, about the benefits that are to be offered. And that becomes authoritative. There's no ability to have a discussion, a broader discussion, about the other elements of the total compensation package. Because those elements are strictly confidential per law. So I think it would serve both current employees and retirees better if the advisory

board or an advisory board that can make recommendations on plan design, but those final decisions are part of the overall governor's budgetary process so that one action of the board doesn't cancel out an intended action of the governor's office, which has happened before. And it just makes it very difficult to present a good total compensation package.

The other issue that I brought up before is that the true fiduciary responsibility for this plan is with the employer. It's called the Public Employees Benefit Program, but it's really the benefits that the employer is offering. Ultimately that's where the fiduciary responsibility lies. It lies with the governor with consent from the Nevada legislature. And that's one additional reason why this should not be a governing board that can make final decisions for the plan.

Advisory does not mean it would have no authority. It would not diminish public input to the process. We would still have these meetings. We would still consider the same type of items that we consider today. It just wouldn't be a final decision. It would be advice and consent to the executive officer, allowing to receive public input. And that input must be considered as part of the program administration and design.

I can give you an example. The Public Works

Board. I'm a member of the Public Works Board. The Public Works Board once upon a time was a governing board and actually supervised the administrator of the Public Works Division. When they did some reorganization government, that was changed. They're now advisory. I sit on that board. We approved about 250 million dollars of CIP projects. And that was a recommendation to the governor of what he should include in his CIP plan. That recommendation was accepted, stock, lock, and barrel, and there were very few minor changes that were made to that recommendation based on whether or not there was additional funding available. There was some tweaks to some projects because an agency wanted it. But by in large it was taken lock, stock, and barrel and the governor's office was very happy to have the recommendation of the board.

So I think it would be difficult for the administration to deviate substantially from what even an advisory board has recommended. That's going to carry a lot of weight. And any deviation from that is going to require the executive officer to come back and explain why, how we got to that -- how we got to that point. And that again is going to be reviewed by the legislature in the budgeting process of. And if the administration deviated from what was recommended by the board, that would have to be at the top of the discussion and explanation to the legislature.

So that's the bill as we have it. Those are all of my reasons and justifications. With that, we'll open it up to any discussion. Go ahead.

MR. HAYCOCK: For the record, Damon Haycock. There's a hearing scheduled for this bill at the Senate Committee of Government Affairs Monday at 1:00 p.m. And that's the only thing that I wanted to add.

CHAIRMAN CATES: Thank you. And I hope a made a good compelling argument so somebody will motion to support the bill. But I realize it puts everybody in an odd spot. So you do what your conscience tells you. But I'm happy to have a discussion about it. Is that a motion, Tom?

MEMBER GARCIA: Mr. Chair.

CHAIRMAN CATES: Go ahead.

MEMBER GARCIA: Oh, wait. We're not at discussion yet.

CHAIRMAN CATES: No, no, we're in discussion, Rosalie. Go ahead. I joked about Tom making a motion.

MEMBER GARCIA: Oh, I get it. All right. Well, there are components of this bill that I do like. But I do oppose the particular line where the board becomes advisory.

CHAIRMAN CATES: Okay.

MEMBER GARCIA: So, therefore, I would oppose the bill as presented. I do understand that the issue that was a catalyst for this bill are those surrounding the processing

of the most recent HMO RFP. And that's where, you know, the Chair is most concerned.

But I do disagree with the Chair's summary of events surrounding those issues. I believe that at the time with the new executive officer and the new purchasing director, it's possible that the board misunderstood. But I believe that overall the board's direction was not misunderstood. The whole -- And I agree, the whole HMO RFP process was very dissatisfactory or unsatisfactory.

Because the health plan coverage is so very important to all of our members, I believe that should this bill not go through, there are concerns that the bill wants to address that can be addressed within our own internal policies and procedures which would not necessitate the elimination of the board as it currently stands.

