

**STATE OF NEVADA  
PUBLIC EMPLOYEES' BENEFITS PROGRAM  
BOARD MEETING**

The Richard H. Bryan Building  
PEBP Board Room, Suite 1002  
901 South Stewart Street  
Carson City, Nevada 89701

**Video conferenced to:**  
Nevada State Business Center  
3330 West Sahara Avenue  
Tahoe Room, Suite 430  
Las Vegas, Nevada 89102

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**ACTION MINUTES (Subject to Board Approval)**

March 22, 2018

**MEMBERS PRESENT**

**IN CARSON CITY:**

Mr. Patrick Cates, Board Chair  
Mr. Don Bailey, Vice Chair  
Ms. Ana Andrews, Member  
Mr. Chris Cochran, Member  
Ms. Linda Fox, Member  
Ms. Leah Lamborn, Member  
Mr. John Packham, Member  
Mr. Glenn Shippey, Member  
Mr. Tom Verducci, Member

**MEMBERS PRESENT**

**IN LAS VEGAS:**

Ms. Christine Zack, Member

**FOR THE BOARD:**

Mr. Dennis Belcourt, Deputy Attorney General

**FOR STAFF:**

Mr. Damon Haycock, Executive Officer  
Ms. Celestena Glover, Chief Financial Officer  
Ms. Laura Rich, Operations Officer  
Ms. Nancy Spinelli, Quality Control Officer  
Ms. Laura Landry, Executive Assistant

1. Open Meeting; Roll Call

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

2. Public Comment

Public Comment in Carson City:

- Peggy Lear Bowen - Retiree Participant (see exhibit A for comments)

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

3. PEBP Board disclosures for applicable Board meeting agenda items. (Dennis Belcourt, Deputy Attorney General) (Information/Discussion)

**Disclosers**

- Chair Patrick Cates disclosed meeting with officials from Renown, Chris Bosse, Mike Hillerby and Dr. Slonim regarding agenda item 7.
- Vice Chair Don Bailey disclosed receiving a phone call from a member of Hometown Health but was unable to arrange a meeting.
- Member Chris Cochran disclosed having a meeting with Courtney Kelly and Ty Windfeldt of Hometown Health to discuss agenda item 7.
- Member Linda Fox disclosed having a meeting with Courtney Kelly of Hometown Health regarding agenda item 7.
- Member Leah Lamborn disclosed having a telephone conversation with Chris Bosse on agenda Item 7.
- Member Christine Zack disclosed accepting an invitation for meeting with Courtney Kelly of Hometown Health and Chris Bosse with Renown on item 7 regarding the board ratification of a contract between PEBP and St. Mary's. Ms. Zack also met with Glen Stevens, general counsel Health Plan of Nevada but did not discuss any agenda items.

4. Consent Agenda (Patrick Cates, Board Chair) (**All Items for Possible Action**)

Consent items will be considered together and acted on in one motion unless an item is removed to be considered separately by the Board.

- 4.1 Approval of Action Minutes from the January 25, 2018 PEBP Board Meeting.
- 4.2 Acceptance of Health Claim Auditors' quarterly audit findings for HealthSCOPE Benefits for the timeframe of October 1, 2017 – December 31, 2017.
- 4.3 Acceptance of PEBP vendor quarterly reports for the timeframe of October 1, 2017 – December 31, 2017.
  - 4.3.1 Hometown Health Case/Utilization Management report
  - 4.3.2 HealthSCOPE Obesity Care Management Program enrollment & utilization
  - 4.3.3 The Standard Basic Life and Long Term Disability data & performance report
  - 4.3.4 The Standard Voluntary Life and Short Term Disability data & performance report
  - 4.3.5 Towers Watson's OneExchange enrollment & performance report
- 4.4 Acceptance of the PEBP Chief Financial Officer quarterly reports for the period ending December 31, 2017.
  - 4.4.1 Budget Report
  - 4.4.2 Utilization Report

- 4.5 Receipt of the federally mandated Summaries of Benefits and Coverage documents effective July 1, 2018 for individual coverage and family coverage for PEBP's Consumer Driven Health Plan (CDHP) and PEBP's Premier Plan (Exclusive Provider Organization – EPO).
- 4.6 Acceptance of the Willis Towers Watson's OneExchange Operations Report.

