



STEVE SISOLAK
Governor

LAURA FREED
Board Chair



STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
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LAURA RICH
Executive Officer

MEETING NOTICE AND AGENDA

Name of Organization: Public Employees' Benefits Program Board

Date and Time of Meeting: April 9, 2020 10:00 a.m.

Toll free Call In: **1-844-721-7243**

Access Code: **9989024**

Pursuant to the provisions of Nevada Governor Steve Sisolak's March 12, 2020, Declaration of Emergency, and Directive 006 thereto issued on March 22, 2020, this meeting will be held by teleconference only. Members of the public are invited to participate by using the call-in number provided above. Board members and staff will also be participating in this meeting by telephone only.

Members of the public who wish to make public comment must indicate their desire to do so at the initiation of the call when the operator answers. Any members of the public who prefer to send their public comments in writing, can do so by emailing to wlunz@peb.nv.gov at least two business days prior to the meeting.

Meeting materials can be accessed here: <https://pebp.state.nv.us/meetings-events/board-meetings/>

AGENDA

1. Open Meeting; Roll Call
2. Public Comment

Public comment will be taken during this agenda item. No action may be taken on any matter raised under this item unless the matter is included on a future agenda as an item on which action may be taken. Public comments to the Board will be taken under advisement but will not be answered during the meeting. Comments may be limited to three minutes per person at the discretion of the chairperson. Additional three minute comment periods may be allowed on individual agenda items at the discretion of the chairperson. These additional comment periods shall be limited to comments relevant to the agenda item under consideration by the Board. As noted above, members of the public may make public comment by using the call-in number provided above. Persons unable to attend the meeting by telephone and persons whose comments may extend past the three minute time limit may submit their public comment in writing to PEBP Attn: Wendi Lunz 901 S. Stewart St, Suite 1001 Carson City

NV 89701, Fax: (775) 684-7028 or wlunz@peb.state.nv.us at least two business days prior to the meeting. Persons making public comment need to state and spell their name for the record at the beginning of their testimony.

3. PEBP Board disclosures for applicable Board meeting agenda items. (Brandee Mooneyhan, Deputy Attorney General) (Information/Discussion)
4. Discussion and possible action to include the approval of Plan Year 2021 (July 1, 2020 – June 30, 2021) rates for state and non-state employees, retirees and dependents for the statewide Consumer Driven Health Plan (CDHP), the Southern Nevada Health Maintenance Organization (HMO) plan and the Northern and rural Exclusive Provider Organization (EPO) plan. (Laura Rich, Executive Officer) (**For Possible Action**)
5. Public Comment
Public comment will be taken during this agenda item. Comments may be limited to three minutes per person at the discretion of the chairperson. Persons making public comment need to state and spell their name for the record at the beginning of their testimony.
6. Adjournment

<p>The supporting material to this agenda, also known as the Board Packet, is available, at no charge, on the PEBP website at www.pebp.state.nv.us/meetings-events/board-/meetings (under the Board Meeting date referenced above).</p>
<p>An item raised during a report or public comment may be discussed but may not be deliberated or acted upon unless it is on the agenda as an action item.</p>
<p>All times are approximate. The Board reserves the right to take items in a different order or to combine two or more agenda items for consideration to accomplish business in the most efficient manner. The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.</p>
<p>We are pleased to make reasonable efforts to assist and accommodate persons with physical disabilities who wish to participate in the meeting. If special arrangements for the meeting are necessary, please notify the PEBP in writing, at 901 South Stewart Street, Suite 1001, Carson City, NV 89701, or call Wendi Lunz at (775) 684-7020 or (800) 326-5496, as soon as possible so that reasonable efforts can be made to accommodate the request.</p>
<p>Copies of both the PEBP Meeting Action Minutes and Meeting Transcripts, if such transcripts are prepared, are available for inspection, at no charge, at the PEBP Office, 901 South Stewart Street, Suite 1001, Carson City, Nevada, 89701 or on the PEBP website at www.pebp.state.nv.us. For additional information, contact Wendi Lunz at (775) 684-7020 or (800) 326-5496.</p>
<p>Notice of this meeting was posted on or before 9:00 a.m. on the third working day before the meeting on the PEBP website at www.pebp.state.nv.us, and also posted to the public notice website for meetings at https://notice.nv.gov. In addition, the agenda was mailed to groups and individuals as requested.</p>