So I would be opposed for the bill, again, as presented. That's it.

CHAIRMAN CATES: Okay. Thank you. I appreciate your comment.

MEMBER ZACK: Mr. Chair. Christine Zack for the record.

CHAIRMAN CATES: Go ahead.

MEMBER ZACK: It's with my sincere apologies that I ask that I be excused for the rest of the meeting. I had indicated I was only available in the morning because my

husband is graduating from the Las Vegas City Fire Academy and I need to head downtown. So I am very, very sorry. Is it possible for me to be excused at this point?

CHAIRMAN CATES: It is possible for you to be excused. That's a pretty good reason.

MEMBER ZACK: I can't move it and I can't miss it. So I'm very, very sorry, but I have to jump off the call.

CHAIRMAN CATES: All right. Thank you. You are excused.

MEMBER ZACK: Thank you so much for understanding.

CHAIRMAN CATES: We still have a quorum. Let's take a pause for a minute to make sure we still have a quorum.

MR. HAYCOCK: For the record, this is Damon Haycock. Chris Cochran, are you still with us or did you have to -- Like you would tell me if you took off. But are you still there, Chris?

CHAIRMAN CATES: So did we just lose our quorum?

MEMBER COCHRAN: I'm still here.

MR. HAYCOCK: You're still here, okay.

CHAIRMAN CATES: We're almost done, folks.

MR. HAYCOCK: Yeah, let's get a motion before we lose our quorum.

CHAIRMAN CATES: Any other comments, motions? No motion.

MEMBER LAMBORN: Mr. Chair, Leah Lamborn.

CHAIRMAN CATES: Go ahead.

MEMBER LAMBORN: Thank you. I have to agree with Rosalie again. There is a lot of things in this bill that I could support. I do believe that the board should not be part of the day-to-day operations and the RFP and I understand the issues that surrounded that and certainly should not be involved in personnel.

But I have concerns too about moving it from a governing board to an advisory board. You had made a comment that that means that the board wouldn't have authority. But I would have to disagree with that because I'm not quite sure what kind of authority the board would have in an advisory role making recommendations.

CHAIRMAN CATES: Yeah, understood. This is Patrick. My thought is that it's the power of persuasion. It's not the final say. But I think the administration are obligated to take those recommendations very seriously and would have to explain themselves if I didn't follow them. But I understand your concern.

MEMBER COCHRAN: Mr. Chair, this is Chris Cochran. I agree with both the previous comments in addition to reducing the board membership from ten to seven. It may

sound like it's great for NSHE, but it's not necessarily great overall in terms of losing some valuable contributions that we would have on the board for the purposes of decision making.

I'm more concerned that this is kind of like, well, we're going to throw the baby out with the bath water rather than taking specific areas within the policies that the board -- that could be amended and changed. Particularly on procurement potentially.

Also on matters of, you know, quality control officer, you know, I think that as long as you have a board the board needs to be the group that hires the executive officer. But after that, you know, my impression that you hire that person then it's essentially running the organization, you don't need to micromanage.

I would -- I'm more concerned from the standpoint of losing more voice around the state in terms of what's being on it. And while we are looking at doing this as part of -- I mean, I understand from a bird's eye view why one might look at doing this, why is this board necessary. But I do think this is -- I think if you go back in history as to why the board was created that that one issue alone justifies the need for the board and, you know, compared to potentially an issue that arose one year, one month, and then deciding to eliminate the board. And I suspect it's primarily for that

one issue. So I cannot support this bill. And I'll just leave it at that.

CHAIRMAN CATES: Okay. Thank you, sir.

Any other comments?

MEMBER VERDUCCI: Tom Verducci for the record. I know on some of the other bills we took a neutral position. I'm just wondering if we went neutral on this would it help Damon if there was any language changes to be able to testify to the law makers? That's a question to Damon.