**Board Action on Item 4**

**MOTION:** Motion to approve the Consent Agenda.  
**BY:** Member Chris Cochran  
**SECOND:** Vice Chair Don Bailey  
**VOTE:** Unanimous; the motion carried.

5. Health Claim Auditors, Inc. annual audit of Express Scripts, Inc. (ESI) for the PEBP Plan Year 2017 (July 1, 2016 – June 30, 2017) to include: the report from Health Claim Auditors; ESI's response; and the Board's acceptance of the audit report findings and assess penalties, if applicable, in accordance with the performance guarantees included in the contract pursuant to the recommendation of Health Claim Auditors. (Robert Carr, Health Claim Auditors, Inc.) **(For Possible Action)**

**Board Action on Item 5**

**MOTION:** Motion to accept the auditor's report and assess a penalty in the amount \$38,678 for the items that are cited in the report as the two penalty items.  
**BY:** Member Tom Verducci  
**SECOND:** Vice Chair Don Bailey  
**VOTE:** Unanimous; the motion carried.

6. Executive Officer Report to include discussion and possible action to approve a 1-year extension to the Express Scripts Inc. Pharmacy Benefits Manager contract supporting the CDHP and EPO members for additional pharmacy discounts and rebates out to June 30, 2023. (Damon Haycock, Executive Officer) **(For Possible Action)**

**Board Discussion for follow up on Item 6**

- Chair Patrick Cates suggests that reports requiring action be presented separately from the Executive Officer report in the future.

**Board Action on Item 6**

**MOTION:** Motion to accept report but not approve extending the Express Scripts contract.  
**BY:** Member Chris Cochran  
**SECOND:** Member Glen Shippey  
**VOTE:** Unanimous; the motion carried.

7. Board ratification of a contract between PEBP and Saint Mary's for primary care, specialty care, and hospital services for PEBP members participating on the CDHP and EPO plans for Plan Years 2019 and 2020. (Damon Haycock, Executive Officer) **(For Possible Action)**

#### **Public Comment on Item 7**

Public Comment in Carson City:

- Marlene Lockard – Retired Public Employees of Nevada (RPEN)
- Peggy Lear Bowen – Retiree Participant (see exhibit A for comments)
- Priscilla Maloney – Representative of AFSCME retirees
- Kevin Ranft – AFSCME 4041

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

#### **Disclosers**

- Member Leah Lamborn recused herself from voting on agenda item 7 and 8 due to a recent engagement with a law firm that is performing work for a nonprofit charity organization who is affiliated with Renown.

#### **Board Action on Item 7**

**MOTION:** Motion to ratify the contract between PEBP and St. Mary's.

**BY:** Member Christine Zack

**SECOND:** Member Tom Verducci

**IN FAVOR:** Member Ana Andrews, Vice Chair Don Bailey, Chair Patrick Cates, Member Tom Verducci, Member Christine Zack, Member John Packham

**OPPOSED:** Member Chris Cochran, Member Linda Fox, Member Glenn Shippey

**ABSTAINED:** Member Leah Lamborn

**VOTE:** Six in favor, three opposed; the motion carried.

8. Discussion and possible action to approve an expansion of the Medicare-plus provider reimbursement pilot program with Saint Mary's to include Carson Tahoe Health beginning Plan Year 2019 (July 1, 2018 - June 30, 2019). (Damon Haycock, Executive Officer) **(For Possible Action)**

#### **Public Comment on Item 8**

Public Comment in Carson City:

- Peggy Lear Bowen – Retiree Participant (see exhibit A for comments)
- Kevin Ranft – AFSCME 4041

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

### **Board Action on Item 8**

**MOTION:** Motion to approve PEBP's recommendation for the Board to approve the expansion of the Medicare-plus reimbursement pilot program to include Carson Tahoe Health beginning Plan Year 2019 (July 1, 2018) for a two-year period. If approved, PEBP will bring back a contract for services to the Board for ratification at the May 24, 2018 Board meeting.

