

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

The Legislative Building
401 South Carson Street, Room #1214
Carson City NV 89701

Video conferenced to:

The Grant Sawyer State Office Building
555 East Washington Avenue, Room #4401
Las Vegas NV 89101

ACTION MINUTES (Subject to Board Approval)

May 24, 2018

**MEMBERS PRESENT
IN CARSON CITY:**

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

**MEMBERS PRESENT
IN LAS VEGAS:**

Ms. Linda Fox, Member
Ms. Christine Zack, Member
Mr. Chris Cochran, Member

FOR THE BOARD:

Mr. Dennis Belcourt, Deputy Attorney General

FOR STAFF:

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

1. Open Meeting: Roll Call

Chair Cates opened the meeting at 9:02 a.m.

2. Public Comment

Public Comment in Carson City:

- Peggy Lear Bowen - Retiree Participant (See Exhibit A for comments)

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

Chair Cates announced that Chris Cochran and Ana Andrews will be retiring from the PEBP Board, this will be their last meeting.

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

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

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

4.1. Approval of Action Minutes from the April 27, 2018 PEBP Board Meeting.

4.2. Acceptance of Health Claim Auditors' quarterly audit findings for HealthSCOPE Benefits for the timeframe of January 1, 2018 – March 31, 2018.

Member Ana Andrews requested the spelling of her first name in the April 27, 2018 Action Minutes be corrected from Anna to Ana.

Board Action on Item 4 -

MOTION: Motion to approve the Action Minutes from the April 27, 2018 with corrected spelling of Ana and to approve the audit report.

BY: Member Tom Verducci

SECOND: Member Leah Lamborn

VOTE: Unanimous; the motion carried.

5. Discussion and possible action regarding the framework for development of the Agency Budget Request for the 2020-2021 Biennium. (Celestena Glover, Chief Financial Officer) (**For Possible Action**)

Public Comment on Item 5 -

Public Comment in Carson City:

- Peggy Lear Bowen - Retiree Participant (See Exhibit A for comments)
- Kent Ervin - Nevada Faculty Alliance
- Marlene Lockard - Retired Public Employees of Nevada (RPEN)

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

Board Action on Item 5 -

MOTION: Motion to approve the framework for development of the Agency Budget Request for the 2020-2021 Biennium and eliminate the references to the HR working group.

BY: Member Christine Zack

SECOND: Member Ana Andrews

VOTE: Unanimous; the motion carried.

6. Discussion and possible action on the development of a strategy for employee and retiree choice for healthcare providers on both PEBP's Consumer Driven Health Plan (CDHP) and Exclusive Provider Organization (EPO) Plan. (Damon Haycock, Executive Officer) (**For Possible Action**)

Public Comment on Item 6 -

Public Comment in Carson City:

- Peggy Lear Bowen - Retiree Participant (See Exhibit A for comments)
- Ruth Hart - Retiree Participant
- Marlene Lockard - Retired Public Employees of Nevada (RPEN)
- Priscilla Maloney - Representative of AFSCME retirees
- Ty Windfeldt - Hometown Health - Provided PEBP with notice of termination regarding the Hometown Health PPO Network agreement effective June 30, 2019.

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

Member Tom Verducci suggested a member survey to better understand the wants and needs of the participants. Damon Haycock amended his recommendation to include a member survey.

Board Action on Item 6 -

MOTION: Motion to accept staff recommendation with the addition on item number one that we add that the RFI would be issued in conjunction with the membership survey.

BY: Member Tom Verducci

SECOND: Vice Chair Don Bailey

VOTE: Unanimous; the motion carried.

7. Discussion and possible action on a 3-year contract extension (through 2023) opportunity with The Standard for voluntary life insurance and short term disability insurance. (Cari Eaton, Contract Manager) **(For Possible Action)**

Board Action on Item 7 -

MOTION: Motion to approve the three year contract extension through 2023 with The Standard for voluntary life insurance and short term disability insurance.

BY: Member Christine Zack

SECOND: Member Leah Lamborn

VOTE: Unanimous; the motion carried.

8. Executive Officer Report. (Damon Haycock, Executive Officer) (Information/Discussion)

9. Public Comment

Public Comment in Carson City:

- Peggy Lear Bowen - Retiree Participant (See Exhibit A for comments)
- Marlene Lockard - Retired Public Employees of Nevada (RPEN)

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

10. Adjournment

Chair Cates adjourned the meeting at 11:49 a.m.

Exhibit A

These remarks are presented as transcribed by Capitol Reporters.

