

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

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

**Video conferenced to:**

Nevada State Business Center 3300 West Sahara Avenue,  
Tahoe Room, Suite 430  
Las Vegas, Nevada 89102

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

November 29, 2018

**MEMBERS PRESENT**

**IN CARSON CITY:**

Mr. Patrick Cates, Board Chair  
Ms. Linda Fox, Member  
Ms. Leah Lamborn, Member  
Mr. John Packham, Member  
Mr. Glenn Shippey, Member  
Mr. Tom Verducci, Member  
Ms. Christine Zack, Member

**FOR THE BOARD:**

Ms. Brandee Mooneyhan, 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

**MEMBERS EXCUSED:**

Mr. Don Bailey, Vice Chair  
Ms. Jennifer Bonilla, Member

1. Open Meeting: Roll Call  
Chair Patrick Cates opened the meeting at 8:34 a.m.
2. Public Comment  
Public Comment in Carson City:
  - Jeremy Gladstone – PEBP Member
  - Jack Childress – Active State of Nevada EmployeePublic Comment in Las Vegas:
  - There was no public comment in Las Vegas.
3. PEBP Board disclosures for applicable Board meeting agenda items. (Brandee Mooneyhan, 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 the Action Minutes from the September 27, 2018 PEBP Board Meeting.
  - 4.2. Receipt of the Casey, Neilon & Associates Audited Financial Statements of PEBP for Fiscal Year 2018.

**BOARD ACTION ON ITEM 4 -**

**MOTION:** Motion to approve agenda Item number four.

**BY:** Member Linda Fox

**SECOND:** Member Christine Zack

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

5. Health Claim Auditors, Inc. quarterly audit of HealthSCOPE Benefits for the timeframe July 1, 2018 – September 30, 2018: (1) Report from Health Claim Auditors; (2) HealthSCOPE Benefits response to audit report; and (3) for possible action to accept audit report findings and assess penalties, if applicable, in accordance with the performance guarantees included in the contract pursuant to the recommendation of Health Claim Auditors. (**For Possible Action**)

**BOARD ACTION ON ITEM 5 -**

**MOTION:** Assess penalties at the \$5,335 figure rather than the recommended amount.

**BY:** Member Christine Zack

**SECOND:** No Second

**MOTION:** Motion to accept audit report and assess the penalty in the amount of \$34,164.

**BY:** Member Tom Verducci

**SECOND:** Member Leah Lamborn

**IN FAVOR:** Chair Patrick Cates, Member Linda Fox, Member Leah Lamborn, Member John Packham, Member Glenn Shippey, Member Tom Verducci

**OPPOSED:** Member Christine Zack

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

6. Health Claim Auditors, Inc. annual audit of Willis Towers Watson's OneExchange for the timeframe July 1, 2017 – June 30, 2018: (1) Report from Health Claim Auditors; (2) Willis Towers Watson's response to audit report; and (3) for possible action to accept audit report findings and assess penalties, if applicable, in accordance with the performance guarantees included in the contract pursuant to the recommendation of Health Claim Auditors. (**For Possible Action**)

**BOARD ACTION ON ITEM 6 -**

**MOTION:** Motion to accept the audit report and assess the penalty in the amount of \$15,282.

**BY:** Member Leah Lamborn

**SECOND:** Member Linda Fox

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

7. Presentation on PEBP's Fiscal Year 2020/2021 Agency Request Budget. (Information/Discussion) (Celestena Glover, Chief Financial Officer)
8. Executive Officer Report. (Damon Haycock, Executive Officer) (Information/Discussion)
9. Discussion and possible action regarding Plan Year 2020 through 2021 Preferred Provider Organization (PPO) network options and the potential to (1) continue the current contract with Hometown Health Providers through 2021 or (2) issue a no-fault contract termination and join the State on a solicitation for PPO networks. (Damon Haycock, Executive Officer) (**For Possible Action**)

**PUBLIC COMMENT ON 9 -**

Public Comment in Carson City:

- Nick Stosic - Active State of Nevada Employee
- Jeremy Gladstone – PEBP Member
- Chris King – Vice President Saint Mary's Medical Group

- Kent Ervin - Nevada Faculty Alliance
- Keven Ranft – Representative of AFSCME Local 4041
- Priscilla Maloney - Representative of AFSCME retirees
- Marlene Lockard - Retired Public Employees of Nevada (RPEN)
- Peggy Lear Bowen - Retiree Participant (See Exhibit A for comments)
- Alen Smith – Chief Financial Officer Saint Mary's Network