**BY:** Member Tom Verducci

**SECOND:** Member Christine Zack

**IN FAVOR:** Member Ana Andrews, Vice Chair Don Bailey, Chair Patrick Cates, Member John Packham, Member Tom Verducci, Member Christine Zack,

**OPPOSED:** Member Chris Cochran, Member Linda Fox, Member Glenn Shippey

**ABSTAINED:** Member Leah Lamborn

**VOTE:** Six in favor, three opposed; the motion carried.

9. Discussion and possible action to include approving Plan Year 2019 (July 1, 2018 – June 30, 2019) rates for State and Non-State employees, retirees, and their dependents for the Statewide Consumer Driven Health Plan (CDHP); southern Nevada Health Maintenance Organization (HMO) Plan; and the northern and rural Nevada PEBP Premier (Exclusive Provider Organization - EPO) Plan, as well as utilization of excess reserves for Medicare retiree supplemental Health Reimbursement Arrangement (HRA) funds. (Damon Haycock, Executive Officer) **(For Possible Action)**.

### **Public Comment on Item 9**

Public Comment in Carson City:

- Kevin Ranft – AFSCME 4041

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

### **Board Action on Item 9**

**MOTION:** Motion to Approve Option 1: Approve PEBP's Assumptions and Reduce Rates for all Members on all plans, approve a Plan Year 2019 additional \$2/month/year-of-service one-time supplemental HRA funding to Medicare retirees participating on the Medicare Exchange and allow staff to make technical adjustments as needed.

**BY:** Member Ana Andrews

**SECOND:** Member Leah Lamborn

**VOTE:** Unanimous; the motion carried.

10. Approval of the proposed changes to the Master Plan Documents for Plan Year 2019 (July 1, 2018 – June 30, 2019) for medical, dental, life, and long term disability benefits, for enrollment and eligibility rules, and for privacy and security requirements, to reflect previously approved plan design modifications, changes in legislative or regulatory requirements, and technical corrections or updates. (Nancy Spinelli, Quality Control Officer) **(For Possible Action)**

**Board Discussion for follow up on Item 10**

Glenn Shippey requested Plan Document be revised to include requirements from the 2017 Legislative Session to include Wellness Bills AB 249, SB 233, Women's Contraception methods and supply, Assembly Bill 304 regarding autism spectrum disorder, early intervention services pursuant to Bill 304. ABA Actuarial equivalence needs to be determined by PEBP. Plan Document needs to include NRS 695G.1665 synchronized medication for chronic conditions and early refills for topical ophthalmic drops NRS 695G.172.

**Board Action on Item 10**

**MOTION:** Motion to move forward with board approval as presented and all the bulleted items and add on what Member Shippey had mentioned.

**BY:** Member Tom Verducci

**SECOND:** Vice Chair Don Bailey

**VOTE:** Unanimous; the motion carried.

11. Discussion and possible action to include approving the rewards process associated with the implementation of Healthcare Bluebook, PEBP's new transparency vendor, for the CDHP and EPO plan in Plan Year 2019. (Damon Haycock, Executive Officer) **(For Possible Action)**

**Board Action on Item 11**

**MOTION:** Motion to approve the Healthcare Bluebook reward option one, regional option.

**BY:** Member Leah Lamborn

**SECOND:** Member Ana Andrews

**IN FAVOR:** Member Ana Andrews, Vice Chair Don Bailey, Chair Patrick Cates, Member Linda Fox, Member Leah Lamborn, Member John Packham, Member Glenn Shippey, Member Tom Verducci

**OPPOSED:** Member Chris Cochran, Member Christine Zack

**VOTE:** Eight in favor, two opposed; the motion carried.

12. Discussion and possible Board direction to staff regarding the program's 2019 Legislative Platform, to include PEBP's Fiscal Year 2020 – 2021 biennial budget development and policy bill draft requests (BDRs). (Damon Haycock, Executive Officer) **(For Possible Action)**

**Board Action on Item 12**

No action taken.

### 13. Public Comment

Public comment will be taken during this agenda item. Comments may be limited to three minutes per person at the discretion of the chairperson. Persons making public comment need to state and spell their name for the record at the beginning of their testimony.

Public Comment in Carson City:

- There was no public comment in Carson City.

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

### 14. Adjournment

Chair Cates adjourned the meeting at 3:55 p.m.