AGENDA ITEM 2 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: Good morning, my name and words for the record, Peggy, P-E-G-G-Y, Lear, L-E-A-R, Bowen, B-O-W-E-N last name. My public comment is regards to insurance benefit and NDRFP that might be going out soon. And I would like very much for you to take into consideration the section that it relates to mammograms. And the reason I'm concerned of that is the mammogram of norm now is the 3D mammogram. And I had mine done last week and everything is good. But the thing that's being pointed out to the providers, technicians and things of mammograms is people have not been getting their mammograms because they can't afford the 20 percent or anything else on the secondary mammogram. And I note that I encourage you to vote for a second mammogram. Well, I've used the incorrect term. I asked what -- okay. My 3D mammogram, which is the mammogram of norm now, is -- is what happens if the doctor has more questions. And so they have a variety -- depending on what question the doctor has, they have a variety of things that they do including an ultrasound mammogram, which is something different -- totally different and they have a diagnostic mammogram, things like that. So I'd appreciate in your RFPs if you would include language that says and the follow-up tests that are deemed necessary by the doctor, not by you but by the doctor be included because there's such a variety and that there be note that it too be covered at a hundred percent. Because our people are not getting -- in the past they didn't get their mammograms because they couldn't afford the 20 percent. They now have other things that are even more extensive and probably more expensive. And so I would appreciate when you work on the mammogram benefit that you include that the original 3D mammogram or 2D mammogram, whichever they have. But all of Northern Nevada now the standard mammogram is 3D. I checked that. And -- and put it so that if there's follow-up needed that the follow-up is covered at a hundred percent instead of this back and forth type of -- type of situation. And I would appreciate you doing that for -- for the mammogram. Thank you very much.

AGENDA ITEM 5 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: My name and words for the record, P-E-G-G-Y, Lear, L-E-A-R, Bowen, B-O-W-E-N. And I'm also requesting that you include in your budget considerations that the decreased amount to cover the concern I voiced about mammograms so that the money is there to do that and that you main -- try and maintain what's been acted upon and then worked with by the PEBP board in how we receive our monies now. And that -- that you take the monies that have been in the past turned back over to the State in regarding the reserves and -- and that the amount of reserves are growing as we speak and that you put the money to the best use to the benefits of the members rather than to hold them in as much reserve as that you have had in the past. Because you have your emergency funds, you have your -- your catastrophic funds. And those are all being covered in the budgets that you're suggesting. And that -- that your reserves not be held to the point that it is impacting the premiums that individuals are having to pay out of pocket. And that the monies that are being paid out of pocket instead of being reversed back to the Nevada State legislature go back to the members. If you have -- if you go over your reserve limits so that

we have people paying less for their amounts and that their deductibles and copays for those who have that type of insurance are -- are less. And that -- that your actives -- and most importantly that you put into plan that your active members right now have insurance that -- that the -- the goal seems to have been to make sure that there were no retiree insurance by -- by 2020 for -- for the actives now and that they are not covered. So they work for the State of Nevada until they're 65 or whatever. There's nothing to encourage people to come to a state that underpays their employees if they don't at least have good insurance benefits. That was an attraction before. That -- that okay, we're underpaid, but at least we're going to take care of you insurance wise in retirement. And I think that this -- this activity that has been directed by previous executive directors who believe that no person for the State of Nevada should be -- the State of Nevada should be in the retiree insurance business that that course of action be reversed. And that we do take care of our workers who put in 25, 30, 35 years of service that they have at least insurance after retirement. And -- and I think it's incumbent upon you all to make that suggestion in your -- in your -- what you're seeking before the legislature this next go around. We need to stop the former executive director Jim Wells and Randy Kirner with the insurance program that they put in place to do away with covering insurance for retirees to put a stop to it and say Nevada cares, they have done their service and this is one benefit that should follow them. They shouldn't be uninsurable when they -- when they retire. No one should be uninsurable when they retire for the State of Nevada and serve them well. And so I hope that you work in what you're doing and how you go about writing the legislation and again covering the coverage for mammograms. Thank you very, very much.

AGENDA ITEM 6 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: My name and words for the record is Peggy, P-E-G-G-Y, Lear, L-E-A-R, Bowen, B-O-W-E-N. Two areas that I wish to comment. One is in discussion about the attorney. There is no need for you all to set up a payment plan or outside attorney plan and since --THE CHAIRMAN: That was the last agenda item. We're on Agenda Item Number 6, provider choice strategy. MS. BOWEN: Oh, provider's choice strategy -- THE CHAIRMAN: Yes. MS. BOWEN: -- is that -- that -- thank you very much for that clarification. Provider choice strategy is that you do support proper bids and proper so that -- that we do not feel that we're being held hostage by one insurance group that was created -- the changes in insurance was created in 2011, that this Board work with -- going out with a new RFP and making sure the insurance companies represent what the members need in terms of benefits and payments. And that -- that it be done so in an open public process because it was discovered that what turned out to be maybe some dissatisfaction and promises were thought to be made and not made and it's necessary now that we have insurance groups that represent us that truly state for of the record what it is they do and that the concern is that if -- if we went into a process that included other hospitals and other things and -- and the insurance company that we now have was to terminate the doctors that they have purchased, literally they've gone out and purchased the pulmonary groups, the other groups, the cardiology groups and so forth and so on, and tried to force that they were the only providers and that if you didn't stick with them as an insurance group that you could no longer access those doctors. And it was thought that we could always -- while we're negotiating and taking care of things that we continue to be able to use the physicians that we're now using. And I have to tell you there's only one pulmonary group in Northern Nevada as such that handles those things. And