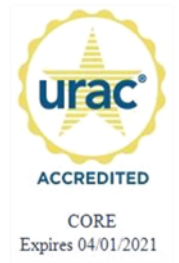


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LAURA RICH
Executive Officer

AGENDA ITEM

Action Item

Information Only

Date: April 9, 2020

Item Number: IV

Title: Proposed Plan Year 2021 Rates

REPORT

RATE DEVELOPMENT

Rate development, in its very basic form, is a three-step process that uses a variety of assumptions, projections and variables. Actuaries develop proposed rates based on the plans' medical, pharmacy and dental utilization as well as unit costs and any external impacts which may have significant effects on the cost of health care. The following is a very simplified, high level explanation of how PEBP develops rates:

Step 1: Experience + Projected Trend = Base rates

Aon develops base rate cards by analyzing claims experience and projecting trend. Typically, Aon uses claims experience through January of the current year. Updated population, projected enrollment, contract savings and any new plan design features are also factored into the Aon analysis. The Base Rate is essentially what Aon believes it will cost per member to cover claims in the upcoming year according to actuarial modeling.

Step 2: Base Rates + Administrative Costs = Overall Rates

Once Aon presents base rate cards, PEBP adds what is referred to as the Admin load. These are administrative costs associated with running the program. This includes operating costs as well as HSA/HRA funding. The sum of these two is considered the Overall Rate.

Step 3: Overall Rates - Employer Contributions = Member Share

The member share is a simple math formula and is derived from deducting the employer contributions (state subsidy) from the overall rate. The remaining amount is what PEBP must

charge the member in order to cover the overall costs of the program. It is important to note that the state subsidy is approved by the legislature during each legislative session and therefore cannot be increased/decreased during the off year. This means that any increases in overall rates during the off years must be borne 100% by the members.

One additional piece of the rate development process is the tiers of coverage. Currently, the tiers of coverage are not developed using an actuarial methodology. Instead, the following board approved policy (established in July 2011) is applied:

Participant only = \$X
 Participant + Spouse = \$2X
 Participant + Children = \$X+\$Y
 Participant + Family = \$2X+\$Y

X= Average cost of an adult
 Y= Average composite cost of children

Option #1 being presented in the rate section of this report uses a different tiering structure that applies a more accurate determination of costs across all tiers and determines the actual cost that should be applied to each tier to cover a dependent child or spouse.

RATE AND EMPLOYER CONTRIBUTION HISTORY (CDHP)

As illustrated in the tables below, premiums for Employee only on the CDHP have hovered in the low to mid \$40 range since the inception of the plan. In an effort to curb the continuous buildup of excess reserves, rates were aggressively cut in PY 2019 and PY 2020. Since then PEBP has experienced higher trend with insufficient employer contributions to cover the increased trend. As a result, excess reserves are depleted and rate increases are now necessary to cover the program costs. As you can see from Table 1, the rate increases presented at the March 31, 2020 Board meeting would be reasonable had the rates in PY 2019/2020 held flat.