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

**BOARD ACTION ON ITEM 9 –**

**MOTION:** Motion to accept option 1

**BY:** Member Linda Fox

**SECOND:** Member Glenn Shippey

**IN FAVOR:** Member Linda Fox, Member Leah Lamborn, Member John Packham, Member Glenn Shippey, Member Tom Verducci

**OPPOSED:** Chair Patrick Cates, Member Christine Zack

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

10. Discussion and possible action regarding the Morneau Shepell Voluntary Benefits Platform and benefit selection for Plan Year 2020 offerings to members on the Consumer Driven Health Plan (CDHP), PEBP Premier Plan (EPO), southern Nevada Health Maintenance Organization plan (HPN), and Via Benefits (Medicare Exchange). Proposed benefits and providers include, but not limited to:

- Accident, Critical Illness, and Hospital Indemnity (Aflac, Allstate, MetLife, Reliance, The Standard);
- Identification (ID) Theft Protection (ID Watchdog, InfoArmor);
- Legal Plan Provisions (Nationwide LegalEASE, Hyatt Legal);
- Automobile, Home, and Renters Insurance (MetLife, Liberty Mutual, Travelers);
- Pet Insurance (ASPCA, Nationwide);
- Vision Plan Services (VSP)

(Laura Rich, Operations Officer) (**For Possible Action**)

**BOARD ACTION ON ITEM 10 –**

**MOTION:** Motion to accept staff's recommendation to approve all five items as outlined in the summary plus the auto, home and renters insurance.

**BY:** Member Tom Verducci

**SECOND:** Member Leah Lamborn

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

11. Discussion and possible action regarding proposed plan design changes for Plan Year 2020 (July 1, 2019 – June 30, 2020), including but not limited to the following:

- Possible disallowing pharmacy patient assistance programs (manufacturers' coupons, etc.) from applying to the CDHP individual/family deductibles and out-of-pocket maximums;
- Possible implementation of mandatory narrow pharmacy network for 90-day prescriptions;
- Possible implementation of a patient safety program managed by PEBP's pharmacy benefits manager;
- Possible additional cost containment activities;
- Possible increases and requirements to CDHP HSA/HRA enhanced employer contributions;
- Possible requirement for Medicare exchange participants to pay for their HRA administration fees and life insurance premiums;
- Possible elimination of the \$25 copay for annual vision exams.
- Possible increases to the dental benefit maximums of the CDHP, EPO, HMO, and Medicare Exchange participants.
- Possible implementation of a pilot nutrition program in southern Nevada.
- Possible increase to Medicare Part B credits to retirees on the CDHP, EPO, and HMO plans;
- Possible plan design changes to the HMO/EPO copays for primary care, specialist visits, emergency room visits, generic drugs, and specialty drug coinsurance;
- Additional benefit design inclusions/exclusions/alterations to meet projected budget needs.

(Damon Haycock, Executive Officer) (All Items for Possible Action)

**PUBLIC COMMENT ON ITEM 11 -**

Public Comment in Carson City:

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

Public Comment in Las Vegas:

- There was no public comment in Las Vegas.

**BOARD ACTION ON ITEM 11 –**

**MOTION:** Motion to approve PEBP's recommendations on items 1, 2, 3, 5, 6, 7, 8, 9 and table item 4.

**BY:** Member Leah Lamborn

**SECOND:** Member Linda Fox

**IN FAVOR:** Chair Patrick Cates, Member Linda Fox, Member Leah Lamborn, Member John Packham, Member Tom Verducci, Member Christine Zack

**OPPOSED:** Member Glenn Shippey

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

## 12. 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.

## 13. Adjournment

Chair Cates adjourned the meeting at 3:12 p.m.

# Exhibit A

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

AGENDA ITEM 9 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: MS. BOWEN: My name and words for the record -- My name and words for the record, P-e-g-g-y, Peggy, space, Lear, L-e-a-r, space, Bowen, B-o-w-e-n. To say that I feel like déjà vu has occurred once again is absolutely the -- what's going on as far as the RFP going out and exactly what occurred and occurred and occurred and occurred. What we have found is in the past workshops have been held, which is the hole in the open meeting law that has occurred. And when it's called a workshop, it doesn't have to be open to the public. And therefore lots of decisions are made and not necessarily all insurance companies are invited to participate in talking about this process. The public is not invited to at least witness it. It's not open to public scrutiny. It's not transparent. And we end up with the same routine of extending the contract an extending it and extending it. And the cost increase that you had indicated today would have been what they would have gotten in rate increases otherwise. So that cost savings did not exist. What did exist though during this whole process is the absolute shutdown of access to doctors now. And the doctors who Hometown Health -- Renown. I'm sorry. Renown has gone out and bought practices in northern Nevada, literally bought practices. And when you only have, like, one pulmonary group as such available to go to for -- that I've been going to for years and many others, if they aren't part of during this process of wait and see, I would just thank God that Renown bought my pulmonary practice so that I could still see my doctors at that time. What was happening is my appointment was on a particular day and Renown purchased them three days earlier so that I could go to see my same doctors that I've been seeing to keep me alive. And if they hadn't purchased it, I would have been up the wall, up the creek, for having m pulmonary doctor who's followed me since , when I experienced an accident, up the creek. Because the process is in hold. And I don't know if you knew that, that people who are waiting for this to be done and continuing on with the idea if they aren't with Renown you can't go see them. I don't know if you know Northern Nevada Hospital, which hasn't been mentioned today, has become a sole hospital now and so they need to be included in your

