

PUBLIC EMPLOYEES' BENEFITS PROGRAM BOARD  
TRANSCRIPT OF PROCEEDINGS  
VIDEOCONFERENCED OPEN MEETING  
FRIDAY, APRIL 27, 2018  
CARSON CITY AND LAS VEGAS, NEVADA

1  
2  
3  
4  
5  
6  
7 The Board: PATRICK CATES, Chairman  
GLENN SHIPPEY, Member  
8 DON BAILEY, Vice Chairman  
ANA ANDREWS, Member  
9 JOHN PACKHAM, Member  
TOM VERDUCCI, Member  
10 LEAH LAMBORN, Member  
CHRIS COCHRAN, Member  
11 LINDA FOX, Member  
CHRISTINE ZACK, Member  
12  
13 For the Board: DENNIS BELCOURT, Deputy  
Attorney General  
14  
15 For Staff: DAMON HAYCOCK  
Executive Officer  
16 CELESTENA GLOVER  
Chief Financial Officer  
17 NANCY SPINELLI  
Quality Control Officer  
18 LAURA LANDRY  
Executive Assistant  
19  
20  
21 Reported by: CAPITOL REPORTERS  
Certified Shorthand Reporters  
22 BY: CHRISTY Y. JOYCE  
Nevada CCR #625  
23 123 West Nye Lane Suite 107  
Carson City, Nevada 89706  
24 (775)882-5322

I N D E X

1		
2	AGENDA ITEM	PAGE
3	1 - Open meeting: Roll call	3
4	2 - Public comment	5
5	3 - PEBP Board disclosures for applicable board meeting agenda items	43
6		
7	4 - Approval of action minutes from 4-20-18	44
8	5 - Discussion and possible action on the changes to or replacement of the Hometown Health Providers Preferred Provider Organization (PPO) network currently approved for the PEBP Consumer Driven Health Plan(CDHP)through June 30, 2021	46
9		
10		
11	6 - Discussion on new information received by PEBP since the March 22, 2018 board meeting affecting the Saint Mary's and Carson Tahoe Health Medicare-Plus Reimbursement Model Pilot Program contracts and possible action	46
12		
13		
14	7 - Public Comment	97
15	8 - Adjournment	102
16		
17		
18		
19		
20		
21		
22		
23		
24		

1 FRIDAY, APRIL 27, 2018, 8:30 A.M.

2 ---oOo---

3 VICE CHAIRMAN BAILEY: I'd like to call the  
4 Public Employees Benefits Program board to call, April 27th.  
5 We will start with the roll call.

6 MR. HAYCOCK: Thank you, Vice Chair.  
7 Ana Andrews.

8 MEMBER ANDREWS: Here.

9 MR. HAYCOCK: Don Bailey.

10 VICE CHAIRMAN BAILEY: Here.

11 MR. HAYCOCK: Patrick Cates.

12 CHAIRMAN CATES: Here.

13 MR. HAYCOCK: Chris Cochran.

14 MEMBER COCHRAN: Here.

15 MR. HAYCOCK: Linda Fox.

16 MEMBER FOX: Here.

17 MR. HAYCOCK: Leah Lamborn.

18 MEMBER LAMBORN: Here.

19 MR. HAYCOCK: Glenn Shippey.

20 MEMBER SHIPPEY: Here.

21 MR. HAYCOCK: Tom Verducci.

22 MEMBER VERDUCCI: Here.

23 MR. HAYCOCK: Christine Zack.

24 MEMBER ZACK: Here.

1 MR. HAYCOCK: And John Packham.

2 MEMBER PACKHAM: Here.

3 MR. HAYCOCK: Vice Chair, you have a quorum.

4 VICE CHAIRMAN BAILEY: Patrick, are you on the  
5 line?

6 CHAIRMAN CATES: Yes, I am. Can you hear me?

7 VICE CHAIRMAN BAILEY: Would you like to say a  
8 few words, please?

9 CHAIRMAN CATES: Sure. I'm going to talk briefly  
10 about public comment. You know, this is the second meeting  
11 we've had to consider this. I know that all the material has  
12 been out now, I mean, since before the meeting last week. So  
13 everybody should have had ample time to use it or to review  
14 it. Excuse me. I think what we should do is take public  
15 comment on Agenda Item Number 2 and then again at Agenda Item  
16 Number 7 for the sake of time. I'm sure there's a lot of  
17 people there that want to comment and we want to give them  
18 the opportunity to do that. But if we take it on each agenda  
19 item, my fear is we won't get through this agenda on time. I  
20 know we have a hard stop in a few hours and it's imperative  
21 that this board makes the decision to give some direction to  
22 staff. So, therefore, I would recommend we limit public  
23 comment to those two agenda items.

24 As I said, everybody has had ample time to review

1 the report from staff. And I would ask that people keep  
2 their comments brief, that we stick to a strict three-minute  
3 limit. If you want to repeat what other people have said,  
4 keep it brief, say ditto, that sort of thing. And just help  
5 us get through this and we'll try to give everybody the time  
6 they need. But please be brief. It's -- Open enrollment is  
7 next week and it's imperative that this board make a decision  
8 today so the staff can proceed. Thank you.

9 VICE CHAIRMAN BAILEY: Thank you, Mr. Chair.

10 All right. I'll open it up to public comment.  
11 Carson, please.

12 MR. MERRILL: Good morning and thank you for this  
13 opportunity to speak. I'm Dr. Doug Merrill, the chief  
14 medical and economic officer for Renown Health. A great deal  
15 has been made here in recent weeks about Leapfrog and CMS as  
16 far as ratings as indicators of quality of care at our area  
17 hospitals. And some people view these grades as if there is  
18 a competition among Reno hospitals.

19 In reality, we should be proud of the quality of  
20 care at all of our Reno hospitals. Patient care and quality  
21 and safety takes things far too serious to be considered part  
22 of a ratings competition. And that is not the reason those  
23 grades were created.

24 Both Leapfrog and CMS base these scores on

1 information that is several years old going as far back as  
2 2013. That is by design the aid in the science of the rating  
3 agency's work. But the result is that these grades reflect  
4 information from several years ago.

5 CMS certifies every month that Renown Regional's  
6 patients are sicker by far than any other Reno hospital.  
7 That is because Regional is the only northern Nevada hospital  
8 that is a trauma center and a pediatric hospital. Each year  
9 Regional accepts over 5,000 of the sickest and most complex  
10 patients as transfers from all the other hospitals. Over 80  
11 percent of its admissions are unexpected rather than elected.  
12 That's our mission. That makes us different.

13 Four years ago, Dr. Sloan and the Renown board  
14 and the leadership team committed to care, quality, and  
15 patient safety as the most important focus of management.  
16 That has paid off. For instance, rates of infection and  
17 patient safety scores at Renown Regional are today better  
18 than the expected rates and scores for our patients as  
19 determined by the Centers for Disease Control, the CDC.

20 The mortality rate of these very sick patients at  
21 Regional has improved by over 50 percent at time period and  
22 patients are safe as measured by nationally recognized rates  
23 that indicate excellent care.

24 So CMS and Leapfrog quality grades for Renown

1 Medical Center do not reflect the current, very excellent,  
2 quality of care provided there. Despite taking the sickest  
3 patients current measures of our patients' safety exceed  
4 national expectation for a hospital of our size and scope.

5 I have been fortunate enough to serve at  
6 Carson-Tahoe Hospital from 1981 to 1986 and since then at  
7 Dartmouth, the University of California, the University of  
8 Iowa, Washington, and Stanford. I am proud to tell you that  
9 Renown provides a quality of care and level of service  
10 excellence that is on the same level as those great  
11 organizations.

12 The other Reno hospitals provide a good quality  
13 secondary level care. Regional is northern Nevada's only  
14 tertiary care center.

15 It is a misunderstanding to suggest that we are  
16 competing with one another on quality of care. Our patients  
17 and our services are not the same. I am proud of all of our  
18 hospitals and doctors, nurses, and technical staff. You all  
19 have some significant decisions to make. However, it would  
20 be a mistake to base those decisions on questions of quality  
21 of care where an imagined competition among the hospitals  
22 for Leapfrog grades and CMS stars.

23 Remember that those grades are not intended to  
24 portray a hospital's current quality of care, so they do not

1 reflect the excellent quality of care provided today to  
2 Renown Regional.

3 Every one in northern Nevada should be proud of  
4 and thankful for Renown Regional Medical Center's recognized  
5 quality of care, including employees and positions you  
6 provide. We have been proud to service the Nevada state  
7 employees for decades and as a resource that all other  
8 hospitals in northern Nevada can use. Thank you.

9 VICE CHAIRMAN BAILEY: Thank you, sir.

10 Anyone else from the Carson area?

11 UNIDENTIFIED SPEAKER: Yes. We have public  
12 comment upstairs.

13 VICE CHAIRMAN BAILEY: Okay. Go ahead.

14 MS. MALONEY: Good morning to the board.  
15 Priscilla Maloney representing the AFSCME state retirees. We  
16 just want to thank the board and all the participants for the  
17 heightened interest in this issue. And we hope that the  
18 discussions today will come out to a productive conclusion.  
19 We very much agree with what the first speaker said. This is  
20 not a quality of care issue. It's more likely a recognition  
21 and an acknowledgment of the intense road we have in our  
22 northern Nevada region and it's more from the retiree board's  
23 perspective and access to care issue. And we acknowledge  
24 that we have wonderful facilities in the northern region and



1 we want to make sure that everybody understands that's our  
2 position. Thank you.

3 VICE CHAIRMAN BAILEY: Thank you. Anyone else  
4 down in the overflow room?

5 MR. HOLDINGS: Good morning, Chairman Cates and  
6 members of the board. My name is Dr. Ross Holdings. I'm the  
7 medical director and a founder of Reno Diagnostic Centers.  
8 RDC is northern Nevada's only independent, non-hospital owned  
9 imaging center.

10 During my 35 years as a practicing radiologist in  
11 Reno, I have had several opportunities to witness what  
12 exclusivity and health care does to patient choice and health  
13 care cost. In short, it is not good. In the long run,  
14 exclusivity by reducing competition drives cost up and  
15 quality down. It is a lesson we all learned in school.

16 Renown has stated that their focus is to improve  
17 health care in our community and reduce costs. And HHP is  
18 the only player in Reno that will not contract with RDC to  
19 provide care for their patients, despite RDC being widely  
20 recognized as northern Nevada's leader in medical imaging as  
21 well as the region's lowest cost provider.

22 RDC promotes patient choice. We do not only  
23 health care insurance place to provide a steady stream of  
24 guaranteed patients. RDC has remained successful these past

1 33 years by providing value to our patients. I believe that  
2 if we have the luxury of exclusive contracts, our values to  
3 our patients and our community will be diminished. Patient  
4 choice and more open contracts are the best way to improve  
5 health care for your employees and lower your costs.

6 I would encourage this board to adopt the  
7 proposed pilot program. It is a good way to test the market  
8 and provide going forward. Thank you for your time.

9 VICE CHAIRMAN BAILEY: Thank you, sir.

10 Any further comment in the overflow room?

11 MR. KRAMER: Yes. Thank you. First off I'd like  
12 to thank the board for allowing --

13 (The court reporter interrupts)

14 VICE CHAIRMAN BAILEY: Can you stop one minute  
15 and repeat. The stenographer can't understand what you're  
16 saying. Start again. Thank you.

17 MR. KRAMER: Thank you. My name is Eric Kramer.  
18 I am an MRI fellowship trained radiologist. I have been with  
19 Reno Diagnostic Centers since 2007. I came to Reno after  
20 completing my training because I believed in RDC's mission of  
21 high quality --

22 (The court reporter interrupts)

23 MR. KRAMER: -- involved in the case. Renown  
24 provides unique services to the community and the board of

1 neurosurgery physical care, call center, and neonatal ICU,  
2 and other specialty services that provide benefits to the  
3 region, however, providing these essential services with the  
4 exclusive arrangements and credit for a tax. This frees  
5 Renown from having to compete on price, from the having to  
6 compete on quality, and from having to compete with patients.  
7 This results in financial hardship for patients in our  
8 community.

9           As you have heard and will hear here today, when  
10 Renown continues to give lip service to their ideals of low  
11 cost, high quality care, their actions reveal they're  
12 actually threatened by patient choice and cost against  
13 fairness. I'm here today and speaking to you to tell you  
14 that I am confident that myself, my team of radiologists, and  
15 that everyone at RDC provides the best care for patients and  
16 the best service to other providers in northern Nevada.

17           But RDC is not able to provide these services to  
18 the TEBT members because HHP restricts us from being a  
19 provider. We do exactly what Renown as a leadership say they  
20 want to provide to our community for one-third of the price.  
21 And, again, they actively exclude us at every opportunity.  
22 It's clear to me that this is not in your members' or our  
23 community's best interest. Thank you.

24           VICE CHAIRMAN BAILEY: Thank you.

1 Anybody in the overflow room additional?

2 MS. HOOPER: Yes, I do. My name is Jolene  
3 Hooper. I've been a nurse for 27 years here in Nevada. I am  
4 representing the people who are unable to be here today.  
5 Very important to our whole state. The people want and  
6 deserve to have the option of choosing who their health care  
7 provider is. Public employees should have options. They  
8 should have the option to choose whether they want to have an  
9 A-rated hospital or a C-rated hospital.

10 Two facts I would like to mention. Saint Mary's  
11 neonatal intensive care unit has not a central-line  
12 associated blood infection since March 17th of 2008. That is  
13 pretty big. The -- They have not had a VAP, which is a  
14 ventilator-associated pneumonia infection, since August 9th  
15 of 2010. Now, these are our smallest populations, less than  
16 one pound, very ill infants. We've had them up to 13 pounds.

17 What I do hope that this board does is continue  
18 to vote in favor of this pilot program and offer  
19 affordability, competition, and accessibility in our state.  
20 Thank you.

21 VICE CHAIRMAN BAILEY: Thank you. Any further  
22 comments from the overflow room?

23 UNIDENTIFIED SPEAKER: No.

24 VICE CHAIRMAN BAILEY: How about the room we're

1 in? Sir.

2 MR. GRIFFIN: Yeah. Mr. Vice Chairman, members  
3 of the PEBP board. John Griffin with the Griffin Company on  
4 behalf of Saint Mary's.

5 The decision that is on the agenda today for you  
6 between the two has -- is not something that hasn't been  
7 faced before in this market. The Washoe County School  
8 District in August of 2015 had a choice. An open market with  
9 multiple providers or a monopoly market with one. They  
10 elected to choose a monopoly market with one and went with  
11 Renown.

12 At that time, they said that the exclusive  
13 agreement with Renown will save 1.1 million dollars in  
14 taxpayer money in the first year and at least 1.6 million  
15 dollars afterwards. The Reno Gazette Journal article said  
16 that, "in exchange for giving all of its business to Renown,  
17 the district has received a promise that no matter how much  
18 the price levels inflate in the next three years the district  
19 will only be responsible for a five percent increase at  
20 most." That's sort of what the proposition that they present  
21 to you today is.