Table 1 Rate and Trend History

State Active Employees	PY 2011	PY 2012	PY 2013	PY 2014	PY 2015	PY 2016	PY 2017	PY 2018	PY 2019	PY2020
Employee only	\$ 43.73	\$ 43.90	\$ 44.93	\$ 44.93	\$ 39.26	\$ 41.91	\$ 41.91	\$ 41.91	\$ 31.73	\$ 30.95
E + Spouse	\$ 278.84	\$ 198.40	\$ 206.96	\$ 206.96	\$ 156.45	\$ 171.50	\$ 171.50	\$ 171.50	\$ 156.04	\$ 160.01
E + Children	\$ 81.53	\$ 91.71	\$ 96.31	\$ 96.31	\$ 86.08	\$ 92.72	\$ 92.72	\$ 92.72	\$ 82.41	\$ 82.97
E + Family	\$ 195.14	\$ 246.23	\$ 258.34	\$ 258.34	\$ 203.05	\$ 222.08	\$ 222.09	\$ 222.09	\$ 206.72	\$ 212.02
State Retirees Non-Medicare										
Retiree only	\$ 217.71	\$ 220.70	\$ 227.28	\$ 227.28	\$ 195.81	\$ 209.08	\$ 209.08	\$ 209.08	\$ 199.56	\$ 203.33
E + Spouse	\$ 722.01	\$ 539.93	\$ 557.49	\$ 557.49	\$ 438.89	\$ 477.86	\$ 477.86	\$ 477.86	\$ 470.33	\$ 482.10
R + Children	\$ 298.79	\$ 319.49	\$ 329.08	\$ 329.08	\$ 289.85	\$ 312.59	\$ 312.59	\$ 312.60	\$ 309.96	\$ 315.68
R + Family	\$ 542.49	\$ 638.76	\$ 662.41	\$ 662.41	\$ 535.54	\$ 582.77	\$ 582.78	\$ 582.78	\$ 580.72	\$ 594.45
Unsub Spouse	\$ 603.74	\$ 609.68	\$ 631.32	\$ 631.40	\$ 543.91	\$ 580.78	\$ 580.78	\$ 581.78	\$ 562.26	\$ 598.03
Unsub Spouse + Children	\$ 744.85	\$ 785.45	\$ 813.12	\$ 813.20	\$ 711.84	\$ 765.62	\$ 765.62	\$ 771.82	\$ 761.19	\$ 806.09
Total Incurred Claims	\$184,577,543	\$120,319,253	\$117,649,252	\$125,521,940	\$149,933,573	\$156,138,893	\$162,845,234	\$175,520,194	\$193,594,781	
Total Medical Enrollment	281,157	210,307	208,595	212,965	228,305	244,354	256,841	264,879	271,488	
Total Claims Pre Rebate	\$656.49	\$572.11	\$564.01	\$589.40	\$656.72	\$638.99	\$634.03	\$662.64	\$713.09	
PEPM Trend Exclude Rebates	-	-12.9%	-1.4%	4.5%	11.4%	-2.7%	-0.8%	4.5%	7.6%	
State Rx Rebates	\$ 3,104,438	\$2,177,824	\$366,528	\$631,340	\$446,957	\$824,045	\$2,511,302	\$6,669,652	\$9,299,150	
PEPM Trend Net of Rebates	-	-13.0%	0.1%	4.3%	11.7%	-2.9%	-1.8%	2.1%	6.5%	

Table 2 Employer Contribution History

State Active Employees	PY 2011	PY 2012	PY 2013	PY 2014	PY 2015	PY 2016	PY 2017	PY 2018	PY 2019	PY 2020
Employee Only	\$ 580.93	\$ 565.78	\$ 596.86	\$ 596.94	\$ 521.54	\$ 556.78	\$ 556.78	\$ 557.38	\$ 547.52	\$ 603.99
Employee + Spouse	\$ 1,223.52	\$ 979.29	\$ 1,034.96	\$ 1,035.04	\$ 838.42	\$ 907.15	\$ 907.16	\$ 915.88	\$ 911.13	\$ 1,004.24
Employee + Child(ren)	\$ 684.24	\$ 693.74	\$ 735.79	\$ 735.87	\$ 648.15	\$ 694.16	\$ 694.16	\$ 700.45	\$ 695.77	\$ 764.62
Employee + Family	\$ 994.78	\$ 1,107.32	\$ 1,173.87	\$ 1,173.95	\$ 964.41	\$ 1,043.92	\$ 1,043.92	\$ 1,058.94	\$ 1,059.37	\$ 1,164.88
State Retirees Non-Medicare										
Retiree only	\$ 392.27	\$ 388.98	\$ 404.04	\$ 404.12	\$ 348.10	\$ 371.70	\$ 371.70	\$ 372.70	\$ 362.70	\$ 405.73
Retiree + Spouse	\$ 765.67	\$ 637.76	\$ 663.49	\$ 663.57	\$ 539.09	\$ 582.88	\$ 582.89	\$ 589.51	\$ 579.85	\$ 651.21
Retiree + Child(ren)	\$ 452.30	\$ 465.96	\$ 484.04	\$ 484.12	\$ 421.99	\$ 453.03	\$ 453.03	\$ 459.22	\$ 451.23	\$ 504.25
Retiree + Family	\$ 632.75	\$ 714.79	\$ 745.93	\$ 746.01	\$ 615.03	\$ 665.32	\$ 665.32	\$ 676.03	\$ 668.38	\$ 749.74
Surviving/Unsubsidized Spo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surviving/Unsubsidized Spo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REQUIRED RESERVE POLICY CONSIDERATIONS