MR. HAYCOCK: For the record, Damon Haycock. Thank you, Mr. Verducci. To be candid, I don't really want to go to the table on this bill. And it's a bill that's a being presented by the board chair. So even if there was concerns, I would rather talk with the board chair off line than do it on line at the table. And I would suggest that each board member that has a concern reach out to Patrick directly because in the end, we're all supposed to be moving on in the same direction as the same team.

And so with that, I'm not looking for a position on this bill. And I'm hoping not to be put in that position to go to the table and take a position on this bill. But I will do as instructed as my job requires and make the best of it.

MEMBER GARCIA: Mr. Chair.

CHAIRMAN CATES: Go ahead.

MEMBER GARCIA: This is Rosalie Garcia. Unfortunately because we are in an awkward position and Damon is in an awkward position where he would not necessarily be able to express the board's concerns on this particular bill, I move that we oppose SB 502 as it's presented.

CHAIRMAN CATES: Okay. We have a motion. Do we have a second?

MEMBER COCHRAN: This is Chris Cochran. I'll second that motion.

CHAIRMAN CATES: Okay. So we have a motion and a second to take a position of opposed for SB 502. Any discussion on the motion?

MEMBER LAMBORN: This is Leah Lamborn. I have a question. So what position does that put Damon in at this point? Because I agree, that's a bad position for Damon to be in. Will he have to testify at all on this bill if we oppose? I guess he would, would he not?

MR. HAYCOCK: For the record, Damon Haycock. Whatever position you provide me, I will go to the table and discuss it, unless you provide me no position. That's the requirement I am supposed to discuss the board's position on any legislation that affects PEBP. And if I have to go to the table if you are for, against, or neutral to this bill.

MEMBER COCHRAN: Mr. Chair, I have a follow-up on that --

CHAIRMAN CATES: Go ahead.

MEMBER COCHRAN: -- in regards to Damon's position on this. I mean, I think that all that would be required from Damon on whatever action the board takes would be to say the board voted in this particular fashion. They're not going to ask him if he agrees. They may. But, I mean, they're not telling them that we are saying that you have to agree with us or not agree with us. All he would have to do is say the board took the position and opposition to this. And you could even report the vote. Because I'm assuming that not everybody would be voting in favor or voting against. But I think leaving it at that.

MR. HAYCOCK: For the record, Damon Haycock. Thank you, Dr. Cochran, for that statement. However, if they ask me one simple question, I'm going to have a very difficult time answering it, and that is why did the board vote to oppose this bill. And then I will have to tap dance around that answer or share word for word everything that's been said today or something in between. And so it's just something to keep in mind.

I will do my duty as I am appointed by you all as your executive officer and I will share your voices and concerns on this bill and any other bill. It's not going to be pleasant. But that's -- if I don't like my job, I can quit, right. So I think that's the answer there. But I

don't think I'm going to be able to get up to the table at this bill and say the board has given me the position of X and then not ask any questions.

MEMBER GARCIA: This is Rosalie Garcia.

CHAIRMAN CATES: I'm not sure who was talking there.

MEMBER COCHRAN: I guess the only follow-up I would have to that is, you know, I mean, if we need to provide a supporting reason, you know, for the reasons cited that we -- that the board believes that many of the items addressed in this bill are items that should be considered and should be, you know -- but the main thing is the -- we, at least I, I won't say we. Whatever action the board takes. Because we may be outvoted anyway. And, after all, we don't have a full board membership participating in this discussion. So whether we vote in favor or vote against, keep in mind that there may have been enough board members out there who aren't participating in this who might sway the vote one way or the other.

But, you know, there are many proponents of the bill that we support. But the one we do not support is the elimination of the board as a voting -- as a voting group, you know, and that's -- that's the -- that would be the maine issue that I would present from why we voted against it.

CHAIRMAN CATES: Okay.

MEMBER GARCIA: This is Rosalie Garcia. And, again, I absolutely concur with Dr. Cochran's statement just now.