22 So how did that work out for the Washoe County  
23 School District? In the recent financial statement for the  
24 school district for the nine-month financial period comparing

1 the end dates in March 2017 and March 2018, the promised  
2 savings has resulted in total medical care cost increase of  
3 17 percent. Renown promised savings greater than a million  
4 dollars per year and in fact they delivered increases of over  
5 six million dollars.

6 Contrast that to the City of Reno who had the  
7 same choice a month later. They chose to stay with an open  
8 market in a competitive market with multiple providers. In  
9 financial documents that we were able to get from the City of  
10 Reno it shows that their total health care cost in the same  
11 period of time as the school district has increased only  
12 three percent. Of that three percent, Renown was responsible  
13 on their end for a net increase of ten percent from their  
14 previous year, while Saint Mary's portion of that resulted in  
15 a one percent decrease from the previous year.

16 I know that you already heard some public comment  
17 on hospital ratings. I think, I mean, the ratings you guys  
18 are well versed in are familiar with. If someone came up to  
19 me and showed me an Olympic medal and told me it was a gold  
20 medal, I would have no reason to think it wasn't a gold  
21 medal. But if the US Olympic team said that's a bronze  
22 medal, it's a bronze medal. An A is an A and a C is a C.

23 If I get on Yelp and look up a restaurant and  
24 Yelp has a one-star rating from 500 customers, like Renown

1 has in the star rating system, I don't eat there. If there's  
2 a four out of five stars at a restaurant, I eat there.

3 The CMS system has Saint Mary's at four out of  
4 five stars and has Renown at one out of five. If you elect  
5 the monopoly provider, the beneficiaries of the state don't  
6 get a choice. They have to eat at the one star restaurant.

7 So when we talk about competition and what the  
8 City of Reno did versus the school district did, it's very  
9 similar to the decision you face here today.

10 And you got -- You, the board, was very wise in  
11 how they approached the situation with the pilot program.  
12 And the mere existence of that pilot program after the  
13 adoption by this board brought Renown to the table to sharpen  
14 their pencils and come up with some better terms. But for  
15 that pilot program, does anybody think you would be approving  
16 a contract that had two percent hospital cost caps in it from  
17 Renown? And what does it say about what Renown was doing to  
18 the taxpayers of the state and the state employees before  
19 this? Were they over earning? Were they over billing?

20 All of a sudden with competition we get a two  
21 percent cap. Well, that's because competition in free market  
22 place is good. And so your decision today, I humbly propose,  
23 for you to keep competition in the market place. This is the  
24 result of competition. Let everybody compete on cost and on

1 quality of care.

2 Governor Sandoval signed a letter to congress  
3 along with other prominent governors. And I'll quote a  
4 portion of that letter. Empowering consumers with  
5 information about the cost and quality of care can help to  
6 drive competition that will lower cost. New tools should be  
7 developed to provide consumers with better information about  
8 how much health services cost or which providers offer the  
9 best quality of care. For example, the federal government  
10 should work with states to promote consumer facing web sites  
11 and apps that let consumers shop for health care based on  
12 quality and cost.

13 Shouldn't the thousands of lives covered by the  
14 state enjoy the choice and opportunity this letter so  
15 eloquently urges? Shouldn't they get to shop for health care  
16 based on quality and cost? If you agree to an exclusive  
17 arrangement with Renown and eliminate the pilot program,  
18 state workers have no choice. Competition will not exist to  
19 improve quality and lower costs. A bad actor will be  
20 rewarded for previously gouging the taxpayers of the state.  
21 You will put all of your eggs in one basket and lose all  
22 control over cost and quality.

23 The pilot programs continue to help build this  
24 board's mission to increase access to care, improve the



1 member experience, and reduce cost to the program. I would  
2 urge this board to trust the free market and competition in  
3 the market place on cost and quality and not the board.  
4 Thank you.

5 VICE CHAIRMAN BAILEY: Thank you, sir.

6 MS. LIDHOLM: Good morning, Mr. Vice Chair,  
7 members of the board. For the record my name is Helen  
8 Lidholm.

9 (The court reporter interrupts)

10 MS. LIDHOLM: Yes. L-i-d-h-o-l-m. I'm a  
11 registered nurse and the CEO of Saint Mary's Health Network,  
12 which as you know consists of Saint Mary's Regional Medical  
13 Center and Saint Mary's Medical Group.

14 We were very honored when the PEBP approached us  
15 to create a pilot program between PEBP and Saint Mary's. The  
16 Saint Mary's team are very grateful that the PEBP board -- to  
17 the PEBP board for your willingness to twice cast your vote  
18 in favor of our pilot program and to allow choice for your  
19 membership. We're excited for the opportunity to improve  
20 access, increase quality of care, improve efficiency and  
21 lower cost to our members.

22 The Dominican Sisters of San Rafael established  
23 Saint Mary's in 1908 and this year we're celebrating our  
24 110-year anniversary. Over 2,500 individuals work at Saint

1 Mary's and live in our community. We're a family with deep  
2 roots in northern Nevada.

3 In the past five years we have invested now close  
4 to 110 million dollars back in to Saint Mary's health network  
5 and our community and equipment technology, building, staff  
6 and provider expansions, all to increase access and improve  
7 quality and outcomes for our patients.

8 We're also a proud taxpayer. We pay -- We have  
9 now paid over 17 million dollars in taxes to our state,  
10 county, city, school district, et cetera.

11 Our focus is to provide high quality health care  
12 at affordable cost. This week Saint Mary's received our  
13 fourth consecutive A grade in patient safety from Leapfrog.  
14 And that A was for the numbers and the care that was provided  
15 in 2017.

16 And we believe that having competition between  
17 hospitals to improve patient safety and outcome is a good  
18 thing. At the end of the day the patients win and we all try  
19 harder.

20 And, as you heard, we also had four out of five  
21 stars from CMS, making our -- for our patient care and  
22 outcome. We're very proud of that. The pervading culture at  
23 Saint Mary's is that our focus is on high quality patient  
24 care and outcomes. We're lead by a volunteer community board

1 and the chairman of our board, who regrets he can't be here  
2 today -- You've met him before. It's Dr. Richard Brian, Jr.,  
3 a cardiologist. Our board has many positions of multiple  
4 professions. This leadership structure has sent a message  
5 that permeate our indication that high quality patient care  
6 is the most important thing we do each and every day.

7 It is my hope that Saint Mary's and PEBP can move  
8 forward with a pilot program that was negotiated in good  
9 faith from both entities.

10 We were touched to receive so many inquiries from  
11 excited state employees who are planning to choose Saint  
12 Mary's for their health care. Their ability to choose their  
13 health care provider is what is at stake here today. I  
14 cannot emphasize enough on how important choice is to  
15 patients when making their health care decisions.

16 In closing, sincere thank you to the PEBP board  
17 for twice voting in favor of choice for the members you  
18 represent. And I sincerely hope that your prior votes will  
19 stand today. Thank you.

20 VICE CHAIRMAN BAILEY: Thank you very much.

21 MS. GRIM: Hello. My name is Katy Grim. I am  
22 the chief nursing officer at Saint Mary's. I thank you for  
23 approving the pilot project. In that you have successfully  
24 brought choice and quality health care to state employees and

1 retirees in northern Nevada. And I'm confident that with  
2 that decision you will see true cost savings from this pilot  
3 program.

4 Saint Mary's has spent years building a culture  
5 to provide high quality patient care. This culture was once  
6 again validated by our Leapfrog with our fourth letter grade  
7 A.

8 Our quality scores have real meaning. Our  
9 patients are less likely to develop an infection or a blood  
10 clot or other complication. According to Leapfrog, your risk  
11 of death at a hospital with a C letter grade is 35 percent  
12 higher than a hospital with A.

13 And I respectfully agree with Renown's CMO who  
14 spoke earlier. CMS data does date back five years and goes  
15 more recent. Leapfrog takes CMS data in to account plus  
16 takes data points all the way up until 2017.

17 Our leaders drive this culture. Saint Mary's is  
18 owned by a physician, our CEO is a registered nurse, and our  
19 governing board has a large number of physicians from  
20 multiple specialties. They feel strongly that their job is  
21 to listen and support our team so that we can provide high  
22 quality care each and every day. Clinicians and staff at  
23 Saint Mary's are encouraged to identify gaps in our system  
24 and create solutions.

1           One example I would like to share is our  
2 discharge lounge. One of our nurses identified that we could  
3 improve the level of discharge education and ensure that  
4 patients have follow-up appointments actually scheduled  
5 before they leave the hospital if we had a dedicated space  
6 and team to do that. So she went with it. She built it.

7           And I was so pleased to see that the  
8 effectiveness of this innovative idea was validated by Mary  
9 Sanford in her written comments to this board for the meeting  
10 today. She wrote about her mother's experience of having a  
11 knee replacement surgery at Saint Mary's. She complimented  
12 our nursing team and she mentioned our discharge lounge.  
13 This is what Mrs. Sanford wrote: Her discharge was  
14 incredible. Her mom went to the discharge lounge and  
15 received a lot of education and got all of her follow  
16 appointments schedule. The nurse even called her the next  
17 day to check to make sure everything was okay.

18           At Saint Mary's your members will experience  
19 fewer complications, shorter hospital stays, and fewer  
20 re-hospitalizations. All of this will add up to a true cost  
21 savings for the PEBP.

22           Please vote in favor of this pilot program again.  
23 Your members deserve choice and they deserve to receive  
24 health care in a community driven by competition. Thank you.

1 VICE CHAIRMAN BAILEY: Thank you.

2 MR. EPPERSON: Good morning. My name is Ed  
3 Epperson. I'm a pharmacy -- I'm doctor of pharmacy. I'm  
4 also a CEO and president of Carson Tahoe Health. For reasons  
5 commented briefly here today is I've been away on vacation a  
6 couple of weeks so I missed whatever transpired between the  
7 vote to extend the pilot project to include Carson Tahoe. I  
8 got a little bit of secondhand information.

9 But I just want to state two things. First, our  
10 overwhelming goal and mission is to provide health care to  
11 local PEBP members and everybody else for that matter. But  
12 we've got a 70-year-plus relationship in doing that. For  
13 many of those years we did have a direct contract which  
14 services with public employees. In the last decade or so  
15 that's not been the case.

16 I missed a lot of detail. But my understanding  
17 of what you're going to vote on today with regard to Renown  
18 won't change the fact that Carson Tahoe will be one of those  
19 providers as well will continue to be a provider if you go  
20 with the direct contract.

21 We do have a preference. The preference would be  
22 a direct contract for services. I personally experienced  
23 that. I've been here almost 25 years, most of that with a  
24 direct contract. I do believe that offers PEBP members the

1 most cost-effective service and I believe it also provides  
2 them the most choice and alternative. So thank you for your  
3 comment -- the opportunity to comment.

4 VICE CHAIRMAN BAILEY: Thank you, sir.

5 MS. MULLINS: Good morning. I'm Cynthia Mullins.  
6 I'm a lifetime resident of Nevada. And I've been in health  
7 care in northern Nevada for over 40 years. I am here on  
8 behalf of a couple of my friends who can't be here to speak  
9 because they had poor outcomes from health care. They were  
10 not in critical condition. They had elective surgery. One  
11 of them had a tonsillectomy. He was a young, pre-med  
12 student. And he died that night in his hospital bed, bled  
13 out, from an elective surgery.

14 I strongly believe that if people have a choice  
15 it will make our patient care safer in this community. And I  
16 know you took steps to do that twice and I don't know what  
17 derailed this pilot program to give your members choice. But  
18 I really hope that you guys understand how important it is,  
19 not just for your members but for our whole community, to  
20 make our hospitals provide safer care. They can put  
21 processes in place that improve things for all of us. Thank  
22 you.

23 VICE CHAIRMAN BAILEY: Thank you.

24 MR. BURDICK: Good morning. My name is Ricky

1 Burdick. I'm at the Department of Transportation. I'm a  
2 human resources analyst two. And I actually, previously to  
3 joining the state, I worked with both Carson Tahoe and Saint  
4 Mary's. So this topic is very near and dear to me.

5 But now as a public employee and as a consumer of  
6 health care, I am adamant about having choice. I would love  
7 the opportunity to have a choice in health care. Even if for  
8 some reason our premiums went up, for me, having a choice is  
9 paramount.

10 The care that my family and myself have received  
11 at both Carson Tahoe and Saint Mary's has always been  
12 exceptional. I wish I could say the same at Renown. But I  
13 feel that all of our facilities do offer great health care.  
14 To me, again, it's paramount to having choice. And, yeah,  
15 I'm highly in favor for the pilot program. Thank you.

16 VICE CHAIRMAN BAILEY: Thank you, sir.

17 MR. OLIVE: Good morning. My name is Alan Olive.  
18 I'm the CEO for Northern Nevada Health System. We don't  
19 necessarily have a dog in the fight because we're not  
20 necessarily included in this. Having been born and raised  
21 here, as well as been a CEO for Renown, as well as involved  
22 with Carson Tahoe, you know, I'm here more for principle.  
23 The principle I speak of is that is of choice.

24 You know, for public employees of any group, you



1 would expect that they would have choice to have the ability  
2 to search the best care that's available anywhere. That  
3 includes the rural communities as well as our urban  
4 communities as well.

5 So, yes, I don't have a dog in the fight, but  
6 having been involved in health care for over 25 years,  
7 especially in this market, I think it's really important that  
8 we focus on the choice.

9 And, again, we too have an A Leapfrog rated  
10 hospital. We're building a new hospital as well in the near  
11 future. But for this point in time this is really important  
12 that we focus on choice and accountability for care.

13 And so that would be my comment in support to  
14 ensure that all of our people throughout our community have  
15 this choice and the opportunity to go where the service is  
16 best, where it's closest, and where they desire to go. Thank  
17 you.

18 VICE CHAIRMAN BAILEY: Thank you, sir.

19 Any further comments?

20 MR. HEIGHT: Yes.

21 VICE CHAIRMAN BAILEY: Yes, sir.

22 MR. HEIGHT: Hello. My name is Mike Height. I'm  
23 a State of Nevada retiree. And I started with the state 32  
24 years ago. And I've lived in the Reno/Sparks area that whole

1 time, worked in Sparks for the first 14 years of my career.  
2 And during that time my only choice was going to Renown.

3 My wife is the director of therapies at Saint  
4 Mary's. She's worked there for 24 years. And I've got to  
5 hear -- We talked about ratings and you guys are very focused  
6 on the ratings today and I think that's important. But I've  
7 been there for 24 years listening to her. That hospital has  
8 been in the top 100 rated hospitals in the nation, that's  
9 21,000 hospitals that they rated for most of that time.

10 During that time period -- And I wasn't going to  
11 bring this up, but because the CEO brought it up, I think the  
12 pass is very important. I have sat in the waiting room at  
13 Renown with a broken neck for two and a half hours before I  
14 was brought back. That's the level of service that you're  
15 getting there. Yes, if I had a choice, I would be going to  
16 Saint Mary's.

17 Because of my wife's position, I'm very  
18 knowledgeable about what physical therapy, occupational  
19 therapy, and speech therapy is going on there. In my last 32  
20 years I've had a couple of accidents where I've needed  
21 physical therapy. And I've actually had to go through my  
22 wife to get advice from their therapist because I wasn't  
23 getting it from the ones from Renown or from Hometown Health.  
24 I think I'd like to leave it there. Thank you.