AGENDA ITEM 11 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: I'll do my best. Peggy Lear Bowen, P-e-g-g-y, space, L-e-a-r, space, B-o-w-e-n. My name and my words for the record. We're now getting to a new era of insurance by the State of Nevada and it's called virtual insurance. Virtual insurance means go see your eye doctor and they tell you what you need, but you don't cover the things that you need to have covered like contacts or whatever work done. If you were told by the nurse that you're required to call or the on line doctor and follow all the procedures you have set up and the nurse tells you to go urgent care, urgent care -- where there's a charge -- Every one of these things there are charges. Nurse tells you to go to urgent care. Urgent care tells you to got to the hospital and to the ER and you pray to God that when you get to the hospital at the ER that they will determine that what you have was an emergency. Then when you get there and you have your emergency and you need something because of that emergency, then let's get to the RX's and this pre-approval routine and things being denied because they weren't pre-authorized, like an EpiPen. And you've heard the EpiPen story before. And what happens is CVS pharmacy is owned by Renown or vice versa. I



don't care who owns them. They're all one basket there. And they tell you that you get there too late. You aren't eight to five on the weekday in the emergency when you have your incident when you need an EpiPen. And, therefore, their hospital pharmacy, CVS pharmacy, is closed there. The only pharmacy that's open at : o'clock at night happens to be Walgreen's, but you can't go there, because if you go to Walgreen's you need pre-authorization from the emergency room for your drugs. And they give you pre-authorization as long as they've checked what kind of insurance you have and you have to wait until CVS pharmacy opens at : o'clock the next morning. And so here you are, you've been stung by a wasp years ago, allergic reaction, they rip my blouse open and put adrenaline directly in to my heart. And now they tell me I cannot get an EpiPen because the hospital pharmacy is closed because I don't have pre-authorization to use the pharmacy other than the hospital pharmacy and sit there and wait literally until : o'clock in the morning for a pre-authorization to get an EpiPen at a pharmacy where they tell me to go that didn't have the EpiPen, the only one that might have been open. Walgreen's is open hours. I used to respect and think highly of the insurance program that you all -- that was provided to us as serving the State of Nevada. That was one of the reasons for in lieu of salary. That needs to be taken care of. This virtual care. What do you really provide me at the dentist? You say you need to go and have your annual check-up. I could meet requirements and not have to do computer virtual anything. You get a doctor's charge when I go to the dentist. You get a doctor's charge when I go for my annual check-up. Have on your form for the annual check-up a check-off that, yes, this came for an annual check-up and, by the way, she swallowed a cap and we need to take care of that too. But at least have on your form report. And, finally -- And I'm doing this as quick as I can -- with the vision of your -- provide more than just going to the doctor and tell them what you need. Have some products or some results to meet the needs of what is discovered when you're there. And quit playing -- Don't call it insurance. Call it paying for doctors to do their annual visits and telling people that will they have to charge -- (Meeting was interrupted by a recording) MS. BOWEN: Have you pressed pound or star? MR. HAYCOCK: Sorry, Peggy. MS. BOWEN: So the important thing for me to talk to you is get back to real insurance. And, finally, your workshops that you're holding, because you call them a workshop, it's a loophole in the attorney general's open meeting law where you don't have to have the insurance companies all present. CHAIRMAN CATES: Can we stick to the topic? MS. BOWEN: Yeah. Sticking to topic. CHAIRMAN CATES: We'll have public comment at the end. MS. BOWEN: Thank you very much. Please make our insurance the good insurance it was because it was in lieu of salary. Please get us back where we can -- We don't go to the emergency room because we can't afford the percent or the whatever and raising the amounts. You're making it don't go. And they hang in until they finally have to go to the emergency room. Please get it back so we can see doctors and dentists and all the rest. Thank you very much. And thank you for that extra time.