My main concern is that we take a position as a board and have our reasons known. If we take no position or even in have a neutral position, it says to me that we don't care. And that is why I made the recommendation for the motion. Thank you.

CHAIRMAN CATES: Okay. Thank you. Go ahead, Ana.

MEMBER ANDREWS: Mr. Chair, Ana Andrews for the record. I was a member of the committee that had to review the policies and procedures for PEBP a couple of years ago. And I would -- I don't have them with me and I could not assess them right now. But my recollection is that the way the policies and procedures are aligned, it states that the executive officer reports to the board.

And I recall when we made the vote in public session to hire Damon, I agree that we may be putting Damon in a bad position to go and oppose this bill on behalf of the board since he reports to the board as it stands right now.

I have a couple of suggestions, if I may, as to how this could be handled. One of them would be for the individual board members to show up at a hearing that's taking place on Monday at 1:00 p.m. and voice their own

position on the bill because you can testify from Vegas and you can testify from Carson City as well.

The other suggestion I have is -- Well, no. Never mind. I don't have a second suggestion. Thank you.

CHAIRMAN CATES: Any further discussion on the motion? Hearing none I'll call for a vote. All of those -- I'll call for a vote on the motion to oppose SB 502. We'll take a roll call vote.

MS. PEDROZA: Ana Andrews.

MEMBER ANDREWS: Nay.

MS. PEDROZA: Leah Lamborn.

MEMBER LAMBORN: Aye.

MS. PEDROZA: Tom Verducci.

MEMBER VERDUCCI: Aye.

MS. PEDROZA: Rosalie Garcia.

MEMBER GARCIA: Aye.

MS. PEDROZA: Chris Cochran.

MEMBER COCHRAN: Aye.

MR. HAYCOCK: Could you have Tom Verducci redo his? We couldn't hear him.

MS. PEDROZA: Tom Verducci, could you please restate your vote.

MEMBER VERDUCCI: Yes. Aye.

CHAIRMAN CATES: Okay. Motion carries. Okay. So that is all of that agenda item. Close Agenda Item 4.

Move to Agenda Item Number 5, public comments.

MEMBER COCHRAN: Mr. Chair.

CHAIRMAN CATES: I'm sorry. Go ahead.

MEMBER COCHRAN: I'm sorry to interrupt. Since I really am late for my 12:00 o'clock appointment, does public comment require me to be in attendance?

CHAIRMAN CATES: No. No, it doesn't.

MEMBER COCHRAN: Do you need a quorum to keep public comment? I don't think you do; right?

CHAIRMAN CATES: No. No. It looks like we're okay.

MEMBER COCHRAN: All right. Great. Thank you. I appreciate your indulgence on this. Thank you.

CHAIRMAN CATES: Thank you, sir.

MS. MALONEY: Good afternoon. I think it's afternoon. Good afternoon to the board. Priscilla Maloney with AFSCME retirees. Just real briefly because I actually do have to get back over to the building.

We will be opposing Senate Bill 502 on Monday. I will not take the board's time to go in to that. I think that a lot of what has been expressed though by the board members themselves has been the main thrust of our concerns and also would like to put on the record I'm not suggesting AFSCME retirees, I'm not suggesting that. This process that you're in right now taking a position on this bill that could

eliminate all or some of whether it's staff position or board position, yes, it does in our -- to my eyes it gives an appearance of a conflict right there. And I don't know what the answer is, given the structure of PEBP. You've got to have a board decision on all of these pieces of legislation.

And by the way, PEBP is not the only health care trust on that issue. I'm daily in meetings with tons of different groups that have health care trusts that are graveling with their positions on these same health care bills, just as an aside, so you know you're not alone. And I tried and suggested to them that they never forget about PEBP when they're making these discussions.