1 VICE CHAIRMAN BAILEY: Thank you, sir.

2 MS. EVANS: Good morning. My name is Tammy  
3 Evans. My husband is an employee at Nevada Department of  
4 Forestry. And just for the record, he and I had a  
5 conversation. He's working today flying. But we prefer  
6 choice. We prefer to have the opportunity to choose which  
7 hospital and which providers to give care. Thank you.

8 VICE CHAIRMAN BAILEY: Thank you.

9 UNIDENTIFIED SPEAKER: We have one more public  
10 comment upstairs in the overflow room.

11 VICE CHAIRMAN BAILEY: Okay. We'll address that  
12 now.

13 MS. NIELSON: Good morning. My name is Rochelle  
14 Nielson. And I am a lifelong resident of Nevada. Born and  
15 raised in northern Nevada. And I also enacted my nursing  
16 career since 1981 from the Orvis School of Nursing at the  
17 University of Nevada.

18 I have had the opportunity to work at both Renown  
19 and at Saint Mary's Regional Medical Center. And I am  
20 currently employed at Saint Mary's and have been in the world  
21 of the infection prevention, in our infection prevention  
22 department, at Saint Mary's for the last 15 years.

23 I want to offer my expertise in the field of  
24 infection control and operating insurance to the board and to

1 the members that are being considered for coverage options at  
2 Saint Mary's Regional Medical Center.

3 Saint Mary's has aggressively and progressively  
4 gone after higher levels of reduction in infections for our  
5 patient care population for many, many years. And I am very  
6 happy to say they want to offer initial reassurances that the  
7 ratings that we are discussing currently are current data  
8 ratings. I am responsible for entering much of the  
9 information in to a national TVC, a sponsored network called  
10 the National Health Care Safety Network related to any  
11 hospital requiring infections that we might have within our  
12 system because we have a confidential approach and all  
13 infections, not only within the hospital, but also within our  
14 medical groups, our home care program, our hospice program,  
15 and anyone affiliated with Saint Mary's Regional Medical  
16 Center.

17 And I can offer you reassurances that our numbers  
18 are dramatically lower than most organizations that I'm aware  
19 of. And that includes those within our own community. And I  
20 also want to offer reassurances that infection prevention is  
21 something that we take extremely seriously at our  
22 organization and we monitor our patients on a daily basis to  
23 determine whether or not they are at risk for developing  
24 infection and immediately put in to place those actions that

1 would prevent them from encountering any complication with  
2 their surgeries or other things that we are doing with our  
3 community.

4 I can tell you, you know, for 2018 that offers  
5 the most current data, you know, that we have yet to have any  
6 physical signs with infection complications related to those  
7 procedures that are monitored very closely by not only the  
8 CDC, CMS, Leapfrog, but also by the State of Nevada Bureau of  
9 Health.

10 In December, we successfully accomplished a  
11 survey that was conducted by the State Bureau of Health  
12 related to our central line usage. Those are those large  
13 lines that we put in to patients often in critical care areas  
14 to support them and to offer treatment opportunity for them.

15 We have with the State of Nevada come in and  
16 review our data and look at our program and I'm happy to say  
17 that they were able to be in and out of our facility in  
18 approximately two hours because of the level of organization  
19 that we had provided and the data that we were able to offer  
20 them.

21 You know, upon their leaving the facility, we  
22 were very grateful for the opportunity to show our success,  
23 particularly in this area, which is a very high risk area for  
24 our patients. But we were told that we were one of the last

1 facilities that they had reviewed and by far we set the  
2 highest standard in terms of our care of our patients and  
3 particularly in the area of central lines.

4 On a personal note, I've been asked and I really  
5 have a lot of trepidation about retiring from Saint Mary's.  
6 I hope that they're not too anxious for me to leave because I  
7 love my affiliation with that hospital. I've been here for  
8 35 years now. But I have to offer concerns that I have  
9 because my husband is a former state employee and I really  
10 had concerns about where my coverage is going to occur. We  
11 have many friends. I have family and friends that are part  
12 of the forestry service and many other state employees that  
13 we have friends. And I could offer many, many stories about  
14 their dissatisfaction. It's not only happening on the lack  
15 of choice in our community but also what they've had  
16 experience in other facilities in our community rather than  
17 Saint Mary's.

18 So I would really, personally and professionally,  
19 like to have an opportunity of choice in our community for  
20 all of our inhabitants. And that particularly applies to our  
21 staff employees. I think it is critical. I think I can  
22 mirror all the things that have been said previously. And in  
23 terms of economic, I think it only makes sense for us to open  
24 this up to competition, and I feel that that data has been

1 provided to you all and I just hope that your option --

2 VICE CHAIRMAN BAILEY: Can you wrap it up,  
3 please.

4 MS. NIELSON: Yes. I was just going to say that  
5 I hope this is open to everyone in our community, including  
6 the public employees. Thank you.

7 VICE CHAIRMAN BAILEY: I would like to remind  
8 everybody that's testifying today that we're trying to stay  
9 within a three-minute period and we would appreciate it if  
10 you could. We've got a lot of people that want to speak and  
11 we would like to hear every one of them. So thank you very  
12 much.

13 Yes, ma'am.

14 MS. BOWEN: Good morning. My name and words for  
15 the record, Peggy, P-e-g-g-y, Lear, L-e-a-r, Bowen,  
16 B-o-w-e-n. And thank you from my heart and soul for having  
17 the meeting and thank you for giving this part of the state  
18 access -- recommending or talking about a program that lends  
19 access, availability, and for us to have choice, just as they  
20 do in the south, covering it all, northern Nevada, like she  
21 said, everything. Thank you. Thank you. Thank you. And  
22 thank you for keeping this process totally open.

23 Mr. Damon Haycock deserves a raise, paid  
24 vacation, travel points, a promotion, and dark chocolate as

1 long as he continues doing the work that he's doing. And I  
2 wanted to make sure to put that on the record. Because of  
3 Mr. Haycock we have had an open and transparent, absolutely  
4 transparent, process. You have made it so that we the people  
5 have a place to speak to you and for you to be able to act.  
6 And you're our entity and conduit to the voice. Thank you  
7 for the job you do. Thank you for the hours you put in.  
8 Because it's a lot more than here, and all the committee  
9 meetings and everything else you go to. Thank you for being  
10 our PEBP board.

11 And, please, no matter what anybody says or does,  
12 they need to know that you need to exist because it was  
13 because of Ms. Ana Andrews during a PEBP board meeting or  
14 whatever, yes, it was a PEBP board meeting when she said we  
15 were tired of being held hostage by re -- Hometown Health.  
16 And we were.

17 I almost died for lack of an EpiPen being able to  
18 be provided. I was being sent home and escorted out of  
19 Renown after they put me in a back room where nobody checked  
20 after I had been stung by a wasp or bitten, whatever.  
21 Critter got me. 40 years ago I went in to anaphylactic shock  
22 twice, 40 and 41 years ago. I didn't know if the after shots  
23 I had for years would work. Because I've never been attacked  
24 by that critter again.



1           And I went in to the hospital this summer. And I  
2 have to tell you everything that I had they decided I had  
3 occupied their facility too long and they were escorting me  
4 out. And I said at least, at least provide -- let me get an  
5 EpiPen. We've been here so long, your pharmacy, CVS pharmacy  
6 is closed. And I need a prescription for an EpiPen.

7           A hundred dollars worth of cab rides later, I  
8 was -- The only facility that was open at that time in the  
9 morning was a Walgreen's over the freeway in downtown Reno.  
10 And I got my prescription finally after the head of nursing  
11 came down and convinced the visiting -- It's not -- They  
12 don't call them doctors. They're internists and they call  
13 them whatever they call them now. They don't call them  
14 physicians. They call them whatever.

15           So I get in my cab. I go over to the pharmacy  
16 that's open and it's a Walgreen's. They have the EpiPen at  
17 Walgreen's. And I handed them the prescription and they said  
18 do you have pre-authorization. And I said what. And they  
19 said, well, the difference is \$375 to \$832.

20           And so back in the cab I went, back to the  
21 emergency room at Renown. And it's getting really old and  
22 late and horrible. I went in at about 2:00 o'clock in the  
23 afternoon. We're now talking about 3:00 o'clock in the  
24 morning of the next morning. And so I go in and they -- the

1 physician went and checked what insurance I had. I had PEBP.  
2 And they -- The only pharmacy good for PEBP was CVS. And so  
3 they said, we will give you pre-authorization for CVS, which  
4 was closed.

5 Okay. Bottom line, I could have died. And it's  
6 not just me. It's pre-authorization of all pharmaceuticals.  
7 It needs to be fixed with whatever insurance company you  
8 pick. And thank you, thank you, thank you. And happy  
9 spring.

10 VICE CHAIRMAN BAILEY: Thank you.

11 MR. MILLBANK: Good morning. My name is Ron  
12 Millbank. I'm a resident, a citizen of Nevada. I am here  
13 not to argue about what hospital is better. I'm here to talk  
14 about conscience. You guys have done a great job. You've  
15 made tough decisions. And what has happened is we're sitting  
16 here having a third vote on something for what reason. And  
17 the reason is the business yard bully has made some threats.

18 It's a tough decision. I do not envy your  
19 position. You serve at the pleasure of the governor. That's  
20 a huge responsibility. It's your time to stand up. This is  
21 it. Do we want to live in a state where the largest  
22 businesses flex their muscles against government  
23 representatives to force them to change their vote? Your  
24 decision. I hope you make the right one. Nevada is

1 watching. Thank you.

2 MS. SCHOFIELD: Hi. My name is Heather  
3 Schofield. I'm a registered nurse. I am a Saint Mary's  
4 employee. My children are covered by PEBP benefits. They're  
5 on their father's insurance. He works at the university.

6 And I want to echo -- I have no idea who that  
7 gentleman was. I want to echo him. And I actually put some  
8 notes together last night. I reviewed your transcript from  
9 March 22nd meeting and I'm going to quote Dr. Sloan in here,  
10 Renown CEO. You will find it on page 86 of the full  
11 transcript that basically by following through with this  
12 pilot you will, and I quote, leave us no alternative than to  
13 defend ourselves publically against the bullying tactics that  
14 are being aimed at us.

15 We have a saying in England. It's called the pot  
16 calling the kettle black. I'm just going to leave that one  
17 there.

18 By having -- I want to echo what John Griffin  
19 said this morning. I don't think there's been enough  
20 attention on that. And the previous speaker said it as well.  
21 Competition is healthy. The very fact that we are in this  
22 room for a third time shows you the benefits of competition.  
23 Had you guys not been so courageous as to go forward with a  
24 very controversial decision to approve this pilot, Renown

1 would not have come with the rate caps and all the other  
2 promises they've offered you right now. That is proof enough  
3 that competition works. The only winners from competition  
4 are your members. I say stick with it. Imagine how the  
5 benefits of not just your members but our whole community is  
6 that competition is experienced on a daily base. Both  
7 organizations will push the other to be better. So I'll  
8 leave it at that. Thank you.

9 VICE CHAIRMAN BAILEY: Thank you.

10 MS. MEDINA: My name is Colleen Medina. I will  
11 be brief, I promise.

12 VICE CHAIRMAN BAILEY: Okay.

13 MS. MEDINA: I work at Saint Mary's. I work in  
14 the neonatal intensive care. I didn't prepare any big speech  
15 or anything. But I just want to say two points. One, I've  
16 had the privilege in the last couple of years of being an  
17 employee in the neonatal intensive care unit amongst nurses  
18 that have been there for ten, 20, 30, 40 years. And I  
19 believe they give, what I've witnessed, the most  
20 unprecedented care. It is a privilege to work alongside  
21 nurses who stand up toe to toe with doctors and families if  
22 necessary to say, yes, this patient can go home soon or maybe  
23 they need to stay a little bit longer. And I feel like I  
24 have learned how to be a better nurse working alongside that

1 kind of care.

2 Over the last ten years we haven't had a central  
3 line-acquired blood infection. And over the last eight years  
4 plus, we haven't had a ventilator-acquired infection. So  
5 that point I'd like to say.

6 Second point is I'd like to say -- I can't say it  
7 better than Heather -- is that competition is healthy. It's  
8 healthy for the community, most of all, for those little  
9 patients that I speak for that can't speak for themselves.  
10 But it's also healthy for the hospitals, even the bigger  
11 hospitals, because it holds them accountable. And I think  
12 accountability is so important.

13 I don't know if you're familiar with "It's a  
14 Wonderful Life", that wonderful movie that I see every  
15 Christmas. But I always think of Pottersville and George  
16 Bailey. And I think that we are the George Baileys in this  
17 community that keep monopolizing and Pottersville from  
18 happening. And I think that's healthy for everyone. Thank  
19 you.

20 VICE CHAIRMAN BAILEY: Thank you.

21 Any further comments? Yes, ma'am.

22 MS. WILCHER: My name is Kelly Wilcher. I'm here  
23 on behalf of my daughter. She took our granddaughter to the  
24 emergency room. The kid had had -- She's about eight years

1 old. She had been diagnosed with pneumonia on Friday, of  
2 course, Friday at 3:00 o'clock, because it's a kid. And was  
3 on antibiotics. Went to her pediatrician. Was on  
4 antibiotics. Was not getting any better.

5 We had to go to the pediatric emergency room at  
6 about 4:00 o'clock Sunday morning, maybe three. We walked  
7 in, the place was filthy.

8 So what I want to talk to you about is  
9 utilization and outcomes. So we walked in. The entire  
10 emergency room was filthy. There with cups and straws and  
11 papers underneath all the chairs. We walked in the triage.  
12 There was a big splash mark of something that had been walked  
13 over multiple times and was dirty on the floor.

14 The nurse that was in there administrated some  
15 medication to my granddaughter by putting her fingers inside  
16 the cup.

17 We then sat in the lobby for several hours. Went  
18 back. One set of vital signs in the triage. Went back into  
19 the room. The door was shut. Nobody came in for about two  
20 and a half hours.

21 The physician came in, took a look at the kid,  
22 didn't listen to her, didn't lay a stethoscope on her,  
23 didn't -- nothing. Said, oh, she's already been treated for  
24 pneumonia. We're not going to do anything different anyway.

1           We waited another two hours. A nurse came in,  
2 took vital signs, and sent us on our way. So the entire  
3 episode took about six to seven hours. Vital signs at the  
4 beginning. Vital signs at the end.

5           I'm a nurse. Kids don't get sick the same way  
6 adults do. Adults get slowly sicker. Kids compensate,  
7 compensate, compensate, and then fall off the edge of the  
8 cliff.

9           We went home with nothing, no blood work, no  
10 monitoring, no chest x-rays, no additional treatment, for a  
11 kid that was clearly failing on the treatment that she was  
12 on.

13           By 8:00 o'clock that next morning -- So that's a  
14 \$2500 bill that you all are going to get to pay.

15           Again, we had to go back to the pediatrician 8:00  
16 o'clock the next morning. Chest x-rays, blood work, two more  
17 additional antibiotics, inches away from being admitted in to  
18 the hospital because she had white out on one lung. She  
19 deteriorated in that time period.