PEBP has three categories of required reserves: Incurred But Not Paid (IBNP), Catastrophic and HRA reserves. The IBNP reserve is used as a provision for claims that have been incurred but have not yet been reported. This is necessary since providers have up to a year to submit a claim to PEBP. Catastrophic reserves are intended to protect from unforeseen events or large increases in claims that have not been factored into actuarial forecasts. The HRA reserve is necessary to cover reimbursements for HRA claims and must be funded at 100%.

At the November 21st Board meeting, Aon presented information regarding PEBP’s IBNP and Catastrophic Reserves indicating that, in comparison to other state/public entities, PEBP’s required reserves are set very conservatively and offered possible approaches for PEBP consideration.

At the March 31, 2020 Board meeting, two separate reserve policy considerations were presented in an effort to release approximately \$8.5M. The option to move from a very conservative 25% to a more standard 10% IBNP margin load would release \$7.04M and making a modest change from 62 days to a 60-day Catastrophic reserve level releases \$1.4M in additional funds. Because excess reserves are projected to be exhausted, this one-time release of funds will be used to cover a shortfall in the state retiree insurance costs and non-state employee’s insurance costs categories and a possible “cushion” moving into PY21. Given the unknown impact of COVID-19, PEBP believes this is an appropriate use of these funds.

PEBP strongly discourages using required reserves to mitigate the rate increases for the following reasons:

1. This is a one-time funding source that will not likely exist or be available next year. By artificially lowering rates (offsetting the rate increases), it will inevitably lead to a much bigger impact on rates next year. Members will be forced to bear the shock of two years of rate increases all at once and the only mechanism to lessen the blow will be to reduce benefits.

2. The purpose of required reserves is to ensure the plan is fiscally solvent and that the plan is able to cover unforeseen costs. Using reserves to lower rates may be perceived as a fiduciarily irresponsible move and could result in unintended consequences.
3. The impact of COVID-19 is unknown at this time. Not only is there a strong possibility that this pandemic could result in increased claims, but the economic impact on the state will surely have downstream effects on PEBP.
4. State agencies have been asked to make significant budget cuts. Artificially softening rates at a time of economic crisis is in contradiction to this directive.

RATE OPTIONS

At the March 31, 2020 Board meeting, the Board requested that Aon apply updated plan experience through March 2020 and update overall rates accordingly. The additional two months of plan experience was not favorable, which resulted in higher overall rates than what was originally presented.

Base Rates - Comparing PY21 over PY20

	Medical/Rx	Dental	Total Change
State CDHP	11.0%	0.2%	10.2%
State EPO	14.2%	0.2%	13.5%
State HPN	7.0%	0.2%	6.6%
Non-State CDHP	-17.1%	1.2%	-16.5%
Non-State EPO	-1.0%	1.2%	-0.9%
Non-State HPN	7.0%	1.2%	6.7%

For overall rates, PEBP prepared five options for the board to vote on.

Option 1: Using updated claims experience, this option re-tiers CDHP overall rates closer to actual cost relativities between employee, spouse, and child from current 1/1.87/1.37/2.24 (EE Only/EE+SP/EE+CH/EE+F) to 1/2.15/1.38/2.53. Similarly, re-tier EPO/HMO overall rates from current 1/1.95/1.47/2.42 (EE Only/EE+SP/EE+CH/EE+F) to 1/2.24/1.56/2.8. The subsidy percentage changes lessen the amount given to those covering spouses on the plan for the benefit of employee only and single parent coverage levels. Overall rates and employee premiums under this scenario are shown below:

Overall Rates - Before Contributions and Premiums

State Employees		
Tier	CDHP	EPO/HMO
Employee Only	615.06	823.05
Employee + Spouse	1,322.37	1,843.63
Employee + Child(ren)	848.78	1,287.07
Employee + Family	1,556.09	2,307.65

State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	595.32	819.78
Employee + Spouse	1,279.94	1,836.31
Employee + Child(ren)	821.54	1,281.96
Employee + Family	1,506.16	2,298.48

