



UNLV Employee Benefits Advisory Committee
4505 South Maryland Parkway
Las Vegas, NV 89154

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Nevada Public Employee Benefits Program
901 South Stewart St, Suite 1001
Carson City, NV 89701
Laura Freed Board Chair and Members of the Board

The UNLV Benefits Advisory Committee would like to encourage increased competition for health insurance providers for public employees in Nevada. Health plans are classified in metals Bronze, Silver, Gold, and Platinum. Nevada does not have a Platinum option. We understand past solicitations have resulted in the currently selected Health Maintenance Organization (HMO) in the South, the Exclusive Provider Organization in the North, and the decision to create the Consumer Driven Health Plan (CDHP) and eliminate the low deductible Preferred Provider Organization (PPO) based on the evaluation criteria at that time.

In light of the COVID-19 pandemic, we understand a discussion is evolving to increase rates for public employees. We support Laura Rich's efforts to reduce the current reserves to mitigate rate increases to participants, and we ask the Board to consider working with the state to create a request for information (RFI) to compare our current health insurance products with others in the free market. Potential vendors could

include United Health Care, Aetna, Cigna, Humana, Anthem, CVS Health, Health Care Services Corporation, Blue Cross Blue Shield, Molina Healthcare, Highmark, Presbyterian, and Kaiser Permanente. Given the current rate increases being proposed across all three plan options, we feel the time is now optimum to reconsider health plan providers for Nevada State employees.

Providing exclusive contracts to vendors based on the lowest bid in the past has resulted in companies increasing prices to the Public Employee Benefits Plan (PEBP) for services provided after the first contract year completes. We think this is a shameful practice, and want to see fair market rates being charged. We do not want to see a single vendor awarded an exclusive contract, especially when the bid undercuts the competition, in order to win the opportunity to provide services to public employees. Creating an RFI will help PEBP understand if increases to current rates are needed, or if we could award contracts to third party vendors to maintain or increase our current benefits at the current rates.

If the RFI yields information the Board believes would result in benefits to state employees in the form of maintaining our current health coverage at our current rates, then a request for proposal (RFP) could be created to award contracts to multiple vendors. The RFP would contain weighted criteria, in order for price not to be the sole deciding factor. We would ask that selected representatives of Nevada State Employees, who have a vested interest in selecting benefit plans that meet our collective needs, be included in any evaluation process. While we understand price

needs to be evaluated, it should not be the sole factor in determining the selected vendors.

Having multiple vendors compete for the opportunity to provide insurance to Nevada employees through an HMO, Exclusive Provider Organization (EPO), Low Deductible PPO, or Consumer Driven Health Plan (CDHP) is vital to protect state employees' health benefits. We appreciate that PEBP offers an HMO, an EPO in the North, and CDHP plans whose claims are managed by Healthscope. There is not a low deductible PPO health plan as an option for Nevada public employees.

Northern Nevada Plan Options

Exclusive Provider Organization	Traditional Health Maintenance Organization	Low Deductible Preferred Provider Organization	Consumer Driven Health Plan
YES	NO	NO	YES

Southern Nevada Plan Options

Exclusive Provider Organization	Traditional Health Maintenance Organization	Low Deductible Preferred Provider Organization	Consumer Driven Health Plan
No	YES	NO	YES

We understand why PEBP created the EPO for the Northern Nevada population, and we understand why PEBP opted to implement a CDHP in both the North and the South during the last recession. Competition is good and we believe there should be an EPO in the North and the South, if the EPO can out compete the market. We believe PEBP should continue the CDHP plan, so long as they can provide competitive benefits the market cannot provide.

The EPO and CDHP plans managed by PEBP provide competition for traditional HMO and low Deductible PPO plans to help ensure Nevadans are receiving the best possible health care at the most competitive price. Allowing the selection from among of multiple vendors will encourage traditional healthcare companies' to structure plans to entice participants to enroll.

We ask the Board and the Executive Officer of PEBP to:

1. Create an RFI to evaluate HMO, CDHP, PPO, and EPO plans to ensure Nevadans are being provided the best healthcare at the most competitive prices for the North, South, and the entire state.
2. Hire a second actuarial firm to evaluate the current accounting methods. AON has consistently provided information the Board has used to make inaccurate predictions. Having a second recommendation will aid the Board to make more accurate predictions.

State employees deserve to understand the true cost of healthcare. While PEBP may have a small competitive advantage in providing the CDHP and EPO plans because PEBP does not pay the premium tax, we believe the consideration of using other providers, and an external actuarial review, would encourages traditional healthcare providers to put their best foot forward in order to maintain the best services and prices for enrollees.

Sincerely,

UNLV Employee Benefits Advisory Committee