20           I as a nurse when I directed my daughter I said  
21 that's below the standard of care. You don't take vital  
22 signs on a kid once in six hours. They can absolutely  
23 decompensate in a room by themselves. Fortunately, I was  
24 with her. But if it's a layperson, that child could have

1 gotten sick.

2           The biggest cause of arrest for children is  
3 respiratory. They don't have cardiac arrest like we do.  
4 They have respiratory arrests.

5           So we ended up -- Basically care got purchased  
6 twice because of a poor quality of care. When we asked, they  
7 said, oh, our policy in the ER is to take vital signs for  
8 children every four hours. That is a policy that is written  
9 so that they can stay compliant when joint commission comes  
10 and looks at them. That is below the standard of care for a  
11 pediatric emergency room.

12           At Saint Mary's, I've been to plenty -- I've  
13 raised three kids. Two of them are boys. So I wanted a  
14 punch card because we were there so often. They are  
15 immediately hooked up to monitors. They are immediately --  
16 People are in and out of that room constantly. I've never  
17 been anywhere where you have whited-out glass and the door  
18 shut and nobody stuck their head in. We saw the nurse one  
19 time and that was on discharge.

20           So I just wanted to offer that you pay twice for  
21 poor quality of care or lack of care. So thank you so much.

22           VICE CHAIRMAN BAILEY: Thank you.

23           Any further comments? I haven't forgotten you,  
24 Las Vegas. You got some comments down there?



1 UNIDENTIFIED SPEAKER: Yes, we do.

2 MR. WINDFELDT: Mr. Vice Chair, this is Ty  
3 Windfeldt with Hometown Health. Members of the board, thank  
4 you. I apologize. I had some previous travel planned and so  
5 I was unable to attend in Carson City. So the best I can do  
6 is from Las Vegas.

7 But I did want to make a couple of comments  
8 briefly and just address some of the other statements that  
9 have been made. And I do find a lot of the statements are  
10 very unfortunate and misleading. A couple things I want to  
11 just reiterate for the board is to recognize that Hometown  
12 Health does believe that competition is good and it is  
13 healthy. And Hometown Health competes every day in the world  
14 of which we do our business.

15 And I also think it's important to remind  
16 ourselves that Hometown Health won this contract with the  
17 State of Nevada through a competitive process. So it wasn't  
18 that Hometown Health was given this contract by the State of  
19 Nevada just because they chose us. We went through the  
20 competitive process as well as a number of other companies  
21 that bid for this contract. And the State of Nevada elected  
22 to award the contract to Hometown Health.

23 What we are asking is that the State of Nevada  
24 Public Employees' Benefits Program continue to honor the

1 contract that they awarded to Hometown Health. And if and  
2 when the State of Nevada chooses to go back out to bid for  
3 these services, we will be happily providing a bid in to the  
4 competitive process like we have done all of the other years.

5 I also wanted to just briefly address the  
6 comments made by Mr. Griffin relative to the Washoe County  
7 School District. And I think it's unfortunate that what  
8 you're hearing today is sound bites. And I ask the board to  
9 take caution when they listen to those sound bites, because  
10 what you're not being told is the reason why the school  
11 district's insurance costs are going up so dramatically this  
12 year is not because of any contracts associated with any one  
13 provider. It's because the number of catastrophic claims  
14 that that organization has, has more than doubled than any  
15 other year that they have had before.

16 So I would encourage you if you're interested is  
17 to sit and listen to some of the dialogue within the  
18 insurance community and/or address those concerns directly  
19 with the school district, and I think you will find that the  
20 information that is provided is very misleading.

21 Once again, I want to encourage you to make the  
22 decisions based on the contract that you have in place. I  
23 thank you for the opportunity to speak to you today. I  
24 understand you have a hard decision in front of you. And I

1 would be available for any questions later if you have any.  
2 Thank you.

3 VICE CHAIRMAN BAILEY: Thank you.

4 Any other comments in Las Vegas? None?

5 UNIDENTIFIED SPEAKER: No.

6 VICE CHAIRMAN BAILEY: Okay. Overflow room, any  
7 further comments?

8 UNIDENTIFIED SPEAKER: No.

9 VICE CHAIRMAN BAILEY: This room? Anybody? Sir.

10 UNIDENTIFIED SPEAKER: How much longer is the  
11 current contract with Renown? Do I have to come up there and  
12 ask that?

13 MR. HAYCOCK: For the record, Damon Haycock.  
14 I'll answer that during the agenda item. This is public  
15 comment for you to provide to the board your comments and  
16 concerns and discussion topics. I'll go over that here in a  
17 few.

18 VICE CHAIRMAN BAILEY: So Item Number 3, Deputy  
19 Attorney General Dennis has some comments. Sir.

20 MR. BELCOURT: Thank you, Chair. Dennis  
21 Belcourt, Deputy Attorney General. This item, agenda item,  
22 is to address the fact that eight out of ten of our board  
23 members are eligible for or actually do participate in  
24 PEBP-provided plans and therefore decisions that are made may

1 have a pecuniary benefit or detriment to them. This is an  
2 ethics disclosure. That pecuniary interest does not mean  
3 they cannot vote. Because under the ethics law if that -- if  
4 they're in a similar position from a larger pool, the general  
5 public or the general state employee, that they're not  
6 precluded from voting. And that's the -- that's basically  
7 it.

8 VICE CHAIRMAN BAILEY: Before I forget, I would  
9 like to thank everybody for their comments. It's very  
10 important to this board to have all the information they can  
11 get and so they can make a legitimate vote. So I thank you  
12 all for being here and commenting.

13 Damon, Item Number 4. All right. Approval of  
14 the action minutes from the April 20th meeting. And that was  
15 a very short meeting. And we had one item on there that we  
16 did address. So for the board I would need a motion.  
17 Thomas.

18 MEMBER VERDUCCI: Tom Verducci for the record.  
19 I'm make a motion to approve the action minutes from the  
20 April 20th meeting.

21 VICE CHAIRMAN BAILEY: Do I have a second?

22 MEMBER ANDREWS: Ana Andrews for the record. I  
23 second.

24 VICE CHAIRMAN BAILEY: Thank you. All in

1 favor -- Are there any other comments from the board? All in  
2 favor say aye.

3 (The vote was unanimously in favor of the motion)

4 VICE CHAIRMAN BAILEY: Any opposed? So the  
5 action passes. Thank you.

6 Item 5.

7 MEMBER LAMBORN: Vice Chair, this is Leah  
8 Lamborn.

9 VICE CHAIRMAN BAILEY: Yes, ma'am.

10 MEMBER LAMBORN: I would like to disclose that,  
11 you know, prior there was a -- prior to the March 22nd board  
12 meeting I had recused myself. I do want to disclose that I  
13 have ended my engagement with the law firm that works for the  
14 charity care organization here in Nevada who is affiliated  
15 with Renown hospital and several other private hospitals.  
16 I've decided in the best interest of the board participants  
17 and my duties as the board member that I'm limiting all of my  
18 clientele and business to local and state government  
19 providers only. Thank you.

20 VICE CHAIRMAN BAILEY: Thank you.

21 MEMBER LAMBORN: I also, before we proceed, I  
22 have a request and I don't know if this is the time or not.  
23 Is it possible to hear the agenda items in a different order?  
24 I have a little bit of concern voting on Item 5 prior to Item

1 6 without really knowing the fate of the -- what our current  
2 PTO is going to be, whether or not we're going to do the  
3 pilot project. So I'm just having a bit of a problem  
4 adopting that or voting on that item, again, not knowing for  
5 sure what the route that we're going to be taking.

6 MR. HAYCOCK: So, for the record, Damon Haycock.  
7 Thank you, Ms. Lamborn. The report attached to today's board  
8 meeting includes both items together. In speaking with our  
9 deputy attorney general, I believe we're going to be able to  
10 take those in tandem. The recommendations on those are in  
11 that report address both agenda items. It became a bit  
12 convoluted trying to put it all in to one. But I believe,  
13 and maybe Dennis can correct me if I'm wrong, but we can take  
14 them both at the same time because they are so intertwined.

15 MEMBER LAMBORN: Okay.

16 VICE CHAIRMAN BAILEY: Is that okay? Is that  
17 okay, Ms. Lamborn?

18 MEMBER LAMBORN: Yes.

19 VICE CHAIRMAN BAILEY: Okay. Thank you.

20 Item 5, I'll turn Item 5 over to Damon at this  
21 point.

22 MR. HAYCOCK: So thank you, Vice Chair. Damon  
23 Haycock for the record. We are going to discuss Item 5 and  
24 Item 6 simultaneously or in tandem, as was just stated.

1           Before I go in to the report, our deputy attorney  
2 general, Dennis Belcourt, would like to make a statement  
3 regarding the noticing requirements for these actions. And  
4 I'm going to turn it real quick to him before we go in to the  
5 report.

6           MR. BELCOURT: Thank you, Damon. Dennis Belcourt  
7 again with the attorney general's office. We had a meeting  
8 last week that we weren't able to proceed on all of the  
9 agenda items because of one of the interested parties  
10 objected to a lack of the special notice provided in the open  
11 meeting law, because on the agenda their contract was  
12 potentially at issue. And so we went ahead and made sure  
13 last Friday that they got the notice that they're entitled to  
14 or arguably entitled to. And that notice was delivered by  
15 hand to -- it was to Saint Mary's at their location in Reno.

16           MR. HAYCOCK: Thank you, Dennis. Damon Haycock  
17 again for the record. Before I move forward, I think,  
18 Ms. Lamborn, your phone is still on and we're getting a lot  
19 of feedback. If you don't mind muting and then unmuting when  
20 discussion occurs, it would be very helpful.

21           MEMBER LAMBORN: I'm sorry, Damon. No. Mine was  
22 on mute.

23           MR. HAYCOCK: So whoever is on the phone, please,  
24 we can continue to hear some feedback, if you will mute

1 yourself. I'm sure the vice chair will open it up for  
2 discussion at the right point after the report is provided.  
3 Thank you.

4 So, how to begin? I also would like to echo the  
5 vice chair and thank everybody that has come out today to  
6 provide public testimony. One of the things that PEBP is  
7 very cognizant of and supports fully not only is the public  
8 process and the transparency that we pride ourselves in but  
9 our desire to work with and work for the members we serve.  
10 And as a state employee myself and hopefully one day a  
11 retiree, I recognize that the decisions and recommendations  
12 that PEBP provides at every board meeting will affect health  
13 care decisions made not only now but in the future.

14 I believe, if we go back and look at the last two  
15 board meetings that addressed these items, back on November  
16 30th of last year and March 22nd, a few months earlier or  
17 just a month ago, I don't think anybody championed the idea  
18 of including a high quality hospital system of care more than  
19 I did.

20 And one of the things that I wanted to go over  
21 today in this report is really explain what the environment  
22 looks like today and how do we provide that choice that is so  
23 important to our membership moving forward.

24 Our mission was revamped last year through our



1 strategic process to provide employees, retirees, and their  
2 families with access to high quality benefits at affordable  
3 prices, right. And our strategic plan has those three goals.  
4 And for those that continue to come every other month or  
5 lately every week to these meetings, you're probably tired of  
6 hearing me say it, but it's important. Because those three  
7 overall strategies are to improve access to care, to improve  
8 the member experience, and to reduce cost to the program.

9 And one of the things that we also pride  
10 ourselves on at PEBP is the ability to present opportunities  
11 and recommendations to the board that hopefully meet all  
12 three of those.

13 And that was the intent of this pilot program  
14 when it was presented back in November. And what our  
15 intention was was to increase access and to reduce costs.  
16 And by doing both it would improve the member experience.  
17 And there's a series of reports and comments and minutes that  
18 can be reviewed that I believe attest to that process.

19 What we have found ourselves in a position today  
20 is that we have an opportunity to increase access with one  
21 system, however, we may be jeopardizing access in the 14  
22 counties across the state. And that's unfortunate. But that  
23 is the reality. And that we may be able to reduce cost of  
24 care by adding this provider. But we may be increasing cost

1 of care for everybody else across the state. And, again,  
2 that is very unfortunate.

3 And so if you'll see, we have a brief report, I'm  
4 not going to read it to you all. It's been out there for a  
5 while. I'm more than willing to answer questions.

6 But what I really want to talk about is some of  
7 the facts that have been presented to PEBP recently and what  
8 we've tried to illustrate in this report. And if you look on  
9 page three, we talk about what type of disruption will we  
10 potentially be providing the members. And there are a lot of  
11 members here today. And the last thing that we want to do is  
12 to eliminate your ability to see the providers of care that  
13 you rely upon today that we disrupt your continuum of care  
14 for the episodes or issues that you are experiencing and  
15 force you to go to a doctor or facility you don't want to go  
16 to.

17 And so if you look at the table, you'll see that  
18 there is, under the comparable items, the different types of  
19 networks that we reached out to and what those providers look  
20 like and what are some of the ramifications of changing these  
21 networks today.

22 And so if you look at -- We reached out to Anthem  
23 Blue Cross Blue Shield of Nevada with Sierra Health Care  
24 Options out of southern Nevada who has providers in the

1 north. And we looked at the Aetna system of care that also  
2 provides our nationwide network. And you'll see some of  
3 these percentages here and they just continue to reduce as  
4 you go through this report. And what that means in real  
5 time, in real facts, is that less doctors and less facilities  
6 will be available by switching networks today. Now, that  
7 doesn't mean that we can't look at switching networks in the  
8 future. But what that does mean is that, what are we down  
9 to, three or four days before open enrollment, how do we  
10 guarantee to the members that are calling us and wanting to  
11 know what doctors are in the network when we don't know until  
12 this decision is made. And that can be scary.

13 You can also see some of the arrangements that  
14 these networks have with the Renown system of care, most of  
15 them have access to. The Aetna system does not. However,  
16 all of them, with the exception of Hometown Health, have a  
17 non-exclusive arrangement which allows that choice but  
18 increases those costs. Now, I have not been able to look at  
19 what those networks charge or those contracts with the  
20 network and the Renown system of care because I'm not privy  
21 to that information. But what they have all attested to is  
22 that they have non-exclusive arrangements. And as you've  
23 heard from Hometown Health and as you've heard from Renown  
24 multiple times, a non-exclusive arrangement will increase the

1 rates.

2           The other thing that I really want to point to  
3 everybody's attention here is that we pay a fee every month  
4 and every year per use, right, per member or per employee per  
5 month. A typical fee, administrative fee, structure. And to  
6 maintain confidentiality we didn't outline it to the nth  
7 degree but giving an idea of an approximate cost, the fees  
8 that we are paying today, is just under a half million  
9 dollars for accessing this network of care that not only  
10 provides access and services in northern Nevada but also in  
11 the rural counties. And let's not forget those HCA hospitals  
12 in southern Nevada as well that are not within our southern  
13 Nevada network.