Non-State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	1,019.12	811.65
Employee + Spouse	1,975.50	1,603.69
Employee + Child(ren)	1,874.88	1,278.14
Employee + Family	2,831.26	2,070.18

Premiums

State Active Employees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% EE Pays
Employee Only	30.95	40.15	9.20	7%	137.47	139.79	2.32	17%
Employee + Spouse	160.01	258.79	98.78	20%	415.95	676.06	260.11	37%
Employee + Child(ren)	82.97	78.78	-4.19	9%	275.84	360.53	84.69	28%
Employee + Family	212.02	291.29	79.26	19%	554.32	896.81	342.49	39%

State and Non-State Retirees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	203.33	208.23	4.90	2%	362.56	389.33	26.77	7%
Employee + Spouse	482.10	623.53	141.44	29%	859.32	1,151.99	292.67	34%
Employee + Child(ren)	315.68	327.56	11.88	4%	609.39	723.99	114.60	19%
Employee + Family	594.45	742.86	148.41	25%	1,106.15	1,486.64	380.49	34%

Option 2: This option uses the board approved tiering ratios using updated claims experience. Option 2 is essentially an updated version of the rates presented on March 31, 2020 using the most current claims experience.

Overall Rates – Before Contributions and Premiums

State Employees		
Tier	CDHP	EPO/HMO
Employee Only	646.81	876.70
Employee + Spouse	1,211.45	1,712.08
Employee + Child(ren)	884.03	1,288.12
Employee + Family	1,448.67	2,123.50

State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	625.78	854.99
Employee + Spouse	1,190.42	1,690.37
Employee + Child(ren)	863.00	1,266.41
Employee + Family	1,427.64	2,101.79

Non-State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	1,024.03	812.32
Employee + Spouse	1,986.90	1,605.03
Employee + Child(ren)	1,663.43	1,260.75
Employee + Family	2,626.30	2,053.46

Premiums

State Active Employees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	30.95	52.15	21.20	68%	137.47	175.89	38.42	28%
Employee + Spouse	160.01	210.61	50.60	32%	415.95	510.58	94.63	23%
Employee + Child(ren)	82.97	118.73	35.76	43%	275.84	340.72	64.88	24%
Employee + Family	212.02	277.18	65.16	31%	554.32	675.40	121.08	22%

State and Non-State Retirees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	203.33	232.06	28.73	14%	362.56	419.66	57.10	16%
Employee + Spouse	482.10	554.38	72.28	15%	859.32	996.77	137.45	16%
Employee + Child(ren)	315.68	367.48	51.79	16%	609.39	703.89	94.50	16%
Employee + Family	594.45	689.80	95.34	16%	1,106.15	1,281.00	174.85	16%

Option 3: This option re-tiers the rates to equalize CDHP and EPO/HMO State Active employee premium percent increases by tier.

Overall Rates – Before Contributions and Premiums

State Employees		
Tier	CDHP	EPO/HMO
Employee Only	638.60	871.86
Employee + Spouse	1,228.00	1,719.07
Employee + Child(ren)	883.10	1,290.63
Employee + Family	1,472.50	2,137.84

State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	627.31	855.12
Employee + Spouse	1,189.88	1,688.57
Employee + Child(ren)	858.18	1,268.10
Employee + Family	1,420.75	2,101.55

Non-State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	1,024.03	812.32
Employee + Spouse	1,986.90	1,605.03
Employee + Child(ren)	1,663.43	1,260.75
Employee + Family	2,626.30	2,053.46

Premiums

State Active Employees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
Tier	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	30.95	43.94	12.99	42%	137.47	171.05	33.58	24%
Employee + Spouse	160.01	227.16	67.15	42%	415.95	517.57	101.62	24%
Employee + Child(ren)	82.97	117.80	34.82	42%	275.84	343.23	67.39	24%
Employee + Family	212.02	301.01	88.99	42%	554.32	689.74	135.42	24%

State and Non-State Retirees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
Tier	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	203.33	233.59	30.26	15%	362.56	419.79	57.23	16%
Employee + Spouse	482.10	553.84	71.74	15%	859.32	994.97	135.65	16%
Employee + Child(ren)	315.68	362.66	46.98	15%	609.39	705.58	96.19	16%
Employee + Family	594.45	682.91	88.46	15%	1,106.15	1,280.76	174.61	16%