But getting back to this situation that puts poor Mr. Haycock in this unenviable position, he needs a raise. But, yeah, the situation you're in is very challenging. And so -- But I have faith that this board will vote their conscience and do what they need to do on Monday. And you'll hear more about our position. But I think you be probably have an idea of what -- because it's in alignment with what I'm hearing from the board this morning. Okay, afternoon now. So thank you. Back to the building. Thank you.

CHAIRMAN CATES: Thank you.

MS. LAIRD: Thank you, Mr. Chair. My name is Terri Laird. I'm the executive director of the Retired Public Employees of Nevada, RPEN.

For some of the same reasons as Priscilla just mentioned, RPEN has been opposed to Senate Bill 80. We will also be opposed to Senate Bill 502 for the same reasons.

One of the reasons that came up during this, the restructuring of Senate Bill 80 to 502, the fact that we're losing a retiree rep on the board. We fought really hard as an organization a few years ago to get that second retiree voice on the board. So we're very disheartened to hear about that. So that's just another reason why we would be opposed to Senate Bill 502, in addition to everything that was said here today as well.

Because we've been around for a long time. We're in our 40th year. So we've watched the organization go through the many things that it's gone through. And, again, some of the reasons mentioned by the board, some of the concerns by the board today are concerns that we have as well. So thank you very much.

CHAIRMAN CATES: Thank you.

MS. LEAR BOWEN: Good afternoon. My name and words for the record, P-e-g-g-y L-e-a-r B-o-w-e-n. And having sat through all the situations, all the incidents, I want to congratulate this board for rising and not falling their previous scoring, their previous voting, or anything else involved in the previous RFP regarding the HMO process.

What was discovered in the last meeting, and they

call me the Jimminy Cricket or the conscious of the legislature. I'm also sort of the memory tracker here. What took place in that meeting was a relevation(sic) that the applications were not scored or voted on in a fair and likely manner based on what different applicants were told they could put in to the RFP.

And basically what happened is you had a two tier application, Hometown Health, one tier, and the rest of the applicants in another tier, and constantly, if you review the written record of that meeting, you will discover those who were offering to participate in that RFP to offer their product for consideration by PEBP that the offers were given in a different way to everyone except Hometown Health.

And they were allowed to -- The bottom line is that the RFP's were flawed. And this board had the courage, the intestinal fortitude, to go and even though -- and there were participants, including Mr. Wells, on the record about what you should do and shouldn't do based on new information presented that day as to what happened with the applications and once they -- the other applicants found they could give other information, they gave this board other information.

And based upon that, committees that were meant to be hold, including I believe it was Ms. Andrews -- I could be incorrect. I might have the wrong person. But the board that met with Mr. Wells and crew making that group decision

and those scoring points never met as a whole. They just determined it wasn't possible to bring the other person up to date.

And I don't care who made that decision or why. Whatever. The important thing is this board making themselves look on paper or wherever as not doing their job did their job with so much courage that established that they told on the record that they were tired of being held hostage. And I think I'm remembering almost as a quote, being held hostage by Hometown Health of either you go along with what we're doing or we will not allow you to use our doctors in the south and they'll be closed to you and other points of that effect. This board acted with great courage. And if you weren't present at the actual meeting, you might not be aware of that. But lots of conversations took place. Unfortunately people who are just getting the sound bites wouldn't have known that.

I had one other issue. And I apologize for speaking longer. But the main issue I came to talk to you about today was something that Nancy Spillini(sic) said during our last meeting in a quick coverage of what other changes had taken place with the plan. And I went back and checked as far as I could and I found no board vote or -- I don't know about discussion because I missed one because I was given -- it arrived the afternoon -- When I got my mail

in the evening of the 9th, it told me that there was a meeting today of the 9th, and my thing hadn't been mailed until the 7th. Whatever. It doesn't matter.

What I heard said was pertaining to mammograms, in our proceeding what's going to go on in the future. And what I heard was this, that the board in its benefit at a hundred percent would cover 2-D mammograms and that if we had three-dimensional mammograms that there would be a cost to the participant for that mammogram.