14           If we were to move to Anthem Blue Cross Blue  
15 Shield -- And this was a surprise to me too because the last  
16 time I looked at it, it wasn't this costly. You're talking  
17 another million dollars of fees just to access this network.  
18 Our southern Nevada network was willing to hold rates flat,  
19 which we greatly appreciate their partnership. However, they  
20 don't have those southern Nevada hospitals, the HCA system,  
21 which means we would potentially be disrupting the membership  
22 in northern Nevada as well as destructing the membership in  
23 southern Nevada for a northern Nevada decision. And that's a  
24 really difficult decision to sell, right.

1           And then last but not least, the Aetna system of  
2 care were about double those fees. And with those double  
3 fees they don't even have access to the Renown system of  
4 care, which I know you've heard a lot of testimony today  
5 about personal experiences. But we have tens of thousands of  
6 people who seek care within our system today in multiple  
7 networks and not all of them could be here today to tell  
8 their story. I don't know if we would have a different group  
9 of people next year if we lost the Renown system of care  
10 saying how dare you take them away, right. So we don't know.

11           So with these network decisions it makes it  
12 difficult -- And I'm going to break it down in to what I like  
13 to call Damon logic. Are we willing to pay more to access  
14 care so we can pay more to our current providers? And I  
15 don't know if that would be looked upon as a barrier. But  
16 one of the consistent complaints that PEBP has received well  
17 before I got here, and I will believe well after I'm gone, is  
18 the price sensitivity to what they pay every month just to  
19 access care alone and then what they pay when they go to  
20 their doctors and those facilities, right. It can be  
21 overwhelming depending on the conditions that they have and  
22 the situation that they experience.

23           So what are the other options today? They all  
24 cost more. And let's not forget that on March 22nd PEBP made

1 a recommendation and the board approved for the first time  
2 that we -- I have seen in our history a significant rate  
3 decrease to all of our members across all plans, throughout  
4 the entire program, while still enabling the ability to add  
5 additional funding to our Medicare retirees who are not on  
6 our plan but are participating in our sponsored exchange to  
7 help them with their lowered rates or in effect to lower  
8 their outflow for the rates they pay today. And that was  
9 done by design. It wasn't done by luck. It was done by  
10 making these hard decisions.

11 Yes, we did receive -- And it's attached to this  
12 report -- a proposal from Hometown Health last Monday, so a  
13 week from last -- I guess Monday the -- that would be the  
14 16th or something around there. And I have it here attached.  
15 But this proposal that they have provided does implement  
16 those cost controls and it does allow us to not disrupt the  
17 current market place.

18 And so one of the things that we had to consider  
19 here at PEBP is do we provide access to a new provider for  
20 somebody who wants that choice but do we take that choice  
21 away from somebody else. And that's a difficult -- that's a  
22 difficult decision. That's a difficult recommendation. And  
23 the fact that we're going in to open enrollment, are we  
24 willing to disrupt the network when for the first time that

1 I'm aware of we have cost controls on the current contractual  
2 processes we have today.

3 And as you did hear today, and I'm not saying  
4 that one hospital is better than the other. I think you've  
5 heard me champion the quality of Saint Mary's. I've stated  
6 it publically multiple times. I don't think that the  
7 services that they provide our members or could provide our  
8 members are in question whatsoever. I don't think it's about  
9 is Saint Mary's hospital integrated system a good system.  
10 All of you can say that and we agree.

11 I think what it comes down to is are we willing  
12 to pay more for more access and potentially take that access  
13 away from somebody else. And that of course is the real rub  
14 or the real discussion point today.

15 And so what you see here again on page four is  
16 what the net effect is of that offer from Hometown Health and  
17 from Renown and the potential savings that we will receive.

18 And there was a concern brought up today in  
19 public comment, well, what happens if -- And this wasn't  
20 their words. I'm going to use my own. But, be careful, the  
21 savings that you are promised may not be realized. Well, the  
22 savings that we are promised will be contractually required.  
23 And if we don't receive those savings, we, of course, will  
24 work with Hometown Health and Renown to find an amenable way

1 to receive them. But please don't forget that if there is a  
2 requirement and a contract with PEBP and the State of Nevada,  
3 a very distinct and defined performance guarantee or defined  
4 performance requirement that if it turns out that it is not  
5 met by any of our partners and vendors that we have the  
6 ability to breach -- or to claim default. And that default  
7 and breach of contract holds massive consequences for our  
8 vendors and our partners.

9 And, no, I'm not here to threaten. And, please,  
10 I don't want to be added to the bucket of bullies, because  
11 that's not what we are here today. But recognize that I  
12 think we have proven, and if we haven't we will, that we hold  
13 our contracts and our vendors accountable to the things that  
14 they say they're going to do and to the requirements that we  
15 negotiate and to the good decisions that the board has made.  
16 And so if this moves forward that we will hold Hometown  
17 Health and Renown accountable to these -- these requirements.  
18 But, again, it comes to choice and what choice do we want to  
19 provide.

20 You did hear and I thank the gentleman, and I  
21 can't remember his last name right now, saying I would be  
22 willing to pay more to have better access. And I've heard  
23 that from a few folks. But I've also heard time and time  
24 again from many people, I don't want to pay any more for my



1 health care, it's too expensive already. And I don't want  
2 you to cut benefits because we're using them. We need them.  
3 It's important for me and me family. And I think you've  
4 heard the advocacy groups and the unions come up and say  
5 don't cut benefits and don't raise rates. And I've jokingly  
6 said, well, that's the unicorn that we have to go find,  
7 right. Look across the nation today. And I think we're the  
8 only program that isn't cutting benefits and isn't raising  
9 rates. And it's not done because we consider a bottom line  
10 perspective only but that we make sound recommendations and  
11 you make sound decisions as a board to look at the totality  
12 of our membership across the state and those that participate  
13 across the nation, across the world. We have members that  
14 are in other countries that continue to use our service.

15 And I know it's difficult and I don't believe  
16 that this is the end of the opportunity for PEBP to work with  
17 Saint Mary's system of care. I think this is the time -- The  
18 timing and the environment that we're in today makes it very  
19 challenging and difficult to implement.

20 But as we've heard today and repeatedly, and I  
21 know this board will consider all of the things that have  
22 been said, we have opportunities in the future to really  
23 strategically decide what type of care model we want for our  
24 members, what type of care model do they deserve. And

1 choice, which it sounds like it is today, is the leading  
2 factor. And if price may not be, we have no problems with  
3 putting out a solicitation that offers those opportunities so  
4 our members can seek these services that they want. Because  
5 ultimately we work for -- we work for you and we are  
6 ultimately beholding to the members that utilize our services  
7 and the Nevada taxpayer who has to pay for them.

8           And so with that I'm going to share my  
9 recommendation today. And it was a very hard recommendation  
10 to write. But that because of the environment that we are in  
11 today and the opportunities or potentially lack thereof that  
12 we have, PEBP is recommending we suspend the pilot with Saint  
13 Mary's and Carson Tahoe Health. That we request that the  
14 Saint Mary's contract be removed from consideration by the  
15 Nevada Board of Examiners because they ultimately need to  
16 approve this contract schedule for next month. That today we  
17 cancel the contract with Saint Mary's, which I can send a no  
18 fault. It's not their fault, so why would we make any fault  
19 for them. A 30-day notice that says we're not going to move  
20 forward today. That we do accept the Hometown Health PPO  
21 network amendment that has been proposed, and most  
22 importantly, it includes that EPO population, the exclusive  
23 provide organizations that we need to have services for  
24 starting July and cost controls on the Renown's annual rate

1 increases. And, finally, that we revisit the Medicare plus  
2 pilot concept at a later date.

3 And with a heavy heart these are my  
4 recommendations. And I, of course, am willing to entertain  
5 any questions, Mr. Vice Chair.

6 VICE CHAIRMAN BAILEY: Open it up to questions  
7 from the board.

8 MEMBER ANDREWS: Mr. Chair, Ana Andrews for the  
9 record. I recall that somebody in the audience was asking  
10 this question and that's why I'm asking it now. I believe  
11 the question was, and correct me if I'm wrong, when does the  
12 contract with Hometown Health expire?

13 MR. HAYCOCK: Thank you, Ms. Andrews. Damon  
14 Haycock for the record. One day you will be off the board  
15 and I will miss you holding me accountable, sincerely, and  
16 with all affection. The current PPO network contract that we  
17 have today with Hometown Health expires June 30th, 2021. In  
18 the summer of last year that contract that was due to expire  
19 in 2019 was extended in an effort to align the end dates of  
20 that contract with the end dates of the HMO programs being  
21 offered both north and south. So if the board strategically  
22 wanted to look at a different system of care, we could do it  
23 all at the same time. So that was one of the reasons why it  
24 was extended. I know that wasn't your question. But June

1 30th, 2021.

2 VICE CHAIRMAN BAILEY: Any other questions?

3 MEMBER ZACK: Mr. Vice Chair, Christine Zack in  
4 Las Vegas. May I proceed, Mr. Vice Chair?

5 VICE CHAIRMAN BAILEY: Okay. Question.

6 MEMBER ZACK: I have a comment. During the March  
7 22nd board meeting, I believe I was the only person in the  
8 room that acknowledged the political ramifications of voting  
9 in favor of the pilot program. I believe I even noted that I  
10 may lose my seat on this board for voting in favor of the  
11 pilot program but that I still thought that it was the right  
12 thing to do for PEBP members and for the State of Nevada. I  
13 still believe that my vote in favor of the pilot programs  
14 will increase access to care and that it will ultimately  
15 reduce the cost of health care for the state and members of  
16 PEBP.

17 I call on Renown to be a true partner it claims  
18 to be and to continue providing care to PEBP members, to  
19 honor the cost controls offered in the April 16th letter  
20 while we honor the agreements we've reached to conduct the  
21 pilot programs. Thank you.

22 VICE CHAIRMAN BAILEY: Thank you.

23 MEMBER LAMBORN: Vice Chair, Leah Lamborn.

24 VICE CHAIRMAN BAILEY: Yes. Please.

1           MEMBER LAMBORN: Thank you. I have a question  
2 and a comment, also, and don't get me wrong. I appreciate  
3 the offer that Renown has made to hold the hospital rates  
4 flat for two years and then just a small increase each year  
5 thereafter. However, what guarantees do we have that on the  
6 outpatient side the non-hospital based services that's  
7 provided that we won't see an increase in those as a result  
8 of this or there's no cap in my understanding on those  
9 services?

10           And then I'd like to know what percentage do we  
11 spend overall on all of our medical costs on those inpatient  
12 hospital services? And I don't know if Damon can answer that  
13 question or not. But I would suspect that the percentage of  
14 cost from the hospital is probably smaller than you realize  
15 when you look at all the outpatient services provided to  
16 members.

17           MR. HAYCOCK: For the record, Damon Haycock.  
18 Thank you, Ms. Lamborn. Unfortunately at this moment I do  
19 not have the exact percentage of what we pay for Renown  
20 inpatient cost. I should have prepared for that. I'm sorry.  
21 The last time we looked at all of the facilities that we pay  
22 and how much we pay in the northern Nevada area, we do  
23 provide more reimbursement to the Renown hospitals than any  
24 other hospital I believe in the system as far as those

1 inpatient and outpatient costs.

2           What guarantees do we have on outpatient costs?  
3 You know, we have Ms. Bossy here from Renown, VP over  
4 government affairs. And if she's willing, I would love to  
5 turn it over to her and see if she would like to address that  
6 question. Because the letter did not specify inpatient  
7 versus outpatient. And so I think this is an opportunity  
8 to -- for her to give you Renown's words.

9           MS. BOSSY: Thank you. Chris Bossy for the  
10 record. As you mentioned, my day job is government  
11 relations. I don't do contracting for PEBP. So I'm sorry to  
12 say I'm not sure about the inpatient versus outpatient spent  
13 for your group because I really -- that's not what I focus  
14 on.

15           But I will say that the last meeting that we had  
16 I did provide for the record because I was interested in  
17 the -- one of the exhibits that was provided to this group  
18 regarding the comments about a charge-based contract and how  
19 there were no controls put in place. And I think I did  
20 provide for the record over the last ten years each and every  
21 year the charge master at Renown on average was never  
22 increased more than five percent in any given year and in  
23 several of those years it was less than five percent.

24           So while we might not have a charge control

1 currently in place in your agreement, we certainly do in  
2 other contracts. And we do not increase our price list  
3 because our price list is for all patients. And so we've  
4 been managing it ourselves.

5 MR. HAYCOCK: So, for the record, Damon Haycock.  
6 I just have a question for you, Ms. Bossy. So the offer that  
7 was presented by Hometown Health for Renown that offers a  
8 zero percent increase to costs for the next 20 months and a  
9 two percent increase to -- two percent increase hold for the  
10 years of 2020 and 2021, is it your understanding that those  
11 cost controls apply to all services provided in the Renown  
12 integrated health system or only to inpatient services  
13 provided at the two hospitals?

14 MS. BOSSY: I don't know what Ty's conversation  
15 was with Meagan. I apologize. I'm not positive.

16 MR. HAYCOCK: So for the record Damon Haycock.  
17 Lucky for us, Ty is down south, and I'm sure he can answer  
18 that question.

19 VICE CHAIRMAN BAILEY: Ty, would you address that  
20 issue.

21 MR. WINDFELDT: Yeah. For the record Ty  
22 Windfeldt, CEO of Hometown Health. So the contract that you  
23 have, that Hometown Health has with Renown, is somewhat  
24 complicated because you have inpatient and outpatient

1 services. What the agreement that Renown and Hometown Health  
2 has reached relative to those areas where you have a direct  
3 cost associated, so it could be a per diem or a specific set  
4 rate, you would have a held rate for those for the 20 months.  
5 So if you looked at your agreement and anywhere where that  
6 has a specific pay-at amount, let's say, that contract would  
7 be held and not to increase for the next 20 months and then  
8 after that it has a two percent cap thereafter for each  
9 additional year until the term of the contract.

10 If you have an area where you have a, let's say,  
11 a percent of charges, you could have an area where you have a  
12 percent of charges, that percent of charges amount would not  
13 change. What could change within Renown's system is if they  
14 did increase their cost structure or their charge master,  
15 then you could see an increase in that.

16 So let's say, for example, if you had, if you  
17 paid 25 percent of charges for a specific area and that 25  
18 percent would not change, that number would stay consistent  
19 in your agreement each annually -- And I'm not sure on the  
20 exact date. But there is one time per year that Renown  
21 hospital systems may change their charge master. If they  
22 increase that charge master, then obviously your amount, your  
23 25 percent of whatever that amount, could go up.

24 But, as Ms. Bossy stated, the cap that Renown



1 holds to that would not increase more than the five percent.

2 MR. HAYCOCK: So for the record Damon Haycock.  
3 That's not what I was lead to believe, so maybe we need to  
4 have this conversation a little bit deeper. The entire  
5 problem is percentage-off billed contracts. As I have said  
6 repeatedly publically over and over again is that there are  
7 no cost controls. So using the 25 percent off billed  
8 example, if today the bill charges are a hundred dollars, 25  
9 percent off billed says that we're only going to be billed  
10 for or required to pay \$75. And my understanding is that  
11 your billed charges would be held to the same -- the same  
12 cost controls. If they aren't, then what's to stop Renown  
13 from charging a thousand dollars the next year or \$10,000 the  
14 next year?