# Exhibit A

**These remarks are presented as transcribed by Capitol Reporters.**

AGENDA ITEM 2 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: Good morning. My name and words for the record Peggy, P-e-g-g-y Lear, L-e-a-r Bowen, B-o-w-e-n. And because you went through that so fast, I'm just making it very clear that I understand completely that Mr. Haycock and all are working very hard to see that women are not charged, it's part of their benefit for their mammograms and they are 3-D. At our last conversation, it was very clear that there was still only one mammogram, and what it is my hope today with what you are doing and how you're doing it that when you include rate-setting going up, everything that you have on the agenda today that you take into consideration the request, women are not getting their mammograms because they can't afford a follow-up mammogram if their doctor requests it. It would be very very helpful if that – that upon doctor's request after the first mammogram, whether it be 3-D or otherwise, that upon the doctor's request that there be as part of the benefit a second mammogram so that women are not dying with -- men and women, it's across the board, are not dying because of not being able to afford follow-up -- that follow-up care. What we basically we've done now is become a diagnostic insurance company. You go to the eye doctor and you're diagnosed with what you need for your eyes. You go to the medical doctor and you get diagnosed for that sort of thing and for your -- but a lot of what we've become is an insurance company for the State of Nevada for retirees and non-state retirees and non-state actives and non-state retirees is more or less a diagnostic company with less incumbent upon the insurance company to pay for the care that is followed up that is needed if -- if noted by a doctor, and you might want to keep that in mind today while you're doing. Thank you so much for all your hard work and getting your life wraps out and coming to the meeting. Take good care.

AGENDA ITEM 7 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: Good morning, and my name and words for the record Peggy, P-e-g-g-y Lear, L-e-a-r last name Bowen, B-o-w-e-n. Thank you for today's deliberation. I want to refer to I believe my facts are right, and I'm sure you'll correct me if they are not. I don't think we've had an RFP regarding this issue since 2011. I don't think we've gone out to bid. We have extended and extended and extended for whatever reason and the last reason was when we public in the transparent process, and thank you, Damon Haycock, you deserve every raise in the book, promotion and dark chocolate too. For making this as transparent as possible. The transparency that has been brought to this Board, the credibility that has been brought to this Board has been fantastic and what we need from you now is to continue in that fashion, to work on -- I mean, Governor Sandoval did not approve a person being given critical care status and having it in such a way because he said we're not going to be here in 2020 or 2022. And I was shocked at the last meeting when this contract was extended by three years. The extension needs to stop. The money needs to quit being made. The fact is that competition and people need to be able to sit down and compete. One concern I had during the interim is that the way it works right now is providers have been bought by these insurance companies, offices and providers. Under the last big issue with the cardiologist, those cardiologists won their battle but lost their case. When they were brought back into our insurance position, they were not given poor privileges at Renown. They could do their office work. They could go out and be sent to Churchill, and I like Churchill, or

wherever else they could be sent, but they weren't given floor privileges at Renown. We need these doctors watched over and cared for in this process so that we as members have them available to us. My pulmonary unit, pulmonary was just purchased by Renown and, therefore, if we don't go with Renown and if Renown doesn't allow us to utilize their doctors and the doctors have told us they can't provide, then the only pulmonary unit in town is with Renown and not with being open for members to access. So please in your deliberations do your due diligence to make sure that providers are not made so that they cannot deal with your members because of which hospital has bought their practice. The fact is we need an RFP process in place. We need this competition put back in place or otherwise, we are held hostage by Renown and where they really get you is preauthorization, if I might be so bold, preauthorization at the hospital. I was stung by a wasp this summer, and I went to the hospital because 40 years ago having been in the hospital twice getting adrenaline injected directly to my heart, the point was it took everything I knew to get preauthorization for an Epipen because the hospital's pharmacy had closed. CVS pharmacies were closed, and they made me wait until 9:00 o'clock the next morning from 5:00 o'clock in the afternoon the previous day for an Epipen to be pre authorized at a CVS that didn't even have the Epipen. Whereas, Walgreen's, sitting over the freeway, freeway had the Epipen and I could have gone home with it because they are saying I used my time allotment at Renown and I was being forcibly removed, saved by the head of Renown's nurses saying doctor ordered an Epipen, and then they said the difference in price from \$335 to \$780 for the Epipen at that time because I lacked preauthorization. So you have the process -- And the initial RFP was flawed because not all insurance companies were asked the same questions and that was discovered here, and that's why we've been going through this every single time whenever we challenge Hometown Health and the rest of Renown. We need to get it open again, public again and fair again and thank you very much.