And I compared that to being given chicken soup to deal with pneumonia rather than penicillin. If we are advanced technologically for our mammograms, our round objects compared to other round objects, then we should be able to use the advanced technology for our mammograms and not at an additional cost to us.

What transpires right now -- And the Affordable Care Act needed tweaking but we never got to that point -- is the first mammogram is on, excuse the term, on the house, but if you're told you need more diagnostic testing then it's on you to pay for it. And a lot of people where I go and have my mammograms done said, Peggy, see what you can do about if there's follow-up recommended by the doctor that there's some sort of help for people to be able to afford that follow-up help and not just be left with, well, we found some lumps or whatever they found. That was important for me to follow up

on. But things got changed and the topic got changed. And so I am concerned about the differential.

If there were other round things and you had two-dimensional capabilities or three-dimensional capabilities, I think the round things -- the other round things would get the capabilities, no questions asked, and no additional cost to the participant. And so I'm concerned about that. And just have it on the record and have it out there.

And because there are other parts of the plan that were run over and this one just happened to catch my ear, I want to know what changes in the plan took place that maybe the board was not given a great deal of conversation about and that maybe they aren't on the record as having taken a vote according to those changes. Because I don't -- I'm not going to make any assumptions. I don't know how you would have voted. But I got a real strong feeling that when it came to two-dimensional and three-dimensional mammograms that the vote would be maybe for what I've already said. So be it. I've made that point and I appreciate your time and energy and effort on this. And I would be happy -- I know in public comments that you might not be able to have discussion or whatever rules you want to follow.

The only other things I would suggest, Mr. Chair, that according to any rule of thumb that if one has a bill

that one simply step down to the table to discuss the bill as a presenter rather than as chair of the board. And then that makes it easier for the board to be able to act and make it less uncomfortable for the remarks, because they like you. They like you, Patrick. And to be able to separate the business from personal feelings so it's just business when they take a vote to approve or disapprove or whatever. And it's good for you inasmuch as it gives you that presenter time.

And I apologize for the length of time. Just a suggestion. And thank you for all your hard work and thank you for all that you do.

And please one more because it had to do with something you discussed today that's really important about the drugs and the drug gouging and things like that. The bill did not pertain -- If you read the bill very carefully, that said already FDA approved. It wasn't experimental drugs. The bill itself does not address the experimental drugs. It's addressing the drugs that are approved by the standards that they're approved and that they're very expensive. And that came up at the hearing. And I know because I was present at the hearing. And it pertained to, just so it's on the record, as what bill we're talking about.

Anyway, you know what you talked about pertaining to the bills and a lot of conversation had to do with

experimental drugs. And I'm here to tell you that came up in the meeting itself and people were informed by the maker of the motion that this wasn't about experimental drugs. It was about already approved drugs and even old drugs that have a great deal of expense to them. So you might want to relook at that for your next gathering for conversation.

CHAIRMAN CATES: Okay.

MS. LEAR BOWEN: Thank you very much. And I apologize for overtime. And I thank you very much for allowing me to do that. And have a good Easter.

CHAIRMAN CATES: Thank you.

Any other public comment? Seeing none, we'll close Agenda Item Number 5 and go to Agenda Item Number 6. Meeting adjourned.

(Hearing concluded at 12:25 p.m.)

STATE OF NEVADA)
)ss.
CARSON CITY)

I, CHRISTY Y. JOYCE, Official Court Reporter for the State of Nevada, Public Employees' Benefits Program Board, do hereby certify:

That on Thursday, the 6th day of April, 2017, I was present at PEBP offices, 901 S. Stewart Street, Carson City, Nevada, for the purpose of reporting in verbatim stenotype notes the within-entitled meeting;

That the foregoing transcript, consisting of pages 1 through 99, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 20th day of April, 2017.

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CHRISTY Y. JOYCE, CCR
Nevada CCR #625

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