15 And so my recommendation today was predicated on  
16 those charges being administered through the offer that was  
17 presented. So at this point in time if I can be added to the  
18 group of people that have now been thrown for a loop on this.  
19 And I don't feel this is a cost control at all.

20 MEMBER COCHRAN: Mr. Chair.

21 VICE CHAIRMAN BAILEY: Yes. Who is speaking?

22 MEMBER COCHRAN: This is Chris Cochran.

23 VICE CHAIRMAN BAILEY: Okay, Chris. Go ahead.

24 MEMBER COCHRAN: I think Mr. Windfeldt wanted to

1 have an opportunity to respond to that. I don't know if he's  
2 still recognized.

3 VICE CHAIRMAN BAILEY: Yes, he is. Ty, go for  
4 it.

5 MR. WINDFELDT: So, yeah, just to address that.  
6 So every hospital changes its charge master. And each  
7 hospital will have one price list or charge master for what  
8 they charge for specific areas and specific items. Using  
9 that example that Mr. Haycock just mentioned, that's exactly  
10 what Renown is stating that they will not increase their  
11 prices from a hundred dollars to a thousand dollars. The  
12 most that they would increase that one price at any one year  
13 would be five percent. And in many years it's less than five  
14 percent. That is very, very industry standard. Actually in  
15 some cases it's very below industry standard. And that is,  
16 that is the protection that PEBP would have. So you would  
17 have that protection where the most that that would go up  
18 would be no more than five percent in any one year.

19 MR. HAYCOCK: Damon Haycock for the record.  
20 Mr. Windfeldt, that's not in your offer. And that's  
21 something that wasn't specified. So I am concerned. And  
22 I'll just state that for the record. I'm concerned that when  
23 I read the current Renown health hospital contract rates that  
24 those rates include per diem, those rates include a

1 percentage-off bill that every charge that PEBP members and  
2 the PEBP program is to reimburse will be held at zero percent  
3 for 20 months, two percent for 2020 and two percent for 2021.

4 So, unfortunately, in a public meeting I am going  
5 to ask you, Ty, that is what -- that is what I'm recommending  
6 we move forward with. If that's not something that Hometown  
7 Health and Renown can agree to, I think we have a bigger  
8 problem.

9 VICE CHAIRMAN BAILEY: Ty, do you have any  
10 further comment?

11 MR. WINDFELDT: Your contract with Renown, the  
12 charge master contract that you have, it is -- it can change.  
13 It can change on an annual basis. I don't have an agreement  
14 with Renown today that allows me to say that it won't change.  
15 So I'm unable to tell you that I can hold those areas where  
16 you may have presented charges that will be flat for 20  
17 months.

18 What we do have an agreement for is those areas  
19 where you have fixed cost or per diems, which is  
20 predominantly a large part of the contract. Those areas will  
21 stay consistent and will not change for the 20 months.

22 MR. HAYCOCK: For the record Damon Haycock. And  
23 please let me know if I'm overstepping in to the board's  
24 purview, but I want to make sure that this is on the record.

1 So, Mr. Windfeldt, if the PEBP board moves forward today and  
2 continues to approve the pilot program, one of the concerns  
3 was that the exclusive provider organization members that we  
4 are now absorbing on July 1, there is no current network for  
5 them. And, as you well know, taking on from a managed care  
6 organization standpoint that this is a higher risk  
7 population. And we're glad to take them on. But that they  
8 are going to need a higher level of management, a higher  
9 level of care. And we need a network of providers to provide  
10 it.

11 So one of the things that we've gone back and  
12 forth on were cost controls on Renown. But regardless of  
13 those, and I know we'll get back to them, is Hometown Health  
14 prepared to, regardless of the decision, sign an amendment  
15 that at least allows the exclusive provider organization or  
16 EPO members to join the current contract? Is that something  
17 that you can state today?

18 MR. WINDFELDT: I'm not sure that I understand  
19 your question relative to if no action is made. The  
20 challenge with the board today, the challenge that I have  
21 relative to Hometown Health is my contract that I hold today  
22 with Renown is exclusive. So should the board elect to move  
23 forward with the pilot program with Saint Mary's hospital, my  
24 contract -- I will be in violation with my contract with

1 Renown and therefore I can't amend the contract. It  
2 knowingly puts me in violation of it.

3 If the board approves to not move forward with a  
4 pilot program and continues to honor the Hometown Health  
5 agreement as we believe that it states that it is exclusive,  
6 then, yes, Hometown Health is willing to sign an amendment  
7 today that adds those EPO individuals in to that contract  
8 because we believe legally we can do that.

9 UNIDENTIFIED SPEAKER: Extortion. That's  
10 extortion.

11 MR. HAYCOCK: For the record Damon Haycock.

12 VICE CHAIRMAN BAILEY: Keep it down.

13 MR. HAYCOCK: So if I understand correctly, Ty,  
14 the current Hometown Health HMO members that are  
15 participating on Hometown Health's HMO plan today that are  
16 being processed through the Hometown Health and Renown system  
17 of care, that those members will not be allowed to continue  
18 on your network unless the board stops this pilot program  
19 with Saint Mary's. Am I misstating something or is that  
20 pretty clearly stated?

21 MR. WINDFELDT: Relative to Hometown Health's  
22 agreement you're stating it correctly. I don't have the  
23 ability to amend an agreement that puts me in violation. So  
24 I can't amend and add additional contract with an existing

1 contract that I hold. It would be in violation. So, no, I  
2 would not be able to sign an amendment that adds the EPO  
3 folks, if the board's pleasure is to add Saint Mary's pilot  
4 program.

5 MR. HAYCOCK: For the record Damon Haycock. Not  
6 to sound like a lawyer, I have no further questions for  
7 Mr. Windfeldt.

8 MEMBER ZACK: Christine Zack down in the south.

9 VICE CHAIRMAN BAILEY: Yes, ma'am.

10 MEMBER ZACK: I guess I'm a little bit confused  
11 when we talk about the inability to amend the contract  
12 between Hometown Health and Renown. I understand there are  
13 separate legal entities. But, I mean, if you go on the  
14 Hometown Health website, it says, about Hometown Health,  
15 established in 1988. Hometown Health is the insurance  
16 division of Renown Health. So, clearly, there is a  
17 relationship there.

18 I'm not going to purport to know what the  
19 corporate organizational chart looks like. But there's a  
20 relationship. And I don't believe for one second that there  
21 is an inability to amend that contract. I mean, based on  
22 their own website they're an insurance division of Renown  
23 Health. And I, again, call on Renown and Hometown Health to  
24 honor the cost controls and allow us to continue with the

1 pilot programs as we promised to Saint Mary's and to Carson  
2 Tahoe. Thank you.

3 CHAIRMAN CATES: This is Patrick.

4 VICE CHAIRMAN BAILEY: Yeah. Go ahead, Patrick.

5 CHAIRMAN CATES: If Mr. Windfeldt cannot speak  
6 for his parent company, I'm wondering if there's anyone from  
7 Renown that can address this issue. Because this was not my  
8 understanding when we came in to this meeting. And I'm quite  
9 concerned that the EPO population is frankly being held  
10 hostage over this negotiation --

11 (Applause in the audience)

12 (The court reporter interrupts)

13 CHAIRMAN CATES: -- between Hometown Health and  
14 Renown. And, again, they're wholly owned by Renown, so I'm  
15 not sure how valid that distinction is. But I can tell you  
16 that claims to exclusivity under our contract with Hometown  
17 Health are fiction. And our attorney general has asserted  
18 that. Well, not a fiction. But has found that they have no  
19 exclusivity under our agreement. And now they're saying that  
20 they can't -- that they can't accommodate it within their own  
21 organizational structure. I find that extremely frustrating.  
22 If Mr. Windfeldt cannot answer that, is there anyone else  
23 from Renown who can?

24 VICE CHAIRMAN BAILEY: Patrick, we have Ms. Bossy

1 here.

2 MS. BOSSY: This is Chris Bossy for the record.  
3 This is -- I don't think our intent today was to have a  
4 negotiation in a public meeting. I think we don't have the  
5 answers to the impacts. I think we had a misunderstanding in  
6 terms of what you thought we were offering and what we  
7 thought we were offering. There was no intention to have it  
8 be something other than what we offered. We thought we were  
9 offering the rates that Ty provided. I think if that's not  
10 acceptable with the information that the conversation that  
11 we've had today, I don't know if we took a break and had ten  
12 minutes to talk to each other, you know, off line, to figure  
13 out what the impact of what you're asking or what you thought  
14 we were offering would make it a different thing for us. I'm  
15 not sure.

16 But we clearly made a good faith offer thinking  
17 we were saying the same thing. And to find out in the  
18 meeting that we're not puts us in a difficult position. And  
19 I would ask that we take a break and see if we can find the  
20 answer.

21 Our intention in no way was to mislead anyone or  
22 hold anyone hostage. We felt like we've had a long-term  
23 relationship with you all. We've been your partner. We've  
24 always thought it was an exclusive relationship, which is why



1 we gave the rates that we gave historically. And if it's  
2 not, we'll move forward with you in whatever way that you  
3 want to move forward. So it's just difficult at the table to  
4 know enough to respond. And I apologize. But it seems like  
5 that's where we are.

6 VICE CHAIRMAN BAILEY: Okay. Thank you,  
7 Ms. Bossy.

8 For the board members in Las Vegas and the extra  
9 room, we're going to take a 15-minute break. We'll come back  
10 to the table at 10:30.

11 MR. HAYCOCK: So real quick, for the record,  
12 Damon Haycock. I want to ensure that everyone recognizes  
13 that we are transparent and decisions are made in the public.  
14 I am going to go with Renown and have a conversation.  
15 They're not going to have an opportunity to speak with the  
16 board outside of a public meeting. And so I just want you  
17 all to feel confident that I am going to have this  
18 conversation and that I will bring back to the board with  
19 Ms. Bossy what we've come up with so therefore the board does  
20 not deliberate outside of a public meeting.

21 (Recess was taken)

22 VICE CHAIRMAN BAILEY: Call the meeting back to  
23 order.

24 MR. HAYCOCK: Thank you, Mr. Vice Chair. For the

1 record Damon Haycock. As I stated before the brief recess, I  
2 pulled aside with Renown and had a phone conversation with Ty  
3 Windfeldt from Hometown Health. These conversations were  
4 between me, Ms. Chris Bossy, Mr. Mike Hillerby, their  
5 lobbyist, and Ty Windfeldt, as well as our deputy attorney  
6 general, Dennis Belcourt.

7 We have not made any agreements because those  
8 agreements have to be deliberated on in front of this public  
9 body. However, they are willing to clarify that the offer  
10 that is provided still meets the assumption that PEBP had and  
11 I would like to call them as well as Mr. Windfeldt to the  
12 table to clearly for the record describe the solution they  
13 are providing.

14 MR. WINDFELDT: Thank you, Mr. Vice Chair and  
15 Mr. Haycock, members of the board. For the record, Ty  
16 Windfeldt, CEO of Hometown Health. Prior to my conversation  
17 with Mr. Haycock on the telephone, I did have a conversation  
18 with the Renown Health contracting team and I did get the  
19 Renown contracting team to agree to hold the rates  
20 consistently across the entire agreement.

21 So the offer that they have extended would be  
22 that you would not have any increase in any areas of your  
23 hospital contract for those 20 months and then each year  
24 after it would be capped at a two percent increase.

1 I've also shared that information with  
2 Mr. Haycock, as he stated, over the phone. I've also agreed  
3 that we would be open to working with the Public Employees'  
4 Benefits Program's third party independent auditor to ensure  
5 that those cost increases would not change for PEBP and that  
6 we would hold ourselves accountable through the contract that  
7 we would ensure that you would realize a no change in your  
8 costs.

9 Additionally, Mr. Haycock asked relative to the  
10 EPO population and how that is handled going forward. And I  
11 have continued to state on the record and will continue to  
12 state that Hometown Health believes that the current  
13 agreement that we have is exclusive. If PEBP moves forward  
14 and does not move -- proceed with any kind of a pilot program  
15 with the Saint Mary's group then our contract is able to  
16 remain in a place we can offer those rates for the EPO as  
17 well.

18 If the decision is to not have the exclusive  
19 contract, then we are unable to offer those rates, because  
20 they are only offered to Hometown Health from Renown on an  
21 exclusive basis.

22 MR. HAYCOCK: Do you want to add anything?

23 VICE CHAIRMAN BAILEY: Ms. Bossy.

24 MS. BOSSY: Chris Bossy for the record. The only

1 piece that I would want to make sure that I added is, you  
2 know, apologies for the confusion because we certainly  
3 thought we were clearly communicating. So I apologize for  
4 that.

5 I also want to be clear as we move forward, we  
6 will want to monitor with you kind of to ensure that we both  
7 have the same, you know, that we're looking at the same  
8 pieces, the same expectations.

9 VICE CHAIRMAN BAILEY: Damon.

10 MR. HAYCOCK: Thank you, Vice Chair. For the  
11 record Damon Haycock. So, yes, these were the conversations  
12 that we had. I was very adamant about putting performance  
13 guarantees in to the contract moving forward to ensure that  
14 we can through an independent third party auditor, our health  
15 claim auditor, Bob Carr and Associates, will verify. And I'm  
16 going to make it very, very crystal clear. I guess very and  
17 crystal is redundant. But crystal clear that if we are  
18 paying a hundred dollars a day for a service after all of the  
19 network and other discounts and any other options have been  
20 applied to that service today, that tomorrow we will pay a  
21 hundred dollars for that service.

22 If charge masters increase, decrease, go left, go  
23 right, regardless, we will not pay any more tomorrow than  
24 what we are paying today for the services that we are

1 receiving. And when I did define tomorrow, tomorrow is the  
2 20 months starting May 1st. And so that takes us through all  
3 of 2019 and therefore that the new cap again is the two  
4 percent in 2020 and 2021.

5 And if I have misstated anything on the record,  
6 today, Ms. Bossy or Mr. Windfeldt, please let me know if I'm  
7 mistaken.

8 MR. WINDFELDT: This is Ty Windfeldt with  
9 Hometown Health. I agree with the statements that  
10 Mr. Haycock made.

11 MS. BOSSY: Chris Bossy. I agree.

12 VICE CHAIRMAN BAILEY: Open it up to the board.  
13 Sir.

14 MEMBER SHIPPEY: Thank you, Mr. Vice Chair. For  
15 the record Glenn Shippey. And I just have a question or two  
16 for Hometown Health. And if Ty is still there, I don't know  
17 if you're still at the table, Ty, it looks like you are down  
18 in Las Vegas. A lot of what we're hearing today is about  
19 access to the same area system. And I would -- We saw in the  
20 presentation a report and recommendation from Damon Haycock  
21 that about 97 percent of available providers are contracted  
22 with Renown. We know that doesn't include the Saint Mary's  
23 providers.

24 And I would like to understand whether, you know,

1 Ty, has Hometown tried to contract with Saint Mary's? And,  
2 if not, why? If yes, if you could share where those ended  
3 up. Are you trying to get Saint Mary's in to the Renown or  
4 the Hometown network so PEBP employees could have choice of  
5 the two hospital systems in northern Nevada?