#### AGENDA ITEM 12 - PUBLIC COMMENT FROM MS. BOWEN:

MS. BOWEN: My name and words for the record, Peggy, P-e-g-g-y, Lear, L-e-a-r, space, Bowen, B-o-w-e-n. Space between Peggy and Lear. My public comments just changed dramatically. There are bills being drafted or have been drafted and have been submitted for the upcoming legislative session to literally undo what was done in . There are bills that have been -- (A recording interrupts the meeting) MR. HAYCOCK: Keep going. UNIDENTIFIED SPEAKER: I don't know why it's doing that. MS. BOWEN: It likes the sound of my voice stopping. This is not part of my time? CHAIRMAN CATES: No, no. MS. BOWEN: Thank you.

I just wanted to double-check. As far as what you've been doing with the cost of the retirees, you're not granting them anything. Marlene was quite correct in doing catch up and getting back benefits. When forced out and sold because the State of Nevada -- And it's not been part of today's record how much they made by selling the retirees that they forced out who were on Medicare to be bought up by a Utah company across state lines which was quite substantial where those funds went. The taking of people's monies in their programs and making it so difficult that they couldn't get their monies back out. The process was to the point and they said if you didn't do it within a certain amount of time you were messed up. You couldn't get your monies back. And very few people applied because they just don't even realize that they left a package of money behind. They just felt abandoned by this state. And this state is better than that. This state needs to take back its program, its insurance program, and they need to get on board with that and they need to be the state they used to. They didn't pay as well but they at least gave us good benefits for insurance. Your pharmaceutical program, you have this caveat of pre-approved in order to get a drug that is necessary such as an EpiPen. You've heard that story. And people dying because it hasn't been approved. It's not just the EpiPen. It's any one of those types of drugs in your pre-approval process or denial later for pre-approval, denial for paying doctor benefits if it's an ongoing process and it takes more than a year to resolve what's going on and denial because of lack of timeliness. This insurance program has made itself so it's self sufficient and bagging a lot of money for the state and that's just the way it's been set up since it was designed in to make it so that's it not an insurance company for the people anymore. It's an insurance company for the state. And benefits have been drastically reduced and you've heard that. And what they did in the dental program was unconscionable. When I had a benefit to go to the dentist and I had a thousand dollar benefit that I didn't have a dollar that had to be paid and I had to meet all my deductibles, which is almost \$, worth of deductibles, before I could get things in place because they were co-dependent on each other. And, Damon, I want to thank you for taking care of them not being co-dependent as much anymore. But you shouldn't have to pay \$, of total deductibles in premiums and whatever else is required before you can utilize what's supposedly available to you as a benefit. The people are using emergency rooms because they can't afford to go to their doctors anymore. They can't afford the specialist fees. They can't afford having a \$, deductible. Not the ones that we hear about here. But add them all together and you have to meet all of them before you get to the one that you need to deal with in your medical or your dental or your vision or whatever. And maybe I threw in one I shouldn't have. But it's the time and it's a concussion and post-traumatic stress and heat stroke that have occurred since the last time since I've seen you. And so if I feel -- if I come across as a little convoluted, I apologize. But I don't apologize for what on the surface looks like a good deal. And that Doctor on Demand thing, having to utilize a computer, you promised, promised to try and get the computer out of it so that people can at least get their benefits. Well, my last sentence, and I promise to make it a last sentence and I apologize again. No, I don't. My last sentence is you know if we're getting our physical. That's one criteria. You know if we're getting our visual exam. That's the second criteria. You know if we've had our blood work. That's the third criteria. And what was the fourth one? Dental, vision, and physical and blood work. That was the four. And I think I heard you throw in a fifth one at the end, but I'm not sure what exactly that was. But my point is you are billed by our doctors and our dentists and all of these people. You know we're getting those exams. We shouldn't have to do a Doctor on Demand full with computer and lose our benefits. And I'll tell you what the unforeseen result is. If you seem to think we're not doing our job and that maybe we don't exist, then PERS has already made it a point that if you

don't think we exist and we haven't proven to you exists by all of this other -- by being the Doctor on Demand using the computer that they will stop sending our PERS check if we can't prove they exist by what's going on. They're taking it from you in a report that was submitted by Mr. Haycock that included the Doctor on Demand requirement. And Ms. Leah Lamborn said to accept Damon's report as presented and it was, which automatically kicked in the computer requirement for the little old lady in Pahrump or out in Timbuktu who doesn't get in her car, who doesn't drive to all of these, and the expenses that people are having to pay. The nurse --

CHAIRMAN CATES: I've got to really ask you to finish up. I gave you double time. MS.

BOWEN: Thank you very much. Ask us how much we pay to use your insurance plan and just driving and just getting to the doctors that are recognized by Renown? And that CVS pharmacy, that's incestuous. Renown owns it all or CVS owns it all. Whatever. And they're making it so it's unusable. That's why you're not having use. Thank you.