Renown has now purchased that group as part of their -- as part of their base, and I'm going to use the word monopoly base, of purchasing care groups so that if you don't go with them as an insurance group then you also don't get to have those doctors. And -- and part of what you were doing with competition was opening up access and -- and affordability. That was the whole purpose. And -- and what we found out during the interim is all of a sudden doctors were saying they couldn't see us anymore because they were part of the group that exists and not available anymore to us as in Northern Nevada. You cut our availability of doctors -- what I'm getting from my doctors is I've now been bought up by the Renown group or -- or the Hometown Health group and therefore, if you're not part of that group I can no longer provide you services. And so it's -- it's a roundabout way of forcing us to stick with an insurance company just to keep our providers. THE CHAIRMAN: If you could please wrap up. MS. BOWEN: Yes. So if you would work very hard to either incorporate in your agreements and what you do, that those providers are available during the time that we are doing negotiations or whatever else. People are being told no more doctors in -- in areas of cardiology and areas of pulmonology and things like that. So please watch over us in those areas and work with these people to get an interim agreement pertaining to access to health care for -- for us. And that would be probably statewide, at least in Northern Nevada it's very true. THE CHAIRMAN: Thank you. MS. BOWEN: Thank you.

AGENDA ITEM 9 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: My name and words for the record, Peggy, P-E-G-G-Y, L-E-A-R, B-O-W-E-N. And I only want to comment about two things. You talked about technology and all that you want to accomplish in the future. And to be part of that you need to upgrade the wiring and the plugs in your Richard Bryan building. They cannot handle -- it's like getting a new refrigerator or new washing machine and you go to plug it in and you blow your fuses. They're constantly having to trip -- it keeps blowing out the building when you have things working at the same time. Your building is not up to standard to handle the new electronics and things that you want to have to conduct all these services that are involved. Another comment or observation, when it comes to an attorney for this group, I would suggest that you use the model that the Gaming Control Board uses, that you don't have to worry about private pay or anything else, you simply ask that within the Attorney General's Office that an attorney like the Gaming Control Board has their attorney who's constantly available for the Gaming Control Board and that's their job. That's their assignment within the Attorney General's Office of the State of Nevada. The Attorney General's Office pays the benefits, the Attorney General's Office covers the hours and there's inner billing, however you want to work it out. But I do not think that you need an outside attorney. When it comes to your matter of actuarial, you had comments made in previous meetings that the insurance companies who are providing their -- their -- their plan to qualify to be our insurance carrier, they have actuarials who are already doing all of that work. And that work is a can and should be made available to you so you don't need your own actuarial at the time because the insurance companies are not going to make an offer to you that actuarials for that company haven't already fine tooth combed. And so taking on expenses that are already being covered, that -- that wheel doesn't need to be reinvented. And I strongly recommend that you utilize the monies available to you and through the legislature and those sources that -- that they be utilized for the members for benefits and -- and re-establishing the benefits that we have had in the past as a benefit and -- and to maintain and go forward with additional benefits that the

members are asking for. And it when it comes to a wellness or -- that's a bad word, but a program to find out the State of Nevada's health, which was part of what the wellness program is, has been they weren't anti-wellness. They needed money in the last legislative session to literally -- or the last session to literally try and offset the tremendous costs that were being incurred by the retirees and their benefits and the nongovernmental retirees. The orphans as I called them during the legislature. And that's when wellness money went away, it wasn't dissatisfaction for the program except for it was way too cumbersome in what they were having. It was very, very simple, you know, the wellness program was to be considered that it be one -- that -- that didn't have all these hoops in place, the wellness -- to qualify for your \$200 stipend, I'm sorry, I'm concussed and posttraumatic stress are entering in a little bit. In order to qualify for that \$200 benefit for paying for your insurance and reducing your premiums, that way simply have them meet this criteria that they go to their eye doctor once for at least once a year and get their exam, that they go to their -- and for their annual physical and get their exam and that they fill out -- Damon. Please help me on this one. There were four areas, that they went to their exam, they went to their dental exam, their eye exam, their physical, and -- and -- and there was a fourth one and it had to do only with the -- the filling out the paperwork here that they applied for or notified you that they had done that. And they're already pre-notified by the fact that the insurance company has been asked to cover that as a hundred percent covered benefit and that there were no additional paperworks, exams or playing through hoops, that you simply meet the requirements, dental exam, eye exam, physical exam, and -- and that you guys are already on notice. So nobody needs to interact with the insurance company. That nobody needs to interact with anyone else but simply follow what you have put in place that is available for the hundred percent covered benefit. And again, that anything to do with the mammogram, the initial one and the follow-up for it, that it also be covered at a hundred percent. Thank you very much