6 VICE CHAIRMAN BAILEY: Mr. Windfeldt.

7 MR. WINDFELDT: Yeah. Thank you, Mr. Shippey and  
8 members of the board. Ty Windfeldt with Hometown Health. So  
9 in the past it's been Hometown Health's desire to try to  
10 maintain the most competitive network that we can. And for  
11 the mere purpose of the fact that we offer a number of  
12 products and many of our products are fully insured, where  
13 Hometown Health is trying to drag down the lowest premium in  
14 order to be competitive in the market place.

15 When we have explored the opportunities to open  
16 up our hospital contracts to a non-exclusive basis and  
17 realized that we would have to pay an increased cost. In  
18 order to do that, we made a business decision to not move  
19 forward.

20 We've continued to hold that strategy, business  
21 strategy, for many years until recently. And we have  
22 continued over the last six to 12 months started looking at  
23 developing another provider network that would provide more  
24 broad access. And we are looking at exploring building a new

1 network that would include open access to more providers,  
2 recognizing that that might come at an additional cost for  
3 some of the current contracts that we hold.

4 But given some of the feedback that we have with  
5 some of our clients, such as yourselves, that they've asked  
6 to explore that, so we are looking at that. We actually have  
7 reached out to a number of providers, including Saint Mary's,  
8 and asked if they wanted to participate. And today's date we  
9 have not heard a response back on whether they would or they  
10 would not.

11 MEMBER SHIPPEY: Thank you.

12 VICE CHAIRMAN BAILEY: Questions? Any follow-up  
13 questions from the board? How about on the phone?

14 UNIDENTIFIED SPEAKER: All good here. Thank you.

15 VICE CHAIRMAN BAILEY: Do you have a question?

16 MEMBER LAMBORN: This is Leah Lamborn. No  
17 further questions on my end. Thank you.

18 VICE CHAIRMAN BAILEY: Okay. Dr. Cochran, is  
19 there any questions down there that we could address?

20 MEMBER COCHRAN: Sorry. I actually just want to  
21 make a comment. You know, in the past when we had motions on  
22 these issues going back to November and then in the March  
23 meeting, I was, you know, my big concern was holding to  
24 agreements. And it does concern me moving forward that we

1 made a decision in March and now we're coming back, even  
2 though I was opposed to that decision, that we're coming back  
3 again in May and changing that decision, making another  
4 change in a commitment that we had previously made.

5 I don't think it's a good move for us to keep  
6 changing. We need to be able to have these deals done before  
7 they come to the board so that we're not facing a situation  
8 of changing agreements on a month-to-month basis.

9 So, you know, I appreciate getting our costs in  
10 line. I also have a great appreciation for the level of  
11 support that we saw in our public comment today for expanding  
12 the network.

13 So, you know, I'm just not happy that we're  
14 seeing this situation. And I'm not quite sure I know what  
15 the solution would be. But if it's -- if it's been -- if  
16 this is the result of people's backs being against the wall  
17 and finally blinking, this isn't the way I want us to  
18 negotiate our deals going forward.

19 VICE CHAIRMAN BAILEY: Thank you, Doctor.

20 Any other questions? Ana?

21 MEMBER ANDREWS: Ana Andrews for the record.  
22 Damon, I think this question is for you. My recollection is  
23 we made a decision in March to reduce rates or keep them flat  
24 based on all the assumptions that have been presented to the



1 board. And the question I have is -- I think I know the  
2 answer but I'll let you answer it. If we were to proceed  
3 with the Saint Mary's contract, the pilot program, because  
4 it's not a contract, my understanding is a contract is  
5 awarded after a proper bidding process that the state  
6 purchasing division oversees. A pilot program was, my  
7 understanding again, a test of what would happen if we were  
8 to utilize Saint Mary's for a year, six months, whatever.

9 So if hypothetically we were to go ahead with a  
10 pilot program, I know that we would lose the network that  
11 Hometown Health holds right now, which means that the rates  
12 are going to go up. And the rates will not go up just for  
13 that population. The rates will go up across the board. The  
14 high deductible plan, the HMO in the south, and the EPO in  
15 the north. The reason that we decided to keep rates flat was  
16 because after the actuarial numbers were presented to the  
17 board we were able to do that.

18 So the way I see it, we would have to reverse  
19 that decision of keeping rates flat and utilizing that  
20 additional money to increase rates for everybody else. Am I  
21 correct?

22 MR. HAYCOCK: For the record Damon Haycock.  
23 Thank you, Ms. Andrews. There is a couple of things that I'm  
24 going to say a little differently and hopefully this makes

1 sense.

2 First of all, the negotiated agreement that's  
3 currently today between PEBP and Saint Mary's, the mechanism  
4 is a state contract. And so although it doesn't follow the  
5 more traditional request for a proposal solicitation process,  
6 it is still allowable under NRS 333. And in the end, after  
7 the board of examiners approves, if that's the route we move  
8 forward with today, then it becomes an official State of  
9 Nevada contract between our two entities.

10 It is a pilot program, which allowed us to do a  
11 solicitation waiver. But it is still no doubt an official  
12 State of Nevada contract.

13 Now, we were able to not flatten rates for  
14 everybody. We were able to reduce them for everybody. And  
15 some folks very significantly. And so the options that were  
16 presented at the March 22nd board meeting included a we move  
17 forward with these assumptions, we can lower all of these  
18 rates. We move forward with these other assumptions or we  
19 don't use these assumptions, then we were going to recommend  
20 a flat rate, and which is, of course, higher than what we've  
21 published and approved today but still not an increase to  
22 rates moving forward. And that was based off of all the  
23 information that we had at the time. That's based off the  
24 information we did provide our contracted actuaries on all

1 the opportunities and cost-saving activities that were  
2 discussed and approved back in November of last year and  
3 reaffirmed again at that March board meeting.

4 And so the question that I don't think you asked,  
5 but hopefully you'll indulge me a little bit, the rates that  
6 we have approved today, these lowered rates, we are confident  
7 will not be sufficient if Renown significantly increases  
8 rates as a response to the Saint Mary's pilot. And that's  
9 not my words. That's theirs. They have said at Hometown  
10 Health that we have a non-exclusive arrangement that has  
11 predicated lowered rates between Renown and Hometown Health.  
12 And if that non-exclusive -- Excuse me. An exclusive. If  
13 that exclusive arrangement becomes non-exclusive then rates  
14 will increase. I have not seen what those rates will look  
15 like. And, honestly, I haven't seen what they look like  
16 today to see how much they were to increase if they were to  
17 present me numbers, you know, right now. But I have been  
18 told that they would go up and they could go up significantly  
19 even in to the double digits. That was conversations that I  
20 had with negotiating with Hometown Health staff and the  
21 concern that those rates may increase as far as what they  
22 charge to services to PEBP members. And so that provides me  
23 a huge lack of confidence in the rates that we have  
24 recommended and the rates that this board has approved.

1           So, yes, and I know that's a longer answer. But  
2 I wanted to clarify that today we have a current contract  
3 with Hometown Health providers for PPO services in the 14  
4 counties across the state for our consumer driven health  
5 plan.

6           If we do nothing with that contract today, they  
7 have to make a decision if they are going to send us a  
8 termination letter or honor the agreement as was negotiated  
9 back in 2013. If they send us a termination, then we have no  
10 network for two plans. If they don't send us a termination,  
11 they have the ability today with Renown to increase rates for  
12 our services to whatever they want. And as you heard earlier  
13 today that they have the ability to accept or reject our new  
14 plan populations because that wasn't in the original 2013 RFP  
15 so they do not have to take that.

16           Now, our intents and purposes when we recommended  
17 all of these processes back in November was, one, they would  
18 take our population. That's what they said back in November  
19 that they would honor the agreements that we have that, we  
20 would be able to have a place for these folks so they would  
21 experience no disruption of care based on the providers they  
22 seek today in Hometown Health's network, which includes the  
23 Renown system of care.

24           And so at this point what the decision is, as I

1 think you were alluding to, is, is there an opportunity to  
2 lose this network moving forward even if we don't ask them to  
3 take the EPO population, will they issue us a termination  
4 letter? And we don't know.

5 And so today we are looking at potentially having  
6 no network for tens of thousands of people across multiple  
7 plans.

8 And, as I said at the beginning of this  
9 presentation, I find it extremely disappointing and  
10 frustrating, but this is the environment that I think we have  
11 found ourselves in. And without trying to deteriorate the  
12 conversation in to who is good and who is bad, I'm presenting  
13 to you today that with the cost controls that are presented  
14 by Hometown Health and Renown that I believe with only four  
15 days until open enrollment and the reaffirmation of my  
16 understanding and assumptions to the cost controls that in  
17 this very, very imperfect world today this is one of the few  
18 options we have. And with that I'll take any more questions.

19 VICE CHAIRMAN BAILEY: Any other questions? Tom.

20 MEMBER VERDUCCI: Tom Verducci for the record.  
21 So, Damon, let's say we went with that proposal. What would  
22 your thoughts be in terms of getting an RFP issued? Because  
23 I think the problem has been that outside of the RFP we left  
24 ourselves open for this type of an environment and the RFP

1 would allow final last-minute amendments. And it seems like  
2 the process itself is somewhat flawed. And I feel like we're  
3 being held hostage, that we are forced in to making a  
4 situation based upon the lack of competitiveness that should  
5 be part of this program. And I do think the RFP process  
6 would really be the way to go. I do appreciate everyone  
7 coming out here today. And I feel like we've made some  
8 decisions. We've been forced to backtrack on our decisions  
9 without a real -- having any other alternatives is the only  
10 way that we could go. And I just think that we should have  
11 the two hospitals playing fair in the sand box and making it  
12 work for everybody. We're not going to be dumped today  
13 meeting in Carson Tahoe and perhaps Banner. Competitiveness  
14 is what's going to work in this system.

15 I feel like it's too short of a process. We're  
16 forced to make a decision now. It would be nice watching  
17 this play out over several months and, you know, follow the  
18 spirit of SB 502. It's been designed for situations just  
19 like this. And I do feel like if we make a decision today  
20 that we're being forced to make it without the RFP process.  
21 And I wish we could slow the whole process down to make it  
22 work for everybody, all the hospitals involved, the  
23 community, and to avoid a circus show. It should be a little  
24 more of a procedure in place. So that's my thoughts.

1 VICE CHAIRMAN BAILEY: Damon.

2 MR. HAYCOCK: Thank you, Vice Chair. For the  
3 record Damon Haycock. Mr. Verducci, you asked a question and  
4 I want to remind everybody here that the potential for a new  
5 solicitation and that strategic process moving forward is not  
6 an agendized item and I don't want us to run afoul of the  
7 open meeting law. I think that's something we need to be  
8 very cognizant of.

9 However, I will tell you that we have a process  
10 that I think does work very well for that slow, methodical,  
11 strategic planning process, which is our established  
12 strategic planning meeting that we have every year that we  
13 instituted a few years ago. And I will tell you that absent  
14 any board decision today, we are going to be looking very  
15 hard at options and opportunities to continue to improve the  
16 market place for our members. And this summer we will be  
17 meeting again. And I think we're going to be able to come  
18 back and provide you all some additional options.

19 It was never PEBP's intent to look at a pilot  
20 program and make it deteriorate in to this type of a  
21 situation. That was never our intent whatsoever. We have  
22 done pilot programs before and they have not exploded like  
23 this one has. And so we thought that we could try something  
24 out, see how it worked, and then use that to fuel that

1 strategic discussion moving forward.

2 As it is today, we are in a certain circumstance  
3 that I don't envy the board members having to make and I  
4 didn't envy myself when I woke up this morning having to make  
5 these recommendations.

6 But I will say that we are dedicated to putting  
7 the member first. And you heard me carry the torch for  
8 competition and quality. Heck, we even changed our logo and  
9 got accredited just because of those types of things.

10 So we are not done. We just believe at this  
11 point in time we're stuck. But that doesn't mean that we're  
12 stuck forever. And I have -- I feel I have a good  
13 relationship with Saint Mary's. Hopefully I haven't burned  
14 that bridge. And I would like to continue to work with their  
15 leadership to come up with a solution that does make sense  
16 for the members and the patients and the folks within their  
17 system. Because it doesn't mean that a no today is a no  
18 forever. It just means that it's a no today. And I'm not  
19 saying that's the decision that you're going to make. You  
20 know what my recommendation is. But please rest assured that  
21 I have no intention of letting this go.

22 MEMBER VERDUCCI: Thank you, Damon. As a  
23 follow-up, it would really be nice to see what the overall  
24 membership of the program -- I know we have a large group of



1 Saint Mary's people here today. But the folks that are  
2 members of the program, I would be very interested to see how  
3 they would feel if rates were, indeed, to go up how -- if  
4 they would be supportive of having, you know, one provider or  
5 the hospital network.

6 VICE CHAIRMAN BAILEY: Just for the record, Don  
7 Bailey. I have just one short comment. We're always -- We  
8 always -- This board always seems to be up against a wall of  
9 decision making and it's really irritating, so much so as  
10 today was a real shocker too.

11 But I recommend to the chair that we would really  
12 start doing RFP's and all the things that need to be done now  
13 for the next five or six years and stop waiting until two  
14 months before when we're pressed in to a corner making a  
15 decision. And this decision is extremely difficult for us.  
16 And I'm speaking for the whole board now. I can only speak  
17 for myself individually. It's an extremely large decision  
18 for me to sit here and make. I'm torn both ways. I really  
19 feel like I'm in between two mules pulling in opposite  
20 directions. So you need to know that. And just from me.

21 And are there any other questions from the board?  
22 Las Vegas?

23 MEMBER ZACK: Mr. Vice Chair, Christine Zack down  
24 here. Dr. Cochran has to leave in four minutes, so I think

1 we're ready to proceed with a vote.

2 VICE CHAIRMAN BAILEY: All right. If there's no  
3 further questions from the board, we have to call for a  
4 motion. You know what the recommendation is.

5 MEMBER ZACK: Mr. Vice Chair, Christine Zack  
6 again.

7 VICE CHAIRMAN BAILEY: Yes, ma'am.

8 MEMBER ZACK: Beginning again with the call for  
9 Renown and Hometown Health to honor the cost controls offered  
10 today and in the April 16th letter while we continue the  
11 pilot programs, I make a motion to move forward with the  
12 board-approved contracts with Saint Mary's and Carson Tahoe  
13 Health.

14 VICE CHAIRMAN BAILEY: Would you repeat that one  
15 more time just so we totally understand what you're saying.

16 MEMBER ZACK: Yes, of course, Mr. Vice Chair. As  
17 I requested earlier of Renown and Hometown Health, I am again  
18 asking them to honor the cost controls offered in the April  
19 16th letter and today at this meeting but to honor them while  
20 we move forward with the pilot program. And as such I move  
21 that we move forward with the board-approved contracts with  
22 Saint Mary's and Carson Tahoe Health.