Option 4: Using \$3.5M one-time reserve release to mitigate rate increases and equalize CDHP and EPO/HMO State Active employee premium increases by tier. **Note: using reserves to buy down rates will escalate future rate increases.**

Overall Rates - Before Contributions and Premiums

State Employees		
Tier	CDHP	EPO/HMO
Employee Only	632.62	865.29
Employee + Spouse	1,213.80	1,705.92
Employee + Child(ren)	873.88	1,280.75
Employee + Family	1,455.06	2,121.39

State Retirees

Tier	CDHP	EPO/HMO
Employee Only	619.76	847.44
Employee + Spouse	1,177.96	1,674.59
Employee + Child(ren)	848.94	1,257.28
Employee + Family	1,407.14	2,084.43

Non-State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	1,015.03	803.32
Employee + Spouse	1,977.90	1,596.03
Employee + Child(ren)	1,654.43	1,251.75
Employee + Family	2,617.30	2,044.46

Premiums

State Active Employees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	30.95	40.83	9.88	32%	137.47	164.32	26.85	20%
Employee + Spouse	160.01	211.04	51.03	32%	415.95	497.18	81.23	20%
Employee + Child(ren)	82.97	109.43	26.46	32%	275.84	329.70	53.86	20%
Employee + Family	212.02	279.64	67.62	32%	554.32	662.57	108.25	20%

State and Non-State Retirees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	203.33	227.77	24.44	12%	362.56	411.30	48.74	13%
Employee + Spouse	482.10	540.05	57.95	12%	859.32	974.85	115.53	13%
Employee + Child(ren)	315.68	353.63	37.95	12%	609.39	691.32	81.93	13%
Employee + Family	594.45	665.91	71.45	12%	1,106.15	1,254.87	148.72	13%

Option 5: Using \$2.3M one-time reserve release to mitigate rate increases and equalize CDHP and EPO/HMO State Active employee premium increases by tier. **Note: using reserves to buy down rates will escalate future rate increases.**

Overall Rates – Before Contributions and Premiums

State Employees		
Tier	CDHP	EPO/HMO
Employee Only	634.67	867.54
Employee + Spouse	1,218.66	1,710.42
Employee + Child(ren)	877.05	1,284.14
Employee + Family	1,461.03	2,127.02

State Retirees		
Tier	CDHP	EPO/HMO

Employee Only	622.35	850.08
Employee + Spouse	1,182.04	1,679.37
Employee + Child(ren)	852.10	1,260.99
Employee + Family	1,411.79	2,090.28

Non-State Retirees		
Tier	CDHP	EPO/HMO
Employee Only	1,018.12	806.41
Employee + Spouse	1,980.99	1,599.12
Employee + Child(ren)	1,657.52	1,254.84
Employee + Family	2,620.39	2,047.55

Premiums

State Active Employees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	30.95	41.89	10.94	35%	137.47	166.63	29.16	21%
Employee + Spouse	160.01	216.56	56.56	35%	415.95	504.17	88.22	21%
Employee + Child(ren)	82.97	112.30	29.33	35%	275.84	334.35	58.51	21%
Employee + Family	212.02	286.97	74.95	35%	554.32	671.89	117.57	21%

State and Non-State Retirees	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan				PEBP EPO and HPN HMO			
	PY20	PY21	Change	% Change	PY20	PY21	Change	% Change
Employee Only	203.33	229.76	26.43	13%	362.56	414.21	51.65	14%
Employee + Spouse	482.10	544.77	62.67	13%	859.32	981.75	122.43	14%
Employee + Child(ren)	315.68	356.72	41.04	13%	609.39	696.21	86.82	14%
Employee + Family	594.45	671.73	77.28	13%	1,106.15	1,263.74	157.59	14%

PEBP Recommendation:

1. Approve changing the IBNP margin load from 25% to 10%, releasing \$7.04M
2. Approve lowering the catastrophic reserve level from 62 days on hand to 60 days on hand, releasing \$1.4M.
3. Approve Option 1. This option applies a more accurate subsidization methodology between the tiers and does not require the use of reserves to reduce rates.