23 VICE CHAIRMAN BAILEY: And you're putting that in  
24 a motion?

1 MEMBER ZACK: Yes, sir.

2 VICE CHAIRMAN BAILEY: Thank you. Do we have a  
3 second?

4 MEMBER VERDUCCI: Tom Verducci for the record. I  
5 second the motion.

6 VICE CHAIRMAN BAILEY: We have a motion and a  
7 second. Are there any questions? Call for the vote.

8 MR. HAYCOCK: For the record Damon Haycock. And  
9 I hate to breach protocol. My understanding is that Ms. Zack  
10 has stated a motion and Mr. Verducci has seconded that Renown  
11 and Hometown Health honor a stipulation that they have not  
12 stated publically. And I don't know what happens if they  
13 choose not to. Then we have no way moving forward.

14 If I misstated, Ms. Zack, please accept my most  
15 humble apologies. But if they don't agree to this,  
16 regardless of what the board votes, we cannot force one  
17 provider to accept a negotiated term until they have signed  
18 on that negotiated term. And I apologize. I'm not trying to  
19 halt this. I think it's ultimately the right idea. But I  
20 don't know if we can obligate another vendor in a board move.

21 MEMBER ZACK: Mr. Vice Chair and Mr. Haycock,  
22 Christine Zack for the record. That was the preface to my  
23 motion was the statement calling upon Renown and Hometown  
24 Health to honor the cost controls. The actual motion was to

1 move forward with the board-approved contracts with Saint  
2 Mary's and Carson Tahoe Health.

3 MR. HAYCOCK: For the record Damon Haycock.  
4 Ms. Zack, please accept my humblest apologies. I tied them  
5 together.

6 VICE CHAIRMAN BAILEY: We have a motion, a  
7 second. No questions.

8 CHAIRMAN CATES: I have a comment. This is  
9 Patrick.

10 VICE CHAIRMAN BAILEY: Oh, Patrick, you're up.

11 CHAIRMAN CATES: Hello.

12 VICE CHAIRMAN BAILEY: Yes, sir. Go ahead,  
13 Patrick.

14 CHAIRMAN CATES: Mr. Chair, can you recognize  
15 Patrick?

16 VICE CHAIRMAN BAILEY: Yes.

17 CHAIRMAN CATES: Thank you. I can't support the  
18 motion as much as I would love to. I don't think that we  
19 can, based on everything that we've heard from Hometown  
20 Health and Renown, I don't think we can count on them to  
21 agree with that preface to the motion. And as much as I  
22 would love to support it, I'm very frustrated in the  
23 situation that we find ourselves in. I think the likely  
24 outcome of that is potential chaos for our members stranding

1 the EPO population without any network and would likely  
2 result in significant rate increases for members.

3 And I say that regrettably because I think in  
4 spirit I believe in the motion that was made but I can't  
5 support it because I think it is -- I think it could  
6 potentially create a lot of chaos for the members. And  
7 unfortunately I don't see any option better than the one  
8 proposed by staff. So I can't support the motion.

9 VICE CHAIRMAN BAILEY: Thank you, Mr. Chair. We  
10 do have a motion and a second. We still have to call for the  
11 vote.

12 MEMBER LAMBORN: Vice Chair, this is Leah  
13 Lamborn. I just would like to ditto agreeing with Chair  
14 Cates. I'm very concerned about stranding this new  
15 population and the rates that we have approved going forward.  
16 I think that Renown has shown good faith in their recent  
17 negotiations. I just would like to ask before a vote is made  
18 that if the vote is again going forward and we end up  
19 suspending the contract of Saint Mary's, the pilot project,  
20 that there's nothing that prohibits us from doing this in the  
21 near future, either an RFP or a pilot program. I mean, we're  
22 not locked in to the four years.

23 Damon, can you answer that, please?

24 MR. HAYCOCK: For the record Damon Haycock.

1 Ms. Lamborn, yes, as Chair Cates had stated earlier that all  
2 of the legal research was performed by the purchasing  
3 administrator, by myself, by himself, by the deputy attorney  
4 general and the attorney general's office. And so there's  
5 nothing that precludes us from moving forward in the future  
6 with a -- And I'll use my words -- a more deliberative  
7 approach, a more strategic approach to find a solution to  
8 bring Saint Mary's in to the network for PEBP. This isn't a  
9 one and done, as was stated before.

10 MEMBER LAMBORN: Thank you.

11 VICE CHAIRMAN BAILEY: Any other questions?

12 MEMBER COCHRAN: Mr. Chair, this is Chris  
13 Cochran. And my time is running short on this issue. But,  
14 again, I'm just going to reiterate, I don't like the idea of  
15 changing our decisions after the fact. While I did, as I  
16 mentioned this, I didn't support the original intent back in  
17 March. It was based on honoring agreements. We've made an  
18 agreement. I'm going to stick with the other agreements and  
19 move forward with this. Thank you.

20 VICE CHAIRMAN BAILEY: Thank you, sir.

21 MEMBER COCHRAN: Mr. Chair, can we call the  
22 question?

23 VICE CHAIRMAN BAILEY: Yes. Call for the vote.

24 MR. HAYCOCK: Mr. Chair, can we do a roll call

1 vote, please? This is Damon Haycock. Mr. Chair, just  
2 because we have people on the phone and people in Vegas, may  
3 we do a roll call vote? It would be easy to count the ayes  
4 and the nays.

5 VICE CHAIRMAN BAILEY: Roll call.

6 MR. HAYCOCK: Ana Andrews.

7 MEMBER ANDREWS: Nay.

8 MR. HAYCOCK: Don Bailey.

9 VICE CHAIRMAN BAILEY: Nay.

10 MR. HAYCOCK: Patrick Cates.

11 CHAIRMAN CATES: Nay.

12 MR. HAYCOCK: Chris Cochran.

13 MEMBER COCHRAN: Aye.

14 MR. HAYCOCK: Linda Fox.

15 MEMBER FOX: No.

16 MR. HAYCOCK: Leah Lamborn.

17 MEMBER LAMBORN: Nay.

18 MR. HAYCOCK: Glenn Shippey.

19 MEMBER SHIPPEY: Nay.

20 MR. HAYCOCK: Tom Verducci.

21 MEMBER VERDUCCI: Aye.

22 MR. HAYCOCK: Christine Zack.

23 MEMBER ZACK: Aye.

24 MR. HAYCOCK: And John Packham.

1 MEMBER PACKHAM: Nay.

2 MR. HAYCOCK: And the nays have it, Mr. Vice  
3 Chair.

4 VICE CHAIRMAN BAILEY: Are there any  
5 additional -- That motion fails. So do we have another  
6 motion on the floor from the board? Las Vegas.

7 MEMBER COCHRAN: Mr. Chair.

8 VICE CHAIRMAN BAILEY: Yes, sir.

9 MEMBER COCHRAN: I would like to make a motion  
10 that we move forward with the recommendation of staff.

11 VICE CHAIRMAN BAILEY: Do we have a second to  
12 that motion?

13 MEMBER SHIPPEY: Glenn Shippey --

14 CHAIRMAN CATES: I'll second that motion.

15 VICE CHAIRMAN BAILEY: Patrick, thank you. Roll  
16 call vote.

17 MR. HAYCOCK: Ana Andrews.

18 MEMBER ANDREWS: Aye.

19 MR. HAYCOCK: Don Bailey.

20 VICE CHAIRMAN BAILEY: Aye.

21 MR. HAYCOCK: Patrick Cates.

22 CHAIRMAN CATES: Aye.

23 MR. HAYCOCK: Chris Cochran.

24 MEMBER COCHRAN: Aye.



1 MR. HAYCOCK: Linda Fox.

2 MEMBER FOX: Aye.

3 MR. HAYCOCK: Leah Lamborn.

4 MEMBER LAMBORN: Aye.

5 MR. HAYCOCK: Glenn Shippey.

6 MEMBER SHIPPEY: Aye.

7 MR. HAYCOCK: Tom Verducci.

8 MEMBER VERDUCCI: Aye.

9 MR. HAYCOCK: Christine Zack.

10 MEMBER ZACK: Nay.

11 MR. HAYCOCK: John Packham.

12 MEMBER PACKHAM: Aye.

13 MR. HAYCOCK: The ayes have it.

14 VICE CHAIRMAN BAILEY: Motion passes.

15 Now we're moving along to -- All right. Public  
16 comment.

17 MEMBER COCHRAN: Mr. Chair.

18 VICE CHAIRMAN BAILEY: Yes.

19 MEMBER COCHRAN: I don't know if you caught my  
20 comment before. Because of a prior engagement I will have to  
21 leave and will not be able to stay for the public comment.

22 VICE CHAIRMAN BAILEY: All right. Thank you,  
23 sir. Thanks for being here.

24 MS. BOWEN: My name and words for the record

1 Peggy, P-e-g-g-y, Lear, L-e-a-r, Bowen, B-o-w-e-n. Thank you  
2 for your courage. Thank you for your hard work. And thank  
3 you for creating a situation that truly represents the needs  
4 of the board and thank you for your transparency for all that  
5 you have done.

6           There were two comments at a previous board  
7 meeting that I didn't have time to make, so I would just like  
8 to add those to everything you've ever heard. Comment  
9 number, make sure that all of the records that are involved  
10 in what you are doing -- I'm sorry. That all records are  
11 kept open in public, that we look for in the new contract to  
12 include not just north and south but rural and try to include  
13 Churchill Hospital. The hospitals in northern Nevada or in  
14 our area, unlike the south, who have many choices, please  
15 include all, northern Nevada, Churchill. Down in Tonopah  
16 there's one hospital there. Work to negotiate. And please,  
17 please, please empower Mr. Damon Haycock to negotiate and get  
18 the biggest bang for the bucks. And do not include in any  
19 contract or anything else state purchasing. Because  
20 negotiations do not -- are not allowed. You have to go with  
21 this department is going to pay, this department is going to  
22 pay. And we're important enough to have our own voice. And  
23 Mr. Haycock be the negotiator of that voice. So all of this  
24 that we've been doing comes to fruition that we don't have to

1 wait for some board to agree what they're going to pay  
2 somebody who is, no offense, it's at the prison or somebody  
3 who is in parks and recreation. PEBP needs to be independent  
4 in that fashion. We need to maintain our independence and we  
5 need to go forward to the legislature and absolutely show  
6 what good we have done and that we exist for a reason. You  
7 are our voice. Please do not allow our voice to be silenced.  
8 Maintain and advocate for your existence.

9           And that thing about the governor, it's time  
10 that -- I'm sorry. Brian Sandoval is a friend of mine, has  
11 been for decades. But I need to tell you on this one he's  
12 been wrong. On this one he's wrong because maybe he might  
13 not be getting the best advice possible. And maybe advice is  
14 being provided by those who have been in control in the past  
15 who want to maintain their control.

16           And what I am saying to you is, Mr. Cates, I love  
17 you dearly. This was originally all your put forward piece.  
18 And I have to say that we need you as our representative and  
19 liaison to the governor's office to be that liaison for the  
20 governor and not the maker of the motion. That's Peggy Lear  
21 Bowen's opinion. I could be way off base.

22           I love you all. And have a beautiful, beautiful  
23 spring. And go have fun this afternoon. We get out early.  
24 Thank you.

1           MR. HEIGHT: For the record Mike Height. In  
2 talking many state employees and many employees that have  
3 been retired, I would like -- I've talked to them about your  
4 strategic plan, the three steps that you have. And I would  
5 like to propose that you make out a fourth and that it be for  
6 non-exclusivity. I think with market competition you saw  
7 today that it has a purpose, it has a place.

8           And I think, Tom, your comment about it seems  
9 like we're rushing for it and it seems like it's in a hurry,  
10 realize that I've had 32 years with the state and I've had  
11 one choice. I'm running out of time to get another choice.  
12 That's one of the reasons people are rushing so hard for it.

13           But I agree with that new RFP you have the  
14 ability to put in your requirements and your requirements  
15 should be for non-exclusivity. Thank you.

16           VICE CHAIRMAN BAILEY: Thank you, sir.

17           Any other comments?

18           MS. BOWEN: I missed my one -- I had one more  
19 that I missed. May I please say it? Thank you for your  
20 kindness.

21           VICE CHAIRMAN BAILEY: One minute.

22           MS. BOWEN: I don't even need a minute. I'm  
23 sorry. I just keep stepping on that poor lady's foot.

24           I am told by our attorney general representative,

1 Dennis Belcourt, who works very hard and is spread way too  
2 thin, this board I would hope would revisit the concept of  
3 the board having from the attorney general's office an  
4 attorney to deal with the largest contract that the state  
5 has, that you revisit and have your attorney so this man is  
6 not trying to prepare for this meeting, this meeting, and  
7 this meeting and trying to keep up. I believe we are a state  
8 now that all the things that go on and the cases that come up  
9 that this board should have its own attorney or at least have  
10 Mr. Belcourt -- Thank you, Dennis -- Mr. Belcourt be assigned  
11 by the attorney general's office to be our attorney, let me  
12 tell you, at no additional cost. All of these insurance  
13 companies have attorneys to make sure what they're doing is  
14 correct. Every one that's come before you is representing  
15 groups who want our business have attorneys by the ying-yang.  
16 And their attorneys can work with our liaison from the  
17 attorney general's office. And so no new expense. This  
18 board needs good, constant, continuous, day-to-day legal  
19 advice to deal with what comes up. And that was the last  
20 thing that I forgot. Again, thank you.

21 VICE CHAIRMAN BAILEY: All right. This meeting  
22 is adjourned.

23 CHAIRMAN CATES: Mr. Vice Chairman.

24 VICE CHAIRMAN BAILEY: Yes, sir.

1                   CHAIRMAN CATES: I don't normally make comments  
2 during public comment, but I want to just respond so the  
3 record is clear to Ms. Bowen's comments regarding Governor  
4 Sandoval. I just want to say I work for Governor Sandoval.  
5 I can tell you in my tenure on this board I have never  
6 received any instruction from the governor as to how we  
7 should vote on any issue. I think that he wants the board to  
8 conduct their business as they see fit for the benefit of the  
9 members in accordance with the law. And never have I  
10 received instructions on how to vote. I just want that on  
11 the record. Thank you.

12                   VICE CHAIRMAN BAILEY: Thank you, sir. I didn't  
13 mean to overlook you. Now the meeting is adjourned.

14                   (Hearing concluded at 11:14 A.M.)  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

1 STATE OF NEVADA            )  
  )ss.  
2 CARSON CITY                )

3  
4                I, CHRISTY Y. JOYCE, Official Court Reporter for  
5 the State of Nevada, Public Employees' Benefits Program  
6 Board, do hereby certify:

7                That on Friday, the 27th day of April, 2018, I was  
8 present at Richard H. Bryan Building, 901 South Stewart  
9 Street, Carson City, Nevada, for the purpose of reporting in  
10 verbatim stenotype notes the within-entitled public meeting;

11                That the foregoing transcript, consisting of pages  
12 1 through 102, inclusive, includes a full, true and correct  
13 transcription of my stenotype notes of said public meeting.

14  
15                Dated at Reno, Nevada, this 9th day of May, 2018.  
16  
17  
18

---

CHRISTY Y. JOYCE, CCR  
Nevada CCR #625